



**cosbots**

Copyright Society of Botswana

**We Empower Creativity**

**Intergrated  
Annual Report**  

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**2022/2023**

# About This Report

The 2023 integrated report presents the holistic performance of the Copyright Society of Botswana (COSBOTS) for the period 1 July 2022 to 30 June 2023. 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 2023 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 Mesotto and Associates audited the annual financial statements. Its independent report to COSBOTS members is part of this report.

## 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 Mesotto and Associates will provide external assurance of the financial information supplies in 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

## 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**  
Board Chairperson



**Ms. Winnie Winani Sekani**  
Treasurer

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# Organisational Review

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)**

**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.

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



## BASIC VIEWS

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



## MISSION STATEMENT

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



## VISION STATEMENT

To Be the Leading CMO in Africa

# Our Values



## TRANSPARENCY

We are open in our dealings with staff and external stakeholders



## BOTHO

We demonstrate respect, courtesy and civility towards our colleagues and stakeholders



## CUSTOMER CENTRIC

We put customers in the middle of everything we do



## INTEGRITY

There is no difference between what we say and what we do



## OWNERSHIP

We take ownership of the consequences of our actions and decisions



## TEAMWORK

We support each other and collaborate

# 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.

COSBOTS represents Botswana at the **World Intellectual Property Organisation (WIPO)**, **African Regional Intellectual Property Organisation (ARIPO)**, as well as the **Corporate Registers Forum**.

## 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.

## Value Proposition

- One-Stop Licensing & Distribution Solution for creators
- Licensing content as an enabler to doing business
- Fair value from usage of economic rights
- Fair Remuneration to rights holders
- Empowering creativity

## What We Do?



Monitor usage of works



License Users



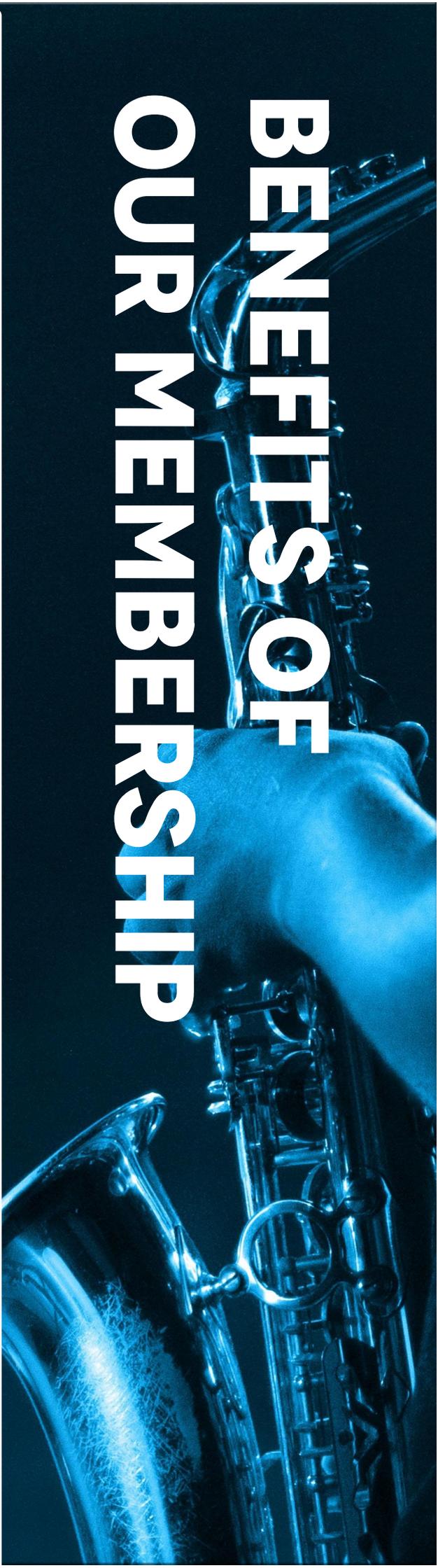
Collect royalties from Users



Pay royalties to Rights holders



# BENEFITS OF OUR MEMBERSHIP



## **BENEFITS OF COSBOTS MEMBERSHIP:**

- Distribution Royalties.
- Member Bereavement Assistance.
- Free Membership.
- To advocate for copyright, collective 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.

## **POLICY & ADVOCACY:**

- Advocacy- representing rights holders and promoting collective management to national & regional governments around the world.
- National Engagement- supporting COSBOTS members in national issues of concern.
- Collaboration- working closely with industry bodies to support & promote copyright.

## **TOOLS FOR MEMBERS:**

- Offering sample contracts/agreements between parties upon submissions of works.
- 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).

# DEFINITIONS

## MUSIC

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.

### SOUND RECORDING RIGHTS

Sound recording 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.

## REPROGRAPHY

Reprography is the art of reproducing documents and images, often for archival or distribution purposes. This technology spans from photocopying to digital scanning, ensuring that vital information is preserved and shared efficiently. It's a cornerstone in libraries, offices, and educational institutions. How does reprography impact our daily information consumption? Join us as we uncover its role in our digital age.

### 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.

### REPROGRAPHIC REPRODUCTION RIGHTS LICENSES

#### Educational license

It gives students, teachers and other employees the right to make photocopies, printouts and digital copies without without the worry of inadvertent copyright infringement.

#### Business license

It gives your employees the power to easily share and copy relevant print and digital articles, tables and charts across all your locations globally without the worry of inadvertent copyright infringement, including content from journal articles, newspapers, magazines and more.

### TYPES OF LICENSING SYSTEMS

#### Transactional licensing

It is a Once-off licence where authorization is given to the user for specific reproduction, copyright work and purpose. For example: making of 10 copies of an article of 4 pages from the Botswana Journal of Economics for an Economics I module in a particular year.

#### Blanket Licence

It is an Umbrella licence which manages the risk by giving authorization to users to copy from published editions in advance such as 12 months period (annual license) but requires retrospective reporting. It is mostly a recommended license which affords educational institutions a greater flexibility and is administratively less burdensome.

# A Glance Into 2023

129 Connections



Copyright Society Of Botswana(Cosbots)

16K likes

15 670 Likes  
15 749 Followers



Contact us

Liked

Message

Posts

About

Mentions

Reviews

Reels

Photos

More



## Intro

COSBOTS is mandated to among other things collect royalties from users of copyrighted works and distribute to copyright owners.

200 Followers



Filters

139 Followers



Number of distributions

16



Total distribution paid to members – 22/23  
P11.2 Million



Total Revenue Collected 22/23  
P18.5 Million

# A Glance Into 2023



## SOCIAL & CULTURAL FUND REPORT

**SCF- The Social and Cultural Fund (SCF)** is an initiative for the Copyright Society of Botswana (COSBOTS) members. The aim of the SCF is to provide members with financial support and this includes the Funeral Assistance in which bereaved families of deceased members are offered funds amounting to **P15,000.00**.

Moreover, the SCF assists members in need of medical assistance and provides grants to organizations, groups and individuals for projects aimed at improving the creative sector in Botswana. The funds incentive is to enrich creative works produced in Botswana by giving members an opportunity to tap into different markets both local and foreign.

Below is the SCF report for the year under review.

<b>Opening Balance as per June 2022</b>	<b>P 647 453.78</b>
Allocated D15 Social & Cultural Fund	+ P 830 000.00
<b>Total SCF For 22/23</b>	<b>P 1 477 453.78</b>
Member Drive Programs	- P 361 223.00
Medical Assistance	- P 2 774.56
Member Bereavement Assistance	- P 139 120.00
<b>Total Expenses</b>	<b>- P 503 117.56</b>
<b>Closing Balance as at June 2023</b>	<b>P 974 336.22</b>

In Loving

# MEMORY

Of



**Mmoloki “Justice” David**

Traditional Song and Dance Artist

Member Since  
2023

# Documents Of The General Meeting

**Chairperson report**



**Chief Executive Officer Report**



**Corporate Governance Report**



**Directors Report**



**Certificate of Company Secretary**



**Financial Statement**

# CHAIRPERSON'S REPORT

Bakalanga Malikongwa

This report summarises the outstanding accomplishments made by the Board that I am honoured to serve as chairperson, and I submit it to you with great pleasure and a profound feeling of duty. Even in the face of extraordinary adversity, our leadership has continued to shine as an example of creativity, resiliency, and dedication to the greater good of the creative community

Three years ago, I committed to maximizing the value of our members' rights by aiming to distribute 70% of our income as royalties by 2025. Additionally, I pledged to maintain strict control over costs with the objective of reducing our cost-to-income ratio. I am proud to report that this Board is successfully advancing toward these goals. Distribution 16 reached close to P10 million, with P6 million of those royalties distributed to local members. Despite facing significant economic challenges, we have achieved a milestone by declaring our first reprography distribution, amounting to P1.8 million. This progress is a testament to our dedication and the strategic initiatives we have implemented.



## 1. A New Direction: Establishing COSBOTS as an Industry Frontrunner in Rights Management

Our organization's goal from the start of our strategic journey to reimagine and improve COSBOTS was to establish ourselves as a worldwide leader in rights management. The foundation of our plan, which began in 2021 and will conclude in 2025, is giving our members' interests first priority in everything that we do.

One of our first orders of business upon taking office was to reorganize COSBOTS such that our members would reap the most possible profit. It gives me great pleasure to announce that the newly established structure, supported by hardworking and competent employees, has not only survived but flourished throughout the COVID-19 pandemic. This is shown by the fact that distributions are increasing annually.

Responding to member comments, we prioritized raising royalties and making distribution more equitable. From distributions 13 to 16, the results have been spectacular, with gains of more than 30% year on year. We have improved our distribution which is split into mechanical rights, public performances, and broadcasters (TV and radio, further divided into public and private). Members have benefited from an equitable allocation of royalties as a consequence of this comprehensive approach.

In response to complaints about the statements and log sheets we introduced a new monitoring mechanism. Together with WIPO, we launched WIPO Connect, a platform that gives comprehensive information on use logs. With the successful payment of Distribution 16 via WIPO Connect, Botswana joined Malawi as the only other country to achieve this feat.

International Standard Musical Work Codes (IPIs): IPIs are like social security numbers for composers and music publishers;

of over 2000 members submitted 607 members have received their IPIs thus far. Our goal is the timely delivery of all members' IPIs, ISWCs (for composers and publishers), and ISRCs (for performers and producers).

In addition to outlining our future actions, our strategic plan pledge is to always be open and honest with our members and to fight tirelessly for their rights and interests. With each action, we get closer to our vision of a future where COSBOTS is known worldwide as an industry leader in rights management.

## 2. Creative Hub: A creative-friendly approach

A pipeline business development and incubation entity that will be working in the creative SMME environment with a particular focus on the creative industries.

The creative hub will be providing artists of all genres business incubation, acceleration, entrepreneurial support, and technical skills training.

It will also assist in building the institutional capacity for the likes of BOMU, BWMB, and FANFABO to name a few, business skills, provide sustainability, and market access of creative SMMEs producing cultural goods and services

## 3. An Important Source of Support for Our Members: The Social & Cultural Fund (SCF) - COSBOTS Philanthropic Arm

The SCF serves as the charitable arm of COSBOTS. When it comes to meeting the varied and urgent requirements of our members, SCF has been an indispensable resource throughout the last year.

A total of **P20,495.10** has been used in providing medical help.

.In addition, **P103,000.00** in bereavement assistance to help members' families during these difficult periods.

All membership benefits, including COVID relief funds, amounting to **6.5 million pula** have been spent from the SCF. This highlights our dedication to encouraging members' participation in society and culture at large, which in turn strengthens their feeling of belonging.

#### 4. An Assist in Difficult Times: The COVID Relief Fund\ proach

a.As the COVID-19 lockdown had an immediate and devastating effect on the entertainment sector, the Board moved quickly to launch the COVID Relief Fund. The First Phase provided support and assistance to our members in response to the industry's dire situation. We nevertheless managed to get each member **P438.00** despite the fact that COSBOTS was having financial problems due to the pandemic.

The second phase of relief focused on acknowledging the continuing economic impact of the epidemic. The Board of Directors acknowledged the need for sustained assistance as the pandemic persisted and its economic ramifications persisted in affecting our sector. We distributed **P1000.00** to each member.

The Board of Directors took a courageous and caring decision to offer additional support to COSBOTS members in light of the long-term impacts of the COVID-19 pandemic. The well-being of our members is our first priority, which is why we decided to give each member an extra P1000.00. We made this decision knowing full well what it would cost, but we also believe in putting our members' urgent needs first.

**"In this digital age, where the creation and dissemination of content have surged to unprecedented levels, the essence and significance of copyright cannot be overstated"**

#### 5 Expanding and Protecting Creator Rights: CIPA Approves Tariffs for Reprographic Rights

a.The approval of tariffs for reprography, which include text and pictures, occurred on March 18, 2022, marking a significant milestone in the field of reprographic rights. I am pleased to report that our Board is working hard to finalise audiovisual tariffs before the end of 2024.

b.This year we have two landmark events: first, the music industry is celebrating its 16th distribution of royalties; and 2nd, the reprography sector is witnessing its inaugural distribution. We are dedicated to growing our services and making sure that everyone in our creative community is recognized and paid appropriately for the use of their works.

**"Our aim is to be the bedrock, nurturing and championing the rights of our creators..."**

#### 6 Supporting Local Talent via the 80/20 Local Content Quota with DBS Management

Our Memorandum of Understanding (MOU) with DBS marks a watershed moment in our efforts to support and promote local talent. We are giving local artists a huge platform to display their work and amplify their voices by making sure that 80% of the material is obtained locally.

Before foreign material, accounted for more than 80% of royalties before this agreement. But I'm happy to say that this tendency has changed significantly. As of our most recent distribution (Distribution 16), local creatives received an astounding **72%** of royalties, or **P6.9 million**, out of a total distributable sum of **P9.56 million**.

The appreciation on distribution 16 from many of you, our distinguished members, has been encouraging and inspiring as we get closer to the promised land of royalties. It gives us faith in the direction we're heading and the plans we've made.

There has been a dramatic change in the distribution of royalties, and it has benefited our local talent. We will rest until we maintain this trend and make sure our creatives here get what they deserve for everything they've done.

#### 7. The Strengthening of Our Future Foundation via the Adoption of the Amended Constitution

The update and renewal of our constitution commenced in 2017 to better reflect the changing industrial environment and the different interests of our members. Inclusion and member safety were the primary goals of this process.

A turning point in COSBOTS's history was reached with the adoption of the new constitution, which received an astonishing **96.3%** acceptance percentage at the 20/21 AGM.

