

cos|bots

Copyright Society of Botswana

ANNUAL REPORT 2011/12

Corporate Statement

The Copyright Society of Botswana (COSBOTS) is a non-profit Organisation established as a private Company in June 2008. COSBOTS is mandated by the Copyright and Neighbouring Rights Act to among others; negotiate and grant licenses in written agreements with the users; the collection and distribution of 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.

Vision

To be the best Collective Management Organisation In the world

Mission

We empower creativity

Values

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

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BOARD OF DIRECTORS



- Nkgopolang Tihomelang
Vice Chairman
- Bakalanga Mahoko
Member

- Solomon B. Monyame
Chairman
- Patrick Setsiba
Treasurer
- Michael Sibanyoni
Member

- Monica Selelo
Secretary
- Nametso Keboetswe
Ex-officio member

SENIOR MANAGEMENT



■ **Thato J. Mokobi**
Chief Executive Officer



■ **Francinah Tshukudu**
Finance & Administration
Manager



■ **Thatayaone A. Namane**
Licensing Manager

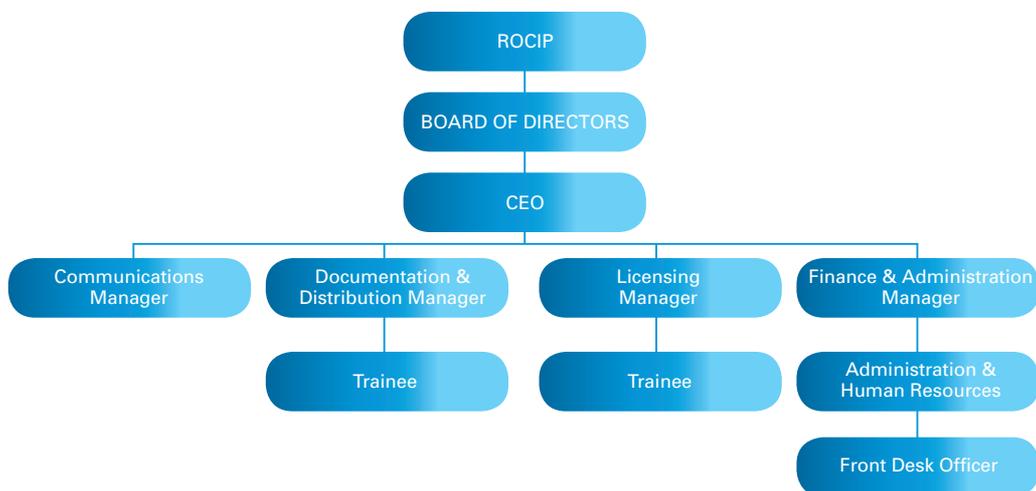


■ **Ditiro Chaa**
Documentation &
Distribution Manager



■ **Itumeleng Mangole**
Corporate Communications
Manager

Organogram



CHAIRMAN'S REPORT



Introduction

The creative industry/sector in Botswana; despite being in its infancy, can be considered a sleeping giant, that once awoken has the potential and capacity to assert its impact on the economy. Through visionary leadership, implementation of the newly amended Copyright and Neighbouring Rights Act, formulation of appropriate policies and putting into operation the Copyright Society of Botswana, (COSBOTS), finally facilitated the responsibility and opportunity to support and encourage creativity thereby creating progress and prosperity in this sector. The process unraveled slowly but steadily, and approval of the project proposal that formed the Memorandum of Agreement between the Government represented by The Registrar of Companies and Intellectual Property, ROCIP and The Copyright Society of Botswana.

Establishment

The Copyright Society of Botswana began in earnest through enactment of the revised Copyright and Neighbouring Rights Act Cap 68:02 in June 2006. The Copyright Society of Botswana was thereafter incorporated as a company, no. 2008/3322; in June 2008, as a Collective Management Organization to administer copyright, as well as to collect and distribute royalties to owners of copyright, (rights holders). COSBOTS is established as a non-profit making company limited by guarantee, supervised by the Copyright Office under the Registrar of Companies and Intellectual Property (ROCIP).

Funding

Start up capital for the set up of COSBOTS was availed in July 2010, courtesy of the Government of Botswana. Funding for COSBOTS was facilitated through enactment of Section 35G of the Copyright and Neighbouring Rights Act that prescribes for the establishment of a Levy on Technical Devices. The section also prescribes the levy be deposited into a fund set up by the Ministry of Finance and Development Planning through the Copyright and Neighbouring Rights (Levy on Technical Devices) Fund Order under the Finance and Audit Act Cap 54:01. The Fund Order chaired by the Copyright Administrator of ROCIP, is mandated to receive project proposals from the creative industry and to evaluate and approve projects that are to receive an award of a grant from the fund. COSBOTS therefore made a request for funding, which the Committee approved, resulting in the signing of the Memorandum of Agreement for the establishment of COSBOTS through such fund.

The Board

Elections for membership on the Board of the Copyright Society is determined and guided in the first instance by the 'Constitution' of the Copyright Society of Botswana. The founding Board was elected in a meeting called by ROCIP in 2008, at which representatives from different creative industry sectors were present and they elected the current founding Board from amongst themselves.. The mandate of this founding Board was to get COSBOTS fully operational. That is

from establishing an organization that meets international best practice, registration of local members and the 1st distribution of royalties. The founder members of the Board are therein stated and subject to re-appointment at an Annual General Meeting as per the requirements stipulated in the constitution.

