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CIPA | Harnessing IP for Economic Transformation | Annual Report 2022/2023



Harnessing IP for
Economic Transformation

Annual Report
2022/2023



Glue area

Glue area



INTELLECTUAL PROPERTY

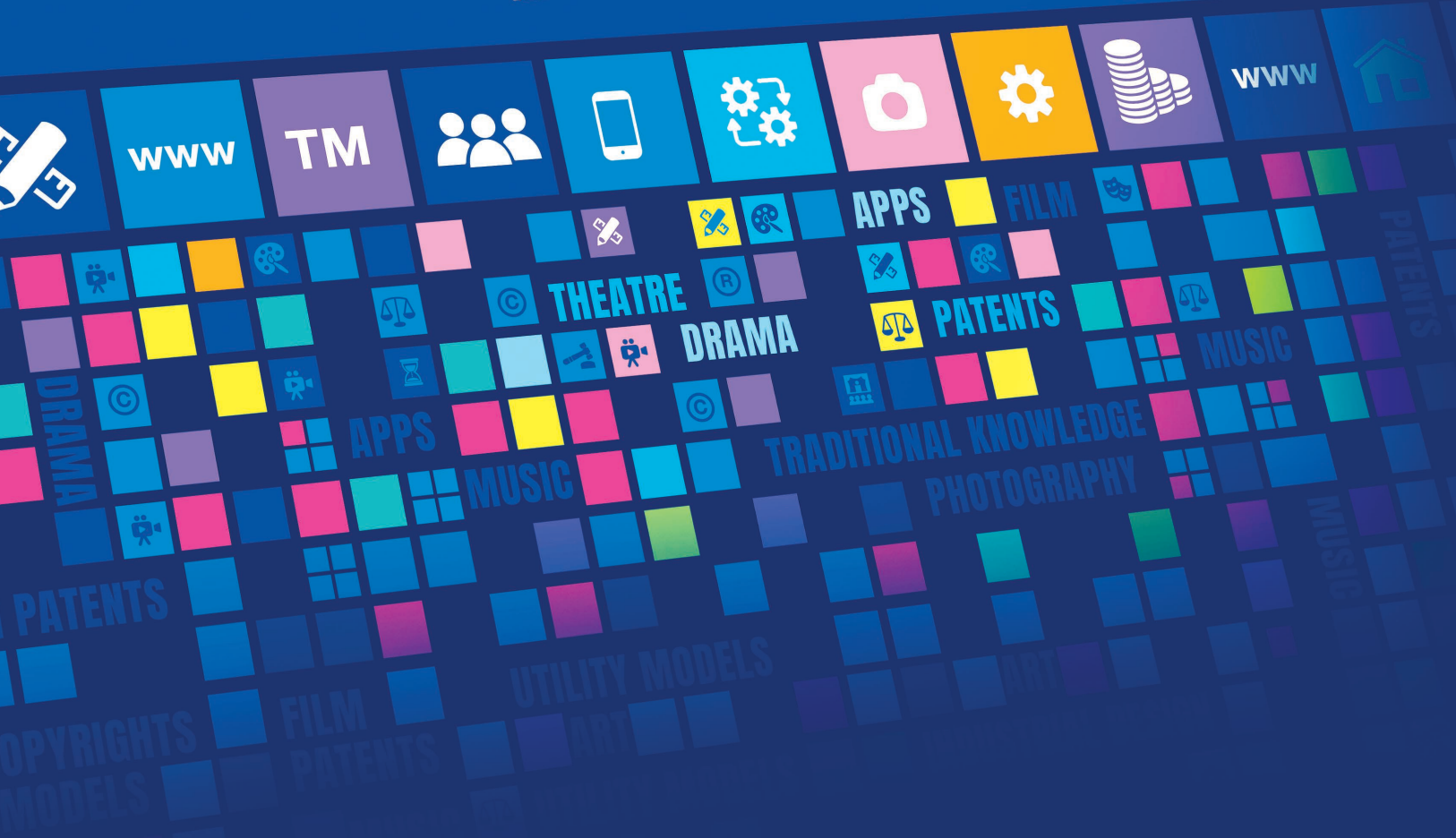


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ABOUT CIPA





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

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

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

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

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

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

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

We empower creativity through the Levy on Technical Devices Fund.

We aim to combat Copyright infringement and piracy in Botswana.

We protect rights holders of traditional knowledge and handicrafts.

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

We register Companies and Business Names online at www.cipa.co.bw.

We register trademarks, geographical indications, and industrial designs.

We grant patents and utility model certificates.

QUICK FACTS

CIPA OFFICES

CIPA GABORONE HQ

Physical Address:
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CIPA FRANCISTOWN

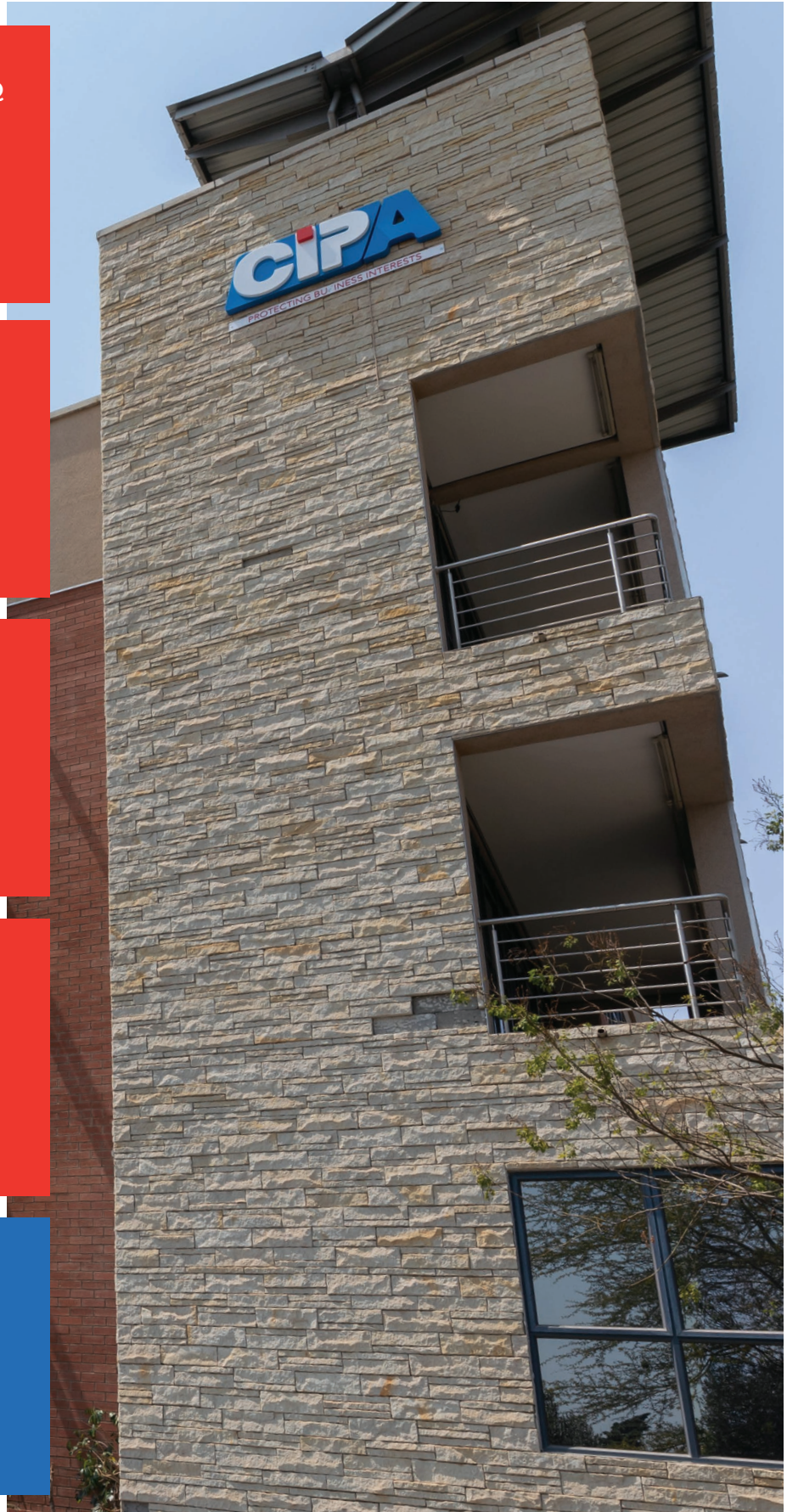
Physical Address:
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Telephone:
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CIPA MAUN

Physical Address:
Plot 28049,
Chobe Ward.
Telephone:
+267 680 0912

CIPA SEROWE

Physical Address:
Plot 16148
CAS Centre Building
Telephone:
+267 463 0322

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VISION, MISSION & VALUES





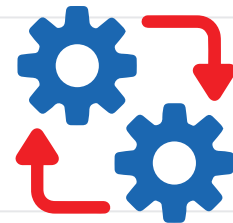
Vision

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



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.



Efficiency

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



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.



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.





BOARD OF DIRECTORS



Board of Directors

Mr Tshiamo James Motsumi
Board Chairperson

Ms Wame Mobita
Board Member



Mr Mothusi Ramaabya
Board Member

Ms Lorato Morule
Board Member

Mr Phazha Butale
Board Member



EXECUTIVE MANAGEMENT



Executive Management

Mr Conductor P. Masena
Registrar General

Mr Lucky Matseka
Strategy Manager

Ms Hilda Mocuminyane
Registrar - Companies
and Business Names

Mr Timothy Moalusi
Registrar - Industrial
Property



Ms Ntesang Sebetso
Director - Compliance,
Awareness and Client
Services

Mr Greene Kamakama
Director - Information
Technology

**Ms Keitseng Nkah
Monyatsi**
Copyright Administrator

**Mr Bumo Boemo
Nthoiwa**
Internal Audit Manager

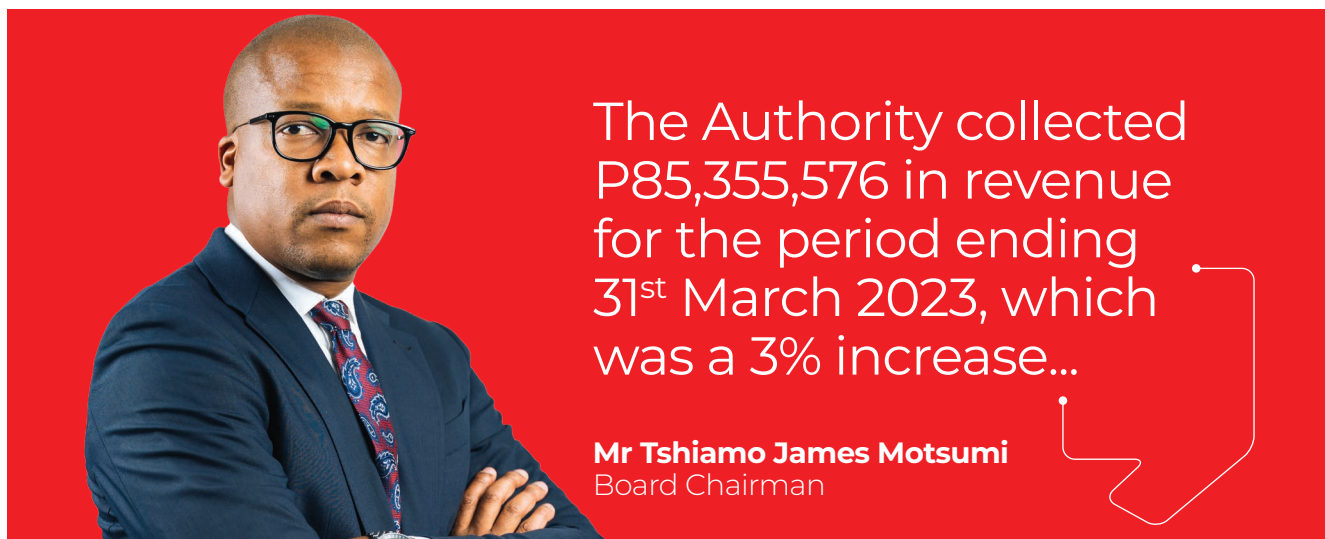
Ms Pego Aisam
Board Secretary
and Legal Advisor



CHAIRMAN'S REMARKS



Chairman's Remarks



On behalf of the Board of Directors, I am honoured to present the 2022/2023 annual report for the Companies and Intellectual Property Authority (CIPA). Throughout the year the Authority was actively engaged in activities aimed at ensuring that we effectively execute our mandate of business registration and protection of intellectual property rights.

