



UNLOCKING VALUE IN BOTSWANA'S ECONOMY

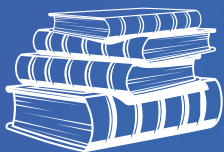
ANNUAL REPORT

2021 / 22



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CIPA HISTORY

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.

CIPA QUICK FACTS

We register Companies
and Business Names.

ABOUT CIPA

01



ABOUT CIPA

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

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

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

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.

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.

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.

Botswana is represented by CIPA at the World Intellectual Property Organisation (WIPO), African Regional Intellectual Property Organisation (ARIPO), as well as the Corporate Registers Forum (CRF).



OFFICES & CONTACTS

GABORONE

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(+267) 6800912
P/ Bag 107 Maun

SEROWE

Plot 16148 CAS Centre Building
(+267) 4630322
PO Box 3992 Serowe

CIPA QUICK FACTS

We aim to combat Copyright Infringement and piracy in Botswana.

VISION, MISSION & VALUES





MISSION, VISION & VALUES



OUR VISION

A world-class Business and IP Registration Authority, contributing to unlocking value in Botswana's economy.



OUR MISSION

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

OUR VALUES



CUSTOMER FOCUS:

We continuously seek to understand our internal and external customer needs and focus on satisfying them. We put the client first in all decisions that we make.



INNOVATION:

We encourage a culture of creativity and continuous improvement at all levels of our organization, an environment for creating new ways of providing services and improving our processes to meet the ever-changing needs of our clients.



INTEGRITY:

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



EFFICIENCY:

We promise to always deliver superior service with speed, accuracy and quality that will satisfy our customers.



CIPA QUICK FACTS

CIPA is a Parastatal under the Ministry of Trade and Industry.

BOARD OF DIRECTORS

OF

BOARD OF DIRECTORS



Mr Martinus P. Seboni
Board Chairman



Mr Tshiamo J. Motsumi
Board Vice Chairman



Ms Lorato C.k Morule
*Finance & Audit Committee Chair
And Board Tender Committee
Member*



Dr Bernard Bulawayo
*Human Resource Committee Chair
And Finance & Audit Committee
Member*



Ms Wame Mobita
*Human Resource Committee
Member*



Mr Phazha Butale
Board Tender Committee Member

CIPA QUICK FACTS

We register trademarks, geographical indications, and industrial designs.

EXECUTIVE
MANAGEMENT

04

EXECUTIVE MANAGEMENT



Mr Conductor P. Masena
Registrar General



Mr Thabo Kgosi
Acting Director Corporate Services



Mr Timothy Moalusi
Registrar - Industrial Property



Ms Hilda Mocuminyane
Registrar - Companies & Business Names



Mr Lucky Matseka
Strategy Manager



Ms Ntesang Sebetso
Director - Compliance, Awareness And Client Services



Ms Keitseng Monyatsi
Copyright Administrator



Ms Pego Aisam
Board Secretary & Legal Advisor



Mr Bumo Nthoiwa
Internal Audit Manager



Mr Greene Kamakama
Director - Information Technology



CIPA QUICK FACTS

We strive to give feedback within 5 working days or less on most services.

CHAIRMAN'S REMARKS





CHAIRMAN'S REMARKS

MR MARTINUS
P. SEBONI

BOARD CHAIRMAN



"It gives me great pleasure to present my final annual report as Chairman of Companies and Intellectual Property Authority."

The adverse impact of Covid-19 pandemic on our economy and organisations will be long lasting and profound. However, it has challenged us to develop innovative solutions to address the effects of the pandemic and to embrace technology as a key enabler to delivering on our mandate. In this regard, we are continuously seeking more effective ways to raise awareness on the value of Intellectual property protection in enriching and developing the lives of Botswana.

Parliament approved the Botswana Intellectual Property Policy (BIPP) on the 31st of March 2022. The main objective of the Policy is to ensure that the entire IP governance framework contributes towards the harnessing of the country's innovations and creative talent for economic transformation as well as to promote inclusive and sustainable economic growth and development. The Policy further seeks to create conditions for IP entrepreneurship and enterprise development in different economic sectors of

Botswana. An Implementation Plan has been approved to ensure a structured approach to implementing the Policy. However, I must hasten to add that while CIPA is expected to take the lead in implementation of the Policy, a multi-stakeholder approach is required if the objectives of the Policy are to be attained. CIPA will act as a link between Government, IP generators, Research institutions and IP users, creating an eco-system where IP is highly stimulated and optimized across the entire value chain. On the whole, it is imperative that CIPA be at the forefront in demonstrating how Intellectual Property can be used to transform novel ideas and creations into tangible and commercially viable products. What is more certain is that in this era of creative economies, the need to protect and preserve knowledge is key to the promotion of a knowledge-based economy and to promote innovation as a tool for sustainable development. An efficient and robust intellectual property system plays a key role in promoting innovation particularly in a digital economy. As such, the Authority

CHAIRMAN'S REMARKS *(continued)*

has put in place measures to improve the quality of IP services as well as strengthen IP protection through legislative reforms and continuously refining its internal processes and procedures. The IP Model Project is one such initiative aimed at supporting the use of technology in the provision of IP services, which will greatly reduce turnaround times and improve accuracy and integrity of data.

The Copyright and Neighbouring Rights Act provides for establishment of the Copyright Arbitration Panel. In December 2019, five (5) individuals were appointed by the Minister of Investment, Trade and Industry to serve as members of the Panel. The Panel's mandate is to settle disputes arising under the application of the Copyright Act. However, the Panel is not yet operational, as the Copyright Arbitration Rules have not been approved. It is anticipated that the Rules will be finalised in the coming year to enable the development of the Copyright field. During the year under Review the Panel was able to develop its operational policies and procedures for its smooth functioning and to promote good governance practices.

The CIPA organisational structure was designed and developed during the transition period from Registrar of Companies and Intellectual Property. While the current structure has been robust enough to enable the launch of the CIPA inaugural five-year corporate strategy (2015-2020), there has been a growing need to review the structure in order to align to the new corporate strategy (2021-2026) and its strategic priorities, meet the requirements that support the online service delivery model, and address the challenges of the constrained resourcing of the current structure. It is in this context that CIPA commissioned consultants to review its organizational structure and propose a suitable structure to meet the current business model.

Corporate Performance

The financial year 2021/22 marks the Authority's first year of the implementation of its five-year strategic plan for the period 2021 - 2026 named CIPA 2.0. The main focus was on the delivery of two strategic results: SR 1 (Contributing to unlocking value) and SR 2 (Leading Business and IP Authority in Africa). This is a positive outcome which is also indicative of better prospects for the Authority.

On average, the Authority scored 91% performance level for both SR 1 and SR 2. This is an improvement by 8% in performance when compared to the preceding year. This sterling performance is epitomized by increased national intellectual property registrations (i.e., traditional knowledge, patents, utility models) consequential of enhanced stakeholder engagements and awareness drives throughout the country.

With reference to the financial performance, the Authority collected P82, 594, 203 in revenue for the period ending 31st March 2022, which was a 3% increase over the same period of the prior year, and a substantial increase from the average revenue collected over the years, prior to the introduction of the OBRS. Credit goes to the CIPA leadership's foresight in establishing an Online Business Registration System (OBRS) which indeed has been a game changer as it has enhanced the Authority's revenue collection capabilities. Complimentary to this, a full-on investment in digital technology will surely place us at an advantageous position to attaining financial self-sustainability, due to greater efficiencies to be gained from technology, and greater potential for increased revenue.

During the year under review, the Board was privileged to lead the Authority in its efforts towards enhancing the scope for an improved rating for Botswana by the Financial Action Task Force (FATF), leading to the country's successful exit from the Grey List. This was achieved through the collaborative work of representatives from various institutions including CIPA, who all worked tirelessly to ensure substantial compliance to the Action Plan and Recommendations of the Financial Action Task Force (FATF). To this end, in February 2022 Parliament approved amendments to the Companies Act aimed at further implementing recommendations coming from the Financial Action Task Force.

CHAIRMAN'S REMARKS *(continued)*

Board of Directors

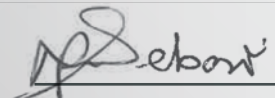
During the year, three Board members tenure came to end on 30 September 2021, namely Ms Lorato Morule, Ms Goitseone Phorie and Mr Tshiamo Motsumi. Thus, from the 1st October 2021 until 31st May 2022 dispensing the mandate of the Board with four Board members was restricted. I wish to extend my hearty congratulations to Ms Morule and Mr Motsumi on their re-appointment which was effective from the 1st of June 2022. The Board bid farewell to Ms Phorie, an IT specialist whose expertise provided guidance on IT related matters of the Authority. I thank her for contribution and wish her success in her endeavours.

Conclusion

I would like to conclude by thanking the Board, Management and Staff of CIPA for their tireless dedication and commitment to seeing that the vision of a world class Business and IP Registration Authority which contributes to unlocking value in Botswana's economy is brought to fruition.

I also wish to thank our valued customers for their patronage, and our Shareholder, the Ministry of Trade and Industry, for its continued support and contribution to the growth of the Authority. My sincere appreciation goes to my fellow Board members who continue to act as good stewards of the Authority, providing strategic guidance, and ensuring that prudent measures are put in place to strengthen and grow the Authority's financial position.

While challenges remain and no doubt new ones will emerge, I am confident that the Authority is on course to deliver on its corporate strategy by 2026. As I depart, I reflect with immense pride on the achievements of CIPA over the past decade and wish the Authority continued success in the future.



Mr Martinus P. Seboni
Board Chairman

CIPA QUICK FACTS

We protect rights holders of traditional knowledge and handicrafts.

REGISTRAR GENERAL'S REMARKS





REGISTRAR GENERAL'S REMARKS

MR CONDUCTOR
P. MASENA

REGISTRAR GENERAL



"It is a great privilege to present to you the Companies and Intellectual Property Authority (CIPA) 2021/22 Annual Report."

This is the first annual report which assesses the first implementation phase of the new five-year corporate strategy, "CIPA 2.0" which was approved by the Board of Directors on the 9th March 2021. Whilst the previous corporate strategy was hinged on getting the basics right as CIPA transitioned from a Government department to a parastatal, the new strategy will be focussed on providing our clients with the necessary tools to unlock greater value in their businesses, specifically through intellectual property. In so doing, our aim is to elevate CIPA from being just a corporate registry to being a key player in economic growth and development.

STRATEGY

The new strategy will run for the five-year period 2021–2026 and will be fundamentally focussed on addressing the following:

- Prioritizing Intellectual Property through leveraging innovations and creativity for sustainable economic diversification and development;
- Enabling and enhancing the business environment by improving business compliance, improving process efficiencies by effectuating ease of doing business reforms through online registration services, and leveraging on business data and information;
- Promoting public education, awareness creation and capacity building on Intellectual Property to empower businesses and rights holders, and cultivating a knowledge-based and innovative economy;

REGISTRAR GENERAL'S REMARKS *(continued)*

- Exploiting digital technologies to improve operational efficiencies and businesses performance for both internal and external customers;
- Establishing the Authority as a high-performance organization through a capacitated talent pool, strong organizational culture, efficient internal systems and processes, sound corporate governance practices, effective compliance and risk management and successful strategy implementation; and
- Promoting self-sustainability by increasing and diversifying the Authority's revenue streams to reduce dependency on government subvention and ensure longevity of the entity.

