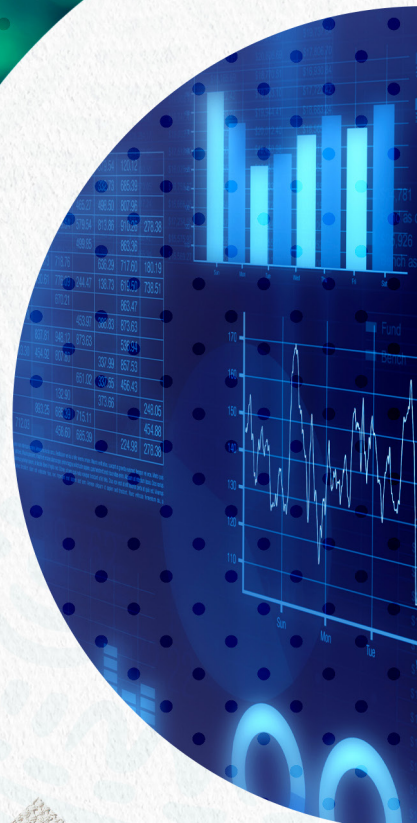


# ANNUAL *Report*





**WE EMPOWER**

*Creativity*





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# ABOUT THIS REPORT

The 2022 integrated report presents the holistic performance of the Copyright Society of Botswana (COSBOTS) for the period 1 July 2021 to 30 June 2022. Any material events after this date and before publication are included in this report.

This report is our primary report to our stakeholders. It outlines our strategy, business model, sustainability initiatives, governance, and risk management. The Board Chairperson and the Chief Executive Officer's Report.

## FINANCIAL INFORMATION

The full set of audited consolidated and separate annual financial statements for the year ended 30 June 2022 will be available to members upon written request to the company secretary. The annual financial statements will be made available to such members at no cost. These annual financial statements were prepared in compliance with International Financial Reporting Standards (IFRS). MSD Mesotlo and Associates audited the annual financial statements. Its independent report to COSBOTS members is part of this report.

## REPORTING FRAMEWORKS AND REGULATIONS

The preparation of this report was guided by the following reporting frameworks and regulations:

- International Financial Reporting Standards (IFRS)
- Companies Act

## ASSURANCE

COSBOTS operates in an established controlled environment, which is regularly documented and reviewed. Risk management and internal control procedures exist to provide reasonable but not absolute assurance that COSBOTS's risks are being controlled and its assets safeguarded. MSD Mesotlo and Associates will provide external assurance of the financial information supplies in this report.

## APPROVAL OF THE REPORT

The Board of Directors (The Board) is responsible for the integrity and completeness of this report. The Board applied its collective mind to preparing and presenting the report and accordingly approved the report for publication.

Signed on behalf the board



Ms. Bakalanga Malikongwa

A stylized black ink signature of Ms. Bakalanga Malikongwa.

Board Chairperson



Ms. Winani Sekani

A stylized black ink signature of Ms. Winani Sekani.

Treasurer



# DOCUMENTS FOR THE GENERAL MEETING

○ Agenda

○ Resolutions proposed by the Board of Directors

○ Presentations of Resolutions proposed by the Board of Directors

○ Chairperson Report

○ Chief Executive Officer Report

Corporate Governance Report

○ Directors' Responsibilities and Approval

○ Directors Report

○ Certificate of Company Secretary

○ Financial Statement



# PROPOSED RESOLUTIONS

## 1

### **ADOPTION OF THE REPORT OF THE BOARD OF DIRECTORS**

It was resolved that the Annual Report of the Board of Directors, including the Corporate Governance Report for the members of the Board as submitted to the Annual General Meeting and hereby accepted.

## 2

### **ADOPTION ON THE AUDITED ACCOUNTS FOR THE FINANCIAL YEAR 2022**

It was resolved that the audited accounts for the accounting period 1 July 2021 to June 30 2022, as submitted to the Annual General Meeting by the Board of Directors be and is hereby adopted.

## 3

### **RELEASE FROM LIABILITY OF THE MEMBERS OF THE BOARD OF DIRECTORS**

It was resolved that the members of the Board of Directors be and hereby granted a release from liability for the conduct of the performance of their duties during and with respect for the financial year ended June 30, 2022, to the extent that their activities have been reflected either in the audited annual accounts for the financial year ended June 30th, 2022, or in the annual report of the Board of Directors be and is hereby adopted.



# A GLANCE INTO COSBOTS

Statistical Information 2021 / 2022

## Facebook



13,819  
Likes



14,595  
Followers

## Instagram



131  
Followers

## Twitter



164  
Followers

## LinkedIn



215  
Followers

## Distribution Number

15

## Total Distributions

8.6  
Million

## Total Licensed Revenue

P 12,556,034.00



# BENEFITS OF COSBOTS MEMBERSHIP:

- Distribution Royalties
- Member Bereavement Assistance
- Free Membership

## KEY OBJECTIVES

- To advocate for copyright, collectives management and remunerated use of copyright works.
- To enable creatives to explore and benefit from new opportunities through effective collective management.

## POLICY AND ADVOCACY

Support members in national, regional and international lobbying and law reform.

## COMMUNICATION

Develop targeted and effective messages to promote and explain copyright and the spectrum of collective management solutions.

## EDUCATION AND ENFORCEMENT

Support members in their efforts to reinforce the importance of the remunerated use of their works.

## CAPACITY BUILDING

Build collective management capacity amongst members and in emerging economies.

## EQUITY AND ENGAGEMENT

Raise awareness, promote importance of diverse, equitable, inclusive Arts network and work with stakeholders to build respect for diversity.

## RESOURCES FOR MEMBERS

Develop resources and tools to assist members with business, data and technology issues.



# WE EMPOWER *Creativity*

## EDUCATION

- Member Events- Sessions on technology, developing licenses and more.
- Resources- e.g., CMO Toolkit, Copyright Policy Guidelines.
- Information Updates- regular email updates on policy developments impacting members.
- Stakeholder Engagement- building and maintaining relationships with external stakeholders

## DEVELOPMENT

- Capacity Building.
- To build capacity and raise awareness of collective management rights.

## EQUITY & ENGAGEMENT

- Promoting and building a diverse, equitable, and inclusive copyright community and CMO network.
- Governance- reviewing COSBOTS membership structure to ensure equitable member treatment.

## COMMUNICATIONS

- Member Events- Including Annual meetings for all members, regional and working group meetings.
- Stakeholder Advocacy- engaging with stakeholders to advance pro-collective management agenda.
- Offering sample contracts/agreements between parties upon submissions of works.

## TOOLS FOR MEMBERS

- Legal advice and guidance on issues of rights management.
- Technology- updates on current issues and use technology in operating CMOs.
- Standards- supporting standards for copyright infrastructure (e.g., ISNI, ISRC, ISRW etc).
- Advocacy- representing rights holders and promoting collective management to national & regional governments around the world.

## POLICY & ADVOCACY

- National Engagement- supporting COSBOTS members in national issues of concern.
- Policy Development- finding new solutions for a changing world.
- Collaboration- working closely with industry bodies to support & promote copyright.



# SOCIAL AND CULTURAL FUND (SCF) REPORT

SCF -The Social and Cultural Fund is a dual-benefit initiative for members of the Copyright Society of Botswana (COSBOTS). The Social Fund provides financial support for various forms of assistance, including the Funeral Benefit Scheme, which offers disbursements of **P15,000** to the families of bereaved members.

Additionally, the Social Fund helps members in need of medical assistance and those living with disabilities. The Cultural Fund serves as the philanthropic branch of COSBOTS, providing grants to organizations, groups, and individuals for projects aimed at enhancing the artistic community in Botswana. Its objective is to encourage innovation in the creative industries and to cultivate both local and foreign markets for works produced in Botswana. The COSBOTS Board strives to support a wide range of artistic pursuits, including singing, writing, publishing, and visual arts, from all corners of the country.

Sadly, some of our members passed on during this period but the company was able to assist through the funeral benefit scheme.

## AMOUNT

Member Bereavement Assistance **P103, 000**

Medical Assistance **P20, 495.10**

SCF Relief Fund for Members **P6,500,000.00**

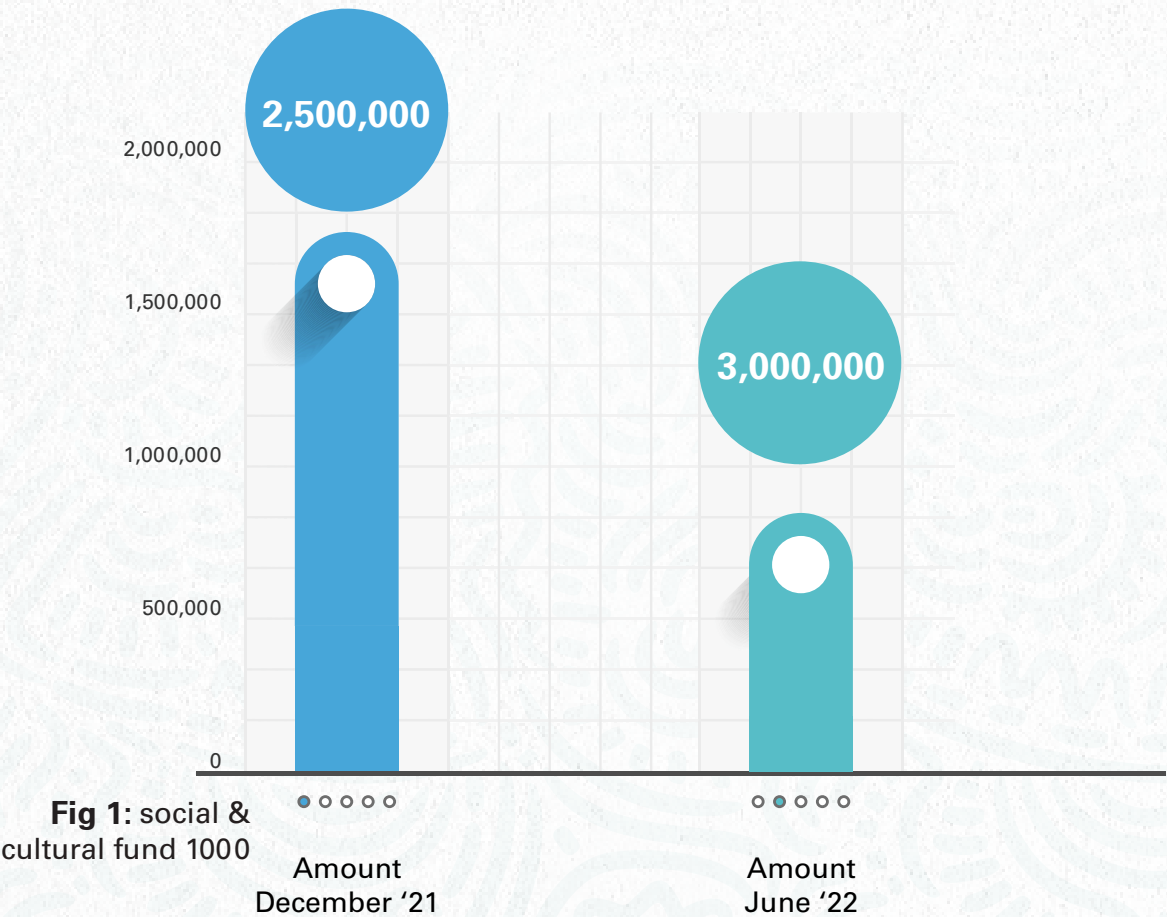


Fig 1: social & cultural fund 1000



**20,495**

**Medical Assistance Loan (P)**



**103,000**

**Member Bereavement  
Assistance (P)**



# ORGANIZATIONAL REVIEW



01

## BASIC VIEWS

The company considers compliance to be its highest priority, based on the following corporate principles.



02

## MISSION STATEMENT

To empower creativity through licensing, collection and distribution of royalties, and to ensure fair value to the owners of copyright.



03

## VISION STATEMENT

To Be The Leading CMO in Africa



04

Established in 2011, COSBOTS is a Collective Management Organisation incorporated in 2008 as a company limited by guarantee. In 2012 the registration of members together with licensing of users began leading to successful distribution of royalties in 2014. It was established as a non-profit making company limited by guarantee, supervised by the Copyright Office under Companies and Intellectual Property Authority (CIPA)



05

COSBOTS is mandated by the Copyright and Neighbouring Rights act - CAP 68:02 of 2006 to among others, license and collect royalties from users of copyright protected works, and to distribute them to copyright owners.



06

COSBOTS represents Botswana creators at CISAC, IFFRO and IFPI etc.

# COSBOTS MANDATE

Copyright Society of Botswana is a Collective Management Organization (CMO) incorporated in 2008 as a company limited by guarantee. In 2012 the registration of members together with licensing of users began leading to the successful distribution of royalties in 2014. COSBOTS was established as a non-profit making company, limited by guarantee, supervised by the Copyright Office under the Companies and Intellectual Property Authority (CIPA)

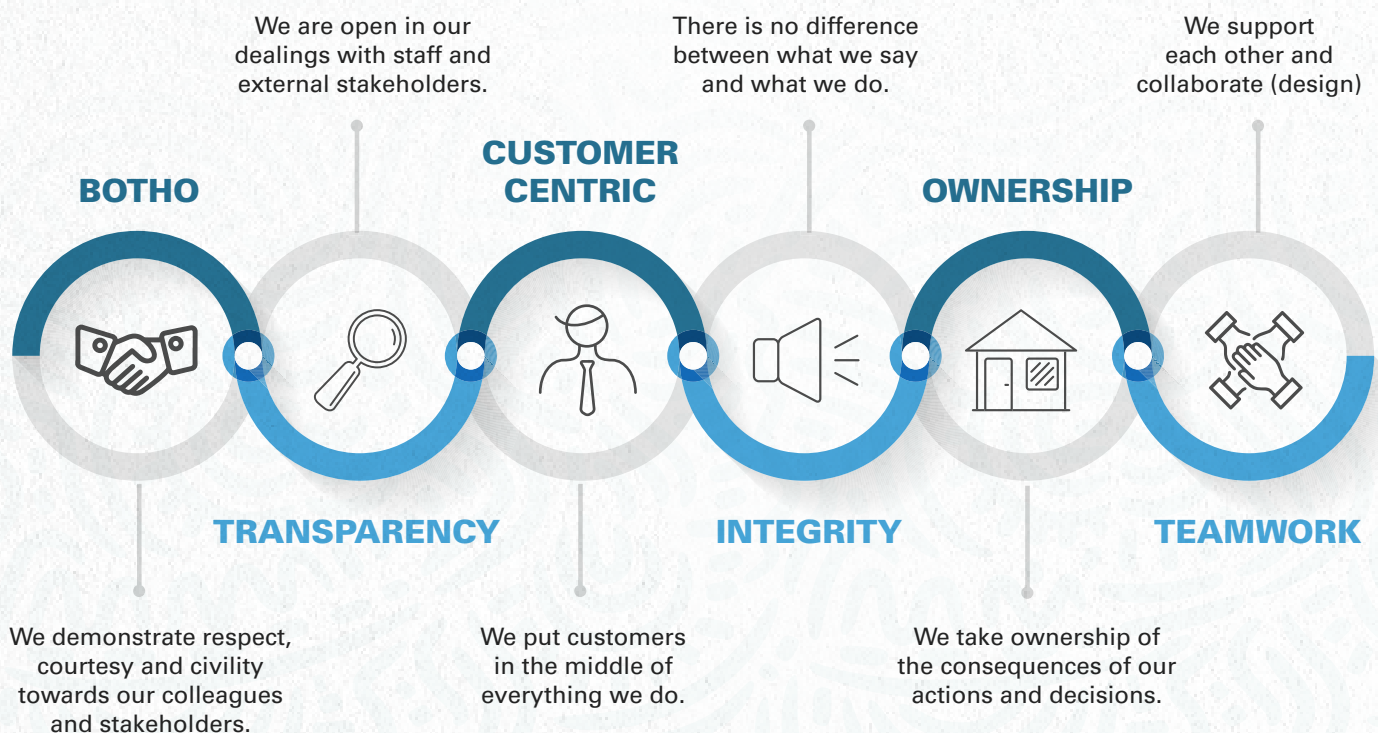
The society is mandated by the Copyright and Neighbouring Rights Act – CAP 68:02 of 2006 to among others license and collect royalties from users of copyright-protected works, to distribute them to copyright owners.

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.

## NATIONAL GOVERNMENT AGENDA

In crafting the COSBOTS strategy, national and global priorities we reviewed to select the ones that the company’s mandate specifically contributes to. The government of Botswana seeks to diversify its economy for sustainable economic development and COSBOTS contributes to it by administering copyright to enable creators of works to realize economic value from their creativity.





# DEFINITION OF TERMS

## PERFORMING RIGHTS

Performance rights protect a performer's live or recorded dramatic and musical performances from having unauthorized recordings or broadcasts made of them. Performance rights are particularly useful to protect the rights of performers in relation to 'bootlegs' (unlawful recordings of a live performance made without consent).

## MECHANICAL RIGHTS

In copyright law, a mechanical license is a license from the holder of a copyright of a composition or musical work, to another party to create a "cover song", reproduce, or sample a portion of the original composition. It applies to copyrighted work that is neither a free/ open source item nor in the public domain

## NEEDLETIME RIGHTS

Needletime Rights make sure performers and recording artists get paid when their music is played in public. These are the people who were in the studio playing the instruments or singing the lyrics when the recording was made.

