bipa

BUSINESS AND INTELLECTUAL PROPERTY AUTHORITY

Protecting Entrepreneurship and Innovation

ANNUAL REPORT

2019-2020

LINKING INDUSTRY TO INNOVATION

TABLE OF CONTENTS

		Page
1.	**Acronyms and Abbreviations**	**iii**
2.	**2019 at a glance – Key performance stats**	**1**
3.	**About the Theme – Linking Industry to Innovation**	**2**
4.	**Foreword: Board Chairperson**	**3**
5.	**Review: CEO**	**5**
6.	**About BIPA**	**7**
	6.1. Purpose	8
	6.2. Vision	9
	6.3. Mission	9
	6.4. Values	10
	6.5. Organogram	11
	6.6. Legislative and other mandates	12
7.	**Corporate governance**	**13**
	7.1. The Board of Directors	14
	7.2. Board governance structure	15
	7.3. Powers	15
	7.4. Roles and responsibilities	15
	7.5. Board performance assessment	16
	7.6. Board training and development	16
	7.7. Attendance	16
	7.8. Board Committees	16
	7.8.1. Finance, Risk and Audit Committee (FRAC)	17
	7.8.2. Human Resource and Remuneration Committee (HRRC)	17
	7.8.3. Governance, Legal and Ethics Committee (GLEC)	17
	7.8.4. Strategic Plan and Projects Committee (SPPC)	17
8.	**Risk management**	**18**
	8.1. Philosophy	19
	8.2. Governance and Risk Management	19
	8.3. Internal Audit Function	19
	8.4. Risk appetite	19
	8.5. Legal Advice and Company Secretarial Service	20
9.	**Executive management**	**21**
	9.1. Executive management team	22
	9.2. Office of the CEO	22
10.	**Divisional reports**	**23**
	10.1. **Business Registration Services**	**24**
	10.1.1. Overview	24
	10.1.2. Goals and achievements	24
	10.1.3. Business registration	25
	10.1.4. Highlights	28
	10.1.5. Challenges	29
	10.1.6. Future endeavours	29
	10.2. **Intellectual Property SERVICES**	**30**
	10.2.1. Overview	30
	10.2.2. Reflection on the Period under review	31
	10.2.3. Achievement on the Strategic Plan	32
	10.2.4. About Intellectual Property Rights in Namibia	32
	10.2.5. Types of Intellectual Property Rights protected in Namibia	32
	10.2.6. Namibia's Membership to Regional and International Bodies	33
	10.2.7. Applications and Registration/Grants	34
	10.2.8. Key Challenges	34
	10.2.9. Future endeavors	34

10.3. **Records and Archives Management** **40**
10.3.1. Overview 40
10.3.2. Data assurance and integrity 40
10.3.3. Data assurance project 41
10.3.3.1 Project deliverables 41
10.3.3.2 Project Challenges 41
10.3.3.3 Project statistics and outcomes 42
10.4. **Information and Communication Technology** **43**
10.4.1. Overview 43
10.4.2. Annual Departmental Plan 44
10.4.3. Achievements 44
10.4.4. Challenges 46
10.4.5. Future plans 46
10.5. **Human Capital Management** **47**
10.5.1. Departmental overview 47
10.5.2. Operational report 47
10.5.3. Workforce age distribution 48
10.5.4. Employment service tenure 49
10.5.5. Affirmative action 50
10.5.6. Skill and development programmes 51
10.5.7. Job evaluation and grading validation project 51
10.5.8. Employee health and wellness activities 52
10.5.9. Industrial relations 52
10.5.10. Employee relations 53
10.5.11. Organisational culture change 53
10.5.12. Strategic planning and review meeting 53
10.5.13. Highlights 53
10.5.14. Challenges 53
10.5.15. Future endeavours 53
10.6. **Finance and Administration** **54**
10.6.1. Overview 54
10.6.2. Financial performance 55
10.6.3. Internal controls 56
11. **Regulatory update** **57**
11.1. Development of the Copyright Bill 58
11.2. New Copyright fees 58
11.3. National Intellectual Property Policy of Namibia 58
11.4. Model IP Project 58
11.5. Legislative review project 59
12. **Stakeholder engagement** **60**
12.1. Open day at Swakopmund 61
12.2. Ongwediva Trade Fair 61
12.3. NTN information sharing session 61
12.4. NUST 25th Career Fair 61
12.5. Copyright Information Sharing Session (UNAM) 61
12.6. NASCAM consultative meeting 62
12.7. Information sharing with Tenya Investment CC 62
12.8. Regional outreach information sessions 62
12.9. WIPO participation 62
12.10. Consultations on development of Copyright Bill 63
13. **Annual financial statements** **64**

1. LIST OF ACRONYMS AND ABBREVIATIONS

AA	Affirmative Action
ARIPO	African Regional Intellectual Property Organisation
BIPA	Business and Intellectual Property Authority
BRS	Business Registration Services
CC	Close Corporation
CEO	Chief Executive Officer
ERP	Enterprise Resource Planning
FRAC	Finance, Risk and Audit Committee
FY	Financial Year
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (German Society/Agency for International Cooperation)
GLEC	Governance, Legal and Ethics Committee
HCM	Human Capital Management
HRRC	Human Resources and Remuneration Committee
ICSF	Integrated Client Service Facility
ICRS	Integrated Company Registration System
IP	Intellectual Property
IPAS	Industrial Property Administration System
IPR	Intellectual Property Rights
ICAN	Institute of Chartered Accountants of Namibia
ICT	Information and Communication Technologies
IT	Information Technology
MITSMED	Ministry of Industrialisation, Trade and SME Development
NIPA	Namibia Institute of Professional Accountants
N$	Namibia Dollar
PCT	Patent Cooperation Treaty
ROI	Return on Investment
SME	Small and medium enterprise
SMME	Small, medium, and micro enterprises
PEGA	Public Enterprises Governance Act
SPPC	Strategic Planning and Projects Committee
UNAM	University of Namibia
WIPO	World Intellectual Property Organisation

2. 2019 AT A GLANCE

KEY PERFORMANCE STATISTICS FOR THE 2019/20 FINANCIAL YEAR

REVENUE OF N$80 MILLION

SURPLUS OF N$17 MILLION

INCREASE IN NET ASSETS OF N$25 MILLION

N$1.5 MILLION IN INTEREST RECEIVED FROM INVESTMENTS

13 736 NEW BUSINESSES APPROVED (55% REGISTERED WITHIN THREE DAYS)

3. ABOUT THE THEME:

"LINKING INDUSTRY TO INNOVATION"

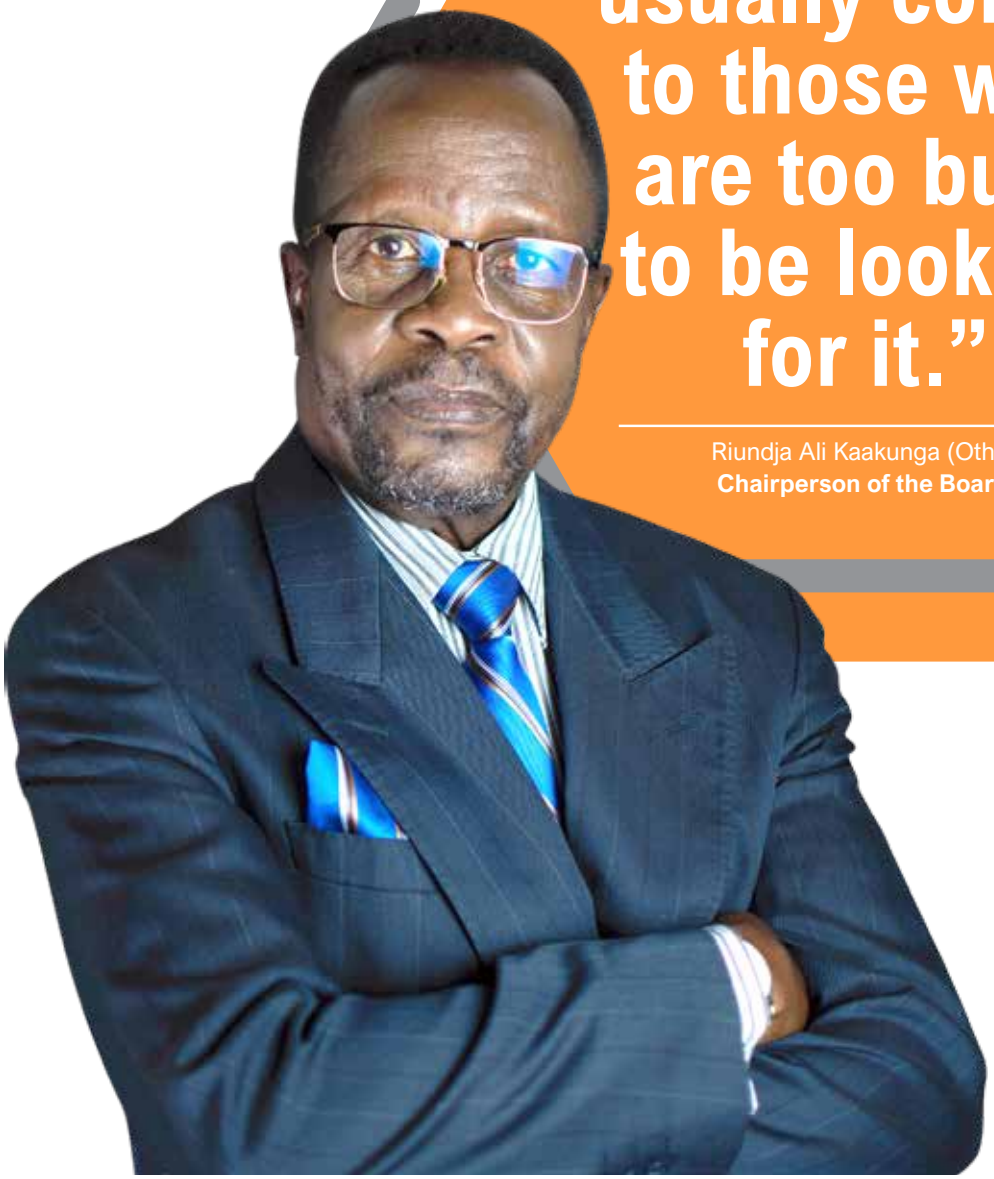
The theme for the 2019/20 Integrated Annual Report of "***Linking industry to innovation***" focuses on the Business and Intellectual Property Authority's (BIPA) deliberate and strategic move to enhance corporate performance by stimulating the links between stakeholder engagement, innovation, and co-creation.

In this Financial Year (FY), BIPA's policy approach to sustainable development was broad and inclusive, encompassing research for technological advances, developing value chains, and promoting good business practices. Rather than simply placating stakeholders and developing buffers to protect against the uncertainty of the complex external environment, it was evident that engagement promotes the development of collaboration and shared goals.

Pursuant to this, the 2019/20 financial year saw BIPA launch the National Intellectual Property Policy and Strategy, engage stakeholders on Intellectual Property and host country-wide Open Days which provided avenues with which BIPA managed to leverage stakeholder knowledge in the context of innovation. In the broader view of this theme at national level, innovation is recognised as a distributed and interactive process amongst a number of economic actors rather than individual firms. In this regard, strategic efforts of the BIPA management during the period under review seek to empower industry leaders at the heart of national development and to achieve collective sustainable growth.

The use of the octagon as a design element for this year's theme signifies the harmony and balance with which BIPA engaged its various stakeholders, both internally and externally. The seamless co-existence of business and innovation industry leaders required a much needed boost to ensure long term sustainability of universal coherence of this ecosystem.

FOREWORED:
BOARD CHAIRPERSON



"Success usually comes to those who are too busy to be looking for it."

Riundja Ali Kaakunga (Othy)
Chairperson of the Board

4. FOREWORD BY THE BOARD CHAIRPERSON

The BIPA Board of Directors remains firm in its commitment to provide good governance and financial oversight to ensure that the Authority carries out its mandate effectively and efficiently. This report for the period ending 31 March 2020, bears testimony to strong financial discipline, robust governance processes, innovation, processes and systems, and an empowered and dedicated workforce.

Indeed, this has been a challenging financial year. However, the Board is satisfied with what the BIPA management has accomplished amidst the challenging and turbulent economic conditions. This report details the third year in the implementation of the BIPA Corporate Strategy (2017-2022) which benefitted from broader stakeholder input and was anchored in national development blueprints such as the Fifth National Development Plan (NDP5) and the Harambee Prosperity Plan (HPP).

In essence, during the 2019/20 financial year, the Authority strengthened its core business operations guided by the legal framework underpinning all operations. As such, the Authority effectively complied with the Public Procurement Act; implemented the BIPA Act; and enforced the Companies and Close Corporation Acts to harness the triple benefits of increased revenue, transparency and effective cost management.

During the period under review, the Board and Executive Management aspired to see BIPA achieve financial sustainability and remain a viable going concern entity. This was enforced by, among other things, improved internal controls and a robust risk management framework.

The Board affirms that BIPA's overall strategy remains growth oriented. We are pleased to report that the Authority continued to grow in revenue, notably so in its core income streams. To this end, the Authority is progressing towards a financial sustainable model of business operations, to a point where it will not require further operational funding from its shareholders. Hence, the only funding that may be required would be for the execution of capital projects now and in the future.

During this financial year, the Board was privileged to oversee the Authority scaling to greater heights and enhancing the scope for an improved rating for Namibia on the World Economic Forum's Global Ease of Doing Business Index (EDBI). Contributing to this improvement was Government's readily availing support.

Complementary to this, the Board embraced its responsibility to steer the execution of the BIPA strategy in a manner that is sustainable and responsible. In this regard, we underpinned the strategic imperatives with a strong focus on resilience. This was achieved through monitoring and reviewing the achievement of strategic targets periodically; to ensure continuous improvement and the maintaining of high standards of excellence.

By March 2020, the COVID-19 pandemic had just seen its way into Namibia, with all indications pointing to a bleak economic future of subdued and depressed growth. The impact of this pandemic cannot be understated as we have already seen how it has impacted other economies in the globe over.

This gloomy picture points to a possible contraction of our economy in the coming financial year as we do not know the impact that such a pandemic can have on Namibia's people and businesses. The authority has therefore prepared itself to ensure that is operations can continue unabatedly.

What is more certain is that strong governance, driven by sound leadership and ethical principles, remain crucial to the success of the BIPA. This, coupled with full regulatory compliance, has laid the foundation on which BIPA's reputation and trust with our shareholder and stakeholders is built and maintained.

In conclusion I want to thank BIPA's line ministry, the Ministry of Industrialisation and Trade, for the support and guidance on policy matters. My sincere appreciation also goes to my fellow Board Members for their dedication and high standards of service. I would also not do justice if I do not also pay my gratitude to the Chief Executive Officer, Vivienne Katjiuongua; the Authority's Executive team; and the staff for their continued commitment to deliver on our mandate.

I look forward to another year of enhancing business and intellectual property registration in Namibia.

Riundja Ali Kaakunga (Othy)
Chairperson of the Board

REVIEW:

CHIEF EXECUTIVE OFFICER

"Leadership is the capacity to translate vision into reality"

Vivienne Katjiuongua
Chief Executive Officer

5. CHIEF EXECUTIVE OFFICER'S OVERVIEW

For the period under review, referring to the 2019/20 financial year, I am delighted to report that BIPA's leadership succeeded in striking a balance between using its resources optimally while ensuring that operational efficiencies are enhanced, thereby improving stakeholder confidence and operational excellence.

Financially, it has been another good year for BIPA despite numerous challenges that the authority experienced. We achieved a satisfactory set of financial results and recorded solid growth rates, reflecting strong execution and effective delivery of our strategic objectives and initiatives.

FINANCIAL PERFOMANCE

It is with immense pride that despite a recessionary year, BIPA delivered a financial performance that can be further strengthened in the next financial year. In this light, the Authority declared a surplus of N$17 million, particularly doing well in its efforts to collect outstanding annual duties. With the registration of Trademarks, Copyrights and Patents, revenues were further boosted. While business registration revenues recorded a modest increase, the Authority's investment initiatives received N$1.5 million in interest. Despite recording a cost increase of 11%, BIPA also saw a growth in net assets worth N$25 million, of which the highest growth was on investments. Going forward, the authority will focus on further strengthening its financial position, while prudent measures to contain costs and other expenditures.

OPERATIONAL EFFECTIVENESS

Over the last 12 months, the Authority cumulatively approved 13 736 new business entities. Of the new applications received, 55% were registered within three days, compared to 52% in the 2018/19 financial year. This reflects a 3% improvement in turn-around-times for the registration of businesses within the targeted three (3) days, attributable to the process reengineering. In further executing our core mandate, we received 2313 Trademark applications of which 981 applications were submitted through the national filing route, whilst 240 applications were received through regional designations (ARIPO administered protocols). A further 1092 applications were received through international designations (agreements administered by WIPO).

To enhance our processes, the Authority also focused on the development and finalisation of the Intellectual Property Policy. The policy is the legal framework required to promote and stimulate creativity, innovation and inventiveness in Namibia. To this end, BIPA, together with the Ministry of Industrialisation and Trade, launched the National Intellectual Property Policy and Strategy in October 2019. Furthermore, following the successful series of copyright seminars, the authority developed a working document for the revision of the out-dated Copyright and Neighbouring Rights Protection Act, 1994 (Act No. 6 of 1994). The working document incorporated the contributions of various stakeholders and served as a structure for the layman's draft of the bill.

Pursuant of improved recording, archiving and automation; BIPA also implemented a Data Integrity Project that aimed to improve BIPA's electronic availability of approximately 180 000 files.

In line with this report's theme, "Linking industry to innovation," the period under review was characterised by several stakeholder engagements that formed a vital part of fulfilling both BIPA's mandate and the goals and objectives of the BIPA Corporate Strategy (2017-2022).

Going forward, BIPA will focus on building and maintaining strong stakeholder relationships and pursuing smart partnerships that are aimed at unlocking opportunities that will improve client service satisfaction for the authority's customers.

LOOKING AHEAD

We are aware that challenges will remain, but it is my utmost belief that BIPA is on track to build on the positive and sustainable impact that we have made in the past financial year. Our prospects remain bright and we will endeavour to optimally use our resources to execute the Corporate Strategy. We remain committed to creating value for all our stakeholders, underpinned by the drive to promote innovation in Namibia.

GRATITUDE

I wish to use this opportunity to express my sincere gratitude and appreciation to the Minister of MIT for the continued support and commitment to ensure BIPA delivers on its mandate. It goes without saying that the BIPA Board of Directors equally played an invaluable role in the success of the entity and therefore I wish to thank them for their guidance and support throughout the year. Throughout the review period, BIPA also received excellent service and assistance from the Ministry of International Relations and Cooperation missions, especially in Harare, Zimbabwe and Geneva in facilitating our Regional and International engagement. Lastly, I also want to take the opportunity to appreciate BIPA's executive leadership; as well as the management and staff for their continuous efforts and dedication to service delivery. It is hard to imagine a successful BIPA without you.

Vivienne Katjiuongua

Chief Executive Officer

ABOUT BIPA
ORGANISATIONAL OVERVIEW

> **An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage.**
>
> Jack Welch

bipa | BUSINESS AND INTELLECTUAL PROPERTY AUTHORITY
Protecting Entrepreneurship and Innovation

6. ABOUT BIPA (ORGANISATIONAL OVERVIEW)

6.1. PURPOSE

BIPA is mandated to regulate and administer the registration of business and industrial property in terms of applicable legislation with the objective of facilitating economic growth and development, promoting investment and creating employment through enhancing the efficient protection of business and intellectual property in Namibia.

Simultaneously, BIPA is mandated to promote the conduct and use of business and intellectual property in Namibia; facilitate, streamline, simplify and harmonise the business and industrial property procedures, registrations, filings and searches to expedite economic growth and development; and to enhance the efficient exchange and distribution of information. Protection of intellectual property rights encourages innovative economies, enriches individuals and companies, preserves wealth and saves lives.

In addition to the registration of Private and Public Companies, BIPA is also tasked with the registration of other forms of entities including Associations not for Gain registered under Section 21 of the Companies Act, 2004 (Act No. 28 of 2004), close corporations registered in terms of the Close Corporations Act, 1988 (Act No. 26 of 1988) and defensive names. This function is not only a vital enabler of a stable and thriving economy, but also contributes to government's greater developmental goals of poverty eradication, the alleviation of unemployment and bridging the inequality gap amongst Namibians.

Against this background, the objectives of BIPA as outlined in section 2 of the Act are:

- To foster economic growth and development, and promote investment and employment and the efficient protection and administration of business and intellectual property in Namibia;
- To consolidate the various offices and officials involved in the registration and administration of business and intellectual property;
- To facilitate and promote the efficient and effective registration of business and intellectual property and to keep and administer the required registers;
- To promote the conduct and use of business and intellectual property in Namibia;
- To facilitate, streamline, simplify, harmonise and expedite business and intellectual property procedures, registrations, filings and searches; and
- To enhance the efficient exchange and distribution of information.

bipa

BUSINESS AND INTELLECTUAL PROPERTY AUTHORITY

Protecting Entrepreneurship and Innovation

OUR VISION IS "A TRANSFORMED BUSINESS LANDSCAPE AND INSPIRED INNOVATION".