For the strategic period of years 2021 through to 2026, the Authority has committed to developing and implementing a sustainability model which is the hallmark of a successful organization. The sustainability model will function as a blueprint to exploit opportunities aimed at diversifying the Authority's income structure, improve its financial viability, asset portfolio and arm the value proposition of the organization.

The Authority's strategic intentions, through CIPA 2.0, are aligned with Botswana's Vision 2036 Transformational Agenda. These instruments are directed at bridging the gap between the dichotomy of the status quo to the desired state of an innovative, diversified and export-led economy for sustainable economic growth as encapsulated by the Sustainable Economic Development objective that states that Botswana will be a knowledge-based economy by 2036. This calls for an agile, innovative, and purpose-driven body of employees to crystallize and actualize the Authority's Vision of becoming **"A world class Business and IP registration Authority, contributing to unlocking value in Botswana's economy"**. It also calls for full use of the tools of the IP system (patents, trademarks, and copyright amongst others) by innovators in order to safeguard their creativity.

CORPORATE PERFORMANCE RETROSPECTION FOR THE 2021/22 FINANCIAL YEAR.

The establishment of the 2021/22 Annual Performance Plan was envisaged to achieve pivotal objectives, among them being to promote, protect and commercialize rights holders' intellectual property. To further this mandate, the Authority advanced its strategic partnerships and consequently instituted a Memorandum of Understanding (MoU) with the Botswana International University of Science and Technology (BIUST). The collaboration is intended to foster a symbiotic relationship between the organizations, wherein innovative ideas will be incubated, developed, protected, and commercialized into sustainable and viable entities to improve the socio-economic status of Botswana through employment creation, poverty alleviation and economic growth and development. In addition, the Authority embarked on stakeholder engagements and awareness drives throughout the country targeted at increasing national intellectual property registrations (i.e., traditional knowledge, patents, utility models).

The Authority experienced turbulences in the 2021/22 FY on account of constrained financial resources, delays in the approval of legislation and the continuation of the COVID-19 pandemic, which had a limiting effect on our strategic performance in the reporting period. Despite all the challenges, the Authority amassed an overall average corporate performance of 91% for the 2021/22 performance cycle. Additionally, the Authority generated **P82, 594, 203** in revenue for the period ended 31st March 2022 against an annual target of **P50m**. This commendable achievement is credited to our effective systems and processes, specifically the Online Business Registration System (OBRS). Through the online service, the Authority continues to register companies within a 24-hr service standard which contributes to the country's ease of doing business reforms.

In line with our strategic focus, and against the backdrop of the success of the OBRS, the Authority, in collaboration with the World Intellectual Property Organization (WIPO) has embarked on the IP Model Office project. The project aims to automate operational and business process frameworks in order to offer online services related to intellectual

REGISTRAR GENERAL'S REMARKS *(continued)*

property applications and registration processes. The system is anticipated to go-live in August 2023. Our continued investment in digital technology will effectively drive the CIPA mandate and progressively put the Authority at the forefront insofar as integrating technological developments in a business climate of disruptive and evolutionary technological transformations.

The 2021/22 strategic performance cycle was the foundational year of CIPA 2.0. The Authority shows great promise in that it is on course to achieving its intended futurist goals as underpinned by the strategic priorities and intent established for CIPA 2021-2026. Undoubtedly, the Authority will continue to articulate its customer value proposition, which will be achieved through our integrated and innovative processes, systems, and human capital.

FINANCIAL REVIEW

The Authority collected **P82, 594, 203** in revenue for the period ending 31st March 2022, which was a **3%** increment from the revenue generated in the same period of the prior year. **97%** (P80, 354, 468/P82, 594, 203) of the revenue was collected through the OBRS whereas offline business revenue (i.e., records search, IP, and Copyright services) contributed **2%** (P1, 435, 073/ P82, 594, 203) of total revenue collected for the financial year. 100% of the revenue generated by CIPA is remitted to the Government Consolidated Fund at the conclusion of every financial year.

A favorable budget variance of positive **6%** was reported for period ending 31st March 2022 which is an indication of prudent financial management by the organization. The Authority's statement of financial position as at March 2022 indicated a current ratio of **1.6%** signalling the Authority's capacity to meet its short-term obligations. This signifies that the Authority has a positive working capital (high current assets against current liabilities).

COVID-19 RESPONSE

With the continuation of the pandemic into the second year, the Response Team assembled at the start of the pandemic continued to coordinate the preventative measures and activities around the pandemic. In order to minimise the spread of the disease amongst staff and clients, employees continued to work from home on a rotational basis and most of our engagements were conducted virtually. These measures were undertaken to facilitate business continuity in a virtual environment as mandated by the "new normal."

NOTABLE TRIUMPHS FOR 2021/22 FINANCIAL YEAR

The Companies (Amendment) Act, 2022 was assented into law in February 2022, to address the deficiencies identified in the prior Act. New provisions under the amended Act objects to ensure alignment and compliance to the East and Southern African Anti-Money Laundering Group (ESAAMLG) and the Financial Action Task Force (FATF) Standards. The Act aims to provide greater transparency and facilitate control over concerns on Anti-Money Laundering/Countering Financing of Terrorism (AML/CFT). Specific highlights of the Amendment include compulsory submissions of company constitutions, registry and public disclosure of Beneficial Ownership information, alignment of "beneficial owner" definition to the Financial Intelligence Act and introduction of administrative penalties for non-complying companies. The Authority will continue to engage various stakeholders to facilitate knowledge sharing and capacitation on the changes instigated by the Companies (Amendment) Act and their obligations thereof.

The Authority developed the Botswana Intellectual Property Policy (BIPP), which was presented to Cabinet in July 2021 and subsequently approved by Parliament in March 2022. The Policy is aligned with Botswana's envisaged prospect of being a knowledge-based economy central to the country's economic growth as underscored in various national instruments such as the Reset Agenda, Vision 2036, National Development Plan 11, and the Economic Recovery and Transformation Plan (ERTP). The primary objective of the BIPP under the theme "Harnessing IP for economic transformation", is to leverage Botswana's IP entrepreneurship and enterprise development for inclusive

REGISTRAR GENERAL'S REMARKS *(continued)*

and sustainable economic growth and development. The Policy provides an IP governance framework to foster a conducive environment for creation, protection, commercialization, and enforcement of intellectual property rights for creations and innovations. The Policy further seeks to create conditions for IP entrepreneurship and enterprise development in different economic sectors of Botswana.

The Authority reviewed the ICT Strategy 2018-2020 to align it with the CIPA Strategic Plan 2021-2026. Resultantly, the CIPA ICT Strategy 2021-2026 was established, and it is now the cornerstone of the Authority's business model. The mandate of the strategy is to create a framework for optimal and efficient development and utilization of technology to improve organizational performance and service delivery to our clients. The ICT Strategy outlines the Authority's envisaged ICT investments i.e., initiatives and projects to foster an ICT-enabled business environment and support the Authority's overall corporate objectives and strategy. A few of the executed projects ensuing from the strategy include the successful implementation of Cloud-based solutions, Intranet and an automated Performance Management System. The implementation of the ICT Strategy will continue to be a prime focus for the Authority in response to the burgeoning technological evolutions in the digital economy.

LOOKING AHEAD TO 2022/23

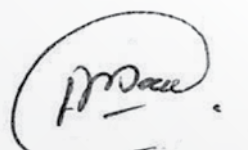
The Authority is committed to attaining its strategic intent and fulfilling its value proposition to the different stakeholders. Cognizant of this, we shall continue to strive for operational excellence through among others; adoption of customer centric approach in service delivery; development of organisational capabilities; creating more focus on creativity and innovation for increased value addition; promotion of visionary leadership; being agile to critical issues; harnessing the people talent; as well as creation of a healthy working relationship internally and with our partners.

In the imminent year, we expect to finalize the legal reforms for the enhancement of the Copyright and Neighbouring Rights Act and the Industrial Property Act. The aim of the review is to ensure that necessary legislative amendments are adopted to facilitate the provision of services on the IP Model Office platform. Similarly, the review will ensure that the Acts are compliant and aligned to various agreements Botswana is a party to, and generally improve provisions in the Acts to address the present gaps.

We are also hopeful that the Copyright Arbitration Panel regulations will be finalized by relevant authoritative bodies to enable the operationalisation of the Copyright Arbitration Panel. The Panel upon effecting its duties, will be charged with presiding over copyright disputes as provided for in the Copyright and Neighbouring Rights Act. Moreover, we enthusiastically look forward to the launch of the national IP Policy and the fast-tracking of the flagship IP Model Office platform. The application of these developments in IP promise to once again, position CIPA at the forefront when likened to the Authority's regional counterparts.

ACKNOWLEDGEMENTS

On behalf of the Executive Management, I wish to thank the CIPA Board for their invaluable contribution and guidance which has enabled Management to discharge its obligations effectively and successfully for the furtherance of the Authority. I wish to also recognize all CIPA staff for their inspiring dedication and commitment towards fulfilling the Authority's mandate. I look forward to yet another journey of great promise and accomplishment with all our stakeholders as we continue to forge the triumphant future of CIPA together.



Mr Conductor P. Masena
Registrar General



PROTECTING BUSINESS INTERESTS



CORPORATE GOVERNANCE REPORT

CIPA QUICK FACTS

We grant patents and utility model certificates.

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 efficiency in the management of the Authority's core business; facilitate the doing business environment in Botswana.

CIPA is mandated to effectively promote and enable 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, the Industrial Property Act and the Copyright and Neighbouring Rights Act.

CIPA is dedicated to ensuring that through its core 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.

GOVERNING STRUCTURE

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. Continuous review of the CIPA Governance Framework, the Board Charter as well as the Terms of Reference for Board Committees ensure alignment to existing governing legislation and best practices in accordance with regional and international standards. In addition to these guiding tools, the Board subscribes to corporate governance principles espoused in the King IV Code of Governance and constantly reviews its procedures and processes to ensure alignment to this Code.

BOARD COMPOSITION

In terms of Section 9 (1) of the CIPA Act, the Board shall consist of members appointed by the Minister of 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, as the Minister may determine.

During the period under review, three Board members terms came to end on 30th September 2021. This resulted in the Board not being fully constituted and operating with a minimum of four (4) Members. The departure of these Board members also brought further challenges in that two of our Board Committees, the Finance and Audit Committee and the Strategy, Procurement and Projects Oversight Committee (SPPOC) could not convene as they were not quorate. As a result, submissions earmarked for those Committees were consigned to the Main Board. This arrangement saw an increase in the number of Board meetings as seen on the table below. We are happy to report that two of these Members were re-appointed for a second term effective 1st June 2022, and Ms Goitseone Phorie, an IT specialist, bid farewell to the Board. During her tenure, she was a member of the Human Resource Committee where she contributed to the development and formulation of human resource policies for the organization and subsequently served a short stint on the Strategy, Procurement and Projects Oversight Committee (SPPOC). We remain grateful to her commitment to dispense the mandate of the CIPA Board.