Strategy Review

The overall corporate performance for CIPA for the period 1st April 2022 to 31st March 2023 stands at an impressive 94%. This represents an improvement of 3% in comparison to the previous financial year.

I am also particularly delighted to announce that CIPA has demonstrated robust financial performance throughout the year under review. The Authority collected P85,355,576 in revenue for the period ending 31st March 2023, which was a 3% increase from the same period of the preceding financial year (2021/22). The deployment of the Online Business Registration System (OBRS) in 2019 has massively improved CIPA's revenue collection capabilities and continues to provide a strong and reliable source of income. These remarkable performance results are a testament to good governance, prudent resource management and motivation to succeed driven by the Authority's values of **customer focus, innovation, integrity and efficiency**. The Authority has constituted a Sustainability Committee which is working towards creation of new revenue streams to diversify its existing revenue streams and ensure self-sustenance going forward.

We have continued to make positive strides in the attainment of our Corporate Strategy (CIPA 2.0) during the 2022/23 financial year. The focus has been on the delivery of two Strategic Results:

Strategic Resolution 1 (Contributing to unlocking value) and **Strategic Resolution 2** (Leading Business and IP Authority in Africa). These strategic priorities are indicative of CIPA's pursuit to be **"A world class Business and IP Registration Authority, contributing to unlocking value in Botswana's economy"**. To this end, CIPA continues to engage closely with the Botswana International University of Science and Technology (BIUST) and is courting other technology oriented academic institutions and technical colleges. These strategic alliances are aimed at building capacity on patents and ensuring that innovations coming from these institutions are safeguarded through the intellectual property framework. In collaboration with these institutions, the Authority is also committed to facilitating the development of "fit for purpose" institutional intellectual property policies that will drive and reward innovation and creativity at all academic institutions. This will ultimately lead to economic benefit and improved livelihood for the citizens.

Without a doubt, one of the key activities for CIPA during this financial year was the launch of the Botswana Intellectual Property Policy (BIPP 2022) by His Excellency the President of the Republic of Botswana, Dr. Mokgweetsi Eric Keabetswe Masisi, following its adoption by Parliament.

The BIPP 2022 is the first of its kind in Botswana and aims to foster a culture of creativity and innovation with the specific objective of creating a knowledge driven economy which thrives on incubation of ideas, protection and commercialisation of intellectual property. The key focus areas for the policy implementation are the Creative Industries, ICT Sector, Tourism Industry, Healthcare and Agri-business sectors. Infusion of intellectual property (IP) into these sectors will be done through the establishment of IP business clusters with a view to upgrade, promote and facilitate competitive transformation of Batswana's enterprises. This initiative, as well as the full implementation of the policy, will ensure that the country's IP economy will be internationally competitive, and will contribute to employment creation and economic growth.

Leveraging Technology

With the IP Policy implementation about to commence, automation of the intellectual property side of the business is now more critical than ever. The IP Model Office Project, a collaboration with the World Intellectual Property Organisation (WIPO), aims to facilitate end-to-end customer experience, improve operational efficiencies and service delivery, as well as increase national participation in the global innovation economy. Registration of IP will be completely automated and done online in a similar manner to the current online process for companies and business names, hence making the services more accessible for Batswana.

Development of legislation to enforce AML/CFT compliance and support implementation of the FATF Post Grey-List National Action Plan is at an advanced stage. CIPA is actively working on enhancements to the OBRS to adapt the system to the new provisions of the Companies (Amendment) Act, 2022. In addition to the AML/CFT system enhancements, the overall user-experience of the OBRS will be improved, enabling users to get a more holistic and seamless service from CIPA.

Board Composition

The past year presented unprecedented challenges as our board composition was not fully complemented, but our resilience and adaptability meant that we adjusted swiftly to these circumstances, ensuring uninterrupted Board operations. During the year we bid farewell to some remarkable individuals who have diligently served as members of our esteemed Board.

As we reflect on their invaluable contributions, dedication, and commitment to our organization, we are eternally grateful for the profound impact they have had on our journey to becoming a world class entity.

First and foremost, I would like to extend my heartfelt gratitude to Mr Martinus Seboni, who has been an integral part of our board as the founding Board Chairperson. His visionary insights, strategic thinking, and unwavering determination have played a pivotal role in shaping our organization's growth and success over a ten-year period.

Similarly, I want to express my sincere appreciation to Dr. Bernard Bulawayo, who has also dedicated 10 years to our cause. His unique perspective, tireless work ethic, and passion for our mission have been truly commendable. We have been fortunate to benefit from his expertise, as he has shared his wisdom and helped us make informed decisions that have driven our organization forward.

Under their guidance, we have achieved incredible milestones and navigated through challenges with resilience and grit. Although their official roles may come to an end, their impact will continue to resonate within the halls of our organization and shape the path ahead.

Appreciation

In conclusion, I would like to extend my heartfelt gratitude to our dedicated employees, valued customers, our shareholder, the Ministry of Trade and Industry, and all stakeholders who have contributed to our achievements. With your unwavering support, we look forward to even greater success during the coming years.

Mr Tshiamo James Motsumi
Board Chairman

The key focus areas for the policy implementation are the Creative Industries, ICT Sector, Tourism Industry, Healthcare and Agri-business sectors. Infusion of intellectual property (IP) into these sectors will be done through the establishment of IP business clusters with a view to upgrade, promote and facilitate competitive transformation of Batswana's enterprises.



REGISTRAR GENERAL'S REMARKS



Registrar General's Remarks



Various stakeholder engagement exercises were conducted to raise public awareness on legal amendments, compliance requirements, and the general services provided by CIPA.

Mr Conductor P. Masena
Registrar General

CIPA Annual Report for the financial year 2022/23

Pursuant to the provisions of Section 212 of the Companies Act, it is my pleasure to present the Companies and Intellectual Property Authority (CIPA) Annual report for the financial year 2022/23.

For the financial year 2022/23, several achievements consequent to the implementation of the 2022/23 Annual Performance Plan are noticeable, amongst them the following: The launch of the Botswana Intellectual Property Policy (BIPP); Implementation of the MoU between CIPA and BIUST as a Research and Academic Institution to employ capacity building initiatives to empower the BIUST community (Innovators and Researchers) on IP matters; Continued advancements in the establishment of IP school clubs for students to develop intellectual property capabilities through collaboration with our partners - ARIPO and WIPO; and Implementation of a robust stakeholder engagement plan to promote awareness on the CIPA mandate holistically.

The Authority deliberately dedicated resources to address the following initiatives: Finalization and operationalization of the IP Model Office which promises to be yet another model digital technology by CIPA to yield gainful benefits for the Authority; Implementation of the Botswana Intellectual Property Policy (BIPP) through partnership with Shareholders; Implementation of OBRS enhancements to adapt the system to the new provisions under the Companies (Amendment) Act, 2022; diversifying the Authority's revenue mix to promote CIPA's self-sustainability; and

Development and implementation of Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Action plan to enforce compliance.

For the period ended 31st March 2023, the Authority collected P85,355,576 (2022: P82,594,203) in revenue, which was a 3% increment from the revenue generated in the same period of the prior year. About 98% (P83 997 235) of the revenue was collected through the OBRS while offline business revenue (i.e., records search, IP, and Copyright services) contributed 2% (P1 358 341) of total revenue collected for the financial year. Revenue generated by the Authority is remitted to the Government Consolidated Fund every financial year.

Funding from the Government for the 12-months period stood at P55, 668, 670. The Authority noted a favourable budget variance of positive 6% for period ending 31st March 2023. However, CIPA has achieved a 7% increase in total budget-based expenses when compared to the same period of the previous year. This adverse position is resultant of an increased expenditure lines due to the elevated inflation.

Throughout the reporting period, the Authority carried out various stakeholder engagement exercises to enhance awareness and public education on the (a) Companies (Amendment) Act, 2021; (b) compliance requirements; (c) objectives and provisions of the BIPP and (d) general services provided by the Authority.

In the coming year, we anticipate, with much enthusiasm, the execution of key undertakings being the Levy on Technical Devices Fund Open Call to empower and develop capacity, quality and diversity of the creative industries; and the meetings of the African Regional Intellectual Property Organization Governing bodies where Botswana, through CIPA, will host Ministers of governments of the 22 ARIPO Member States who are responsible for the administration of intellectual property laws in their respective countries.

On behalf of the Management and Staff, I wish to extend my gratitude to the CIPA Board of Directors and Shareholders for their steadfast support and guidance throughout this performance cycle. Of equal importance, I also wish to commend CIPA Staff for their resilience throughout all the encountered challenges, and for their valued contribution towards transforming the Authority's vision and strategic intent into tangible and visible achievements.

To the Board, Management, Staff and all our Stakeholders, I look forward to yet another year of your support, collaboration, and indeed growth as we carve a brighter future for both the Authority and Botswana.

Conductor Paul Masena
Registrar General



CORPORATE GOVERNANCE REPORT

Our people
are our greatest assets



Corporate Governance Report

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

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 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.

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, two Board members terms came to end on 30th September 2022, adding to the existing vacancy of one board member. This resulted in the Board not being fully constituted, and Board Committees, particularly the Human Resources Committee (HRC) and the Strategy, Procurement and Projects Oversight Committee (SPPOC), not being able to convene meetings due to a lack of quorum. As such, responsibilities of these Committees were consigned to the Main Board while the Finance and Audit Committee (FAC) was able to function, following the re-appointment of the FAC Chairperson effective 1st of June 2022.