6.2. **VISION**

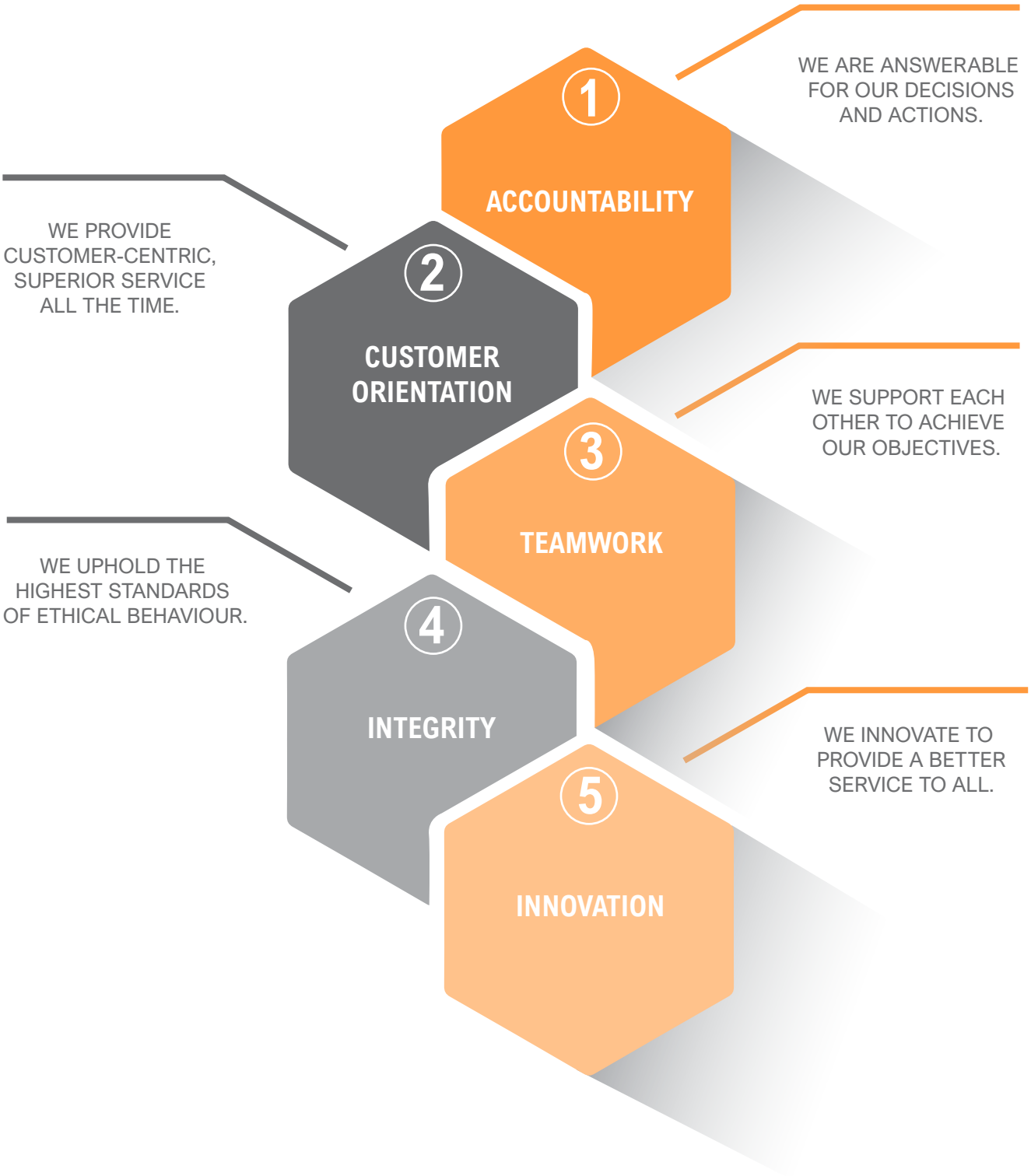
6.3. **MISSION**

TO GRANT, REGISTER, AND PROTECT BUSINESS AND INTELLECTUAL PROPERTY RIGHTS.

6.4.

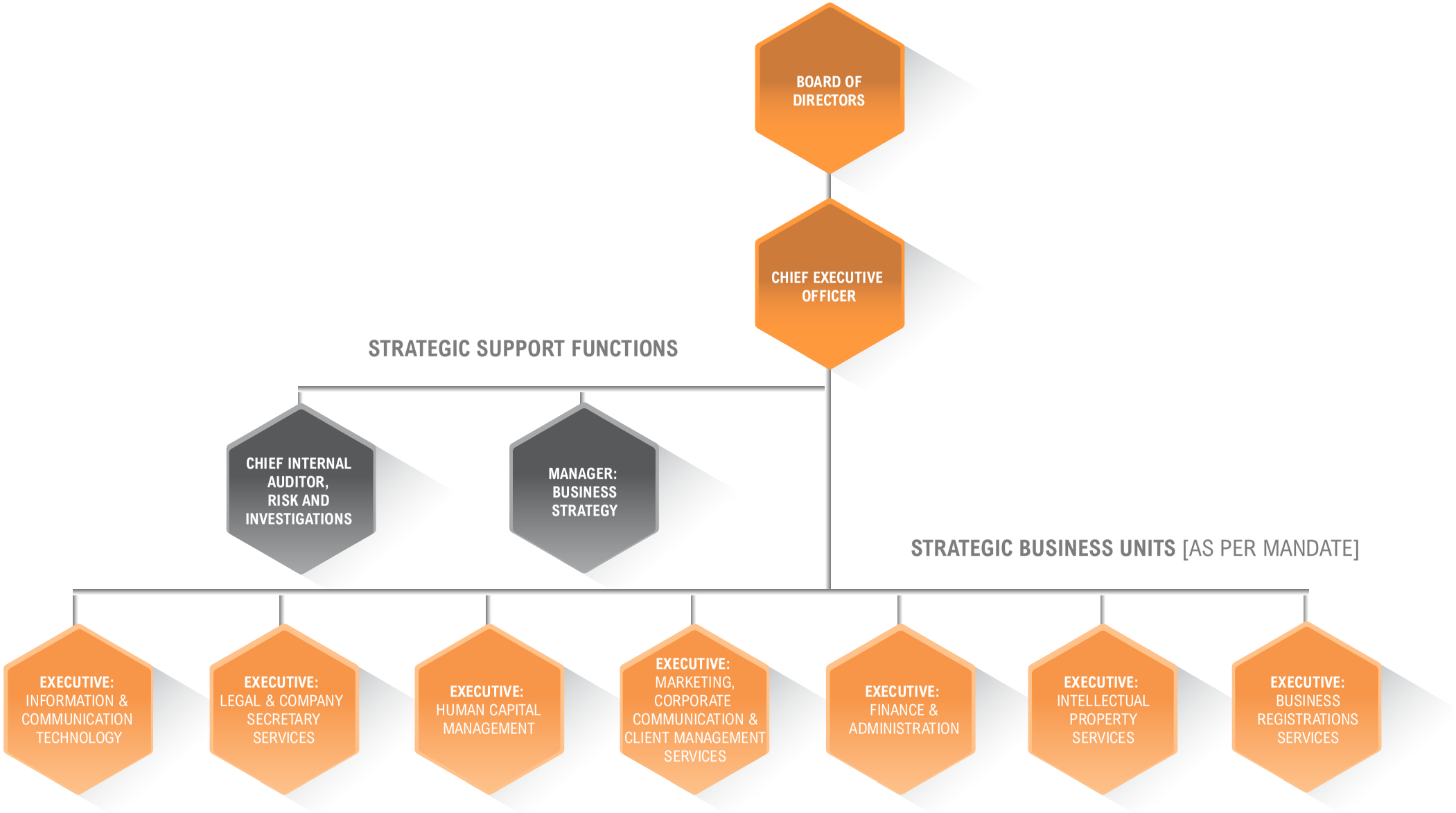
VALUES

Values are important building blocks to create a high performance and innovative culture for our people. This creates a common and shared purpose and encourages the active participation of each staff member to live our values through their behaviour and decision making.



bipa
BUSINESS AND INTELLECTUAL PROPERTY AUTHORITY
Protecting Entrepreneurship and Innovation

6.5. ORGANISATIONAL STRUCTURE



6.6. LEGISLATIVE AND OTHER MANDATES

It is BIPA's purpose to administer legislation relating to business registration and intellectual property regulations. Its mandate encompasses companies, close corporations, trademarks, patents, designs, aspects of copyright legislation and enforcement of rules and regulations in the following areas of law:

Legislation	Mandate
Business and Intellectual Property Authority Act, 2016 (Act No. 8 of 2016)	Facilitate and promote the efficient and effective registration of business and industrial property in Namibia.
Companies Act, 2004 (Act No. 28 of 2004)	Register companies, maintain data, regulate governance of and disclosure by companies, resolve disputes, educate and inform about all laws, non-binding opinions and circulars, policy and legislative advice.
Close Corporation Act, 1988 (Act No. 26 of 1988)	Register close corporations, maintain data, and regulate governance of and disclosure by close corporations.
Industrial Property Act, 2012 (Act No. 1 of 2012)	Register and protect trademarks, industrial marks, utility models, patents.
Copyright and Neighbouring Rights Protection Act, 1994 (Act No. 6 of 1994)	Register copyrights, maintain data, resolve disputes, and provide non-binding advice to the public.

CORPORATE GOVERNANCE

7. CORPORATE GOVERNANCE

7.1. BOARD OF DIRECTORS

BIPA BOARD MEMBERS' QUALIFICATIONS

Mr. Riundja Ali Kaakunga (Othy): Chairperson
Mr. Riundja Ali Kaakunga (Othy) is a holder of a LLM in International Economic Law (I.E.L) from Warwick, United Kingdom with Distinction. He also obtained LLB (Hons).

Dr. Martha Uumati: Vice Chairperson
Dr. Uumati holds a Doctor of Philosophy (PhD) and Master of Philosophy (MPhil). She also obtained a Postgraduate Diploma and a Bachelor of Science degree.

Mr. Fritz C. Jacobs
Mr. Jacobs holds a Master of Science in Engineering, and a Bachelor of Science degree in Engineering. He is a FCIBM (CIBM) Chartered in Business Management and a Professional Engineer.

Ms. Lovisa Indongo-Namandje
Ms. Indongo-Namandje is a holder of MSc from Cardiff University, United Kingdom. and LLB at the University of Namibia. She also obtained a B. Juris.

Ms. Chaze Nalisa
Ms Chaze Nalisa is a holder of an Honours Degree in Industrial and Organisational Psychology; and Bachelor of Commerce from University of South Africa (UNISA). She also obtained the Bachelor of Commerce (Business Management and Industrial Psychology) from the University of Namibia (UNAM).

Ms. Seno M. Namwandi
Ms Seno M. Namwandi is a holder of a Masters in Intellectual Property Degree from the Africa University, Zimbabwe. She also obtained a Bachelor of Science in Molecular Biology and Biotechnology from Stellenbosch University.

Mr. Ignatius K. Thudinyane
Mr Ignatius K. Thudinyane holds a LLB, B.Com Hons. (Economics), an Advanced Diploma in Finance in Treasury (UNISA), a B.Com (Econ) degree, and a Higher Education Diploma from the University of the North – Turfloop. He also obtained a Diploma in Banking from the Institute of Bankers, South Africa.

7.2. BOARD GOVERNANCE STRUCTURE

The BIPA's governance structure is similar to that of other Public Enterprises in that the BIPA Board reports to a Line Ministry, which is the Ministry of Industrialisation and Trade (MIT). The CEO of BIPA is a board member Ex-officio and reports as part of senior management to the Board.

7.3. POWERS

The role, function and powers of the Board, its members and committees, and its relationship to other structures of BIPA are determined by law, the Governance Framework, corporate governance best practices, the enabling Act, and decisions and policies of the Board. The Board is responsible for the strategic direction and control of BIPA and has the power to make any decision in respect of the institution, in as far as their powers and fiduciary duties extend. The Board is responsible for collectively promoting and safeguarding the long-term success of BIPA. It manages the affairs of BIPA:

- In the best interest of BIPA, with due regard to the interests of its stakeholders; and
- In compliance with Namibian legislation, principles of sound corporate governance and Board policies.

7.4. ROLES AND RESPONSIBILITIES

It is the responsibility of the Board to guide BIPA to achieve its purpose by the powers conferred on it by the enabling Act, the Board Charter and other Board decisions and policies. The Board delegates day-to-day management and administration of BIPA to the CEO, who is supported by executive management staff. The CEO is accountable to the Board. The following powers are reserved for the Board:

- The power to appoint the CEO;
- Approving the annual budget, annual business plan and strategy;
- Approving the annual procurement plan;
- Establishing sub-committees of the Board;

The power to make rules relating to:

- ✓ the convening of, and procedures at meetings of the Board or a committee of the Board;
- ✓ the management of the affairs of BIPA and execution of its functions;
- ✓ any matter which in terms of the BIPA Act is required or permitted to be prescribed by rules;
- ✓ generally, any matter which the Board considers necessary to give effect to the objectives of BIPA;

Furthermore the Board has the responsibility of:

- Approving policies, including those relating to remuneration and investment;
- Remuneration of the CEO and Executive Management members;
- Approval of BIPA's organisational structure, including creating new positions and their grading;
- Approval of Annual Reports including Annual Financial Statements.

The Board delegates various other matters to the Board Committees, as specified in the Terms of Reference of each committee. The Board Chairperson is responsible for setting the ethical tone of the Board and the Authority, and providing overall leadership, overseeing the development of the Board plan and presiding over Board meetings.

7.5. BOARD PERFORMANCE ASSESSMENT

The BIPA Board concluded a Governance Agreement and Performance Agreement with the Minister responsible for the Registration of Business and Industrial Property, in terms of the Public Enterprises Governance Act, 2019 (Act No. 1 of 2019) and the Business and Intellectual Property Act, 2016 (Act No. 8 of 2016). The Board's performance is assessed against Key Performance Indicators (KPIs) identified by the Minister.

7.6. BOARD TRAINING AND DEVELOPMENT

The Board is committed to ensuring that it has the right balance of skills, experience and diversity. Therefore, continuous training, education and development is made available to Board members. To ensure training is relevant, a needs assessment and gap(s) identification survey is regularly undertaken. Board members attended two training programmes during the year:

- A Strategic Planning Workshop on 24 May 2019

7.7. ATTENDANCE

Board Member	Board Meeting (5 Meetings)	Finance, Risk and Audit Committee (4 Meetings)	Human Resource and Remuneration Committee (4 Meetings)	Governance, Legal and Ethics Committee (4 Meetings)	Strategy, Projects and Procurement Committee (4 Meetings)
Mr RA Kaakunga (Othy)	5/5		4/4	4/4	3/4
Dr M Uumati	4/5	2/4	1/4		2/4
Ms SM Namwandi	5/5		2/4	3/4	3/4
Mr IK Thudinyane	4/5	4/4		3/4	1/4
Mr FC Jacobs	1/5	1/4	1/4		1/4
Ms L Indongo-Namandje	4/5	2/4	2/4	3/4	
Ms C Nalisa	2/5	1/4	4/4		1/4

***Note**: The financial year lapsed over into the other financial year due to lack of quorum experienced in the 2018/19 financial year. Thus, only two quarterly meetings were successfully held.*

7.8. BOARD COMMITTEES

In terms of the governance framework, and in terms of delegated authority from the Board, the Board may determine what matters are reserved for final decision-making by the Board or Board Committees as opposed to those that require the Board's or Board Committees' consideration before a final decision is made. All other matters, not specifically reserved by the Board and as stipulated in the delegation of authority, are delegated to the Chief Executive Officer (CEO) subject to the obligation to report all material matters to the Board.

The sub-committees of the Board are:

- Finance, Risk and Audit Committee (FRAC);
- Human Resource and Remuneration Committee (HRRC);
- Governance, Legal and Ethics Committee (GLEC);
- Strategy, Projects and Procurement Committee (SPPC).

7.8.1. Finance, Risk and Audit Committee (FRAC)

The purpose of the Finance, Risk and Audit Committee (FRAC) is to oversee responsibilities relating to financial planning, audit processes, financial reporting, the system of corporate controls and risk management, and to make recommendations to the Board for approval when appropriate. In the process of overseeing BIPA's audit procedures, FRAC is given the necessary resources to carry out its responsibilities, including the authorisation to engage independent counsel and other advisors.

Chairperson of the FRAC:
Mr Ignatius Thudinyane

7.8.2. Human Resource and Remuneration Committee (HRRC)

This committee is responsible for developing formal and transparent policies and procedures on BIPA remuneration, and for determining the remuneration packages of BIPA Management. The Committee upholds the principle that the financial reward offered should be market related to attract highly qualified employees to enable the institution to fulfil its mandate.

Chairperson of the HRRC:
Ms Chaze Nalisa

7.8.3. Governance, Legal and Ethics Committee (GLEC)

The Governance, Legal and Ethics Committee (GLEC) provides legal support to the Board. The primary role of the GLEC is to deliberate, consult, comment and assist the Board regarding existing and pending legislation and other legal matters.

Chairperson of the GLEC :
Ms Lovisa Indongo-Namandje

7.8.4. Strategy, Projects and Procurement Committee (SPPC)

The Strategy, Projects and Procurement Committee (SPPC) discusses, formulates, recommends and provides advice for strategic and operational implementation of key objectives on all capital and maintenance project related matters.

Chairperson of the SPPC:
Dr Martha Uumati

RISK
MANAGEMENT

8. RISK MANAGEMENT

8.1. PHILOSOPHY

BIPA's risk management philosophy is underpinned by:

- The authority's ability to identify risks which may hamper its performance;
- The authority's ability to tolerate and accept a certain amount of risk in order to achieve its strategic goals;
- The development of risk registers and the attachment of weightings and significance to the identified risks;
- Constant evaluation and re-rating of identified risks, and
- Mitigation of identified risks.

8.2. GOVERNANCE AND RISK MANAGEMENT

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation and the Companies Act, corporate governance for public entities is applied through the precepts of the Public Enterprise Governance Act, 2019 (PEGA) as amended and runs in tandem with the principles contained in the King's Report and the Nam Code on Corporate Governance.

The Board through the Finance Risk and Audit Committee ensures an oversight role and the process by which the Authority manages and mitigates business risks. The governance process within an Authority includes elements such as definition and communication of corporate control, key policies, enterprise risk management, regulatory and compliance management and oversight.

8.3. INTERNAL AUDIT FUNCTION

The primary function of Internal Audit is to provide assurance to the Finance, Risk and Audit Committee that adequate management processes are in place to identify, manage and monitor risks. Internal Audit independently audits and evaluates the effectiveness of the risk management, internal controls and governance processes. In addition, Internal Audit provides consulting services to add value to the authority's operations.

Internal Audit performed audits in the following areas during the year:

- Business registration application process follow-up;
- Records management business process;
- Physical security;
- On-going projects governance (New BRS system and revenue assurance);
- Four special investigation reports.

8.4. RISK APPETITE

The Board approved the risk appetite as part of the overall Risk Management and implementation will be managed as part of the Enterprise Risk Management.

8.5. LEGAL ADVICE AND COMPANY SECRETARIAL SERVICE

The division performs two key responsibilities for the Board and Executive Management namely, legal advisory services and secretarial and governance services. In rendering secretarial and governance services, the division reports to the Board and the Board Committees, specifically the Governance, Ethics and Legal Committee and the Human Resources and Remuneration Committee. The Division undertook the following governance-related tasks during the period under review:

- Providing secretarial support to the Board and its committees;
- Developing Board charters and Board Committee Terms of References;
- Developing Board performance and governance agreements, and setting key performance indicators to measure Board performance;
- Assessing Board training needs and facilitating training.

The Risk Management function is well established, and tasks related to compliance and risk management have been planned for implementation during the next financial year. In executing the legal services responsibility, the office performs the following functions:

- Reviewing legislation;
- Enabling the Authority to better regulate BIPA-related services in terms of the applicable legislation administered by BIPA;
- Ensuring that BIPA defends or opposes litigious actions against it;
- Providing legal advice and support regarding the Authority's operations;
- Providing advice to the Board, the office of the CEO and its business units/departments on all laws applicable to the registration and administration of Intellectual Property and Businesses administered by the BIPA, as well as on any other relevant laws.

EXECUTIVE MANAGEMENT

> "Motivation is the catalyzing ingredient for every successful innovation."

Clayton Christensen,
Economist and Harvard Professor

9. EXECUTIVE MANAGEMENT

9.1. EXECUTIVE MANAGEMENT TEAM

The following members held executive positions during the financial year 2019/2020:

Vivienne Katjiuongua
Chief Executive Officer (CEO)

Immanuel Haihonya
Acting Executive:
Human Capital Management

Jones Lubinda
Acting Executive:
Finance and Administration

Veiko Muronga
Executive: Information and Communication Technology

Ainna Kaundu
Executive:
Intellectual Property Service

Laura Tjombonde
Executive:
Business Registration Services

Vacant
Chief Legal and Company Secretary

Vacant
Executive: Marketing, Corporate Communication and Client Management Services

9.2. OFFICE OF THE CHIEF EXECUTIVE OFFICER

The CEO or the person acting in this position is responsible for executing the operations of BIPA. The CEO is responsible for implementing the Strategy set by the Board and ensures that:

- Proper accounting and audited records are kept;
- Financial statements and a report on the activities of the organisation are submitted to the Minister of Trade and Industrialisation and the Minister of Public Enterprises;
- Risks within the organisation are managed;
- Relevant legislation is complied with;
- Relevant technology and processes are in place;
- The employees are appropriately skilled;
- Stakeholder relationships are effectively managed;
- Relevant Board approved policies are in place, and
- Best practices in governance are in place.

The CEO also serves as the Registrar of Business and Industrial Property in terms the BIPA Act, 2016 (Act No.8 of 2016) and is entrusted with the day-to-day running of a sound entity that enhances the efficiency and effectiveness of business and IPR protection through registration in Namibia. Together with the executive management team, the CEO guides the implementation and successful execution of BIPA's strategic vision, objectives and activities.

OPERATIONAL
OVERVIEW

> **"Growth is never by mere chance; it is the result of forces working together."**
>
> James Cash Penney
> **Founder, JC Penney**

10. OPERATIONAL OVERVIEW

10.1. BUSINESS REGISTRATION

10.1.1. Overview

One of the core functions of BIPA is to facilitate and promote the efficient and effective registration of businesses and to keep and administer the relevant registers. BIPA is intentional in the delivery of efficient services to clients and adopted a strategic objective themed: "Deliver Simple, Quality and Accessible Services". Section 5(b) of the Business and Intellectual Property Authority Act (Act No. 8 of 2016) mandates BIPA to regulate and administer the registration of businesses under the applicable legislation as follows:

DOMAIN	NATIONAL LEGISLATION
Company Registrations	**Companies Act, 2004 (Act No. 28 Of 2004)** Provides for the establishment of the company registration office, appointment of the Registrar and for the incorporation, management and liquidation of companies and incidental matters.
Close Corporations	**Close Corporation Amendment Act, 1994 (Act No. 8 Of 1994)** Provides for the establishment of the Close Corporation registration office, appointment of the Registrar and the formation, registration incorporation, management, control and liquidation of close corporations and for matters connected therewith.
Companies and Close Corporations	**The Financial Intelligence Act, 2012 (Act 13 of 2012).** In terms of Section 4, the Registrar of Companies and Close Corporations annually collects and keeps accurate and up-to-date prescribed information and report as required.

10.1.2. Goals and achievements

The departmental goals for the financial year and achievements were:

- **To deliver effective and efficient customer services:** To support this goal, BIPA implemented the Customer Management Plan with the view to improve customer satisfaction levels and achieved 59% satisfaction levels. There was great focus on improving the turn-around times for business registration and 55% of businesses were registered within an average of three days. In partnership with the **Ministry of Industrialisation, Trade and SME Development**, Phase 1 of the Decentralisation Plan was implemented.

- **To achieve mutually beneficial stakeholder management:** The Stakeholder Management Plan was implemented and 95% of the targeted stakeholders were engaged for the period under review.

- **To ensure legislative alignment to national, regional and international obligations**: The plan was to amend the regulations of the Companies Act and the Close Corporations Act and such amendments were gazetted giving effect to the revised business registration fees. Furthermore, the amendment to modernise and harmonise the Companies and Close Corporations Acts commenced.

- **To improve accuracy of business information on business registration system**: The data cleaning project was implemented aimed at improving the quality of data and ensuring data accuracy on the database. 35% of data accuracy was achieved.