CORPORATE GOVERNANCE REPORT *(continued)*

BOARD COMMITTEES

The Board is supported in carrying out its duties by the Finance & Audit Committee, Human Resource Committee, and Strategy, Procurement and Projects Oversight Committee. During the year under review, the Board reconsidered its own structure as well as the structure of its committees, with a view to ensuring that core responsibilities are optimized whilst making sure that the oversight role of the Board is strengthened. Upon reflection, the Board noted that issues emanating from strategy development and implementation of the Authority's key projects lacked ownership at sub-committee level. Whilst the Board itself has always had direct oversight of these matters, it was found necessary to establish a sub-committee specifically addressing such issues at micro-level. To this end, the Board Tender Committee was reconstituted and renamed the Strategy, Procurement and Projects Oversight Committee. Its mandate was equally expanded to encompass strategy development and review, strategy implementation, and oversight and monitoring of key Projects within the Authority. The Committees of the Board include:-

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

- i) The adequacy of accounting and financial reporting systems and policies, the integrity of the financial statements and the reliability of disclosures;*
- ii) The appointment, remuneration, qualifications, independence, and effectiveness of the external auditor's as well as approval of their terms of engagement;*
- iii) The appointment, performance assessment and dismissal of the chief audit executive, as well as overseeing the independence and effectiveness of the internal audit function;*
- iv) Monitoring the Authority's risk profile and overseeing the development of effective systems of internal controls and ensuring that good governance is achieved through regular assessment and reporting of key risks.*
- v) IT Governance -overseeing the IT Governance Charter and IT Strategy and monitor compliance by Management and ensure the alignment of information technology systems to CIPA's long term strategy.*

The Human Resource Committee broadly assists the Board with following:

- i) The Committee monitors and oversees the Authority's human resources management including performance management and establishment of remuneration policies and strategies on behalf of the Board.*
- ii) Determine and review the Authority's terms and conditions of service.*
- iii) Review the on-going appropriateness and relevance of the remuneration strategies and other human resource management strategies, systems and policies.*

The Strategy, Procurement and Projects Oversight Committee (SPPOC) is tasked with:

- 1.1 Reviewing the Authority's strategic plan and overall strategy*
- 1.2 Reviewing any strategic initiatives identified by the Board or management from time to time, including matters relating to the promotion and enabling the full protection of the rights of investors and right holders, investments, dispositions of assets and business expansions.*
- 1.3 Assisting the Board in identifying key issues, options and external developments impacting the Authority's strategy, and considering reports, requests and recommendations from management on the Authority's progress towards set strategic goals.*

CORPORATE GOVERNANCE REPORT *(continued)*

1.4 Ensuring that the Board is regularly apprised of the Authority's progress with respect to implementation of the approved strategy and projects.

1.5 Overseeing the development and implementation of the Authority's annual business plan that is consistent with the strategy.

1.6 Reviewing matters related to legal and compliance, social and ethics, policy and guide-lines, or other matter as may be deemed appropriate for the execution of the Board's oversight responsibility.

1.7 Assist in formulation of organization-wide policies critical to the development and advancement of the Authority's mandate.

1.8 Explore and make recommendations on strategic core-business issues, initiatives, projects and business programs that require Board intervention and provide guidance on appropriate governance processes and standards employed in management of such pro-grams, initiatives and projects.

1.9 Oversight on the Authority's procurement and disposal processes and formulation and review of procurement and disposal policies and strategies.

ATTENDANCE OF BOARD AND COMMITTEE MEETINGS DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2022

Member	Main Board		Human Resource Committee		Finance and Audit Committee		Strategy, Procurement and Projects Oversight Committee	
	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible	Attended
Mr. Martinus Seboni	7	7	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Tshiamo J. Motsumi	3	3	N/A	N/A	5	4	1	1
Ms. Goitseone C. Phorie	3	3	N/A	2	N/A	N/A	1	1
Dr. Bernard T. Bulawayo	7	7	4	4	5	4	N/A	N/A
Ms Lorato C. Morule	3	3	N/A	N/A	5	5	1	1
Mr. Phazha T. Butale	7	7	N/A	N/A	N/A	N/A	1	1
Ms. Wame Mobita	7	7	4	4	N/A	N/A	N/A	N/A
Mr. Conductor Masena	7	7	4	3	5	4	1	1

* Attendance of Ms Phorie, Ms Morule and Mr Motsumi was limited to a maximum of 3 Board meetings as their Board term ended on 30 September 2021.

** The Strategy, Procurement and Projects Oversight Committee met once in the period as the Committee did not have a full complement of members due to the end of tenure of the above stated Committee members. The mandate of this Committee was therefore subsumed in the Main Board.

CORPORATE GOVERNANCE REPORT *(continued)*

COMPLIANCE TO CORPORATE GOVERNANCE STANDARDS

The CIPA Board subscribes to the King Code of Governance practices. The recently adopted King IV highlights the importance of outcomes and disclosures in promoting ethical culture, good performance, effective control and legitimacy.

The below provides the principles that guide the corporate governance approach of CIPA. This approach is guided by King IV principles. Although King IV is based on the underlying principles of the previous King Codes, it emphasises stakeholder inclusion, IT governance and disclosures, the Authority aims to comply to the 16 principles below:

- *The governing body should lead ethically and effectively.*
- *The governing body should govern the ethics of CIPA in a way that supports the establishment of an ethical culture.*
- *The governing body should ensure that CIPA is and is seen to be a responsible corporate citizen.*
- *The governing body should appreciate that CIPA's core purpose, risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.*
- *The governing body should ensure that reports issued by CIPA enable stakeholders to make informed assessments of CIPA's performance, and its short, medium- and long-term prospects.*
- *The governing body should serve as the focal point and custodian of corporate governance in the Authority.*
- *The governing body should comprise of the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.*
- *The governing body should ensure that its arrangements for delegation with its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties.*
- *The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.*
- *The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities. The governing body should govern risk in a way that supports CIPA in setting and achieving its strategic objectives.*
- *The governing body should govern technology and information in a way that supports CIPA in setting and achieving its strategic objectives.*
- *The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports CIPA being ethical and a good corporate citizen.*
- *The governing body should ensure that CIPA remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.*
- *The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of CIPA's external reports.*
- *In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.*

CORPORATE GOVERNANCE REPORT *(continued)*

RISK MANAGEMENT AND ASSURANCE (INTERNAL AUDIT)

The Finance & Audit Committee plays a key oversight role on the Internal Audit and Risk Management functions. The Committee ensures that CIPA's Internal Audit function has the necessary resources, budget, and appropriate authority to enable it to discharge its functions. The Internal Audit function reports directly to the Finance & Audit Committee and indirectly/ administratively to the Executive management to protect its objectivity and the independence of the function.

The CIPA Board has assigned the oversight role of the Authority's risk management function to the Finance & Audit Committee. The Committee is an integral part of the risk management process and oversees the development of risk policies and other framework documents. It also ensures that the strategic objectives are driven (with consideration of) the Authority's risk appetite. In its assurance role and promotion of good governance; regular assessments, monitoring and reporting of key risks is consistently done to ensure risks are adequately mitigated.

To show commitment in ensuring that the Authority manages its risks accordingly, the Committee:

- Ensured that a formal risk management policy was developed and implemented immediately.
- Prioritised the development of a Risk Management Plan and its implementation.
- Supported the implementation of Enterprise-Wide Risk Management principles.
- *Ensured that the risk management processes are operational and risk registers and reports produced.*

A risk based annual internal audit plan was approved by the Finance & Audit Committee for the year under review. This risk-based plan ensures that the Authorities limited Internal Audit resources are optimally utilized to target key risk areas to assist the Authority to achieve its strategic intent. The committee further monitored the implementation of audit recommendations emanating from various audits through Internal Audit Tracking Sheets, this ensured that findings with unacceptable residual risk were followed through for closure. All these are the committees' efforts geared at elevating the Authority to a higher level of risk maturity, where risk management practices are an integral part of the Authority's business process. The Finance & Audit Committee also ensures a comprehensive implementation of and adherence to sound internal controls. The Internal Audit function provides a written assessment on the effectiveness of internal controls to the Finance & Audit Committee on a yearly basis. The Authority enjoys sound collaboration between all assurance providers to support the CIPA culture of zero tolerance to fraud and corruption in all its activities.

CORPORATE PERFORMANCE REPORT

CIPA QUICK FACTS

We give back to the Creative Industry through the Levy on Technical Devices Fund.



CORPORATE PERFORMANCE REPORT

CIPA 2.0 STRATEGY

Companies and Intellectual Property Authority (CIPA) is on the first year of implementation of its five (5) year plan for the period 2021 - 2026 named CIPA 2.0. The overall intent of the strategy is to provide efficient and accessible Business registration and Intellectual Property services to protect Business and Right holder interests. The following are key result areas for CIPA 2.0 execution: Empowered Businesses and Rights Holders; Automated Online Registration Services; Doing Business Cycle ServiceDesk; Business Advocacy & Advisory services; Self Sustaining Operations; Capacitated and Performing Professionals (Talent Management); and Leverage stakeholder engagement to enhance performance.

This report will cover the first year (financial year 2021/22) execution of CIPA 2.0. The report will focus more on the level of 2021/22 Annual Plan execution and the performance of planned initiatives/projects.

STRATEGY MAP

The CIPA strategy map (figure 1) depicts a logical, cause-and-effect connection between the Authority's Strategic objectives and performance (shown as ovals in the map) of several adopted Key Performance Indicators.