The two Board members tenure came to an end following the expiration of the mandated 10-year term. These members were Mr. Martinus Seboni, who served as the founding Board Chairperson and Dr. Bernard Bulawayo, the HRC founding Chairperson. We are immensely grateful for their dedication and their tireless contribution in dispensing the mandate of the CIPA Board for the past ten (10) years. Their accomplishments will forever remain a part of our organization's tapestry.

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.

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 auditors as well as approval of their terms of engagement;
- iii)** The appointment, performance assessment and dismissal of the Internal Audit Manager, 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 the 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)** Determining and reviewing the Authority's terms and conditions of service;
- iii)** Reviewing 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:

- i)** Reviewing the Authority's strategic plan and overall strategy;
- ii)** Reviewing any strategic initiatives identified by the Board or management from time to time, including development of 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;
- iii)** 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;
- iv)** Ensuring that the Board is regularly apprised of the Authority's progress with respect to implementation of the approved strategy and projects;
- v)** Overseeing the development and implementation of the Authority's annual business plan that is consistent with the strategy;
- vi)** Reviewing matters related to legal and compliance, social and ethics, policy and guidelines, or other matter as may be deemed appropriate for the execution of the Board's oversight responsibility;
- vii)** Assisting in formulation of organization-wide policies critical to the development and advancement of the Authority's mandate;
- viii)** Exploring and making recommendations on strategic core-business issues, initiatives, projects and business programs that require Board intervention and providing guidance on appropriate governance processes and standards employed in management of such programs, initiatives and projects.

Attendance of Board and Committee meetings during the financial year ended 31st March 2022

MEMBER	MAIN BOARD	FINANCE & AUDIT COMMITTEE	HUMAN RESOURCES COMMITTEE	STRATEGY, PROCUREMENT & PROJECTS OVERSIGHT COMMITTEE
Martinus Seboni	3/5*	N/A	N/A	N/A
Bernard Bulawayo	4/5*	4/4*	2/2	N/A
Tshiamo J Motsumi	6/6**	3/3***	N/A	2/2
Lorato Morule	6/6**	5/5	N/A	N/A
Phazha Butale	7/7	N/A	N/A	2/2
Wame Mobita	5/7	1/1****	2/2	N/A

* Term ended on the 30th of September 2022 and therefore maximum possible attendance is at before term expiry

** Re-appointment was effective 1st of June 2022, and therefore maximum possible attendance is at after re-appointment date

*** Appointed Chairperson of the Board from 1st October 2022, therefore, could not continue to serve on the Finance and Audit Committee in line with King IV standards.

**** Appointed to the Finance and Audit Committee following departure of Dr. Bulawayo

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 previous King Codes, it emphasises stakeholder inclusion, IT governance and disclosures. The Authority aims to comply with all 16 principles below:

- i) The governing body should lead ethically and effectively.
- ii) The governing body should govern the ethics of CIPA in a way that supports the establishment of an ethical culture.
- iii) The governing body should ensure that CIPA is and is seen to be a responsible corporate citizen.

- iv) 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.
- v) 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.
- vi) The governing body should serve as the focal point and custodian of corporate governance in the Authority.
- vii) 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.
- viii) 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.

- ix)** The governing body should ensure that the evaluation of its own performance and that of its committees, its Chairperson and its individual members support continued improvement in its performance and effectiveness.
- x)** 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.
- xi)** The governing body should govern risk in a way that supports CIPA in setting and achieving its strategic objectives.
- xii)** The governing body should govern technology and information in a way that supports CIPA in setting and achieving its strategic objectives.
- xiii)** 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.
- xiv)** 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.
- xv)** 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.
- xvi)** 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 organization over time.

The above guiding principles, practices, and structures ensure effective governance, accountability, and sustainable growth. We are committed to upholding transparency, integrity, and responsible decision-making to serve the interests of our stakeholders as found in the following:

- i)** Although we await the full complement of Board members through the appointment of three (3) board members, our current Board comprises qualified individuals with the mandated expertise who provide strategic direction, oversight, and ensure alignment with our mission.
- ii)** Our experienced management team is responsible for executing strategies, managing operations, and achieving performance objectives.
- iii)** We maintain an environment of open communication and disclose information about our activities, financial performance, and potential risks to stakeholders in a clear and timely manner.
- iv)** We hold ourselves accountable for our actions and performance. Regular reporting and transparent disclosures ensure that stakeholders are informed about our progress and challenges.
- v)** We adhere to the highest ethical standards, addressing conflicts of interest promptly and maintaining the trust of our stakeholders.
- vi)** We actively engage with our stakeholders, including employees, customers, suppliers, to understand their perspectives and incorporate their feedback into our decision-making.
- vii)** We commit to complying with all applicable laws, regulations, and industry standards.
- viii)** Evaluation of the performance of our Board, committees, and management will be conducted in the following year to ensure that they are fulfilling their responsibilities effectively.

- i)** We acknowledge our role in contributing to a sustainable and responsible business environment. The Authority will continue to engage with stakeholders to integrate environmental, social, and governance considerations into our decision-making processes to drive long-term value.
- ii)** Our remuneration policies are continuously under review in order to attract, motivate, and retain skilled individuals while aligning incentives with our organizational goals. Compensation practices are transparent and competitive.
- iii)** We provide regular, comprehensive reports to stakeholders, detailing our financial performance, strategic initiatives, and corporate governance practices.
- iv)** We are committed to continuously improving our governance practices. Regular reviews, feedback from stakeholders, and benchmarking against industry best practices guide our efforts to enhance governance effectiveness.
- v)** 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.
- vi)** 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.
- vii)** 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.
 - Prioritized 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.
- viii)** During the period under review, the committee monitored the implementation of audit recommendations emanating from various audits through Internal Audit Tracking Sheets and the Quarterly Report on Internal Audit, 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. Overall, the Authority enjoys sound collaboration between all assurance providers to support the CIPA culture of zero tolerance to fraud and corruption.

This corporate governance statement underscores our commitment to ethical, accountable, and sustainable governance at CIPA. Through these principles, we aim to achieve our mission while fostering trust among our stakeholders.

Risk Management

The Authority embraces ERM and 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 implementation of the risk management policy and other framework documents.

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

- Prioritized the development of a Risk Management Plan and its implementation.
- Supported the institutionalisation of Enterprise-Wide Risk Management principles.
- Ensured that the risk management processes are operational and risk registers and reports produced.
- Reviewed quarterly risk management reports.
- Is in the process of fully implementing the three lines of defence model.

All these efforts are 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. Overall, the Authority enjoys sound collaboration between all assurance providers to support the CIPA culture of zero tolerance to fraud and corruption.

Internal Audit

The role of the Internal Audit function is to provide an independent appraisal of the Authority's governance, risk management, and control processes to enhance and protect organisational values by providing a risk based and objective assurance, advice, and insight on audit matters.

The Audit function provides assurance to both the CIPA EXCO and Board on the adequacy, effectiveness and efficiency of the Authority's Governance principles, risk management practices and internal control processes. Internal audit collaborates with management, presenting suggestions to improve the control and risk management landscape.

During the year, the Finance and Audit Committee received quarterly reports with control weaknesses identified by Internal Audit. The Committee monitored the implementation of audit recommendations through Internal Audit Tracking Sheets to ensure closure of findings with unacceptable residual risk.



CORPORATE PERFORMANCE REPORT

Teamwork
is the cornerstone
of our success.



Corporate Performance Report

1st April 2022 to 31st March 2023

CIPA 2.0 Strategy

Companies and Intellectual Property Authority (CIPA) is on the second year of implementation of its five (5) year plan for the period 2021 - 2026 named CIPA 2.0. Through implementation of the CIPA 2.0, the Authority remains resolute in providing efficient and accessible Business registration and Intellectual Property services to protect Business and Right holder interests.

The following key result areas remains critical for CIPA 2.0: 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 be on the implementation of initiatives planned for the financial year 2022/23.

Strategy Map

CIPA strategy map (figure 1) is visualization that helps CIPA to see its main goals, understand how various goals connect and relate, and explore the steps CIPA need to take to realize its objectives.

92%	SR1: Contributing to unlocking value		SR2: Leading Business and IP Authority in Africa	
Strategic Outcomes	<ul style="list-style-type: none"> Business data Revenue # of National IP rights protected Level of protection from infringements (enforcement/anti-piracy) 		92%	<ul style="list-style-type: none"> TAT in registration requirements Customer Satisfaction levels (% implementation or recommendations from the customer satisfaction survey) # of days taken to register a company Ranking on GI # of National Patents filed
84%	C1: Extend Collaborations & Partnerships (shareholder, partners, CSI)	C2: Enhance Outreach, Awareness and Public Education	C3: Enhance Registry Business Data	C5: Protect Intellectual Property for rights holders
Stakeholder Perspectives	<ul style="list-style-type: none"> Compliance to Stakeholder Action Plan # of Capacity Building Initiatives for IP 	<ul style="list-style-type: none"> % Recommendations implemented from public awareness survey > IP > Copyright > Companies and Business Names 	<ul style="list-style-type: none"> Registry Datasets availed # Or Data clients 	<ul style="list-style-type: none"> # of Trademarks, Utility Models, Industrial Designs, Traditional Knowledge applications (national, regional, international) # of Patents Applications # of Accreditations issued to Producers/ Importers of Copyright Works # of Copyright & Recorded works registered
74%	IP1: Operational Excellence	IP2: Leverage Digital Capabilities	IP3: Strengthen Enforcement	IP4: Strengthen Governance & Risk Management
Internal Process Perspective	<ul style="list-style-type: none"> % Compliance to Internal Service standards % Compliance to LTDF projects M&E Framework % Level of satisfaction by auditees % Availability and completeness of Records 	<ul style="list-style-type: none"> % Processes automated (core) Processes automated (support) # of systems integrated % Data Quality % Implementation of the IT Strategy 2021-2026 	<ul style="list-style-type: none"> % Compliance Annual Returns Renewals % Compliance to Business Names % Compliance to IP Renewals % Retention of protected IP rights % Infringements/Contraventions addressed % Disputes resolved (Arbitration Panel) % COSBOTS Compliance 	<ul style="list-style-type: none"> % Strategic Performance Level % Compliance to Governance Standards Internal Controls index Risk Maturity Level
56%	L1: Develop People and Capabilities	L2: Instil High Performance Culture	62%	F1: Improve Financial Sustainability
Learning & Growth Perspectives	<ul style="list-style-type: none"> % Competency levels % Adherence to Training and development plan % Talent Retention 	<ul style="list-style-type: none"> % Employees Living the values % Employee Engagement % Leadership Effectiveness % Employee Performance Levels 	Financial Perspective	<ul style="list-style-type: none"> % Other income subvention Increase in income streams
				F2: Strengthen Resource Management
				<ul style="list-style-type: none"> % Budget Utilization

LEGEND

Colour Code				
Description	Performance is below minimum threshold	Performance is between minimum threshold and target	Performance has met minimum threshold	Performance has not been assessed
Performance Level	0-50%	51-84%	85%-100%	N/R