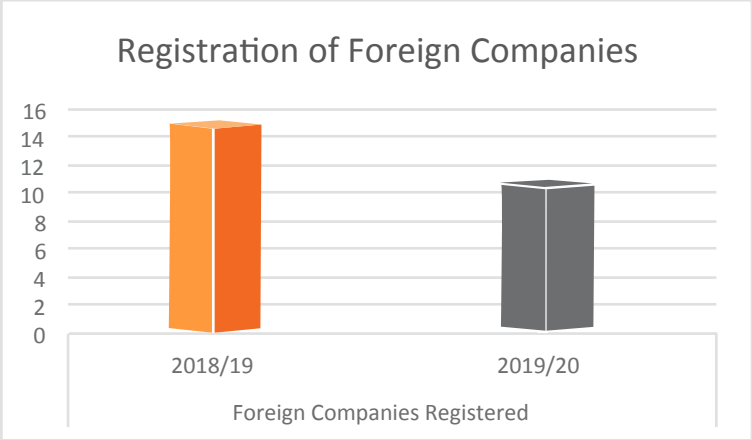
- **To implement audit and risk items registers:** During the period under review, 92.9% audit and risk issues were resolved.

10.1.3. Business Registration

For the period under review, BIPA registered a total of 909 companies, this figure represents a 69% decrease from the 2018/19 financial year. However, the previous FY, the increased registrations can be attributed to the requirement of only submitting registered companies during the fishing quota announcements. The registration of Associations Not for Gain (Section 21) stood at 182 by the end of this review period. BIPA registers companies (non-profit associations, limited, private and external companies) defensive names and close corporations. During the lifespan of a registered entity, the business may lodge applications for amendments, conversions from one type of entity to another, deregistration or restoration, as prescribed. For the financial year under review, BIPA has recorded the below statistics compared to the previous period.

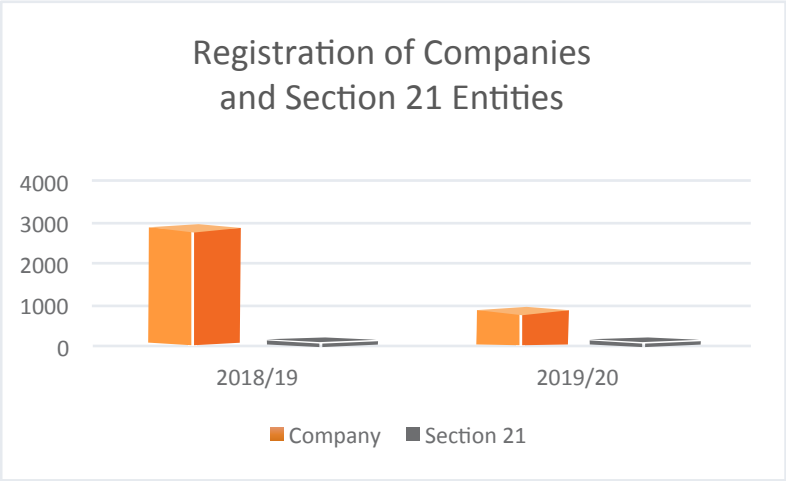
Foreign Companies

Fifteen (15) new foreign companies were registered in the 2019/20 financial year. This represents an increase of 20% from the previous year.



Companies and Section 21

BIPA recorded a decrease in the number of companies, inclusive of Associations Not for Gain (Section 21) that were registered during the past financial year. The total number of companies for the year were 909, a 69% decrease from the previous reporting period. While section 21 entities registered recorded 182, a decrease of 3.7% from the previous year.

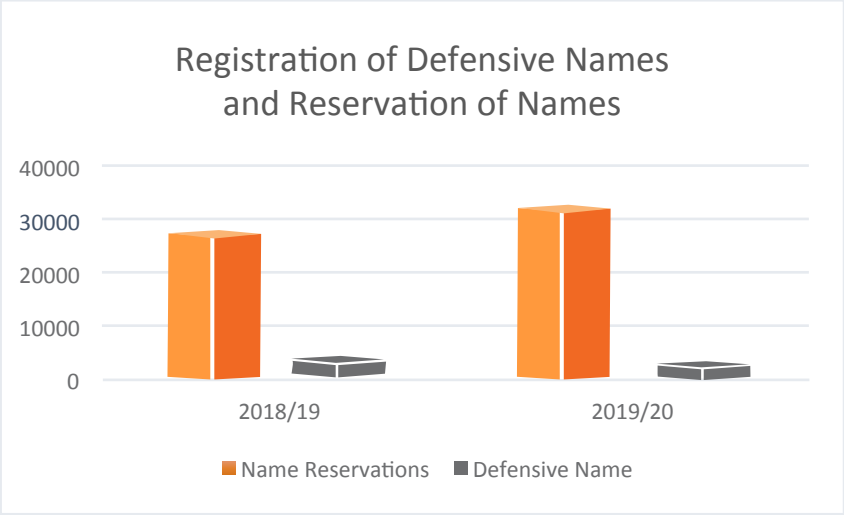


Close Corporations

The registration of Close Corporation (CC) entities remains the most sought business type within Namibia. During the year under review, BIPA registered a total of 8 904 new CC's. Compared to the 2018/19FY, BIPA recorded a decline in the registration of CC's by 4.6%. This could be attributed to the lockdown period imposed during the COVID-19 break out.

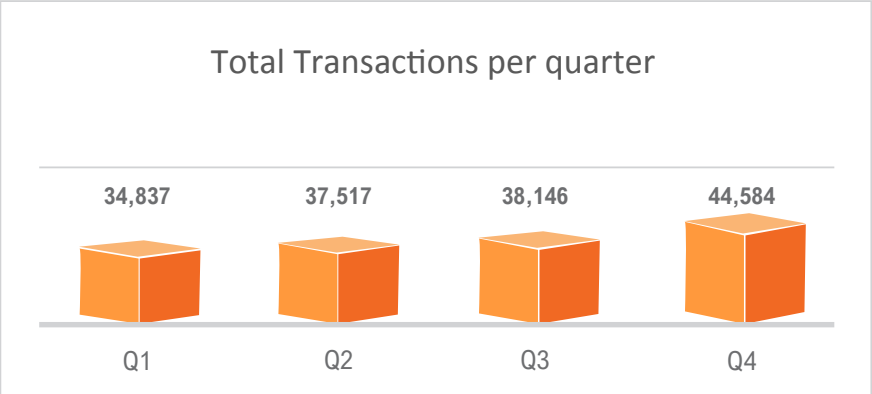
Name Reservations and Defensive Names

In terms of the current business registration laws in Namibia and BIPA's registration processes, an entity must first reserve a name before moving on to the registration of a specified entity. In terms of section 19 (2) of the Close Corporations Amendment Act, 1994 (Act No. 22 of 1994), it limits the reservations of names for a period not exceeding 60 days pending the registration of such an entity. Therefore, the statistics provided for name reservations as ordinarily higher compared to the number of entities actually registered. The number of names reserved for this period is the highest recorded by BIPA in the last five years. A total of 32 098 names were reserved for the period under review. This would represent an increase of 12.3% from the previous year.



In terms of defensive names, BIPA recorded 3 732 defensive name registrations during the period. This figure also represented an increase of 13.6% from the previous year as can be observed in the graph above.

During the period under review, the Authority received and processed a total of 155,084 transactions compared to business registration and related transactions compared to 205,402 in the 2018/19 financial year, a 24.5% decline in total transactions.



The Authority approved 13,736 new businesses during the 2019/2020 financial year. Of the new applications received, 55% were registered within three days compared to 52% in 2018/19. There has been a 3% improvement in registering of businesses within the targeted three (3) days, attributable to the process re-engineering.

10.1.4. Highlights

During the period under review, the department recorded key highlights that were as follows:

Decentralisation

The decentralisation of services was envisaged to:

- Spread the BIPA footprint;
- Take services to the people especially in a sparsely populated Namibia;
- Improve accessibility to service through multiple approaches (e.g. smart partnerships);
- Enhanced utilisation of the Ministry of Industrialisation, Trade and SME Development regional resources.

BIPA opened its office in Swakopmund in February 2018 as part of its decentralization agenda. In extending its decentralization agenda, during the period under review, the focus was to enhance the utilization of Ministry of Industrialisation, Trade and SME Development regional offices in all the regions to support the business registration function by:

- Offering advisory services to BIPA customers;
- Assisting customers to complete the applications forms;
- Receiving applications and dispatching to the BIPA Head Office in Windhoek.

Online business registration platform

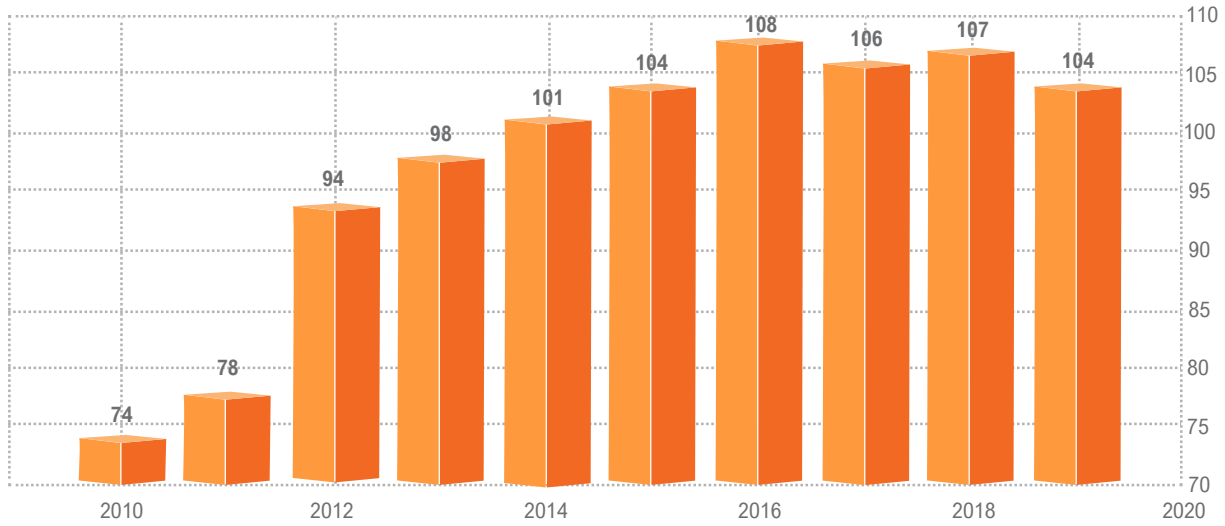
BIPA, in collaboration with the Ministry of Industrialisation, Trade and SME Development's Namibia Investment Centre commenced with the online business registration services on the Integrated Client Service Facility (ICSF) platform. Name reservation, defensive name registration and close corporation registration began as a pilot undertaking with selected agents. The pilot was used as large-scale testing to provide more detailed feedback for the users in order to improve the system.

Stakeholder engagement

In fulfilling the strategic goal of enhancing stakeholder relations, BIPA frequently engaged business consultants and other stakeholders. Meetings were conducted with NIPA, ICAN, FIC, business consultants and accounting officers. These meetings focused on information sharing related to business registration services as well obtaining feedback on service delivery standards.

Namibia's Ease-of-Doing business ranking improved

BIPA plays an important role in developing and growing the Namibian economy and this significantly contributed to Namibia's position on the World Bank's 2019 Ease-of-Doing business ranking.



SOURCE: TRADINGECONOMICS.COM | WORLD BANK

Namibia is ranked 104 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings, the rank of Namibia improved to 104 in 2019 from 107 in 2018.

Namibia's Ease of doing business ratings since 2010

10.1.5. Challenges

One of the strategic initiatives of the BIPA Corporate Strategy is to improve customer satisfaction through reducing the turn-around times of new applications. Management is acutely aware that acceptable turn-around times have not been achieved and has embarked on a re-engineering process to achieve this goal. Key impediments to reducing turn-around times have been attributed to the out-dated IT system and paper-based operations.

10.1.6. Future endeavours

During the 2020/21 financial year, BIPA plans to:

- Continue with the implementation of the decentralisation plan to take its service to the people.
- Continue to re-engineer and automate the core business processes. The processes earmarked for automation are company registrations, close corporation registrations, defensive name registrations, name reservations and close corporation amendments.
- Ensure accuracy of business information on the Integrated Companies Registration System (ICRS).
- Review the Companies Act and Close Corporations Act with the view to improve the ease of doing business.

10.2. INTELLECTUAL PROPERTY SERVICES

10.2.1. Overview

With respect to the Intellectual Property Services, BIPA's functions are: develop an appropriate and conducive IP policy and legislative framework, render efficient and effective protection of Intellectual Property Rights, promote of the value of intellectual property, contribute to the development of the regional and international IP legal frameworks and represent Namibia's interest at bilateral, regional and international fora.

The focus of BIPA, through the Intellectual Property Services Department, is to create an effective and balanced framework for the protection of Intellectual Property Rights, creation, commercialization and utilization of intellectual assets; promote innovation and creativity; and build an IP-conscious society through various targeted stakeholder engagements.

Within the ambits of its international relations policy and cooperation, Namibia is committed to regionalism and multilateralism in intellectual property. Namibia is a member of the African Regional Intellectual Property Organization and the World Intellectual Property Organization.

Therefore, intellectual property services related functions are administered in terms of national, regional and international legal frameworks, listed hereunder:

IP Legal Framework in Namibia

DOMAIN	NATIONAL LEGISLATION	REGIONAL INSTRUMENT	INTERNATIONAL INSTRUMENT
Intellectual Property Rights	Business & Intellectual Property Authority Act, 2016 (Act 8 of 2016)	Lusaka Agreement on the Creation of the African Regional Intellectual Property Organization (ARIPO)	Convention Establishing the World Intellectual Property Organization
Industrial Property Rights (Trade Marks, Industrial Designs, Patents & Utility Models)	Industrial Property Act, 2012 (Act No 1 of 2012)	Banjul Protocol on Marks (ARIPO); Harare Protocol on Patents and Industrial Designs (ARIPO)	Paris Convention for the Protection of Industrial Property (WIPO); Trade Related Aspects of Intellectual Property Rights (WTO); Madrid Agreement Concerning the International Registration of Marks (WIPO); Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (WIPO); Hague Agreement (Geneva Act, 1999) Concerning the International Registration of Industrial Designs (WIPO); Patent Cooperation Treaty (WIPO)
Copyright and Related Rights	Copyright and Neighbouring Rights Protection Act, 1994 (Act No. 6 of 1994)	*Swakopmund Protocol on the Protection of Traditional Knowledge and Expressions of Folklore (ARIPO)*	*Berne Convention (WIPO)* *Trade Related Aspects of Intellectual Property Rights (WTO)*

10.2.2. Reflection on the Period under review

During the period under review, BIPA's priority remained the development of the appropriate and conducive policy and legislative framework, rendering of efficient and effective protection of Intellectual Property Rights, promotion of the value of intellectual property, and engagement.

To this end, BIPA facilitated the adoption of the First National Intellectual Property Policy and Strategy, launched on 23 October 2019 by Hon. Lucia Ipumbu, Minister of Industrialization and Trade (then Deputy- Minister). The IP Policy defines the national framework for the role of intellectual property in the national development agenda.

With respect to the legal framework, BIPA made notable progress on the development of a new Copyright legislation and held stakeholder consultations with the members of the National Assembly, the enforcement agencies, academic institutions and libraries, broadcasters, creators, innovators, businesses, authors and members of public. Out of the consultations, BIPA developed a Working Document for the new Copyright legislation (a layman's draft. The working document incorporates the contributions of various stakeholders and serves as a structure for the layman's draft.

Furthermore, BIPA made strides in the strengthening of enforcement of IP Rights through the designation of Judges to serve as members of the Industrial Property Tribunal under the Industrial Property Act, 2012 (Act No. 1 of 2012).

With respect to the registration and grants of Intellectual Property Rights during the period under review, BIPA received a total of 3069 Intellectual Property Rights applications, of which 35% was received through national filing route, and 65% through regional & international route.

BIPA granted protection a total of 2516 new IP Rights, made up of 68% trademarks, 21% Patents, and 11% Industrial Designs.

As at reporting, BIPA's Register has 74048 valid IP rights, of which 95% are trademarks, and 5% the other IP Rights.

10.2.3. Achievement on the Strategic Plan

The departmental goals for the financial year and achievements were:

- **To deliver effective and efficient customer services**: To support this goal, BIPA implemented the Customer Management Plan with the view to improve customer satisfaction levels and achieved over 90% satisfaction levels on Intellectual Property Services customers.
- **To achieve mutually beneficial stakeholder management**: The Stakeholder Management Plan was implemented and over 95% of the targeted stakeholders were engaged for the period under review.
- **To ensure legislative alignment to national, regional and international obligations**: The target was the adoption of the National Intellectual Property Policy, revision of the copyright administrative fees, development of a draft copyright Bill and constitute the Industrial Property Tribunal. Under the reporting period, BIPA facilitated the adoption of the IP Policy and same was launched on 23 October 2019. The copyright administrative fees were promulgated and entered into force during the period under review. on the development of the draft Copyright Bill, BIPA held stakeholders' consultations and developed a draft Working Document (layman's draft). BIPA, further constituted the Industrial Property Tribunal through the designation of Judges who serves as members of the Tribunal.
- **To improve accuracy of data on intellectual property rights register**: 91% of data accuracy was achieved.
- **To implement audit and risk items registers**: During the period under review, 100% audit and risk issues were resolved.

10.2.4. About Intellectual Property Rights in Namibia

Intellectual Property refers to creation of the intellect which has moral and/or commercial value. IP includes inventions, literary and artistic works, and symbols, names and images used in trade.

IP rights are, therefore, enforceable rights over creations of the mind, which gives the creator exclusive rights to exploit and benefit from their creation, and prevent others from making unauthorised use of their property for a limited period, in exchange of the disclosure of the creative work.

10.2.5. Types of Intellectual Property Rights protected in Namibia

1. Trademarks
2. Patents
3. Utility Model
4. Industrial Designs
5. Copyright

10.2.6. Namibia's Membership to Regional and International Bodies

Treaty	Signature	Instrument	In Force
Regional Treaties (ARIPO)			
Banjul Protocol		Accession: 28 March 2003	1/14/2004
Harare Protocol		Accession: 28 March 2003	04/23/2004
Lusaka Agreement		10/14/2003	10/14/2003
Swakopmund Protocol	8/9/2010		5/11/2015
International Treaties (WIPO)			
Beijing Treaty on Audiovisual Performances	6/26/2012		
Berne Convention		Declaration of Continued Application: September 21, 1993	3/21/1990
Hague Agreement		Accession: March 31, 2004	6/30/2004
Madrid Agreement (Marks)		Accession: March 31, 2004	6/30/2004
Madrid Protocol		Accession: March 31, 2004	6/30/2004
Marrakesh VIP Treaty	8/12/2013		
Paris Convention		Accession: December 29, 2003	1/1/2004
Patent Cooperation Treaty		Accession: October 1, 2003	1/1/2004
WIPO Convention		Accession: September 23, 1991	12/23/1991
WIPO Copyright Treaty	12/20/1996		
WIPO Performances and Phonograms Treaty	12/20/1996		2002-05-20
International Treaties (WTO)			
Agreement on Trade-Related Aspects of Intellectual Property Rights Agreement	1995-01-01		1995-01-01

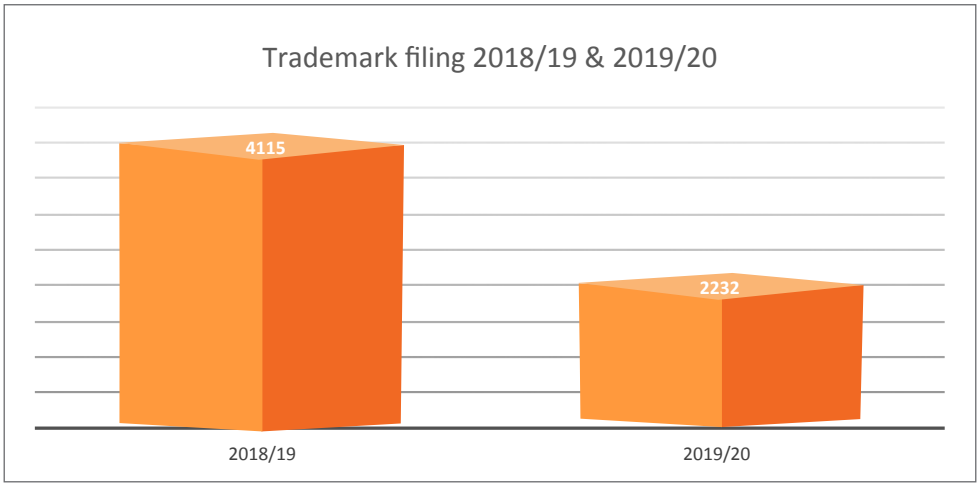
Regional & International Unions

Union	Body
Berne Union	Assembly
Hague Union (Industrial Designs)	Assembly
Madrid Union (Marks)	Assembly
PCT Union (Patents)	Assembly
Paris Union	Assembly
WIPO	Conference
WIPO	General Assembly
ARIPO	Council of Ministers
ARIPO	Administrative Council

10.2.7. Applications and Registration/Grants

Trademarks

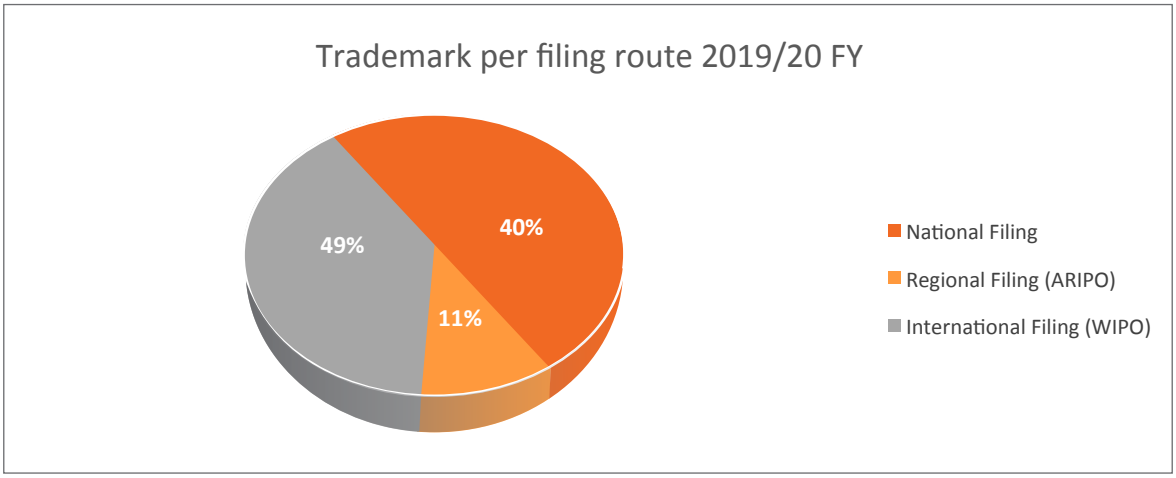
During the financial year of 2019/2020, the Trademarks received a total of 2232 applications compare to 4115 applications received in the last financial year. This represents a decrease of 45.7% in trademark filings.



From the total applications receive, 900 were submitted through the national filing route, whilst 240 applications were received through regional designations (ARIPO administered protocols). International designations (agreements administered by WIPO) receive a total of 1092 applications.