CORPORATE PERFORMANCE REPORT *(continued)*

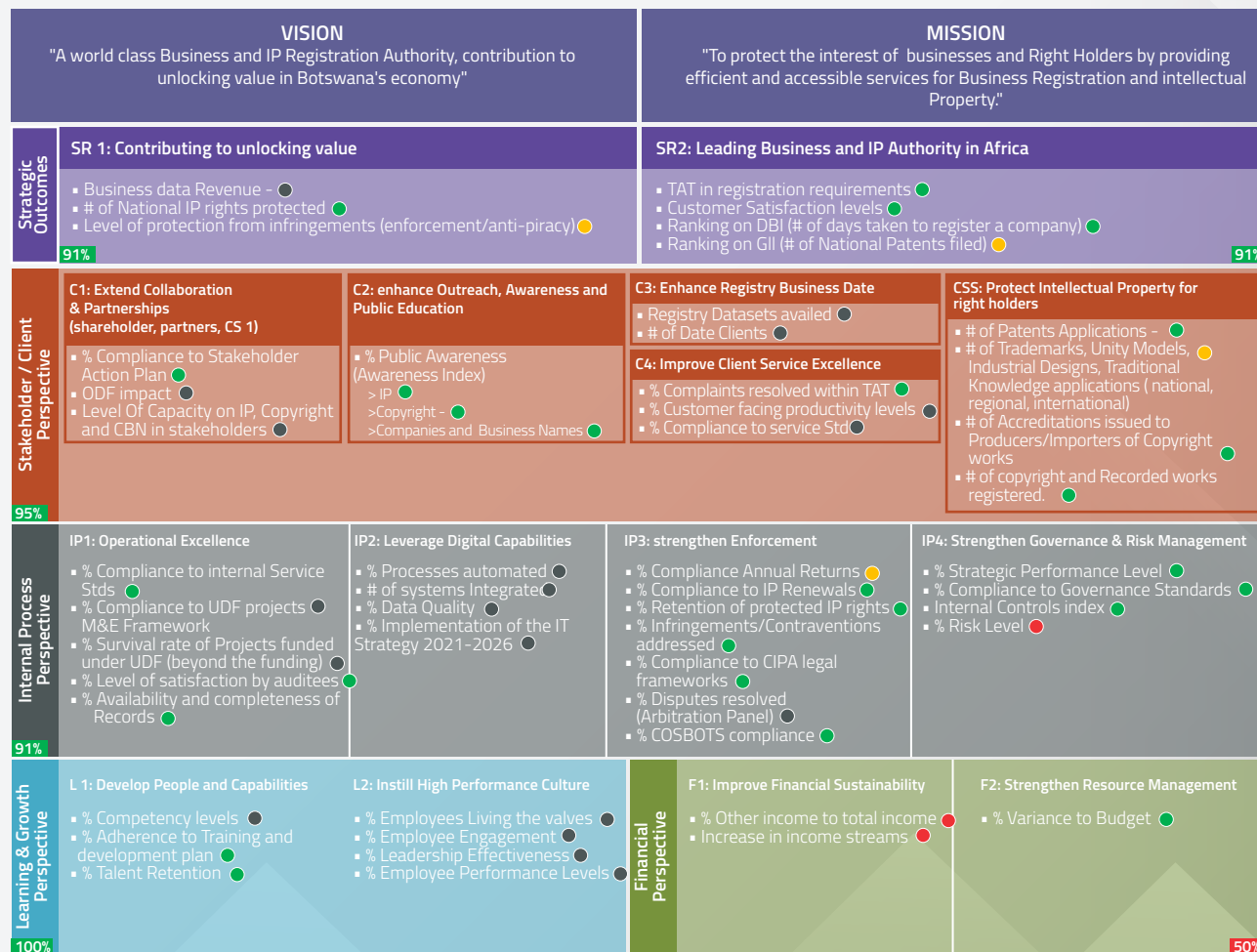


FIGURE I: CIPA STRATEGY MAP

CORPORATE PERFORMANCE REPORT *(continued)*

ANNUAL PERFORMANCE PLAN (APP) EXECUTION

The CIPA Strategy contains of 13 Strategic Objectives and a total of 52 Key Performance Indicators (KPIs). The following observations can be made of the overall performance of the 2021/22 APP.

1. The Authority performed to target in 91% (29/32) of the measured KPIs. That is, for those in Green and Amber as per the Strategy map.
2. With reference to the score posited for the Strategic outcomes, a score of 91% was recorded for both SR 1 (Contributing to unlocking value) and SR2 (Leading Business and IP Authority in Africa). This is a positive picture indicative of better prospects for the Authority.
3. However, the Authority has noted under-performance under the financial perspective which scored 50%. The Authority intends to come up with other income generating streams to ensure sustainability whilst offering quality service. Another notable area that is compromised is Risk management. The Authority will establish its Risk maturity level which will ultimately inform the Risk Management Plan.

IMPLEMENTATION OF 2021/2022 ANNUAL PERFORMANCE PLAN INITIATIVES

These are the projects that were prioritised for the year 2021/22 to drive the first year implementation of CIPA 2.0. Some were deferred due to variable factors including the unanticipated financial constraints.

Perspective	Initiatives/Projects	Performance Status	Progress
CUSTOMER	C1. Extend Collaborations & Partnerships (shareholders, partners, CSI)		
	C1.1 Review stakeholder engagement plan and account for the new normal with appropriate Business continuity	Green	The plan has been completed and implementation of stakeholder engagement activities concluded which among others covered initiatives under the IP Awareness Plan.
	C2. Enhance Outreach, Awareness & Public Education		
	C2.1 Develop and Implement an Intellectual Property awareness plan.	Green	The Intellectual Property awareness plan has been developed, approved and implementation commenced.
	C3. Enhance Registry Business Data		
	C3.1 Develop and implement a CIPA Business Big Data Strategy	Grey	Deferred to the next financial year
	C4. Improve Client Service Excellence		
	C4.1 Develop a business continuity plan	Yellow	An expression of interest for the development of the CIPA business continuity plan evaluated in February 2022.
	C4.2 Conduct Customer Satisfaction Surveys	Green	The CIPA customer satisfaction survey was completed in Q3 2021/22. Recommendations to be incorporated in the 2022/23 financial year.
C4.3 Develop and Implement the call centre. Including capacitation	Orange	Call centre agents capacitated. Due to financial constraints, the project was deferred to a later date subject to availability of funds.	

CORPORATE PERFORMANCE REPORT *(continued)*

Perspective	Initiatives/Projects	Performance Status	Progress
CUSTOMER	C5. Protect Intellectual Property for Rights Holders		
	C5.1 Implement the Botswana Intellectual Property Policy (BIPP)		BIPP approved by Parliament in March 2022. Launch planned for Q2 (2022/23) and implementation to commence then after. However, general awareness creation on IP continues.
	C5.2 Implement the IP Model Office project		Project execution is ongoing and expected to go live in August 2023.
	C5.3 Review IP Act and amendments of provisions that enable online processes.		The proposed Amendments to the Act have been approved by the Board for submission to the relevant bodies.
INTERNAL PROCESS	IP1. Improve Operational Excellence		
	IP1.1 Develop and publish Customer Service Level Standards		Customer Service Standards published.
	IP1.2 Develop and implement a Records Management Policy		The Survey Report, Records Management Policy, the Classification Scheme, and the Records procedure Manual, Data Security Classification Framework and Email as a Record Document were received from the consultants as part of the project deliverables. Project is to be concluded in 2022/23.
	IP1.3 Develop and implement monitoring and evaluation framework for Levy on Technical Devices Fund (LTDF) projects		The framework has been developed and implementation is ongoing.
	IP2. Leverage Digital Capabilities		
	IP2.1 Integrate PMS-OBRS		Deferred.
	IP2.2 Integrate Finance-OBRS		The project is behind schedule due to staffing challenges experienced by the supplier. A new project team has been appointed and is in the process of developing a new project plan.
	IP2.3 Review and Implement the IT strategy and Develop IT governance policies for 2021-2026		The review of the IT strategy has been completed and approved by Board.
	IP2.4. Integrate Finance-IPAS		The project scope is to develop a payment gateway interface for integration with the IP Model Office. The system go-live for the IP Model Office is planned for Aug 2022.
	IP2.5 Consolidate data Infrastructure to enable Business intelligence		The project is negatively affected by challenges encountered by the software partner on account of delayed provision of the Star Schema which is fundamental to the execution of the project.
	IP3. Strengthen Enforcement		
	IP3.1 Operationalise the Copyright Arbitration Panel		Copyright Arbitration Panel Rules to AGCs for finalization and approval in Q3 2021/22. Training to capacitate panel members on Alternative Dispute Resolution is ongoing and will be concluded in 2022/2023.
	IP3.2 Develop a compliance monitoring tool on the Business Intelligence platform (Annual Returns and Renewals)		Deferred to the next financial year.
	IP3.3 Strengthen enforcement clauses for CosBots in the Copyright and Neighbouring Rights Act		Identified areas to strengthen COSBOTS supervision, and clauses have been incorporated in the proposed review of the Act which has been approved by the Board for onward submission to relevant bodies.
	IP3.4 Review Copyright and Neighbouring Rights Act		Copyright and Neighbouring Rights Act reviewed and approved by Board for submission to relevant bodies.

CORPORATE PERFORMANCE REPORT *(continued)*

Perspective	Initiatives/Projects	Performance Status	Progress
INTERNAL PROCESS	IP4. Strengthen Governance & Risk Management		
	IP 4.1 Develop and implement a Risk management plan		The development of the Risk management plan completed and implementation to commence by the year 2022/23.
FINANCE	F1. Improve Financial Sustainability		
	F1.1 Develop a CIPA Sustainability Model (benchmarking, income from data, investments, cost management initiatives)		Management has established a Sustainability Task Force to develop the CIPA self-sustainability model. Development of the implementation roadmap is ongoing.
	F1.2 Develop a suppliers database		The database has been completed and is operational.
	F1.3 Develop and implement procurement workflow system.		Deferred to the next financial year.
LEARNING	L1. Develop People and Capabilities		
	L1.1 Develop and Implement Talent Management Strategy and Succession Plan reflecting CIPA 2.0 development requirements and specialised skills.		An Expression of Interest evaluated and other stages to follow.
	L1.2 Conduct Skills gap analysis		A desktop skills gap analysis was conducted by E&M consultants as part of the organizational review project.
	L1.3 Develop and implement a CIPA 2.0 organizational structure (jobs, profiles and positions) with highlight on Digital/ICT, Research and Business Development functions.		Organisational structure developed and awaiting approval by the Board.
	L2. Instil a High Performance Culture		
	L2.1 Implement a robust PMS process and change management		The PMS Policy was approved by the Board and the PMS system was operationalized.

CIPA QUICK FACTS

CIPA and BIUST formalized a relationship by signing a Memorandum of Understanding (MoU) on the 31st of March 2022

PERFORMANCE HIGHLIGHTS



PERFORMANCE HIGHLIGHTS

COMPANIES AMENDMENT ACT, 2022

The Companies Act (Cap. 42:01) was amended in February 2022 to effect the recommendations from the East and Southern African Anti-Money Laundering Group (ESAAMLG) and the Financial Action Task Force (FATF). The FATF recommendations highlighted that the Act was not compliant with FATF Standards, in that it did not require submissions of documents which indicate the powers that regulate and bind legal persons. Further to that there were no specific provisions facilitating access to beneficial owner information and the information is not publicly available. The following is a summary of the amendments:

1. BENEFICIAL OWNERSHIP DEFINITION

Beneficial ownership definition has been changed and aligned to the Financial Intelligence Act to read as follows:

Beneficial owner" means a natural person who ultimately owns or controls a customer or a natural person on whose behalf a transaction is being conducted, including a natural person who exercises ultimate effective control over a legal person or arrangement, such that — (a) in relation to a legal person — (i) is a natural person who either directly or indirectly holds at least 10% of the shares, voting rights or other ownership interest: Provided that to the extent that there is doubt as to whether the person identified hereunder is the beneficial owner or where no natural person is identified as the beneficial owner, the natural person exercising control of the legal person through other means shall be the beneficial owner,

or (ii) is a person who holds the position of senior managing official where no natural person was identified as a beneficial owner.

2. COMPULSORY SUBMISSION OF CONSTITUTIONS

All companies would be required to submit a constitution which outline the powers of office bearers and senior management in the company. Companies will be given a period of 12 months from the date of implementation for submission of their constitution. Failure to submit would result in the removal of the company from the Register.

3. OBLIGATION OF DIRECTORS

Section 27 of the Companies Act is amended to make it obligatory for resident directors and company secretaries to provide Beneficial Owner information fully with competent authorities.

4. NOMINATORS

Section 329A of the Act requires nominee shareholders to reveal the identity of their nominators.