Implementation

Upon receipt of the initial disbursement of the seed capital for the start up of COSBOTS in July 2010, the Board, without reservation immediately fast tracked the process to recruit an appropriate, inspirational, business-minded leader as Chief Executive Officer; to undertake the all important role of setting up the Secretariat, propelling and progressing the Society to start up operations within a limited timeframe with the overall aim in mind to collect and distribute royalties, within the shortest possible time. The process began with advertising for the position on the basis of a job profile developed by a reputable Human Resources Consultant who was sub-contracted to guide this critical phase.

Operations

The beginning of the operational schedule was marked significantly by the undertaking of a 'Strategic Planning Seminar' that derived a VISION, MISSION and VALUES, to guide implementation of the various strategies developed. The process was enhanced tremendously through training provided by World Intellectual Property Organization (WIPO) Consultants, for Board and Management, on collective management and corporate governance. This exercise resulted in developing capacity for management to establish 'Rules and Regulations', as well as numerous operational policy documents that provided an appropriate and adequate framework from which to launch operations.

As at the end of the reporting period, operations had begun after processes and procedures had been developed so as to ensure that the backstage and supporting documentation processes are satisfactorily complete to avoid hindrances once operations had kicked-off. Please refer to the CEO's report for more detailed compilation of the operational matters at COSBOTS.

Conclusion

COSBOTS has benefited greatly from the assistance provided by the Registrar of Companies and Intellectual Property regarding the request for Board and staff training from the World Intellectual Property Organization (WIPO).

The strategic workshop that followed the staff and Board training provided Board and staff the opportunity to crystallize a shared vision, of establishing a "World Class Collective Management Organization" towards realizing a rapid and efficient distribution of royalties to rights holders.

The subsequent submission and approval of the 'Rules and Regulations' to the supervising office ROCIP signifies the last administrative step that COSBOTS took before hitting the road and starting up the nuts and bolts of operating as a CMO.

As Chairman, I must thank the Board for showing great determination over the past few years in seeing COSBOTS become a reality. The Board and management must be aware that as much as we have struggled to get this organization to this point, the most challenging tasks still lie ahead. It is important that COSBOTS maintain focus and remains true to the Vision. The Board and I congratulate the Chief Executive Officer and his staff for being at the coal-face and dealing magnificently with the challenges inherent in a start up.

The Board greatly appreciates and thanks The Registrar and his staff for assisting in setting up this organization, COSBOTS. The Ministry of Trade and Industry through "ROCIP" has shown its commitment to the creative industry and to unleashing the economic potential of Botswana artists. This, dear colleagues, is but the beginning of a long journey that, irrespective of the difficulties and challenges to be encountered, collectively we intend to achieve without fail!

"Ga gona poelo morago".



Solomon Bame Monyame
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT



Overview

The anxiety, anticipation and excitement regarding starting up the Copyright Society of Botswana (COSBOTS), has lived up to expectation given taking up the challenge of the role of the founding Chief Executive Officer being: to manage, direct and provide strategic direction and functions for COSBOTS, to ensure its sustainability and the attainment of Board directives. The overwhelming feat, if to be achieved, was the setting up of COSBOTS on a firm technical foundation and to stray as far away as possible from the possibility of being engulfed in the politics and political influences given the lack of direction currently in the creative fraternity and industry. Intertwined with the principal accountabilities which are: Financial Business Planning; Financial Management; Budget Control and Monitoring; Strategic Planning and Management; Corporate Governance; Developing Business Partnerships; Management Information and Systems; Operational Management and People Management, contained herein below briefly, are but a few of the achievements to-date forming the rock solid foundation required to begin operations for COSBOTS:

Recruitment for various positions was undertaken following the appointment of the Chief Executive Officer, Mr. Thato J. Mokobi.

The positions subsequently filled were:

Finance and Administration Manager	- Mrs. Francinah Tshukudu
Documentation and Distribution Manager	- Mr. Ditiro Chaa
Licensing Manager	- Mr. Thatayaone Namane
Corporate Communications Manager	- Ms. Itumeleng Mangole
Administration Officer	- Ms. Kutlo Modise
Receptionist	- Ms. Lebogang Matlhaku
Trainees	- Ms. Lesego Dibuleleng and Mr. Patrick Matlapeng

Training

Staff and Board Members were provided introductory training, courtesy of the Registrar of Companies and Intellectual Property through World Intellectual Property Organization (WIPO), experts availed for this purpose. The training was intensive, over a week, but provided the education and knowledge required for the start up of operations for a collective management organization.

WIPOCOS System

The training included set up and training on the WIPOCOS system that will provide systematic distribution of royalties once operations begun. More details provided under Documentation and Distribution Department report.

Strategic Planning

Team COSBOTS, with Board Members undertook a strategic planning workshop with the objectives of determining their vision, mission and objectives; through the assistance of consultants with experience in running a collective management organization. The strategic plan was thereafter compiled for the purpose of guiding the start up and operations of COSBOTS.

Documents - Sept 2011

After completion of the strategic plan, COSBOTS developed relevant documentation required for starting up operations. These include:

- Departmental Action Plans
- Development of new logo and CI manual
- Conditions of Employment
- Job Profiles and Agreements
- Training Policy
- Finance Policy
- Tender Regulations
- Internal Control Framework
- Documentation Principles
- Membership, Distribution Rules, Classes and Benefits
- Relevant forms – Application, Notification of Works, Deed of Assignment of Rights
- Licensing Rules; music and non-music
- Agreements for Licensing
- Reciprocal Agreements
- Tariffs and categories for users of protected works

Approval of documents – Oct 2011

The office of the Registrar of Companies and Intellectual Property through their Copyright Office, after various changes and discussion finally approved the proposed documents referred to above so as to start implementation.