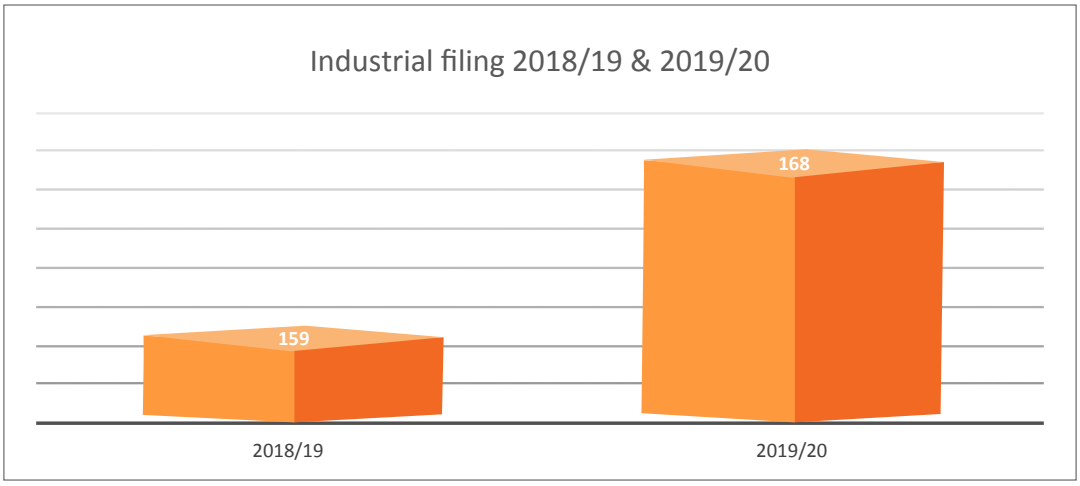
Quarter	National Filing	No. of Classes	Regional Filing (ARIPO)	International Filing (WIPO)	**Total**
Q1	207	335	71	251	**529**
Q2	279	477	61	178	**518**
Q3	206	308	61	341	**608**
Q4	208	232	47	322	**577**
	900	**1352**	**240**	**1092**	**2232**

Overall, international filings made up 49% of all applications, whilst national routes contributed 40% and regional routes accounted for 11%.



Industrial Designs

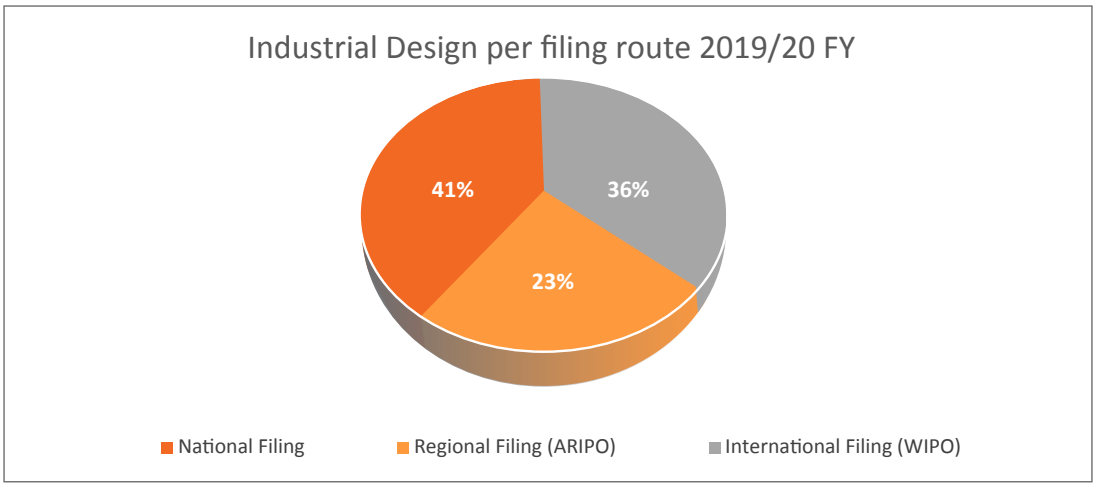
Industrial Designs received a total of 168 applications and 159 in the previous report period. This gives 5.6% increase in total Designs applications filed from 2018/19 to 2019/20 financial year.



A total of 68 applications were submitted through the International filing route, whilst 61 were received through the national route. Regional route (ARIPO administered protocol) received 39 application.

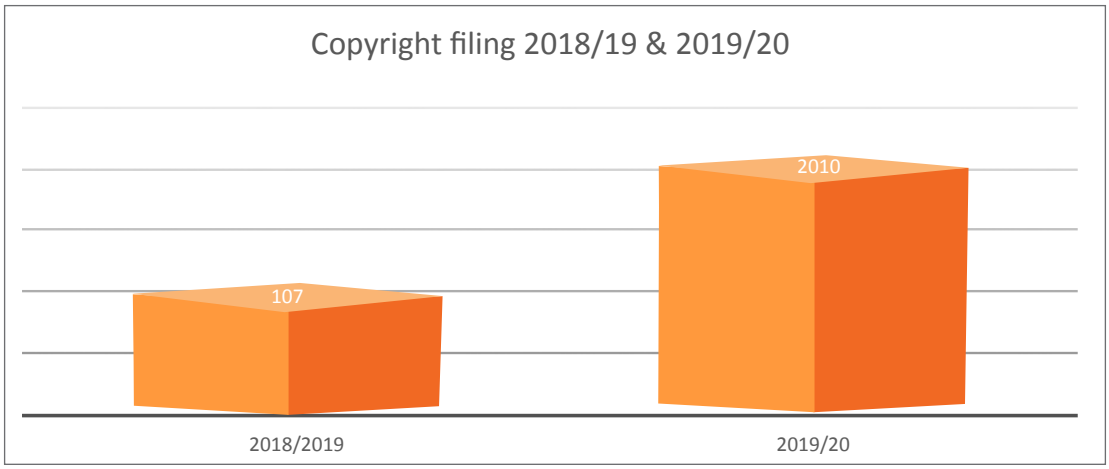
Quarter	National Filing	Regional Filing (ARIPO)	International Filing (WIPO)	**Total**
Q1	23	2	13	**38**
Q2	23	10	18	**51**
Q3	11	11	18	**40**
Q4	4	16	19	**39**
	61	**39**	**68**	**168**

Industrial Design National filings made up 36% of filings, regional 23% and International routes, 41%.



Copyright

BIPA received a total of 107 copyright applications in 2019/20 FY compare to 210 application that were received in the previous reporting period. Copyright applications increase with 96% from 2018/19 FY to 2019/20 FY.

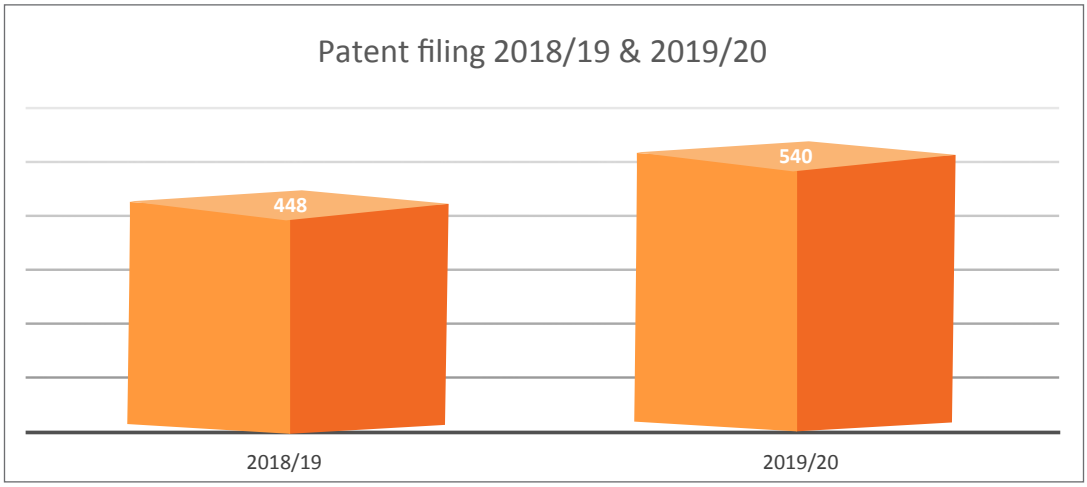


From the total 107 applications received, 103 were literary works, 2 were audio-visual and 2 was for a musical work.

	Total Number of Applications for Copyrighted Works	Applications verified	Applications accepted	Applications Rejected
Q1	35	35	33	2
Q2	35	35	27	8
Q3	17	17	15	2
Q4	20	20	19	1
	107	**107**	**94**	**13**

Patents

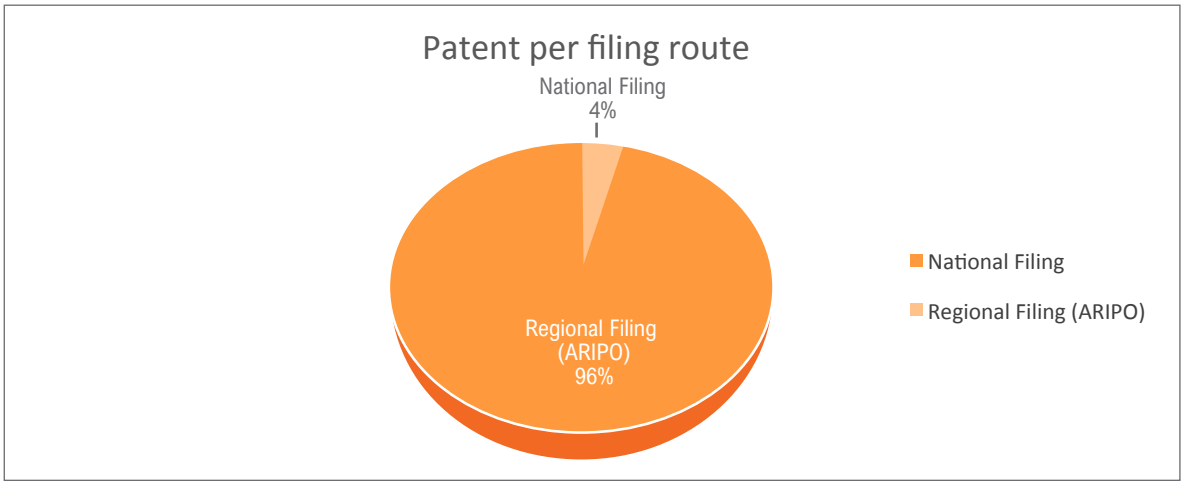
A total of 562 patent applications were recorded for 2019/2020 financial year compare to 448 applications received in the previous financial year. The patent filing record an increase of 25 % from 2018/19 to 2019/20 financial year.



National Patent filing is receiving a total of 22 applications and regional route receives a total of 540 applications.

Quarter	National Filing	Regional Filing (ARIPO)	**Total**
Q1	11	153	**163**
Q2	8	129	**137**
Q3	1	142	**143**
Q4	2	117	**119**
	22	**540**	**562**

Patent filing applications is made up only of two filing routes National and Regional. National route recorded a total 22 applications which is (4%) of the total application received and 540 which is (96%) through Regional routes.



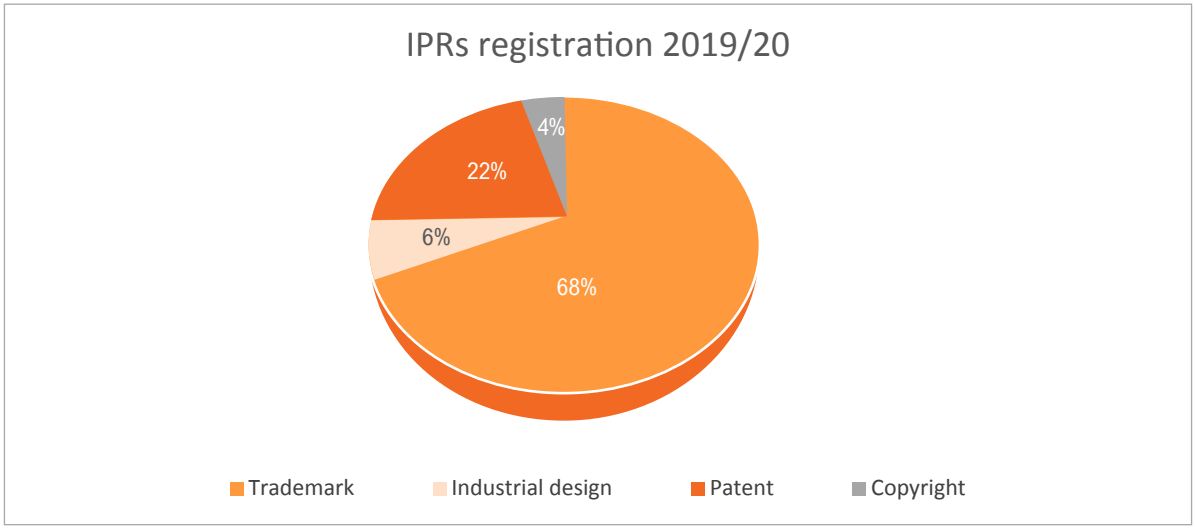
Intellectual Property Rights registration 2019/20

IP rights	2018/19	2019/20
Trademark	2411	1719
Industrial design	151	161
Patent	440	542
Copyright	208	94
Total	3210	2516

BIPA register a total of 2516 Intellectual Property Right during 2019/20 financial year compare to 3210 registered IPRs in 2018/19. A decrease of 21% was recorded in IPRs registration and this was as a result of low filing in the financial year under review.

Intellectual Property Rights Renewal 2019/20

IP rights	2019/20
Trademark	1403
Industrial design	23
Patent	41
Copyright	0
Total	1467



Trademark registration made up 68% of the total IPRs registration in 2019/20. This is followed by Patent registration with 22%, Industrial Design 6% and Copyright 4%.

Legal Frameworks and Systems:

Development of Copyright Bill

BIPA held a consultative meeting with the Minister and obtained approval to commence with the review and development of a new Copyright Bill. The Minister also approved the rationale document for the development of the new Copyright Bill.

New Copyright Fees

During the reporting period, new copyright fees were published, introducing new fees structure for copyright services. The revised fee's structure was implemented on 1 January 2020.

National Intellectual Property Policy of Namibia

On 23 October 2019, BIPA facilitated the launch of the first National Policy on Intellectual Property during a high-level breakfast engagement. The launch was officiated by the Deputy Minister of Industrialization, Trade and SME Development; and was attended by over 100 stakeholders including Representatives of Ministries/Offices/Agencies, Ambassadors, Heads of Academic and Research Institutions, Private Sector, Members of the Public and the Media

Model IP Project

A WIPO mission was undertaken in November/December 2019 to migrate the IPAS system to the new server environment and upgrade it to the latest production version (3.5.0b). It also introduced the online services for back-office operations including the WIPO Publish and the ARIPO Member States Module. WIPO undertook the second mission focusing on the WIPO file and capacity building with BIPA staff from 02 March to 13 March 2020.

10.2.8. Key Challenges

Business and Intellectual Property Authority (BIPA)

- Outdated Copyright Legislation
- Some data still manual

- Some processes still manual
- Limited awareness of IP in general
- Limited awareness of the value of intellectual property
- Lack of data on success IP stories
- Lack of data on the contribution of IP reliant industries/sectors to GDP
- Competencies in technical areas such as patent substantive examination

10.2.9. Future endeavors

During 2020/21 financial year, BIPA plans to

- Finalize and operationalise the online filing system for IP Rights applications (WIPO File)
- Finalize the Rules for the Industrial Property Tribunal
- Finalize the development of a new Copyright Legislation
- Commence with the Implementation of the National Intellectual Property Policy
- Ratify the WIPO copyright related treaties which Namibia has signed

10.3. RECORDS AND ARCHIVES MANAGEMENT

10.3.1 Overview

The Record and Archives department manages all documents and records relating to business and IP registrations. Accurate and precise management of the records is vital to ensure regulatory compliance, managing risk and business continuity. This will further enhance records preservation, disposition, archiving and knowledge-sharing.

10.3.2. Data assurance and integrity

A key strategic initiative of the Company Strategy (2017-2022) required that the data assurance project be undertaken. The significance of this project was such that it would assist BIPA to host more credible commercial information, make evidence-based decisions, improve turnaround times, and improve revenue collection and venture into diversified revenue streams such as data sales.

The project commenced in March 2018 and from 2019, the project was financed by GIZ. The data assurance project under the GIZ funding is to conclude in the subsequent financial year.

The project was aimed at improving BIPA's business registration information of approximately 180,000 entity files with lodgements made between 2012 to 2018.

At the closure of the project, 43 229 (24.6%) files were updated on ICRS, 50 709 (28.9%) files were scanned, while a resounding N$6,111,198.16 in outstanding annual duties was collected.

10.3.3. Data assurance project

10.3.3.1. Project Deliverables

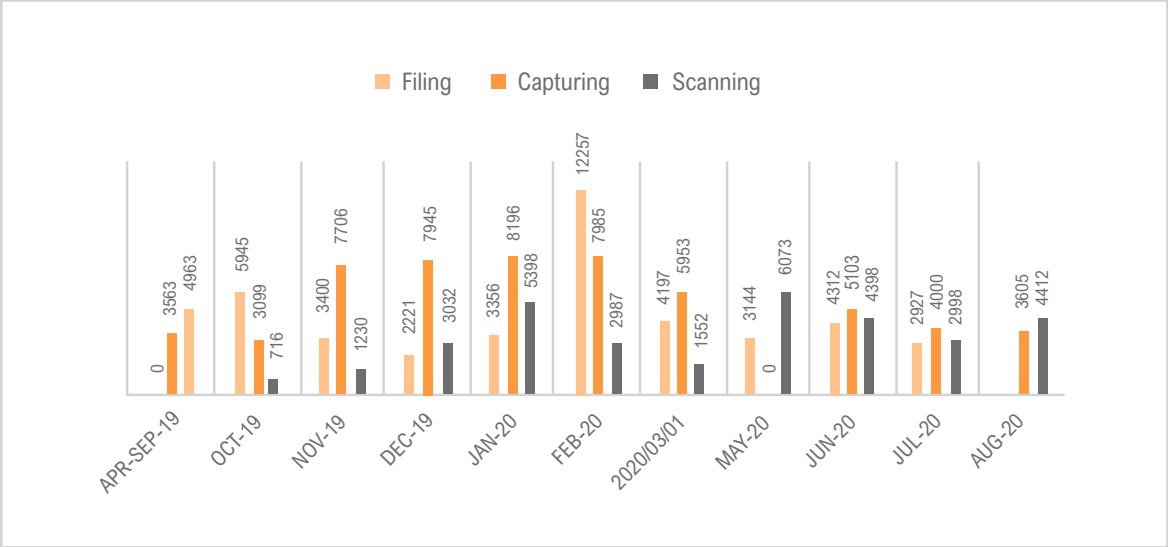
The primary deliverables of the project were:

- To consolidate loose business registration forms with their respective company files.
- To capture (updating and correcting) of approximately 175,000 business registration files on the ICRS (Integrated Company Registration System).
- To scan all entities' physical files on to the content management system called M-files.
- To update financial statements of registered entities onto BIPA's financial system and collecting outstanding annual duty fees.

10.3.3.2 Project Challenges

One of the major challenges were that unfortunately the full desired outcomes were not achieved for this project, due to various factors such as:

- Project setup such as project site, recruitment and training took longer than planned due to delays in site installation, non-acceptance of contracts and retention.
- The file request process during December and January was very slow due to the shortage of staff at the Document Warehouse.
- COVID-19 Lockdown periods between March and April 2020 caused a slowdown in progress.
- Mandatory social distancing, as a result of Stage II COVID-19 regulations caused the project team to work in shifts, consequently reducing working hours and productivity.



Due to the significance of this project, there is a need to re-plan the project so that it can be more effective in order for BIPA to host credible commercial information, make evidence-based decisions, improve turnaround times, and improve revenue collection and venture into diversified revenue streams such as data sales.

10.3.3.3. Project statistics and outcomes

Data capturing project status

Completeness Status: 26.7%

SCOPE: To capture all business registration activities (e.g. registration and amendments) that took place between 2012 and 2018.

SCHEDULE: The project was planned to run for 6 months (October 2019 to March 2020) and was estimated to be at 50% (87,553 files) captured by the end of December 2019. The project closed off behind schedule with 26.7% (46 834) out of a total of 175 106 files captured to date. The project was delayed due to the following reasons:

- Project setup such as project site, recruitment and training took longer than planned due to delays in site installation, non-acceptance of contracts and retraining.
- The file request process during December and January was very slow due to the shortage of staff at the Document Warehouse.
- COVID-19 Lockdown period between March and April 2020 and subsequently, the reduction of hours of work for the employees due to Stage 2 COVID-19 regulations.

Scanning project status

Completeness Status: 31.4%

SCOPE: To scan all the company registration files. The scope remained fixed.

SCHEDULE: The project was planned to run for 6 months (October 2019 to March 2020) and was forecasted to be at 50% (87,553 files) by end of December 2019. Due to Covid-19, the project was extended until end of August 2020.

The project closed off behind schedule with 31,4% (55 121) of the total active 175 106 files scanned to date. The project was delayed due to the following reasons:

- Setup took longer than planned because delivery of systems (computers and scanners) was delayed.
- The current content system is hosted off-site and therefore accessing of the system is very slow which also contributes to the delays on the project.

Annual Duty collection project status

Completeness Status: 40.2%

SCOPE: To assess and collect all outstanding annual duty payments.

SCHEDULE: The whole project was planned to end in October 2020. The target collected revenue by end of March 2020 was N$4,000,000.00.

At the end of August 2020, the performance of the project stood at N$ N$6,111,198.16 of the targeted revenue since project inception. A total of 35 495 (20.2%) files have been completed against the initial 175 106.

COST: The project cost was fixed and kept within budget.

QUALITY: Quality management is in place to assure that correct statements are produced.

BENEFITS: The primary benefit of this project is the return on investment (ROI). The ROI is currently at 39% of the total cost incurred.

10.4. INFORMATION AND COMMUNICATION TECHNOLOGY

10.4.1. Overview

The ICT department designs, acquire, implement, and maintain the ICT infrastructure and the applications required to provide operations and business support which benefits both the employees and clients of BIPA. The department consists of the following divisions:

- The Information Systems Division is responsible for business analysis (manage business requirements, manage solutions identifications, business process management and business intelligence management); software engineering (design, develop, configure, test and maintenance of business processes, applications, information, data and the corporate website) and helpdesk management (service request management, incident management and problem management). The helpdesk is the initial contact point for all data network users within the organization.

- The Enterprise Project Management Office (E-PMO) division is responsible for managing programmes and projects. The division manages all programmes and projects from the investment portfolio in alignment with the enterprise strategy and in a co-ordinated way. It also Initiates, plan, control, and execute programmes and projects and close with a post-implementation review.

- The Networks, Infrastructure and Security division is responsible for network administration (installing, maintaining and upgrading the corporate computer network, including the wide area network and internet); systems administration (managing the reliable operation [availability and capacity] of computer hardware, software, servers and computers); and security administration (administering and managing the security of all data systems including systems and networks).

- The Records Management and Archiving division is responsible for managing the storing, retrieving, disposing and scanning of all intellectual property and business registration files.