Our dedication to openness, responsibility, and fair representation is codified in the new constitution. It makes sure that no matter how much we change and develop, our operations and governance will always be in line with what's best for our members.





## 8. Achieving a Mutually Beneficial Agreement with CAPASSO: Increasing Member Income

a. We formed a bilateral partnership with CAPASSO, the prestigious Mechanical Rights Agency in South Africa, in August 2020, marking the beginning of a groundbreaking adventure.

b. This partnership has grown and produced significant outcomes within the last 12 months. We have reached a major milestone in our ongoing pursuit of new sources of revenue: the effective distribution of digital royalties to our members for two consecutive years.

c. More creative and profitable partnerships are on the horizon thanks to the success with CAPASSO. A sign of optimism and a promise we made to our members, that we would pursue all possible means of profiting from their creative endeavours.

## 9. Members Workshops and Training

Because we know that our members' needs and goals are unique, we have made it a priority to provide them with seminars and training programs that will help them learn and grow professionally in the ever-changing creative arts industry.

**Music Business Workshops:** Our members must comprehend the intricacies and possibilities of the music business. Music business topics covered in these seminars include market dynamics, monetization tactics, and rights management.

Authors, publishers, and visual artists all have their own set of obstacles and possibilities in the creative industries, which is why we've designed sector-specific programs to address those concerns.

The increase in these programs demonstrates our commitment to empowering our members.

## 10. FANFABO: Building a Strong Botswana Literary Community

An important step forward in Botswana's literary history has been the formation of the Fiction, Academic, and Non-Fiction Authors Association of Botswana (FANFABO). Established on October 14th, 2023, FANFABO is a hub where writers of all stripes may come together.

11. It would take me all day to enumerate everything that this Board has accomplished. However, there is an enormous mountain of work that needs doing, the most important of which is the LTDF. The LTDF is designed to pay artists and other people who own copyrights for private use. In countries where it exists, CMOs are in charge of collecting and distribution.

## 12. Request for Board Rotation

An essential part of our organization's governance is the retirement-based rotation of the Board members.

As per our constitution, section 16, three elected directors are required to stand down at the end of each three-year term, being members who have served the longest.

Members of the Board Who Are Eligible for Rotation: The following members of the board are due for rotation since they were elected at the same time and have served simultaneously:

- i. Patrick Setsiba
- ii. Alfred Mosimanegape
- iii. Winnie Sekani
- iv. Mphoeng Moletlanye
- v. Benjamin Mogotsi
- vi. Mpho Motlhasedi

On November 17, 2023, Mr. Moletlanye Trinity Mphoeng's time as a member of the Board was ended by mutual agreement, and I am writing to advise the General Assembly of this fact. On January 24, 2024, his Board membership officially ceased.

As mentioned in Article 12.2 of the constitution, the Board must include one person from each of the following sectors:

- i. MUSIC
- ii. LITERARY (text and image)
- iii. DRAMATIC AND THEATRICAL WORKS
- iv. VISUAL ARTS AND PHOTOGRAPHY
- v. FILM AND AUDIO-VISUAL
- vi. Other artistic works but not in the above categories

Section 12.2 brings a need to diversify our Board's representation since most of our members are from the music industry.

In light of Mr. Benjamin Mogotsi's significant contribution to the literary sector, the Board decided that he should not be included among the retiring directors.

As part of our efforts to promote gender parity, we have noted that the Board would see a significant decrease in the number of women represented if Ms. Sekani were to depart. The Board of Directors addressed this by deciding that Ms. Sekani should not retire with the other directors.

As a result, the following directors are eligible for retirement:

- i. Patrick Setsiba,
- ii. Alfred Mosimanegape
- iii. Mpho Motlhasedi.

Per the notice of this Extraordinary General Meeting (EGM), we propose to retain the 3 mentioned Board Members elected at the 2017 Annual General Meeting who are scheduled for retirement at the 2023 Annual General Meeting. This proposal is put forward with the intention that this Board should complete the key strategic plans, among them, the LTDF matter, getting all sectors fully represented, and leaving the company in a healthier state.

We present this proposal to the General Assembly for consideration, understanding the importance of a well-rounded and representative Board in guiding COSBOTS to new heights.

Let me conclude by appreciating your thoughtful deliberation on this matter and look forward to your decision.



**Board Chair**  
**Ms. Bakalanga Malikongwa**

In Loving

# MEMORY

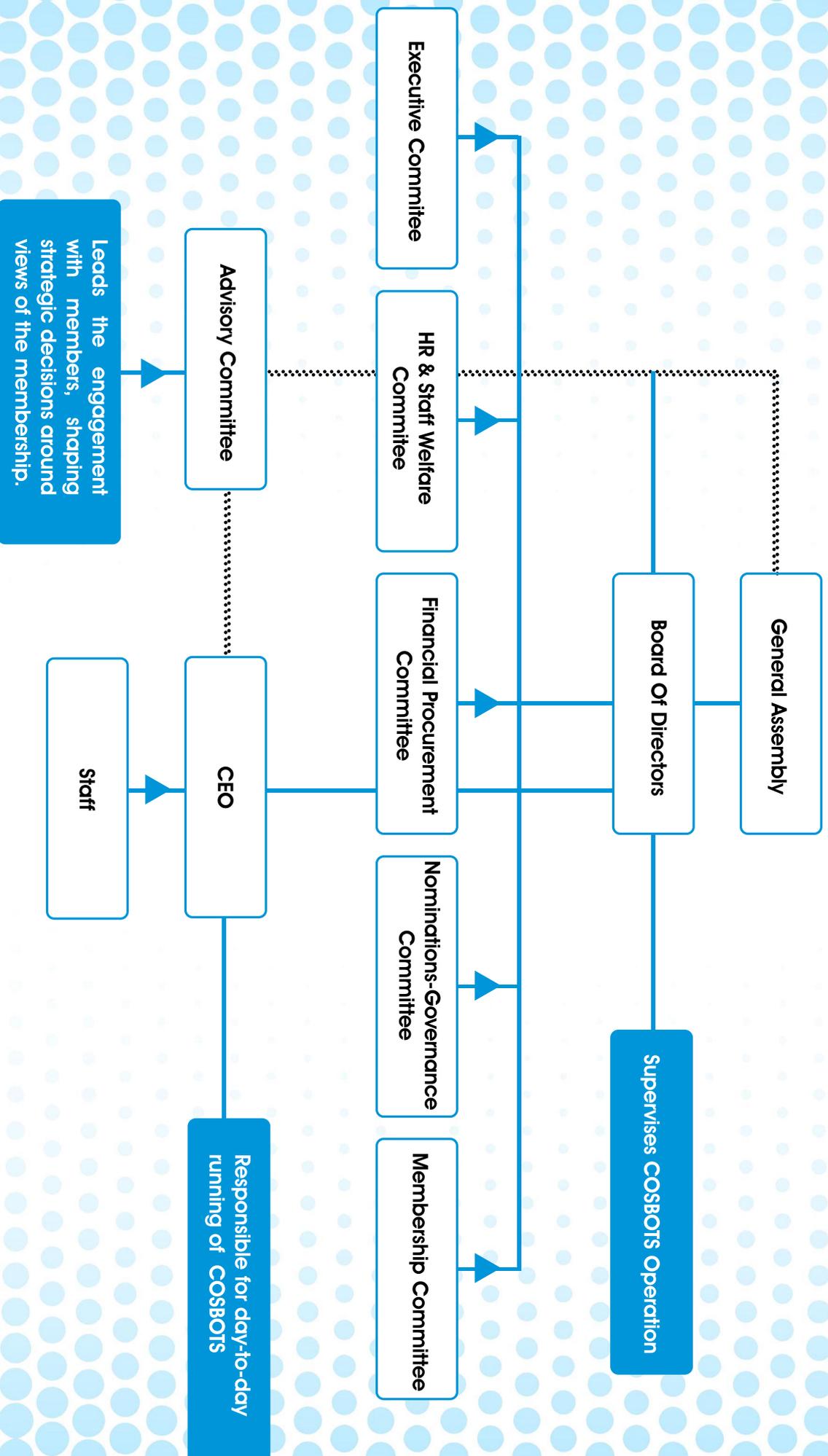
Of



**Jeremiah Lefase Maja**  
Author and Composer

Member Since  
2023

# THE GENERAL ASSEMBLY



# OUR BOARD OF DIRECTORS



Ms. Bakalanga Malikongwa  
**Board Chairperson**



Mr. Ookeditse James Moyambo  
**Vice-Chairperson**



Ms. Winnie Winani Sekani  
**Treasurer**

# OUR BOARD OF DIRECTORS



Mr. Alfred Mosimanegape  
**Director**



Mr. Molettanye Trinity Mphoeng  
**Director**



Mr. Mpho Motlhasedi  
**Director**



Mr. Benjamin Mogotsi  
**Director**



Mr. Patrick Setsiba  
**Director**



Mr. Martin Ntongana  
**Director**



Mr. Kabelo Eric Kgaodi  
**Director**



Mr. Kelebonye Sibanyoni  
**Director**



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

# Our Advisory Committee

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The COSBOTS Board Advisory Committee is comprised of a select group of creatives who bring specialized knowledge and expertise to advise the organization's Board of Directors. This committee plays a pivotal role by offering strategic advice and insights on various aspects of member relations.

Their primary function is to facilitate effective communication between the Board, the company, and its members, helping to bridge any gaps that may exist. The committee's contributions are particularly valuable in enhancing member engagement, communication, and satisfaction. They provide critical feedback on member services and benefits, aiming to improve the overall value delivered to the members.

**Currently, the COSBOTS Board Advisory Committee consists of four dedicated members.**



**Mr. Nkgopolang Tihomelang**



**Mr. Phempheretlhe Bafana Pheto**

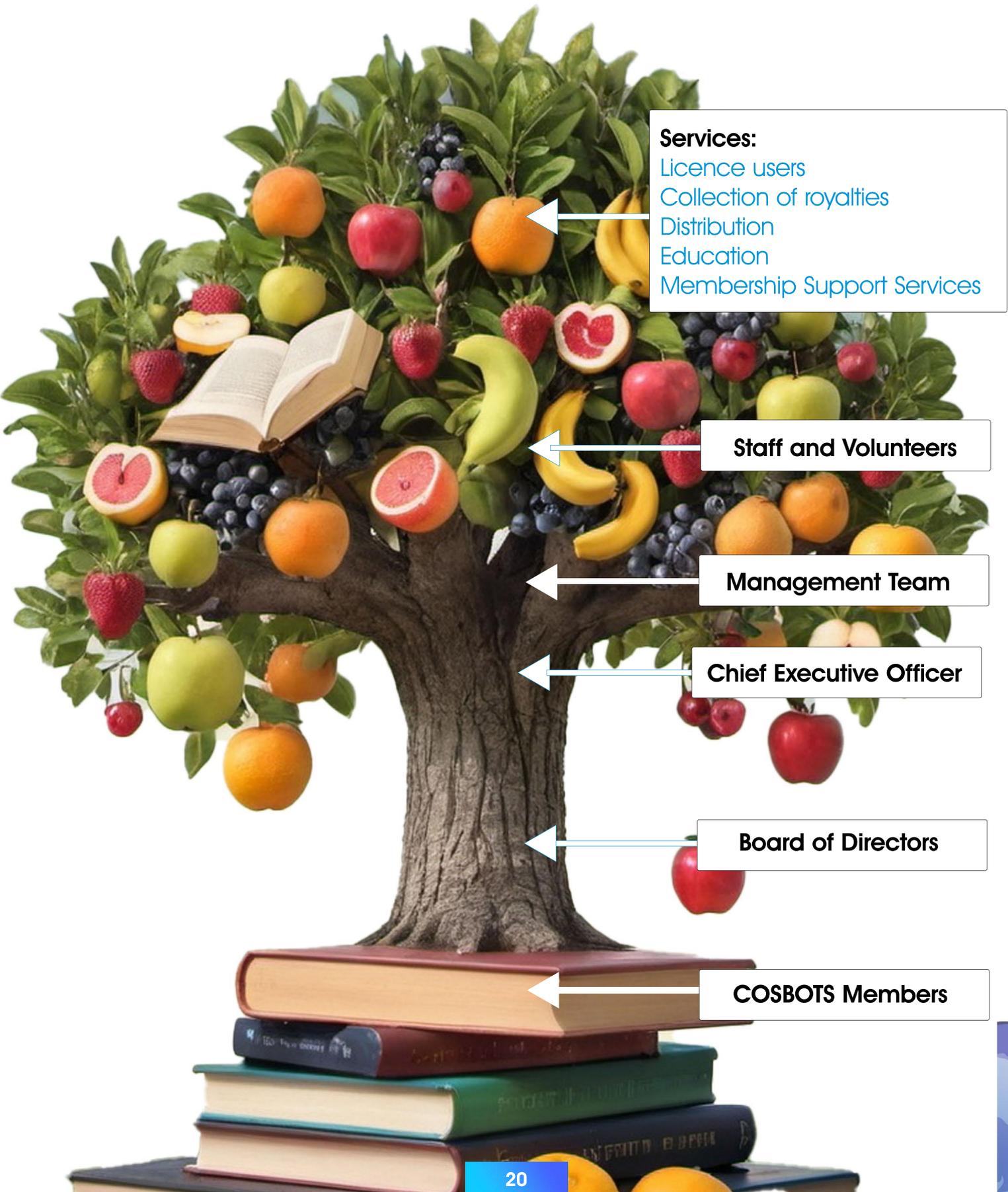


**Ms. Tebogo Ketlhoilwe**



**Mr. Lizibo Simon**

# Organisational Structure



In Loving

# MEMORY

Of



**Caroline Rasioto**

Gospel Artist

Member Since  
2020

# CEO's REPORT

Letlhogonolo Makwinja



## Achievements and Milestones

In 2023, we achieved the highest total revenue in our 10-year history, reaching an impressive **P18.5 million**. This remarkable milestone surpasses pre-pandemic levels and reflects a significant year-on-year increase.

## Performance Overview

As highlighted by our Board Chairperson, Ms. Malikongwa, our performance aligns with the positive trajectory of the global music industry. Both the CISAC and IFPI's Global Music Reports indicate consistent revenue growth year-on-year, and COSBOTS is proud to play a pivotal role in this upward trend.