Launch of logo – Nov 2011

The new COSBOTS logo was launched by the Permanent Secretary in the Ministry of Trade and Industry on 11th November 2011. This officially marked the start of operations for the Copyright Society of Botswana.

Registration Tour – Nov – Dec 2011

The Documentation and Distribution Team undertook a tour of over 19 cities and major towns across Botswana to register artists from both music and non-music sectors. The purpose of the tour was to begin the process of developing a database of the local repertoire and creating awareness of the mandate of COSBOTS.

Tenders for Monitoring Services and Licensing Consultancy

COSBOTS, during the reporting period finalized evaluation of public tendering, (tenders closed 17 February 2012), for Monitoring Services; to facilitate electronic monitoring of the use of copyright protected works by 'users', so as to enable equitable distribution of royalties once collected. In addition finalized the tender for Licensing Consultancy services to assist with initial licensing of users once the repertoire is compiled. The intention was to begin the process of licensing users as soon as possible so as to enable collection of royalties.

In conclusion COSBOTS, without question, and on the basis of assessment by the World Intellectual Property Organization Consultants who have been monitoring progress; has achieved significantly more than any other start up Collective Management Organization, in a very short space of time. The unshaking foundation has been set and established, by avoiding the politics, COSBOTS is well positioned to achieve even greater feats through remaining focussed and driving full throttle to realise its vision and mission.

Please read on for more detailed information as contained in the departmental reports.



Thato J. Mokobi
Chief Executive Officer

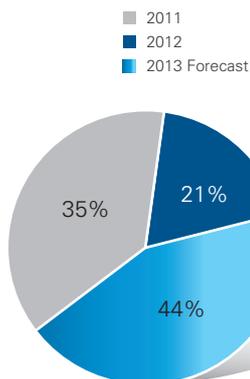
FINANCE AND ADMINISTRATION

The main objective of the Finance and Administration Department is to ensure that the Society pursues its objectives as described within the confines of the funding agreement. Books of accounts, records and management controls, were established and maintained in such a manner as to provide reasonable assurance that assets are safeguarded, accounted for and controlled. All transactions are to be in accordance with International Financial Reporting Standards and the requirements of the Botswana Companies Act. The financial, human and physical resources are managed economically and efficiently and the operations of COSBOTS are to be carried out effectively; and there is transparency in collection, administration and disbursement/distribution of royalties.

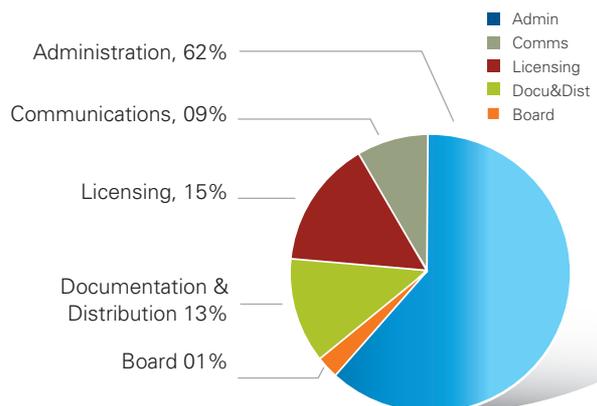
Grant Utilisation

The Society has utilised 65% of the Grant as at 30th June 2012. This is in line with the funding agreement over the three years period; therefore COSBOTS is in a favourable position to become fully sustainable when the grant lapses. This has been achieved by efficiency and cost control measures that assisted in ensuring that the COSBOTS resources and operations are focused on attaining established objectives, goals and plans.

Fund Utilisation



Fund Used by Department



Full details are available in the annual financial statements.

Preparation of results and accounting policies

COSBOTS financial results for the year ended 30th June 2012, have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act in Botswana (Cap 42:01). COSBOTS financial and management results have been audited by Sharma & Associates, (an audit firm), and their unqualified report is included on [page 21](#). The annual financial statements appear on [pages 16 to 31](#) of this report.

Training and Development

Investing in skills development is a priority at COSBOTS given the strategic importance of intellectual property to COSBOTS sustainability in a competitive market. In the review period and year 2011 numerous training initiatives were undertaken for the purpose of developing skills and in-house capability.

These include major training, for all employees, by the World Intellectual Property Organisation (WIPO) in conjunction with Registrar of Companies and Intellectual Properties (ROCIP) on setting rules and regulations of running a collective management organization and to learn about how other Societies started. The Board and all staff attended the training.

The Licensing Manager attended training in Sweden and Kenya. The training was on copyright and

related rights and study visits relating to those fields. The training was organized by WIPO in cooperation with the Government of Sweden and Swedish Patent and Registration Office.

The Distribution and Documentation Manager was accorded an opportunity to train in Dar es Salam, Tanzania. The training seminar was on Domestic and International Documentation for Collective Management Organisations. WIPO and the International Confederation of Societies of Authors and Composers (CISAC), organised and financed the training.

Administration

COSBOTS prides itself in its values of 'Results driven, Botho, Transparency & Accountability, Integrity and Teamwork'. To be able to achieve this, various policies and guidelines were developed. These include the 'Financial Policy', that ensures that funding agreements are followed and COSBOTS becomes fully sustainable, as well as establishes the methodology for recording transactions. 'Conditions of Employment' and the 'Employee Training and Development Policy' whose major focus is the human capital of COSBOTS were developed, so as to maintain a highly qualified, professional, diverse and responsive workforce that accurately supports the Society's mission, vision and values.

DOCUMENTATION AND DISTRIBUTION

The Documentation and Distribution Department is primarily responsible for building the national database of members, their works and the distribution of royalties collected for usage of copyright works. This is achieved through the coordination of numerous processes. The processes referred to include registration of members details and their works, capturing data on members and works into the WIPOCOS system, collection and capturing of works usage reports. The department concludes the above processes by making distribution/s of royalties.