Annual Performance Plan (APP) Execution

The CIPA Strategy map comprises of **13** Strategic Objectives and **50** Key Performance Indicators (KPIs). The following trends are indicative of implementation of the 2022/23 Annual Performance Plan:

1. A total of **50** KPIs were monitored for the year 2022/23 with **12** KPIs that have been deferred due to constrained finances. It is critical to note that all KPIs proposed must be scrutinised to determine if they are adequately contributing to the strategic intentions of the organization. The same will apply to the 12 KPIs not documented.
2. Of all the **38** KPIs monitored: **47% (18/38)** are on GREEN; **34% (13/38)** are on AMBER; and **18% (7/38)** are on RED.
3. Performance for Strategic outcomes was at **92%** and **96%** for **SR 1** (Contributing to unlocking value) and **SR2** (Leading Business and IP Authority in Africa) respectively. This signals that CIPA was doing reasonably well especially on the areas of Empowered Businesses and Rights Holders; Automated Online Registration Services; and Doing Business Cycle ServiceDesk.
4. The following trend presents for CIPA performance regarding the four (4) Strategic Perspectives: **84%** for Stakeholder/Customer perspective; **74%** for Internal Process; **56%** for Learning and Growth; and **62%** for Finance.
5. The inference to the performance results is that the Authority experienced some challenges in coming up with income generating streams to ensure sustainability. However, it is worth noting that two (2) income streams, Business data and Interest streams had been identified.
6. CIPA also scored a lower performance in relation to Learning and Growth perspective. This is attributable to late approval of the Training plan which negatively impacted its implementation. Poor implementation of the Training plan will ultimately compromise CIPA's endeavour for a Capacitated and Performing Professionals (Talent Management).
7. It is also worth noting that the Objective IP2: Leverage on Digital Capability, need to be gravely interrogated in the next APP as performance for all its KPIs could not be measured. If Objective IP2 is not addressed, there is a risk of not accomplishing the Strategic intent geared towards leveraging on innovations and ideas for economic development and promotion of the use of creativity to derive economic value and diversification.
8. The average performance for the financial year 2022/23 was **77%**. This is a fair result when taking into consideration the CIPA financial position.

KPI's Performance for the Financial Year 2022/2023

These following Table shows how the KPIs fared for the FY 2022/23.

Strategic Outcomes:

Perspective	Strategic Objectives	Key Performance Indicators (KPIs)	2022/23 Average Performance Result	Comments
OUTCOMES / STRATEGIC RESULTS	SR1: Contributing to unlocking value	Business Data Revenue (BWP)		The Authority had not generated revenue through the sale of business data. However, consultation with Stakeholders is ongoing.
		# of National IP Rights Protected (Annual target 1200; Quarterly target 300)		The performance for this KPI was at an average of 80% except for Q3 which falls within the festive season. The trend showed a decrease during the months of October - December 2022.
		Level of protection from infringements (enforcement/ anti-piracy)		Enforcement/anti-piracy activities continues to be done with the assistance of law enforcement agencies.
	SR2: Leading Business and IP Authority in Africa	%Compliance in TAT for registration		The Authority had consistently monitored the TAT for Customer facing processes. Registration of companies had consistently been done within 24 hrs.
		Customer satisfaction levels (% implementation of recommendations from the customer satisfaction survey)		The Authority had been monitoring implementation of Customer Satisfaction Survey recommendations. Some issues had been hampered by financial constraints.
		Global Innovation Index (GII) (# of national patents filed) Target 10 (Q1-2, Q2-2, Q3-3, Q4-3)		The targeted No. of Patents had been achieved and more is expected for the next financial year.
		Doing Business Index (DBI) Number of days taken to register a company.		Companies had been consistently registered within 24 hours and that had placed Botswana on a favourite position in terms of Doing Business Index.

Customer Perspective:

Perspective	Strategic Objectives	Key Performance Indicators (KPIs)	2022/23 Average Performance Result	Comments
CUSTOMER	C1: Extend Collaborations & Partnerships (shareholder, partners, CSI)	% Compliance to Stakeholder Action Plans.		The Authority had executed their Stakeholder plan according to budget and schedule.
		# of Capacity Building Initiatives for IP (Level of implementation of Capacity building initiatives for IP).		All the planned Capacity building initiatives have been accomplished.
	C2: Enhance Outreach, Awareness and Public Education	% Recommendations implemented from Public Awareness Survey (Awareness Index) for IP.		The Authority had been challenged in implementation of the recommendations from Public Awareness Surveys. This is attributable to financial constraints.
		% Recommendations implemented from Public Awareness Survey (Awareness Index) for Copyright.		
		% Recommendations implemented from Public Awareness Survey (Awareness Index) for Companies and Business Names Registration.		
	C3: Enhance Registry Business Data	# Registry Datasets availed.		There had been stagnation on the progress due to technical issues regarding OBRS.
		# of Data Clients.		No Data Clients were confirmed for the year 2022/23. However, negotiations were ongoing with several financial institutions.
	C4: Improve Client Service Excellence	% Complaints Resolved within TAT.		The Authority continues to address complaints raised by customers within the TAT.
		% Compliance to Customer Service Standards.		OBRS processes (Deregistration and Cessations and Business Names Restorations) were done within turnaround times.
	C5: Protect Intellectual Property for rights holders	# of Trademarks, Utility Models, Industrial Designs, Traditional Knowledge applications (national, regional, international) (Annual target = 2500; Quarterly target = 625)		The Authority continues to track the Number of Trademarks, Utility Models, Industrial Designs, Traditional Knowledge applications (national, regional, international).
		# of Patents Applications (Annual target = 500; Quarterly target = 125)		The number of Patents Applications are continuously monitored.
		# of accreditations issued to Producers/importers of copyright works.		Monitoring of Accreditations issued to Producers/importers of copyright works are done monthly.
		# of Copyright and Recorded works registered.		The Authority continues to monitor the number of Copyright and Recorded works registered.

Internal Process:

Perspective	Strategic Objectives	Key Performance Indicators (KPIs)	2022/23 Average Performance Result	Comments
INTERNAL PROCESS	IP1: Improve Operational Excellence	% Compliance to Internal Service Standards	Green	CIPA continues to monitor Compliance to Internal Service Standards.
		% Compliance to LTDF projects M&E Framework	Green	Compliance to LTDF projects M&E Framework was monitored during the financial year.
		% Availability and completeness of Records	Green	Records Management Programme was implemented and at the close of the year was at 98%.
		Level of satisfaction by auditees	Green	A survey on Level of satisfaction by auditees was carried out and was consistently at 87%.
	IP2: Leverage Digital Capabilities	% Processes Automated (Core)	Grey	The IT Strategy had been formulated and cascaded to all structures. However, progress on the implementation had been hampered by budget constraints. All the KPIs relating to IP2: Leverage on Digital Capabilities were deferred to the next financial year.
		% Processes Automated (Support)	Grey	
		% of Systems Integrated	Grey	
		% Implementation of the IT Strategy 2021-2026	Grey	
		% Data Quality	Grey	
	IP3: Strengthen Enforcement	% Compliance to Annual Returns	Yellow	Compliance to Annual Returns had been monitored and posted an average of 59% for the year.
		% Compliance to Business Name Renewals	Red	Compliance to Business Name Renewals performed dismally at an average of 29% for the year. Survey to establish the underlying issues planned for the next financial year.
		% Compliance to IP Renewals	Red	Compliance to IP Renewals was at 35%. Enhancement of Awareness campaigns planned for the next financial year.
		% Retention of protected IP rights	Green	Monitoring of Retention of protected IP rights was done, and 88% average performance was recorded.
		% Compliance of Cosbots	Green	Cosbots was on average 85% compliant for the year 2022/23.
	IP3: Strengthen Enforcement	% Disputes resolved (Arbitration Panel)	Grey	The Arbitration Panel was not established and hence disputes could not be resolved.
		% Infringements/Contraventions addressed	Yellow	The Authority continues to take action on those found in possession of infringing works.
	IP4: Strengthen Governance & Risk Management	% Compliance to Governance standards	Red	The King IV provisions are continuously monitored.
		% Strategic Performance level	Yellow	Performance of Corporate KPIs are continuously monitored for every Quarter.
		% Internal Controls index	Green	The Authority's Risk exposure monitored quarterly.
		Risk Management Maturity level	Grey	The Risk Maturity level was not established and deferred to the next financial year.

Learning and Growth:

Perspective	Strategic Objectives	Key Performance Indicators (KPIs)	2022/23 Average Performance Result	Comments
LEARNING & GROWTH/ ORGANISATIONAL CAPACITY	L1: Develop People and Capabilities	% Competency levels		Competency level not established for 2022/23.
		% Adherence to Training and development Plan		Training was undertaken during the financial year. However, several trainings were to be done after the close of the year as the courses were offered on later dates.
		% Talent Retention		The attrition rate is continuously monitored to ensure that the Authority does not lose key personnel.
	L2: Instil High Performance Culture	% Employees Living the values		The People management blueprint had been drafted. However, the survey on Employees living the values had not been done.
		Employee Performance Levels		By the close of 2022/23, the appraisals were done for September 2022 and the remaining Quarters were not complete due to PMS technical challenges.
		% Employee Engagement		Implementation of the Employee engagement plan was ongoing.
		% Leadership Effectiveness		Competencies were developed as part of the automated PMS project. However, assessments were to be done as part of the TM & Succession Plan Framework project.

Finance:

Perspective	Strategic Objectives	Key Performance Indicators (KPIs)	2022/23 Average Performance Result	Comments
FINANCE	F1: Improve Financial Sustainability	% Other income to subvention		Not done for the year 2022/23.
		Increase in other Income streams (Business data, Admin penalty fees due to amendments, Interest)		There have been challenges relating to other income streams and only 2 (Business data and Interest streams) had been identified.
	F2: Strengthen Resource Management	% Budget Utilization		By the close of the financial year, the Budget expenditure was at 91% .



PERFORMANCE HIGHLIGHTS

A customer focused team,
driven by innovation,
integrity, and efficiency



Performance Highlights

1st April 2022 to 31st March 2023

A. COMPANIES AND BUSINESS NAMES

New Registrations

New applications are received daily for both companies and business names, and we continue to keep the 24-hour turnaround time as per our Service Standards. This is directly attributable to the Online Business Registration System ("OBRS"), which has made it easier for investors, locally and internationally, to register companies and business names through online submissions from anywhere in the world.

The following are the statistics for different services as at 31st March 2023.

SERVICE TYPE	NEW REGISTRATIONS (2022 / 2023)	REMOVED DUE TO FAILURE TO PAY ANNUAL RETURNS /RENEWALS / CESSATION OF BUSINESS NAMES	TOTAL ACTIVE REGISTRATIONS
COMPANIES	21 675	34 923	129 015
BUSINESS NAMES	10 700	12 576	58 619
TOTAL	32 375	47 499	187 634

Records And Search

The Authority undertook a Record Management Programme Project to produce a Records Management Policy for the Authority and accompanied by the supporting documents in the form of Records Classification Scheme, Records Procedure Manual, Email as a Record Document, and Retention and Records Disposal Schedule, among others. The Authority engaged the University of Botswana, Department of Library and Information Services (DLIS) to deliver the Project for CIPA.