## Industry Impact

COSBOTS is at the forefront of driving growth in the music sector. The royalties we distribute are vital to the success and sustainability of our members' businesses and livelihoods. Our commitment to supporting creatives and ensuring fair compensation is unwavering, and we are dedicated to fostering continued growth and innovation in the industry. The above advancements place COSBOTS not only among the top in the region but as a model to many, some of whom have been in existence far longer than us.

## Financial Performance

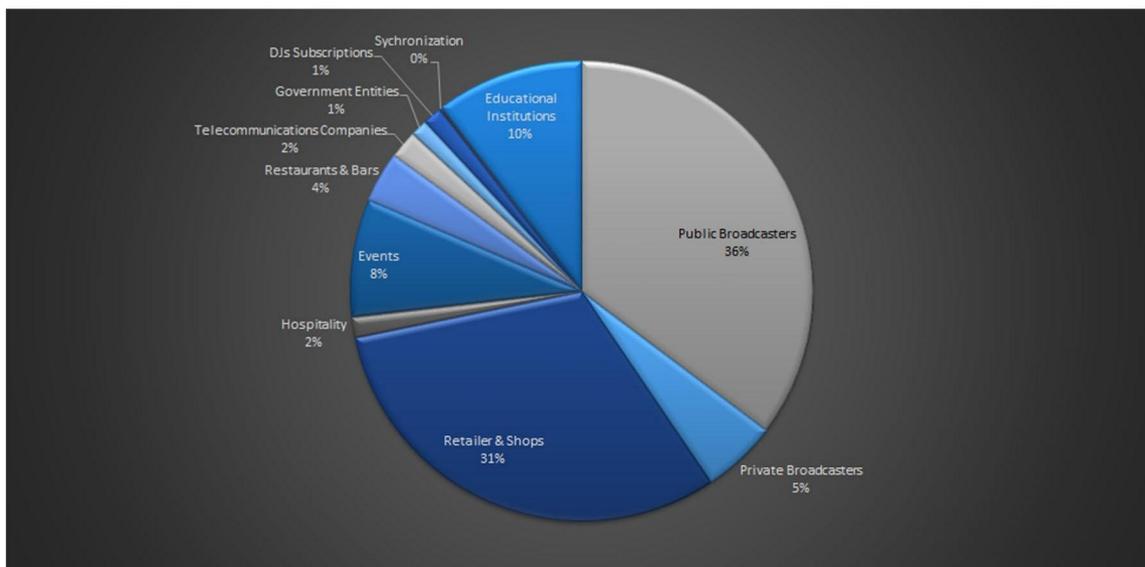
On an accounting basis, as demonstrated below, our organization has achieved remarkable financial success in 2023. Our total revenue increased by 47% from the previous year. This is not merely a bounce-back but a significant sprint forward. What were the drivers behind this exceptional performance?



Our revamped governance regime has ushered in an era of faster, more effective decision-making, enhanced flexibility, and resilience, all while embracing a bold, commercial, and pioneering approach. We have continuously enhanced our operational efficiency through tapping into the best technologies for our data management systems and processes. This transformation is central to realizing our ambitious long-term vision. In a market that is constantly evolving, maximizing the value of our members' works has been made possible by a Board that is united in its vision and commitment.

In essence, our new vision is not just about increasing the royalties paid to our members or reducing our cost-to-income ratio. It is about revolutionizing our systems and partnerships to provide unparalleled service and comprehensive support to our members. Our determination to excel and innovate is stronger than ever, ensuring that we stay ahead in a dynamic industry.

Revenue segmentation



### Revenue Highlights and Strategic Partnerships

This year, we reached a total revenue of **P18.5 million**, marking a remarkable 47% increase from the **P12.6 million** recorded in 2022. This significant growth is attributed to unprecedented agreements finalized with both new and existing customers, including renewed deals with long-standing partners.

As anticipated, broadcasters continue to be a major revenue source, contributing just over 40% of the total revenue. Notably, 35% of this comes from the public broadcaster, the Department of Broadcasting Services.

Our licensing team has been pivotal in strengthening relationships and developing a shared understanding with our customers. Recognizing that our customers' businesses are evolving as rapidly as ours, we strive to support their drive to innovate and grow. This commitment led to an unprecedented uptake of the COSBOTS DJ License by over 100 disc jockeys. We take this opportunity to applaud all complying clients as they provide great motivation to creators and support us in empowering creativity.

### Distribution to Income Ratio

The illustration below provides a detailed overview of the revenue generated by our organization and the corresponding distributions made to our members over the past years, presented as percentages.

- **2019:** Our revenue decreased slightly to **P11.3 million**. However, we increased our distributions to **P3,011,912.00**, resulting in a revenue-to-distribution ratio of 27%.
- **2020:** Our revenue significantly increased to **P15.7 million**, and we distributed **P6,496,456.00** to our members, resulting in a revenue-to-distribution ratio of 43%.
- **2021:** Despite a decrease in revenue to **P13.4 million**, we maintained our distributions at **P6,570,000.00**, resulting in a revenue-to-distribution ratio of 54%.

- **2022:** Revenue decreased again to **P12.6 million**, but we increased our distributions to **P8,300,000.00**, resulting in a revenue-to-distribution ratio of 66%.

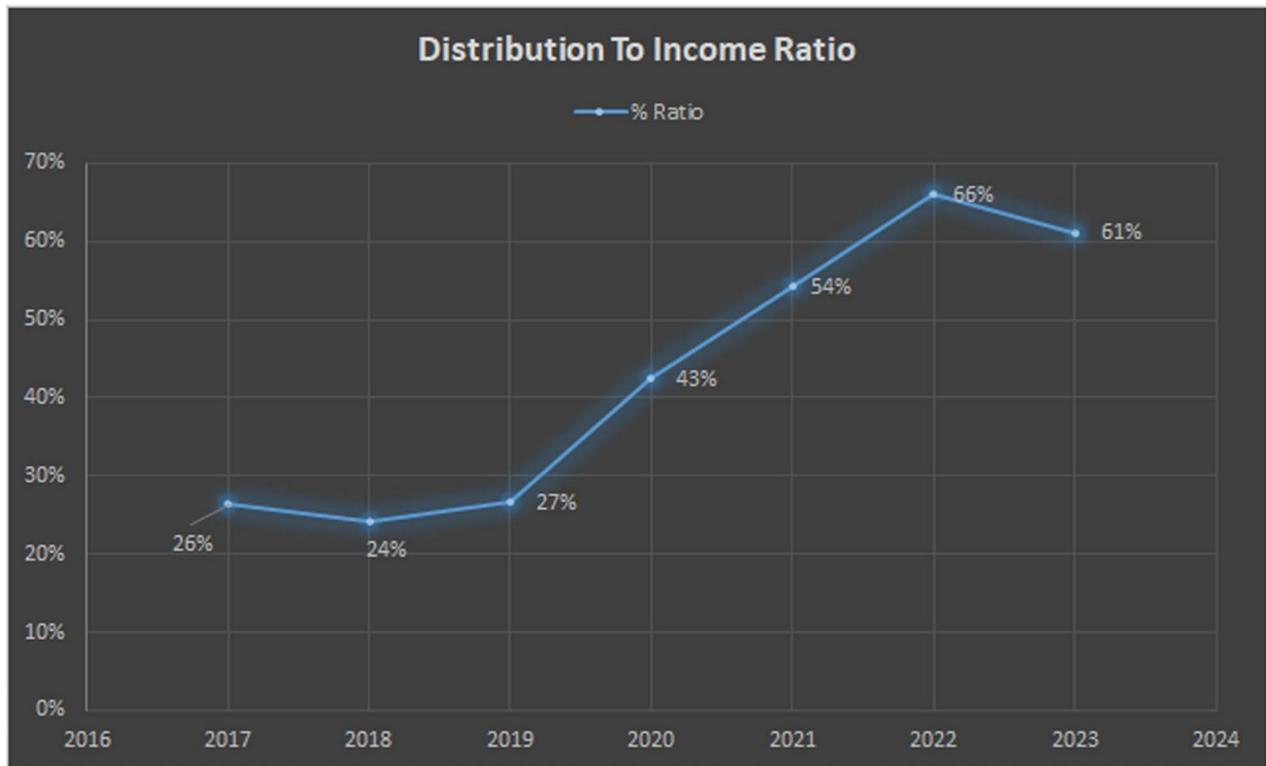
- **In 2023,** we achieved a historic milestone, collecting **P18.5 million** in royalties and paying out a record **P11.3 million** to our members. This delivered a distribution-to-income ratio of 61%. This demonstrates our commitment to ensuring that as royalties collected, increase, so do the distributions to our members, all while reducing our cost-to-income ratio. This achievement represents an ideal scenario, or "utopia" if you will, for any collective management organization.

### Drivers of Success

Last year, COSBOTS achieved total revenues that were 64% higher than in 2019, with royalties distributed increasing by an impressive 276%. This was not merely a recovery but a significant leap forward. So, what were the drivers behind this remarkable success?

Put simply, it comes down to our people, our high-performing culture, and our commercial mindset. We have developed the systems and partnerships necessary to succeed. Our new governance regime ensures faster and better decision-making, greater flexibility, and resilience, and a more commercial, pioneering approach to achieve our ambitious long-term vision.

Maximizing the value of our members' works, particularly in a constantly evolving market, has been possible because of the shared vision and commitment of our Board of Directors and Advisory Committee. Their dedication ensures that COSBOTS is not just one of the leading CMOs in Africa, but a world-class organization. The Board's guidance is invaluable to me and the senior leadership team, and their support is instrumental in driving our continued success.



### Royalty Distribution Trends

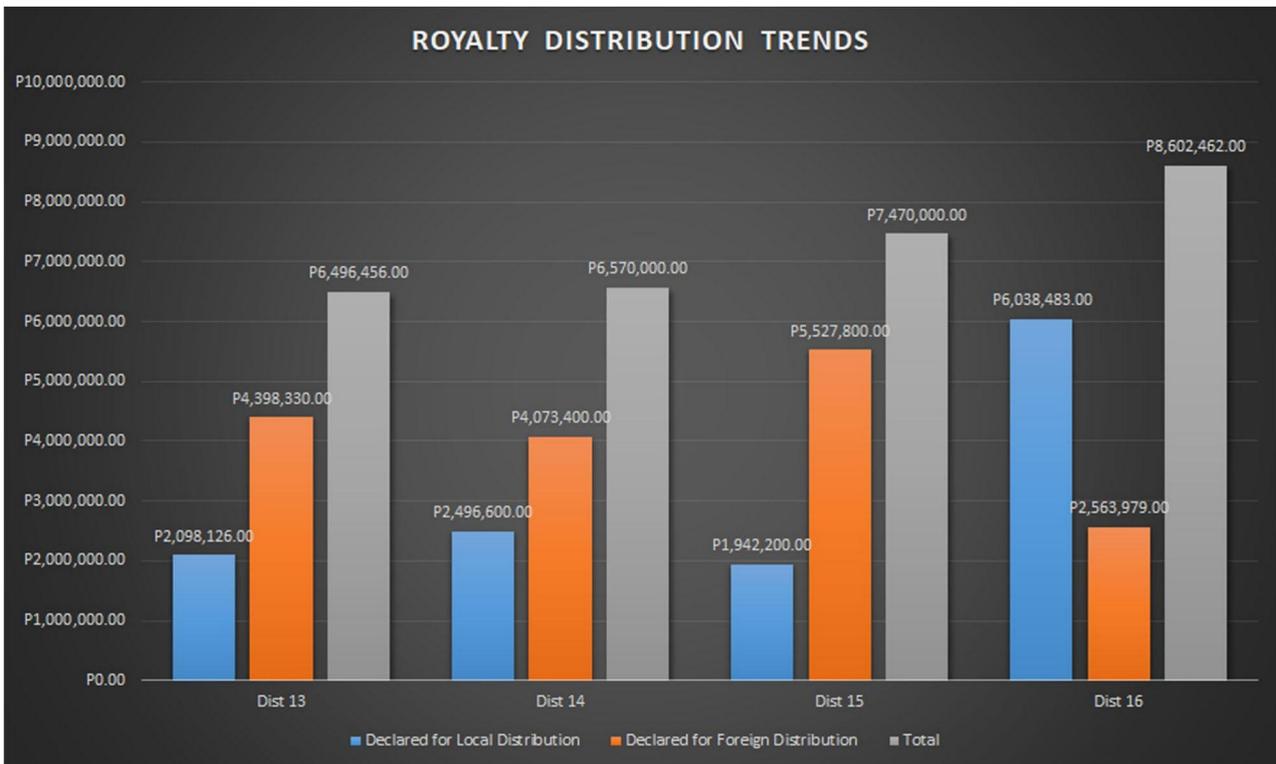
Our organization prides itself on providing our members with transparent and equitable distributions. The table below provides an overview of the distribution of royalties to our members over the past four years, analyzed through the percentage change in distributions year over year.

As a multi-purpose Collective Management Organization (CMO), we represent all sector disciplines. On March 18, 2022, the reprography tariffs were approved, and the Board sanctioned an initial reprography distribution of **P1.8 million**. This marks the beginning of many exciting initiatives in our quest to empower creativity within the book market.

On March 28, 2022, COSBOTS Board further embodied our slogan, "We Empower Creativity," by establishing a mutually beneficial relationship with the Department of Broadcasting Services (DBS). This unique collaboration between a broadcaster and a CMO aims, among other objectives, to support local talent through the DBS's 80/20 Local Content Quota.

Historically, only about 20% or less of our distributions were allocated to local creators. However, Distribution 16 saw a significant shift, with 72% being distributed to local members and 28% as foreign royalties. This substantial increase underscores the COSBOTS Board's commitment to prioritizing our members' needs. We are also in discussions with private broadcasters to achieve a more favorable local content quota, and our request has been positively received as we move toward an 80/20 distribution ratio.

In conclusion, our royalties distribution report demonstrates our unwavering commitment to providing our members with fair and transparent distributions. Our ongoing efforts and strategic partnerships are paving the way for even greater support and empowerment of local creativity.



We are thrilled to report that our membership base has grown substantially over the past year, welcoming over 320 new members from various creative sectors. As of June 30, 2023, we have a total of 3,097 members, with 3,021 musicians and 76 from other sectors.

The 76 reprography members include:

- 37 Authors of literature
- 27 visual artists
- 10 creators of craft artifacts
- 2 sculptors



Our new members span the music, literary, film, and visual arts industries, reflecting the diverse and vibrant creative community we serve. We are pleased that these talented individuals and organizations have entrusted us with efficiently managing their rights and interests. This growth is a testament to the relevance and quality of our services, and we are committed to continuing to meet the evolving needs of our members.