The department has developed 'Membership and Distribution Rules' which guide membership processes. The rules in place, at this juncture, only pertain to the music category. Rules for other categories are still being drafted. The Society's membership rules are binding to all members.

The registration of members is a vital link between members and the Society, as the credibility of a society is determined by the size of its repertoire. Information gathered through this registration process forms the basis for distribution of royalties to right owners. Registration with COSBOTS is free. COSBOTS administration of rights encompasses all categories of copyright works as prescribed by the Copyright and Neighbouring Rights Act Cap 68:02.

Membership registration

Rights holders apply for membership by completing membership application forms and submitting copies of their declared works. Membership registration is an on-going process. The forms completed are 'Individual/group membership form', 'works declaration form', and the 'deed of assignment', which must be signed by all applicants. Applicants are first registered as provisional members and are captured into the Society's WIPOCOS system.

WIPOCOS

WIPOCOS is a computerised system developed by the World Intellectual Property Organization (WIPO) for collecting societies to use in building databases of their members and works. The system allows for easier storage and retrieval of data and is used by Collective Management Organizations in many countries.

Strategies

The department has formulated strategies to expedite the registration process through: registration tours, workshops, visits to music studios and participation in stakeholder/artists events.

Authentication Process

The department conducts an authentication process for works submitted by members. Authentication is the process of assessing and verifying the originality of the work against the accuracy of the applicant's declaration information. The process is conducted by a panel of knowledgeable individuals who are guided by COSBOTS authentication guidelines and forms.

Authentication guidelines/rules and forms were drafted and approved in 2012. The department also established authentication panels and the process is currently progressing well. Three member panels are convened per genre on weekly basis. 1237 musical works have been authenticated thus far.

Collection of log sheets and distribution of royalties

After the Licensing Team has completed licensing, the DD department collects works usage reports (log sheets) from licensees such as radio and television broadcasters. The usage reports are then captured into the WIPOCOS system and are used as a basis for distribution of royalties. Distribution of royalties for musical works are made according to the amount of time in which the musical work was aired. Each work used then receives an amount proportionate over total time for which music was used. This enables WIPOCOS to allocate royalties on a per second billing format.

Enquiries

The department receives enquiries from clients through telephone, email, visits to the office, registration tours and events. Most queries are in the areas of registration, royalty's payments, monitoring and requests for advice regarding different matters pertaining to Copyright. The department has also been able to achieve same day response to queries except in instances where further research was required.

Achievements

Membership Registration to date

The department has been able to reach out to 1523 potential members through registration tours, workshops, events, visits to recording studios and meetings. The main objectives of these activities were to raise awareness and register provisional members. The department has received a further 302 potential members who have visited the office to enquire and register, 251 of these were registered for provisional membership. From the above-stated numbers, the Society was able to register a total of 710 provisional members as at the end of 2011/2012. Refer to the registration activity table below:

Registration Activity Table		
Activity	Attendance	Provisional members registered
Workshops	119	54
Visits to recording studios	64	42
Events	687	184
Countrywide registration tours	339	133
Registration in COSBOTS office	302	251
Others (e.g. telephone enquiries)	140	-
Total	1523	710

Capturing of Data

In line with the advise from WIPO consultants, (of capturing members first), the capturing of members into WIPOCOS started in May 2012. The department has been able to capture 500 members and 1830 musical works as at the end of 2011/2012.

Collective management is established to serve rights holders. Without collective management, works will either remain unused or they would be used without permission and this constitutes infringement.

The department continues to work towards the distribution of royalties in accordance with COSBOTS Membership and Distribution Rules, as well as recommendations from WIPO, but most importantly as a requirement from rights holders.

LICENSING

The Licensing Department's main task is collection of royalties from users of copyright works through issuing licences. The licence issued authorises users of copyright, who among others are business entities, government departments, and institutions of learning etc to exercise specific rights belonging to copyright owners.

The specific rights sought by users are diverse and the main ones are broadcasting rights, public performance rights, right to communicate to the public, and others. Copyright users are also diverse and categorised into 'Essential', 'Important' and 'Incidental', with the value of music being the differentiating factor. All licensing activities are governed and guided by 'Licensing Rules and Tariffs' which are, in accordance with the Copyright and Neighbouring Act CAP 68:02 of Botswana approved by the Registrar of Companies and Intellectual Property.

Strategy

Attaining a wholly licensed and complying community in Botswana is the ultimate goal for the Licensing Department, and would be a reflection of attainment of the licensing department's mandate. In order to do so, the department developed a licensing strategy to guide its operations; the strategy outlines ways of reaching out to clientele and assisting them to comply by applying for licenses.

Users are requested to visit COSBOTS Offices where they will be provided with application forms to complete and subsequently be issued invoices based on the information they provided in the application form. By applying and paying the invoiced amount, the user and COSBOTS enter into an agreement for a specified time period, determined by the type of licence. Currently COSBOTS has only one Office, in Gaborone, but all users countrywide have to be licensed hence some licensing tours to reach the other users will be scheduled.

Consultancy

The licensing department has had its share of success, and has the potential of growing into the best licensing department in the world. In our endeavour to develop into an effective department, we engaged a Licensing Consultant to share his expertise and guide the processes of the department. The department was then able to open negotiations with the majority of essential users of copyright works, and some of the important and incidental users. Currently, negotiations with all broadcasting stations have been completed and are in the process of being licensed.

Licensing of users of copyright works is a noble endeavour embarked upon by COSBOTS and is a statutory requirement, therefore all users need to comply with the law and apply for the licence to use copyright works. This has a positive bearing on the creative industry as artists are remunerated and can create more, with requisite quality.

