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Copyright Society of Botswana

ANNUAL REPORT 2015/2016

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VISION

To be the best Collective Management Organization in the world

MISSION

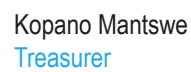
We empower creativity

VALUES

- Results driven
- Botho & Integrity
- Transparency & Accountability
- Teamwork

CORPORATE STATEMENT

The Copyright Society of Botswana (COSBOTS) is a non - profit making organization established as a company in June 2008. COSBOTS is mandated by the Copyright and Neighbouring Rights Act to among others; collect and distribute royalties to appropriate owners of copyright. COSBOTS officially became fully operational in November 2011 after the approval of the rules and regulations that govern the daily operations of the company.



SENIOR MANAGEMENT TEAM



Thato J. Mokobi
Chief Executive Officer



Francinah Tshukudu
Finance & Administration Manager



Ditiro Chaa
Documentation & Distribution Manager



Seeletso Lekgaba
Corporate Communications Manager



Tebo Motlhaping
Licensing Manager

LICENSING OF ALL GOVERNMENT USES

COSBOTS favors the approach of having a once off license for all government uses. We had therefore requested, through the Ministry of Presidential Affairs and Public Administration (MOPAPA) and the Attorney General (AG), to be assisted with compilation of all government uses of copyright works so as to determine a once off copyright license. The MOPAPA and AG could not assist during the reporting period (2015/2016) and the matter is therefore on going.

CONDUCT OF MEMBERS

There have been several acts of indiscipline among some of the members and potential members. Every member is one way or the other an ambassador of COSBOTS, your conduct therefore affects the way in which COSBOTS is viewed by members of the public and the users at large. Any behavior that has potential to harm the integrity and image of COSBOTS will not be condoned. The Board has the authority to reject membership of any person where, based on its determination his/her conduct has been unbecoming. Without going into specific cases being referred to, please be warned about such conduct. The Board will take stern measures against the culprit so as to protect the integrity of the Society. I will therefore be submitting at this meeting, a motion to establish a code of conduct and a disciplinary structure to be decided as a matter of urgency.

STRATEGIC PLAN

The COSBOTS strategic plan established in the review of 2015 is still in effect until 2017/2018. COSBOTS is looking forward to undertaking a strategic planning review and coming up with new strategic targets for itself. The new Board and management are therefore expected to undertake a strategic planning review as soon as possible.



Solomon Bame Monyame
Chairman

Overview

OPERATIONS

COSBOTS continues to strive to increase its revenue base, the more revenue we are able to collect the more we will be able to distribute to our members. The reporting period 2015/2016 has been a difficult financial year for COSBOTS. Further details of the Finance situation have been outline in the Finance Departmental report and the Audited Financials.

Some few positions were refilled following the exit of some officers. Mrs. Seeletso Lekgaba replaced the previous Corporate Communications manager. Mr. Gofaone Nnosang was appointed the HR and Admin officer. We also established the information technology (IT) department and Mr. Bokamoso Kokoro was hired to assist in this area. Other officers who were recruited towards the closing of the period are Ms. Elizabeth Keatsutswa and Mrs. Kefentse Hobona who are licensing officers. Ms Monica Phatshwane was hired as receptionist. Some internship graduates were also recruited during the reporting period. Recruitment process for Managers – Licensing of Music and Reprography also took place during the closing of the period.

Training was arranged based on the most needed skills. The Documentation and Distribution Officer undertook Diploma in Archives and Records Management. The Documentation and Distribution Manager and three other officer had their skills enhanced on Excel Intermediate Training at Cignex College.

Some users continue to resist compliance with the COSBOTS licensing requirements. Legal procedures have been instituted on some of the users. COSBOTS is grateful that all judgements passed to date have been in our favour. We also undertook an initiative, in collaboration with law enforcers, to make presentations to liquor operators to facilitate an easier compliance process. More details of the licensing activities have been provided under the licensing and legal departments reports.

Legal Services continue to be crucial to COSBOTS operations as demonstrated by the several matters that have been filed through court and some subsequent revenue collections through the legal proceedings. Among the several matters that have been heard by courts are the Duma FM and the Cash Bazaar Holdings matters. We are pleased that court ruled in our favor for both matters. However, Duma FM has decided to appeal the matter.

Judgements in our favour such as the above are fundamental to our operations as the judgement remains a law/authority to everyone who attempts to resist compliance with COSBOTS licensing regulations under the same circumstances as the matter arbitrated.