We are proud of the trust our new members have placed in us, and we look forward to supporting their creative endeavours. Our expanding membership base is a clear indicator of our organization's impact and our ongoing commitment to empowering and protecting the rights of creatives across all sectors.

## Digital Transformation

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

The decision to migrate our distribution systems to WIPO Connect has been pivotal. This move has enabled us to process the tens of millions of lines we receive from our monitoring system efficiently. It also provided the capacity to develop new processes and policies, resulting in millions of royalties being distributed this year. The implementation of our data strategy has given us unprecedented control over our data, allowing for more data-driven decision-making and enhancing the speed, transparency, and accuracy of our distributions.

By embracing digital transformation, we are ensuring that our organization remains agile and responsive to the needs of our members in an increasingly digital world. Our commitment to technological innovation is central to our mission of empowering creativity and providing exceptional service to our stakeholders.

## Challenges and Opportunities

As we forge ahead, we recognize that challenges and opportunities persist in the ever-evolving copyright landscape. We remain vigilant regarding 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.

While our primary purpose remains unchanged, the world around us never stops evolving. The digital revolution of the past decade has accelerated change to levels not seen since the industrialization of the 18th century, and AI is set to accelerate this even further. The challenge for any well-established business, including COSBOTS, is how to embrace the new, take controlled risks, and innovate while never losing sight of what made us valuable in the first place.

This is why the Board has asked management to embrace a culture of intrapreneurship. This approach encourages individuals to act as entrepreneurs within the organization, taking the initiative to drive forward new ideas while minimizing risk. By fostering this culture, we aim to stay at the forefront of innovation and continue delivering exceptional value to our members.

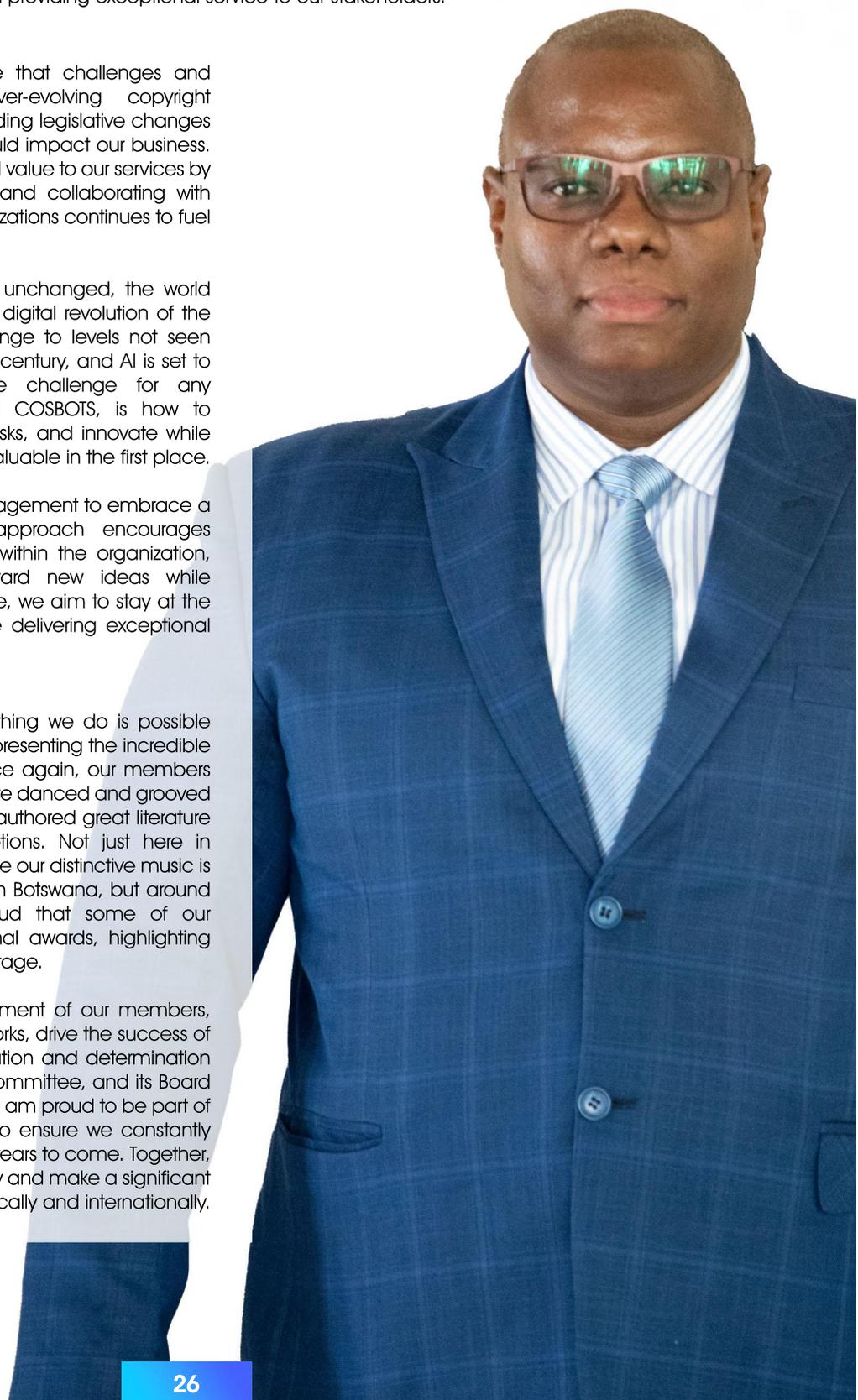
## Conclusion

Finally, and most importantly, everything we do is possible because we have the privilege of representing the incredible works of our inspiring members. Once again, our members provided the sounds and tunes that we danced and grooved to throughout the year. Others have authored great literature and art works that uplift our emotions. Not just here in Botswana, but around the world, where our distinctive music is loved and celebrated not just here in Botswana, but around the world. We are especially proud that some of our members have received international awards, highlighting their exceptional talent on a global stage.

The passion, creativity, and commitment of our members, combined with the impact of their works, drive the success of COSBOTS. Alongside this, the dedication and determination of the COSBOTS Team, its Advisory Committee, and its Board make this organization extraordinary. I am proud to be part of its leadership and am determined to ensure we constantly strive to grow and be the best in the years to come. Together, we will continue to empower creativity and make a significant impact on the music industry both locally and internationally.



**Letlhogonolo Makwinja**  
Chief Executive Officer



# OUR MANAGEMENT



Letlhogonolo Makwinja  
**Chief Executive Officer**



Ditiro Chaa  
**Head Of Operation**



Laone Mareka  
**Finance and Admin Manager**



Boitumelo Monagen  
**Licensing and Sales Manager(A)**



Patrick Matlapeng  
**Documentation and Distribution Manager**

In Loving

MEMORY

Of



**Mmerekhi Marakakgoro**

Gospel Artist

Member Since  
2013





# 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 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

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.

	Right to Present	Concruently Serves As a Director		Concruently Serves As an Employee		
		Executive	Finance, Procurement & Audit	Nominations & Governance	Membership	Human Resorces & Staff welfare
<b>Bakalanga Malikongwa</b>	✓	✓				✗
Patrick Setsiba	✓	✓			✓	✗
<b>Winnie Winani Sekani</b>	✓	✓	✓			✗
Alfred Mosimanegape	✓				✓	✗
<b>Mpho Motlhasedi</b>	✓		✓		✓	✗
Kabelo EricKgaodi	✓			✓		✓
<b>Kelebonye Sibanyoni</b>	✓		✓		✓	
Ookeditse James Moyambo	✓			✓		✓
<b>Molefanye Mphoeng</b>	✓					✓
Benjamin Mogotsi	✓			✓		
<b>Staffnurse Lesetedi Keothepile</b>	✓			✓		
Martin Ntongana	✓		✓			

## 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.

The following are COSBOTS Board Committees:

## 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 2022/23 is indicated below:

Board of Directors	Full Board	Finance & Audit Meeting	Membership	Exco	Governance
<b>Bakalanga Malikongwa</b>	18	-	-	12	-
Patrick Setsiba	8	-	1	2	-
<b>Winnie Winani Sekani</b>	18	4	1	7	-
Alfred Mosimanegape	18	-	6	9	-
<b>Mpho Motlhasedi</b>	18	1	5	1	-
Kabelo Eric Kgaodi	17	-	-	9	2
<b>Kelebonye Sibanyoni</b>	18	2	4	-	-
Ookeditse James Moyambo	18	-	-	9	2
<b>Moletlanye Mphoeng</b>	13	-	2	13	-
Benjamin Mogotsi	13	-	2	-	1
<b>Staffnurse Lesetedi Keothepile</b>	13	-	2	-	1
Martin Ntongana	13	2	-	-	-

## DIRECTORS RELATIONSHIP WITH THE COMPANY

Sector	Symbol	Definition
PRINTING & PUBLISHING		Representing authors of literary, artistic and musical works as well as publishers in text and image-based industries
VISUAL ARTS & PHOTOGRAPHY		Representing rights holders for visual material. Visual material takes many forms including the following: i. Fine art, such as painting and sculpture ii. Photography, such as documentary, and photographic artworks iii. Illustrators, such as cartoons, diagrams, and maps iv. Craft and applied art, such as jewellery, ceramics, and textiles v. Design, such as graphic design vi. Architecture vii. Prints, such as engravings and woodcuts producers as financial partners in the video and film making industries
FOLKLORE		Representing artists in the field of traditional knowledge and cultural expressions
DRAMA & THEATRICAL		Representing Writers and dramatists, directors and choreographers, scenic designers, actors, and singers who are involved in the production of a dramatic work
AUDIO VISUAL & FILM		Representing authors and performers as creative collaborators, and producers as financing partners in the video and film making industries
MUSIC & RECORDING		Representing rightsholders of musical works being songwriters, performers, composers and music publishers as well as record companies

### Board of Directors



Board Member	Document/Publishing	Visual Arts/Photography	Folklore	Drama/Theatrical	Audio Visual/Film	Music/Recording
<b>Bakalanga Malikongwa</b>	●			●	●	
Patrick Setsiba	●	●	●	●		●
<b>Winnie Winani Sekani</b>	●					●
Alfred Mosimanegape	●					●
<b>Mpho Motlhasedi</b>	●					●
Kabelo Eric Kgaodi	●					●
<b>Kelebonye Sibanyoni</b>				●	●	
Ookeditse James Moyambo	●		●			●
<b>Moletlanye Mphoeng</b>	●					●
Benjamin Mogotsi	●					
<b>Staffnurse Lesetedi Keothepile</b>	<b>Expert Director - Copyright &amp; Related Rights</b>					
Martin Ntongana	<b>Government Representative</b>					

### 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:

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.

# BOARD GOVERNANCE COMPLIANCE

PRINCIPLE	2023	COMMENT
A governance framework should be agreed between the group and its subsidiary boards.	✓	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	P	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 Organization complies with applicable laws and non-binding rules. The Organization also seeks professional legal advice from time to time as and when required
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 annual report is an integrated report.
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 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 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.
he Board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is distressed.	P	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.	✓	The evaluation of the Board is done biennially.
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

## PRINCIPLE

## 2023 COMMENT

A governance framework should be agreed between the group and its subsidiary boards.	✗	This 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.	P	The Board shall determine the level of risk tolerance according to the Enterprise Risk Framework after finalisation and approval of the 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 riskmanagement 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 perational 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.	✗	A formal ERM framework which relies on IS031000 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	✓	Risk management process has been implemented in the 2023/2024.
The Board should ensure that there are processes in place enabling complete, timely, relevant and accurate and accessible risk disclosure to stakeholders	✓	Proper risk disclosures are implemented.
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	✓	A formal Compliance framework is in place. We annually report to CIPA, CISAC, IFFRO, IFPI
<b>Governing of Stakeholder Relationships</b>		
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.

In Loving

MEMORY

Of



**Gokatweng Rakhudu**

Jazz Artist

Member Since  
2014

2022/23

# Key Events

## SOLUTIONS FOR DIGITIZATION, DOCUMENTATION AND ARCHIVING OF LEGACY AUDIO VISUAL MEDIA SEMINAR.

On the 13th of July 2022, COSBOTS alongside Department of Broadcasting Services (DBS) held a Solutions for Digitization, Documentation and Archiving of Legacy Audio-Visual Media Seminar at Grand Aria Hotel. The event was graced by other stakeholders including those from Cube-Tec. Cube-Tec develops integrated solutions for large media archives. This seminar served as an opportunity for COSBOTS and DBS to learn about systems that can be put in place to manage media archives and monitoring systems.



**Joel Thuto**  
BTV GENERAL MANAGER

Solutions for Digitization, Documention and Archiving Of Legacy Audio Visual Media SEMINAR



**Tom Lorenz**  
CUBE TEC

Solutions for Digitization, Documention and Archiving Of Legacy Audio Visual Media SEMINAR



**Piet Dempsey**  
KNOWLEDGE FOCUS

Solutions for Digitization, Documention and Archiving Of Legacy Audio Visual Media SEMINAR



**Raymond Tsheko**  
DIRECTOR OF DBS

Solutions for Digitization, Documention and Archiving Of Legacy Audio Visual Media SEMINAR

2022/23

# Key Events

## IMPLEMENTATION OF DOCUMENTATION RIGHTS SEMINAR

On the **3rd of August 2022** COSBOTS held an Implementation of Documentation of Rights Seminar. The seminar was held to impart knowledge and skills on tools for Documenting and Archiving of Music/Sound Recording and Audio-Visual Works. Expert industry professionals led informative presentations on tools for Re-Notification of Music/Sound Recording Works with the aim to educate various stakeholders and artists in attendance.



Mr. Karabo Motitjoane  
Nana Coyote Productions



Mr. Alfred Mosimanegape  
Director - COSBOTS Board

IMPLEMENTATION OF DOCUMENTATION OF RIGHTS SEMINAR

IMPLEMENTATION OF DOCUMENTATION OF RIGHTS SEMINAR



Mr. Ditiro Chaa  
COSBOTS Head of Operations



Mr. Raymond Tsheko  
Director  
Department of Broadcasting Services

IMPLEMENTATION OF DOCUMENTATION OF RIGHTS SEMINAR

IMPLEMENTATION OF DOCUMENTATION OF RIGHTS SEMINAR

In Loving

# MEMORY

Of



**Enock Khwaneng**

Jazz Artist

Member Since  
2020

2022/23

# Key Events

## REPROGRAPHY MEMBERSHIP WORKSHOP

COSBOTS held a series of workshops for those in the Reprography sector as it had launched the Reprography initiative of collecting royalties for those in the Reprography sector. One of the workshops was held at Thapong Visual Arts Centre on the **9th of August 2022**. In attendance was Visual Artists including Sculptors, Fine Arts, Photographers, Graphic Designers, Print and Publishing Authors of Literary Works (text, image, illustrators), Artistic Works and Publishers of Text and Image Works as well as Screen Writers and Directors. The aim of workshop was to sensitize participants about artistic rights, COSBOTS membership, contracts and royalties. It was a new dawn for reprography creatives.