CORPORATE COMMUNICATIONS

The Corporate Communications Department is responsible for all forms of corporate communication between COSBOTS and the various public/s. The Department explains the organization's mission and combines its vision and values into a cohesive message to stakeholders.

The Department's responsibilities are;

- Corporate Communications Strategies & Policy Development
- Corporate Brand Management
- Internal and External Communications Coordination
- Media liaison
- Events Management
- Stakeholder Relationship Building

Communications Strategy

The department developed a 'Corporate Communications Strategy' to serve as the framework that assists to build awareness, and connects the Company's objectives with a dynamic set of messages and vehicles for delivery.

The main objectives of the strategy are;

- To develop and maintain COSBOTS brand awareness, develop and implement brand strategy, organisational standards and practises that elicits the behaviour, emotion and recognition of the company.
- Provide, develop and maintain an information support system and campaigns
- Develop and maintain COSBOTS website and social networks to ensure timely dissemination of information to COSBOTS members, partners and the global community.
- Ensure that the Company's goals, policies and guidelines are communicated effectively and on time.
- Develop and implement an annual media relations strategy, establish and maintain personal contact with editors and key journalists.

Corporate Communications Policy

The policy framework was developed to provide guidelines for how communication should be conducted and to ensure that it is in accordance with the company's interest/s. In order for COSBOTS communications to live up to the company's policies and goals, it is essential that the spokespersons are those individuals with the best expertise and understanding of salient issues. The Corporate Communication Policy provides guidelines for how employees should act in their daily communications with other employees and external stakeholders.

Only designated personnel, the Chairman, the Chief Executive Officer and the Corporate Communications Manager are permitted to act as the Company's spokespersons. These persons must have access to relevant information about the Company's position and performance and about their particular areas of expertise. They must also be fully familiar with the rules and standards concerning information.

The CEO may designate certain managers to communicate on behalf of the Company. Other employees may be requested to make statements concerning current operations within their particular areas of responsibility, but not regarding circumstances that could potentially affect the Company.

Brand development

The Department coordinated the development of the Company's brand identity which comprised of the new logo and corporate identity manual. The manual comprises guidelines on how to use the logo, applications such as the colours and font, the letterhead, fax sheet and complimentary slips. The new logo was a revamp from of the old one, hence was created with a vision of aligning it to current international standards.

Launching of the new logo

The new COSBOTS logo was launched by the Permanent Secretary in the Ministry of Trade and Industry, Mrs Banny Molosiwa on the 11th November 2011 through a press conference held at Botswana Craft in Gaborone.

The aim of the press conference was to create awareness since this was the first event after the approval of the 'Rules and Regulations' that govern the operations of COSBOTS.

Various presentations on the mandate of the Company and other pertinent issues were carried out in order to educate inform and sensitize the public through the media.

Countrywide tours

COSBOTS undertook a countrywide tour to places such as Mahalapye, Palapye, Selibe-Phikwe, Francistown, Sowa, Nata, Maun, Kasane and Gantsi, with the objective of educating, sensitizing and informing stakeholders about its mandate and other pertinent operational issues as well as register new members. Another follow up tour that included areas not covered such as Gaborone, Mochudi, Molepolole, Ramotswa, Kanye, Thamaga, Moshupa and Tsabong was subsequently carried out.

Membership workshop

A membership workshop for potential members was held at Thapong Visual Arts Centre for copyright owners in the Visual arts industry to learn more about COSBOTS as well as to register potential members.

Stakeholder/s relationship building

Presentations were made at various stakeholders' workshops, coordinated by the department as a way of deriving awareness. These included Pitso by Ministry of Sports, Youth and Culture, National Broadcasting Board Conference, Department of Broadcasting Services musicians meeting, Generations in Harmony Artist Workshop and Botswana Musicians Union (BOMU) workshop.

Signage

The Company's new offices were made more visible through a variety signage, both internally and externally. A light box sign was constructed outside the office in order to be visible from distance. Setswana names were used on doors internally, to tell a story to visitors to the offices.

Website and Social networks

In order to intensify awareness, a website was developed through which additional information is availed, not only to Batswana, but the entire world. Furthermore a face book page was created to enable interaction with more people the world over. In addition COSBOTS has an e-mail address, whence members and interested people can make enquiries regarding any related issue/s.

The year witnessed continued support from various media houses through articles and adverts that enhanced awareness on COSBOTS. This is evident from the number of registered members and enquiries received.

Despite having embarked on such an intense awareness campaign throughout the year, there is still need for more awareness as is evident from enquiries and frequently asked questions from the public. As a result, the Department will continue to inform, educate and sensitize the public on issues of copyright and neighbouring rights.

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 2012



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GENERAL INFORMATION

BOARD OF DIRECTORS: S. B. Monyame (Chairperson), N. Tlhomelang (Vice Chairperson), M. Selelo (Secretary), P. Setsiba (Treasurer), I. Bakalanga, M. Sibanyoni

NATURE OF BUSINESS: To manage copyright, collect and distribute royalties.