## REPROGRAPHIC RIGHTS

Reprographic rights are the rights used in the process of reprography. From the perspective of rights holders, reprographic rights are considered "secondary rights," in contrast to a rights holder's primary right to license the original publication of the graphic image or text.



Photo Credit:Thapong Visual Arts Center

# THE VALUE PROPOSITION

01

— **LICENSING CONTENT**  
AS AN ENABLER DOING  
BUSINESS

02

— **ONE-STOP LICENSING &**  
DISTRIBUTION SOLUTION  
FOR CREATORS

03

— **FAIR VALUE FROM**  
USAGE OF ECONOMIC  
RIGHTS

04

— **FAIR RENUMERATION**  
TO RIGHTS HOLDERS

05

— **EMPOWERING**  
CREATIVITY



# COSBOTS AFFILIATIONS



**The voice** of the  
recording industry  
worldwide



**Respect Copyright**  
Encourage Creativity



**Societies' Council**  
for the Collective  
Management of  
Performers' Rights



**Serving Creators**  
WORLDWIDE



**The Largest International  
Collective Management  
Organization for Audiovisual  
producers Globally**

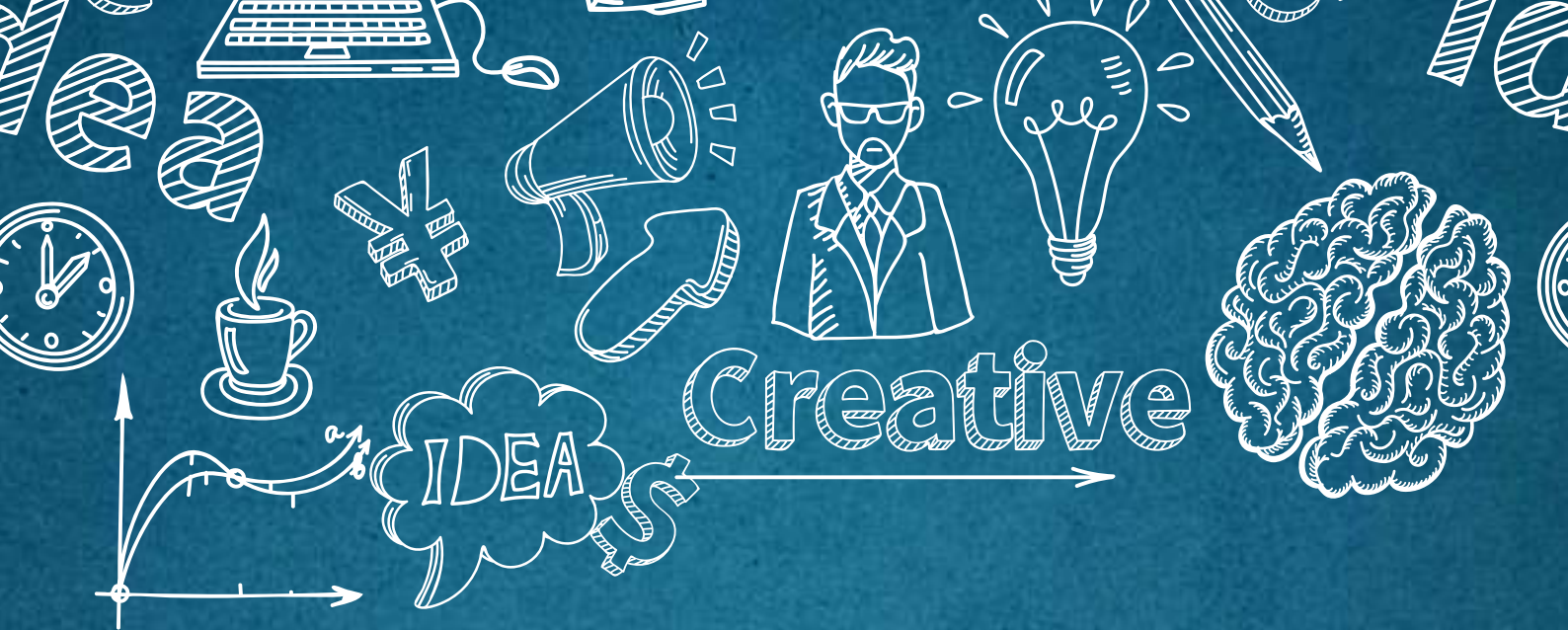
# REMEMBERING THE *Departed*



**PERCY OITSILE**  
*Sdalo*  
**MOKOPANELE**







# CHAIRPERSON'S REPORT

We projected in 2021 that 2022 will be just as challenging for COSBOTS members as 2021. Unfortunately, the forecast proved to be all too correct. Although COSBOTS had a very good financial year, with record-high revenues and growth of creative sector representation through licensing for reproduction rights, this was overshadowed by the sad fact that most of our members still found it difficult to exercise their profession or have their works played as a result of post-Covid-related effects to the gig-economy. In comparison to other collective management organizations (CMO) throughout the world, we have gotten off lightly. Many CMOs have seen their revenues fall by 30% or more, forcing them to significantly curtail or discontinue payouts. We have a robust, rich, and diversified creative culture in Botswana, which helps to ensure the earnings created here. Few countries on the African continent can equal Botswana's high music consumption rates. A robust creative culture, on the other hand, does not arise by accident. On the one hand, it necessitates the ability to profit from the arts: developing arts must be financially feasible, and there must be a vibrant market. But it also needs more than simply commercial market thinking; if commercial considerations dictate everything, we risk a bland uniformity that would be damaging to culture, the creative scene, and the market itself in the long run.

The 2020 and 2021 crisis years have particularly damaged the concert industry, which is the primary source of income for a substantial majority of COSBOTS members. 2022 has not shown indications of a return to "normal" either. Nonetheless, there is an increasing sense of confidence, which bodes well for the year 2023. COSBOTS' aim is clear in both crisis and normal times: to make collective management function successfully for creators and fairly compensate them; to advocate for governments

so that artists have strong rights; and to provide its members with the data and information tools they require. COSBOTS stands on two legs: one for business and the other for creative culture. They are sometimes near to each other, and sometimes they are rather far apart. But we can't survive without either of them. Legitimacy is essential in all we do, both in business and in creative culture, for COSBOTS to preserve its position for the benefit of rightsholders and members of all types. COSBOTS will not saunter into the future; instead, we will charge at full speed - on both legs. Throughout 2021, we maintained our substantial corporate governance effort, launching several new projects to guarantee that COSBOTS maintains the finest possible corporate governance practices in the future. And the members' inquiry into the economics of music streaming has given a steady backdrop of critical concerns about our industry's future. Throughout it all, COSBOTS has stayed firm, advocating for the creative industry to be at the forefront of Botswana's economic recovery and for our members to be appropriately compensated for their efforts. In line with becoming part of the global landscape of CMOs, in August 2020 we entered into a bilateral agreement with the South African mechanical rights licensing agency, Composer Authors and Publishers Association (CAPASSO) that collects and distributes mechanical royalties. Digital Music Licensing is the process of licensing the use of copyrighted music in a digital format. It is intended to ensure that the copyright owners of musical works are compensated for certain uses of their work. We assess the company's values on a regular basis to support our vision, define our culture, and reflect what we believe in. These principles are now woven into the fabric of the business and our communications with consumers, allowing for ever-stronger partnerships. Every year, COSBOTS reinvests a portion of its earnings in empowering creativity.



We achieve this through social and cultural contributions dispersed through the social and cultural fund, driven by a desire to guarantee a varied spectrum of creativity is available, as well as to promote and improve Botswana's arts culture and arts scene. In that sense, COSBOTS has two tracks running concurrently: business and culture. We must be alert to guarantee that it is feasible to generate money from creating art and that establishing an agreement for those who must pay for the public use of creative works is simple and straightforward.

At the same time, we must work methodically to prepare the ground for a vibrant and diversified arts sector in the future. That's what we do when we reinvest in creative culture. COSBOTS members adopted a new COSBOTS Constitution on May 28, 2022. The new Constitution makes numerous major improvements that will restructure and strengthen democracy in COSBOTS. The improvements we enacted will help COSBOTS keep up with the times, remain competitive, and preserve its standing as a democratic and appealing society.

For COSBOTS's place in the world has changed. The newly approved governance changes include:

- COSBOTS Board becoming a smaller 'Members' Council' with fewer Directors and focused on member creative sectors and engagement
- A clearly defined electoral system and criterion for Director appointments
- Defined terms of service for Board Directors
- Streamlined decision-making through refocused committee reporting structures to give greater time to focus on strategic issues

When the new constitution is in full effect, the Board will become simply, the Board, with a renewed focus on strategic delivery and commercial operation, empowering COSBOTS Management Team to manage the business with full accountability to the Board. We also need to recognise that to create a new COSBOTS, a new governance structure would be required – the appointment of the advisory committees is to bridge the gap between COSBOTS and artists. Change is never an easy thing to embrace but standing still with a membership of about 3 000, and growing, across multi-creative sectors and with fragmented rights is not an option. The new governance will make COSBOTS more flexible, more fleet-of-foot in our decision-making process, and more cost-effective. On behalf of everyone at COSBOTS, we are excited by the challenges ahead and motivated by change.

These historic changes will allow us to deliver more engagement, efficiency, and transparency for our members. Furthermore, we anticipate the changes will lead to more opportunities for members to join the Board, and by association, we hope for greater diversity on the Board in the future. To further establish COSBOTS as the region's leading CMO and to strengthen our position in the worldwide CMO community, the Board has established development goals that will help us achieve our strategic goals, the most important of which are:

- Fully functional management of rights of the audio-visual
- Advocate for revised copyright law that puts authors' rights first
- General advocacy on copyright and collective management

All of this was accomplished in addition to COSBOTS's day-to-day task of collecting and distributing rights revenues. It makes me incredibly happy to know that the organization I am Chair of can make such a significant contribution to the country's

creative industry. It is only possible because of the tireless efforts of COSBOTS's dedicated employees, who are managed by a focused Executive Management Team and guided by a highly experienced Board. I'd want to thank them for their outstanding performance in 2022, and I'm looking forward to our industry's ongoing resurgence in 2023.