2022/23

# Key Events

## ANNUAL GENERAL MEETING 2023

On the **22nd of April 2023**, the Copyright Society of Botswana (COSBOTS) held its inaugural Multi-Location Hybrid Annual General Meeting. The meeting was held in multiple locations simultaneously with real-time broadcasting so that those members of the organizations unable to attend the meeting in person in Gaborone were able to do so in their locations. The AGM was held in four locations; Gaborone, Palapye, Francistown and Maun.

The AGM was held for the presentation of the company's performance for the financial year ending June 2023. The AGM provided a platform for members of the organization to engage with the organization's leadership and offered them an opportunity to participate in the decision-making process of critical issues that affect them as a collective. Furthermore, members of the organization were encouraged to take time to market and invest in their work.



2022/23

# Key Events

## FICTION, ACADEMIC AND NON-FICTION AUTHORS ASSOCIATION OF BOTSWANA (FANFABO) LAUNCH

On the **14th of October 2023**, The Fiction, Academic and Non-Fiction Authors Association of Botswana was launched as an initiative to support the protection of the creators' rights and to contribute to the promotion of policies that will build the capacities in the authorship creative industry.



In Loving

# MEMORY

Of



**Tefo Ntsima**

Traditional Song & Dance Artist

Member Since  
2021

# FINANCIAL REPORT 22/23

Winnie Winani Sekani

## Introduction

We are pleased to present the Integrated Annual Finance Report for the Copyright Society of Botswana for the financial year ended June 30, 2023. This report provides a comprehensive overview of our financial performance, financial position, and future outlook.

## Statutory Compliance

The Society's annual financial statements have been compiled in accordance with International Financial Reporting Standards (IFRS) and have been independently audited. This audit is in compliance with the Botswana Companies Act, which mandates audits for all companies with revenue exceeding P10 million and a total asset base of over P5 million.

## Financial Performance Overview

### Revenue

Our total revenue for the year amounted to **P18,536,734.00**, reflecting a significant increase of 48% from the previous year's revenue of **P12,556,034**.

COSBOTS is pleased to announce that the reprographic reproduction rights tariffs were approved by the Companies and Intellectual Property Authority (CIPA) on March 18, 2022. This fiscal year-end marks our first full year of revenue collections from this tariff. In its introductory year, the reprography rights revenue amounted to **P5,288,757.00**, while music rights revenue totalled **P13,247,981.00**.

### Write-Backs

During the year, COSBOTS has written back into the distribution pool **P1,579,474.00** of unmatched local royalties. These are local royalties held in our holding account since 2018, exceeding the holding period of two years. Additionally, **P1,488,350.00** of uncollected COVID-19 relief funds, which were declared to our members to mitigate the financial impact of the pandemic, have also been written back into the distribution pool. The financial relief was made available for a period of 12 months, and the unclaimed balance is being written back as it was not claimed within the provision period. All our write-backs are done in line with Rule 17 of our distribution rules. These write-backs were used to bolster our reserves and to supplement the D16 royalties' distribution.

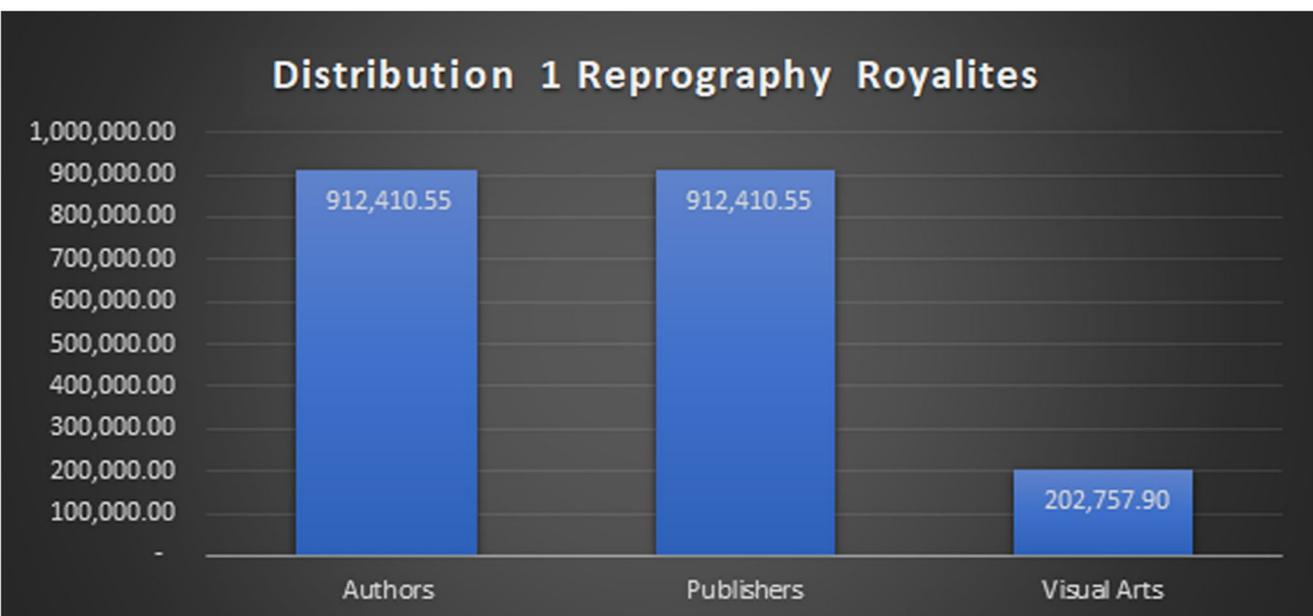
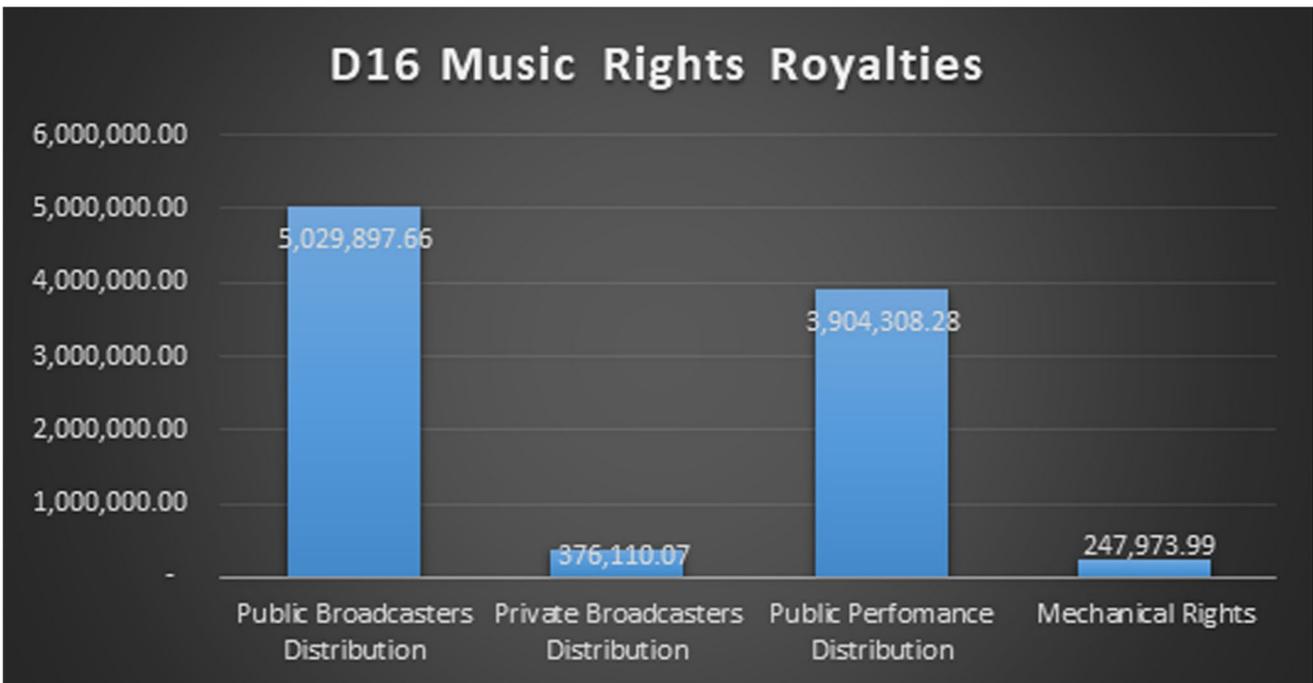


### Distribution 16 Declaration

The total declaration of royalties for Distribution 16 is **P11,270,071**, representing a 36% increase from the previous fiscal year. In the fiscal year ended 2022, the declared Distribution 15 royalties were **P8,300,000**. The Distribution 16 royalties are segmented as follows: **P9,558,290** for music rights and **P2,027,577** for reprographic rights.

COSBOTS is committed to ensuring that copyright owners are the primary beneficiaries of the strides made in royalties collections. This commitment is evidenced by the linear correlation between our distributions and the growth in collections. The fiscal year-end distribution revenue ratio stands at **61%**, indicating that 61% of our revenue collections have been allocated as royalties to copyright owners. The Distribution 16 declaration is detailed as follows:

Category	Amount (P)
Music Rights	9,558,290
Reprographic Rights	2,027,577
<b>Total</b>	<b>11,270,071</b>



### Operating Expenses

Our operating expenses for the year totalled **P11,643,447.00**, representing a 12% reduction from the previous year's expenses of **P13,263,521.00**. This reduction highlights COSBOTS' commitment to a stringent budgeting process, which enables us to manage our resources more effectively and reduce overall expenditure.

### Overall Performance

The company recorded a net loss of **P4,628,631.00** for the fiscal year, compared to a net loss of **P2,003,309.00** in the previous year. As a company limited by guarantee, COSBOTS exists primarily to collect royalties for the use of copyrighted works and distribute these royalties to the copyright owners. While achieving profitability is important for sustaining our financial reserves, it remains secondary to our primary mandate. Despite the net loss, the company has declared a 36% increase in royalty distribution compared to the previous year.

### Financial Position

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

### Right-of-Use Assets

The company has acquired its building and motor vehicles under a finance lease arrangement. The carrying amount for the building at year-end is **P3,219,754.00**, while the total carrying value of motor vehicles is **P106,337.00**. The total outstanding lease liability on these lease assets is **P1,765,370**.

### Trade and Other Receivables

Trade and other receivables stand at **P3,607,083.00**, representing a 545% increase from the previous year's balance of **P559,302**. In accordance with IFRS 9 expected credit loss standards, a loss allowance of **P2,504,490** has been recognized against our trade receivables. Additionally, the company has allocated **P2,500,000** from our reserves to our lawyer's trust account to facilitate the purchase of a property intended to have a creative hub built for our members.

This initiative aligns with our mission to empower creativity. COSBOTS has observed the success of creative hubs in South Africa and believes that a similar initiative will effectively empower local creatives.

### Short-term Investments

As of the fiscal year-end, the company has **P10,323,580** yielding a competitive interest rate of 7.5%, in a fixed deposit account with Bank Gaborone.

### Liquid Assets

The organization maintained liquid assets totalling **P11,610,611.00** in current accounts and **P3,245,395.00** in call accounts. These funds were held in local commercial banks, including FNB, ABSA Bank, and Stanbic Bank.

### Trade and Other Payables

Trade and other payables at year-end totalled **P2,837,651.00**, reflecting a 90% increase from the previous year's balance of **P1,490,414.00**. As a VAT-registered entity, COSBOTS had **P1,652,346.00** of the closing balance pertaining to VAT liabilities, which were subsequently settled after the year-end.

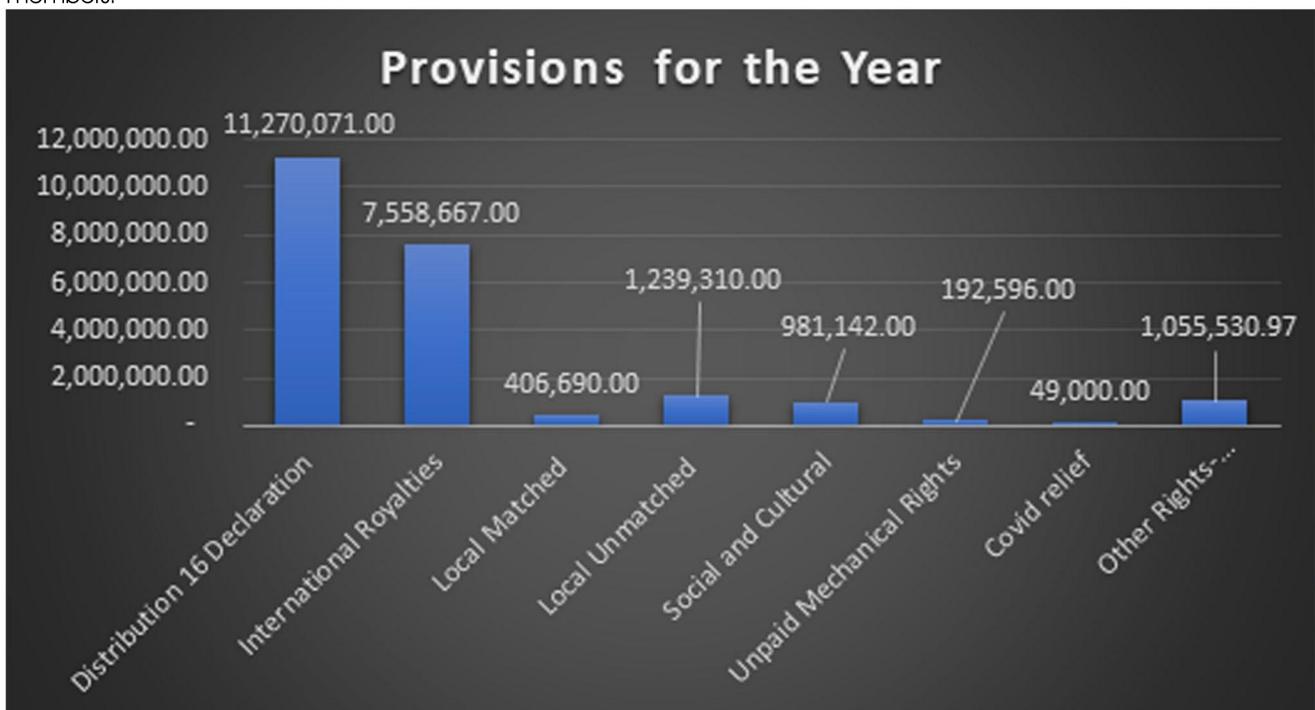
### Deferred Income

The organization experienced a 45% reduction in its deferred income liability to **P4,578,417.00**. The Copyright Society of Botswana issues annual licenses, and in certain instances, the license period extends beyond the fiscal year. Consequently, such collections are recognized as deferred income.