POSTAL ADDRESS: P/Bag BO75, Bontleng, GABORONE

PHYSICAL ADDRESS: 2nd Floor, Plot 4792, GABORONE

AUDITORS: Sharma & Associates (Chartered Accountants), P.O. Box 401886

BANKERS: Fisrt National Bank, Industrial Branch, GABORONE

COMPANY REGISTRATION NUMBER: CO2008/3322

DATE OF INCORPORATION: 29th May 2008

COUNTRY OF INCORPORATION: Botswana

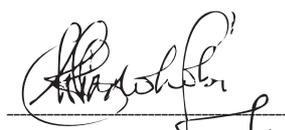
REGISTERED OFFICE: 1st Floor, PG Glass Building, Plot 4792, GABORONE

APPROVAL OF FINANCIAL STATEMENTS BY THE BOARD OF DIRECTORS

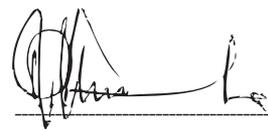
The financial statements which appear on pages 21 to 31 were approved by Board of Directors and signed on their behalf by:



(Chairperson)



(Chief Executive Officer)



(Treasurer)

GABORONE

Dated: 5th December 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COPYRIGHT SOCIETY OF BOTSWANA

Report on the financial statements

We have audited the accompanying financial statements of Copyright Society of Botswana, set out on pages 21 to 31, which comprise the statement of financial position as at 30th June 2012, and the statement of comprehensive income and retained earnings, statement of changes in equity and the statements of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' responsibility for the financial statements

The Board are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for SMEs 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 judgment, 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 entity'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 entity'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 have examined the books, accounts and vouchers of the company to the extent we considered necessary and have obtained all the information and explanations which we required.

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 of 30th June 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for SMEs.

Report on other legal and regulatory requirements

In accordance with Section 189 of the Companies Act in Botswana (Cap 42:01), we confirm that:

- we have satisfied ourselves as to the existence of securities; and
- in our opinion, the company has kept proper books of account with which the financial statements are in agreement.

Sharma & Associates

For Sharma & Associates

(Certified Auditors)

Place: GABORONE

Date: 6th December 2012

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of COPYRIGHT SOCIETY OF BOTSWANA (COSBOTS) have great pleasure in submitting their report for the year ended 30th June 2012.

1. Incorporation

The Company was incorporated on 29th May 2008.

2. Business and operations

The company's business and operations and the results thereof are clearly reflected in the attached Financial Statements. No material fact or circumstance has occurred between the accounting date and the date of this report.

3. Statements of responsibility

The Board of the company i.e. Copyright Society of Botswana (COSBOTS) are responsible for the maintenance of adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards and in the manner required by the Botswana Companies Act (CAP 42:01).

The 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 judgments and estimates.

The Board acknowledge that they are also ultimately responsible for the company's system of internal control. The company maintains systems of internal control which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of company assets. The Board are also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the directors to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The financial statements have been prepared on going concern basis, since the Board have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

The Board have reviewed the company's cash flow forecast for the year to June, 2013 and in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operations existence for foreseeable future.

Our external auditors conducted an examination of the financial statements in conformity with International Financial Reporting Standards on Auditing which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

4. Financial Results

The results of the company and the state of its affairs are set out in the attached financial statements and do not, in our opinion, require further comments.

5. Share capital

Since the company is incorporated as company limited by guarantee and hence there is no share capital.

REPORT OF THE BOARD OF DIRECTORS

6. Events subsequent to the year end

There have been no facts or circumstances of a material nature that have occurred between the accounting date and the date of this report.

7. Board of Directors

The Board of directors of the company at the end of the accounting year were as follows:

- S.B. Monyame (Chairperson)
- N. Tlhomelang (Vice Chairperson)
- M. Selelo (Secrea
- I. Bakalanga
- M. Sibanyoni

8. Auditors

SHARMA & ASSOCIATES (CHARTERED ACCOUNTANTS), P.O. BOX 401886, GABORONE is performing the audit services.



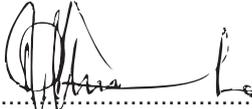
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Chairperson



(.....)

Chief Executive Officer



(.....)

Treasurer

Dated: 5th December 2012

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30 2012

	NOTES	2012 (P)	2011 (P)
ASSETS			
Non-current assets			
Property, Plant & Equipment	1	286,575	333,072
Current assets			
Trade and Other Receivables	2	28,524	32,468
Cash and Cash Equivalent	3	1,063,534	82,397
TOTAL ASSETS		1,378,633	447,937
EQUITY AND LIABILITIES			
Capital & Reserve			
Retained Income		958,849	317,501
Current liabilities			
Provisions for future expenses	4	417,684	124,051
Trade and Other Payables	5	2,100	6,385
TOTAL EQUITY AND LIABILITIES		1,378,633	447,937

STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 30 JUNE 2012

	NOTES	2012 (P)	2011 (P)
Grant received	12	3,129,741	1,498,735
Other income		7,184	21,277
Total Income		3,136,925	1,520,012
Finance cost	14	-	-
Other Operating Exps.	15 -17	(2,495,577)	(1,202,511)
Net Profit/(Loss) before tax		641,348	317,501
Less -Provision for taxation	10	-	-
Net Profit/(Loss) for the year		641,348	317,501
Retained Earning at the start of the year		317,501	-
Dividends		-	-
Retained Earning at the end of the year		958,849	317,501

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Distributable Reserve (P)	Total Amount (P)
	<u> </u>	<u> </u>
Opening Balance	-	-
Net profit/(Loss) for the period	317,501	317,501
Balance at 30th June, 2011	317,501	317,501
Net profit/(Loss) for the year	<u>641,348</u>	<u>641,348</u>
Balance at 30th June, 2012	<u>958,850</u>	<u>958,850</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2012

	NOTE	2012 (P)	2011 (P)
		<u> </u>	<u> </u>
Cash flows from operating activities		1,023,022	457,626
Cash generated by operating activities	9.1	1,015,838	436,349
Finance & Other Income		7,184	21,277
Finance Cost		-	-
Cash flows from investing activities			
Expenditure to maintain operating activities		(41,884)	(375,230)
Property, plant and equipment acquired		(41,884)	(375,230)
Proceeds from disposal of PPE		-	-
Amount advanced to related companies		-	-
Amount received from related companies		-	-
Cash flows from financing activities			
Capital Raised		-	-
Loans repaid (Net Off)		-	-
Increase in cash and cash equivalents		981,138	82,396
Cash and cash equivalents at the beginning of the year		82,396	-
Cash and Cash Equivalents at the end of the year	9.2	<u>1,063,534</u>	<u>82,396</u>

FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

1.1 Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS for SMEs). The financial statements have been prepared under the historical cost convention as modified by financial assets and financial liabilities at fair value through profit or loss. The financial statements have been prepared on the going concern basis which assumes the continued support of the shareholders.