10.4.2. Annual departmental plan

The departmental goals for the year under review were to setup an on-premises records management warehouse. The project was aimed at implementing an on-premises records management warehouse at BIPA in order to reduce the rental cost of storing files at a third-party warehouse. The project had the following deliverables:

- Fumigation and pest control of the warehouse.
- Racking and shelving of the warehouse.
- Installing a fire detection and prevention system.
- Installing an on-premises records management system.
- Installing an on-premises content management system.
- Migrating approx. 1800 boxes from the 3rd party warehouse to the BIPA warehouse.
- Implement on-premises data network firewall systems. The project was aimed at improving BIPA's data network border defence by implementing firewalls at both the production and the disaster recovery sites.
- Implement the data integrity project. The project is aimed at improving the quality of the business registration information stored on the BIPA registration system, content management system and the financial management system. The number of entities to be processed (captured, scanned and issue financial statements) by the project are approx. 175,000.
- Procure an ERP (Enterprise Resource Management) system. The project is aimed at implementing an ERP system which provides financial, human capital and performance management functionalities and integrates key internal systems such as business registration, intellectual property administration and records management systems.
- Implement a virtual server environment. The project was aimed at implementing a virtual server environment to host different applications servers such as Domain Controller (Active Directory Domain Services), File server, O'Neill (Records Management System), M-files (Content Management System) and Pastel. Other systems that were implemented as part of the project were Storage Area Network (SAN) and media library.
- Implement the Model IP Office system. The project was aimed at modernizing the IPAS (Intellectual Property Administration system) to include online application processing with modules such as WIPO File (for online application), WIPO publish (for online searching) and an e-registry which hosts Global IP Systems information (PCT, Madrid and Hague) and a Global database of standards and classifications.
- Implement the ICSF (Integrated Client Service Facility) interim solution. The ICSF interim was aimed at implementing a database system which will store online applications from the ICSF.
- Implement a Helpdesk management system. The helpdesk management system project was aimed at implementing an ITIL compliant system which can automate service desk processes such as service request, incident management, problem management, change management and release management.

10.4.3. Achievements

Despite the resource challenges, we met the following objectives:

10.4.3.1. The records management warehouse

The records management warehouse project was initiated, and the following project products were delivered:

- Fumigation and pest control of the warehouse.
- Racking and shelving of the warehouse.
- Implementation of a records management system.

The following products could not be delivered in-time and were deferred to the next financial year:

- Implementation of a fire detection and prevention system.

- Implementation of a content management system.
- Relocation of 1,500 boxes from the Document Warehouse.

10.4.3.2. Network firewalls

The data network firewalls were successfully implemented during the year and all security policies were implemented. To increase internal firewall (security) administration capacity, one staff member from the ICT department was trained as a Security Network Expert.

10.4.3.3. Implement the Data Integrity Project

The data Integrity project was implemented at the beginning of the financial year with thirty-one temporary staff members to carry out the following tasks on the project:

- 10 staff members – Data capturing.
- 10 staff members – Document scanning.
- 11 staff members – Revenue collection.

The velocity of the project was very slow due to the small number of personnel assigned to it. BIPA therefore requested for funding from GIZ to increase the number of personnel to the project. GIZ made a significant sponsorship to the project to fund the following items as of October 2019:

- 40 additional staff members – Data capturing.
- 20 additional staff members – Document scanning.
- Rental of 20 scanners.
- Rental of a project building.
- Implementation of a data network.

The project was planned for completion by the end of December 2020. More than 30,000 company files have been captured, scanned, and financially assessed to date.

10.4.3.4. Procure an ERP (Enterprise Resource Planning) system

The ERP system procurement process was successfully finalised and the supply contract was awarded to the successful bidder on the 27th of February 2020. The project is currently at contract signing stage and implementation of a Sage X3 ERP system will follow. The project is envisaged to end by December 2020.

10.4.3.5. Implement a virtual server environment

The project was implemented as planned with all work packages delivered. All project work packages were accepted by the 28th of October 2019.

10.4.3.6. Implement a Model IP (Intellectual Property) system

The project was implemented as planned with all work packages delivered. All project work packages were accepted by the 6th of December 2019.

10.4.3.7. Implement the ICSF (Integrated Client Service Facility) interim

The project was implemented as planned with all work packages delivered. Three work packages namely name reservations, defensive names and closed corporation were accepted on the 26th of November 2019. The company work package was accepted on the 16th of April 2020.

10.4.3.8. Implement a helpdesk management system

The project was implemented as planned with all work packages delivered. All project work packages were accepted by the 4th of July 2020.

10.4.4. Challenges

10.4.5.1. Low staff complement

BIPA services depend highly on the IT infrastructure and systems. BIPA has an IT staffing ratio of 1:28 if the whole IT department is considered but if only the technical staff is considered, the ratio is about 1:56. This is the biggest challenge for the IT department because the data network has too many components managed by few people.

10.4.5.2. Lack of training

The IT staff is constantly improving the company's technology footprint (operating systems, databases, applications, security, and networks) but the employees who are responsible for the upkeep of these technologies haven't received training on the technologies. This is making it difficult for the IT staff to manage all the technologies in the company.

10.4.5. Future Plans

In the 2020/21 financial year, BIPA would like to implement the following projects:

- Network and data centres infrastructure monitoring. The system will be used to monitor network devices such as routers, switches, firewalls, servers, virtual machines, printers and storage devices in real-time.
- Enterprise resource planning. The system will be used to automate and integrate processes such as financial management, payroll, performance management, asset and inventory management and procurement management.
- Business registration system – phase 2. The phase will introduce modules such as amendments of business entity data, data entry, reports and data migration.
- Security network upgrades. These upgrades are aimed at improving the security networks maturity by implementing audit log settings, 2-factor authentication, trusted hosts, more policies and addressing any client vulnerabilities.
- Queue management system
- Data centres upgrades. The data centres upgrades are aimed at implementing backup power, structured cabling, raised floor, labelling and KVM (Keyboard, Video and Mouse) switches for ease of operations.
- Clients Notifications Systems (SMS and WhatsApp). The notifications systems are aimed at notifying clients on the status of applications lodged at BIPA.
- Information Systems Integrations. The aim of these integrations is to automate the processes between systems and departments. This will improve the turn-around times of BIPA services.
- Online exchange mail. This is aimed at implementing a cloud-based mail server with functionalities such as out of office setup, mailbox space monitoring, up to 50GB storage space, up to 50MB message size. Users have the option of accessing mail via desktop email client or via outlook on the web with a global address list of name, department and phone information for all staff.
- Board pack management. A system for board members to share and collaborate information for Board meetings.
- IT policies development. Now that BIPA has the IT infrastructure in place, it is time to develop and enforce all relevant policies such as acceptable policies, security awareness, information security and the disaster recovery/business continuity plan). Other relevant policies enforceable are change management, incident response, remote access, BYOD (Bring your own device), vendor access, media destruction, retention and backups.

10.5. HUMAN CAPITAL MANAGEMENT (HCM)

10.5.1. Departmental overview

The success of BIPA's operations is dependent on the skills and commitment of its human resources. It is our philosophy that we will have the right people in the right roles doing the right value-adding work at the right time, with clear deliverables that increase capability and effectiveness. Through the activities of the Department for Human Capital Management, the institution aims to fulfil the strategic objective of Human Capital Development as identified in the Corporate Strategy 2017-2022. This will be achieved through developing collective skills, knowledge and intangible assets of individuals to enhance the creation of economic value for the institution.

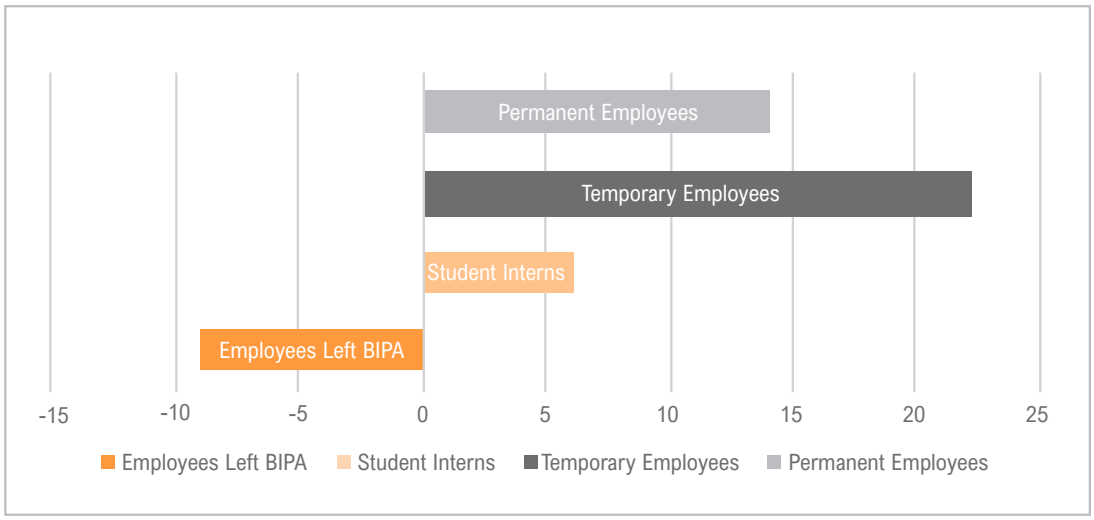
10.5.2. Operational report

During the reporting period, BIPA employed a total number of 189 employees in its workforce, of which 95 were employed on a permanent basis, 38 employed temporary employees under BIPA Budget and 56 employed under Data Integrity Project sponsored by GIZ.

BIPA recorded the following separations.

	Positions	Reasons	Department	Last Date
1	Executive: Human Capital Management	Resignation	Human Capital Management	Apr 2019
2	Personal Assistant: Executive Intellectual Property Services	Resignation	Intellectual Property Services	Nov 2019
3	HCP: Employee Relations, Wellness and OHS	Resignation	Human Capital Management	Nov 2019
4	End User Support Coordinator	Resignation	ICT	Dec 2019
5	Executive: Finance and Administration	Resignation	Finance and Administration	Dec 2019
6	HCP: Recruitment and Remuneration	Resignation	Human Capital Management	Feb 2020

Total staff movements for the period are outlined below:



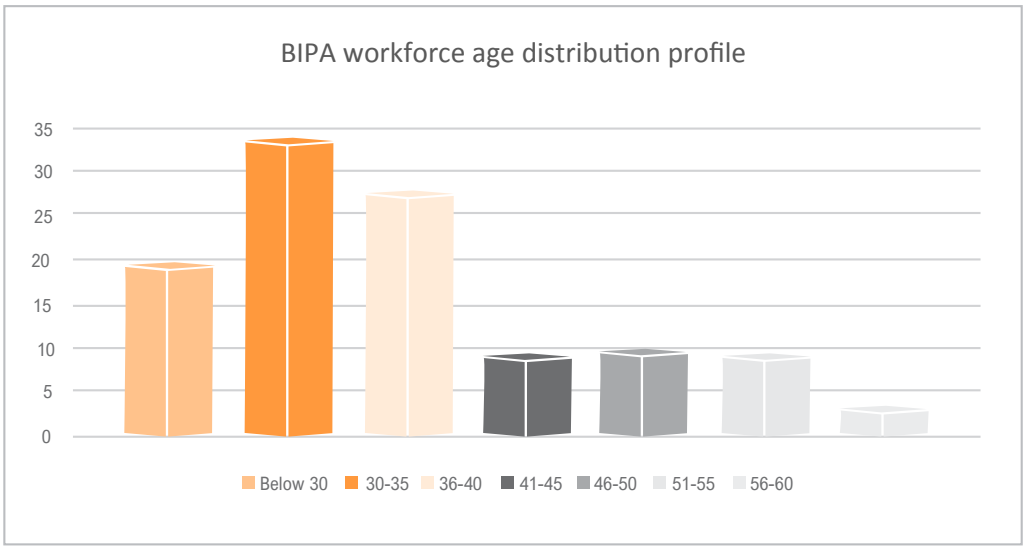
10.5.3. Workforce age distribution

We are committed to creating an inclusive and diverse workforce. The ages of our workers range from 20 to 60 years with an average age of 33 years. An aging workforce is not a threat at this time as only a few have attained the statutory early retirement age of 55 years.

The age distribution profile is as follows:

AGE CATEGORY	NUMBER OF EMPLOYEES
Below 30 years	78
30 – 35 years	45
36 – 40 years	30
41 – 45 years	13
46 – 50 years	10
51 – 55 years	6
56 – 60 years	7
TOTAL	**189**

The data shows that 81% of the BIPA workforce falls into the generational category of millennials (employees who are below 40 years old). This requires responsible and visionary leadership to support their needs to ensure their retention. They will be accordingly empowered to make meaningful contributions to our strategic success.

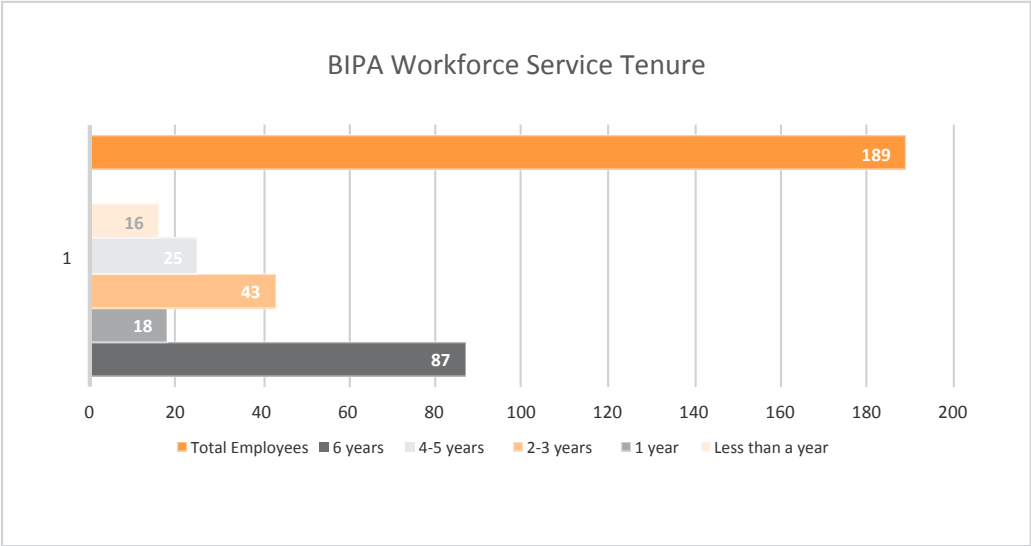


10.5.4. Employment service tenure

The Authority's workforce tenure ranges from 1 (one) month to 6 (six) years. Employees in BIPA's establishment at 6 (six) years represent 8% of total workforce while 13% of the workforce has an average service period of 4-5 years. Employees with less than 3 years of service make up 78% of personnel. This ensures a beneficial mix of staff with a balance of institutional memory and novel insight. We are well positioned to provide fertile ground for organisational renewal and innovation.

Employment Service tenure	# of Employees
>6 years	16
4 - 5 years	25
2 - 3 years	43
1 years	18
< 1 years	87
TOTAL	**189**

The majority of BIPA employees have accumulated enough work experience to form a valuable knowledge base. To further build on this, we will create platforms for experienced employees to transfer their knowledge to others.



10.5.5. Affirmative Action

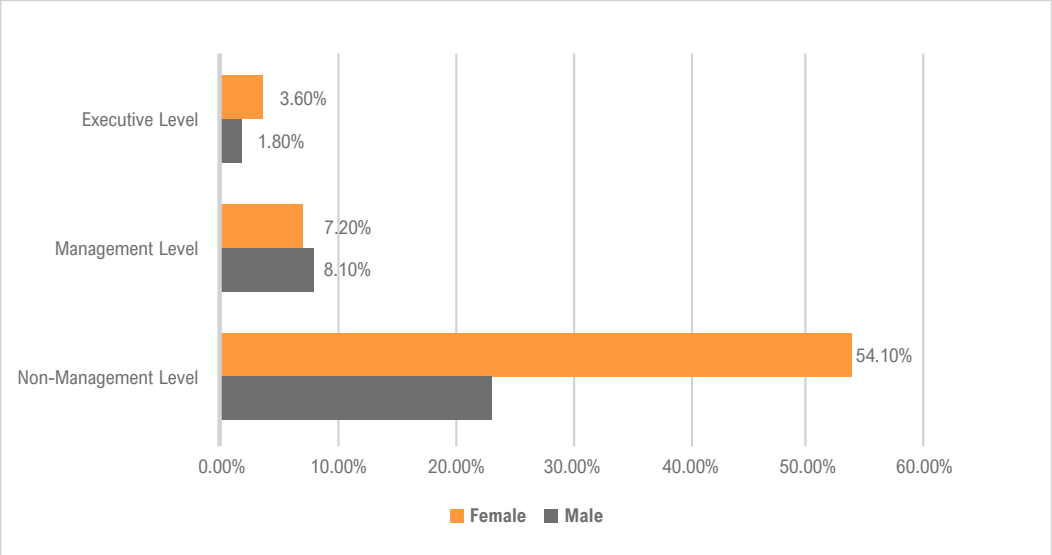
BIPA remains committed to the Employment Equity Code of Good Practice and continues to comply with Namibia's Employment Equity and Affirmative Action Act. The CEO accordingly appointed AA Committee members to facilitate the Employment Equity requirements. The Committee met twice and drafted an annual AA plan for the years 2019/2020 to 2020/2021.

At the end of the reporting period, BIPA had 188 (99%) employees from previously designation groups. Racially disadvantaged employees total 186 (98%) while 2% are individuals from previously advantaged groups.

The employment equity profile as at 31 March 2020 for workforce distribution is as follows:

	Racially disadvantaged		Racially advantaged		Persons with disabilities		Non-Namibian(s)		Total	
Job Category	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Executive Directors **(F- Band)**	-	1	-	-	-	-	-	-	-	1
Senior Management **(E – Band)**	1	2	-	-	-	-	-	-	1	2
Middle Management **(D- Band)**	9	7	-	1	-	-	1	-	10	8
Specialized/skilled/ Senior Supervisory **(C4 – C5)**	1	1	-	-	-	-	-	-	1	1
Skilled **(C1 – C3)**	10	27	-	-	0	-	-	-	10	27
Semi-Skilled **(B- Band)**	6	21	-	-	1.00	-	-	-	7	21
Unskilled **(A- Band)**	3	3	-	-	-	-	-	-	3	3
Total permanent	30	62	-	1	1	-	1	-	32	63
Casual	36	58	-	-	-	-	-	-	36	58
Total	66	120	-	1	1	-	1	-	68	121
										189

We currently employ one disabled person and it is our goal to increase this number. Female representation at management level (Paterson Grades D1 to F) accounts for 6% of the total BIPA workforce.



10.5.6. Skills development programs

Two BIPA staff members attended the World Intellectual Property Organisation (WIPO) summer school held from the 25th of November 2019 to the 6th of December 2019 in Bloemfontein, South Africa. The WIPO summer school is a specialized course on intellectual property and technology transfer focused on raising and reinforcing awareness on future complex issues related to IP management. WIPO sponsored this course in support for African nations to benefits from the 4th Industrial Revolution.

The Finance and Administration Department conducted the 'Policies Awareness Sessions' with all BIPA employees with the aim to highlight the importance of various Departmental policies. These awareness sessions were held from the 7th of October 2019 to the 21st of November 2019 mainly to educate all BIPA employees on the Finance and Administration policies that were approved.

Nature of Training Course(s)	Course Date	# of participants	Cost	Venue
1. World Intellectual Property Organisation (WIPO) summer school	25 Nov. 2019 to 06 Dec. 2019	2	N$73,252.00	Bloemfontein, Republic of South Africa
2. Finance policies awareness sessions	07 Oct. 2019 to 21 Nov. 2019	all BIPA employees	No costs	In-house training

Employee engagement initiatives

A general staff meeting for Windhoek-based employees was organised on the 12th of November 2019 which coincided with the Board Chairperson introducing the substantive Chief Executive Officer (CEO) for BIPA. Employees were urged to support the CEO in implementing the Authority's mandate. The platform was necessary to build an engaged workforce and instil a purpose-led culture.

The Authority organised the year-end function on the 13th of December 2019 hosted at Roof of Africa Hotel and Conference in Windhoek. The event was meant for the CEO, on behalf of the Board of Directors and Management to highlight successes and challenges experienced throughout the calendar year while appreciate employee effort made towards the overall performance and achievements of the Authority.

Management of employees' performance

A new Performance Management Moderation Committee was appointed by the CEO to validate the performance appraisals scores. The primary role of the Committee was to evaluate all performance agreements in terms of consistency and degree of alignment in order to verify that there is a common understanding of the standards used at each level while ensuring that the integrity of the performance management system is protected. Overall, the Authority performed at 3.50, while the average for all employees was 3.61. A comparative analysis of organisational performance is as follows:

Organisational Performance	2017/18 FY	2018/19 FY	2019/20 FY
Corporate Scorecard (Rated score)	3.8	3.40	3.50
Departmental (Average score)	3.73	3.66	3.61
All Employees (Average score)	3.72	3.70	

10.5.7. Job evaluation and grading validation project

A total of thirty-four (34) positions including nineteen (19) that are among the existing and filled positions, and nine (9) new priority positions were evaluated and the initial outcome report was submitted to BIPA on the 24th of July 2019 by Vision Consulting cc, an external consultant. Thereafter, the CEO appointed an 'Internal JEG Validation Committee' comprising of five (5) members in September 2019 to validate the grading (JEG) outcome and report back.

10.5.8. Employee health & wellness activities

Management organized a mountain excursion for all employees on Friday, 01 November 2019 as part of the wellness program activities. The excursion helped to promote employee mental, physical and emotional fitness. The event was used to encourage the employees to work together and consider each other's social needs.

10.5.9. Industrial relations

The Authority received the Namibia Public Workers' Union (NAPWU) proposal agenda items for the 2019/20 annual union-management negotiation meetings. Thereafter, the CEO appointed the Internal Negotiation Committee to prepare for the annual negotiation.

Among the proposed agenda items for the 2019/20 annual negotiation was:

- Subsidized medical aid (100%);
- Enter into agreements with financial institutions (loan facility);
- Provide employees with training opportunities;
- Move from total cost to basic plus (Pay structure model);
- Annual salary increases (10%)
- Provide a 13th cheque.

The Committee undertook a benchmark visit in December 2019 to the Communication Regulatory Authority of Namibia (CRAN) and brainstormed best practices with their counterparts. The first round of the negotiations was scheduled to take place during the 4th quarter after the Committee finalised internal preparation.

10.5.10. Employee relations

The Department handled the following employee disciplinary matters:

No.	Nature of Offence	Initiation (mm/yy)	Department	Status of Hearing /Sanction
1	*Coming late to work and leaving early*	October 2019	Intellectual Property	*Written warning (22 November 2019 – 21 February 2020)*
2.	Misappropriation of State funds	November 2019	Finance and Administration	- *Dismissed* *Appeal in process, scheduled for 03 February 2020*

10.5.11. Organisational culture change

During reporting period, two meetings were held on the 10th and 24th of October 2019 with a proposed action plan to address the implementation of ICSF and office relocation. Some of the activities that were addressed were to educate staff about ICSF internally and proposal of innovative names for the projects.