PERFORMANCE HIGHLIGHTS *(continued)*

5. ADMINISTRATIVE PENALTIES

Section 492 is amended to add administrative penalties. The Registrar may impose an administrative fee not exceeding P500,000,00 where;

a person fails to notify the Registrar of any change in the company.

a person gives false information to the Registrar.

a resident director or secretary fails to submit audited financial statements for non-exempt companies or failure to adhere to any reporting requirements in accordance with the Act.

The Registrar may impose an administrative penalty not exceeding P250,000,00 where a director, secretary or auditor has knowledge or suspects another company of a suspicious conduct and fails to report such suspicion to relevant authorities. The Registrar is also empowered to deregister a company where the company, directors, shareholders, or auditors of the company fail to pay administrative penalties.

RECORDS MANAGEMENT PROGRAMME

The Development of the Records Management Policy has been included in the CIPA Strategy 2021 – 2026. Its development covers all CIPA Departments and Sections to ensure best practice for records handling across the Authority. The project is currently at 90 percent completion, and staff training will be undertaken upon finalisation of the project.

NEW REGISTRATIONS

The Authority continues to receive significant numbers of new applications for both companies and business names on a daily basis. This is directly attributable to the Online Business Registration System, which has made it easier for investors from all corners of the globe to register companies and business names.

COMPANIES AND BUSINESS NAMES PERFORMANCE STATISTICS

The following are the statistics for different services as at 31st March 2022:

Service Type	New Registration (2021/2022)	Removed due to failure to pay annual returns/ Upgrade to company	Total Registration
Companies	27 993	29 426	133 639
Business Names	15 648	257	61 132
			194 771

PERFORMANCE HIGHLIGHTS *(continued)*

PROGRESS ON THE NATIONAL INTELLECTUAL PROPERTY POLICY

The first National intellectual Property Policy of Botswana was tabled before the Parliament sitting of February 2022 and approved in March 2022. The Botswana Intellectual Property Policy (BIPP 2022) main objective is to enable Botswana to use its IP potential towards being a knowledge-based economy and to diversify the Botswana economy to create prosperity for all. The Policy envisions that, "Botswana will be an IP driven economy by 2036". When fully implemented the country will, in line with the Policy Theme be fully "Harnessing IP for economic transformation. Preparations to launch the policy are ongoing and the implementation of the IP Policy will commence thereafter.

IP MODEL OFFICE PROJECT

The journey to transform CIPA to an IP Model Office continued with the Digitization project supported by the World Intellectual Property Organisation (WIPO). The digitization of manual files continued with files received from 01/04/2021 to 31/03/2022 amounting to 3537. The files are scanned and indexed so that they can be electronically availed. The project is continuing with the scanning and indexing of the year 2022 files and new applications as and when received. The next stages, which include streamlining of work processes, stakeholder engagement and training, system deployment, among others, have commenced. The final project will be delivered and commissioned in August 2023.

IDENTIFYING TRADITIONAL KNOWLEDGE (TK) PRODUCTS

The Industrial Property Division created two teams which embarked on an initiative to promote protection of Traditional Knowledge across the country. The teams went to Tsabong and Maun (9th - 15th September 2021), Francistown region and Lerala (13th to 18th February 2022). During the tour ten (10) TK products covering herbal teas, medicinal and animal feed plants were identified and are currently being pursued for intellectual property protection. One rights holder was referred to a research institution for further research with the intention of commercializing his products.

STIMULATION OF INNOVATION IN RESEARCH AND ACADEMIC INSTITUTIONS

The Authority has assembled a team to embark on an initiative to stimulate innovation and creativity in the country through the engagement of research and academic institutions. The main objective of this initiative was to equip the innovators and inventors within these institutions with knowledge and enabling them to leverage IP in solving technical problems. Three academic institutions were initially targeted, being, Botswana International University of Science and Technology (BIUST), Botswana University of Agricultural and Natural Resources (BUAN) and University of Botswana (UB). Two MOU's have been initiated with BIUST and BUAN.

In pursuit of this goal, CIPA and BIUST formalized a relationship by signing a Memorandum of Understanding (MoU) on the 31st of March 2022. The purpose of the MoU is to advance the above initiative by assessing the needs of the two institutions with respect to stimulating innovation in the country.

PERFORMANCE HIGHLIGHTS *(continued)*

LEVY ON TECHNICAL DEVICES FUND (LTDF)

Section 35G of the Copyright and Neighbouring Rights Act provides for the collection of a levy on all locally manufactured and imported devices capable of reproducing copyright protected works. These are devices with the potential to be used to reproduce copyright protected works. The rationale behind the levy is that rights holders cannot economically benefit from such reproduction.

The Act empowers the Minister of Trade and Industry to prescribe the levy. A specific percentage is levied on the cost price of the device and is collected by Botswana Unified Revenue Service (BURS) either at the point of entry into Botswana or from the point of manufacturer. The levy is deposited into a fund called Levy on Technical Devices Fund (LTDF). The Fund was set up in 2008 and is used to develop the creative industry.

In 2008, the Minister established the Copyright and Neighbouring Rights Regulations and set out the levy in the Fourth Schedule of Levies on the Copyright and Neighbouring Rights Regulations (Schedule) as provided by Regulation 8.

In February 2020, CIPA commenced the process to review the Schedule to keep up with the rapid technological advancement in the market, and to cover new devices entering the country. In this exercise, CIPA engaged BURS and the Ministry of Trade and Industry to draw a revised list of devices to be levied.

The schedule as outlined in the table below was approved and published in the Government Gazette on 22nd April 2022.

Table 1: Amended Fourth Schedule on Levies of the Copyright and Neighbouring Rights Regulations

Goods	% of the levy on cost price
Audio cassette	2%
Video cassette	2%
Compact Disc (CD) (Unrecorded)	1%
Digital Versatile Disc (DVD) (Unrecorded)	1%
Smartphones	2%
Other cell phones	1%
Computer (Desktop)	1%
CD Writer	1%
Multi-function machine (printer/copier/fax/scanner)	2%
Facsimile	2%
Photocopier	2%
Printer	2%
Scanner	2%
Modulator	1%
iPod	1%
iPad	2%
MP3 Player	1%

PERFORMANCE HIGHLIGHTS *(continued)*

MP4 Player	1%
Flash Disc	1%
Camcorder	2%
Digital camera	2%
Photographic camera	2%
Television camera	2%
Television	2%
Cinematographic camera	2%
Cinematographic projector	2%
Laptop	2%
Tablet	2%
Video recording or reproducing, apparatus, whether, or not incorporating a video tuner	2%
Sound recording or reproducing apparatus	2%
Memory card/Smart card	2%
External hard drive	2%
Television Decoder / Set top box	2%
Drone	2%
CCTV camera	2%

MONITORING OF LTDF PROJECTS

CIPA continues to monitor projects funded under the Levy on Technical Devices Fund. Since the inception of the fund, forty-one (41) projects have been funded from different categories of the creative industry. At the end of the financial year, implementation of nine (9) projects was still ongoing, activities for ten (10) projects were completed pending closure, eleven (11) have been closed and ten (10) projects were terminated. The following are highlights of some of the projects completed during the financial year:

BLACKOAK CONSULTING (MY THABANG GAME APPLICATION)

BlackOak Consulting (Pty) Ltd, an IT and software development company, was funded to the value of eight hundred and seventy-five thousand seven hundred and eight Pula sixty-three Thebe (P875 708.63) to produce an educational game application. This game, named 'My Thabang' aims to improve learning in pre-primary school children through incorporating fun games and adventure, using native languages of Setswana, Ikalanga, and English. The development of the game was completed in February 2022. The game was then launched and marketed on several social media platforms and is available for download from the company website; www.mythabang.com.

PERFORMANCE HIGHLIGHTS *(continued)*

MAKGABANENG ORGANISATION

Makgabaneng Organisation (The Use of Screen Edutainment to enhance Public Awareness matters and combat piracy in Botswana, the case evidence-based modelling and reinforcement for behavioral change television drama - Mareledi)

Makgabaneng Organisation was funded to the value of nine hundred and forty-seven thousand and twenty-four Pula (P947 024.00) for production of a thirteen (13) episode television drama with incorporation of the copyright message in the storyline. The project created employment for seventy-four (74) creative industry players including actors, script writers and the other creators involved in the production process. Production of the drama was completed in March 2022, with some of the scenes shot at CIPA offices.

CUSTOMER SATISFACTION SURVEY

One of the Authorities key priorities, as dictated by the new corporate strategy 2021-2026 (CIPA 2.0), is to transform into a customer focussed organisation. In light of this, we conducted a customer satisfaction survey in order to assess how satisfied our clients are with our services. The Survey was conducted online between August and October 2021, and asked participants to rate the Authority on all services and channels that they use to interact with the Authority. The result of the survey was a Customer Satisfaction index of 76% against our target of 86%. Although below target, we are encouraged that we are on the right track to providing an ideal customer experience for our clients. The following year will be spent of implementation of the recommendations which include improving call centre efficiency, improving turnaround times for refunds and implementation of an online service for the intellectual property side of the Authority.

AWARENESS SURVEY

CIPA conducted an online survey to assess how well our clients and the general public understand our products and services. The survey is conducted bi-annually and is a key tool to aid in the building of awareness and communications strategies to ensure take up of CIPA services. The awareness index for the period was 83%, which demonstrated a high awareness of CIPA services amongst the participants. Since the survey was conducted only online, we do anticipate that we still have a lot to do to educate the public, especially on intellectual property services in order to increase filings therein. The following are the results of the survey:

PERFORMANCE HIGHLIGHTS *(continued)*

SECTION	AWARENESS INDEX	TARGET	VARIANCE ON TARGET
General Awareness	94.9%	N/A	N/A
Companies and Business Names	89.4%	90%	0.6%
Industrial Property	74.9%	80%	5.1%
Copyright	75.1%	80%	4.9%
People with Disabilities	80%	N/A	N/A

COMPLIANCE AND ENFORCEMENT

The Authority continues to conduct a number of initiatives aimed at combatting piracy and the sale of counterfeit goods in Botswana. Anti-piracy raids were conducted in areas including Gaborone, Lobatse, Jwaneng, Ghanzi, Maun, Serowe, Tutume and Francistown, and a significant amount of goods were seized and perpetrators arrested and fined.

In June 2021 we held a workshop for with officers of government departments & parastatals responsible for marketing & communications. This engagement was mandated to sensitize the entities against infringing on the rights of rightsholders, in particular use of photographs in advertising as well as unauthorised use of music in events and advertising.

In collaborations with Richard Lyons attorneys, CIPA organised a workshop on the 15th March 2022 on the enforcement of trademarks in which officials from CIPA, BURS (Customs) and Interpol were trained by rights holders. The workshop provided key insights into differentiating between genuine and counterfeit goods. It is anticipated that going forward all departments trained will be more efficient in the collaborated effort to combat counterfeit goods in the country.



ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 2022



COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
INDEX TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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)
Members of the Board (Non-Executive)	Mr Martinus Seboni (Chairperson)(Term - 01/10/2012 – To date) Mr Phazha Butale (Member) (Term - 01/10/2012 – To date) Mr Tshiamo Motsumi (Vice Chairperson) (Term - 01/10/2018 - 30/09/2021) Ms Goitseone Phorie (Member) (Term - 01/10/2018 - 30/09/2021) Dr Bernard Bulawayo (Member) (Term - 01/10/2012 – To date) Ms Lorato Morule (Board) (Term - 01/10/2018 - 30/09/2021) Ms Wame Mobita (Member) (Term - 01/10/2020 – To date)
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) Mr Thabo Kgosi (Ag. Director – Corporate Services) Ms Hilda Mocuminyane (Registrar – Companies & Business Names) Mr Greene Kamakama (Director – Information Technology) Mr Adam Marenga (Strategy Manager)(Resigned – 31/12/2021) Ms Maipelo Golekanye (Ag.Strategy Manager)(01/01/2022 – 31/03/2022) Mr Bumo Nthoiwa (Internal Audit Manager)

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
INDEX TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF RESPONSIBILITY BY THE MEMBERS OF THE BOARD
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

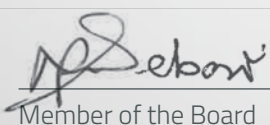
The Members of the Board are required in terms of the Companies and Intellectual Property Authority Act, (Cap 42:13) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. 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.

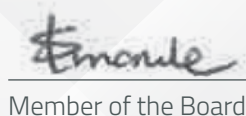
The Members of the board are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal 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 2022 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 49 to 50. 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 accepts responsibility for the Annual Financial Statements on page 51 to 54. The annual financial statements and additional schedules set out on pages 56 - 90, which have been prepared on the going concern basis, were approved by the Board on the 28th September 2022 and were signed on their behalf by:



Member of the Board



Member of the Board



INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of the 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 7 to 45 which comprise the statement of financial position as at 31 March 2022 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 2022, 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. We have determined that there are no such matters to report.

Other Information

The Members of the Board are responsible for the other information. The other information comprises the information included in the 45-page document titled "Companies and Intellectual Property Authority Annual Financial Statements for the year ended 31 March 2022" 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



INDEPENDENT AUDITOR'S REPORT
To the Members of the Board of the Companies and Intellectual Property Authority
Report on the Audit of the Financial Statements

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.
- 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.

Erns & Young
Firm of Certified Auditors

Practising member: Thomas Chitambo (CAP 0011 2022)
Gaborone

29 September 2022

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	NOTE	2022 P	2021 P
Revenue	1	57 706 169	55 424 638
Other income	1	8 886 546	9 292 612
Total income		66 592 715	64 717 250
Administration, operating and strategy projects expenses	2	(63 458 778)	(60 972 749)
Operating surplus		3 133 938	3 744 501
Finance cost	12	(907 355)	(1 442 713)
Interest income	4	11 035	123 051
Surplus before income tax		2 237 617	2 424 839
Income tax	5	-	-
Surplus for the year		2 237 617	2 424 839
Other comprehensive income:		-	-
Total comprehensive income for the year		2 237 617	2 424 839

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	NOTE	2022 P	2021 P
ASSETS			
Non-current assets			
Property and equipment	6	11 128 011	10 705 376
Intangible Assets	8	1 878 739	837 533
Right of Use Asset - Leased Properties	7	2 170 520	6 469 516
Right of Use Asset - Land and Building	7.1	2 442 400	2 494 000
Receivables and prepayments	9	44 699	541 369
		17 664 369	21 047 794
Current Assets			
Receivables and prepayments	9	5 950 536	5 268 423
Cash and cash equivalents	18	19 811 808	23 201 063
		25 762 344	28 469 486
Total assets		43 426 713	49 517 280
EQUITY			
Reserves			
Accumulated surplus		12 468 879	10 231 262
		12 468 879	10 231 262
Liabilities			
Non-current liabilities			
Capital grant	11	11 620 830	9 931 615
Lease Liability	12	677 080	2 833 342
		12 297 910	12 764 957
Current liabilities			
Short term portion of capital grants	11	3 815 876	4 077 742
Short term portion of lease liability	12	2 076 722	5 602 036
Trade and other payables	13	9 809 032	7 889 753
Unspent grants received from Government	14	2 958 294	8 951 529
		18 659 924	26 521 061
Total liabilities		30 957 834	39 286 018
Total equity and liabilities		43 426 713	49 517 280

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 MARCH 2022

	NOTE	ACCUMULATED FUNDS P	TOTAL P
Balance as at 01 April 2020		7 806 422	7 806 422
Total comprehensive income			
Surplus for the year		2 424 839	2 424 839
Balance as at 31 March 2021		10 231 262	10 231 262
Balance as at 01 April 2021		10 231 262	10 231 262
Total comprehensive income			
Surplus for the year		2 237 617	2 237 617
Balance as at 31 March 2022		12 468 879	12 468 879

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	NOTE	2022 P	2021 P
Cash flows from operating activities			
Cash generated in operations	16	4 181 061	5 481 399
Net cash generated in operating activities		4 181 061	5 481 399
Cash flow from investing activities			
Purchase of Property and Equipment	6	(4 117 409)	(639 918)
Purchase of intangibles		(1 125 815)	(301 643)
Proceeds from insurance claim/sale of Property and Equipment	17	6 000	185 000
Interest received	4	11 035	123 051
Net cash out flows from investing activities		(5 226 189)	(633 510)
Cash flows from financing activities			
Capital and expenses grants received	11 & 14	4 244 805	4 608 500
Payment of finance lease		(5 681 576)	(4 753 777)
Finance cost		(907 355)	(1 442 713)
Net cash out flows from financing activities		(2 344 126)	(1 587 990)
(Decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		23 201 062	19 941 164
Cash and cash equivalents at the end of the year	18	19 811 808	23 201 062

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 MARCH 2022

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 the Botswana Government at the World Intellectual Property Organisation (WIPO), the 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 were approved by the Board of the Authority on the 28th September 2022.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

1.0 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 "Significant 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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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.

1.3 Intangible assets

Computer Software

Intangible assets consist of computer software which is stated at cost, less amortisation and provisions for 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 complete 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.
- Work in Progress is transferred to the applicable asset category upon completion of the asset.

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).

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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 its 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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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:

- Amortised cost
- Financial liability at fair value through profit or loss "if held for trading or is derivatives"
- Financial liability designated at fair value through profit or loss (to manage accounting mismatch)

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 2022

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 amortisation of the grant is credited to the statement of comprehensive income and the related depreciation is deducted from the cost of the asset in determining the carrying amount of the asset. The grant is amortised 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 2022

1.9.3 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. The funds are retained to augment the subvention on an annual basis with disclosures through budget submissions. These funds are, therefore, treated as 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 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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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.

2.0 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

In the special arrangement with ARIPO and WIPO, the two (2) organisations collect fees on behalf of the Authority and these are receivable post year end. The fees collected are accounted for through the year and at year end the balance from both is translated at the prevailing exchange rate leading to either exchange gain or loss. The transaction with WIPO is through Swiss Franc and ARIPO through United States Dollar. The Authority is therefore, exposed to exchange risk arising from the 2 currency exposures. The Authority does not have foreign currency denominated bank deposits and thus is not exposed to foreign currency risk in that regard.

At 31 March 2022, if the currency had weakened/strengthened by 1% against the United States Dollar with all other variables held constant, the surplus for the year would have been **P29 041** higher or **P29 628** lower.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

At 31 March 2022, if the currency had weakened/strengthened by 1% against the Swiss Franc with all other variables held constant, the surplus for the year would have been **P17 848** higher or **P18 209** lower.

(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.

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.

	0-3 months P	3-6 months P	6-12 months P	Total P
At 31 March 2022				
Financial Assets				
Receivables	5 096 992	-	-	5 096 992
Cash and cash equivalents	19 811 808	-	-	19 811 808
	24 908 801	-	-	24 908 801
Financial Liabilities				
Trade payables	2 589 730	-	-	2 589 730
Staff terminal benefits provision	-	6 937 212	-	6 937 212
Audit fees provision	-	282 090	-	282 090
	2 589 730	7 219 302	-	9 809 032
Net liquidity gap	22 319 072	(7 219 301)	-	15 099 770

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

	0-3 months P	3-6 months P	6-12 months P	Total P
At 31 March 2021				
Financial Assets				
Receivables	4 741 120	-	-	4 741 120
Cash and cash equivalents	23 201 063	-	-	23 201 063
	27 942 183	-	-	27 942 183
Financial Liabilities				
Trade payables	2 684 915	-	-	2 684 915
Staff terminal benefits provision		4 940 895		4 940 895
Audit fees provision	-	263 944	-	263 944
	2 684 915	5 204 839	-	7 889 754
Net liquidity gap	25 257 268	(5 204 839)	-	20 052 429

2.1 Capital risk management

The Authority is a Government parastatal 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.

2.2 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.

3.0 Significant 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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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.

New standards and interpretations issued and effective

Standard/Interpretation		Effective date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2	The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).	Annual periods beginning or after 1 January 2021

The adoption of the above amendments has not had an impact on annual financial statements of the Authority.

New standards and interpretations not yet effective at 31st March 2022

Standard/Interpretation		Effective date
Amendments to IFRS 3 – Reference to the Conceptual Framework	The amendments add an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 IFRIC 21 if incurred separately.	Annual periods beginning or after 1 January 2022
Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before intended use	To clarify the accounting for the net proceeds from selling any items produced while bringing any items of PPE into use.	Annual periods beginning or after 1 January 2022

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
SIGNIFICANT ACCOUNTING POLICIES *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

Standard/Interpretation		Effective date
Amendments to IAS 37 – Onerous Contracts – Costs of fulfilling a Contract	In May 2020, the IASB issued amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.	Annual periods beginning or after 1 January 2022
AIP IFRS 1 First Time Adoption of IFRS – Subsidiary as a First Time adopter	Subsidiary as a First Time adopter	Annual periods beginning or after 1 January 2022
AIP IFRS 9 Financial Instruments – Fees in the 10% test for derecognition of financial liabilities	Fees in the 10% test for derecognition of financial liabilities	Annual periods beginning or after 1 January 2022
AIP IAS 41 Agriculture – Taxation in fair value measurements	Taxation in fair value measurements	Annual periods beginning or after 1 January 2022
IFRS 17 Insurance Contracts	The IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 will replace IFRS 4.	Annual periods beginning or after 1 January 2023
Amendments to IAS 1 – Classification of Liabilities as current or Non-Current	The Board issued amendments to paragraphs 69 to 76 of IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current	Annual periods beginning or after 1 January 2023
Amendments to IAS 8 – Definition of Accounting Estimates	The IASB issued amendments to IAS 8 to help entities distinguish between accounting policies and accounting estimates. Changes in accounting policies must be applied retrospectively while changes in accounting estimates are accounted for prospectively	Annual periods beginning or after 1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies	An entity will now be required to disclose its material accounting policy information instead of its significant accounting policies. The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. The standard is not likely to have a significant impact, although the accounting policies will be reviewed to determine whether they are material enough to continue being disclosed.	Annual periods beginning or after 1 January 2023
Amendments to IFRS 10 and IAS 28 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences	Annual periods beginning or after 1 January 2023

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

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

	NOTE	2022 P	2021 P
1 Subvention and other income			
Subvention from government		57 706 169	55 424 638
Fees from ARIPO		3 260 523	3 079 494
Fees from WIPO		1 802 682	1 643 141
Other income		12 180	349 736
Amortisation of Capital Grant	(Note 11)	3 815 876	4 077 742
(Loss)/Profit on disposal of fixed asset		(4 715)	142 499
		66 592 715	64 717 250

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.