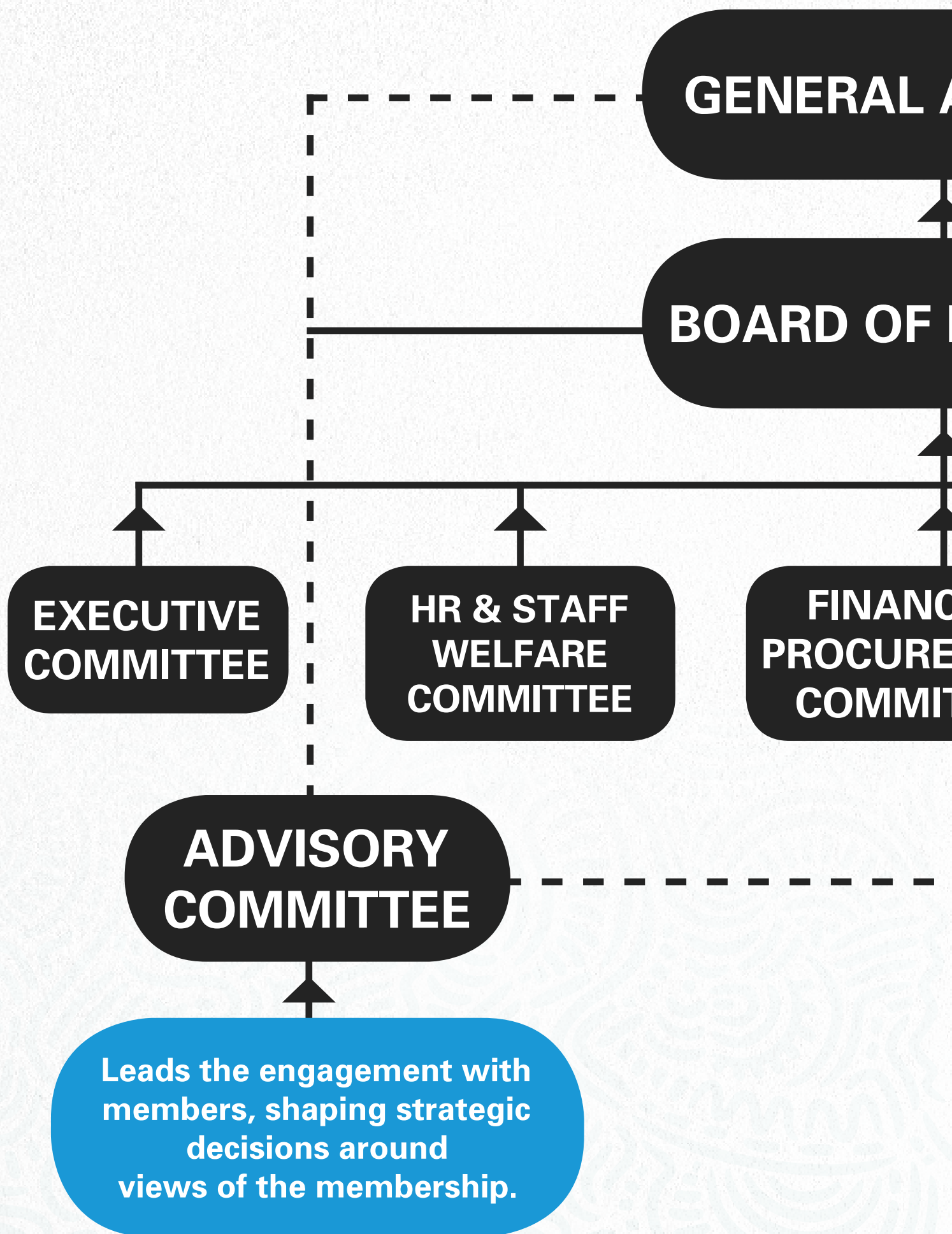
Ms. Bakalanga Malikongwa

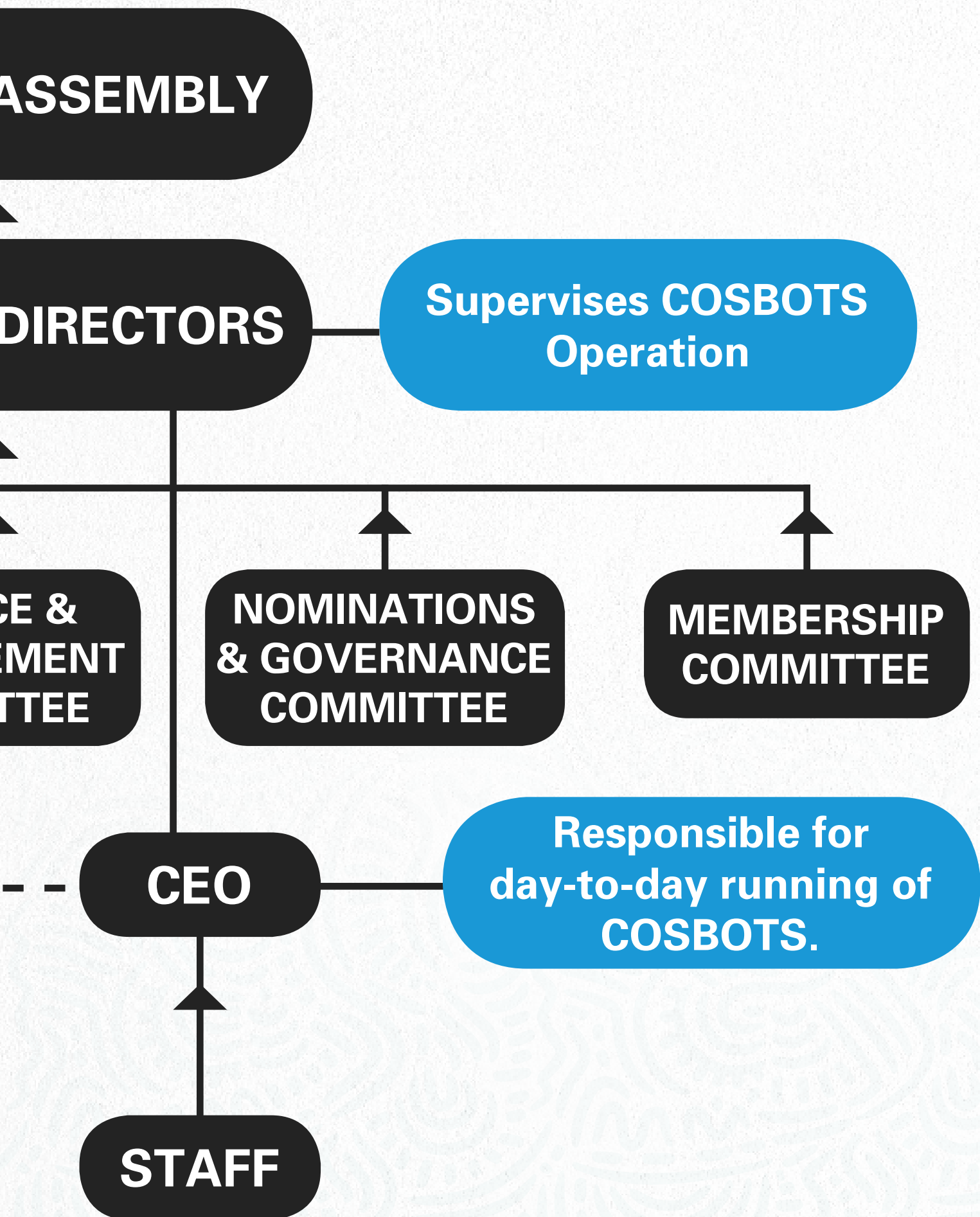


Board Chairperson











# BOARD OF DIRECTORS



**Ms. Bakalanga  
Malikongwa**  
Chairperson



**Mr. Patrick  
Setsiba**  
Vice Chairperson



**Ms. Winani  
Sekani**  
Treasurer







**Mr. Alfred  
Mosimanegape**  
Director



**Mr. Moletlanye  
Trinity Mphoeng**  
Director



**Mr. Jimmy  
Moyambo**  
Director



**Mr. Eric  
Kgaodi**  
Director



**Mr. Kelebonye  
Sibanyoni**  
Director



**Mr. Benjamin  
Mogotsi**  
Director



**Ms. Staffnurse Bangu  
Lesetedi-Keothepile**  
Director



**Mr. Martin  
Ntongana**  
Director



**Mr. Mpho  
Motlhasedi**  
Director



# ADVISORY COMMITTEE



**Ms. Tebogo  
Ketlhoilwe**



**Mr. Phemphetlhe  
Bafana Pheto**



**Mr. Lizibo  
Simon**

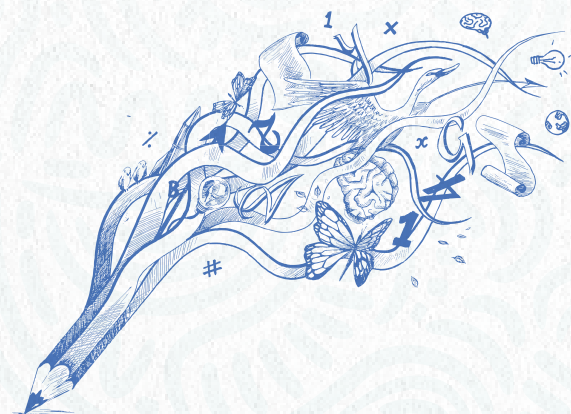


**Mr. Nkogopolang  
Tlhomelang**

# REMEMBERING THE *Departed*



**MMANNANA**  
*Phale*





# OUR PARTNERS



**NATIVE  
GROUP.**

THERE IS LOGIC IN OUR MAGIC



**Thapong**  
Visual Arts Centre



# WE EMPOWER *Creativity*





# CHIEF EXECUTIVE OFFICER'S REPORT

While we ended up with a better-than-expected total outcome for 2020/2021, there is no doubt that this has been a difficult year for both members and consumers. COSBOTS began the initial steps for a strategic shift of direction in the middle of 2021. This is due to the fact that times change, so do the conditions for collective rights management, and hence COSBOTS's task and role in the world. If we want to be among the best collective rights management societies in the world in five or ten years, we must recognize that what qualifies us today may not qualify us in the future. When we compare ourselves with other collective rights management organisations today, we evaluate ourselves and them by means of some very classic benchmarks and parameters: Revenues, revenues per capita, administration cost rates, distribution speed, customer satisfaction, and member satisfaction.

But what will a good collective rights management entail in a future global digital ecosystem? What does it take to attract and maintain a large repertoire in a market where rights may be sold piecemeal in tiny slices? What should we do to ensure that we can price the rights we trade at the value we think they are worth? What should we offer – and what should we stand for – in order to be the first choice? We do not know, and this is where the strategic change of direction takes its beginning. Because that's exactly what we need to find out. But we do know one thing: we know that we must be really good at adapting to the changes that will face us on regular basis. We know that we need to develop and deepen our relationships with our members, customers and partners so that we understand the needs we should meet.

Despite the unpredictable nature of the economy post the pandemic and the consequent disruption to our operations, our organization has remained steadfast in its commitment to delivering exceptional value to our members and stakeholders. 2021/2022 saw us formulating a development project that will be set in motion in 2022/2023. Taking a new organisational structure as our springboard, we will act on the basis of three strategic focus areas:

1. Growing membership by registering all sector disciplines,
2. Market expansion and revenue growth through strict enforcement and licensing, and
3. Improved partnerships and stakeholder relations.

## FINANCIAL PERFORMANCE

On an accounting basis as demonstrated below, our organization has not achieved a remarkable financial success in 2022. Our total revenue decreased by 7% from the previous year, this is due to several factors among them non-compliance of licensees and late payments by some. Our prudent cost management measures have enabled us to maintain our expenses at reasonable levels, resulting in the company decreasing its negative balances carried from 2021, still maintaining a high distributable revenue in comparison to 2021. In this report, we highlight our administration expenses, which amounted to a total of P13, 472, 078.00. Our commitment to transparent and responsible financial management is reflected in our meticulous approach to analysing and reporting our expenses.



# THE VALUE PROPOSITION

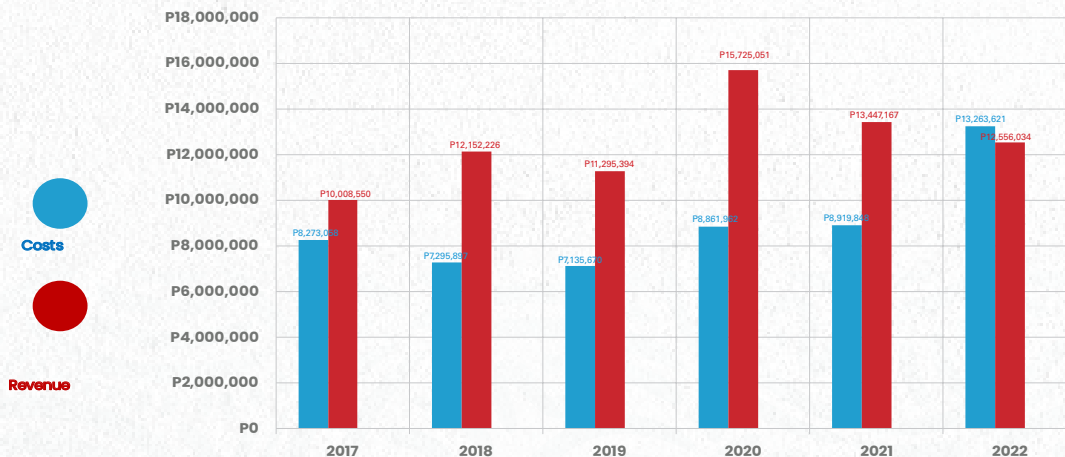
Our administration expenses encompass a range of significant items, including our provision of P2million for COVID relief for our esteemed members. As an organization, we recognize the challenges that our members faced during the pandemic, and we made it our mission to provide them with the support they needed to navigate these difficult times successfully. We also invested P1 million in towards members' advocacy activities to ensure that we achieve the 80/20 local content quota by capacitating content associate producers and in-house producers on both television and radio, as well as joint projects with Ministries and parastatals in collaboration with the Department of Broadcasting Services. This investment in our capacity-building exercises reflects our unwavering commitment to delivering high-quality services to our clients and stakeholders.

Furthermore, we allocated approximately P250,000.00 towards the successful launch of our reprography tariffs, which has received an overwhelmingly positive response from our customers. This launch is a testament to our organization's agility and innovation in meeting the evolving needs of our clients and stakeholders.

In summary, our administration expenses reflect our organization's values, which prioritize responsible financial management, innovation, and the provision of quality services to our clients and stakeholders. As we look to the future, we remain committed to these values and to delivering sustainable growth and a positive impact to all those we serve.

1

REVENUE VS COSTS



## DISTRIBUTION TO INCOME RATIO

The below illustration provides a detailed overview of the revenue generated by our organization and the corresponding distributions made to our members over the past six years, presented as percentages. In 2017, our revenue was P10,008,550.00, and we distributed P2,643,686.00 to our members. This resulted in a revenue to distribution ratio of 26.38%. In 2018, our revenue increased to P12,152,226.00, and we distributed P2,941,555.00 to our members, resulting in a revenue to distribution ratio of 24.19%.

In 2019, our revenue decreased slightly to P11,295,394.00, but we increased our distributions to P3,011,912.00, resulting in a revenue to distribution ratio of 26.67%. In 2020, our revenue significantly increased to P15,725,051.00, and we distributed P6,496,456.00 to our members, resulting in a revenue to distribution ratio of 41.26%.

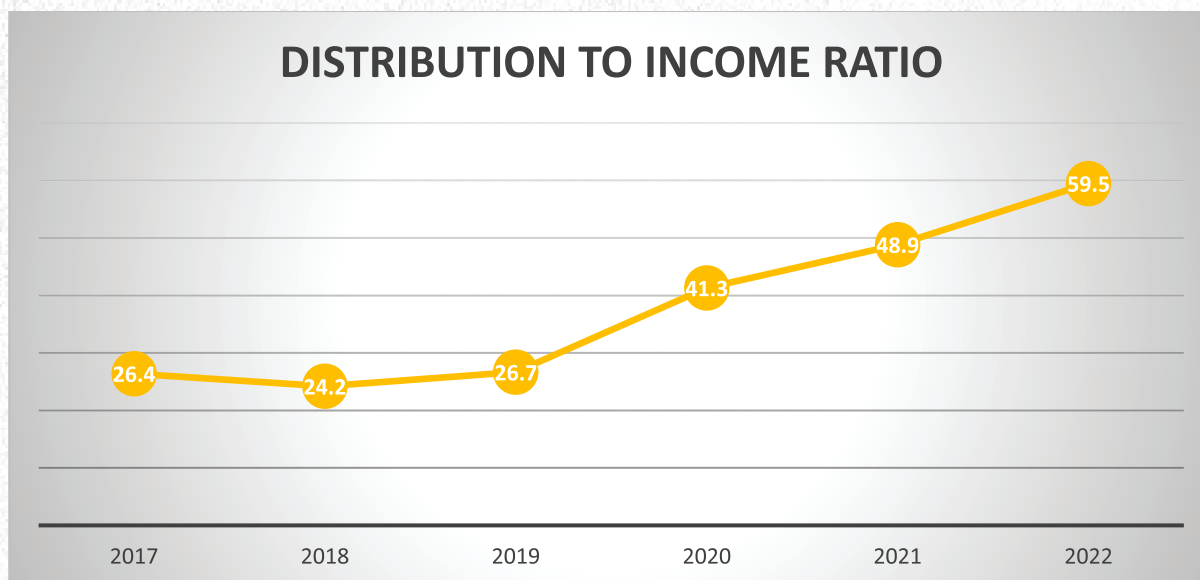
In 2021, our revenue decreased to P13,447,167.00, but we maintained our distributions at P6,570,000.00, resulting in a revenue to distribution ratio of

48.97%. In 2022, our revenue decreased again to P12,556,034.00, but we increased our distributions to P7,470,000.00, resulting in a revenue to distribution ratio of 59.31%. It is worth noting that our revenue to distribution ratio has fluctuated over the years due to various factors such as changes in revenue streams, market conditions, and investment in organizational growth. However, we have remained committed to ensuring that our members receive fair and transparent distributions that reflect their contributions to our organization.

In conclusion, our revenue to distribution ratio report shows that we have continued to make significant progress in generating revenue and distributing it to our members over the past six years. We remain committed to maintaining a sustainable and equitable distribution model while exploring new revenue streams and growth opportunities for our organization. We will continue to monitor our revenue to distribution ratio closely and take necessary actions to ensure that we fulfil our mission of providing value to our members.



## DISTRIBUTION TO INCOME RATIO



## ROYALTY DISTRIBUTION TRENDS

Our organization prides itself on providing our members with transparent and equitable distributions. The table below provides an overview of the distribution of royalties to our members over the past six years, analyzed through the percentage change in distributions year over year.

In 2017, we distributed a total of P2,643,686.00 to our members, after a difficult year we the company presented negative results. In 2018, we distributed P2,941,555.00, which was an increase of 11.3% from the previous year.

In 2019, we further increased our distribution by 2.4% to P3,011,912.00, reflecting our commitment to ensuring that our members receive fair and transparent distributions. In 2020, we made a significant leap in our distribution, reaching

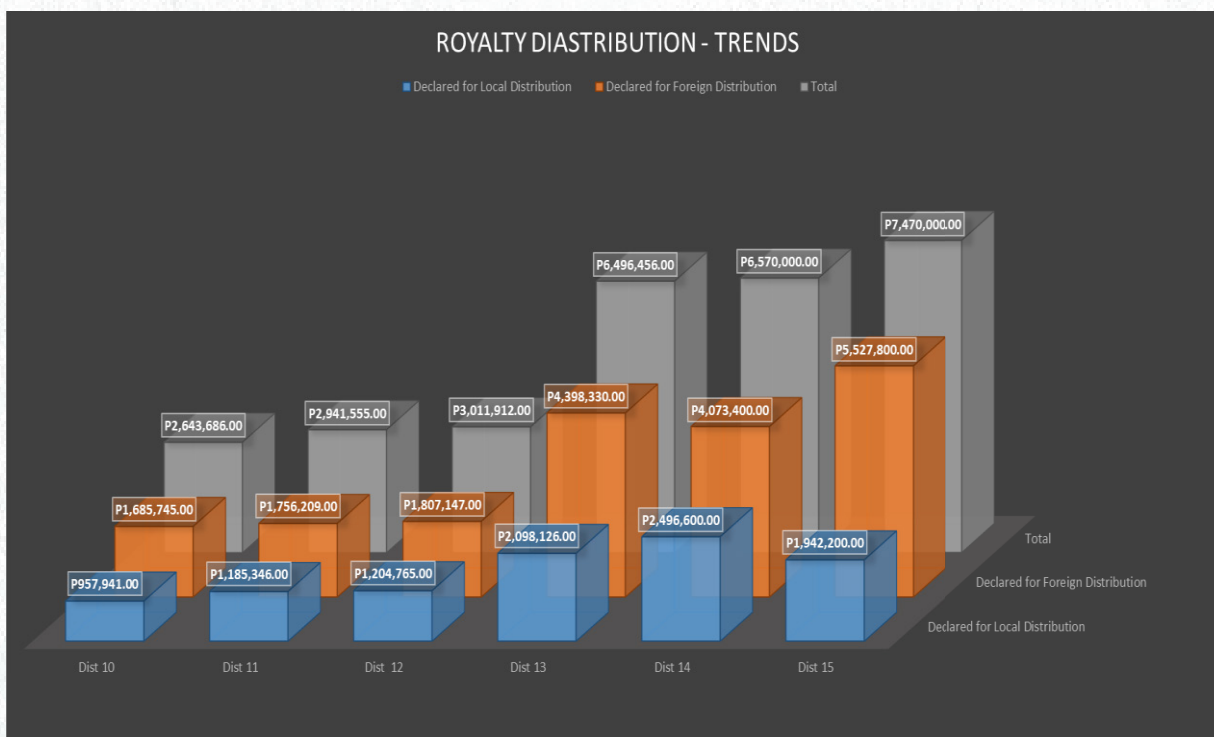
P6,496,456.00, which was an impressive 116.2% increase from the previous year. This increase was driven by a combination of factors, including growth in our revenue streams and our investment in technology and human resources.

In 2021, we maintained our distribution at P6,570,000.00, representing a 1.1% increase from the previous year, reflecting our commitment to ensuring stability in our distribution model.

In 2022, we further increased our distribution by 13.7% to P7,470,000.00, reflecting our organization's continued growth and financial strength. We have also formed partnerships that have provided new opportunities for our organization.

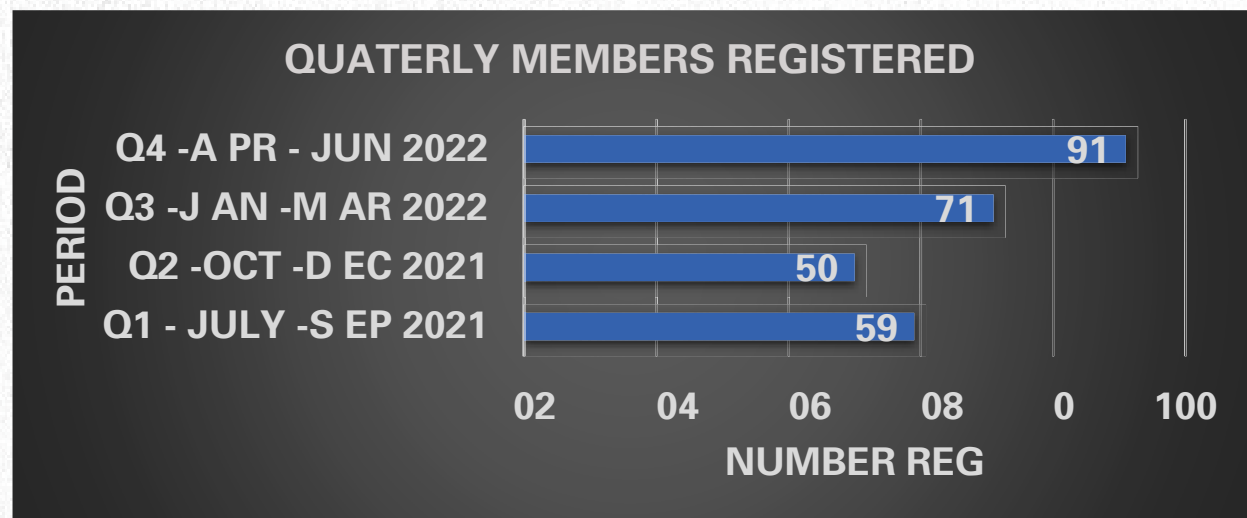
In conclusion, our royalties distribution report demonstrates our commitment to providing our members with fair and transparent distributions.