10.5.12. Strategic planning and review meeting

A strategic workshop was organised on 24 May 2019 at Safari Court Hotel in Windhoek for the BIPA Board of Directors to acquaint themselves with the content of the Revised Strategic Plan (2019/20 – 2021/22) and share their views. The workshop re-aligned key strategic objectives, targets and initiatives to the institution's available financial and human resources for the remaining three financial years (2019/20 to 2021/22). The Board has since approved the Revised Strategic Plan. In the same vein, the Department assisted with the development of the draft Business and Financial Plan for the 2019/2020 financial year, which was approved by the Minister. Management further organised a strategy review and budget meeting held from the 06th to the 09th of December 2019 at Daan Viljoen on the outskirt of Windhoek to plan for 2020/21 financial year.

10.5.13. Highlights

It is BIPA's goal to build and sustain an engaged workforce which is focused on a common strategy and the following interventions were implemented:

An annual increment of 3.5% was applied. In addition, a performance bonus was paid to qualifying employees.

10.5.14. Challenges

The sluggish economic climate resulted in diminished financial resources which was a challenge for BIPA. Few permanent employees were recruited even though an attrition rate of 8% prevailed. Whilst we acknowledge the importance of up skilling and training our employees, we were unable to provide any training and development interventions. This resulted in low morale in the organisation and management consequently implemented an internal climate survey.

10.5.15. Future Endeavours

BIPA recognises that employees' health and well-being include physical, social, cultural and psychological aspects, and will continue striving to create an improved working environment for employees. Customised Human Capital Management solutions are being developed and implemented to ensure an engaged and motivated workforce.

10.6. FINANCE AND ADMINISTRATION

10.6.1. Overview

The financial year ended 31 March 2020 marked a quantum leap in core revenue generated as well as surplus. Further, cost management initiatives ensured the Authority declared a surplus of N$17 million. Annual duties revenue remains BIPA's main revenue stream and continues to grow. In this same year, registration of Trademarks, Copyrights and Patents revenues improved while Business Registration revenues had a modest increase.

The Authority recorded an 11% cost increase from the previous year reaching N$71.07 million. Despite costs increase, BIPA had positive cash flows eliminating need for short term borrowing. Excess cash was invested, and the Authority's investment initiatives paid N$1.5 million in interest received.

The Authority complied with all provisions of the Public Procurement Act, 2015 as amended throughout the year as well as ensured compliance to all relevant financial standards. The application of these Acts saw increase in revenue, transparency in procurement and well managed costs.

The procurement plan for the year was implemented to the value of N$22 million which is 65% the total procurement budget. Partially the plan got affected by the onset of COVID-19 during the last quarter of the financial year. During the financial year, BIPA saw an increase in net assets of N$25 million, of which the highest growth is on investments.

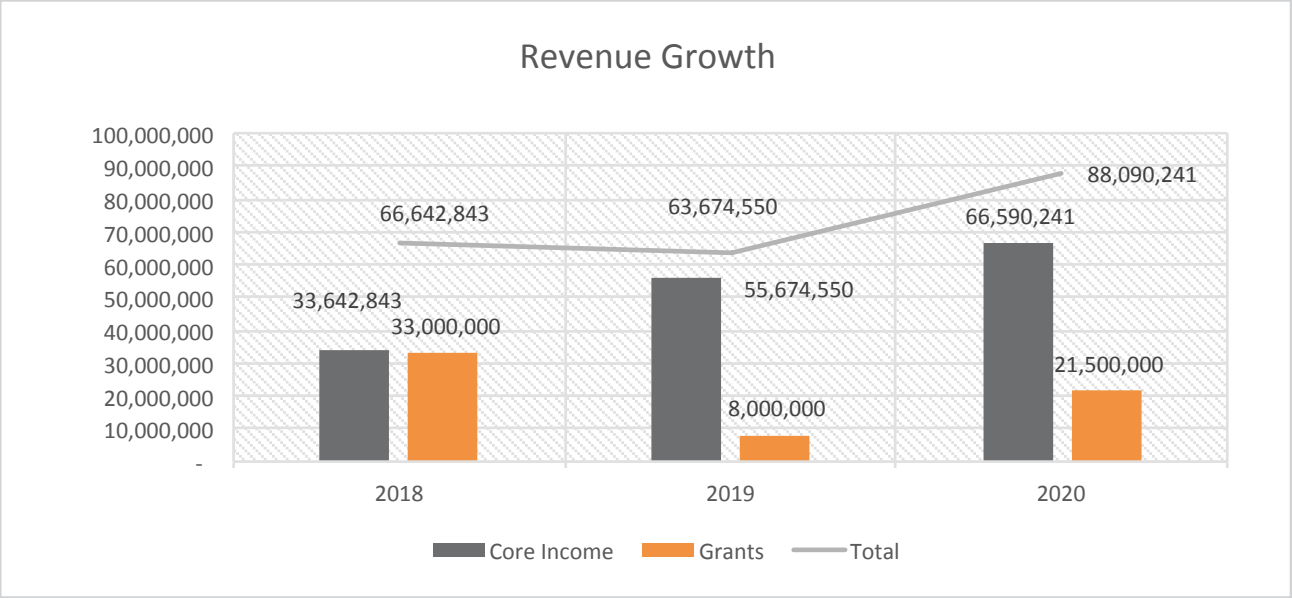
The Authority's operational needs increased during the year under review. This is because of the need for extra office space for the GIZ project and the need for annual duty revenue collection staff. Provisions of logistics were availed to the satisfaction of all departments and customers.

Both Management and the Board aspire to see BIPA achieve financial sustainability and remain a viable going concern entity. This can be made possible by amongst other things, increased internal controls and risk management.

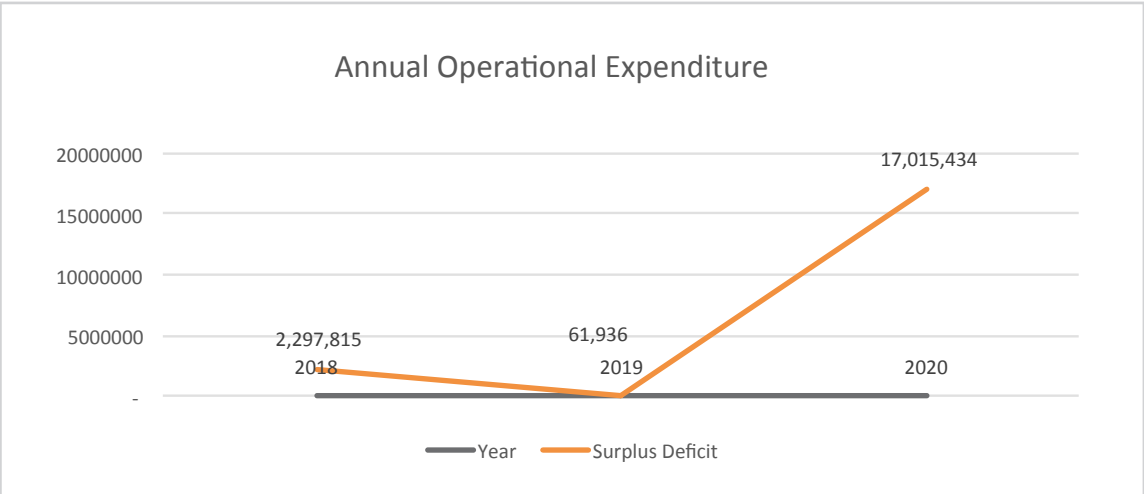
10.6.2. Financial Performance

BIPA's overall strategy is growth oriented. The Authority continues to grow in revenue especially core incomes. The Authority is also heading towards own income break-even point. This is the point where BIPA will not need operational funding from key stakeholders. The only funding required would be for capitalisation (Capital projects funding). BIPA expects to hit self-operational funding in the ensuing financial year.

See Revenue Growth table below.

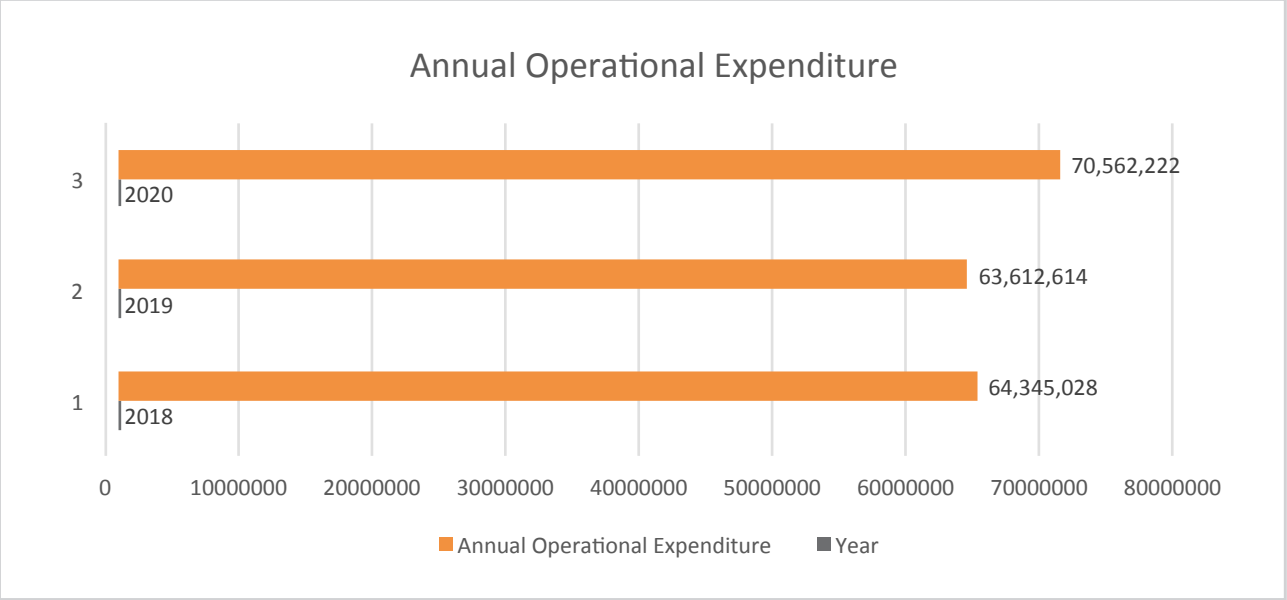


The table below shows how the Authority has performed. BIPA managed reach a surplus of N$17 million. This is a well-deserved performance especially during recession time. Table below shows the surplus curve for past three years.



Expenditure

Operational expenditure increased by N$7 million from the previous year. Despite the increase, cost control remained a management's focus area.



10.6.3. Internal Controls

Any system of internal control is designed to manage risk to a tolerable level rather than to eliminate it. The system can therefore only provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

In addressing the internal controls, the Authority plans for its annual expenditures through a budget approved by the Board. It monitors the expenditure through monthly management accounts including variance analysis. Procurement is done in line with the Public Procurement Act and BIPA policies. In addition, the Internal Audit department performs audit reviews which test internal controls if effective, and when not, recommendations are immediately implemented.

REGULATORY UPDATE

> "Good regulation should be conducive to business and to customer protection"
>
> Jamie Dimon

11. REGULATORY UPDATE

11.1. DEVELOPMENT OF THE COPYRIGHT BILL

During the second quarter of the period under review, management held a consultative meeting with the Minister and obtained approval to commence with the review and development of a new Copyright Bill. The Minister also approved the rationale document for the development of the new Copyright Bill.

Management also held a series of copyright seminars and a public lecture under the theme: 'building a balanced copyright system in Namibia' facilitated by Prof William Fischer, a consultant from Harvard University. The seminars were attended by over 100 stakeholders, parliamentarians, copyright owners, publishers, users and license holders, enforcement agencies, academic institutions and the public.

Following a successful series of copyright seminars, the BIPA Management has developed a working document for development of the copyright bill. The working document incorporates the contributions of various stakeholders and serves as a structure for the layman's draft.

11.2. NEW COPYRIGHT FEES

In the third quarter, the new copyright fees were published, introducing a new fees structure for copyright services. The revised fees structure was implemented on 1 January 2020.

11.3. NATIONAL INTELLECTUAL PROPERTY POLICY OF NAMIBIA

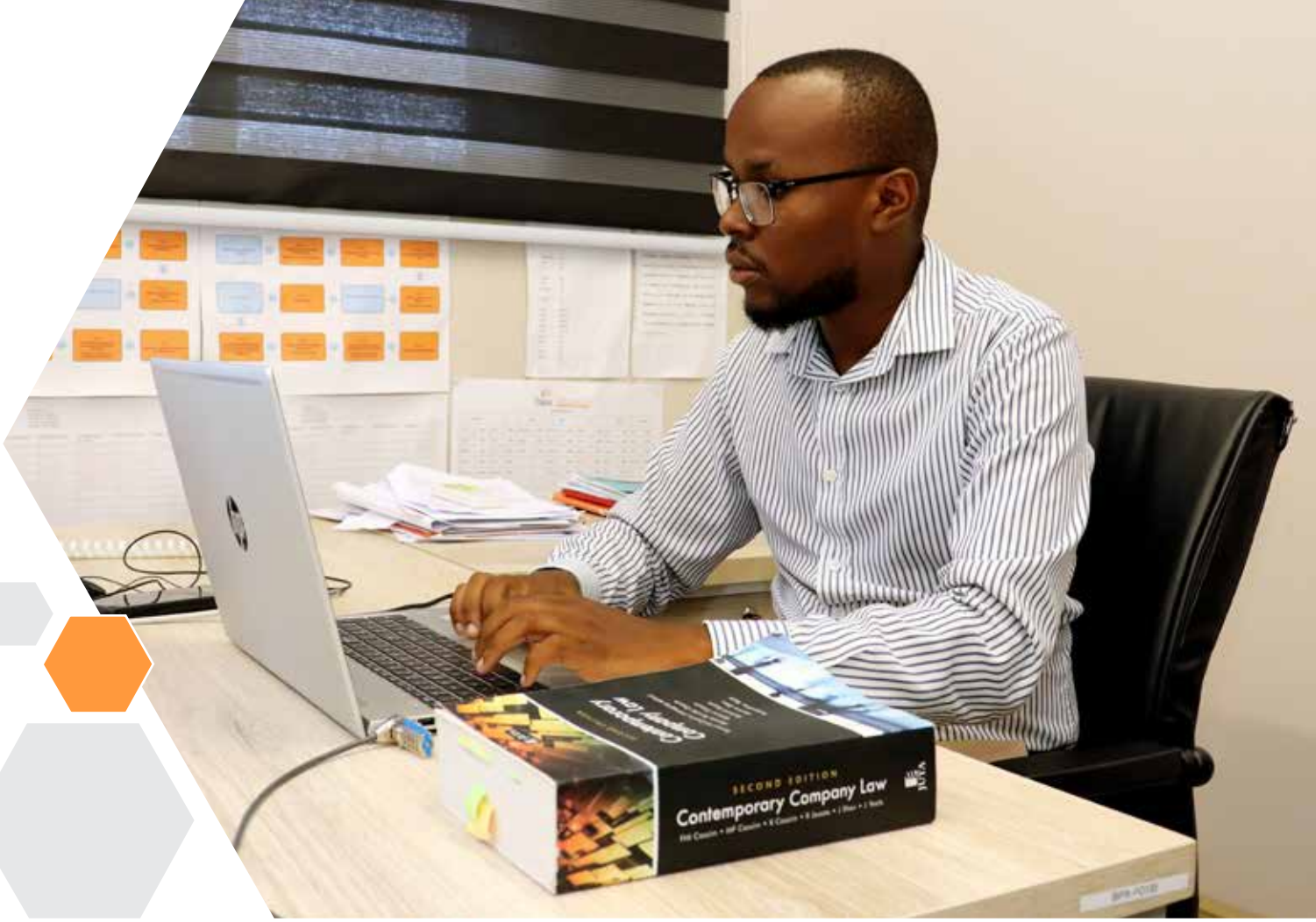
On 23 October 2019, BIPA facilitated the launch of the first national policy on Intellectual Property during a high-level breakfast engagement. The launch was officiated by the Deputy Minister of Industrialisation, Trade and SME Development and was attended by over 100 stakeholders including representatives of ministries/offices/agencies, ambassadors, heads of academic and research institutions, private sector, members of the public and the media.

11.4. MODEL IP PROJECT

A WIPO mission was undertaken in November/December 2019 to migrate the IPAS system to the new server environment and upgrade it to the latest production version. It also introduced online services for back office operations. WIPO undertook a second mission focusing on the WIPO file and capacity building with BIPA staff from 02 to 13 March 2020.

The objective of this mission was to deploy the WIPO file system on a test environment and to undertake training for BIPA systems support staff, back-end users, and selected IP agents.

This deployment has facilitated the refinement of needs and user requirements and planning for production use of the system. IP Agents and BIPA users had an opportunity to interact with the system to refine requirements, appreciate and plan resource requirements to sustain and support the system, interact with IP Agents on anticipated changes with online filing and determine the way forward for production deployment. The mission also configured Patents and Trademark workflow into the system. Trademark process (templates) such as registration certificates, renewals, filing notices and notice of acceptance were also customised as per the new Industrial Property Act.



11.5. Legislative Review Project

The objectives of Legislative Review Project are to review, simplify and modernize the Close Corporations Act 1988 (Act 26 of 1988) and Companies Act, 2004 (Act No.28 of 2004).

With generous financial support from GIZ, BIPA appointed a consultant and commenced internal consultations. The project will continue into the succeeding financial year and the deliverables of the consultancy are that:

a) All the relevant legislations be identified and reviewed.

b) Comparative research is conducted and reported.

c) All shortcomings in the Companies Act and Close Corporations Act be addressed to modernize the legal framework for business entities.

d) Guiding principles and recommendations be formulated.

e) A legislative Review Report be drafted.

f) Simplified and modernized Proposed Bill(s) be drafted and approved.

g) Stakeholder consultations be held in line with the prescribed, 'how to make a law process.'

h) Regulations be drafted and approved by the relevant authorities.

i) All deliverables are done in compliance with the prescribed law-making process.

STAKEHOLDER ENGAGEMENTS

12. STAKEHOLDER ENGAGEMENTS

During the period under review, the Authority undertook a series of stakeholder engagements that were in line with improving stakeholder relations as well increasing the potential for innovation by tapping into the wider resource of our broad stakeholders. Below were the engagements that took place in this reporting period ending 31 March 2020:

12.1. Open Day at Swakopmund

An Open Day was held at Swakopmund on 25 July 2019. The event did not only target a general audience of the media, business owners, consultants and stakeholders but also provided training to the local entrepreneurs on how to register a business, and how to protect business concepts and ideas. Approximately 70 entrepreneurs attended the session.

12.2. Ongwediva Trade Fair

BIPA participated at the Ongwediva Trade Fair, which is the largest regional trade fair and most prominent platform in the north. BIPA also held an Open Day at Ongwediva on 28 August 2019 which provided for further engagement with stakeholders and training for entrepreneurs.

12.3. NTN information sharing session

An information sharing session was held in coordination with the National Theatre of Namibia (NTN) staff and invited participants from the creative industry on March 12 2020. The theme of this engagement was "The benefits of copyright registration". The event was attended by scriptwriters, photographers, film directors, actors, graphic designers, journalists and event organisers. The objective of the session was to empower participants with knowledge on copyright protection and enable creators to effectively engage, participate and contribute to the development of the copyright system in Namibia' know their rights and understand how the copyright system encourages creativity.

12.4. NUST 25th Career Fair

The Namibian University of Science & Technology (NUST) held its 25th career fair from 11-12 March 2020 under the theme: "Innovation for Economic Revitalisation". The fair's objective was to link academia and prospective employers in the different local economic sectors. The fair aided the recruitment and networking processes as it afforded students and learners an opportunity to explore various courses.

BIPA had an exhibition stand at the career fair which was used to create awareness of its objectives, services and to educate Namibians on the IP rights subject. The stand was further used to highlight the processes of applications and requirements of BIPA products.

12.5. Copyright Information Sharing (UNAM)

BIPA conducted an information sharing session in conjunction with the school of computer studies of the University of Namibia (UNAM) on 06 March 2020. The session was held under the theme, "Copyright and Software Development." The objective of the

session was to improve knowledge of the students on copyright, encourage them to develop their own work and to gain an understanding of the benefits of registering for copyright protection at BIPA.

12.6. NASCAM consultative meeting

On 11 February 2020, BIPA held a consultative meeting with the Namibian Society of Composers and Authors of Music (NASCAM) at the NASCAM premises in Windhoek and deliberated on the way forward with regards to the Copyright Act review, the cooperation between BIPA and NASCAM and on the protection of administrative activities of the whole creative industry of Namibia.

12.7. Information sharing with Tenya Investment

On the 19th of February 2020, BIPA undertook an

information sharing visit with Tenya Investment CC at the Art Gallery at the Warehouse Theatre in Windhoek. Tenya Investment is a registered SME that creates and sells craft works and a variety of painted work. The copyright team introduced and explained the mandate of BIPA pertaining to rights of work creation and importance of protection of work.

12.8. Regional outreach information sessions

The IP department participated in various missions in the 14 regions where BIPA undertook a public information dissemination drive on business registration and IP services, annual returns, annual duties, penalties, grace periods, payment procedures, ICSF information and training to the Ministry of Trade and Industrialisation regional offices. The target audience was the business community and the general public. The outreach programs were an opportunity

for the trademark division to disseminate information on registration, applicable registration fees, maintenance after registration, benefit of registration, and exploitation of IP rights (specifically trademarks), turnaround time and general understanding of trademarks as a component of intellectual property.

12.9. WIPO Participation

BIPA participated at the 59th series of meetings of the Assemblies of the Member States of the World Intellectual Property Organization (WIPO) held in Geneva, from September 30 to October 9 2019.

WIPO
WORLD
INTELLECTUAL PROPERTY
ORGANIZATION

Namibia's Position:

The Assemblies elected members to the various WIPO Governing Bodies, considered the work of various WIPO Committees, amongst others, the Program and Budget Committee, the Standing Committee on the Law of Trademarks, Industrial Designs and Geographical Indications (SCT), Standing Committee on Copyright and Related Rights (SCCR) and the Intergovernmental Committee on Intellectual Property and Genetic Resources, Traditional Knowledge and Folklore (IGC).

Namibia's election to WIPO Governing Bodies:

During the Assemblies, Namibia was elected to serve on three WIPO Governing Bodies namely: WIPO Coordination Committee, WIPO Conference and the Berne Union Executive Committee.

Vivienne Katjiuongua was elected as the Chairperson of the WIPO Conference whilst Ainna Vilengi Kaundu was elected as the Chairperson of the Berne Union Executive Committee and Member of the Coordination Committee.

Namibia-WIPO bilateral engagements

Namibia, on the side-lines of the Assemblies held bilateral meetings with various WIPO divisions to consider the progress of the implementation of cooperation between Namibia and WIPO and discuss activities for 2020/21 FY under the cooperation.