2 Administration, operating and strategy expenses

The following items have been charged/(credited) in arriving at the operating (deficit) / surplus:

Auditors remuneration	308 478	281 808
Accessible Books Consortium Project	-	9 545
Unspent grant released	-	(9 545)
Consultancy fees	974 193	574 263
Directors Emoluments	154 815	238 426
Depreciation (Note 6, 7 & 7.1)	8 030 263	8 239 563
Amortisation (Intangible Assets)	84 610	112 813
Insurance	198 255	182 697
Local and international travel	228 192	310 833
National Strategy for Creative Industries	-	481 273
Unspent grant released	-	(481 273)
Profit on foreign exchange	(82 399)	224 802
Other office and administration expenses	6 388 398	7 874 061
OBRS Expenses	-	2 355 066
Projects Expenses (Note 2.1)	989 456	-
Printing and stationery	123 118	41 110
Rent expenses	458 253	450 213
Repairs and maintenance	184 741	396 548
Software licenses and IT Contracts	5 337 925	2 992 264
Staff cost (Note 3)	40 080 481	36 698 281
	63 458 778	60 972 749

¹Other income includes BITRI P10,000 for contribution for World IP Day and P2,180 for Sale of Tenders

²Depreciation of P 8, 030,263 comprises of depreciation on Plant and equipment, depreciation on Rights of use Asset- Leased property and depreciation of Rights of use Asset – Land and buildings

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

NOTE	2022 P	2021 P
2.1 Strategy projects expenses		
Stakeholder Engagement Plan	42 000	-
Customer Satisfaction Survey	89 348	-
IP Model Office	202 748	-
Records Management Policy	128 807	-
Integration for SAGE and OBRS	94 119	-
IT Strategy and Governance Policies for 2021-2026	187 020	-
Case Management for Arbitration Panel	57 015	-
PMS and Change Management	188 400	-
	989 456	0
3 Staff Costs		
Salaries and wages	25 857 687	24 273 520
Other staff benefits	8 310 738	6 953 569
Pension fund contributions	2 714 511	2 665 720
Medical aid contributions	530 993	524 472
Contract gratuity and severance payments	2 666 553	2 281 001
	40 080 481	36 698 281
4 Finance Income		
Interest Received		
Bank	11 035	123 051
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 (CAP 52:01)

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

6 Property and Equipment

	Motor Vehicles	Computer Equipment	Furniture & Fittings
Year ended 31 March 2021			
Opening net book value	1 052 450	4 106 452	3 790 377
Additions		186 514	82 748
Disposal (Cost)	(850 000)	-	-
Depreciation	(309 584)	(1 685 386)	(636 979)
Depreciation on disposal	807 499	-	-
Net book value at the year year end	700 365	2 607 580	3 236 146
At 31 March 2021			
Cost	2 319 456	9 307 981	5 614 841
Accumulated depreciation	(1 619 091)	(6 700 401)	(2 378 695)
Net book value	700 365	2 607 580	3 236 146
Year ended 31 March 2022			
Opening net book value	700 365	2 607 580	3 236 146
Additions	991 541	1 144 291	13 805
Disposals (Cost)	-	(51 010)	-
Depreciation	(408 894)	(1 514 209)	(442 038)
Depreciation on Disposals		35 903	-
Closing net book value	1 283 012	2 222 555	2 807 912
At 31 March 2022			
Cost	3 310 997	10 401 262	5 628 646
Accumulated depreciation	(2 027 985)	(8 178 707)	(2 820 733)
Net book value	1 283 012	2 222 555	2 807 912

	Office Equipment	Leasehold Improvements	Work in Progress	Total (cost)
	1 062 797	4 009 210	-	14 021 287
	370 656	-	-	639 919
	-	-	-	(850 000)
	(139 191)	(1 142 189)	-	(3 913 328)
	-	-	-	807 499
	1 294 262	2 867 022	-	10 705 376
	1 704 849	5 722 495	-	24 669 621
	(410 586)	(2 855 472)	-	(13 964 245)
	1 294 262	2 867 023	-	10 705 376
	1 294 262	2 867 023	-	10 705 376
	32 391	-	1 935 380	4 117 409
	-	-	-	(51 010)
	(172 337)	(1 142 189)	-	(3 679 667)
	-	-	-	35 903
	1 154 317	1 724 834	1 935 380	11 128 011
	1 737 240	5 722 495	1 935 380	28 736 020
	(582 923)	(3 997 661)	-	(17 608 009)
	1 154 317	1 724 834	1 935 380	11 128 011

³Work In progress of P1, 935, 380 comprises of hardware and software

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

7. Right of Use Asset - Leased Properties

	Lease Asset - Serowe	Lease Asset - Francistown	Lease Asset - Gaborone	Total (cost)
Year ended 31 March 2021				
Opening book value	129 638	1 043 099	8 544 752	9 717 489
Written down asset	(302 488)			(302 488)
Written down accumulated depreciation	172 850			172 850
Acquisition of RUA	1 026 662	-	-	1 026 662
Depreciation	(51 333)	(431 627)	(3 662 037)	(4 144 997)
Net book value at the year end	975 329	611 472	4 882 716	6 469 516
At 31 March 2021				
Cost	1 026 662	1 474 726	12 206 789	14 708 177
Accumulated depreciation	(51 333)	(863 254)	(7 324 074)	(8 238 661)
Net book value	975 329	611 472	4 882 716	6 469 516
Year ended 31 March 2022				
Opening book value	975 329	611 472	4 882 716	6 469 516
Written down accumulated depreciation	-			-
Depreciation	(205 332)	(431 627)	(3 662 037)	(4 298 996)
Net book value at the year end	769 997	179 845	1 220 679	2 170 520
At 31 March 2022				
Cost	1 026 662	1 474 726	12 206 789	14 708 177
Accumulated depreciation	(256 665)	(1 294 881)	(10 986 110)	(12 537 657)
Net book value	769 997	179 845	1 220 679	2 170 520

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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.

Net carrying amounts of right of use assets

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

	2022	2021
	P	P
Land and Building	2 442 400	2 494 000
Buildings other	2 170 520	6 469 516
	4 612 920	8 963 516
Total Right of Use Assets	4 612 920	8 963 516

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).

	2022	2021
	P	P
Land and Building	51 600	51 600
Buildings other	4 298 996	4 144 998
	4 350 596	4 196 598

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

7.1 Right of Use Asset - Land and Building

Year ended 31 March 2021	Land	Building	Total
Opening book value	804 972	1 740 629	2 545 600
Received as grant	-	-	-
Depreciation/Amortisation	(16 317)	(35 283)	(51 600)
Net book value at the year end	788 655	1 705 346	2 494 000
At 31 March 2021			
Cost	815 850	1 764 150	2 580 000
Accumulated depreciation	(27 196)	(58 805)	(86 000)
Net book value	788 655	1 705 346	2 494 000
Year ended 31 March 2022			
Opening book value	788 655	1 705 346	2 494 000
Received as grant	-	-	-
Depreciation/Amortisation	(16 317)	(35 283)	(51 600)
Net book value at the year end	772 338	1 670 063	2 442 400
At 31 March 2022			
Cost	815 850	1,764,150	2,580,000
Accumulated depreciation	(43 513)	(94 088)	(137 600)
Net book value	772 338	1 670 063	2 442 400

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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 section 38(1) of CIPA Act 2011 which grants CIPA ownership of all assets and liabilities that were previously under custody of ROCIP. 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 storey commercial building, an outbuilding and a carport. The property is held for own use and not as an investment property. Management however, notes that this may change in the future. It is used as an office for the 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 Willy Kathurima Associates (Pty) Ltd. The property shall be re-valued in three (3) year intervals. The fair values are estimated using level 2 inputs. Level 2 inputs are observable inputs for the asset.

Level 2 inputs are inputs other than quoted market price included within Level 1 that are observable either directly or indirectly. Level 2 inputs include; quoted price for similar assets in active market, quoted price for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the assets and lastly inputs that are derived principally from or corroborated by observable market data by correlation or other means.

The main input factors used in the model were the area of each property, the estimate of each property and estimated value per square meter based on the conditions of the properties.

The following significant inputs, amongst other measures were used in the model:

- expected average life that each type of asset will remain in service before requiring replacement
- The cost of replacing the existing assets with their modern equivalent's assets; and
- The estimated useful life adjusted by the condition factor to determine the remaining useful life of the assets.

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)*
FOR THE YEAR ENDED 31 MARCH 2022

8 Intangible assets

	2022	2021
	P	P
Opening net book value	837 533	648 703
Additions	-	-
Development Costs (Note 8.1- 8.2)	1 125 816	301 643
Depreciation	(84 610)	(112 813)
Net book value at year end	1 878 739	837 533
At year end		
Cost/valuation	2 329 991	1 204 175
Accumulated depreciation	(451 253)	(366 643)
Net book value at year end	1 878 739	837 533
8.1 Development Costs PMS		
Opening Cost	752 921	451 278
Additions	562 200	301 643
Cost at year end	1 315 121	752 921
8.2 Development Cost Intranet		
Opening Cost	-	-
Additions	563 616	-
Cost at year end	563 616	-
9 Receivables and prepayments	5 995 235	5 809 792
Receivable and prepayments	5 995 235	5 809 792
<i>At the reporting date receivables and prepayments can be analysed as follows;</i>		
Current portion	5 950 536	5 268 423
Non- Current portion	44 699	541 369
	5 995 235	5 809 792

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

The amounts of receivables and prepayments are as follows;

	2022	2021
	P	P
Fees receivable – ARIPO	2 933 131	2 674 082
Fees receivable - WIPO	1 802 682	1 643 141
Refunds	47 133	-
Membership Fee - ARIPO	342 707	-
Security Deposit	423 897	423 897
Prepayments – Software Licenses	443 285	1 055 272
Prepayments - Insurance	0	13 400
Staff advances and Imprest	2 400	-
Net book value at year end	5 995 235	5 809 792

The carrying amounts of the Authority's receivables and prepayments are denominated in Botswana Pula (BWP).

10 Financial instruments by category

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

Financial assets as per the statement of financial position

Financial Assets at amortised cost

Receivables	5 096 992	4 741 120
Cash and cash equivalents	19 811 808	23 201 063
	24 908 801	27 942 183

Financial liabilities as per the statement of financial position

Financial liabilities

Cash and cash equivalents	9 809 032	7 889 754
	9 809 032	7 889 754

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

10.1 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.

10.2 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.

The Authority receivables comprise mainly of receivables from WIPO and ARIPO. No loss is expected from these receivables because the payment is always received before the financials are signed by the Authority board.

10.3 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.