The Records Management Programme was adopted by the Authority, with approval from the Board and is being implemented to maintain the Authority's records.

Stakeholder Engagements Activities

The Authority held a stakeholder engagement in November 2022, with Company Secretaries, to discuss the Companies Act amendments as passed by Parliament in February 2022. The focus was on beneficial ownership (BO), and its effect on companies and the country as a whole in terms of complying to international indices related to Anti-Money Laundering efforts. The Authority also engaged the Boards of Directors of Public Listed Companies to keep them abreast with the latest developments and issues related to the Companies (Amendment) Act, 2022. Other Stakeholders engaged included Law Enforcement Agencies to guide them on how to use the OBRS as well as sharing on the roles of company directors, shareholders and secretaries.

Online Business Registration System

The Authority has been closely working with the System Developers, Foster Moore ("FM"), to evaluate its performance and considering areas of improvement and enhancements for the System. Both parties agreed to undertake a project to effect system enhancements relating to anti-money laundering and combatting the financing of terrorism (AML/CFT) legislation. The project, which is expected to be concluded towards the end of the next financial year, will also add new services such as the highly anticipated Watchlist, and will improve the overall user-experience of the OBRS.

Benchmarking

The Authority has been receiving a number of requests for benchmarking on the development and deployment of the OBRS, both locally in Botswana and from other jurisdictions. The Authority has hosted the Malawi delegates from the Office of the Registrar General who came for benchmarking on OBRS and sharing of experiences in May/June 2022. Others include Botswana's Ethics and Integrity Directorate in July 2022 and the High Court of Botswana in November 2022.

Botswana is a member of the Corporate Registers Forum (CRF) as represented by the Authority. For the financial year 2022/2023, the Authority attended the CRF 2022 Annual Conference in Maldives, represented by the Registrar General, Registrar -Companies and Business Names and Director - Information Technology. During the conference the Authority delivered a presentation on Beneficial Ownership, giving Botswana's experience and perspective on the topical issue.

"The Authority has hosted the Malawi delegates from the Office of the Registrar General who came for benchmarking on OBRS and sharing of experiences in May/June 2022"

B. INDUSTRIAL PROPERTY

World Intellectual Property Day 2022

The World Intellectual Property Day was celebrated in Francistown on the 26th April 2022. The objective of the World IP Day is to celebrate the role of intellectual property in uplifting communities and contributing to economic development and growth. The theme for the commemoration was **IP and Youth: Innovating for a Better Future**, with the commemoration being organised by CIPA, United States of America Embassy, Department of Research, Science and Technology (DRST), Botswana Digital and Innovation Hub (BDIH), Botswana Institute for Technology, Research and Innovation (BITRI) and Copyright Society of Botswana (COSBOTS). The event was further supported by the Ministry of Youth, Gender, Sports and Culture (MYGSC), as the entity responsible for driving capacity building for youth in Botswana.

We were honoured this year to have the Minister of Trade and Industry, Honourable Mmusi Kgafela as the keynote speaker. Addressing the youth entrepreneurs, the Honourable Minister encouraged use of the tools of the IP System (trademarks, patents, industrial designs and copyrights) to build a competitive advantage for their businesses. He further advised that the Ministry is working around the clock to create opportunities for local businesses to benefit from the African Continental Free Trade Area (AcFTA), which promises a market of more than a billion people throughout the African continent for our local products and services. In preparation for exporting their products, the youth were encouraged to ensure that their innovative products are registered with CIPA, so that they do not fall victim to piracy and counterfeiters when tapping into the lucrative African market.

World IP Day School Competition

As part of the World IP Day 2022 commemoration, schools in the Francistown region participated in an innovation challenge as follows:

Hawkers/Street vendors in Francistown have a security risk from selling out in the open and the money they collect is vulnerable to being stolen. Design a solution that will enable their money to be kept securely as they sell their merchandise.

Through this competition students demonstrated that they have excellent problem-solving skills with an ability to generate innovations that can solve societal problems.

"When fully implemented the country will, in line with the Policy Theme be fully Harnessing intellectual property for economic transformation"

The students demonstrated and presented their prototypes to the audience, again demonstrating that they have skills to pitch their innovations to potential investors. The competition results were as follows:

POSITION	SCHOOL	PRIZE MONEY
First Prize	Tadabigwa Community Junior Secondary School	P10,000
Second Prize	Masunga Senior Secondary School	P6,000
Third Prize	Mater Spei College	P4,000

The Botswana Intellectual Property Policy (BIPP) Launch

The Botswana Intellectual Property Policy (BIPP 2022) was developed with the assistance of the World Intellectual Property Organisation (WIPO). The policy was approved by Parliament in March 2022. Following its approval, the BIPP 2022 was formally launched by His Excellency the President, Dr. Mokgweetsi Eric Keabetswe Masisi under the theme **"Harnessing IP for Economic Transformation."** The official launch event was held on the 15th November 2022 in Gaborone. The Botswana Intellectual Property Policy's 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 intellectual property for economic transformation.

Subsequent to the official launch of the National Intellectual Property Policy CIPA organised a seminar for Members of parliament and other high-level policy makers on the 16th November 2022 in Gaborone, whose purpose was to sensitize the attendees on the policy and give them an in-depth understanding on intellectual property matters so that they can further disseminate information in their respective constituencies and organisations.

The next financial year will be dedicated to forming an inter-governmental committee for policy implementation, as well as raising awareness on both intellectual property and the policy in order to ensure that stakeholders have a firm grasp on how IP can grow sustainable business enterprises.

IP Model Office Project

The Modernization of the IP Office project, which aims to establish an efficient and effective operational and technical framework for the business processes related to intellectual property applications and registration processes is on-going. A Cooperation Agreement between CIPA and the World Intellectual Property Organization (WIPO) for the project was signed by the CIPA Registrar General and the WIPO Director General in November 2022.

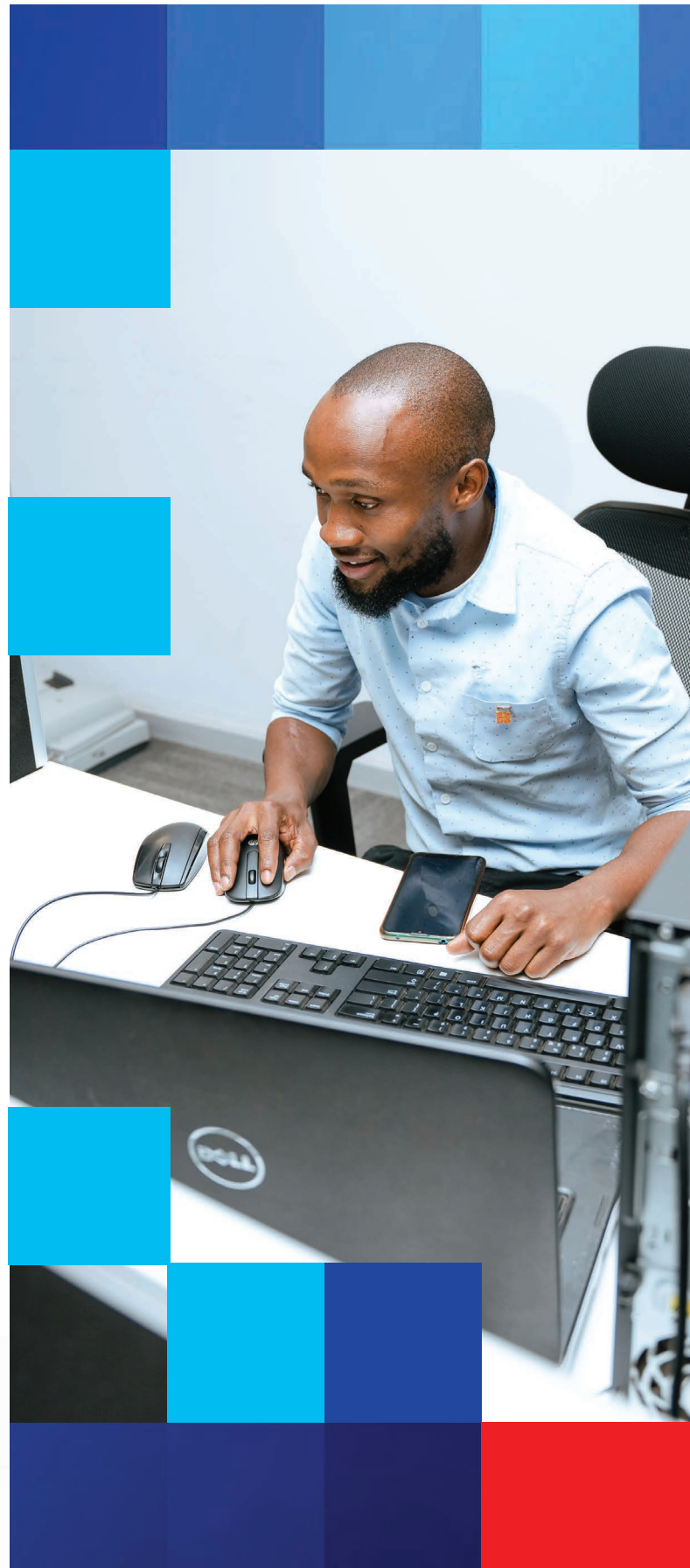
The bulk of this financial year was dedicated to the digitization of manual files so that they can be availed in the new digital platform. The next stages, which include streamlining of work processes, stakeholder engagement and training, system deployment, among others, have commenced and are already at an advanced stage. The final project, including online filing for intellectual property will be delivered and commissioned during the 2023/2024 Financial Year.

Branding Of The Chobe Baskets Project Launch

The Companies and Intellectual Property Authority (CIPA), in collaboration with the World Intellectual Property Organisation (WIPO) and the Ministry of Entrepreneurship (Department of Cooperative Development), hosted the launch event of the Chobe Basket collective mark in Kasane on November 18, 2022. The project was financed by WIPO with support from the Funds-in-Trust Japan Industrial Property Global (FIT Japan IP Global). Members of the basket weavers association, owners of the Chobe basket collective mark as well as some basket weavers from the Chobe District and surrounding communities attended the launch, which was officiated by Minister of Entrepreneurship, Honourable Karabo Gare.

The project commenced with the IP and Branding Strategy for Chobe Baskets Project in 2019, with the aim of supporting basket producers in the Chobe community to brand their products using IP tools. The project was also aimed at building the capacity of stakeholders in order to assist them in enhancing the value and quality of the baskets, increase their revenue as a result, and thereby improving their livelihoods. The collective mark was successfully registered with the Companies and Intellectual Property Authority (CIPA) by the umbrella cooperative "Chobe Basket Weavers Cooperative Union Ltd." in 2021.