## ROYALTY DIASTRIBUTION - TRENDS



MEMBERSHIP GROWTH

We are thrilled to report that our membership base has grown substantially over the past year, as we welcomed over 271 new members from various creative sectors.



Our new members include talented individuals and organizations from the music, Literary sector, film, and visual arts industries. We are pleased that these artists and creators have put their trust in

us to efficiently manage their rights and interests. This growth is a testament to the relevance of our services, and we are committed to continuing to meet the evolving needs of our members.



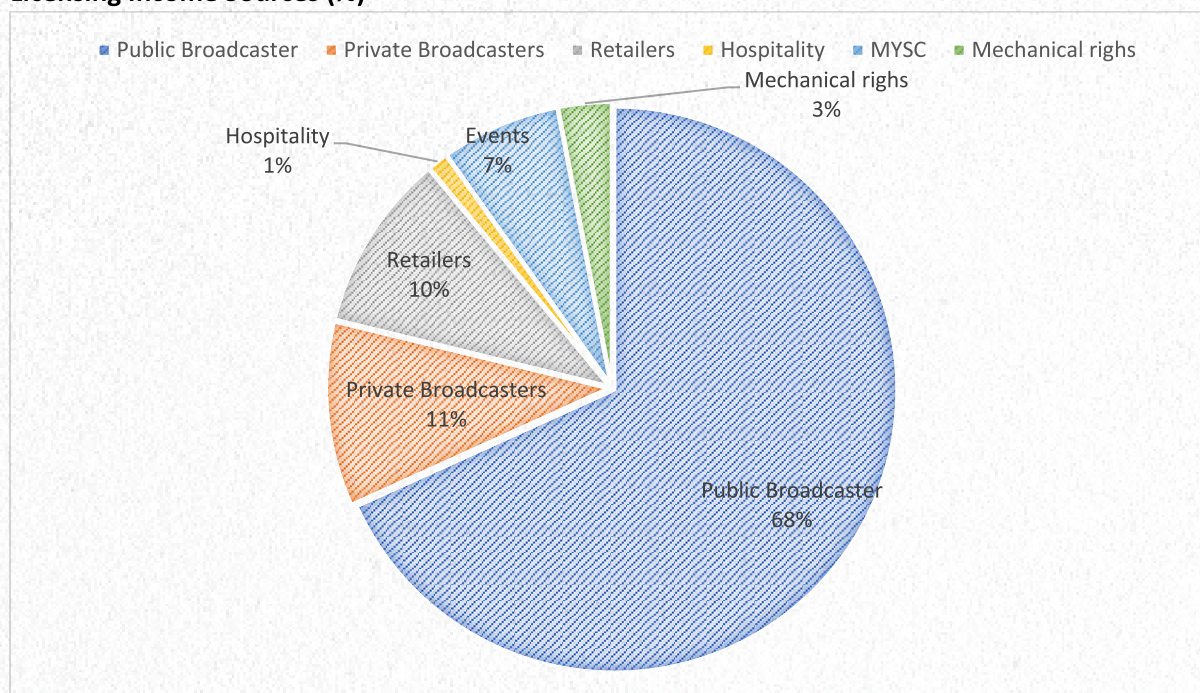
LICENSING ACTIVITIES

We are delighted to report that our licensing activities have experienced a significant surge over the past year. We have secured new licensing agreements with a diverse range of entities, including broadcasters, digital platforms, and other users of copyrighted works. These partnerships have enabled us to extend our reach and bring our members’ works to new audiences, generating additional revenue streams for our members.

Our success in licensing is a testament to the hard work and dedication of our team, who work tirelessly to ensure that our members’ rights are protected and monetized. As we continue to grow and expand our licensing activities, we remain focused on improving the quality and scope of our services. We are constantly exploring new partnerships and opportunities to bring our members’ works to new audiences and generate additional revenue streams.



## Licensing Income Sources (%)



Our diversified licensing strategy has yielded significant results, despite decrease in overall licensing income.

1. The public broadcasters, the Department of Broadcasting Services, and Now Television, contributed a staggering 68% of our licensing income, highlighting our strong partnerships with public entities.
2. The private broadcasters, including Yarona FM, Gabz FM, and Duma FM, also contributed significantly to our licensing income, with a combined 11%. We value our partnerships with private broadcasters, which are an essential part of our growth strategy.
3. Retailers have emerged as a new source of licensing income, contributing 10%. We are excited to explore new opportunities in the retail sector and capitalize on the growing demand for copyrighted works in this space.
4. Events also contributed to our licensing income, with a respectable 7%. We have been able to leverage our relationships with event organizers to secure new licensing agreements and expand our reach. The Ministry of Youth Empowerment, Sport and Culture Development (MYSC) contributed the largest share of our licensing income, demonstrating the importance of government partnerships in our growth strategy. We continue to collaborate with government agencies and departments to ensure the fair and efficient use of copyrighted works.
5. We are also pleased to report that our mechanical rights royalties from the Composers, Authors, and Publishers Association (CAPASSO) through a Pan African licensing agreement of

digital service providers contributed 3% to our licensing income. This agreement has opened up new revenue streams for our members, and we look forward to expanding our partnerships in this space.

6. Finally, the hospitality industry contributed 1% to our licensing income. We see significant potential for growth in this sector, and we are committed to working with hospitality establishments to ensure they operate within the confines of copyright laws.

## DIGITAL TRANSFORMATION

Our organization is at the forefront of digital transformation, leveraging technology to better serve our members and stakeholders. We are working towards cutting-edge systems and processes that will optimize our licensing and distribution activities' efficiency and accuracy.

## CHALLENGES AND OPPORTUNITIES

As we forge ahead, we acknowledge that challenges and opportunities remain in the ever-evolving copyright landscape. We are keeping a watchful eye on legislative changes and emerging technologies that could impact our business. Our unwavering determination to add value to our services by expanding our international reach and collaborating with other collective management organizations continues to fuel our growth.



## CONCLUSION

In conclusion, I am immensely proud of the strides that COSBOTS has made over the past year. We remain committed to serving the interests of our members and stakeholders, and we are confident in our ability to adapt to the changing landscape of the copyright industry. On behalf of Board, Members, dedicated staff, customers and partners, I extend my gratitude for your continued support and trust in our organization.



Mr. Letlhogonolo Makwinja

A handwritten signature in black ink, appearing to read 'Letlhogonolo Makwinja', written in a cursive style.

Chief Executive Officer



# BUSINESS Ide





# COSBOTS MANAGEMENT



**Mr. Letlhogonolo  
Makwinja**  
Chief Executive Officer



**Mr. Ditiro Chaa**  
Head of Operations



**Mr. Patrick Matlapeng**  
Documentation & Distribution  
Manager



**Mr. Kealeboga  
Molatlhegi**  
Acting Licensing Manager -  
Music



**Ms. Bosa Mantswe**  
Acting Licensing Manager -  
Repography



# REMEMBERING THE *Departed*



**GAONE**  
*Gee*  
**DITIRAFALO**







**WE EM**

*rea*



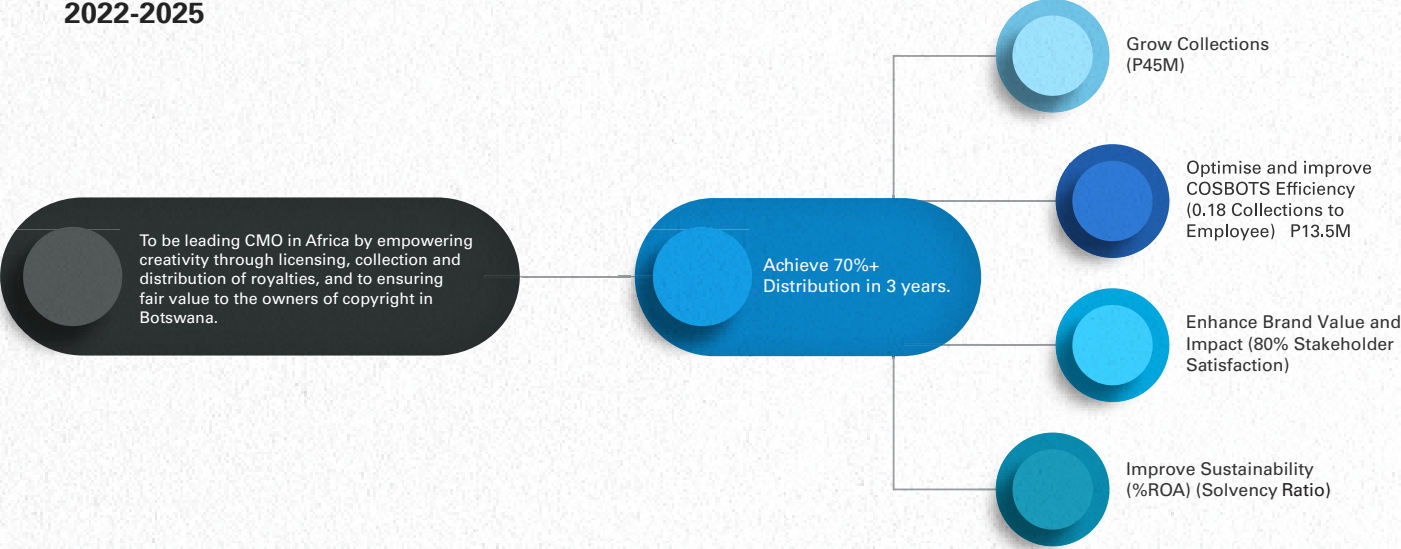
A watercolor illustration featuring a hand with a beaded bracelet resting on a red cloth, next to a large, light-colored drum. The background is a mix of warm, abstract colors like red, orange, and white.

# **POWER** *stability*



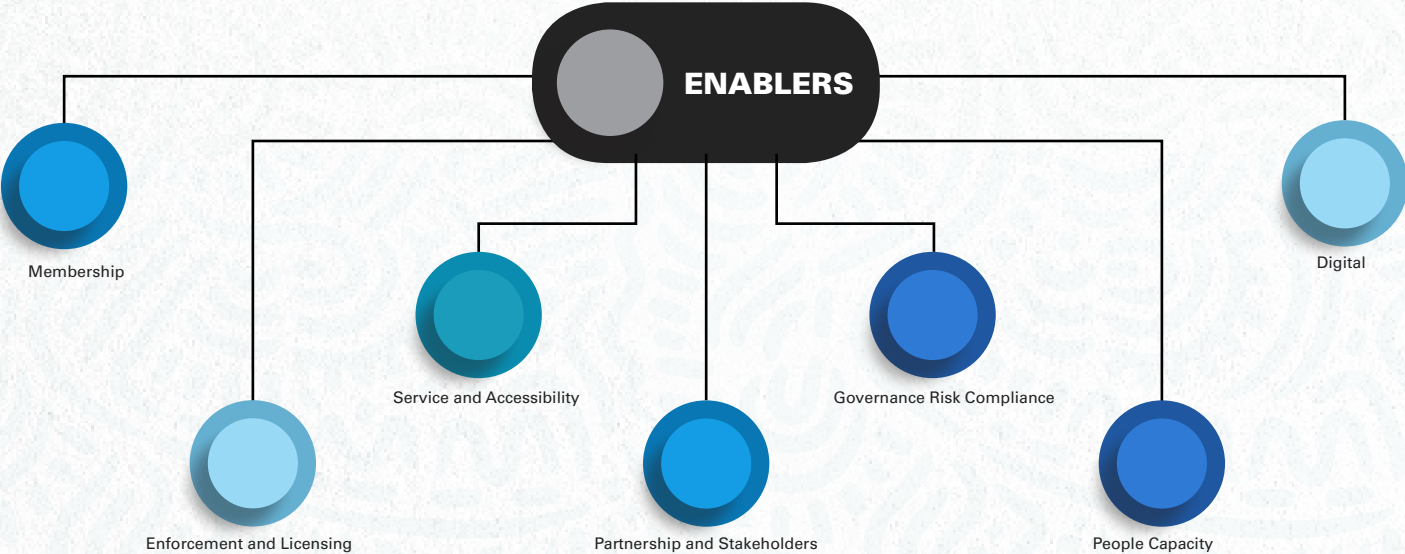
# STRATEGIC OVERVIEW

## NEW STRATEGY INTENTIONS 2022-2025



## ASSUMPTIONS

- Reprography tariff is approved
- LTDF to COSBOTS for members



# LOOKING INTO 2022

## TOP 50 EARNERS



The Top 50 Earners Recognition Workshop was held after the 14th distribution as a way to acknowledge and celebrate the artists who ranked among the top 50 in earnings. These dedicated individuals were honoured for their achievements and contributions to the music industry. The workshop also served as an opportunity to encourage all members to actively participate in company events and meetings, as every member has a role to play in shaping the industry.



# MUSIC BUSINESS WORKSHOP

## CAPACITY BUILDING WORKSHOPS



COSBOTS launched a nationwide tour across four key cities in Botswana - Gaborone, Francistown, Maun, and Palapye - to impart knowledge and skills on the business aspect of music to local artists. Expert industry professionals led informative and interactive workshops with the objective of empowering artists to view their musical pursuits as a professional, financially viable enterprise rather than simply a hobby.



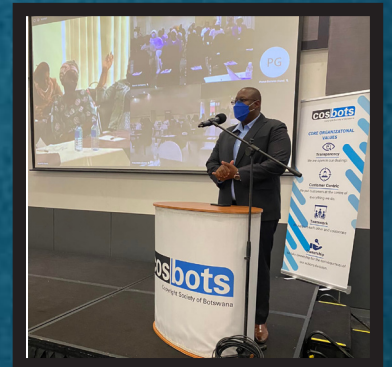
# COSBOTS / DBS MOU SIGNING



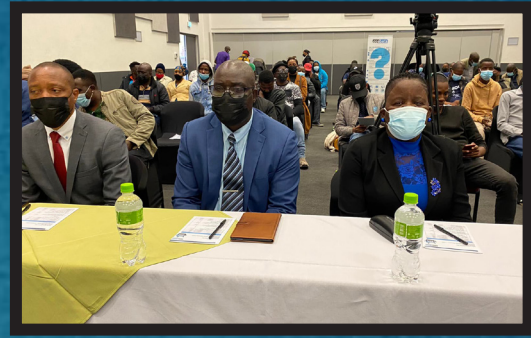
On a landmark occasion, the Department of Broadcasting Services (DBS) entered into a Memorandum of Understanding with the Copyright Society of Botswana (COSBOTS). The agreement established an 80:20 ratio of local to foreign content that DBS would air, providing increased exposure opportunities for local artists. The 80/20 Local Content Quota Memorandum was signed by DBS Director, Mr. Raymond Tsheko, and COSBOTS CEO, Mr. Lethogonolo Makwinja, offering new hope for the growth and recognition of the local music industry. This move would ensure that local artists benefit more when it comes to royalties. The two entities noted that they realized that when it came to royalties the local artists were disadvantaged therefore they needed to pause, introspect and put some measures in place, this MOU being just the beginning. COSBOTS had been battling this issue for years where foreign music found itself into the airwaves more than that of local creatives, but through the support of Botswana Music Union (BOMU) and Ministry of Trade and Industry (MITI), The Ministry of Presidential Affairs this has been achieved and it is a new dawn for the local creatives.



# AGM 2021







On May 28th, 2021, the Copyright Society of Botswana (COSBOTS) held its inaugural Multi-Location Hybrid Annual General Meeting, marking a significant milestone in the organization's history. This innovative approach to hosting the AGM in multiple locations simultaneously, with real-time broadcasting from Gaborone to Palapye, Francistown, and Maun, aimed to ensure that all members of the organization were reached, including those who were unable to attend the meeting in person.

The Board of Directors of COSBOTS demonstrated exceptional leadership by bringing the most important meeting of the year to the members, in line with their commitment to promote transparency, inclusivity, and member participation. The AGM provided a platform for members to engage with the organization's leadership, receive updates on COSBOTS' performance, and participate in decision-making on critical issues that affect their collective interests.

One of the critical items on the AGM's agenda was the proposal to adopt the amended constitution, which was the culmination of months of extensive consultations, stakeholder engagements, and legal review. The amended constitution sought to strengthen the governance framework of COSBOTS, enhance accountability and transparency, and align the organization's policies and practices with best international practices in the collective management of copyright and related rights.

The members of COSBOTS demonstrated their overwhelming support for the proposed amendments, with 93.6% of the 179 attendees voting in favour of the revised constitution. This landmark decision by the members underscores their confidence in the organization's leadership, commitment to good governance, and dedication to advancing the collective interests of members.

Following approval by the Companies and Intellectual Property Authority (CIPA) in July 2022, the amended constitution is now in effect. This marks a significant milestone in COSBOTS' journey towards becoming a world-class collective management organization that promotes the creative economy's growth and development in Botswana and beyond.