During these meetings, the parties undertook to cooperate by implementing the following initiatives during the 2020/21 FY:

- Administration of Intellectual Property Rights
- Capacity building
- Advocacy and information kit
- Implementation of the IP Tribunal
- Model IP Office Project (Office Modernization)
- Review and drafting of the Copyright Bill
- Implementation of Technology and Innovation Support Centres project
- Launch of the IP and Tourism Report and IP curriculum
- National IP policy launch
- IP and education
- IP value promotion

Assemblies Decisions:

- The Assemblies elected members to the various WIPO Governing Bodies;
- Approved the budget for 2020/21 biennia;
- Extended the mandate of the SCT to continue negotiations on the proposed Design Law Treaty, and
- Extended the mandate of the IGC on the negotiations on the TK, TCEs and GR legal instruments;
- Namibia elected to committee for the selection and appointment of the new Director General (DG) for WIPO and ARIPO, of which the process started in February 2020.

12.10. Consultations on development of Copyright Bill

BIPA held a series of copyright seminars and a public lecture, under the theme: 'building a balanced copyright system in Namibia', facilitated by Prof William Fischer, the Consultant from Harvard University.

The seminars were attended by over 100 stakeholders, Parliamentarians, Copyright Owners, Publishers, Users & License Holders, Enforcement Agencies, Academic Institutions and the Public.

bipa

BUSINESS AND INTELLECTUAL PROPERTY AUTHORITY

Protecting Entrepreneurship and Innovation

Public Enterprise established under the BIPA Act, 2016 (Act No. 8 of 2016)

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

Republic of Namibia

OFFICE OF THE AUDITOR-GENERAL

Tel: (264) (061) 2858000

Fax: (264) (061) 224301

Private Bag
13299
WINDHOEK
9000

AUDIT COMPLIANCE CERTIFICATE ON THE ACCOUNTS OF THE BUSINESS AND INTELLECTUAL PROPERTY AUTHORITY FOR THE YEAR ENDED 31 MARCH 2020

The Board of Directors of the Business and Intellectual Property Authority appointed the firm, PricewaterhouseCoopers registered in terms of the Public Accountants and Auditors Act, 1951 (Act No. 51 of 1951). The said Firm compiled the audit documentation which was examined by me in terms of Section 21 (3) of the Business and Intellectual Property Authority Act, 2016 (Act No. 8 of 2016)

The firm certified that:

"The scope of our audit was sufficient to support the audit opinion being issued.

The financial statements, except as noted in the audit report.

(i) Are complete and clerically accurate;
(ii) Accord with our understanding of the client's business and industry;
(iii) Have been properly prepared in accordance with the Business and Intellectual Property Authority Act and International Financial Reporting Standards; and
(iv) Fairly present the financial position, results of operations and cash flow information for the year ended 31 March 2020"

The audit of the financial years has been carried out to my satisfaction.

WINDHOEK, March 2021

JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL

AUDITOR-GENERAL
REPUBLIC OF NAMIBIA

Annual Financial Statements for the year ended 31 March 2020

General Information

Country of Incorporation	The Republic of Namibia.
Nature of business and principal activities	To run a legal system for business and intellectual property registration, protection and promotion thereof.
Directorate	Riundja Ali Kaakunga (Chairperson) Dr. Martha Uumati (Deputy Chairperson) Fritz Charles Jacobs Lovisa Indongo-Namandje Ignatius Kelokilwe Thudinyane Chaze Nalisa Seno Namwandi
Registered Office	3 Ruhr Street Northern Industrial Area Windhoek Namibia
Postal Address	P.O Box 185 Windhoek Namibia
Bankers	Bank Windhoek Limited First National Bank Namibia Nedbank Namibia Limited
Auditors	PricewaterhouseCoopers Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	Vacant
Line Ministry	Ministry of Industrialization and Trade ("MIT")

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Index

	Page
Directors Responsibilities and Approval	68
Independent Auditors Report	69- 70
Directors Report	71 - 72
Statement of Financial Position	73
Statement of Surplus or Deficit and Other Comprehensive Income	74
Statement of Changes in Equity	75
Statement of Cash Flows	76
Notes to the Annual Financial Statements	77 - 102
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Detailed Statement of Surplus or Deficit and Other Comprehensive Income	103 - 106

Director's Responsibilities and Approval

The Directors are required by the BIPA Act, 2016, (Act No.8 of 2016), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards ("IFRS"). The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS") and 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 controls established by the Authority 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 Authority is based on identifying, assessing, managing and monitoring all known forms of risk. While operating risk cannot be fully eliminated, the Authority 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 Authority's cash flow forecast for the year to 31 March 2021 and, in light of this review and the current financial position, they are satisfied that the Authority has or had access to adequate access to adequate resources to continue in operational existence for the foreseeable future.

The external Auditors are responsible for independently auditing and reporting on the Authority's annual financial statements. The annual financial statements have been examined by the Authority's external Auditors and their report is presented on **page 69 to 70**.

The annual financial statements set out on pages 71 to 102, which have been prepared on the going concern basis, were approved by the Board of Directors and were signed on its behalf by:

Riundja Ali Kaakunga (Board Chairperson)

Ignatius Kelokilwe Thudinyane (Chairperson: Finance, Risk and Audit Committee)

Windhoek

Date: 2020/12/16

Date: 15/12/2020

Independent auditor's report

To the Members of Business and Intellectual Property Authority

Our qualified opinion

In our opinion, except for the possible effect of the matters described in the basis for qualified opinion section of the report, the financial statements present fairly, in all material respects, the financial position of Business and Intellectual Property Authority (the Authority) as at *31 March 2020*, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the BIPA Act, 2016, (Act No. 8 of 2016).

What we have audited

Business and Intellectual Property Authority's financial statements set out on pages 7 t0 34 comprise:

- the directors' report for the year ended *31 March 202*0;
- the statement of financial position as at *31 March 2020*;
- the statement of surplus or deficit and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for qualified opinion

In our audit report, dated 20 March 2020, on the Business and Intellectual Property Authority's financial statements as at 31 March 2019, and for the year then ended, we expressed a qualified opinion due to the following reasons:

- The Authority's accounting records do not provide sufficient evidence supporting the completeness of revenue from annual duties and registration revenue for the period ended 31 March 2019 due to the fact that the Authority is still busy compiling its registry and hence no controls over the completeness of annual duties and registration revenue except for cash collection made during the year. As a result, we were unable to determine whether any adjustments would be required in respect of unrecorded revenue and the related elements making up the statement of surplus or deficit and other comprehensive income, changes in equity and cash flows.

Our opinion on the financial statements as at 31 March 2020, and for the year then ended, is modified because of the possible effects of the matters referred to the bullet above on the comparability of the current period's figures and the corresponding figures as presented in the statement of financial position.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants International *Code of Ethics for Professional Accountants (including International Independence Standard)* (Code of Conduct) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with the Code of Conduct and in accordance with other ethical requirements applicable to performing audits in Namibia.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Business and Intellectual Property Authority Annual Financial Statements for the year ended 31 March 2020". The other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, 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 financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the BIPA Act, 2016, (Act No. 8 of 2016) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

PricewaterhouseCoopers
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Samuel N Ndahangwapo
Partner
Windhoek
Date: 17 February 2021

Director's Report

The directors have pleasure in submitting their report on the annual financial statements of Business and Intellectual Property Authority for the year ended 31 March 2020.

1. NATURE OF BUSINESS

Business and Intellectual Property Authority was incorporated in Namibia with interests in running the legal system for business and intellectual property registration, protection and promotion thereof. The Authority operates in Namibia.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the requirements of the BIPA Act, 2016 (Act No.8 of 2016). 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.

3. DIRECTORATE

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

Directors	Nationality	Status
Riundja Ali Kaakunga	Namibian	Term Extended
Dr. Martha Uumati	Namibian	Term Extended
Fritz Charles Jacobs	Namibian	Term Extended
Lovisa Indongo-Namandje	Namibian	Term Extended
Ignatius Kelokilwe Thudinyane	Namibian	Term Extended
Chaze Nalisa	Namibian	Term Extended
Seno Namwandi	Namibian	Term Extended

The Board of Directors' term of office came to an end on the 1st of March 2020, but the Line Minister extended their term for a period until the new Board of BIPA is appointed to allow for due process to follow.

4. BOARD AND SUB-COMMITTEE MEETINGS

Board of Directors	Board and Special Board Meeting	Finance, Risk and Audit Committee (FRAC)	Human Resources and Remuneration Committee (HRRC)	Governance, Legal and Ethics Committee (GLEC)	Strategy, Projects & Procurement Committee (SPPC)
Riundja Ali Kaakunga	4		**3**	3	3
Dr. Martha Uumati	3	1	**1**	**1**	1
Fritz Charles Jacobs	1	1	1		1
Lovisa Indongo-Namandje	3	**1**	2	2	
Ignatius Kelokilwe Thudinyane	4	3		**2**	**1**
Chaze Nalisa	1	**1**	3		**1**
Seno Namwandi	4		**2**	2	2

Director's Report (Continued)

5. EVENTS AFTER THE REPORTING PERIOD

The directors are aware of material events which occurred after the reporting date and up to the date of this report as follows:

5.1. COVID-19 Pandemic

The COVID-19 pandemic has developed rapidly in 2020 worldwide, with a significant number of cases. In Namibia, cases have risen into thousands in the first six month of 2020. Measures taken by various governments including Namibian government to contain the virus have affected economic activity and the Authority in various material ways:

- COVID – 19 emergency budget of N$ 4,000,000 was included in the revised budget to cover for all procurements related to the risk of the virus.
- Lockdown measures taken by the government and the Authority to contain the virus spread, where employees work from home has resulted in a significant reduction in revenue collection in the specific month. Revenue collected during April 2020 was N$ 2,033,546 while in the same month in 2019 was N$ 3,430,867 and 2018 was N$ 2,055,298. It represents a 41% reduction in revenue from the previous year.
- The Authority's core revenue for the first four months of the financial year (FY20/21) is N$ 16,243,117 while for FY19/20 was N$ 16,147,431. The Authority is likely to perform as of the previous year.

6. GOING CONCERN

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern. The impact of COVID-19 on future performance and therefore on the measurement of some assets and liabilities or on liquidity might be significant and might therefore require disclosure in the financial statements, but management has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

7. AUDITORS

PriceWaterHouseCoopers have been retained as auditors of the Authority for the year ended 31 March 2020 in accordance with the BIPA Act, 2016 (Act No.8 of 2016)

8. SECRETARY

The Secretary of the Authority is the Chief Legal and Secretarial Services. For the period ending 31 March 2020, the position of Chief Legal and Secretarial Services became vacant on 16 October 2019.

Business address 3 Ruhr Street Northern Industrial Area
Windhoek
Namibia

9. DIRECTORS' INTEREST AND CONTRACTS

During the financial year, no contracts were entered into with the directors or officers of the Authority, the directors or officers do not hold any interest in the Authority.

10. KATUTURA OFFICE BUILDING

Katutura Office Building situated on Erf 2780, Shire Street Wanaheda has not been included in the financial statements. The matter is with the line Ministry's lawyers seeking to recover the funds of N$18,000,000 for the purchase of this Office Building, whereas the BIPA board is seeking to recover the N$2,160,000 paid for transfer duties.

ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Statement of Financial Position

	Note(s)	2020 N$	2019 N$
ASSETS			
Non-current assets			
Property, plant and equipment	5	22,570,525	20,611,599
Right-of-use assets	21	3,640,379	-
Intangible assets	6	4,132,804	-
Total non-current assets		**30,343,708**	**20,611,599**
Current assets			
Trade and other receivables	7	7,075,735	4,891,005
Other financial assets	8	26,917,589	15,273,714
Cash and cash equivalents	9	4,558,548	3,183,992
Total current assets		**38,551,872**	**23,348,711**
Total assets		**68,895,580**	**43,960,310**
EQUITY AND LIABILITIES			
Equity		**49,771,767**	**32,756,333**
Contribution	11	34,491,766	34,491,766
Accumulated Fund		15,280,001	(1,735,433)
Non- Current liabilities		**4,867,916**	**3,478,970**
Deferred income	12	3,247,039	3,478,970
Lease liabilities	21	1,620,877	-
Current liabilities		**14,255,897**	**7,725,007**
Trade and other payables	10	11,885,116	7,725,007
Lease liabilities	21	2,370,781	-
Total Liabilities		**19,123,813**	**11,203,977**
Total equity and liabilities		**68,895,580**	**43,960,310**

Statement of Surplus or Deficit and Other Comprehensive

	Note(s)	2020 N$	2019 N$
Revenue from contracts with customers	13	56,276,056	47,530,437
Other income	14	30,304,535	15,785,214
Operating expenses		**(70,562,222)**	**63,612,614**
Operating surplus / (Deficit)	15	16,018,369	(296,963)
Finance income	18	1,509,650	358,899
Finance costs	18	(512,585)	-
Surplus for the year		**17,015,434**	**61,936**

Statement of Changes in Equity

	Contribution N$	Accumulated Fund N$	Total equity N$
Balance at 01 April 2018	**34,491,766**	**(1,457,976)**	**33,033,790**
Correction of error	-	(339,393)	(339,393)
Balance after adjustment 31 March 2018	**34,491,766**	**(1,797,369)**	**32,694,397**
Total comprehensive surplus for the year	-	61,936	61,936
Balance at 31 March 2019	**34,491,766**	**(1,735,433)**	**32,756,333**
Total comprehensive surplus for the year	-	17,015,434	17,015,434
Balance at 31 March 2020	**34,491,766**	**15,280,001**	**49,771,767**

Statement of Cash Flows

	Note(s)	2020 N$	2019 N$
Cash flows from operating activities			
Cash used in operations	**20**	21,661,263	4,915,724
Finance income	**18**	1,509,650	358,899
Net cash from operating activities		23,170,913	5,274,622
Cash flows from investing activities			
Purchase of property, plant and equipment	**5**	(3,437,365)	(717,455)
Purchase of intangible assets	**6**	(4,418,614)	-
Purchase of other financial assets	**8**	(20,300,000)	(15,273,714)
Withdrawals from other financial assets	**8**	10,000,000	-
		(18,155,979)	(15,991,169)
Cash flows from financing activities			
Principal elements of lease payments	**21**	(3,640,379)	-
		(3,640,379)	-
Net increase/(decrease) in cash and cash equivalents		1,374,555	(10,716,547)
Cash and cash equivalents at the beginning of the year		3,183,993	13,900,539
Cash and cash equivalents at end of year	**9**	**4,558,548**	**3,183,993**

Notes to the Annual Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") and the International Financial Reporting Interpretation Committee ("IFRIC") Interpretations issued and effective at the time of preparing these financial statement and the BIPA Act, 2016 (Act No.8 of 2016). These annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below, and are presented in Namibia Dollars.

1.2. Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time to make judgements, estimates and assumption 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 and under 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.

1.2.1. Critical judgements in applying accounting policies

Management did make critical judgements in the application of accounting policies, apart from those involving estimation, which would significantly affect the financial statements and are outlined as follows:

1.2.1.1. Revenue

Revenue from annual duties, penaties and fines are non-exchange transactions and accounted for using the policy developed by the Authority as per note 2. All non-exchange transactions are recognised in surplus or deficit to the extent they are assets and it is probable that the future economic benefits or service potential associated with the asset will flow to the entity, and the fair value of the asset can be measured reliably.

1.2.2. Key sources of estimation uncertainty

Trade receivables

The Authority assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in the surplus or deficit, the Authority makes judgement as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment (or loss allowance) for trade receivables is calculated on a portfolio basis, except for individually significant trade receivables, which are assessed separately. The impairment test on the portfolio is based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Notes to the Annual Financial Statements (Continued)

1.2. Significant judgements and sources of estimation uncertainty (continued)

1.2.3. Impairment of non-financial assets

The Authority reviews and tests the carrying value of assets when events or changes in circumstances suggests that the carrying amount may not be recoverable. When such indicators exists, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

1.2.4 Residual values and useful lives of property, plant and equipment

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

1.2.5. Leases

The Authority exercises judgement in classifying leases in line with IFRS 16 as set out in the note for changes in accounting policies.

1.3. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is provided using the straight-line method to write down the cost, less estimated residual value over the useful life of the property, plant and equipment as follows:

Item	Depreciation Method	Average useful life
Land	Not depreciated	Not depreciated
Buildings	Straight-line basis	50 years
Furniture and fixtures	Straight-line basis	5-10 years
Motor Vehicles	Straight-line basis	2-5 years
Office equipment	Straight-line basis	3 years
IT equipment	Straight-line basis	3 years
Leasehold improvements	Straight-line basis	8-10 years
Other Fixed Assets	Straight-line basis	2-10 years
Server	Straight-line basis	15 years
Right-of-use assets	Straight-line basis	3 years

If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the cost of the asset is allocated to its major components and each such component is depreciated separately over its useful life.

Notes to the Annual Financial Statements (Continued)

1.3. Property, plant and equipment (Continued)

Land is not depreciated.

The residual value, depreciation method and useful life of each asset are reviewed only where there is an indication that there has been a significant change from the previous estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any and the carrying amount of the item.

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.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for the intangible assets, but they are tested for impairment annually, and whenever there is an indication that the asset may be impaired. For all other intangible assets, amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset may be tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual value as follows:

Item	Amortisation Method	Useful life
Computer software	Straight-line	5 Years

1.5. Financial Instruments - In Terms Of Ifrs 9

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

1.5.1. Classification as cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Notes to the Annual Financial Statements (Continued)

1.5. Financial Instruments - In Terms Of Ifrs 9 (Continued)

1.5.2. Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

1.5.3. Initial Recognition and Measurement

Financial instruments are initially measured at fair value, with changes in fair value recognised in profit or loss, as they arise, unless restrictive criteria are met for classifying and measuring the asset at either amortised cost or fair value through other comprehensive income, plus or minus transaction costs, that are directly attributable to the acquisition or issue of the financial asset or a financial liability.

When the Authority initially recognises a financial asset - Cash and deposits, they are valued at amortised cost.

1.5.4. Financial assets: Subsequent measurement

The classification of a financial asset is determined at initial recognition, however, if certain conditions are met, an asset may subsequently need to be reclassified.

Subsequent to initial recognition, all assets within the scope are measured at:

- Amortised cost;
- Fair value through Other Comprehensive Income (FVTOCI); or
- Fair value through profit or loss (FVTPL)

1.5.5. Impairment of financial assets

At each reporting date, the Authority assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is an objective evidence that a financial asset or group of financial assets has been impaired.

1.5.6. Financial liabilities: Subsequent measurement

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

1.6. Leases - IAS 17

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

1.6.1 Operating Leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The liability is not discounted.

Notes to the Annual Financial Statements

1.7. Leases - IFRS 16

Leases are recognized, measured and presented in line with IFRS 16 'Leases'.

The Authority recognises a right-of-use asset and lease liability at the commencement of the contract for all leases conveying the right to control the use of an identified assets for a period in time. The commencement date is the date on which the lessor makes an underlying asset available for use by a leasee.

The right-of-use assets are initially measured at cost, which comprise:

- the amount of the initial measurement of the lease liability
- any lease payments made at or before commencement date, less any lease incentives
- any initial direct costs incurred by the leasee
- an estimate of costs to be incurred by the leasee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation and any impairment losses and adjusted for re-measurement of the lease liability.

If the lease transfers ownership of the underlying asset to the Authority by the end of the lease term or if the cost of the right-of-use asset reflects that the Authority will exercise a purchase option, the Authority depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Authority depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. These include:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the leasee under residual value guarantees;
- the exercise price of a purchase option if the leasee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the leasee exercising an option to terminate the lease term.

The lease payments exclude variable elements which are dependent on external factors. Variable lease payments not included in the initial measurement of the lease liability are recognised directly in surplus or deficit.

The lease payments are discounted using the Authority's incremental borrowing rate or the implicit rate in the lease contract.

The lease term determined by the Authority comprises:

- non-cancellable period of lease contracts;
- periods covered by an option to extend the lease, if the leasee is reasonably certain to exercise that option;
- periods covered by an option to terminate the lease, if the leasee is reasonably certain to exercise that option.

Notes to the Annual Financial Statements (Continued)

1.7. Leases - IFRS 16 (Continued)

After the commencement the Authority measures the lease liability:

- increasing the carrying amount to reflect the interest on the lease liability
- reducing the carrying amount to reflect lease payments made, and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

1.8. Taxation

The Authority is not liable for Income Tax and is not registered for Value Added Tax.

1.9. Impairment of assets

The Authority assesses at each end of reporting period whether there is any indication that an asset may be impaired. If any such indication exist, the Authority estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Authority also:
comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and the same time every period.

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. The reduction is an impairment loss.

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

1.10. Employee benefits

1.10.1. Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as leave pay and 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.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Notes to the Annual Financial Statements (Continued)

1.11. Provisions and contingencies

Provisions are recognised when:

- The Authority 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.

1.12. Government grants

Grants from the government are recognised at fair value where there is a reasonable assurance that the grant will be received and the Authority will comply with all attached conditions.

1.12.1. Deferral and presentation of government grants

Government grants relating to costs are deferred and recognised in surplus or deficit over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to surplus or deficit on a straight-line basis over the expected lives of the related assets.

1.13. Revenue

Revenue is recognised to the extent that the Authority has rendered services provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the Authority. Revenue is measured at fair value of the consideration received or receivable, excluding trade discounts and rebates.

1.13.1. Revenue from contracts with customers

Revenue from registrations and applications

Revenue from registrations and applications comprise of business and intellectual property registration fees charged upon registration. The business and intellectual property fees are charged as per the Regulation published in the Government Gazette, and the fees are recognized at the point when the Authority has a present right to receive payment of fees for the registration and application of businesses and intellectual property. Transfer of services is performed at a point in time.

1.13.2. Revenue from non-exchange transactions

Revenue from Annual Duties / and or returns

Revenue transactions comprise of annual duties and are charged as per the Regulation published in the Government Gazette, and are recognized over time when the registered entity file an annual return with the Registrar of Companies and Close Corporations. All registered entities are required by law to pay an annual duty and file an annual return at the end of the entities financial year. These annual duties are raised in terms of the Regulations of the Companies and Close Corporation Act.

Fines arising as a result of late remittance and submissions are charged as per the Regulation published in the Government Gazette, and are recognized when the registered entity file an annual return with the Registrar of Companies and Close Corporations. Penalties on late payment of fees are charged as per the Regulation published in the Government Gazette, and are recognized when the application is filed with the Registrar of Companies and Close Corporations.

Notes to the Annual Financial Statements (Continued)

1.13. Revenue (Continued)

1.13.3. Investment income

Investment income comprise of interest income received.

Interest income is accrued with reference to the principal amount outstanding, using the effective interest method.