### Provisions

As of the end of the fiscal year, the company's provisions totalled **P22,820,933.00**, reflecting a 30% increase from the previous year's balance of **P17,539,740**. The provisions include Distribution 16 royalties of **P11,270,071**, with payouts initiated after year-end in December 2023. The breakdown of the remaining provisions is as follows:

These allocations reflect our ongoing commitment to fulfilling our financial obligations and supporting our members' creative endeavours.



Overall, we maintained a healthy financial position and remain well-positioned to pursue our strategic initiatives and achieve our long-term objectives.

### Outlook

We are highly optimistic about our future prospects and confident in our ability to continue delivering strong financial performance while maintaining our focus on sustainability and responsible business practices. Several initiatives drive our optimism:

### Department of Broadcasting Service

The Copyright Society of Botswana continues to maintain a robust partnership with the Department of Broadcasting Service, Botswana's largest broadcaster. This collaboration aligns with our mandate to empower creativity. In 2022, we formalized this arrangement through a Memorandum of Agreement (MOU). A key component of this MOU is the 80:20 local content guideline, which has significantly increased royalty payments to local artists. We are pleased to announce that we are in deliberations to extend the MOU with the Department of Broadcasting Service for an additional five years.

### Reprographic Reproduction Rights

The Copyright Society of Botswana has achieved significant progress in the reprographic sector, collecting over **P5,288,757** in its inaugural year. Despite these impressive results, major clients were still unlicensed at the end of the fiscal year. Deliberations are underway with key clients, including the Ministry of Education, the University of Botswana, and other private unlicensed tertiary institutions. Upon successful conclusion of these deliberations, collections for this tariff are projected to reach approximately P12 million in the next fiscal year.

### WIPO Connect

The Copyright Society of Botswana is pleased to report that Distribution 16 will be the first distribution to fully utilize the WIPO Connect system. The World Intellectual Property Organization (WIPO), a UN specialized agency, developed this system to enhance the efficiency of Collective Management Organizations.

WIPO Connect is designed to streamline and automate the distribution process, which is crucial for COSBOTS. The system is expected to enhance transparency, accuracy, and speed of our distribution process, thereby providing better service to copyright owners.

These initiatives reflect our commitment to driving growth, supporting our members, and advancing the creative industries in Botswana.

### Audio-Visual Rights

In accordance with WIPO treaties, the Copyright Society of Botswana is currently drafting tariffs for audio-visual rights. All rights holders are entitled to receive compensation for the commercial use of their works. However, to date, these royalties have not been effectively collected in Botswana. The society is diligently working to ensure that these rights holders will also receive fair compensation for the exploitation of their works. We are currently refining the tariff draft in consultation with industry experts and will submit it to the Companies and Intellectual Property Authority (CIPA) upon internal approval.

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



Ms. Winnie Winani Sekani  
**Treasurer**



In Loving

# MEMORY

Of



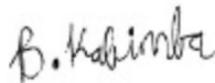
**Thabo “Mapetla” Ntirang**

Kwaito ARTIST

Member Since  
2024

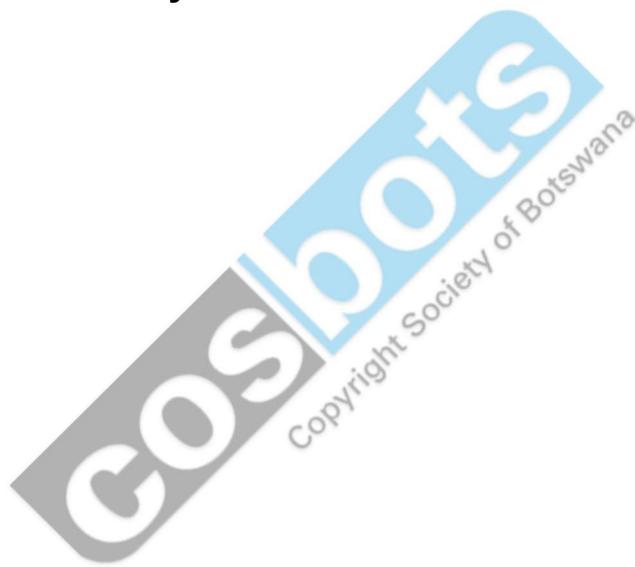
# CERTIFICATE BY COMPANY SECRETARY

In my capacity as Company Secretary, I hereby certify, in terms of the Compliance Act, that for the year ended June 30, 2023. 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.



Bonang Kabimba  
**Company Secretary**  
30th June 2023

**Copyright Society of Botswana  
(Registration number BW00000230497)  
Annual Financial Statements  
for the year ended 30 June 2023**



# Copyright Society of Botswana

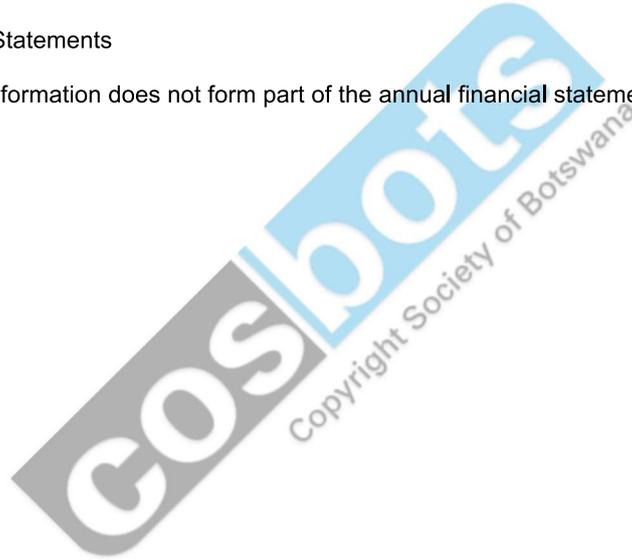
(Registration number BW00000230497)

Annual Financial Statements for the year ended 30 June 2023

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Statement of Changes in Equity	10
Statement of Cash Flows	11
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The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Income Statement	40 - 41



# Copyright Society of Botswana

(Registration number BW00000230497)

Annual Financial Statements for the year ended 30 June 2023

## Directors' Responsibilities and Approval

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The directors are required 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 year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with 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 2024 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 page 6 to 7.

The annual financial statements set out on pages 8 to 41, which have been prepared on the going concern basis, were approved by the board of directors on 29 FEBRUARY 2024 and were signed on their behalf by:

### Approval of financial statements



**Bakalanga Malikongwa (Board Chairperson)**



**Winnie Winani Sekani (Treasurer)**

# Copyright Society of Botswana

(Registration number BW00000230497)

Annual Financial Statements for the year ended 30 June 2023

## Directors' Report

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The directors have pleasure in submitting their report on the annual financial statements of Copyright Society of Botswana for the year ended 30 June 2023.

### 1. 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.

### 2. 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.

### 3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standards. 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.

### 4. Directorate

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

Directors	Office	Designation
Bakalanga Malikongwa	Chairperson	Non-executive
Ookeditse Moyambo	Vice Chairperson	Non-executive
Winnie 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
Patrick Setsiba		Non-executive
Kelebonye Sibanyoni		Non-executive
Martin Ntongana		Non-executive
Staffnurse Bangu Lesetedi-Keothepile		Non-executive
Lethogonolo Makwinja		Executive

### 5. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

### 6. 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.

# Copyright Society of Botswana

(Registration number BW00000230497)

Annual Financial Statements for the year ended 30 June 2023

## Directors' Report

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### 7. Secretary

The company secretary is Baker Tilly Botswana.

The annual financial statements set out on pages 8 to 41, which have been prepared on the going concern basis, were approved by the board of directors on 29 FEBRUARY 2024, and were signed on its behalf by:

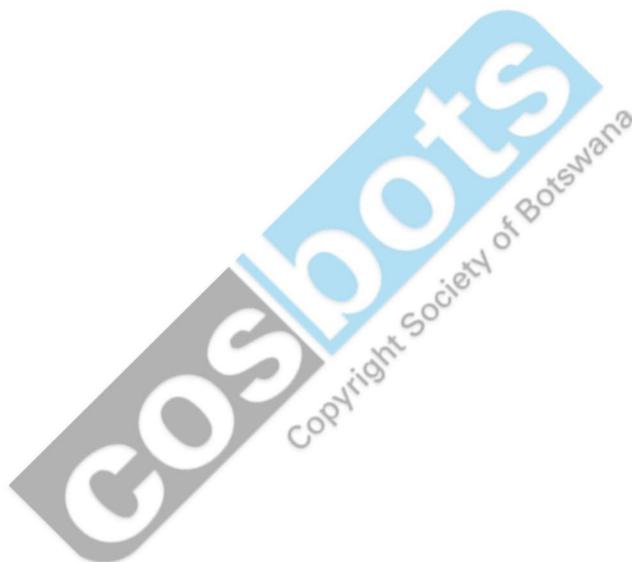
#### Approval of annual financial statements



**Bakalanga Malikongwa**  
Board Chairperson



**Winnie Winani Sekani**  
Treasurer



## **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 39, which comprise the statement of financial position as at 30 June 2023, statement of profit or loss and other comprehensive income, 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 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

### ***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 entity 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 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 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 2023", which includes the Directors' Responsibilities and Approval, Directors' Report and the supplementary information as set out on pages 40 to 41. 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.

### ***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 entity'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 entity 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 entity'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 entity 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.

### **MSD Mesotlo & Associates**

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**Maemo S D Mesotlo & Associates**  
**Firm of Certified Auditors**  
**Practicing member: Maemo S D Mesotlo (CAN 0012 2024)**

**08 March 2024**  
**Gaborone**

# Copyright Society of Botswana

(Registration number BW00000230497)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Financial Position as at 30 June 2023

Figures in Pula	Note(s)	2023	2022
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	413,180	495,035
Right-of-use assets	4	3,326,091	3,616,275
Intangible assets	5	30,573	45,860
		<b>3,769,844</b>	<b>4,157,170</b>
<b>Current Assets</b>			
Trade and other receivables	6	3,607,083	559,302
Cash and cash equivalents	7	25,184,054	29,842,568
		<b>28,791,137</b>	<b>30,401,870</b>
<b>Total Assets</b>		<b>32,560,981</b>	<b>34,559,040</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Retained income		558,610	5,187,241
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Lease liabilities	4	1,290,359	1,772,930
<b>Current Liabilities</b>			
Trade and other payables	9	2,837,651	1,490,414
Lease liabilities	4	475,011	276,381
Deferred income	10	4,578,417	8,292,334
Provisions	8	22,820,933	17,539,740
		<b>30,712,012</b>	<b>27,598,869</b>
<b>Total Liabilities</b>		<b>32,002,371</b>	<b>29,371,799</b>
<b>Total Equity and Liabilities</b>		<b>32,560,981</b>	<b>34,559,040</b>

\* See Note

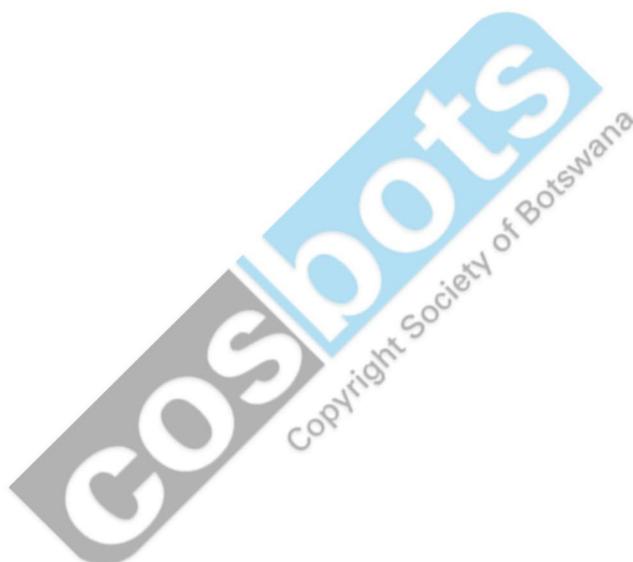
# Copyright Society of Botswana

(Registration number BW00000230497)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Profit or Loss and Other Comprehensive Income

Figures in Pula	Note(s)	2023	2022
Revenue	11	18,536,737	12,556,034
Other operating income	13	370,926	269,573
Movement in credit loss allowances	14	(1,032,837)	(1,725,812)
Other operating expenses		(11,643,447)	(13,263,621)
<b>Operating profit (loss)</b>	14	<b>6,231,379</b>	<b>(2,163,826)</b>
Investment income	16	588,652	658,244
Finance costs	17	(178,591)	(198,297)
Royalty distribution	12	(14,337,895)	(8,300,000)
Royalty distribution written-back	12	3,067,824	8,000,570
<b>Total profit (loss) for the year</b>		<b>(4,628,631)</b>	<b>(2,003,309)</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss) income for the year</b>		<b>(4,628,631)</b>	<b>(2,003,309)</b>



\* See Note

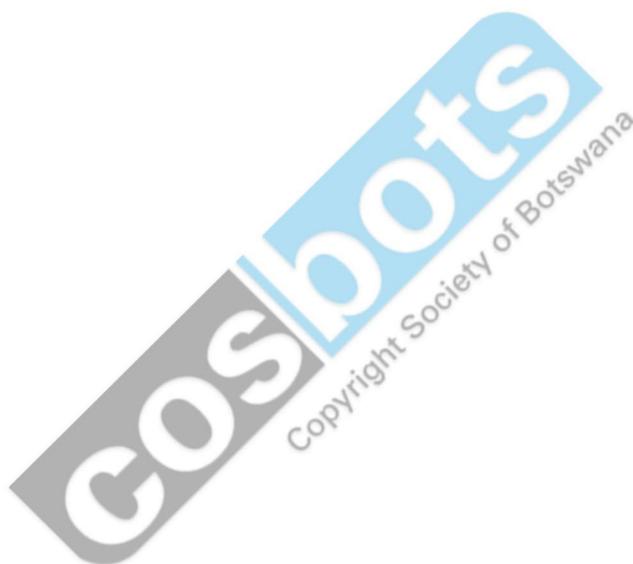
# Copyright Society of Botswana

(Registration number BW00000230497)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Changes in Equity