# LAUNCH OF REPROGRAPHY SECTOR







On March 18th, 2022, the approval of Reprography Tariffs by CIPA led to the launch of the Reprography initiative by COSBOTS. This event served as both a launch and educational seminar for users of copyrighted reprographic works. Stakeholders, other Collective Management Organizations (CMOs), government officials, and industry experts attended the historic occasion, not only to celebrate the launch of the tariffs but also to disseminate important information to potential licensees. The launch was deemed a success, as COSBOTS soon thereafter embarked on another milestone by licensing major educational institutions as users of reprographic works.



# REMEMBERING THE *Departed*



**SEABELO THAPELO**  
*Bra Moss*  
**PILANE**





Photo Credit:Thapong Visual Arts Centre



# MILESTONE: TEN YEARS OF LICENSING AND COLLECTING

## COSBOTS SINCE INCEPTION 2012-2022

### FOUNDER DIRECTORS



**Mr. Kelebonye  
Sibanyoni**



**Mr. Patrick  
Setsiba**



**Ms. Bakalanga  
Malikongwa**



**Ms. Monica  
Selelo**



**Mr. Solomon Bame  
Monyame**

## COSBOTS BOARD CHAIRPERSONS SINCE INCEPTION



**Mr. Tomeletso  
Sereetsi**



**Mr. Prince  
Monna**



**Mr. Solomon Bame  
Monyame**

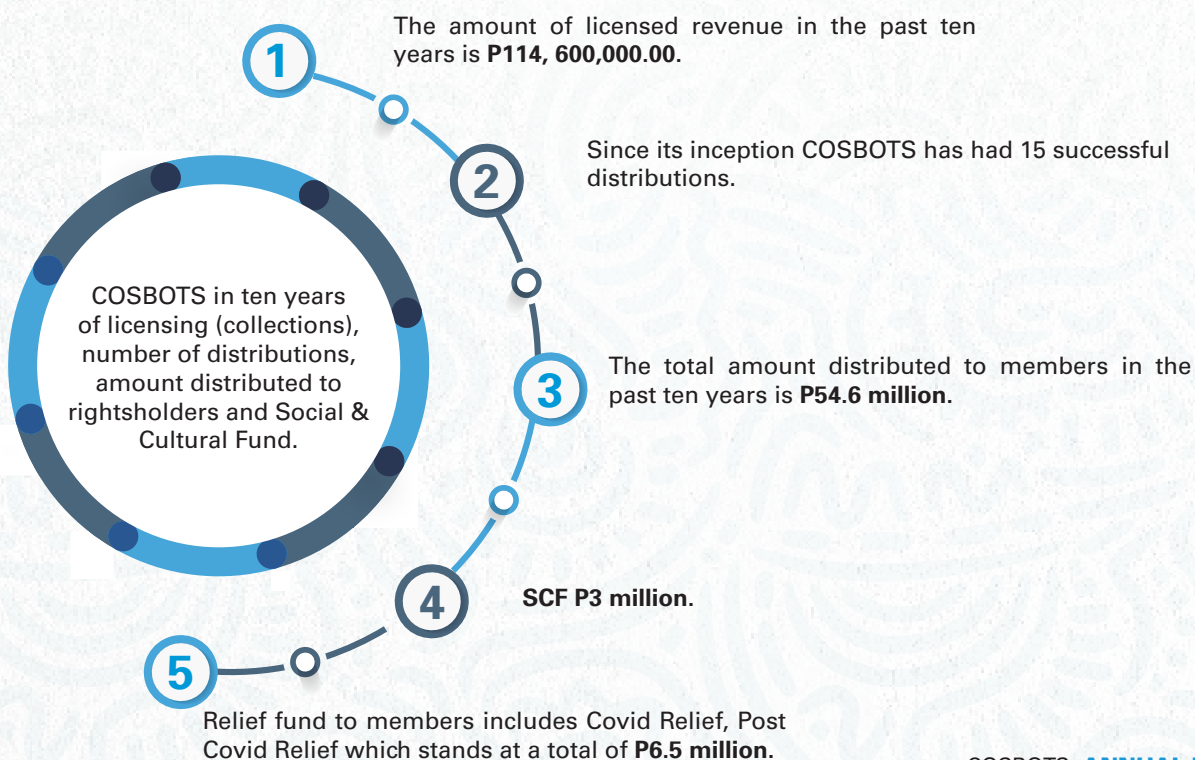


**Mr. Patrick  
Setsiba**



**Ms. Bakalanga  
Malikongwa**

## COSBOTS IN TEN YEARS





# CORPORATE GOVERNANCE REPORT

The Copyright Society of Botswana (COSBOTS) board regards corporate governance as fundamentally important to achieving its' mission and financial objectives through the delegation of duties to the Chief Executive Officer and Executive Management. The board is aware of its obligations and is dedicated to bestowing the core governance principles in order to meet stakeholder expectations.

The Board Charter distinctly lays' out the Board's role, duties and responsibilities. Furthermore, the Board ensures that the provisions of the strategies implemented align with and respond to the vision of the organisation. The adoption of relevant governance principles as laid out in the King III Code on Corporate Governance has enhanced the Society's effectiveness.

## COMPOSITION

The Board Charter distinctly lays' out the Board's role, duties and responsibilities. Furthermore, the Board ensures that the provisions of the strategies implemented align with and respond to the vision of the organisation. The adoption of relevant governance principles as laid out in the King III Code on Corporate Governance has enhanced the Society's effectiveness. Board Members are appointed by the General Assembly and are tasked with the duty of setting the direction of the Society's affairs. The Board is composed of twelve (12) non-executive members. The duties of the Board Chairperson and the Chief Executive Officer are separate. COSBOTS Board Members are creatives in their own right.

The table below shows the current composition of the Board and the membership of each board committee.

Name	Right to Present	Concurrently serves as a Director		Nominations & Governance	Membership	Human Resources & Staff Welfare	Concurrently serves as an Employee
		Executive	Finance, Procurement and Audit				
B. Malikongwa	YES	YES					NO
P. Setsiba	YES	YES			YES		NO
A. Mosimanegape	YES				YES		NO
M. Motlhasedi	YES		YES		YES		NO
M. Mphoeng	YES					YES	NO
O. Moyambo	YES			YES		YES	NO
K. Sibanyoni	YES		YES		YES		NO
K. Kgaodi	YES			YES		YES	NO
S. Lesetedi Keothepile	YES			YES			NO
W. Sekani	YES	YES	YES				NO
B. Mogotsi	YES			YES			NO
M. Ntongana	YES		YES				NO

## THE BOARD OF DIRECTORS

The COSBOTS Board of Directors is responsible for the company's performance and delegates the implementation of the strategy to the CEO and various board committees. Other Specific responsibilities of the board include evaluating the performance of the CEO and board committees, setting a clearly defined communications between the board and key stakeholders, ensuring the accuracy of COSBOTS financial statements, monitoring operational performance and management, upholding high standards of ethics in line with the code of ethics, ensuring compliance with the policies and procedures applicable to the business, encouraging proactive engagement with key stakeholders, ensuring risk management and internal controls, policies and processes and increasing the value of members while maximising socio-economic benefits.

The board delegates certain functions to well-structured committees without relinquishing its own responsibilities. The committees constitute an integral part of the governance process and are established with clearly defined formal terms of reference. To keep up to date with any recent changes in the law and governance principles, the terms of reference are reviewed and approved annually.

## EXECUTIVE

The Executive Committee facilitates decision-making in Board meetings and in urgent matters.

## FINANCE, AUDIT AND PROCUREMENT

Its duties include providing the Board with additional assurance regarding its responsibilities to oversee the financial reporting process, risk management to ensure the transparency and integrity of published financial information.

## NOMINATION AND GOVERNANCE

It is responsible for shaping governance policies, planning for board succession and recruiting of directors.

## HUMAN RESOURCE & STAFF WELFARE

The committee's role is to review and report on matters relating to human resources, compensation policy. Furthermore, the committee establishes a plan of continuity and development of senior management and staff further providing counsel on issues of executive management compensation, performance, assessment, and planning of succession.

## MEMBERSHIP

Key responsibilities of the membership committee include overseeing the integrity of the company's membership services and the company's membership and distribution rules, media/ PR and communications strategy, code of conduct policy, member issues and the advocacy role of the organisations.

## ADVISORY

The advisory committee bridges the gap between members and the board. Furthermore, it advises the board.

## BOARD AND COMMITTEE MEETINGS

The board and its committees meet at least four times annually as prescribed in the constitution and board and committee charters to discuss matters relating to, amongst other things; strategy and performance, financial position, risk management, human resource matters, sustainability and governance. Members contribute to strategy formulation as well as monitoring and measuring the organisation's performance and its executive management.

A summary of meetings and attendance by directors for the financial year 2021/22 is indicated below:

Board Members	Full Board	Executive	Human Resource	Nomination and Governance	Finance and Audit	Membership
Ms. B. Malikongwa	14	41	4	5	1	2
M. P. Setsiba	14	29	-	1	-	4
Ms. W. Sekani	13	32	-	1	6	4
M. A. Mosimanegape	12	18	-	1	-	8
M. M. Motlhasedi	13	25	-	1	5	6
M. M. Mphoeng	9	18	7	6	-	-
M. B. Mogotsi	10	12		1	-	4
M. M. Ntongana	13	15	2	1	4	-
M. J. Moyambo	12	21	5	8	-	-
M. E. Kgaodi	12	20	5	5	-	-
M. K. Sibanyoni	11	22	-	1	6	3
M. L. Keothepile	6	9	-	4	0	0



# DIRECTORS RELATIONSHIP WITH THE COMPANY

NAME	ATTRIBUTE	RELATIONSHIP WITH COMPANY						
		AB		CD		EF		G
Bakalanga Mahoko	Author / Actress	●	●		●	●		●
Patrick Setsiba	Author	●	●		●	●		●
Winani Sekani	Author / Publisher	●					●	●
Alfred Mosimanegape	Musician			●			●	●
Mpho Motlhasedi	Musician	●					●	●
Kelebonye Sibanyoni	Film / TV / Producer	●	●	●	●	●	●	●
Staffnurse B. Lesetedi Keothepile	Ex-Officio rep. government							●
Ookeditse Moyambo	Guitarist / Producer	●		●	●	●	●	●
Moletlanye Mphoeng	Musician	●	●		●	●	●	●
Benjamin Mogotsi	Author LiteraryWorks	●		●		●	●	●
Kabelo Kgaodi	Composer / Publisher	●			●	●	●	●
Martin Ntongana	Ex-Officio							

## A. PRINTING & PUBLISHING

Representing authors of literary, artistic and musical works as well as publishers in text and image-based industries.

## B. VISUAL ARTS & PHOTOGRAPHY

Representing rights holders for visual material. Visual material takes many forms including the following:

- Fine art, such as painting and sculpture.
- Photography, such as documentary, and photographic artworks .
- Illustrators, such as cartoons, diagrams, and maps.
- Graft and applied art, such as jewellery, ceramics, and textiles.
- Design, such as graphic design.
- Architecture.
- Prints, such as engravings and woodcuts producers as financing partners in the video and film making industries.

## C. FOLKLORE

Representing authors of literary, artistic and musical works as well as publishers in text and image-based industries.

## D. DRAMA & THEATERICAL

Representing Writers and dramatists, directors and choreographers, scenic designers, actors, and singers who are involved in the production of a dramatic work.

## E. AUDIOVISUAL & FILM

Representing authors and performers as creative collaborators, and producers as financing partners in the video and film making industries.

## F. MUSIC & RECORDING

Representing rightsholders of musical works being songwriters, performers, composers and music publishers as well as record companies.

## G. OTHERS

Other creative sectors.







## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL:

The statement on Risk Management and Internal Control of the Copyright Society of Botswana Board is made voluntary by the Board in line with its objective of leading by example in championing sound governance, risk management and internal control practises.

## RESPONSIBILITIES OF THE BOARD:

The board acknowledges its overall responsibility for the systems of internal controls in the organisation and as well as reviewing the adequacy, integrity, and effectiveness of these systems. In doing so, the board has carried out an ERM maturity assessment which has been used to craft the ERM strategy. ERM framework which enables the identification

of risks that are prevalent has also been endorsed. By embedding the risk management aspect in all the business activities via identifying principal risks and ensure implementation of appropriate control measures to manage risk, the Board anticipates that a reasonable level of assurance can be achieved.

The Board is committed to maintain a sound internal control system for the organisation and review the adequacy and integrity of the system that includes the management of information system, compliance with laws, regulations, rules, directives and guidelines.

The review of the risk management and internal control and processes is delegated by the board to the Finance, Audit and Procurement Committee.

## MANAGEMENT'S RESPONSIBILITIES:

PRINCIPLE	2022	COMMENTS
The Board should provide effective leadership based on an ethical foundation.	✓	The Board is governed by a Board Charter which is the framework that has put in place best practices that allow for the best ethical leadership.
The Board should ensure that the company is and seen to be a responsible corporate citizen.	✓	While the Board recognizes the concept of Corporate Social Responsibility, limitations of resources were a constraint in the period under review.
The Board should ensure that the company's ethics are managed effectively.	✓	The Organization's ethics are managed through the Executive Committee.
The Board should Act as the focal point for and custodian of corporate governance.	✓	The Organisation is headed by a Board that directs, governs, and is in effective control of the Organisation as embedded in the Board Charter. For effective control the Board delegates some of its duties to its committees which are also governed by Committee charters. The Board meets at least four times a year.
The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	✓	The Board monitors the implementation of strategy through the Chief Executive who submits reports at quarterly meetings.
The Board should ensure that the Organization's ethics are managed.	✓	The Organization's ethics are managed through the Executive Committee.
The Board should ensure that the company has an effective and independent Audit Committee.	✓	The Finance, Audit & Procurement Committee has been established in terms of the Board Charter and the Committee is governed by a Committee Charter which is reviewed annually.
The Board should be responsible for the governance of risk.	✓	The Board governs risk through its Nominations & Governance Committee which reports directly to the Board at each meeting of the Board.
The Board should be responsible for Information and Technology (IT) governance.	✓	The Board has endorsed the IT Policies and Procedures and an IT Strategy is in the process of being developed. Quarterly progress reports are submitted to the Board.
The Board should ensure that the company complies with applicable laws and considers adherence to non-binding codes and standards.	✓	The Board provides effective leadership based on an ethical foundation.
The Board should ensure that there is an effective risk-based internal audit.	X	The organizations have no internal audit unit but plans to have one as the organization grows.
The Board should appreciate that stakeholders' perception affect the company's reputation.	✓	The Board, through the CEO monitors legitimate stakeholder interests and expectations, relevant to the COSBOTS's strategic objectives and long-term sustainability.
The Board should ensure the integrity of the company's integrated reporting.	✓	The integrated report is for the year 2021/2022.

The implementation of the risk management process for the organisation is the responsibility of the Chief Executive Officer and the respective Heads of Business/Operations within the organisation. The respective business and operations unit heads are

required to evaluate the controls to ascertain their effectiveness and efficiency on a periodic basis. The Nominations and Governance Committee reviews internal control matters and highlights significant issues to the Board.

PRINCIPLE	2022	COMMENTS
The Board should report on the effectiveness of the company's internal controls.	✓	The Board is accountable for risk management and the system of internal control and issues annual disclosures that an adequate system of internal control is in place to mitigate the risks faced by the organization.
The Board and its Executive Management should act in the best interest of the company.	✓	The Directors make decisions giving due regard to their duties and as such act with an independence of mind. The Directors also declare their direct and indirect interests at each Board meeting and the Board Secretary maintains a register of Director's interests.
The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is distressed.	✓	The company has Disaster recovery at IT division and is yet to have a fully coordinated BCM.
The Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is distressed.	✓	The only has Disaster recovery at IT division and is yet to have a fully coordinated BCM.
The Board should elect a Chairman of the Board who is an independent non-executive director. The CEO should not also the role of Chairman of the Board.	✓	The Chairperson of the Board is appointed by vote amongst the Board members in accordance with the constitution and She is an independent non-executive. The role of the CEO and Chairperson are performed by separate individuals.
The Board should appoint the Chief Executive and establish a framework for the delegation of authority.	✓	The CEO is appointed by the Board. The CEO is given certain decision-making power. Decisions over this threshold are considered by the Board. This ensures effective and timely decision-making.
The Board should comprise a balance of power, with the majority of non-executive directors. The majority of non-executive directors should be independent.	✓	The Board of Directors is wholly non-executive and independent.
Directors should be appointed through a formal process.	✓	The Directors are appointed in accordance with the company constitution and the Companies Act
The induction of and ongoing training and development of Directors should be conducted through a formal process.	✓	Induction and training of Directors is done through a formal process on an ongoing basis.
The Board should be assisted by a competent, suitably and experienced Board Secretary.	✓	The Board Secretary is appointed by the Board in accordance with the Board Charter. The Board Secretary is a chartered secretary and has the requisite experience for the job as required by Section 162 of the Companies Act.
The evaluation of the Board its committee and the individual Directors should be performed every year.	X	The Board has not been evaluated
The Board should delegate certain functions to well-structured Committees but without abducting its own responsibilities.	✓	The Board has well-developed Committees which have been established with clear reporting procedures. The Committee Charters are reviewed annually.
A governance framework should be agreed between the group and its subsidiary boards.	X	The principle is not applicable.
Organisations should remunerate directors and executives fairly and responsibly.	✓	Director's remuneration is paid in accordance with the recommendations made by the General Assembly. The Executives' remuneration is determined by the Board.
Companies should disclose the remuneration of each individual director and prescribed officer.	✓	This has been disclosed under the remuneration section in the Financial Statements.
Shareholders should approve the company's remuneration policy.	✓	The remuneration Policy is approved by the Board of Directors in accordance with the Board Charter.