"The project was also aimed at building the capacity of stakeholders in order to assist them in enhancing the value and quality of the baskets, increase their revenue as a result, and thereby improving their livelihoods"



C. COPYRIGHT

Levy On Technical Devices Fund (LTDF)

CIPA continues to monitor projects funded under the Levy on Technical Devices Fund and carry out its duty as the Secretariat of the Levy on Technical Devices Fund Management Committee. Since inception of the Fund, forty-one projects have been funded from different categories of the creative industries. At the end of the financial year, implementation of eight (8) projects was still ongoing, two (2) projects are ongoing with challenges, activities for six (6) projects have been completed pending closure, eleven (11) have been closed and nine (9) projects have been terminated. The following are highlights of some of the projects completed during the financial year.

David Slater (Botswana Music Library)

David Slater's project, 'The Music Library', was funded to the value of five hundred and eighty-four thousand Pula (P584 000,00) to expand the existing library collection at their disposal. The library focused on collating music written locally and internationally, whether classical and chorale, and including music recorded in CDs or DVDs. Furthermore, the library services include capacity building or training in the art of conducting and transcription of the music to church choirs, community choirs and schools. A website was developed for advertising the services of the library (www.botswanamusiclibrary.org.bw).

Ngamiland Council of Non-Governmental Organisations (Ngamiland Network Project)

The Ngamiland Council of Non-Governmental Organisation's project was funded to the tune of nine hundred and ninety-one thousand Pula (P991 000,00) to assist with the development of capacity, quality and diversity of the creative industry in the Ngamiland region. This was because Ngamiland as the capital for the tourism industry, presented some opportunities for creative and performing artists to take advantage of this market and create an equally attractive package for creative and performing arts enthusiasts, by creating an ambience that captures all the different aspects of creative industries that exist in Maun and Ngamiland at large. Therefore, NCONGO provided a platform for networking, coordination, and collaboration between key stakeholders to build capacity within the region.

Amendment of the LTD Fund Order

The revised Levy on Technical Devices Fund (LTDF) Order which governs the administration of the LTDF was approved in April 2022. The revised Order provides that the LTDF Management Committee consists of the Deputy Permanent Secretary in the Ministry of Trade and Industry as the Chairperson, a representative from the Ministry of Finance and Ministry of Trade and Industry, and eight (8) members from the private sector who hold the qualification from creative industry or have experience that the Accounting Officer considers appropriate. Furthermore, the Order appoints CIPA as Secretariat to the Committee.

Schedule of Levies of the Copyright and Neighbouring Rights Regulations

The Fourth Schedule on Levies of the Copyright and Neighbouring Rights Regulations were approved in 2022. The Botswana Unified Revenue Services started to implement the schedule from May 2022. The schedule was revised to update the list of levies to include new devices brought about by technological developments.

Establishment Of Intellectual Property Clubs In Schools

The African Regional Intellectual Property Organization (ARIPO) and the World Intellectual Property Organization (WIPO) collaborated to undertake a project to establish Intellectual Property (IP) Clubs in secondary schools. The aim of the project was to educate the youth in secondary schools about Intellectual Property with an emphasis on building respect for IP Rights and conduct a national and regional IP clubs competitions. This was a pilot project that was implemented in three ARIPO member states which were Botswana, Malawi and Zimbabwe.

In Botswana, the schools which participated in the project were St Joseph's College, Matlala Junior Secondary School and Gabane Junior Secondary School. The national competition, which was held on 21st October 2022, was won by St Joseph's College. The school represented the country at the regional competitions in Mozambique. Their project was a video that depicted the various aspects of IP, its value and the importance of respect for it. Botswana emerged as the overall winner ahead of schools from Zimbabwe and Malawi.

"This was because Ngamiland as the capital for the tourism industry, presented some opportunities for creative and performing artists to take advantage of this market and create an equally attractive package for creative and performing arts enthusiasts..."







ANNUAL FINANCIAL STATEMENTS



COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

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For The Financial Year Ended 31st March 2023

Authority Information

Business operations: To protect the interests of Investors and Rights Holders by providing efficient and accessible business registration and Intellectual Property services.

Authority registration: The Authority was established in terms of the Companies and Intellectual Property Authority Act, 2011

Registered address: Prime Plaza (21)
Block A, Plot 74358
New CBD
Gaborone

Postal address: P O Box 102
Gaborone

Auditors: Ernst & Young

Bankers: Stanbic Bank Botswana Limited

Currency: Botswana Pula (BWP)

Board of Directors (Non-Executive)

- Mr Martinus Seboni (Chairperson) (Term - 01/10/2012 – 30/09/2022)
- Mr Phazha Butale (Member) (Term - 01/10/2012 – To date)
- Mr Tshiamo Motsumi (Vice Chairperson) (Term - 01/06/2022 – To date)
- Dr Bernard Bulawayo (Member) (Term - 01/10/2012 – 30/09/2022)
- Ms Lorato Morule (Board) (Term - 01/06/2022 – To date)
- Ms Wame Tlagae (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 Lucky Matseka (Strategy Manager)
- Mr Bumo Nthoiwa (Internal Audit Manager)

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COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Statement of responsibility by the Members of the Board For The Financial Year Ended 31st March 2023

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 or loss. The Members have reviewed the Authority's cash flow forecast for the year to 31 March 2023 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 42 to 43. 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 44 to 47. The annual financial statements and additional schedules set out on pages 61 to 83, which have been prepared on the going concern basis, were approved by the Board on 17th November 2023 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 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 44 to 83 which comprise the statement of financial position as at 31 March 2023 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 2023, 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 2023" which includes the Statement of Responsibility by the Members of the Board, which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information received prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Members of the Board for the Financial Statements

The Members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Intellectual Property Authority Act (Cap 42:13), and for such internal control as the Members of the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



Independent Auditor's Report

To the Members of the Board of Companies and Intellectual Property Authority Report on the Audit of the Financial Statements

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.

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

Ernst & Young
Firm of Certified Auditors
Practising member: Thomas N Chitambo (CAP 0011 2022)
Gaborone

23/11/2023

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Statement of Comprehensive Income

For The Financial Year Ended 31st March 2023

	Note	2023 P	2022 P
Revenue	1	55 769 373	57 706 169
Other income	1	10 275 763	8 886 546
Total income		66 045 136	66 592 715
Administration, operating and strategy projects expenses	2	(69 612 486)	(63 458 778)
Operating (deficit) / surplus		(3 567 350)	3 133 938
Finance cost	12	(1 475 974)	(907 355)
Finance income	4	8 907	11 035
(Deficit/Surplus before income tax)		(5 034 417)	2 237 617
Income tax	5	-	-
(Deficit/Surplus for the year)		(5 034 417)	2 237 617
Other comprehensive income:		-	-
Total comprehensive (income)/loss income for the year		(5 034 417)	2 237 617

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Statement of Financial Position

As at 31st March 2023

	Note	2023 P	2022 P
ASSETS			
Non-current assets			
Property and equipment	6	7 483 064	11 128 011
Intangible Assets	8	1 598 558	1 878 739
Right of Use Asset - Leased Properties	7	20 646 616	2 170 520
Right of Use Asset - Land and Building	7.1	2 390 800	2 442 400
Receivables and prepayments	9	436 157	44 699
		32 555 195	17 664 369
Current Assets			
Receivables and prepayments	9	6 165 795	5 950 536
Cash and cash equivalents	18	20 888 123	19 811 808
		27 053 918	25 762 344
		59 609 113	43 426 713
Total assets			
EQUITY			
Reserves			
Accumulated surplus		7 434 462	12 468 879
		7 434 462	12 468 879
Liabilities			
Non-current liabilities			
Capital grant	11	7 284 808	11 620 830
Lease liability	12	16 245 476	677 080
		23 530 284	12 297 910
Current liabilities			
Short term portion of capital grants	11	4 232 385	3 815 876
Short term portion of lease liability	12	5 405 014	2 076 722
Trade and other payables	13	10 177 208	9 809 032
Unspent grants received from Government	14	8 829 760	2 958 294
		28 644 367	18 659 924
		52 174 651	30 957 834
Total liabilities			
		59 609 113	43 426 713
Total equity and liabilities			

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Statement of Changes in Funds

For The Financial Year Ended 31st March 2023

	Accumulated Funds P	Total P
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
Balance as at 01 April 2022	12 468 879	12 468 879
Total comprehensive income		
Loss for the year	(5 034 417)	(5 034 417)
Balance as at 31 March 2023	7 434 462	7 434 462

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Statement of Cash Flows

For The Financial Year Ended 31st March 2023

	Note	2022 P	2021 P
Cash flows from operating activities			
Cash utilised in operations	16	661 402	4 181 061
Net cash utilised in operating activities		661 402	4 181 061
Cash flow from investing activities			
Purchase of Property and Equipment	6	(80 320)	(4 117 409)
Purchase of intangibles		(132 613)	(1 125 815)
Proceeds from insurance claim/sale of Property and Equipment	17	126 613	6 000
Interest received	4	8 907	11 035
Net cash out flows from investing activities		(77 413)	(5 226 189)
Cash flows from financing activities			
Capital and expenses grants received	11 & 14	6 193 614	4 244 805
Payment of finance lease		(4 225 314)	(5 681 576)
Interest paid on lease		(1 475 974)	(907 355)
Net cash generated from financing activities		492 326	(2 344 126)
(Decrease)/increase in cash and cash equivalents		1 076 315	(3 389 253)
Cash and cash equivalents at the beginning of the year		19 811 808	23 201 062
Cash and cash equivalents at the end of the year		20 888 123	19 811 808

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

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 17th November 2023.

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

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

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

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.

It is the policy of the Authority to transfer Work in Progress (WIP) 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).

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

1.5 FINANCIAL ASSETS

1.5.1 Classification and measurement of financial assets

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

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

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

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

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

1.5.2 Receivables

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

1.5.3 Cash and Cash Equivalents

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

1.5.4 Impairment of financial assets

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

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

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.

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)

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

1.6.2 Trade and Other Payables

Trade and other payables 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.

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

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.

The Authority receives grants of non-monetary assets, the asset and the grant are recorded at fair value and released to profit or loss over the expected useful life of the asset, based on a pattern of consumption of the benefits of the underlying asset by equal annual instalments. 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.

1.9.2 Capital Grant

When the authority is a lessee and enters into a lease with government, government agencies and similar bodies whether local, national or international, it is required to recognise a right of use asset and a capital grant. The capital grant is measured at fair value. Subsequently the capital grant is released to profit or loss over the lease term, based on a pattern of consumption of the benefits of the underlying asset. The capital grant is credited to the statement of comprehensive income and the related depreciation is deducted from the cost of the right of use asset in determining the carrying amount of the right of use asset.

1.9.3 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 amount.

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

For The Financial Year Ended 31st March 2023

1.9.4 Revenue arises mainly from the WIPO and ARIPO fees

The Authority as a member of both World Intellectual Property Organization (WIPO) and African Regional Intellectual Property Organization (ARIPO) receives a portion of fees collected by either organization or behalf of its members and shared accordingly. These fees should form part of funds collected on behalf of the Government of Botswana and should be remitted to the government consolidated fund. 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

For The Financial Year Ended 31st March 2023

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.

In the absence of a Standard that specifically applies to the accounting for leases with government, the entity has applied paragraphs 10–11 of IAS 8 to develop and apply an accounting policy for the Right of use asset and the capital grant. The entity has made reference to IFRSs that deal with similar or related issues.