Figures in Pula	Retained income	Total equity
<b>Balance at 01 July 2021</b>	<b>7,190,550</b>	<b>7,190,550</b>
Loss for the year	(2,003,309)	(2,003,309)
Other comprehensive income	-	-
<b>Total Loss for the year</b>	<b>(2,003,309)</b>	<b>(2,003,309)</b>
<b>Balance at 01 July 2022</b>	<b>5,187,241</b>	<b>5,187,241</b>
Loss for the year	(4,628,631)	(4,628,631)
Other comprehensive income	-	-
<b>Total loss for the year</b>	<b>(4,628,631)</b>	<b>(4,628,631)</b>
<b>Balance at 30 June 2023</b>	<b>558,610</b>	<b>558,610</b>



\* See Note

# Copyright Society of Botswana

(Registration number BW00000230497)

Annual Financial Statements for the year ended 30 June 2023

## Statement of Cash Flows

Figures in Pula	Note(s)	2023	2022
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	18	(4,721,879)	32,462
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	3	(62,755)	(385,710)
<b>Net cash from investing activities</b>		<b>(62,755)</b>	<b>(385,710)</b>
<b>Cash flows from financing activities</b>			
Payment on lease liabilities		(283,941)	(245,656)
Interest income		588,652	658,244
Finance costs		(178,591)	(198,297)
<b>Net cash from financing activities</b>		<b>126,120</b>	<b>214,291</b>
<b>Total cash movement for the year</b>		<b>(4,658,514)</b>	<b>(138,957)</b>
Cash at the beginning of the year		29,842,568	29,981,525
<b>Total cash at end of the year</b>	7	<b>25,184,054</b>	<b>29,842,568</b>

\* See Note

# Copyright Society of Botswana

(Registration number BW00000230497)

Annual Financial Statements for the year ended 30 June 2023

## Significant Accounting Policies

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### 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.

### 1. Significant accounting policies

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

#### 1.1 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.

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 year. Certain comparative figures have been reclassified following a review of the company's financial statements. The presentation of the financial statements has been changed to provide information that is reliable and more relevant to the users of the financial statements.

#### 1.2 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.

#### 1.3 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.

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## Significant Accounting Policies

### 1.3 Property, plant and equipment (continued)

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.

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
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.

### 1.4 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

### 1.5 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:

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## Significant Accounting Policies

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### 1.5 Financial instruments (continued)

- Amortised cost

Note 22 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:



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## Significant Accounting Policies

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### 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 14).

##### 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 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 22).

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## Significant Accounting Policies

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### 1.5 Financial instruments (continued)

#### 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 17).

Trade and other payables expose the company to liquidity risk and possibly to interest rate risk. Refer to note 22 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.

### 1.6 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.

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## Significant Accounting Policies

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### 1.6 Leases (continued)

#### Company as lessee

A lease liability and corresponding right-of-use asset 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 14) 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 17).

The company remeasures the lease liability, when applicable, in accordance with the following table:

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<b>Lease liability remeasurement scenario</b>	<b>Lease liability remeasurement methodology</b>
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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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## Significant Accounting Policies

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### 1.6 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.

### 1.7 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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## Significant Accounting Policies

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### 1.8 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.

### 1.9 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.

### 1.10 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

### 1.11 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.

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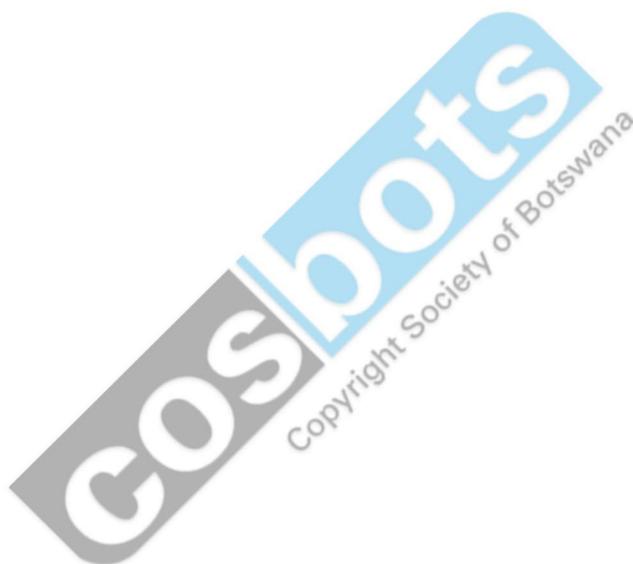
Annual Financial Statements for the year ended 30 June 2023

### Significant Accounting Policies

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#### 1.12 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

Figures in Pula

2023

2022

### 2. New Standards and Interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1	01 January 2022	The impact of the amendments is not material.
• Reference to the Conceptual Framework: Amendments to IFRS 3	01 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9	01 January 2022	The impact of the amendments is not material.
• Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16	01 January 2022	The impact of the amendments is not material.
• Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37	01 January 2022	The impact of the amendments is not material.
• Annual Improvement to IFRS Standards 2018-2020: Amendments to IAS 41	01 January 2022	The impact of the amendments is not material.

#### 2.2 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 2023 or later periods:

<b>Standard/ Interpretation:</b>	<b>Effective date: Years beginning on or after</b>	<b>Expected impact:</b>
• Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	01 January 2023	Unlikely there will be a material impact

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## Notes to the Annual Financial Statements

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2023 2022

### 3. Property, plant and equipment

	2023				2022			
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value	Carrying value	
Furniture and fixtures	235,710	(169,486)	66,224	227,751	(157,720)	70,031	70,031	
Office equipment	83,855	(36,355)	47,500	60,265	(25,364)	34,901	34,901	
IT equipment	837,865	(538,409)	299,456	806,659	(416,556)	390,103	390,103	
<b>Total</b>	<b>1,157,430</b>	<b>(744,250)</b>	<b>413,180</b>	<b>1,094,675</b>	<b>(599,640)</b>	<b>495,035</b>	<b>495,035</b>	

### Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	70,031	7,959	(11,766)	66,224
Office equipment	34,901	23,590	(10,991)	47,500
IT equipment	390,103	31,206	(121,853)	299,456
	<b>495,035</b>	<b>62,755</b>	<b>(144,610)</b>	<b>413,180</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>

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## Notes to the Annual Financial Statements

Figures in Pula

	2023	2022
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### 3. 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	3,219,755	3,314,437
Motor vehicles	106,337	301,838

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.

### 4. Leases (company as lessee)

The company has purchased land & buildings and motor vehicles under a finance lease arrangement.

Details pertaining to leasing arrangements, where the company is lessee are presented below:

#### 1. Bank Gaborone finance lease

The finance is payable over 180 months at equal installments of about BWP 23,799 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.

#### 2. Wesbank finance lease

The company has purchased motor vehicles through the Wesbank finance lease arrangement. The average lease term is 5 years (2022: 5 years) at an average rate of 9.25% (2022: 9.25%).

#### Net carrying amounts of right-of-use assets

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

Buildings	3,219,754	3,314,436
Motor vehicles	106,337	301,839
	<b>3,326,091</b>	<b>3,616,275</b>

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

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## Notes to the Annual Financial Statements

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### 4. 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 14), as well as depreciation which has been capitalised to the cost of other assets.

Buildings	94,682	94,683
Motor vehicles	195,502	202,440
	<b>290,184</b>	<b>297,123</b>

#### Other disclosures

Interest expense on lease liabilities	178,591	198,297
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#### Lease liabilities

The maturity analysis of lease liabilities is as follows:

Within one year	772,308	475,004
Two to five years	1,132,875	1,627,130
More than five years	671,364	956,955
	<b>2,576,547</b>	<b>3,059,089</b>
Less finance charges component	(811,177)	(1,009,778)
	<b>1,765,370</b>	<b>2,049,311</b>
Non-current liabilities	1,290,359	1,772,930
Current liabilities	475,011	276,381
	<b>1,765,370</b>	<b>2,049,311</b>

### 5. Intangible assets

	2023			2022		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	61,147	(30,574)	30,573	61,147	(15,287)	45,860

#### Reconciliation of intangible assets - 2023

	Opening balance	Amortisation	Total
Computer software, other	45,860	(15,287)	30,573

#### Reconciliation of intangible assets - 2022

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

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## Notes to the Annual Financial Statements

Figures in Pula	2023	2022
<b>6. Trade and other receivables</b>		
<b>Financial instruments:</b>		
Trade receivables	3,402,067	2,200,846
Loss allowance	(2,504,490)	(1,725,812)
Trade receivables at amortised cost	897,577	475,034
Deposits	3,880	880
Insurance prepaid	114,533	82,388
Prepayments	2,521,000	-
Agents advances	4,932	-
<b>Non-financial instruments:</b>		
Employee costs in advance	65,161	1,000
<b>Total trade and other receivables</b>	<b>3,607,083</b>	<b>559,302</b>
<b>Split between non-current and current portions</b>		
Current assets	3,607,083	559,302
<b>Financial instrument and non-financial instrument components of trade and other receivables</b>		
At amortised cost	3,541,922	558,302
Non-financial instruments	65,161	1,000
	<b>3,607,083</b>	<b>559,302</b>

### Exposure to credit risk

Trade receivables inherently expose the company to credit risk, being the risk that the company will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

The company measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which 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:

Expected credit loss rate:	2023	2023	2022	2022
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Not past due: 16%	601,152	(96,184)	59,008	(9,364)
1-30 days past due: 61%	717,569	(437,717)	913,808	(557,821)
31 - 60 days past due: 63%	217,947	(137,307)	56,095	(35,369)
61 - 90 days past due 79%	61,844	(48,857)	41,256	(32,443)

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Figures in Pula	2023		2022	
<b>6. Trade and other receivables (continued)</b>				
91 - 120 days past due 83%	28,465	(23,625)	26,625	(22,091)
121 - 150 days past due 83%	84,061	(69,771)	209,480	(174,150)
More than 151 days past due 100%	1,691,029	(1,691,029)	894,574	(894,574)
<b>Total</b>	<b>3,402,067</b>	<b>(2,504,490)</b>	<b>2,200,846</b>	<b>(1,725,812)</b>

### 7. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4,468	2,575
Current accounts	11,610,611	8,760,512
Call accounts	3,245,395	4,713,926
Fixed deposit accounts	10,323,580	16,365,555
	<b>25,184,054</b>	<b>29,842,568</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% (2022: 3.30%). The proportionate amount of interest up to 30 June is added to the cost of investment to approximate fair value.

### 8. Provisions

#### Reconciliation of provisions - 2023

	Opening balance	Additions	Utilised during the year	Reclassification during the year	Reversed during the year	Total
Royalty distributions	16,536,552	11,337,895	(3,674,183)	(830,000)	(1,579,474)	21,790,790
Social and cultural funds	647,449	-	(496,306)	830,000	-	981,143
Covid relief	288,350	3,000,000	(1,751,000)	-	(1,488,350)	49,000
DBS Project	67,388	-	(67,388)	-	-	-
	<b>17,539,739</b>	<b>14,337,895</b>	<b>(5,988,877)</b>	<b>-</b>	<b>(3,067,824)</b>	<b>22,820,933</b>

#### 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
Covid relief	-	2,000,000	(2,030,122)	318,472	-	288,350
Social and cultural	154,097	490,238	(492,676)	495,790	-	647,449
DBS	-	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>

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.

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Figures in Pula	2023	2022
<b>9. Trade and other payables</b>		
<b>Financial instruments:</b>		
Trade payables	119,924	425,323
Other payables	127,213	-
Payroll accruals	865,373	378,944
Purchases accrual	72,795	72,861
<b>Non-financial instruments:</b>		
VAT	1,652,346	613,286
	<b>2,837,651</b>	<b>1,490,414</b>
<b>Financial instrument and non-financial instrument components of trade and other payables</b>		
At amortised cost	1,185,305	877,128
Non-financial instruments	1,652,346	613,286
	<b>2,837,651</b>	<b>1,490,414</b>
<b>10. Deferred income</b>		
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 P4,578,417 (2022: P8,292,334).		
<b>11. Revenue</b>		
<b>Revenue from contracts with customers</b>		
Royalty income	18,536,737	12,556,034
<b>Disaggregation of revenue from contracts with customers</b>		
The company disaggregates revenue from customers as follows:		
<b>Royalty income</b>		
Royalty income	18,536,737	12,556,034
<b>Timing of revenue recognition</b>		
<b>Over time</b>		
Royalty income	18,536,737	12,556,034
<b>12. Royalty distributions</b>		
Additions during the year	14,337,895	8,300,000
Royalty distribution written back	(3,067,824)	(8,000,570)
<b>13. Other operating income</b>		
Rental income	18,713	19,301
Other income	352,213	250,272
	<b>370,926</b>	<b>269,573</b>

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### 14. Operating profit (loss)

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

#### Auditor's remuneration - external

Audit fees	91,735	104,450
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#### Remuneration, other than to employees

Administrative and managerial services	-	10,619
Consulting and professional services	605,773	504,499
<b>Total</b>	<b>605,773</b>	<b>515,118</b>

#### Employee costs

Salaries, wages, bonuses and other benefits	4,000,843	3,772,350
Retirement benefit plans: defined contribution expense	79,494	85,788
Termination benefits	427,089	301,899
<b>Total employee costs</b>	<b>4,507,426</b>	<b>4,160,037</b>

#### Leases

##### Operating lease charges

Premises	-	8,639
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#### Depreciation and amortisation

Depreciation of property, plant and equipment	144,610	71,254
Depreciation of right-of-use assets	290,184	297,123
Amortisation of intangible assets	15,287	15,287
<b>Total depreciation and amortisation</b>	<b>450,081</b>	<b>383,664</b>

#### Movement in credit loss allowances

Trade and other receivables	1,032,837	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	11,270,071	299,430
Employee costs	4,507,426	4,160,037
Lease expenses	-	8,639
Depreciation	450,081	383,664
Operating expenses	6,685,940	8,711,281
<b>Total</b>	<b>22,913,518</b>	<b>13,563,051</b>