## GOVERNANCE OF RISK

The Board should be responsible for the Governance of risk.	✓	The Nominations & Governance Committee acts in accordance with its delegated authority of the Board in terms of governance of risk. The Committee is an integral component of the risk management process and oversees the development of policies.
The Board should determine the levels of risk tolerance.	✓	The Board determines the level of risk tolerance according to the Enterprise Risk Framework.
The Risk Committee or Audit Committee should assist the Board in carrying out its risk responsibilities.	✓	The Board is assisted by an independent and effective Nominations & Governance Committee in carrying out its risk responsibilities. The Chairperson of the Committee reports to the Board at all its meetings.
The Board should delegate to Management the responsibility to design, implement and monitor the risk management plan.	✓	The design and implementation of the risk management plan is the responsibility of Management. The Nominations & Governance Committee provides the necessary oversight.
The Board should ensure that the risk assessments are performed on a continual basis.	✓	Regular risk assessments are undertaken where both the strategic and operational risk registers are on quarterly basis reviewed and revised.
The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risk.	X	A formal ERM framework which relies on ISO31000 and COSO framework have not been developed and presented to the Board.
The Board should ensure that Management considers and implements appropriate risk responses.	✓	Quarterly progress made in the implementation of the mitigation measures is presented to the Board.
The Board should ensure continual risk monitoring by Management.	✓	Quarterly risk reports with significant risks are presented to the Board.
The Board should receive assurance regarding the effectiveness of the risk management process.	X	Proper risk management process will be implemented in the 2022/2023 annual report.
The Board should ensure that there are processes in place enabling complete, timely, relevant and accurate and accessible risk disclosure to stakeholders.	X	Proper risk disclosures will be implemented in the 2022/2023 annual report.
The Board should ensure that the Organisation complies with applicable laws and considers adherence to non-binding codes and standards.	✓	The organisation complies with applicable laws and non-binding rules. The Board certifies that such rules are adhered to.
The Board and each individual Director should have a working understanding of the effect of applicable laws, rules, codes and standards on the Organisation and its business.	✓	Any changes in laws and rules which affect the Organisation are included in the Board's agenda as and when applicable.
Compliance risk should form an integral part of the Organisation's risk management process.	✓	The risk of non-compliance is monitored, assessed and responded to through the organisation's risk management process.
The Board should delegate to management the implementation of an effective compliance framework.	P	A formal Compliance framework is yet to be developed.

## GOVERNING OF STAKEHOLDER RELATIONSHIPS

The Board should appreciate that stakeholders' perceptions affect the company's reputation.	✓	The Board monitors legitimate stakeholder interests and expectations, relevant to the organisation's strategic objectives and long - term sustainability.
The Board should delegate to Management to proactively deal with stakeholder relationships.	✓	Stakeholder relationship management is the primary responsibility of the CEO.
The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interest of the Organisation.	✓	The Board strives to achieve an appropriate balance between the interests of various stakeholders in its decision making.
Companies should ensure the equitable treatment of shareholders.	✓	COSBOTS has a cordial relationship with the Government of Botswana through the Ministry of Investment, Trade & Industry.
Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	✓	The organisation produces an Annual Report within reasonable timelines. The organisation ensures that information to stakeholders is sent timeously and that it is clear and comprehensive.



# FINANCE REPORT

Copyright Society of Botswana Integrated Annual General Meeting Finance Report for the Financial year ended June 30, 2022.

## INTRODUCTION

We are pleased to present the integrated annual finance report for the Copyright Society of Botswana for the financial year ended June 30th, 2022. The report provides a comprehensive overview of our financial performance, our financial position, and our outlook for the future.

## IFRS REPORTING FOR COLLECTIVE MANAGEMENT ORGANISATIONS

I am pleased to report our organisation has successfully complied with the International Financial Reporting Standards (IFRS) reporting, which has had a significant impact on our financial reporting processes. The adoption of IFRS has improved the transparency and accuracy of our financial statements ultimately enhancing the credibility of our financial reporting.

The full compliance with IFRS reporting has also presented challenges, particularly in relation to the recognition and measurement of revenue and the expected credit loss (ECL) framework for recognition of loss allowance. However, our organization has been proactive in developing new accounting policies and procedures to comply with the new standards, and our staff has received additional training to ensure that we are fully prepared for the complexities of the new reporting requirements.

Overall, the impact of IFRS reporting on our organization has been positive, and we are confident that our financial reporting is now more reliable and comparable across different entities. We remain committed to maintaining high standards of financial reporting and ensuring that our shareholders have access to accurate and timely financial information.

## FINANCIAL PERFORMANCE OVERVIEW

1. Our total revenue for the year amounted to P12, 556, 034.00. However, it is important to note that this figure represents a decrease of 7% from the previous year. Despite this, we are proud to share that we experienced a positive shift in our royalties collected on a cash basis, with a total of P22, 467, 091.00 in the current year as opposed to P20, 893, 703.00 in 2021. This increase of 8% is a testament to our unwavering commitment to growth, efficiency, and strategic investments.

2. During the financial year, our organisation wrote back P8, 000, 569.00 of unclaimed international royalties into the distribution pool. This was done in accordance with our Distribution Rule 17 and has resulted in an increase in declared royalties for Distribution 15.
3. For the period covering July 1st, 2021, to June 30th, 2022, the net distributable amount allocated to our members was P4, 027, 181.00. Additionally, we carried forward a balance of P156, 918.00 from Distribution 14, which was the remaining amount on the declared royalties. Moreover, we transferred P4, 115, 901.00 from our cash reserves, resulting in a total declared amount of P8, 300, 000.00 for Distribution 15.
4. In the year under review, our operating expenses totalled P13, 263, 621.00, reflecting a significant increase of 49% from the previous year. Notably, this figure includes a relief fund of P2, 000, 000.00, which we disbursed to our members to support them in coping with the adverse effects of the Covid-19 pandemic on their livelihoods. Each member received P1, 000.00 as part of this relief effort. In addition, we invested P1, 000, 000.00 towards building the capacity of the Department of Broadcasting Services (DBS) associate producers and in-house producers in both television and radio programming. This investment was part of a joint project with the Department of Broadcasting Services, aimed at enhancing the skills and competencies of ministries and parastatals in this sector.
5. Despite the increase in costs, we are pleased to report a significant improvement in our financial performance, with a total loss of P2, 003, 309.00 for the year. This represents a positive improvement from the previous year's total losses of P7, 460, 486, reflecting a 71% decrease in losses. Several factors contributed to this positive outcome, including an increase in licensing royalties collections, the write-back of unclaimed international royalties into the distribution pool, and a decrease in expenditure in certain areas such as Employee Costs, Board Expenses, and Printing and Stationery. We remain committed to maintaining a lean and efficient operating model that maximizes value for our members and stakeholders.

## FINANCIAL POSITION

Our financial position remained strong during the year, and we continued to maintain a healthy balance sheet and liquidity position.

1. As of the end of the financial year, the company had invested a portion of its cash and international



royalties in interest-bearing accounts, with balances as follows: P5, 437, 875.33 in Bank Gaborone and P10, 927, 680.45 in the Bank of Baroda. These accounts earn interest at rates of 4.9% and 4.75%, respectively. The balances in these accounts include both the principal invested amount and the interest earned on the investments.

2. In addition to our interest-bearing investments, the organization also had accessible cash totalling P8, 760, 512.00 in our current accounts and P4, 713, 926.00 in our call accounts. These funds were held in various local commercial banks, including FNB, ABSA Bank, and Stanbic Bank, as well as through the Poso Money platform.
3. As of June 30th, 2022, our Trade Receivables amounted to P508, 507.00, reflecting an 81% decrease from the previous year's balance. In accordance with IFRS 9 Financial Instruments, we recognized a loss allowance against our trade receivables during the current year. The loss allowance recognized in the period was P1, 725, 812.00, which represents an estimate of the potential financial loss the company may incur if customers fail to make payments on time. In addition, we revalued our trade receivables from licensed customers from P2, 234, 319.00 to P508, 507.00 in accordance with IFRS 9 to reflect our exposure to credit risk. This adjustment reflects our commitment to maintaining sound financial practices and ensuring the long-term financial stability of the organization.
4. During the financial year, we also recorded an 18% increase in deferred income to P8, 292, 334.00. This represents funds received in advance for products or services that will be provided at a later date. As the Copyright Society of Botswana offers annual licenses, revenue from these licenses is recognized in accordance with IFRS 9 upon the completion of each licensed period within the year. This increase in deferred income demonstrates our ability to secure funds in advance and underscores our commitment to providing quality services to our members and customers. It also highlights our adherence to established accounting standards and best practices.
5. As of June 30th, 2022, the company had provisions amounting to P17, 539, 740.00, indicating a 9% decrease from the previous year. These provisions include unpaid international royalties totalling P5, 333, 713.00, and local unclaimed royalties amounting to P259, 856.00 that are payable to members whose works have been identified but have not been paid due to various reasons such as Know Your Customer (KYC) not being submitted. Additionally, the provision also includes unmatched local royalties amounting to P1, 847, 462.00, which remain unpaid as the rightful owners of the works have not been identified or have not come forward to claim their works. The company also has outstanding distributions payable to Private Radio Stations royalties amounting to P443, 745.00 for Distribution 14, and Other Right holders amounting to P308, 531.00. Lastly, the Social and Cultural fund had a year-end balance of P647, 453.78, with the company setting aside 10% of every distribution declared to offer assistance to members during a bereavement of a member and medical assistance for chronic ailments.

Overall, the company has maintained a strong financial position and is well-positioned to pursue its strategic initiatives and achieve its long-term objectives. With improved licensing royalty collections, decreased losses, and strategic cost management, the company has achieved positive results. Additionally, the company has invested in interest-bearing accounts, held accessible cash in current and call accounts, and managed its trade receivables in accordance with IFRS 9.

The provisions set aside for unpaid international royalties, local royalties, and social and cultural assistance demonstrate the company's commitment to supporting its members. Overall, the company's financial report indicates a positive outlook for the future.

## OUTLOOK

Looking ahead, we remain committed to driving growth, efficiency, and innovation in our operations, and pursuing initiatives that will create value for our members, licensees, and stakeholders. We are optimistic about our future prospects and confident that we can continue to deliver strong financial performance while maintaining our focus on sustainability and responsible business practices.

We would like to thank our members, licensees, and stakeholders for their continued support, and we look forward to working together to achieve our shared goals and objectives.



Ms. Winani Sekani

A stylized, dark ink handwritten signature.

Treasurer of the COSBOTS Board of Directors

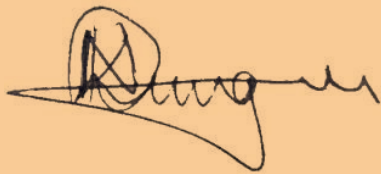




# CERTIFICATE BY COMPANY SECRETARY

In my capacity as Company Secretary, I hereby certify, in terms of the Compliance Act, that for the year ended June 30, 2021. The Company has lodged with the Registrar of Companies all such returns as are required of a company in terms of the Companies Act and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

Kamoyo N. Lungu-Chiteba

A handwritten signature in black ink, appearing to read 'Kamoyo N. Lungu-Chiteba', with a large, stylized initial 'K'.

**Company Secretary**  
**30th June 2022**





# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497)

ANNUAL FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

## GENERAL INFORMATION

Country of incorporation and domicile	BOTSWANA
Nature of business and principal activities	The Copyright Society of Botswana was established and has been mandated by the Copyright and Neighbouring Rights Act - CAP 68:02 of 2006 to among others to license and collect royalties from users of copyright protected works, to distribute them to copyright owners.
Directors	Bakalanga Malikongwa Patrick Setsiba Winani Sekani Alfred Morwaledi Mosimanegape Moletlanye Mphoeng Mpho Motlhasedi Benjamin Mogotsi Kabelo Eric Kgaodi Ookeditse Moyambo Kelebonye Sibanyoni Martin Ntongana Staffnurse Bangu Lesetedi- Keothepile (Appointed) Letlhogonolo Makwinja (Appointed)
Registered office	Plot 93, Unit 1, Gaborone International Finance Park Gaborone, Botswana
Postal address	Private Bag B075, Gaborone, Botswana
Bankers	Bank of Baroda Bank Gaborone Absa Bank Botswana First National Bank of Botswana Stanbic Bank Botswana
Auditors	Maemo SD Mesotlo & Associates BAOA Member Firm: FAN 008 2023 Unit 05F, First Floor, Plot 145, Lake View Office Park Gaborone International Finance Park P O Box 604 AAH, CBD Gaborone, Botswana
Secretary	BakerTilly Botswana
Legal advisors	Akoonyatse Law Firm Ndawana Dubani & Company The Jones Moitshepi Firm
Company registration number	BW00000230497
Incorporation date	29 May 2008
Currency	Botswana Pula

# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	



# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 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 company as at the end of the financial year and the results of its operations and cash flows for the period 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 International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets 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 company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors 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 directors have reviewed the company's cash flow forecast for the year to 30 June 2023 and, in light of this review and the current financial position, they are satisfied that the company 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 company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 67 to 68.

The annual financial statements set out on pages 8 to 40, which have been prepared on the going concern basis, were approved by the board of directors on **20 MARCH 2023** and were signed on their behalf by:

## APPROVAL OF FINANCIAL STATEMENTS



**Bakalanga Malikongwa**  
(Board Chairperson)



**Winani Sekani**  
(Treasurer)

# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## DIRECTORS' REPORT

The directors have pleasure in submitting their report on the annual financial statements of Copyright Society of Botswana for the year ended 30 June 2022.

### INCORPORATION

The company is domiciled in Botswana where it is incorporated as a private company limited by guarantee under the Companies Act. The address of the registered office is set out on page 1.

### NATURE OF BUSINESS

The Copyright Society of Botswana was established and has been mandated by the Copyright and Neighbouring Rights Act - CAP 68:02 of 2006 to among others to license and collect royalties from users of copyright protected works, to distribute them to copyright owners.

There have been no material changes to the nature

of the company's business from the prior year.

### REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements.

### DIRECTORATE

The directors in office at the date of this report are as follows:

DIRECTORS	OFFICE	DESIGNATION	CHANGES
Bakalanga Malikongwa	Chairperson	Non-executive	
Patrick Setsiba	Vice Chairperson	Non-executive	
Winani Sekani	Treasurer	Non-executive	
Alfred Morwaledi Mosimanegape		Non-executive	
Moletlanye Mphoeng		Non-executive	
Mpho Motlhasedi		Non-executive	
Benjamin Mogotsi		Non-executive	
Kabelo Eric Kgaodi		Non-executive	
Ookeditse Moyambo		Non-executive	
Kelebonye Sibanyoni		Non-executive	
Martin Ntongana		Non-executive	
Staffnurse Bangu Lesetedi-Keothepile (Appointed)		Non-executive	Appointed 11 November 2021
Letlhogonolo Makwinja (Appointed)		Executive	Appointed 01 September 2021



# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## EVENTS AFTER THE REPORTING PERIOD

On 27 January 2023, the Board of Directors resolved to declare and pay Distribution 15 of a royalty distribution of eight million, three hundred thousand pula, P8,300,000, for the twelve (12) month period spanning 01 July 2021 - 30 June 2022. On 28 February 2023, the Board of directors resolved to declare the musical works royalties worth eight million, five hundred and sixty-nine pula and sixty-four thebes (P8,000,569.64) as reserves and be written back into the distribution pool pursuant to Distribution 17, as there exists no foreign representation agreement for musical works. These board resolutions are considered adjusting events and have been adjusted accordingly in the financial statements.

## GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company.

## LITIGATION STATEMENT

The company is involved in a lawsuit incidental to the ordinary course of business.

The company has a claim instituted against it by a former employee seeking a compensation for unfair dismissal in the sum of P1,551,552.85.

Save as recorded above, the directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened that may have a material effect on the financial position of the company.

## SECRETARY

The company secretary is BakerTilly Botswana.

The annual financial statements set out on pages 8 to 40, which have been prepared on the going concern basis, were approved by the board of directors on **20 MARCH 2023**, and were signed on its behalf by:

## APPROVAL OF FINANCIAL STATEMENTS



**Bakalanga Malikongwa**  
(Board Chairperson)



**Winani Sekani**  
(Treasurer)

# **COPYRIGHT SOCIETY OF BOTSWANA**

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022



Plot 145, Lake View Office Park, Unit 5F  
Gaborone International Finance Park  
P O Box 604 AAH CBD  
Gaborone, Botswana

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of Copyright Society of Botswana**

#### **OPINION**

We have audited the annual financial statements of Copyright Society of Botswana set out on pages 8 to 38, which comprise the statement of financial position as at 30 June 2022, statement of profit or loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of Copyright Society of Botswana as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the company in accordance with the Botswana Institute of Chartered Accountants (BICA) code, which is consistent with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of annual financial statements in Botswana. We have fulfilled our other ethical responsibilities in accordance with the BICA Code and in accordance with other ethical requirements applicable to performing audits in Botswana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **OTHER MATTER**

As part of our audit of the 2022 financial statements, we also audited the adjustments described in Note 24 that were applied to amend the 2021 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

#### **OTHER INFORMATION**

The directors are responsible for the other information. The other information comprises the information included in the document titled "Copyright Society of Botswana annual financial statements for the year ended 30 June 2022", which includes the Directors' Report and the supplementary information as set out on pages 39 to 40. The other information does not include the annual financial statements and our auditor's report thereon.