Right of use Asset

When the authority is a lessee and enters into a lease with government, government agencies and similar bodies whether local, national or international, it is required to recognise a right-of-use asset which represents the Authority's right to use an underlying asset belonging to the government for the lease term. The right of use asset is recognised at the commencement date of the lease.

The cost of the right-of-use asset includes, where appropriate, the Capital grant received from the government which is valued at fair value of the property.

The right-of-use asset is subsequently measured using the cost model at cost less accumulated depreciation and impairment.

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

(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.

At 31 March 2023, if the currency had weakened/strengthened by 1% against the United States Dollar with all other variables held constant, the deficit for the year would have been P34 612 higher or P33 926 lower, and the increase or decrease will be accumulated in changes in funds.

At 31 March 2023, if the currency had weakened/strengthened by 1% against the Swiss Franc with all other variables held constant, the deficit for the year would have been P24 249 higher or P23 769 lower, and the increase or decrease will be accumulated in changes in funds.

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

(b) Credit risk

Financial assets of the Authority, which are subject to credit risk, consist mainly of cash and cash equivalents and other receivables. The credit risk exposure of the Authority is thus minimal.

(c) Liquidity risk (Continued)

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.

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Significant Accounting Policies

For The Financial Year Ended 31st March 2023

	0-3 months	3-6 months	6-12 months	Total
	P	P	P	P
At 31 March 2023				
Financial Assets				
Receivables	6 138 914	-		6 138 914
Cash and cash equivalents	20 888 123	-	-	20 888 123
	27 027 037	-	-	27 027 037
Financial Liabilities				
Trade payables	2 242 507	-		2 242 507
Non-Financial Liabilities				
Staff terminal benefits provision		7 670 757		7 670 757
Audit fees provision	-	263 944	-	263 944
		7 934 701	-	10 177 208
Net liquidity gap	24 784 530	(7 934 701)	-	16 849 830
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
Non-Financial Liabilities				
Staff terminal benefits provision		6 937 212		6 937 212
Audit fees provision	-	282 090	-	282 090
	2 589 730	7 219 302	-	9 809 033
Net liquidity gap	22 319 071	(7 219 302)	-	15 099 768

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

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.

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Significant Accounting Policies

For The Financial Year Ended 31st March 2023

New standards and interpretations issued but not yet effective at 31st March 2023

Standard / Interpretation	Description	Effective Date
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 2024
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
Deferred Tax related to Assets and Liabilities arising from a single transaction – Amendments IAS 12	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
IFRS 16 – Lease Liability in a Sale and Leaseback	This is a transaction where an entity sells an asset and leases it back from the buyer. The seller-lessee must determine if the transfer is a sale under IFRS 15. If it is a sale, the seller-lessee accounts for the leaseback as a right-of-use asset and a lease liability. If it is not a sale, the seller-lessee continues to recognise the transferred asset. IFRS 16 includes requirements for the initial measurement of the transaction, but not for the subsequent measurement.	Annual periods beginning or after 1 January 2023

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Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

	2023	2022
	P	P
1 SUBVENTION AND OTHER INCOME		
Subvention from government	55 769 373	57 706 169
Fees from ARIPO	3 550 766	3 260 523
Fees from WIPO	2 400 653	1 802 682
Other income	9 500 ¹	12 180
Amortisation of Capital Grant	4 232 385	3 815 876
Profit/(Loss) on disposal of fixed asset (Note 11)	82 459	(4 715)
	10 275 763	8 886 546
	66 045 136	66 592 715

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.

	2023	2022
	P	P
2 ADMINISTRATION, OPERATING AND STRATEGY EXPENSES		
<i>The following items have been charged/(credited) in arriving at the operating (deficit)/surplus:</i>		
Auditors remuneration	275 649	308 478
Consultancy fees	617 451	974 193
Directors Emoluments	215 214	154 815
Depreciation (Note 6, 7 & 7.1)	8 465 497 ²	8 030 263
Amortisation (Intangible Assets)	412 794	84 610
Insurance	189 318	198 255
Local and international travel	1 503 785	228 192
Net Profit on foreign exchange	(283 805)	(82 399)
Other office and administration expenses	6 942 586	6 388 398
Projects Expenses (Note 2.1)	1 571 142	989 456
Printing and stationery	71 033	123 118
Rent expenses	453 497	458 253
Repairs and maintenance	584 006	184 741
Software licenses and IT Contracts	7 242 534	5 337 925
Staff cost (Note 3)	41 351 785	40 080 481
	69 612 486	63 458 778

¹ Other Income includes BITRI P5,000 for contribution of World IP Day and P4,500 for Sale of Tender

² Depreciation of P8, 465, 497 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

For The Financial Year Ended 31st March 2023

	2023	2022
	P	P
2.1 STRATEGY PROJECTS EXPENSES		
Stakeholders Engagement Plan	27 876	42 000
Customer Satisfaction Surveys	69 939	89 348
National IP Policy and Strategy	431 663	-
IP Model Office	419 625	202 748
Internal Service Level Standards	33 864	-
Records Management Policy	8 495	128 807
Integration For SAGE and OBRS	470 624	94 119
IT Strategy, and Governance Policies 2021-2026	-	187 020
Arbitration panel	47 214	57 015
PMS and Change Management	61 842	188 400
	1 571 142	989 456
3 STAFF COSTS		
Salaries and wages	26 854 933	25 857 687
Other staff benefits	8 198 074	8 310 738
Pension fund contributions	2 783 714	2 714 511
Medical aid contributions	595 500	530 993
Contract gratuity and severance payments	2 919 564	2 666 553
	41 351 785	40 080 482
4 FINANCE INCOME		
Interest Received		
Bank	8 907	11 035
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

For The Financial Year Ended 31st March 2023

6 PROPERTY AND EQUIPMENT	Motor Vehicles	Computer Equipment
Year ended 31 March 2022		
Opening net book value	700 365	2 607 580
Additions	991 541	1 144 291
Disposal (Cost)	-	(51 010)
Depreciation	(408 894)	(1 514 209)
Depreciation on disposal	-	35 903
Net book value at the year end	1 283 012	2 222 555
At 31 March 2022		
Cost	3 310 997	10 401 262
Accumulated depreciation	(2 027 985)	(8 178 707)
Net book value	1 283 012	2 222 555
Year ended 31 March 2023		
Opening net book value	1 283 012	2 222 555
Transfers	-	1 935 380
Additions	-	114 591
Disposals (Cost)	(524 500)	(92 049)
Depreciation	(376 587)	(1 627 838)
Depreciation on Disposals	524 500	37 182
Closing net book value	906 425	2 589 821
At 31 March 2023		
Cost	2 786 497	12 359 184
Accumulated depreciation	(1 880 072)	(9 769 363)
Net book value	906 425	2 589 821

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

Furniture & Fittings	Office Equipment	Leasehold Improvements	Work in Progress	Total (Cost)
3 236 146	1 294 262	2 867 023	-	10 705 376
13 805	32 391	-	1 935 380	4 117 410
-	-	-	-	(51 010)
(442 038)	(172 337)	(1 142 189)	-	(3 679 666)
-	-	-	-	35 903
2 807 912	1 154 317	1 724 834	-	11 128 011
5 628 646	1 737 240	5 722 495	1 935 380	28 736 020
(2 820 733)	(582 923)	(3 997 661)	-	(17 608 009)
2 807 912	1 154 317	1 724 834	1 935 380	11 128 011
2 807 912	1 154 317	1 724 834	1 935 380	11 128 011
-	-	-	(1 935 380)	-
20 056	43 265	-	-	177 912
(1 225)	(3 360)	-	-	(621 134)
(444 598)	(176 779)	(1 142 189)	-	(3 767 991)
1 225	3 360	-	-	566 267
2 383 371	1 020 803	582 645	-	7 483 064
5 647 477	1 777 145	5 722 495	-	28 292 797
(3 264 106)	(756 342)	(5 139 849)	-	(20 809 733)
2 383 371	1 020 803	582 645	-	7 483 064

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

7 RIGHT OF USE ASSET - LEASED PROPERTIES	Lease Asset - Serowe	Lease Asset - Francistown	Lease Asset – Gaborone	Total
Year ended 31 March 2022				
Opening book value	975 329	611 472	4 882 716	6 469 516
Written down asset	-			-
Written down accumulated depreciation	-			-
Acquisition of RUA	-	-	-	-
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
Year ended 31 March 2023				
Opening book value	769 997	179 845	1 220 679	2 170 520
Written down asset		(1 474 726)	(12 206 789)	(13 681 515)
Written down accumulated depreciation	-	1 294 881	10 986 110	12 280 992
Acquisition of RUA		2 573 035	20 548 967	23 122 002
Depreciation	(205 332)	(300 187)	(2 739 862)	(3 245 382)
Net book value at the year end	564 664	2 272 847	17 809 105	20 646 616
At 31 March 2023				
Cost	1 026 662	2 573 035	20 548 967	24 148 664
Accumulated depreciation	(461 998)	(300 187)	(2 739 862)	(3 502 048)
Net book value	564 664	2 272 847	17 809 105	20 646 616

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

7.1 RIGHT OF USE ASSET - LAND AND BUILDING

	Land	Building	Total
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
Year ended 31 March 2023			
Opening book value	772 338	1 670 063	2 442 400
Received as grant	-	-	-
Depreciation/Amortisation	(16 318)	(35 283)	(51 600)
Net book value at the year end	756 020	1 634 780	2 390 800
At 31 March 2023			
Cost	815 850	1 764 150	2 580 000
Accumulated depreciation	(59 830)	(129 370)	(189 200)
Net book value	756 020	1 634 780	2 390 800

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

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:

	2023	2022
	P	P
Land and Building	2 390 800	2 442 400
Buildings other	20 646 616	2 170 520
	23 037 416	4 612 920
Total Right of Use Assets	23 037 416	4 612 920

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).