### 15. Depreciation

#### Depreciation

Property, plant and equipment	144,610	71,254
Right-of-use assets	290,184	297,123
<b>Total</b>	<b>434,794</b>	<b>368,377</b>

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## Notes to the Annual Financial Statements

Figures in Pula	2023	2022
<b>15. Depreciation (continued)</b>		
<b>Amortisation</b>		
Intangible assets	15,287	15,287
<b>Total depreciation, amortisation and impairment</b>		
Depreciation	434,794	368,377
Amortisation	15,287	15,287
	<b>450,081</b>	<b>383,664</b>
<b>16. Investment income</b>		
<b>Interest income</b>		
<b>Investments in financial assets:</b>		
Bank fixed deposits	588,652	658,244
<b>17. Finance costs</b>		
Lease liabilities	178,591	198,297
<b>18. Cash (used in)/generated from operations</b>		
Loss for the year	(4,628,631)	(2,003,309)
<b>Adjustments for:</b>		
Depreciation and amortisation	450,081	383,661
Interest income	(588,652)	(658,244)
Finance costs	178,591	198,297
Net impairments and movements in credit loss allowances	1,032,837	1,725,812
Movements in provisions	5,281,193	(1,637,408)
<b>Changes in working capital:</b>		
Trade and other receivables	(4,080,618)	429,950
Trade and other payables	1,347,237	335,568
Deferred income	(3,713,917)	1,258,135
	<b>(4,721,879)</b>	<b>32,462</b>

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### Notes to the Annual Financial Statements

#### 19. Changes in liabilities arising from financing activities

##### Reconciliation of liabilities arising from financing activities - 2023

Finance lease liabilities

Opening balance	Cash flows	Closing balance
2,049,311	(283,941)	1,765,370
<b>2,049,311</b>	<b>(283,941)</b>	<b>1,765,370</b>
<b>2,049,311</b>	<b>(283,941)</b>	<b>1,765,370</b>

**Total liabilities from financing activities**

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

Finance lease liabilities

Opening balance	Cash flows	Closing balance
2,294,965	(245,654)	2,049,311
<b>2,294,965</b>	<b>(245,654)</b>	<b>2,049,311</b>
<b>2,294,965</b>	<b>(245,654)</b>	<b>2,049,311</b>

**Total liabilities from financing activities**

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### 20. Related parties

#### Relationships

Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Non-executive director  
Executive director

Bakalanga Mahoko  
Patrick Setsiba  
Winnie Winani Sekani  
Alfred Morwaledi Mosimanegape  
Moletlanye Mphoeng  
Mpho Motlhasedi  
Benjamin Mogotsi  
Kabelo Eric Kgaodi  
Ookeditse Moyambo  
Kelebonye Sibanyoni  
Martin Ntongana  
Letlhogonolo Makwinja

#### Compensation to directors and other key management

Short-term employee benefits  
Post-employment benefits - Pension - Defined contribution plan

1,702,319	1,614,920
79,494	60,196
<b>1,781,813</b>	<b>1,675,116</b>



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### 21. Directors' emoluments

#### 2023

Directors' emoluments	Directors fees	Total
<b>Services as director</b>		
Bakalanga Malikongwa	53,500	53,500
Patrick Setsiba	12,500	12,500
Winnie Winani Sekani	39,750	39,750
Alfred Morwaledi Mosimanegape	36,750	36,750
Moletlanye Mphoeng	28,750	28,750
Mpho Motlhasedi	36,750	36,750
Benjamin Mogotsi	20,367	20,367
Kabelo Eric Kgaodi	42,000	42,000
Ookeditse Moyambo	37,500	37,500
Kelebonye Sibanyoni	31,500	31,500
Martin Ntongana	28,510	28,510
Staffnurse Bangu Lesetedi-Keothepile	23,750	23,750
	<b>391,627</b>	<b>391,627</b>

#### 2022

Directors' emoluments	Directors fees	Total
<b>Services as director</b>		
Bakalanga Malikongwa	89,810	89,810
Patrick Setsiba	64,250	64,250
Winnie 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	27,650	27,650
	<b>697,800</b>	<b>697,800</b>

### 22. Financial instruments and risk management

#### Categories of financial instruments

#### Categories of financial assets

#### 2023

	Note(s)	Amortised cost	Total	Fair value
Trade and other receivables	6	3,541,922	3,541,922	3,541,922
Cash and cash equivalents	7	25,184,351	25,184,351	25,184,351
		<b>28,726,273</b>	<b>28,726,273</b>	<b>28,726,273</b>

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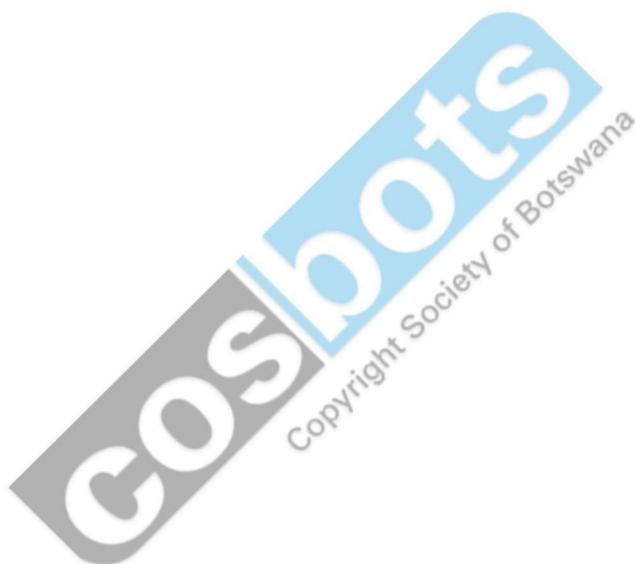
2023

2022

### 22. Financial instruments and risk management (continued)

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>



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### 22. Financial instruments and risk management (continued)

#### Categories of financial liabilities

#### 2023

	Note(s)	Amortised cost	Leases	Total	Fair value
Trade and other payables	9	1,185,305	-	1,185,305	1,136,709
Finance lease obligations	4	-	1,765,370	1,765,370	1,765,370
		<b>1,185,305</b>	<b>1,765,370</b>	<b>2,950,675</b>	<b>2,902,079</b>

#### 2022

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

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### 22. Financial instruments and risk management (continued)

#### Pretax gains and losses on financial instruments

#### Gains and losses on financial assets

2023

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	16	588,652	588,652
Movement in credit loss allowances	14	(1,032,837)	(1,032,837)
<b>Net gains (losses)</b>		<b>(444,185)</b>	<b>(444,185)</b>

2022

	Note(s)	Amortised cost	Total
Recognised in profit or loss:			
Interest income	16	658,244	658,244
Movement in credit loss allowances	14	(1,725,812)	(1,725,812)
<b>Net gains (losses)</b>		<b>(1,067,568)</b>	<b>(1,067,568)</b>



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### 22. Financial instruments and risk management (continued)

#### Gains and losses on financial liabilities

##### 2023

	Note(s)	Leases	Total
<b>Recognised in profit or loss:</b>			
Finance costs	17	(178,591)	(178,591)

##### 2022

	Note(s)	Leases	Total
<b>Recognised in profit or loss:</b>			
Finance costs	17	(198,297)	(198,297)

#### 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		1,765,370	2,049,311
Trade and other payables	9	2,837,651	1,490,414
<b>Total borrowings</b>		<b>4,603,021</b>	<b>3,539,725</b>
Cash and cash equivalents	7	(25,184,054)	(29,842,568)
<b>Net borrowings</b>		<b>(20,581,033)</b>	<b>(26,302,843)</b>
Equity		558,604	5,187,241

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### 22. 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;

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:

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### 22. Financial instruments and risk management (continued)

		2023			2022		
		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	6,300,571	(2,758,649)	3,541,922	2,284,114	(1,725,812)	558,302
Cash and cash equivalents	7	25,184,351	-	25,184,351	29,842,568	-	29,842,568
		<b>31,484,922</b>	<b>(2,758,649)</b>	<b>28,726,273</b>	<b>32,126,682</b>	<b>(1,725,812)</b>	<b>30,400,870</b>

#### 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.

#### 2023

	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
<b>Non-current liabilities</b>					
Lease liabilities	-	1,132,875	671,364	1,804,239	1,290,359
<b>Current liabilities</b>					
Trade and other payables	1,185,305	-	-	1,185,305	1,185,305
Lease liabilities	772,308	-	-	772,308	475,011
	<b>(1,957,613)</b>	<b>(1,132,875)</b>	<b>(671,364)</b>	<b>(3,761,852)</b>	<b>(2,950,675)</b>

#### 2022

	Less than 1 year	1 to 2 years	2 to 5 years	Total	Carrying amount
<b>Non-current liabilities</b>					
Lease liabilities	-	1,627,130	956,955	2,584,085	1,772,930
<b>Current liabilities</b>					
Trade and other payables	877,128	-	-	877,128	877,128
Lease liabilities	475,004	-	-	475,004	276,381
	<b>(1,352,132)</b>	<b>(1,627,130)</b>	<b>(956,955)</b>	<b>(3,936,217)</b>	<b>(2,926,439)</b>

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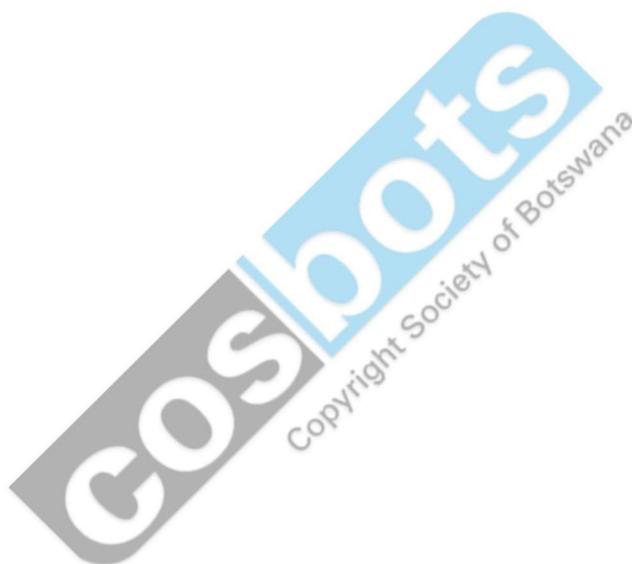
### 22. Financial instruments and risk management (continued)

#### Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the company is comprised of finance leases, which bear interest at fixed rates. Interest rates on all borrowings compare favourably with those rates available in the market.

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



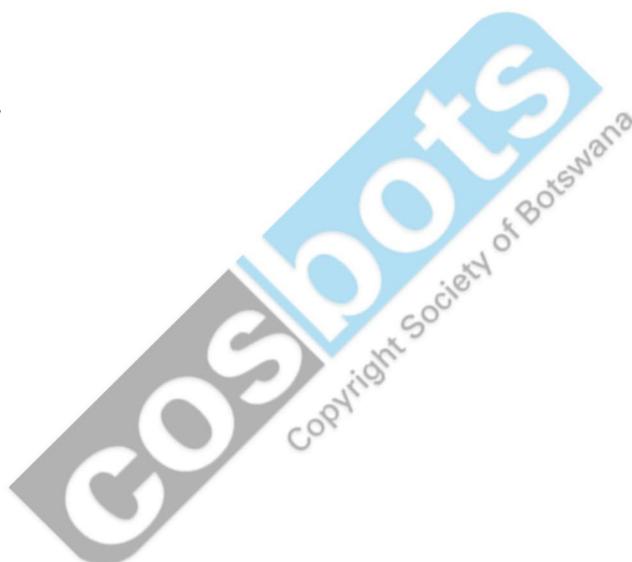
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## Detailed Income Statement

Figures in Pula	Note(s)	2023	2022
<b>Revenue</b>			
Royalty income		18,536,737	12,556,034
<b>Royalty distributions</b>			
Royalty distributions		(11,270,071)	(299,430)
<b>Gross profit</b>		<b>7,266,666</b>	<b>12,256,604</b>
<b>Other operating income</b>			
Rental income		18,713	19,301
Other income		352,213	250,272
	13	<b>370,926</b>	<b>269,573</b>
Movement in credit loss allowances	14	(1,032,837)	(1,725,812)
<b>Expenses (Refer to page 41)</b>		<b>(11,643,447)</b>	<b>(13,263,621)</b>
<b>Operating (loss) profit</b>	14	<b>(4,784,533)</b>	<b>(2,463,256)</b>
Investment income	16	588,652	658,244
Finance costs	17	(178,591)	(198,297)
<b>Total (loss)/profit for the year</b>		<b>(4,374,472)</b>	<b>(2,003,309)</b>



\* See Note

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## Detailed Income Statement

Figures in Pula	Note(s)	2023	2022
<b>Other operating expenses</b>			
Administration and management fees		(167,919)	(10,619)
Advertising		(219,375)	(379,922)
Amortisation		(15,287)	(15,287)
Auditors remuneration - external auditors	14	(91,735)	(104,450)
Bank charges		(72,768)	(103,828)
Cleaning		(378,679)	(19,344)
Commission paid		(30,625)	-
Accounting fees		(66,000)	(174,000)
Consulting fees		(203,790)	(124,152)
Legal fees		(335,983)	(206,347)
Consumables		(329,959)	-
Depreciation		(434,794)	(368,377)
Donations		-	(4,402)
Employee costs		(4,507,426)	(4,160,037)
Membership fees		(6,658)	(41,092)
Restructuring		-	(186,000)
Monitoring expenses		(565,048)	(759,881)
Levies		(663)	(25,381)
Board expenses		(1,364,822)	(1,438,653)
Office expenses		-	(7,215)
Constitution review		(42,153)	(310,131)
Social and cultural expenses		-	(2,000,001)
Recruitment fees		(31,487)	(55,921)
Staff welfare		(22,711)	-
Insurance		(68,748)	(80,493)
IT expenses		(321,602)	(145,082)
Lease rentals on operating lease		-	(8,639)
Levies		(40,446)	(30,805)
Motor vehicle expenses		(183,627)	(153,428)
Municipal expenses		(61,799)	(41,050)
DBS Project		(731,005)	(1,000,003)
Postage		(7,760)	-
Printing and stationery		(131,546)	(126,536)
Repairs and maintenance		(28,641)	(538,213)
Security		(72,242)	(87,230)
Staff welfare		(74,381)	(102,861)
Subscriptions		(19,858)	-
Telephone and fax		(242,328)	(251,875)
Training		(113,484)	(31,494)
Travel		(658,098)	(170,872)
		<b>(11,643,447)</b>	<b>(13,263,621)</b>

\* See Note

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