10.4 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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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 announcements and pronouncements 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:

	2022	2021
Call account	19 811 808	23 201 063
	19 811 808	23 201 063

The following interest rates were applicable during the year:

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/surplus as follows:

Call accounts	9 906	11 601
Net decrease in operating deficit/surplus in operating surplus	9 906	11 601

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/surplus to the amounts disclosed above, on the basis that all other variables remain constant.

10.5 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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

The following table summarises the maturity profile of the Authority's financial liabilities as at 31 March 2022 based on contractual undiscounted payments:

2022	Carrying amount	Contractual cash flows	Within 1 year
Trade payables	2 589 730	(2 589 730)	(2 589 730)
Other payables	7 219 302	(7 219 302)	(7 219 302)
	9 809 032	(9 809 032)	(9 809 032)

2021	Carrying amount	Contractual cash flows	Within 1 year
Trade payables	2 684 915	(2 684 915)	(2 684 915)
Other payables	5 204 839	(5 204 839)	(5 204 839)
	7 889 754	(7 889 754)	(7 889 754)

10.6 Fair Values

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

10.7 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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	P	P
11 Capital Grant		
Opening balance	14 009 357	17 145 501
Transfer from unspent grant utilised to capital grant (Note 14)	4 376 915	941 598
Grant Received	866 310	
Amortisation (Note 1)	(3 815 876)	(4 077 742)
Balance at end of the year	15 436 706	14 009 357
<i>At the reporting date the capital grants can be analysed as follows;</i>		
Short term portion	3 815 876	4 077 742
Long term portion	11 620 830	9 931 615
	15 436 706	14 009 357
12 Lease Liabilities		
At the beginning of the year	8 435 378	12 162 493
Additional Cost	-	1 026 662
Lease payment;	(6 588 931)	(6 196 490)
Finance cost	907 355	1 442 713
At year end	2 753 802	8 435 378
<i>At the reporting date the lease liabilities can be analysed as follows;</i>		
Current liability	2 076 722	5 602 036
Non-current liability	677 080	2 833 342
	2 753 802	8 435 378
Serowe		
At the beginning of the year	1 040 615	198 112
Additional Cost	-	1 026 662
Lease payment;	(249 318)	(280 879)
Finance cost	75 445	96 721
At year end	866 741	1 040 615

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	P	P
Francistown		
At the beginning of the year	795 713	1 263 554
Lease payment;	(651 928)	(609 991)
Finance cost	89 518	142 150
At year end	233 303	795 713
Gaborone		
At the beginning of the year	6 599 050	10 700 827
Lease payment	(5 687 685)	(5 305 620)
Finance cost	742 393	1 203 843
At year end	1 653 759	6 599 050
Lease liabilities		
The maturity analysis of lease liabilities is as follows:		
Within one year	2 360 628	6 509 392
Two to five years	774 146	3 214 313
	3 134 774	9 723 705
	(380 972)	(1 288 327)
	2 753 802	8 435 378
Non-current liabilities	677 080	5 602 036
Current liabilities	2 076 722	2 833 342
	2 753 802	8 435 378
13 Trade and other payables		
Trade payables	2 589 730	2 684 915
Staff terminal benefits	6 937 212	4 940 895
Provision for Audit fees accruals	282 090	263 944
	9 809 032	7 889 754

The average credit period on purchase of certain goods is 30 days.

The Board consider that the carrying amount of trade and other payables approximates their fair values.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	P	P
Movement schedule for provisions		
<i>Gratuity provision</i>		
Opening Balance	2 372 751	2 464 542
Gratuity provision for the year	2 666 553	2 281 001
Gratuity payments	(1 396 607)	(2 372 792)
Closing Balance	3 642 697	2 372 751
<i>Leave provision</i>		
Opening Balance	2 568 144	2 116 801
Leave provision for the year	2 919 268	1 622 180
Leave payments	(2 192 896)	(1 170 837)
Closing Balance	3 294 516	2 568 144
<i>Audit provision</i>		
Opening Balance	263 944	253 792
Audit fee provision for the year	282 090	263 944
Audit fee payments	(263 944)	(253 792)
Closing Balance	282 090	263 944

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

	2022	2021
	P	P
14 Unspent grants received from Government		
Opening Balance	8 951 529	9 777 430
<i>Grants received during the year</i>		
Assets	1 629 241	2 358 500
Expenses	1 749 255	2 250 000
<i>Grants utilised to defray expenses and finance additions to assets during the year</i>		
Assets	(4 376 915)	(941 598)
Expenses	(4 994 817)	(4 492 803)
	-	-
Closing balance	2 958 294	8 951 529

Closing balance relates to unspent amounts received with respect to:

	2022	2021
	P	P
Information Technology Equipment	-	665 984
Maun Office Design & Partitioning	-	168 594
Online Registration System	-	760 893
Deferred Revenue Account - Assets	322 808	-
Performance Management System	144 600	542 649
Project - National Strategy for Creative Industries	1 780 209	1 780 209
Information Technology Strategy Projects	60 549	2 000 000
Organisational Structure Review	-	3 033 200
Records Digitisation	572 466	-
Copyright and Neighbouring Rights Act Review	22 945	-
IP Clubs at Schools	54 717	-
	2 958 294	8 951 529

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

2022
P

2021
P

15 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.

Key Management

Key management includes members of the Board, members of the Executive Committee and the Board Secretary. The compensation paid or payable to key management for employee services is depicted below:

Board fees	154 815	238 426
Compensation paid to executive management	7 762 865	6 954 110
	7 917 679	7 192 536

Compensation paid to Executive Management comprises of;

Salaries and allowances	6 542 607	5 799 254
Gratuity	1 220 257	1 154 856
	7 762 865	6 954 110

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

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:

	2022	2021
	P	P
Botswana government and other parastatals		
Subvention income received from Government	57 706 169	55 424 638
Unspent grants received from Government	2 958 294	8 951 529
Amounts paid to Water Utilities Corporation (WUC)	10 029	8 509
Amounts paid to Botswana Unified Revenue Services (BURS)	5 395 353	5 190 305
Amounts paid Botswana Power Corporation (BPC)	55 842	52 853
Amounts paid to Botswana Telecommunications Corporation (BTC)	2 514 803	3 440 556
	68 640 490	73 068 391

16 Cash utilised in operations

Operating profit	2 237 618	2 424 839
<i>Adjustment for non cash items</i>		
Depreciation (note 6)	3 679 667	4 077 742
Depreciation (7.1)	51 600	
Depreciation (8)	84 610	
Amortisation of capital grants	(3 815 876)	(4 077 742)
Depreciation ROUA (note 7)	4 298 996	4 274 635
Unspent grant release (note 16.2)	(4 994 817)	(4 492 803)
Loss on Insurance claim (note 16.1)	4 393	-
Loss/(Gain) on disposal of PE (note 16.1)	4 715	(142 499)
Interest income	(11 035)	(123 051)
Finance cost	907 355	1 442 713
	2 447 226	3 383 833

Changes in working capital

Other receivables and prepayments	(185 443)	893 198
Trade and other payables	1 919 278	1 204 368
Cash utilised in operations	4 181 061	5 481 399

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

17 Profit (loss) from disposal of assets

	2022	2021
	P	P
Insurance Claim	55 842	52 853
Net book value	2 514 803	3 440 556
(Loss)	68 640 490	73 068 391
Proceeds from disposal of asset	-	185 000
Net book value	4 715	42 501
(Loss)/Profit	(4 715)	142 499

17.1 Unspent Grants release

Unspent grant released for expenses	(4 994 817)	(4 492 803)
	(4 994 817)	(4 492 803)

18 Cash and cash equivalents

Call/current	19 811 808 ⁴	23 201 063
	19 811 808	23 201 063

The Authority does not borrow and relies on the Government funding for use not investing. It utilises a reputable financial institution to hold funds and for use as when needed.

19 Contingent Liabilities

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

20 Commitments

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

⁴ Current Account clears to call account at the end of the year

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

21 Strategy Projects

At the beginning of the financial year the Members of the Board approved funding for strategy projects of an amount of **P 5 357 054**.

The following relates to the unspent balances of the strategy projects that have commenced. These amounts do not form part of the financial statements. The Authority does not hold any contract or obligation with any third party on the following projects.

	2022	2021
	P	P
Stakeholder Engagement Plan	208 000	-
Customer Satisfaction Surveys	120 652	-
IP Model Office	517 552	-
Records Management Policy	71 193	-
Integrate SAGE and OBRS	105 881	-
IT Strategy 2021-2026	202 980	-
Case Management for Arbitration Panel	722 985	-
PMS process & Change Management	211 600	-
	2 160 844	0

22 Events after the reporting period

There were no adjusting events that occurred after the reporting date that require adjustments to or disclosure in the financial statements. The continuing effects of the pandemic, the measures management continues to take to contain its spread, high inflation rate and war between Russia and Ukraine were non-adjusting events after the reporting period. The approved full subvention for the first quarter of the 2022-2023 financial year was received in May 2022.

23 Impact from Covid 19 and High Inflation Rate

The COVID-19 crisis and the high inflation rate leading to record high price increases of commodities continued to negatively affect the global economy. Botswana's economy has not been spared. This has affected CIPA's funding from Government, though the Government will continue to fund the Authority in the foreseeable future. Although the subvention for the financial year 2022 was received in full, the budget initially submitted by the Authority was decreased due to a ceiling having been set. However, management remains optimistic and focused on ensuring the fulfilment of the CIPA mandate as the use of on-line services continues to be improved with the upcoming project on IP services.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

The Authority continues rendering services to the general public through the pandemic through the Online Business Registration System (OBRS), even when the Authority continues its Work from Home (WFH) program to reduce congestion in the office to minimise the spread of Covid positive and deal with any peak for the disease as experienced every now and then. OBRS remains available to the public 24 hours a day and 7 days a week, system support remained available and there were no major supply chain delays. The system has remained optimally stable during the financial year and management does not anticipate any problems in the foreseeable future.

As the Authority continues to support the COVID protocol on social distancing CIPA staff continued to work remotely from home. The Authority continued to provide internet for employees to enable work from home initiative. This increased internet and communication related costs, which were augmented by savings from utilities costs.

The Government continues implementing The Economic Recovery and Transformation Plan (ERTP) as part of broad measures to mitigate the impact of COVID-19 pandemic. CIPA continues to support this by providing online company registrations, as evidenced by continued revenue growth.

24 Going Concern

CIPA made a surplus of **P2 237 618 (2021 – P2 424 839)** for the year ended 31 March 2022, current assets exceeds current liabilities by **P7 102 420 (2021 – P1 948 425)**, 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 has approved the Authority's 2022/2023 budget and 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.

25 Revenue Collected by CIPA

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 **P82 594 203 (2021 – P80 354 468)** on behalf of the Government of Botswana, of this amount **P2 403 491 (2021 – P1 822 401)** is amount collected in advance of provision of services to clients. At 31 March 2022 CIPA held the amount of **P161 873 020 (2021 – P127 839 828)** in separate bank accounts held 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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
FOR THE YEAR ENDED 31 MARCH 2022

26 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 commenced in 2015 and was launched in June 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 were paid to 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 which is renewed annually.

27 Online Business Registration System (OBRS) (continued)

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.



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