The preparation of the financial statements in conformity with IFRS for SMEs requires the use of certain accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and disclosure of contingent and liabilities at the date of the financial statements and the amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the current events and actions, actual results may ultimately differ from those estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

Estimates and judgments are continually evaluated based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

1.1.1 Adoption of standards in the current financial year

In 2012, the company adopted the following new or revised IFRS, which are relevant to its operations.

- IAS 1 Presentation of financial statements
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events of Changes in Foreign Exchange Rates
- IAS 16 Property, Plant and Equipment
- IAS 17 Leases
- IAS 21 The Effects of Changes in Foreign Exchange Rates
- IAS 24 Related Party Disclosures
- IAS 32 Financial Instruments: Recognition and Measurement
- IFRS for SMEs

The adoption of above standards did not result in substantial changes to the company's accounting policies.

- IAS 1 has affected the presentation and other disclosures in the financial statement
- IAS 21 had no material effect on the company's policy. The functional currency of the company has been re-evaluated based on the guidance to the revised standards.
- IAS 24 has affected the identification of related parties and related-party disclosures.

Management assessed the relevance of following new standards, amendments and interpretations with respect to the company's operations and concluded that they are not relevant to the company.

- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Investments in Associates
- IAS 31 Interests in Joint Ventures
- IAS 33 Earnings per Share
- IAS 40 Investment Properties
- IFRS 2 Share-based Payment

FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

- IFRS 4 Insurance Contracts
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRIC 2, Members' Shares in Co-operative Entities and Similar Instruments
- IFRIC 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.
- IAS 39 (Amendment), Transition and Initial Recognition of Financial Assets and Financial Liabilities
- IAS 39 (Amendments), Cash Flow Hedge Accounting of Forecast Intragroup Transactions.
- IAS 39 (Amendments), The Fair Value Option.
- IAS 39 and IFRS 4 (Amendments). Financial Guarantee Contracts.
- IAS 19 (Amendments), Employee Benefits.
- IFRS 1 (Amendments), First-time Adoption of International Financial Reporting Standards and IFRS 6 (Amendments), Exploration for and Evaluation of Mineral Resources.
- IFRS 6, Exploration for and Evaluation of Mineral Resources.
- IFRS 7, Financial Instruments: Disclosures, and a complementary Amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures.
- IFRIC 10, Interim Financial Reporting and Impairment.
- IFRIC 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.

1.2 Property, plant and equipment

All property, plant and equipment are included at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they incurred.

Land is not depreciated. Depreciation is calculated using the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives as follows:

- Motor vehicles	5 years
- Computer equipment	4 years
- Furniture & Fittings	10 years
- Equipment and tools	10 years
- Building	40 Years

The assets' residual values and useful lives reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.3).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

1.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for Impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial

FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

assets other than goodwill that impairments are reviewed for possible reversal of the impairment at each reporting date.

1.4 Foreign currency translation

1.4.1 Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Botswana Pula, which is the company's financial and presentation currency.

1.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

1.5 Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for the impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

1.6 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.7 Investments

Investments include investments in the various policies with the bank and other instruments held to earn interest on them. Investments are shown on the net realizable value at the end of the accounting period. The value includes the interest/dividend earned on these investments at the end of the accounting period.

1.8 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economics benefits will be required to settle the obligation, the provision is reversed.

FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

1.9 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods/ services in the ordinary course of the company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts. Revenue is recognized as follows:

1.9.1 Sale of Services

The major source of revenue for the society is licensing fee. Licenses are issued for the use of copyrightable work which is registered with the society by the artist or creator/author of the work. Society gets its revenue as per the license agreement with the different user of the work.

Revenue is recognized on the accrual basis. Sale of services are recognised when the society and the user has agreed and the agreement for the use of copyrightable work has been signed between the two parties and collectability of the related receivables is reasonably assured.

1.9.2 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

1.9.3 Government Grant

During the initial year of operations of the company, company is receiving the grant from the Government which is recognized on the receipt basis.

1.10 Capital Grants

Capital Grant consists of grant received by the society which is of the capital nature.

1.11 Financial assets

The company classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as 'trade and other receivables' in the balance sheet (Note 2).

There were no financial assets categorised as fair value through profit and loss and available for sale at the balance sheet date.

1.12 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1.15 Employee benefits

For employees, who have employment agreements, all the benefits including gratuity are governed by the employment agreement. For other employees, the company has implemented the requirements of the Botswana Labor Act relating to severance benefit scheme.

FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

2 Financial risk management

2.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and other price risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial performance. Risk management is carried out under policies approved by the board of directors.

(a) Market risk

(i) Foreign currency risk

In the normal course of the business, the company enters into transactions denominated in foreign currencies.

(ii) Cash flow and fair value interest rate risk

Fluctuation in interest rates impact on the value of short-term cash investment and financing activities, giving rise to interest rate risk. The cash is managed to ensure surplus funds are invested in a manner to achieve maximum returns while minimising risk.