DEPARTMENTAL REPORTS

FINANCE AND ADMINISTRATION DEPARTMENT

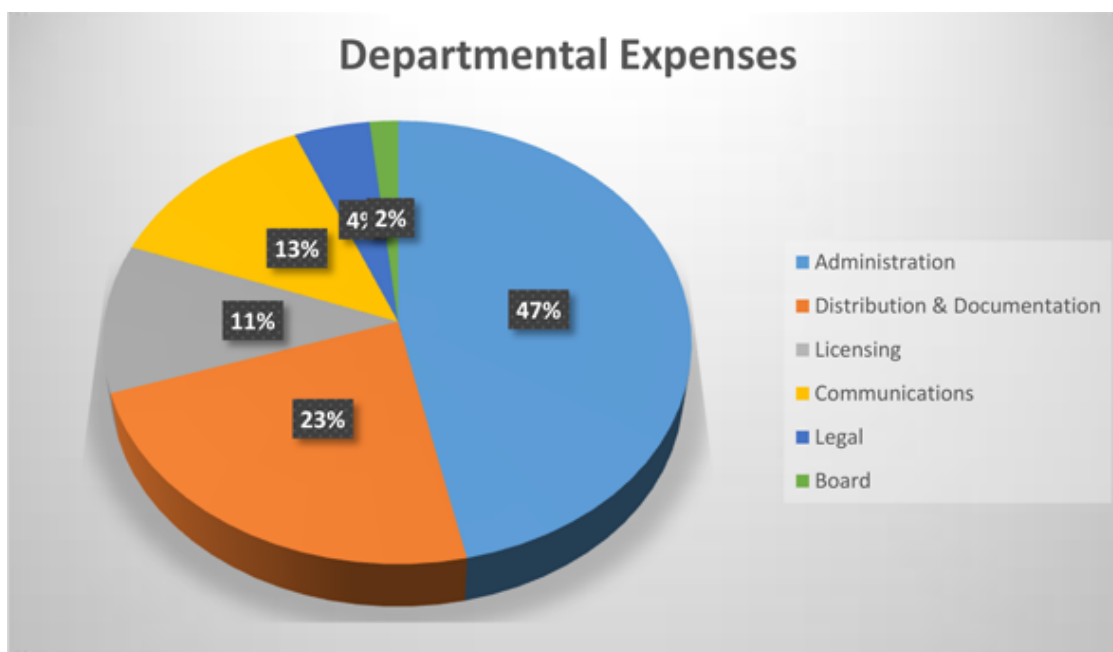
Finance and Administration department consists of Finance, HR, IT and Administration departments. Finance and Administration supports COSBOTS mission through collaborative and sound internal controls, efficient management of human capital and company resources. IT maintains stewardship of the Society operations to enhance effectiveness and transparency in collection, administration and distribution of Royalties.

The financial year July 2015 – June 2016 is the second year that COSBOTS survived solely on its revenue stream of royalties as the Government Support Grant depleted end of financial year 2014.

The audited annual results for the Society has been released, and they indicate that the Society ended 2016 with an operating surplus of P 708,354 as compared to the operating surplus of P 4,010,644 for the year 2015. The decline in surplus is attributed to the fact that the Society's collections dropped. The society s net assets increased by 24.5%.

Revenue Collection

The Society saw a decline in revenue of 0.22% for the year ended 30 June 2016, COSBOTS collected P 10,774,409 by 30th June 2016 as compared to P10, 797 419 by 30th June 2015. This insignificant decrease is attributed to increase in non- compliance by some of users of copyright.



Preparation of results and accounting policies

Our financial results for the year ended 30th June 2016 have been prepared in accordance with International Financial Reporting Standard (IFRS) and the requirements of the Companies Act in Botswana (Cap 42:01). These results have been audited by the company auditors, Mamlathan & Associates.



MAMLATHAN & ASSOCIATES

Auditing, Taxation & Advisory Services

Unit 32, Grand Park Bolck 5, Gaborone, P.O. Box AE 746 AEH, Gaborone, Botswana

Tel: + (267) 3161777 Email: mompati.kgaimena@mamlathan.co.bw

Independent Auditor's Report

To the shareholder of COPYRIGHT SOCIETY OF BOTSWANA

We have audited the financial statements of COPYRIGHT SOCIETY OF BOTSWANA, as set out on pages 6 to 16, which comprise the statement of financial position as at 30 June 2016, and the statement of financial performance, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and requirements of the Companies Act of Botswana, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of COPYRIGHT SOCIETY OF BOTSWANA as at 30 June 2016, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and the requirements of the Companies Act of Botswana.

Mompoti Kgaimena ACCA ACPA
(20100059)
Registered Auditors
MeFBW15015

30 November 2016

COPYRIGHT SOCIETY OF BOTSWANA

(Registration number CO2008/3322)
Financial Statements for the year ended 30 June 2016

Detailed Income Statement

	2016 P	2015 P
Operating expenses		
Accounting fees	(36 318)	(30 240)
Administration and management fees	(8 343)	(8 312)
Advertising	(201 204)	(307 267)
Bad debts	-	(9 847)
Bank charges	(14 005)	(11 221)
Cleaning	(20 434)	(25 231)
Consulting and professional fees 1	(156 500)	-
Consulting and professional fees 2	(41 264)	(736 937)
Depreciation, amortisation and impairments	(207 656)	(169 421)
Employee costs	(3 517 381)	(3 224 115)
Swipping Machine	(2 022)	-
Membership expenses	(57 369)	(166 604)
Strategic Planning Costs	-	(80 230)
Leave days Expenses	(117 985)	(129 170)
Staff Pension	(112 041)	(72 242)
Board Expenses	(118 661)	(103 685)
Monitoring Expenses	(1 607 687)	(1 832 572)
MITI Games	(31 843)	-
Licencing Expenses	(16 660)	(443 234)
Vat Expenses	-	(345)
IT expenses	(6 992)	(28 162)
Insurance	(51 521)	(37 290)
Lease rentals on operating lease	(335 412)	(299 310)
Legal expenses	(67 044)	(117 994)
Levies	(11 319)	(15 850)
Medical expenses	(71 235)	(70 273)
Motor vehicle expenses	(5 588)	(44 378)
Petrol and oil	(30 306)	(34 499)
Printing and stationery	(65 221)	(46 857)
Profit and loss on sale of assets and liabilities	(98)	-
Royalties and license fees	(7 742)	(7 458)
Security	(4 988)	(5 861)
Staff welfare	(11 243)	(25 944)
Subscriptions	(7 651)	-
Telephone and fax	(121 584)	(120 834)
Training	(35 668)	(99 771)
Travel - local	(46 127)	(55 353)
	(7 147 112)	(8 360 507)

NOTES

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Unit 1, Plot 93
Gaborone International Commerce Park
Private Bag B075, Gaborone, Botswana
Tel: +267 392 8055, Fax: +267 392 8131
Website: www.cosbots.com

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