	2023	2022
	P	P
Land and Building	51 600	51 600
Buildings other	3 245 382	4 298 996
	3 296 982	4 350 596

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

LAND AND BUILDING

The Authority received a grant for the right of use of Land and Building from the government of Botswana. The grant is subject to BWP100 payment as rental per annum 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. The lease was initially recognised on the 1st of August 2019 when the Authority received the right to use the Land and Building. 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 and to determine the value of the right of use asset and capital grant liability. 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 solely for insurance purposes. 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. To determine the value of the lease the following considerations were made:

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". Significant increases (decreases) in estimated average life, replacement cost estimated useful life, and estimated price per square meter would result in a significantly higher(lower) fair value of the properties. The higher the price of a comparable property, the higher the value of the property

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

8 INTANGIBLE ASSETS

	Note	2023 P	2022 P
At year end			
Opening net book value		1 878 739	837 533
Additions		132,613	-
Development Costs	(Note 8.1 & 8.2)	-	1 125 816
Amortisation		(412 794)	(84 610)
Net book value at year end		1 598 558	1 878 739
At year end			
Cost/valuation		2 462 604	2 329 991
Accumulated amortisation		(864 046)	(451 253)
Net book value at year end		1 598 558	1 878 739

8.1 DEVELOPMENT COST PMS

Opening Cost		1 315 121	752 921
Additions		132 613	562 200
Transfer		(1 447 734)	
Cost at year end		-	1 315 121

8.2 Development Cost Intranet

Opening Cost		563 616	-
Additions			563 616
Transfer		(563 616)	-
Cost at year end		-	563 616

9 Receivables and prepayments

		6 601 952	5 995 235
Receivable and prepayments		6 601 952	5 995 235

At the reporting date receivables and prepayments can be analysed as follows;

Current portion		6 165 795	5 950 536
Non-Current portion		436 157	44 699
		6 601 952	5 995 235

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

The amounts of receivables and prepayments are as follows:

	2023 P	2022 P
Fees receivable – ARIPO	3 314 364	2 933 131
Fees receivable - WIPO	2 400 653	1 802 682
Refunds	47 133	47 133
Membership Fee - ARIPO	-	342 707
Security Deposit	423 897	423 897
Prepayments – Software Licenses	381 238	443 285
Prepayments - Insurance	-	-
Staff advances and Imprest	34 667	2 400
Net book value at year end	6 601 952	5 995 235

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	6 138 914	5 096 992
Cash and cash equivalents	20 888 643	19 811 808
	27 027 557	24 908 801

Financial liabilities as per the statement of financial position Financial liabilities at amortised cost

Trade payables (Note 13)	2 242 507 ⁵	2 589 730
	2 242 507	2 589 730

⁵ These amounts reflect financial liabilities at amortised cost. Refer to Note 13 for a full balance of financial liabilities and non-financial liabilities.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

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.

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

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

	2023 P	2022 P
Call account	20 888 123	19 811 808
	20 888 123	19 811 808

The following interest rates were applicable during the year:

Call account	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 account	10 504	9 906
Net decrease in operating deficit/surplus in operating surplus	10 504	9 906

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

For The Financial Year Ended 31st March 2023

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

2023	Carrying amount	Contractual cash flows	Within 1 year
Trade payables	2 242 507	(2 242 507)	(2 242 507)
Other payables	7 934 701	(7 934 701)	(7 934 701)
	10 177 208	(10 177 208)	(10 177 208)
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)

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

For The Financial Year Ended 31st March 2023

11 CAPITAL GRANT	2023 P	2022 P
Opening balance	15 436 706	14 009 357
Transfer from unspent grant utilised to capital grant (Note 14)	215 280	4 376 915
Grant Received	97 592	866 310
Amortisation (Note 1)	(4 232 385)	(3 815 876)
Balance at end of the year	11 517 193	15 436 706
<i>At the reporting date the capital grants can be analysed as follows:</i>		
Current Liability	4 232 384	3 815 876
Non-Current Liability	7 284 809	11 620 830
	11 517 193	15 436 706
12 LEASE LIABILITIES		
At the beginning of the year	2 753 805	8 435 378
Additional Cost	23 122 001	-
Lease payment;	(5 701 288)	(6 588 931)
Finance cost	1 475 974	907 355
At year end	21 650 490	2 753 802
<i>At the reporting date the lease liabilities can be analysed as follows:</i>		
Current liability	5 405 014	2 076 722
Non-current liability	(16 245 476)	(677 080)
	21 650 490	2 753 802
Serowe		
At the beginning of the year	866 741	1 040 615
Additional Cost	-	-
Lease payment	(258 703)	(249 318)
Finance cost	63 156	75 445
At year end	671 194	866 741

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

	2023 P	2022 P
Francistown		
At the beginning of the year	233 303	795 713
Additional Cost	2 573 034	
Lease payment	(636 011)	(651 928)
Finance cost	191 909	89 518
At year end	2 362 235	233 303

Gaborone		
At the beginning of the year	1 653 759	6 599 050
Additional Cost	20 548 966	
Lease payment	(4 806 574)	(5 687 685)
Finance cost	1 220 910	742 393
At year end	18 617 061	1 653 759

Lease Liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	5 405 014	2 360 628
Two to five years	20 184 152	774 146
	25 589 166	3 134 774
Less finance charges component	(3 938 676)	(380 972)
	21 650 490	2 753 802
Non-current liabilities	5 405 014	677 080
Current liabilities	16 245 476	2 076 722
	21 650 490	2 753 802

The following are amounts recognised in the Profit or Loss;

Depreciation expense of right of use assets	3 296 982	4 350 596
Interest expense	1 475 974	907 355
	4 772 956	5 257 951

The Authority had total cash outflows of P5 701 288 (2022: P6 588 931)

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Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

13 TRADE AND OTHER PAYABLES

	2023 P	2022 P
Financial instrument		
Trade payables	2 242 507	2 589 730
Non-financial instruments		
Staff terminal benefits	7 670 757	6 937 212
Provision for Audit fees accruals	263 944	282 090
	10 177 208	9 809 032
Movement schedule for provisions		
Gratuity provision		
Opening Balance	3 642 697	2 372 751
Gratuity provision for the year	2 919 564	2 666 553
Gratuity payments	(2 054 093)	(1 396 607)
Closing Balance	4 508 168	3 642 697
Leave provision		
Opening Balance	3 294 516	2 568 144
Leave provision for the year	1 139 932	2 919 268
Leave payments	(1 271 859)	(2 192 896)
Closing Balance	3 162 589	3 294 516
Audit provision		
Opening Balance	282 090	263 944
Audit provision for the year	263 944	282 090
Audit payments	(282 090)	(263 944)
Closing Balance	263 944	282 090

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.

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Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

	2023 P	2022 P
14 UNSPENT GRANTS RECEIVED FROM THE GOVERNMENT		
Opening balance	2 958 294	8 951 529
<i>Grants received during the year</i>		
Assets	-	1 629 241
Expenses	6 193 614	1 749 255
<i>Grants utilised to defray expenses and finance additions to assets during the year</i>		
Assets	(215 280)	(4 376 915)1
Expenses	(106867)	(4 994 817)
		-
Closing balance	8 829 760	2 958 294
Closing balance relates to unspent amounts received with respect to:		
Deferred Revenue	2 107 000	-
Online Registration System	4 000 000	-
Deferred Revenue Account - Assets	326 923	322 808
Performance Management System	9 640	144 600
Project - National Strategy for Creative Industries	1 780 209	1 780 209
Information Technology Strategy Projects	-	60 549
Records Digitisation	552 216	572 466
Copyright and Neighbouring Rights Act Review	22 945	22 945
IP Clubs at Schools	30 826	54 717
	8 829 760	2 958 294

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.

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

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:

	2023 P	2022 P
Board fees	215 214	154 815
Compensation paid to executive management	4 383 587	7 762 865
	4 598 801	7 917 679

Compensation paid to Executive Management comprises of;

Salaries and allowances	3 655 013	6 542 607
Gratuity	728 574	1 220 257
	4 383 587	7 762 865

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

Botswana government and other parastatals

Subvention income received from the Government	55 769 373	57 706 169
Unspent grants received from the Government	8 829 760	2 958 294
Amounts paid to Water Utilities Corporation (WUC)	3 045	10 029
Amounts paid to Botswana Unified Revenue Services (BURS)	5 843 819	5 395 353
Amounts paid to Botswana Power Corporation (BPC)	39 698	55 842
Amounts paid to Botswana Telecommunications Corporation (BTC)	2 308 563	2 514 803
	72 794 258	68 640 490

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Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

16 CASH UTILISED IN OPERATIONS	2023 P	2022 P
Operating profit /(loss)	(5 034 417)	2 237 618
Adjustment for non-cash items		
Depreciation (note 6)	3 767 991	3 679 667
Depreciation (note 7.1)	51 600	51 600
Depreciation (note 8)	412 794	84 610
Amortisation of capital grants	(4 232 385)	(3 815 876)
Depreciation ROUA (note 7)	4 645 906	4 298 996
Unspent grant release (note 17.1)	(106 867)	(4 994 817)
(Gain)/Loss on Insurance claim (note 17)	10 714	4 393
(Gain)/Loss on disposal of PPE (note 17)	(82 460)	4 715
Interest income	(8 907)	(11 035)
Interest paid	1 475 974	907 355
	899 943	2 447 225
Changes in working capital		
Other receivables and prepayments	(606 717)	(185 443)
Trade and other payables	368 176	1 919 279
Cash utilised in operations	661 402	4 181 061
17 PROFIT (LOSS) FROM DISPOSAL OF ASSETS		
Insurance Claim	45 967	6 000
Insurance Excess Paid	(1 814)	
Net book value	(54 867)	(10 393)
(Loss)	(10 714)	(4 393)
Proceeds from sale of asset	86 800	-
Auctioneer Commission	(4 340)	
Net book value	-	4 715
Profit/(Loss)	82 460	(4 715)
17.1 UNSPENT GRANTS RELEASE		
Unspent grant released for expenses	(106 867)	(4 994 817)
	(106 867)	(4 994 817)

COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

18 CASH AND CASH EQUIVALENTS

	2023 P	2022 P
Call/current	20 888 123	19 811 808
	<u>20 888 123</u>	<u>19 811 808</u>

The Authority does not borrow and relies on Government funding for use, not investment. It utilises a reputable financial institution to hold funds and for use 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.

21 STRATEGY PROJECTS

At the beginning of the financial year 2021/2022, 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. The Authority does not hold any contract or obligation with any third party on the following projects.

Stakeholder Engagement Plan	180 124	208 000
Customer Satisfaction Surveys	50 714	120 652
IP Model Office	268 337	517 552
Records Management Policy	62 698	71 193
Integrate SAGE and OBRS	-	105 881
IT Strategy 2021-2026	-	202 980
Case Management for Arbitration Panel	675 771	722 985
PMS process & Change Management	149 758	211 600
	<u>1 387 402</u>	<u>2 160 844</u>

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Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

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 lingering post economic effects of the pandemic, high inflation rate were non-adjusting events after the reporting period. The approved full subvention for the first quarter of the 2023-2024 financial year was received in April 2023.

23 GOING CONCERN

CIPA made a deficit of P5 034 417 (2022: P2 237 618 (surplus)) for the year ended 31 March 2023. Current liabilities exceed current assets by P1 377 756 (2022: P7 102 420 (assets exceeded liabilities)) which is below the favourable current ratio of 1.

CIPA is dependent on the Ministry of 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. As at June 30, 2023 the Authority had received its subvention for the first quarter and funding for 3 projects that are currently being implemented. Although with a projected negative cash balance at the end of the financial year 2023/24 the Authority has submitted a request for further funding and optimistic that the shareholder will avail the funds for the Authority's ability to continue as a going concern.

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.

24 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 **P85 355 576 (2022 – P82 594 203)** on behalf of the Government of Botswana, of this amount P2 510 989 (2022 – P2 403 491) is amount collected in advance of provision of services to clients. At 31 March 2022 CIPA held the amount of **P167 551 092 (2022 – P161 873 020)** 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.

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Notes To The Financial Statements

For The Financial Year Ended 31st March 2023

25 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.

26 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.