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



# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## RESPONSIBILITIES OF THE DIRECTORS FOR THE ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

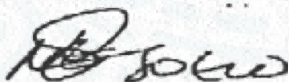
## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the annual 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 International Standards on Auditing 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 annual financial statements.

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

- Identify and assess the risks of material misstatement of the annual 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 company'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 annual 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.



Maemo SD Mesotlo

Maemo S D Mesotlo & Associates Certified Auditor

Practicing member: Maemo Seleke Mesotlo (CAN 0012 2023) BAOA Member Firm No.: FAN 008 2023

Gaborone  
24 March 2023

# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

Figures in Pula	Note(s)	2022	2021 Restated*	2020 Restated*
<b>Assets</b>				
<b>Non-Current Assets</b>				
Property, plant and equipment	3	495,035	180,579	214,623
Right-of-use assets	4	3,616,275	3,913,397	4,210,518
Intangible assets	5	45,860	61,147	-
		<b>4,157,170</b>	<b>4,155,123</b>	<b>4,425,141</b>
<b>Current Assets</b>				
Trade and other receivables	6	559,302	2,715,064	448,443
Cash and cash equivalents	7	29,842,568	29,981,525	27,432,528
		<b>30,401,870</b>	<b>32,696,589</b>	<b>27,880,971</b>
<b>Total Assets</b>		<b>34,559,040</b>	<b>36,851,712</b>	<b>32,306,112</b>
<b>Equity and Liabilities Equity</b>				
<b>Equity</b>				
Retained income		<b>5,187,241</b>	<b>7,190,554</b>	<b>14,572,444</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Lease liabilities	4	<b>1,772,930</b>	2,043,576	2,294,965
<b>Current Liabilities</b>				
Trade and other payables	9	1,490,414	1,154,846	1,966,703
Lease liabilities	4	276,381	251,389	220,572
Deferred income	10	8,292,334	7,034,199	4,900,000
Provisions	8	17,539,740	19,177,148	8,351,428
		<b>27,598,869</b>	<b>27,617,582</b>	<b>15,438,703</b>
<b>Total Liabilities</b>		<b>29,371,799</b>	<b>29,661,158</b>	<b>17,733,668</b>
<b>Total Equity and Liabilities</b>		<b>34,559,040</b>	<b>36,851,712</b>	<b>32,306,112</b>



# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## STATEMENT OF PROFIT OR LOSS

Figures in Pula	Note(s)	2022	2021 Restated*
Revenue	11	12,556,034	13,447,167
Other operating income	13	269,573	109,136
Other operating gains (losses)	14	-	1,058
Movement in credit loss allowances	15	(1,725,812)	-
Other operating expenses		(13,263,621)	(8,919,848)
<b>Operating (loss) profit</b>	15	<b>(2,163,826)</b>	<b>4,637,513</b>
Investment income	15	658,244	609,380
Finance costs	17	198,297	(213,546)
Royalty distribution	12	8,300,000	(12,493,833)
Royalty distribution written-back	12	8,000,570	-
<b>Total loss for the year</b>		<b>(2,003,309)</b>	<b>(7,460,486)</b>

# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL  
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## STATEMENT OF CHANGES IN EQUITY

Figures in Pula	Retained Income	Total equity
Opening balance as previously reported Adjustments	14,571,893	14,571,893
Prior year adjustments	79,147	79,147
<b>Restated* Balance at 01 July 2020 as restated</b>	<b>14,651,040</b>	<b>14,651,040</b>
<b>Total Loss for the year</b>	<b>(7,460,486)</b>	<b>(7,460,486)</b>
<b>Balance at 01 July 2021</b>	<b>7,190,550</b>	<b>7,190,550</b>
<b>Total Loss for the year</b>	<b>(2,003,309)</b>	<b>(2,003,309)</b>
<b>Balance at 30 June 2022</b>	<b>5,187,241</b>	<b>5,187,241</b>



# COPYRIGHT SOCIETY OF BOTSWANA

(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## STATEMENT OF CASH FLOWS

Figures in Pula	Note(s)	2022	2021 Restated*
<b>Cash flows from operating activities</b>			
Cash generated from operations	19	32,462	2,462,815
<b>Cash flows from investing activities</b>			-
Purchase of property, plant and equipment	3	(385,710)	(28,991)
Disposal of property, plant and equipment	3	-	1,058
Purchase of intangible assets	5	-	(61,147)
<b>Net cash from investing activities</b>		<b>(385,710)</b>	<b>(89,080)</b>
<b>Cash flows from financing activities</b>			
Payment on lease liabilities		(245,654)	(220,572)
Interest income		658,244	609,380
Finance costs		(198,297)	(213,546)
<b>Net cash from financing activities</b>		<b>214,291</b>	<b>175,262</b>
<b>Total cash movement for the year</b>		<b>(138,957)</b>	<b>2,548,997</b>
Cash at the beginning of the year		29,981,525	27,432,528
<b>Total cash at end of the year</b>	7	<b>29,842,568</b>	<b>29,981,525</b>

# **COPYRIGHT SOCIETY OF BOTSWANA**

**(REGISTRATION NUMBER BW00000230497) ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022**

## **ACCOUNTING POLICIES**

### **CORPORATE INFORMATION**

Copyright Society of Botswana is company limited by guarantee incorporated and domiciled in Botswana.

The Copyright Society of Botswana was established and has been mandated by the Copyright and Neighbouring Rights Act - CAP 68:02 of 2006 to among others to license and collect royalties from users of copyright protected works, to distribute them to copyright owners.

#### **Significant accounting policies**

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

### **BASIS OF PREPARATION**

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these annual financial statements and the Companies Act.

The annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Pulas, which is the company's functional currency.

These accounting policies are consistent with the previous period.

### **SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying

assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

### **KEY SOURCES OF ESTIMATION UNCERTAINTY**

The annual financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

### **PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.



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## ACCOUNTING POLICIES

### PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased

assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation Method	Average useful life
Buildings	Straight line	2.5%
Furniture and fixtures	Straight line	10%
Motor vehicles	Straight line	25%
Office equipment	Straight line	15%
IT equipment	Straight line	25%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between

the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

### INTANGIBLE ASSETS

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end. Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation Method	Average useful life
Computer Software	Straight line	4 Years

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## FINANCIAL INSTRUMENTS

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company, as applicable, are as follows:

### FINANCIAL LIABILITIES:

- Amortised cost

Note 25 Financial instruments and risk management presents the financial instruments held by the company based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

### 1.5 FINANCIAL INSTRUMENTS (CONTINUED)

#### TRADE AND OTHER RECEIVABLES

##### CLASSIFICATION

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 6).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

##### RECOGNITION AND MEASUREMENT

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost. The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial

amount and the maturity amount, adjusted for any loss allowance.

### IMPAIRMENT

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

### MEASUREMENT AND RECOGNITION OF EXPECTED CREDIT LOSSES

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality. Details of the provision matrix is presented in note 6.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance (note 15).

### WRITE OFF POLICY

The company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered



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into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the company recovery procedures, taking into account legal advice where appropriate. After 1 year, the circumstances of the account and collection efforts will be submitted to Board with appropriate recommendations. Where account receivables cannot be collected a full provision is made and details are submitted to Board with full recommendations. Any recoveries made are recognised in profit or loss.

## CREDIT RISK

Details of credit risk are included in the trade and other receivables note (note 6) and the financial instruments and risk management note (note 25).

## DERECOGNITION

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Trade and other payables

## CLASSIFICATION

Trade and other payables (note 9), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

## RECOGNITION AND MEASUREMENT

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 18).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 25 for details of risk exposure and management thereof.

## DERECOGNITION

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at amortised cost and stated at carrying amount which is deemed to be fair value.

## LEASES

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

## COMPANY AS LESSEE

A lease liability and corresponding right-of-use asset

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are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense (note 15) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the company is a lessee are presented in note 4 Leases (company as lessee).

## LEASE LIABILITY

Lease payments included in the measurement of the lease liability comprise the following: fixed lease payments, including in-substance fixed payments, less any lease incentives;

- variable lease payments that depend on an

index or rate, initially measured using the index or rate at the commencement date;

- the amount expected to be payable by the company under residual value guarantees;
- the exercise price of purchase options, if the company is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 18). The company remeasures the lease liability, when applicable, in accordance with the following table:

Lease liability remeasurement scenario	Lease liability remeasurement methodology
Change to the lease term.	Discounting the revised lease payments using a revised discount rate.
Change in the assessment of whether the company will exercise a purchase, termination or extension option.	Discounting the revised lease payments using a revised discount rate.
Change to the lease payments as a result of a change in an index or a rate.	Discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
Change in expected payment under a residual value guarantee.	Discounting the revised lease payments using the initial discount rate.
Lease contract has been modified and the lease modification is not accounted for as a separate lease.	Discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

## RIGHT-OF-USE ASSETS

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.



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## ACCOUNTING POLICIES

### LEASES (CONTINUED)

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the company incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

### IMPAIRMENT OF ASSETS

The company assesses at each end of the reporting

period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment

annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

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## EMPLOYEE BENEFITS SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

## DEFINED CONTRIBUTION PLANS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

## PROVISIONS AND CONTINGENCIES

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

The Copyright and Neighbouring Act requires COSBOTS to distribute royalties to owners of the copyright, of which the distribution should be made within the scheduled dates stipulated in the Membership and Distribution rules thus creating an obligation to be honoured annually. The Board of Directors proposes, through resolutions, an amount to be distributed to the members. The amount remains a proposal until approved by the Copyright Office at Companies and Intellectual Property Authority (CIPA).

Provisions are not recognised for future operating losses. Contingent assets and contingent liabilities are not recognised.

## REVENUE FROM CONTRACTS WITH CUSTOMERS

The company recognises revenue from the following major sources:

- Income from licensing and royalty operations

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue to the extent that is probable that the economic benefits will flow to the company and those benefits can be measured reliably. License fees are based on license assessments for the use of copyrighted work. Revenue is considered to be earned over time as and when the users make use of the copyrighted work over the licensed period. Payments received in advance beyond the fee for the licensed period are treated as deferred income.

Revenue recognition follows a five-step model framework as follows:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

## ROYALTY DISTRIBUTIONS

This amount represents net revenue from license revenue available in royalty distributions. Royalty distributions are standard processes, whereby net licence income from the licensing of public performance, broadcast and rights in copyrighted works, owned by those whose rights are administered by COSBOTS is allocated in the form of royalties to those rights holders whose copyrighted works were logged as performed, broadcast or played by licensed users of copyright work during the year.

## INVESTMENT REVENUE

Investment income comprise of interest earned from short-term liquid investments placed with local commercial banks. Interest is recognised on a time proportion basis according to the effective interest rate method which takes into account the effective yield on the asset over the period it is expected to be held. Interest is recognised on an accrual basis.



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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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### NEW STANDARDS AND INTERPRETATIONS

#### STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 July 2022 or later periods:

Figures in Pula	Effective date: Years beginning on or after	Expected impact:
Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact
IFRS 17 Insurance Contracts	01 January 2023	Unlikely there will be a material impact
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2023	Unlikely there will be a material impact
Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2023	Unlikely there will be a material impact
Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2023	Unlikely there will be a material impact
Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2023	Unlikely there will be a material impact
Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2023	Unlikely there will be a material impact

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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### Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	227,751	(157,720)	70,031	224,330	(138,301)	86,029
Office equipment	60,265	(25,364)	34,901	37,765	(17,168)	20,597
IT equipment	806,659	(416,556)	390,103	446,871	(372,918)	73,953
<b>Total</b>	<b>1,094,675</b>	<b>(599,640)</b>	<b>495,035</b>	<b>(708,966)</b>	<b>(528,837)</b>	<b>180,579</b>

	2020		
	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	223,214	(118,525)	104,689
Office equipment	37,765	(11,503)	26,262
IT equipment	440,149	(356,477)	83,672
<b>Total</b>	<b>701,128</b>	<b>(486,505)</b>	<b>214,623</b>

### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	86,029	3,421	(19,419)	70,031
Office equipment	20,597	22,500	(8,196)	34,901
IT equipment	73,953	359,789	(43,639)	390,103
	<b>180,579</b>	<b>385,710</b>	<b>(71,254)</b>	<b>495,035</b>

### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	104,689	1,115	(19,775)	86,029
Office equipment	26,262	-	(5,665)	20,597
IT equipment	83,672	(27,876)	(37,595)	73,953
	<b>214,623</b>	<b>(28,991)</b>	<b>(63,035)</b>	<b>180,579</b>



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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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### PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

#### PROPERTY, PLANT AND EQUIPMENT ENCUMBERED AS SECURITY

The following assets have been encumbered as security for the finance leases :

Land and buildings	3,314,437	3,409,119	3,503,801
Motor vehicles	301,838	504,278	706,717

Security held:

#### LAND AND BUILDINGS

- 1st Continuing Covering Mortgage Bond for BWP 2,153,000 over Plot 93 Sectional Unit Lease Area 1007-KO GICP, Gaborone Commercial (900 sqm)
- Registered Cession of Fire Policy for BWP 2,300,00.00.

#### MOTOR VEHICLES

- Wesbank has a financial interest over the following vehicles: Toyota Corrola Quest CVT, Isuzu D-Max 250 D/CAB X-rider and 2019 Toyota Fortuner 2.4 GD6.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

motor vehicles under a finance lease arrangement. Details pertaining to leasing arrangements, where the company is lessee are presented below:

#### BANK GABORONE FINANCE LEASE

The finance is payable over 180 months at equal installments of about BWP 23,799.24 at prime plus 3% interest rate compounded, and calculated daily on the outstanding loan balance, and debited to the loan account on a monthly basis in arrears.

#### WESBANK FINANCE LEASE

The company has purchased motor vehicles through the Wesbank finance lease arrangement. The average lease term is 5 years (2021: 5 years) at an average rate of 9.25% (2021: 9.25%).

### LEASES (COMPANY AS LESSEE)

The company has purchased land & buildings and

#### NET CARRYING AMOUNTS OF RIGHT-OF-USE ASSETS

The carrying amounts of right-of-use assets are as follows:

Buildings	3,314,436	3,409,119	3,503,801
Motor vehicles	301,838	504,278	706,717
	<b>3,616,275</b>	<b>3,913,397</b>	<b>4,210,518</b>

#### Additions to right-of-use assets

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### LEASES (COMPANY AS LESSEE) (CONTINUED)

#### DEPRECIATION RECOGNISED ON RIGHT-OF-USE ASSETS

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in profit or loss (note 15), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	94,683	94,683	94,683
Motor vehicles	202,440	202,440	96,102
	<b>297,123</b>	<b>297,123</b>	<b>190,785</b>

#### OTHER DISCLOSURES

Interest expense on lease liabilities	198,297	213,546	198,836
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#### LEASE LIABILITIES

The maturity analysis of lease liabilities is as follows:

Within one year	475,004	475,004	470,979
Two to five years	1,627,130	1,818,172	2,000,396
More than five years	956,955	1,230,601	1,516,192
	<b>3,059,089</b>	<b>3,523,777</b>	<b>3,987,567</b>
Less finance charges component	(1,009,778)	(1,228,812)	(1,472,030)
	<b>2,049,311</b>	<b>2,294,965</b>	<b>2,515,537</b>
Non-current liabilities	1,772,930	2,043,576	2,294,965
Current liabilities	276,381	251,389	220,572
	<b>2,049,311</b>	<b>2,294,965</b>	<b>2,515,537</b>

#### INTANGIBLE ASSETS

	2022			2021		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	61,147	(15,287)	45,860	61,147	-	61,147



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Figures in Pula	2022	2021	2020
		2020	
	Cost / Valuation	Accumulated amortisation	Carrying value

	Opening balance	Amortisation	Total
Computer software, other	61,147	(15,287)	45,860

	Opening balance	Additions	Total
Computer software, other	-	61,147	61,147

Trade receivables	2,234,319	2,654,590	352,844
Loss allowance	(1,725,812)	-	-
Trade receivables at amortised cost	508,507	2,654,590	352,844
Deposits	880	880	880
Insurance prepaid	48,915	51,076	38,493

Employee costs in advance	1,000	8,518	56,226
<b>Total trade and other receivables</b>	<b>559,302</b>	<b>2,715,064</b>	<b>448,443</b>

Current assets	559,302	2,715,064	448,443
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At amortised cost	558,302	355,374	392,217
Non-financial instruments	1,000	8,518	56,226
	<b>559,302</b>	<b>363,892</b>	<b>448,443</b>

COSBOTS **ANNUAL REPORT**

# COPYRIGHT SOCIETY OF BOTSWANA

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is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward looking information and general economic conditions of the industry as at the reporting date. The company's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2022	2022	2021	2021	2020	2020
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
<b>Expected credit loss rate:</b>						
Not past due: 16%	59,008	9,364	(120,459)	-	-	-
1-30 days past due: 61%	913,808	557,821	(83,111)	-	-	-
31 - 60 days past due: 63%	56,095	35,369	88,290	-	-	-
61 - 90 days past due 79%	41,256	32,443	(426,068)	-	-	-
91 - 120 days past due 83%	26,625	22,091	428,908	-	-	-
121 - 150 days past due 83%	209,480	174,150	(129,286)	-	-	-
More than 151 days past due 100%	894,574	894,574	540,144	-	-	-
<b>Total</b>	<b>2,200,846</b>	<b>1,725,812</b>	<b>298,418</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2,575	5,671	4,985
Current accounts	8,760,512	6,538,992	499,893
Call accounts	4,713,926	7,724,483	11,820,156
Fixed deposit accounts	16,365,555	15,712,379	15,107,494
	<b>29,842,568</b>	<b>29,981,525</b>	<b>27,432,528</b>

Surplus funds are invested in local commercial banks (First National Bank of Botswana, Absa Bank, Bank of Baroda and Bank Gaborone) which comprise of fixed deposits. The interest earned is at an effective interest rate of 3.30% (2021: 3.30%). The proportionate amount of interest up to 30 June is added to the cost of investment to approximate fair value.