(iii) Other price risk

The company is not exposed to other price risks such as equity price risk, commodity price risk, prepayment risk, and residual value risk.

(b) Credit risk

Financial assets of the company, which are subject to credit risk, consist mainly of debtors and cash resources. It has policies in place to ensure that credit sales are made to customers with an appropriate credit history. Sales to retail customers are made in cash or via major credit cards. Cash deposits are held with high-credit-quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, management of the company aims to maintain flexibility in funding by keeping committed credit lines available.

2.2 Fair value estimation of financial instruments

Financial instruments consist of trade receivables, bank and cash balances and other payables resulting from normal business operations. The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The particular recognition methods adopted are disclosed in the individual associated with each item.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

1. Property, Plant & Equipment:-

	2012			2011		
	Cost/ Valuation	Accumulated Depreciation	Carrying Value	Cost/ Valuation	Accumulated Depreciation	Carrying Value
Owned Assets						
Plant & Equipment	6,500	975	5,525	6,500	-	6,500
Motor Vehicles	215,015	74,560	140,455	194,200	24,275	169,925
Computer Equipments	131,779	44,818	86,961	111,580	14,079	97,501
Office furniture	63,820	10,186	53,634	62,950	3,804	59,146
Total	417,114	130,539	286,575	375,230	42,158	333,072

The carrying amounts of property, plant and equipment can be

reconciled as follows:

2012	Carrying value at beginning of year	Additions (disposals)	Dep. /charge for the year	Carrying value at end of year
Owned assets				
Plant & Equipment	6,500	-	975	5,525
Motor Vehicles	169,925	20,815	50,285	140,455
Computer Equipments	97,501	20,199	30,739	86,961
Office furniture	59,146	870	6,382	53,634
Total	333,072	41,884	88,381	286,575
2011				
Owned assets	Carrying value at beginning of period	Additions (disposals)	Dep. /charge for the period	Carrying value at end of period
Plant & Equipment	-	6,500	-	6,500
Motor Vehicles	-	194,200	24,275	169,925
Computer Equipments	-	111,580	14,079	97,501
Office furniture	-	62,950	3,804	59,146
Total	-	375,230	42,158	333,072

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012 (P)	2011 (P)
2. Trade and Other Receivables:-		
Prepaid Expenses	12,948	13,358
Deposits	8,000	8,000
Otther Prepayments	-	11,110
VAT Control A/c	7,576	-
TOTAL	<u>28,524</u>	<u>32,468</u>
3. Cash and Cash Equivalents:-		
Cash and Cash Equivalents consist of		
FNB Current A/c	33,410	19,389
FNB Call A/c	1,026,961	60,007
Cash in Hand	3,163	3,000
TOTAL	<u>1,063,534</u>	<u>82,397</u>
4. Provision for Future Expenses: -		
Provision of gratuity for permanent employees	5,366	2,158
Provision for PAYE	14,563	-
Provision of gratuity for contractual employees	366,755	106,393
Provision for accounting fees	31,000	15,500
TOTAL	<u>417,684</u>	<u>124,051</u>
5. Trade and Other Accounts Payables:-		
Trade Payables	2,100	3,877
Other Payables & Accruals	-	2,508
TOTAL	<u>2,100</u>	<u>6,385</u>
6. Gross Revenue:-		
The main source of revenue is from Government Grant	3,129,741	1,498,735
TOTAL	<u>3,129,741</u>	<u>1,498,735</u>
7. Finance/(Other) Income/(Loss):-		
Interest received from bank	5,504	19,277
Sundry Income	1,680	2,000
TOTAL	<u>7,184</u>	<u>21,277</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 (P)	2011 (P)
Operating profit is stated after:		
Expenditure:		
Accounting & Audit Fees	23,014	15,500
Depreciation		
Property, Plant & Equipment	88,381	42,158
Rent & Rates		
E.D.S. (Pty) Ltd.	127,264	110,210
P.O. Box 401623 GABORONE		
Total	<u><u>238,659</u></u>	<u><u>167,868</u></u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

	2012 (P)	2011 (P)
NOTES TO CASH FLOW STATEMENT		
9.1 Cash Generated by Operating Activities		
Net earnings/ (Loss) for the year	641,348	317,501
Adjustments for:		
Depreciation	88,381	42,158
Finance Cost	-	-
Finance & Other Income	(7,184)	(21,277)
	<u>722,545</u>	<u>338,382</u>
Movements in Working Capital		
Movements in Accounts Receivables	3,944	(32,469)
Movements in Provisions	293,634	124,051
Movements in Accounts Payables	(4,285)	6,385
Movements in Taxation	-	-
Total Movement in Working Capital	<u>293,293</u>	<u>97,967</u>
Total Cash Generated by Operating Activities	<u>1,015,838</u>	<u>436,349</u>
9.2 Represented by:		
FNB Current A/c	33,410	19,389
FNB Call A/c	1,026,961	60,007
Cash in Hand	3,163	3,000
TOTAL CASH AND CASH EQUIVALENT	<u>1,063,534</u>	<u>82,396</u>

10. Re- grouping of previous year's balance

The figures of previous year have been grouped and re-grouped wherever necessary.

11. Post Balance Sheet Events

There were no events that occurred after the balance sheet date which require adjustments to or disclosure in these financial statements except that society awarded a tender to the company in which the chairman of the board of director of COSBOTS is the major shareholder & director which is under scrutiny. The execution of the job has not started yet and COSBOTS has not made any payment to the above mentioned company during the year under audit.

12. Contingent Liabilities

There were no material contingent liabilities at the balance sheet date to or disclosure in these financial statements.

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