# COPYRIGHT SOCIETY OF BOTSWANA

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## Provisions

### RECONCILIATION OF PROVISIONS 2022

	Opening balance	Additions	Utilised during the year	Reclassification during the year	Reversed during the year	Total
Royalty distributions	19,023,051	7,809,763	(1,481,512)	(814,180)	(8,000,570)	16,536,552
Social and cultural funds	154,097	490,238	(492,676)	495,790	-	647,449
Covid relief	-	2,000,000	(2,030,122)	318,472	-	288,350
DBS Project	-	1,000,000	(932,612)	-	-	67,388
	<b>19,177,148</b>	<b>11,300,001</b>	<b>(4,936,922)</b>	<b>82</b>	<b>(8,000,570)</b>	<b>17,539,739</b>

### RECONCILIATION OF PROVISIONS 2021

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Royalty distributions	8,351,428	7,964,375	(986,585)	3,693,933	19,023,051
Social and cultural funds	-	835,625	(681,528)	-	154,097
	<b>8,351,428</b>	<b>8,000,000</b>	<b>(1,668,113)</b>	<b>3,693,933</b>	<b>19,177,148</b>

The royalty distribution provision represents management's best estimate of the company's liability towards the owners of copyrighted work. The distributable amount is determined by deducting administrative expenses, contributions to social and cultural fund and other provisions from gross revenue, and then management through an annual budget proposes the amount to the Board of Directors. The Board of Directors through a resolution makes the final decision on the distributable amount. The actual timing and amount of the distribution remains uncertain until it is approved by the Copyright Office.

# COPYRIGHT SOCIETY OF BOTSWANA

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Pula	2022	2021	2020
<b>TRADE AND OTHER PAYABLES</b>			
<b>Financial Instruments:</b>			
Trade payables	425,323	303,294	469,640
Payroll accruals	378,944	819,991	1,311,509
Accrued expense	72,861	-	-
<b>Non-financial instruments:</b>			
VAT	613,286	31,561	185,554
	<b>1,490,414</b>	<b>1,154,846</b>	<b>1,966,703</b>
<b>Financial instrument and non-financial instrument components of trade and other receivables</b>			
At amortised cost	877,128	1,200,006	1,781,149
Non-financial instruments	613,286	31,813	185,554
	<b>1,490,414</b>	<b>1,231,819</b>	<b>1,966,703</b>

## DEFERRED INCOME

Revenue is considered to be earned over time as and when the users make use of the copyrighted work over the licensed period. Payments received in advance beyond the fee for the licensed period are treated as deferred income. Significant portion of the deferred income is from Department of Broadcasting Services.

Deferred income during the year is P8,292,334 (2021: P7,034,199).

### REVENUE

#### Revenue from contracts with customer

Royalty income	12,556,034	13,447,167
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#### Disaggregation of revenue from contracts with customers

The company disaggregates revenue from customers as follows:

#### Royalty income

Royalty income	12,556,034	13,447,167
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#### Timing of revenue recognition

##### Over time

Royalty income	12,556,034	13,447,167
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### ROYALTY DISTRIBUTIONS

Additions during the year	8,300,000	8,800,000
Royalty distribution written back	(8,000,570)	3,693,833

### OTHER OPERATING INCOME

Rental income	19,301	22,811
Other income	250,272	86,325
	<b>269,573</b>	<b>109,136</b>



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### OTHER OPERATING GAINS (LOSSES)

#### Gains (losses) on disposals, scrapings and settlements

Property, plant and equipment	3	-	1,058
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### OPERATING PROFIT (LOSS)

Operating (loss) profit for the year is stated after charging (crediting) the following, amongst others:

#### Auditor's remuneration - external

Audit fees	104,450	60,500
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#### Remuneration, other than to employees

Administrative and managerial services	10,619	3,001
Consulting and professional services	504,499	420,835
	<b>515,118</b>	<b>423,836</b>

#### Employee costs

Salaries, wages, bonuses and other benefits	3,772,350	3,914,569
Administrative and managerial services	85,788	138,714
Termination benefits	301,899	412,736
<b>Total employee costs</b>	<b>4,160,037</b>	<b>4,466,019</b>

#### Leases

##### Operating lease charges

Premises	8,639	93,046
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#### Depreciation and amortisation

Depreciation of property, plant and equipment	383,661	360,158
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#### Movement in credit loss allowances

Trade and other receivables	1,725,812	-
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#### Expenses by nature

The total of royalty distributions, employee costs, marketing expenses, general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Royalty distributions	299,430	12,493,833
Employee costs	4,160,037	4,466,019
Lease expenses	8,639	93,046
Depreciation	383,661	360,158
Operating expenses	8,711,284	4,000,625
	<b>13,563,051</b>	<b>21,413,681</b>

### DEPRECIATION

#### Depreciation

Property, plant and equipment	383,661	360,158
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Figures in Pula	2022	2021
<b>INVESTMENT INCOME</b>		
Interest income		
Investments in financial assets:		
Bank fixed deposits	658,244	609,380
<b>FINANCE COSTS</b>		
Lease liabilities	198,297	609,380
Total interest expense calculated using the effective interest rate, on financial instruments not at fair value through profit or loss amounted to P 198,297 (2021: P 213,546).		
<b>CASH GENERATED FROM OPERATIONS</b>		
Profit (loss) before taxation	(2,003,309)	(7,460,486)
<b>Adjustments for:</b>		
Depreciation and amortisation	383,661	360,158
Gains on disposals of assets	-	(1,058)
Interest income	(658,244)	(609,380)
Finance costs	198,297	213,546
Net impairments and movements in credit loss allowances	1,725,812	-
Movements in provisions	(1,637,408)	10,825,720
Prior periods adjustments - non-cash movement	-	78,594
<b>Changes in working capital:</b>		
Trade and other receivables	429,950	(2,266,621)
Trade and other payables	335,568	(811,857)
Deferred income	1,258,135	2,134,199
	<b>32,462</b>	<b>2,462,815</b>



# COPYRIGHT SOCIETY OF BOTSWANA

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## NOTES TO THE ANNUAL FINANCIAL STATEMENTS

### CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

#### Reconciliation of liabilities arising from financing activities - 2022

	Opening balance	Cash flows	Closing balance
Finance lease liabilities	2,294,965	(245,654)	2,049,311
<b>Total liabilities from financing activities</b>	<b>2,294,965</b>	<b>(245,654)</b>	<b>2,049,311</b>

#### Reconciliation of liabilities arising from financing activities - 2021

	Opening balance	Cash flows	Closing balance
Finance lease liabilities	2,515,537	(220,572)	2,294,965
<b>Total liabilities from financing activities</b>	<b>2,515,537</b>	<b>(220,572)</b>	<b>2,294,965</b>

### CONTINGENCIES

Litigation is in the process against the company relating to a dispute with a former employee who alleges that the company has unfairly terminated employment and is seeking damages of P1,551,552.85. The company's lawyers and management consider the likelihood of the action against the company being successful as unlikely.

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### RELATED PARTIES

#### Relationships

Non-executive director	Bakalanga Malikongwa
Non-executive director	Patrick Setsiba
Non-executive director	Winani Sekani
Non-executive director	Alfred Morwaledi Mosimanegape
Non-executive director	Moletlanye Mphoeng
Non-executive director	Mpho Motlhasedi
Non-executive director	Benjamin Mogotsi
Non-executive director	Kabelo Eric Kgaodi
Non-executive director	Ookeditse Moyambo
Non-executive director	Kelebonye Sibanyoni
Non-executive director	Martin Ntongana

### DIRECTORS' EMOLUMENTS

#### Non-executive

#### 2022

Directors' emoluments	Directors fees	Total
<b>Services as director or prescribed officer</b>		
Bakalanga Malikongwa	89,810	89,810
Patrick Setsiba	64,250	64,250
Winani Sekani	78,990	78,990
Alfred Morwaledi Mosimanegape	59,650	59,650
Moletlanye Mphoeng	46,740	46,740
Mpho Motlhasedi	60,900	60,900
Benjamin Mogotsi	36,910	36,910
Kabelo Eric Kgaodi	58,900	58,900
Ookeditse Moyambo	58,060	58,060
Kelebonye Sibanyoni	54,140	54,140
Martin Ntongana	61,800	61,800
Staffnurse Bangu Lesetedi-Keothepile (Appointed)	27,650	27,650

#### 2021

Directors' emoluments	Directors fees	Total
<b>Services as director or prescribed officer</b>		
Bakalanga Malikongwa	60,500	60,500
Patrick Setsiba	80,750	80,750
Winani Sekani	66,750	66,750
Alfred Morwaledi Mosimanegape	77,250	77,250
Moletlanye Mphoeng	23,500	23,500
Mpho Motlhasedi	57,000	57,000
Benjamin Mogotsi	50,000	50,000
Kabelo Eric Kgaodi	33,250	33,250
Ookeditse Moyambo	31,750	31,750
Kelebonye Sibanyoni	30,000	30,000



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### PRIOR PERIOD ERRORS

In the current year, management rectified and applied the accounting requirements of IFRS 15, as a result, there are revenue transactions which related to prior year which were recognised.

The correction of the error(s) results in adjustments as follows:

### Statement of Financial Position

Trade & other receivables	-	2,351,172
Deferred revenue	-	(1,113,146)

### Profit or Loss

Revenue	-	(1,238,026)
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### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### Categories of financial instruments

#### Categories of financial assets

2022

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	558,302	558,302	558,302
Cash and cash equivalents	7	29,842,568	29,842,568	29,842,568
		<b>30,400,870</b>	<b>30,400,870</b>	<b>30,400,870</b>

2021

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	2,706,546	2,706,546	2,706,546
Cash and cash equivalents	7	29,981,525	29,981,525	29,981,525
		<b>32,688,071</b>	<b>32,688,071</b>	<b>32,688,071</b>

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### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Categories of financial liabilities

##### 2022

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	9	877,128	-	877,128	-
Finance lease obligations	4	-	2,049,311	2,049,311	-
		<b>877,128</b>	<b>2,049,311</b>	<b>2,926,439</b>	-

##### 2021

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	9	1,123,285	-	1,123,285	-
Finance lease obligations	4	-	2,294,965	2,294,965	-
		<b>1,123,285</b>	<b>2,294,965</b>	<b>3,418,250</b>	-



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### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Pretax gains and losses on financial instruments

#### Gains and losses on financial assets

2022

#### Recognised in profit or loss:

Interest income

Movement in credit loss allowances

#### Net gains (losses)

Note(s)	Amortised cost	Total
17	658,244	658,244
15	(1,725,812)	(1,725,812)
	<b>(1,067,568)</b>	<b>(1,067,568)</b>

2021

#### Recognised in profit or loss:

Interest income

Note(s)	Amortised cost	Total
17	609,380	609,380

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### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Gains and losses on financial liabilities

2022

#### Recognised in profit or loss:

	Note(s)	Leases	Total
Finance costs	18	(198,297)	(198,297)

2021

#### Recognised in profit or loss:

	Note(s)	Leases	Total
Finance costs	18	(213,546)	(213,546)

#### Capital Risk Management

The company's objective when managing capital (finance leases, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The capital structure and gearing ratio of the company at the reporting date was as follows:

Lease liabilities		2,049,311	2,294,965	2,515,537
Trade and other payables	9	1,490,414	1,154,846	1,966,703
<b>Total borrowings</b>		<b>3,539,725</b>	<b>3,449,811</b>	<b>4,482,240</b>
Cash and cash equivalents	7	(29,842,568)	(29,981,525)	(27,432,528)
<b>Net borrowings</b>		<b>(26,302,843)</b>	<b>(26,531,714)</b>	<b>(22,950,288)</b>
Equity		5,187,241	7,190,554	14,572,444



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### FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Financial risk management

##### Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework..

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

##### Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instrument. For all other trade receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables.

The maximum exposure to credit risk is presented in the table below:

		2022			2021		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	6	2,284,114	(1,725,812)	558,302	2,706,546	-	2,706,546
Cash and cash equivalents	7	29,842,568	-	29,842,568	29,981,525	-	29,981,525
<b>Total</b>		<b>32,126,682</b>	<b>(1,725,812)</b>	<b>30,400,870</b>	<b>32,688,071</b>	<b>-</b>	<b>32,688,071</b>

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### Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

### 2022

	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
<b>Non-current liabilities</b>					
Lease liabilities	-	969,109	803,821	1,772,930	1,772,930
<b>Current liabilities</b>					
Trade and other payables	877,128	-	-	877,128	877,128
Lease liabilities	276,381	-	-	276,381	276,381
	<b>(1,153,509)</b>	<b>(969,109)</b>	<b>(803,821)</b>	<b>(26,531,714)</b>	<b>(2,926,439)</b>

### 2021

	Less than 1 year	2 to 5 years	Over 5 years	Total	Carrying amount
<b>Non-current liabilities</b>					
Lease liabilities	-	969,109	803,821	1,772,930	1,772,930
<b>Current liabilities</b>					
Trade and other payables	1,200,006	-	-	1,200,006	1,123,285
Lease liabilities	251,389	-	-	251,389	251,389
	<b>(1,451,395)</b>	<b>(1,057,056)</b>	<b>(986,520)</b>	<b>(3,494,971)</b>	<b>(3,418,250)</b>



# COPYRIGHT SOCIETY OF BOTSWANA

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## DETAILED INCOME STATEMENT

Figures in Pula	Note(s)	2022	2021 Restated*
<b>Revenue</b>			
Royalty income		12,556,034	13,447,167
<b>Royalty distributions</b>			
Royalty distributions		(299,430)	(12,493,833)
<b>Gross Profit</b>		12,256,604	953,334
<b>Other operating income</b>			
Rental Income		19,301	22,811
Other Income		250,272	86,325
	13	<b>269,573</b>	<b>109,136</b>
<b>Other operating gains (losses)</b>			
Gains on disposal of assets		-	1,058
Movement in credit loss allowances	15	(1,725,812)	-
Expenses (Refer to page 97)		<b>(13,263,621)</b>	<b>(8,919,848)</b>
<b>Operating (loss) profit</b>	15	<b>(2,463,256)</b>	<b>(7,856,320)</b>
Investment income	17	658,244	609,380
Finance costs	18	(198,297)	(213,546)
<b>Total (loss)/profit for the year</b>		<b>(2,003,309)</b>	<b>(7,460,486)</b>

## DETAILED INCOME STATEMENT

Figures in Pula	Note(s)	2022	2021 Restated*
Other operating expenses			
Administration and management fees		(10,619)	(3,001)
Advertising		(379,922)	(192,895)
Auditors remuneration - external auditors	15	(104,450)	(60,500)
Bad debts		-	(60,304)
Bank charges		(103,828)	(74,717)
Cleaning		(19,344)	(32,608)
Accounting fees		(174,000)	(165,400)
Consulting fees		(124,152)	(132,282)
Legal fees		(206,347)	(123,153)
Depreciation		(383,661)	(360,158)
Donations		(4,402)	-
Employee costs		(4,160,037)	(4,466,019)
Membership fees		(41,092)	(26,002)
Restructuring		(186,000)	-
Monitoring expenses		(759,881)	(70,191)
Levies		(25,381)	(42,020)
Board expenses		(1,438,653)	(1,509,974)
Office expenses		(7,215)	(145,349)
Constitution review		(310,131)	-
Social and cultural expenses		(2,000,001)	(6,102)
Recruitment fees		(55,921)	-
Fines and penalties		-	(21,617)
Insurance		(80,493)	(76,044)
IT expenses		(145,082)	(269,653)
Lease rentals on operating lease		(8,639)	(93,046)
Levies		(30,805)	(73,501)
Motor vehicle expenses		(153,428)	(55,486)
Municipal expenses		(41,053)	(56,211)
DBS Project		(1,000,003)	-
Printing and stationery		(126,536)	(49,527)
Repairs and maintenance		(538,213)	(105,806)
Security		(87,230)	(374)
Staff welfare		(102,861)	(258,771)
Telephone and fax		(251,875)	(86,075)
Training		(31,494)	(83,979)
Travel		(170,872)	(83,979)
		<b>(13,263,621)</b>	<b>(8,919,848)</b>

















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## CONTACT US

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