1.14. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- Expenditures for the asset have occurred;
- Borrowing costs have been incurred, and
- Activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.15. Foreign Currency Translation

Foreign currency transactions are translated into functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in surplus or deficit. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of surplus or deficit, within finance costs. All other foreign exchange gains and losses are presented in the statement of surplus or deficit on a net basis within other within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, tralation differences on non-monetary assets and liabilities such as equities held at fair value through surplus or deficit are recognised in surplus or deficit as part of the fair value gain or loss, and translation differences on non monetary assets sucg as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Notes to the Annual Financial Statements

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Authority is applying International Accounting Standard 8 (IAS 8)- Accounting Policies, Changes in Accounting Estimates and Errors, using a prospective application of a change in accounting policy and of recognising the effect of a change in an accounting estimate, respectively, through:

- applying the new accounting policy to transactions, other events and conditions occurring after the date as at which the policy is changed; and
- recognising the effect of the change in the accounting estimate in the current and future periods affected by the change.

In the absence of an International Financial Reporting Standard (IFRS) that specifically applies to a transaction, other event or condition, the Authority has used its judgement in developing and applying an accounting policy that results in information that is:

(i) relevant to the economic decision-making needs of users; and

(ii) reliable, in that the financial statements:

- represent faithfully the financial position, financial performance, and cash flows of the entity.
- reflect the economic substance of transactions, other events and conditions, and not merely the legal form.
- are neutral, i.e. free from bias.
- are prudent; and
- are complete in all material respects.

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with prior year, except for the adoption of the following new IFRS standards;

- IFRS 16 Leases
- Revenue policy developed by the Authority in line with IAS 8

2.1. IFRS 16 Leases

The Authority initially adopted IFRS 16 Leases from 1 April 2019. Other standards adopted from 1 April 2019 include new revenue policy developed by the Authority in line with IAS 8, and have a material effect on the financial statements of the Authority. The Authority applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 April 2019. Accordingly, the comparative information presented for 2019 is not restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to comparative information.

Definition of a lease

Before, the authority determined at contract inception whether an arrangement was a finance or operating lease. Now the Authority assess whether a contract is or contains a right-of-use property or operating lease. Therefore, the definition of lease is 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. As for operating lease, they retain the same definition as per IAS 17.

As a lessee

operating, or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Authority. Under IFRS 16, the Authority recognises right-of-use assets and lease liabilities – i.e. these leases are on-balance sheet.

Notes to the Annual Financial Statements (Continued)

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases classified as operating leases under IAS 17

On transition, lease liabilities were measured at the balance value of the remaining lease payments. Both the assets and liabilities started with the same balance as at 1 April 2019. Right-of-use assets are measured at either:

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments: the Authority applied this approach to all other leases.

The Authority has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

The Authority used a number of practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17. In particular, the Authority:

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application.
- did not recognise right-of-use assets and liabilities for leases of low value assets (e.g. IT equipment).
- used hindsight when determining the lease term.

Impact on financial statements

On transition to IFRS 16, the Authority recognised additional property as right-of-use asset and additional lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below.

Right-of-use Property – PNZ Building

Description	Amount (N$)
01.Apr.19	
Right-of-use asset	5,939,565
Liabilities	5,939,565

When measuring lease liabilities for leases that were classified as operating leases, the Authority discounted lease payments using its incremental borrowing rate at 1 April 2019. The rate applied is 10.50%, being the borrowing rate obtained from the financial

Operating Leases

The following leases were classified as operating leases/remained as operating leases and had no effect on the financial statements, due to the nature of the lease i.e. short-term lease and low value leases.

Description	Amount (N$)
Kamenco Building	1,453,837
Back Office - PZN	69,000
Canon Printers - Konica	521,393

Notes to the Annual Financial Statements (Continued)

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1. IFRS 15

The Authority adopted IFRS 15 – Revenue from contracts with customers, in financial year ended 31 March 2019. IFRS 15 has five key areas which are:

- Identify the contract with a customer
- Identify all the individual performance obligations within the contract.
- Determine the transaction price.
- Allocate the price to the performance obligations.
- Recognize revenue as the performance obligations are fulfilled.

The Authority tested all revenue streams to satisfy itself for all those transactions which meet the requirements of IFRS 15. The following were classified to meet the requirements for IFRS 15:

1) Business and intellectual property registration fees
2) Search fees
3) Copies fees, and
4) Amendment fees

Deviation from IFRS 15

Revenue from annual duties, fines and penalties do not meet the requirements of IFRS 15. These revenue streams fail the test especially section 9 (e) under IFRS 15, "it is probable that the entity will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer". Until the annual return is submitted by the customer, there is no service provided, also fines are determined by the courts of law and difficult to measure if that has not yet happened. The revenue streams fail to meet exchange transactions test.

The enforceability of collecting annual d uties is very remote to none. Companies Act 2004 section 184 "Enforcement of duty of company to make returns to Registrar" has the end result in the magistrate's decision where a customer has an equal chance of judgement for payment or not. This gives the Authority difficult in measuring and accounting for annual duties, fines and penalties.

Definition of Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange (IPSAS 23 paragraph 7). The Authority accounts for these transactions under IFRS 15.

Definition of Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange (IPSAS 23 paragraph 7). Annual duties are a form of taxes and to be paid annually by customers. The Authority accounts for these under IPSAS 23.

Notes to the Annual Financial Statements (Continued)

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Authority deviates from IFRS 15 to IPSAS 23 on annual duties, fines and penalties transactions in order to provide a better understanding in the financial information to stakeholders. These transactions are non-exchange transaction as defined above. The Authority will receive resources and provide no or nominal consideration directly in return, not commensurate to the service provided.

Recognition of Revenue from Non-Exchange Transactions

An inflow of resources from a non-exchange transaction recognized as an asset shall be recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, submission of the annual return event by the entity.

The Authority will recognize an asset arising from a non-exchange transaction when it gains control of resources that meet the definition of an asset and satisfy the recognition criteria. The following criteria of recognition is used:

- It is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and
- The fair value of the asset can be measured reliably

In line with the above, the Authority will account for inflow of resources if it is "probable" that the inflow is more likely than not to occur. As such, annual duties, penalties and fines not paid during the year, will not be accounted for as assets and revenues.

Measurement

An asset acquired through a non-exchange transaction shall initially be measured at its fair value as at the date of acquisition. Revenue from non-exchange transactions shall be measured at the amount of the increase in net assets recognized by the entity.

Impact of IPSAS on Financial Statements

The impact of this is the Authority will continue reporting without showing amounts on the face of financial statements or disclosing annual duties, penalties and fines not paid and those that have not submitted annual returns to BIPA.

Notes to the Annual Financial Statements (Continued)

3. NEW STANDARDS AND INTERPRETATIONS

Changes in accounting policies

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised Standards;

3.1. Application of IFRS 16 Leases

In the current year, the Authority has applied IFRS 16 Leases, which had an effective date of 1 January 2019 as per the IFRS guidelines. The Authority did not adopt IFRS 16 on the effective date, retrospectively, therefore, the annual financial statements for the year ended 31 March 2019 were not restated. Details of these new requirements as well as their impact on the Authority's financial statements are described below.

The Authority has applied IFRS 16 in accordance with the transition provisions set out un IFRS 16, a modified approach is used.

On adoption of IFRS 16, the Authority recognised lease liabilities and right-of-use assets in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities and assets were measured at the balance of lease as at 1 April 2019 and thereafter, discounted at the rate of 10.50%. Asset value depreciated up to the end of lease period.

3.2. Practical expedients applied

In applying IFRS 16 for the first time, the Authority has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019.
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

3.3. Measurement of lease liabilities

	01.Apr.19	01.Apr.18
Operating lease commitments disclosed as at 31 March 2019	6,737,938	-
Discounted using the leasee's incremental borrowing rate of 10.50% at the date of initial application	5,939,565	-
Lease liability recognised as at 1 April 2019	5,939,565	-

	01.Apr.19	01.Apr.18
Of which are:		
Current lease liabilities	4,171,335	-
Non-current liabilities	1,768,230	-
	5,939,565	**-**

Notes to the Annual Financial Statements (Continued)

3. NEW STANDARDS AND INTERPRETATIONS (CONTINUED)

3.4. Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured at the lease liability balance on 1 April 2019. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

3.5. Standards and interpretations effective and adopted in the current year

The annual financial statements were based on the following standards and interpretations and are effective for the current year and relevant to the Authority's operations:

Standard / Interpretations	Effective date: years beginning on or after	Expected Impact
IFRS 16: Leases	01.Jan.19	The impact of the standard is material, as total assets increased as a result of right-of-use asset as well as liabilities.

3.6. Standards and interpretations not yet effective

The Authority has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Authority's accounting periods beginning on or after 01 April 2019 or later periods.

Standard / Interpretations	Effective date: years beginning on or after	Expected Impact
IFRS 1: First-time Adoption of International Financial Reporting Standards - Annual Improvements to IFRS Standards 2018 - 2020	01.Jan.22	Not likely that there will be a material impact
IFRS 7 Financial Instruments Disclosures: Interest Rate Benchmark Reform	01.Jan.20	Not likely that there will be a material impact
IAS 1 Presentation of Financial Statements: Definition of Material - The amendments clarify and align the definition of 'material'	01.Jan.20	Not likely that there will be a material impact
IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	01.Jan.22	Not likely that there will be a material impact
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material	01.Jan.20	Not likely that there will be a material impact
IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	01.Jan.22	Not likely that there will be a material impact
IAS 23 Borrowing Costs: Annual Improvements 2015 - 2017 Cycle	01.Jan.19	Not likely that there will be a material impact

Notes to the Annual Financial Statements (Continued)

4. RISK MANAGEMENT

4.1. Capital risk management

Capital risk is the potential of loss of part or all of an investment. The Authority's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide financial stability and benefits for other stakeholders.

4.2. Financial risk management

The Authority manages its financial risk in order to achieve economic value. Liabilities are managed at reasonable amounts to avoid operational default, legal and reputational risks. Trade receivables, cash and short-term deposits are managed to avoid default. Liabilities and assets are managed to achieve balanced liquidity for going concern.

4.2.1. Liquidity risk

The Authority's risk to liquidity is as a result of the funds available to cover future commitments. The Authority manages the liquidity risks through an ongoing review of future commitments in the form of funding cashflow forecasts which are prepared and adequate funding facilities are monitored.

The table below summarises the maturity profile of the entity's financial liabilities at 31 March 2019 based on contractual undiscounted payments:

At 31 March 2020	Less than 1 Year	More than 1 Year
Trade and other payables	11,885,116	-

At 31 March 2019	Less than 1 Year	More than 1 Year
Trade and other payables	7,725,007	-

4.2.2. Interest rate risk

The Authority have short-term investments that are managed using agreed interest rate. Any change that might impact interest rates to negative rates are monitored. The Authority is flexible in terms of withdrawal of funds.

The Authority manages interest rate risk on short-term investments through investment guidelines for all investments and the Authority invests with major banking institutions with high quality credit standing. The interest received on cash and cash equivalents at financial institutions are minimal and therefore interest rate risk is identified as insignificant. Any interest rate achieved by the Authority is highly favored, than keeping the funds idle.

4.2.3. Credit risk

Credit risk is the risk of financial loss to the Authority if a customer or counter-party to a financial instrument fails to meet contractual obligation and arises from cash deposits and trade receivables. Financial assets exposed to credit risk at year end were as follows:

At 31 March 2019	2020	2019
Trade and other receivables (excluding deposits)	6,679,024	4,895,843
Less: Loss allowance	(6,811)	(4,838)
Net trade and other receivables	**6,672,213**	**4,891,005**
Cash and cash equivalents	**4,558,548**	**3,183,992**

The Authority limits its exposure to credit risk from receivables with ARIPO and WIPO by frequently calling for funds to Namibia. The Authority monitors its rental deposits with landlords and requests refunds upon termination.

Notes to the Annual Financial Statements (Continued)

4. RISK MANAGEMENT (CONTINUED)

4.2.4. Foreign exchange risk

The Authority is exposed to foreign exchange risk, as the entity has financial assets denominated in foreign currency. These foreign transactions include accrued income from the international listing on trademarks, patents, industrial designs, utilities and copyrights. Exchange risks are managed through preserving of foreign currency earned on said country and only bring them when exchange rates are favourable. Financial assets exposed to foreign exchange risk at year end were as follows:

At 31 March 2020

Financial Instrument	Foreign Currency	Amount in Foreign Currency	Amount in Local Currency (N$)
Trade and other receivables:			
• Accrued income - African Regional Intellectual Property Organisation (ARIPO)	US Dollar	151,993	2,721,448
• Accrued income - World Intellectual Property Organisation (WIPO)	Swiss Franc	206,163	3,656,271

At 31 March 2019

Financial Instrument	Foreign Currency	Amount in Foreign Currency	Amount in Local Currency (N$)
Trade and other receivables:			
• Accrued income - African Regional Intellectual Property Organisation (ARIPO)	US Dollar	97,475	1,410,257
• Accrued income - World Intellectual Property Organisation (WIPO)	Swiss Franc	203,058	2,998,633

4.2.5. Going concern risk

The Authority has assessed the going concern risk. Based on cash flow projections for the year 2020/2021, the Authority will continue without facing going concern risk.

4.2.6. Market risk

The Authority has been established as a public enterprise under the BIPA Act, 2016 (Act No.8 of 2016), mandated to administer the registration of businesses, collect annual duties and protection of intellectual property thereof. The Authority is therefore the only entity mandated to so, thus does not give exposure to market risk. However, the COVID-19 pandemic is likely to impact the Authority's business, as most businesses are likely to default on payments of annual duty.

Notes to the Annual Financial Statements (Continued)

4. RISK MANAGEMENT (CONTINUED)

4.2.6.1. Fair value hierarchy

Recurring fair value measurements as at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss:				
• Trade and other receivables (excluding deposits)	-	-	6,672,213	6,672,213
• Other financial assets	-	-	26,917,589	26,917,589
• Cash and cash equivalents	-	-	-	-
Total financial assets	**-**	**-**	**33,589,802**	**33,589,802**
Financial liabilities				
• Trade and other payables	-	-	11,885,116	11,885,116
Total financial liabilities	**-**	**-**	**11,885,116**	**11,885,116**

Notes to the Annual Financial Statements (Continued)

	2020 N$			2019 N$		

5. PROPERTY, PLANT AND EQUIPMENT

	2020			2019		
	Cost / Revaluation	Accumulated Depreciation	Carrying value	Cost / Revaluation	Accumulated Depreciation	Carrying value
Furniture and fixtures	2,519,523	(763,119)	1,756,404	2,205,863	(536,485)	1,669,378
Motor vehicles	1,765,926	(1,279,442)	486,484	1,765,926	(1,034,088)	731,838
Office equipment	698,680	(201,537)	497,143	170,789	(94,750)	76,039
IT equipment	2,956,819	(1,956,100)	1,000,719	2,076,265	(1,428,621)	647,644
Other Fixed Assets	6,542,951	(555,705)	5,987,246	4,827,691	(183,519)	4,644,172
Capital work in progress	12,842,529	-	12,842,529	12,842,529	-	12,842,529
	27,326,428	**(4,755,903)**	**22,570,525**	**23,889,063**	**(3,277,463)**	**20,611,600**

Reconciliation of property, plant and equipment - 2020

	Opening balance	Other adjustments	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1,669,378	-	313,660	-	(226,634)	1,756,404
Motor vehicles	731,836	2	-	-	(245,354)	486,484
Office equipment	76,038	1	527,891	-	(106,787)	497,143
IT equipment	647,645	(1)	880,554	-	(527,479)	1,000,719
Other Fixed Assets	4,644,171	1	1,715,260	-	(372,186)	5,987,246
Capital work in progress	12,842,529	-	-	-	-	12,842,529
	20,611,597	**3**	**3,437,365**	**-**	**(1,478,440)**	**22,570,525**

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	2,240,160	74,933	(425,129)	(220,586)	1,669,378
Motor vehicles	782,257	297,615	-	(348,036)	731,836
Office equipment	89,824	29,520	-	(43,306)	76,038
IT equipment	884,747	308,469	-	(545,571)	647,645
Other Fixed Assets	1,227,416	3,514,759	-	(98,004)	4,644,171
Capital work in progress	12,842,529	-	-	-	12,842,529
	18,066,933	**4,225,296**	**(425,129)**	**(1,255,503)**	**20,611,599**

6. INTANGIBLE ASSETS

	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer Software	4,418,614	(285,810)	4,132,804	-	-	-
	4,418,614	**(285,810)**	**4,132,804**	**-**	**-**	**-**

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Amortisation	Total
Computer Software	-	4,418,614	-	(285,810)	4,132,804
	-	**4,418,614**	**-**	**(285,810)**	**4,132,804**

Notes to the Annual Financial Statements (Continued)

	2020 N$	2019 N$
7. TRADE AND OTHER RECEIVABLES		
Current assets		
Deposits	403,522	423,145
Staff Advances	293,440	63,808
Accrued income - African Regional Intellectual Property Organisation	2,721,448	1,410,257
Accrued income - World Intellectual Property Organisation	3,656,271	2,998,633
Other receivables - Ministry of Industrialization and Trade	7,865	-
Less: Loss allowance (**see note 7.(iii)**)	(6,811)	(4,838)
	7,075,735	**4,891,005**

(i) CLASSIFICATION OF TRADE RECEIVABLES

Trade receivables are amounts due from customers for services performed during the course of the business. They are generally due within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing conditions, when they are recognised at fair value. The Authority holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Authority's impairment policies and the calculation of the loss allowance are provided in note **1.5.5.**

(ii) FAIR VALUE OF TRADE RECEIVABLES

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iii) IMPAIRMENT AND RISK EXPOSURE

Information about impairment of trade receivables and the Authority's exposure to credit risk, foreign currency risk and interest rate risk can found in **note 1.10, 4.2.2, 4.2.3, 4.2.4.**

Exposure to credit risk

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

The Authority'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:

	2020	2020	2019	2019
	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: 0.1% (2019: 0.1%)	6,781,241	6,781	4,832,034	4,832
Less than 30 days past due: 0.01% (2019:0.01%)	301,305	30	63,808	6
31 - 60 days past due: 1% (2019:1%)	-	-	-	-
61 - 90 days past due: 1% (2019:1%)	-	-	-	-
91 - 120 days past due: 1% (2019:1%)	-	-	-	-
	7,082,546	6,811	4,895,842	4,838

Notes to the Annual Financial Statements (Continued)

	2020 N$	2019 N$
8. OTHER FINANCIAL ASSET		
Fair value through profit or loss (FVTPL)		
Unit trusts		
• Opening balance as at 1 April 2019	15,273,714	634,122
Movements for the year		
• Money invested	20,300,000	22,350,363
• Money withdrawn	(10,000,000)	(8,000,000)
• Dividend received and reinvested	1,343,875	289,229
Total movement	**11,643,875**	**14,639,592**
Carrying value	**26,917,589**	**15,273,714**
Fair value	**26,917,589**	**15,273,714**

(i) CREDIT QUALITY OF OTHER FINANCIAL ASSETS

The credit quality of cash at bank and short-term deposits excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

CREDIT RATING:		
Capricorn Asset Management (Pty) Limited (A1+ Moody's credit rating)	26,917,589	15,273,714

9. CASH AND CASH EQUIVALENTS		
Current assets		
Cash in hand	1,703	-
Cash at bank	(1,009,342)	43,916
Deposits at call	5,566,186	3,140,076
	4,558,548	**3,183,992**

(i) RECONCILIATION TO CASH FLOW STATEMENT

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

Balances as above	4,558,548	3,183,992
Balances statement of cash flows	**4,558,548**	**3,183,992**

Notes to the Annual Financial Statements (Continued)

9. CASH AND CASH EQUIVALENTS (CONTINUED)

(ii) CREDIT QUALITY OF CASH AT BANK AND SHORT-TERM DEPOSITS EXCLUDING CASH IN HAND

The credit quality of cash at bank and short-term deposits excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates:

	2020 N$	2019 N$
CREDIT RATING:		
Bank Windhoek Limited (A1+ Moody's credit rating)	(11,421)	3,181,176
CREDIT RATING:		
First National Bank Namibia (A1+ Moody's credit rating)	4,084,341	-
CREDIT RATING:		
Nedbank Namibia (A1+ Moody's credit rating)	483,925	-

10. TRADE AND OTHER PAYABLES

Trade creditors	2,212,660	579,747
Other Payables - Namibia Training Authority	181,874	181,874
Sundry creditors	1,565,130	-
Provision for salary bonus	3,939,000	3,900,000
Provision for leave pay	3,986,452	3,063,386
	11,885,116	**7,725,007**

Due to the short nature of trade and other payables the fair value approximate the carrying amount.

11. CONTRIBUTION	**34,491,766**	**34,491,766**

The BIPA established under the BIPA Act, 2016 (Act No. 8 of 2016) took over all the assets and liabilities of the BIPA established under section 21 of the Companies Act.

RECONCILIATION		
Opening balance	34,491,766	34,491,766
Contributions during the year	-	-
Balance as at year end	**34,491,766**	**34,491,766**

12. DEFERRED INCOME

Donation received - Deutsche Gesellschaft fur Internationale Zusammenarbeit	3,247,039	3,478,970
	3,247,039	**3,478,970**

Notes to the Annual Financial Statements (Continued)

13. REVENUE FROM CONTRACTS WITH CUSTOMERS

13.1 Disaggregation of revenue from contract with customers

	Timing of revenue recognition - Over time	Timing of revenue recognition - At point in time	Revenue from external customers - 2020	Revenue from external customers - 2019
Income from Registrations of Companies, Close Corporation and Defensive names	-	4,839,232	4,839,232	4,423,714
Income from Amendments of Companies and Close Corporation	-	840,476	840,476	345,212
Registration of Trademarks, Patents and Copyrights	-	4,370,079	4,370,079	1,992,518
Other income - file request and copies	-	73,429	73,429	228,483
Total	**-**	**10,123,216**	**10,123,216**	**6,989,927**

13.2. Disaggregation of revenue from non-exchange transactions

	Timing of revenue recognition - Over time	Timing of revenue recognition - At point in time	Revenue from external customers - 2020	Revenue from external customers - 2019
Income from Annual Duties and Returns			46,152,840	40,540,510
Total			**46,152,840**	**40,540,510**

	2020 N$	2019 N$
14. OTHER INCOME		
Share of fees - African Regional Intellectual Property Organisation (ARIPO)	2,766,991	3,377,402
Sundry Income	13,100	96,441
Share of fees - World Intellectual Property Organisation (WIPO)	3,092,114	3,283,096
Government Grants - Ministry of Industrialization and Trade ("MIT")	21,500,000	8,000,000
Profit on sale of property, plant and equipment	-	4,515
Grant received (Cash) - Deutsche Gesellschaft fur Internationale Zusammenarbeit	1,282,584	-
Donation received (Deferred income) - Deutsche Gesellschaft fur Internationale Zusammenarbeit	231,931	-
Exchange (gain)/loss	1,417,815	1,023,760
	30,304,535	**15,785,214**

Notes to the Annual Financial Statements (Continued)

	2020 N$	2019 N$
15. OPERATING SURPLUS / (DEFICIT)		
Operating Surplus / (Deficit) for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts - Head office (Short-term lease)	1,522,837	2,887,094
• Contractual amounts - BRB Building	-	907,209
Equipment		
• Contractual amounts (Low value lease)	521,393	282,292
Depreciation on property, plant and equipment (**note 5,6 & 21**)	4,063,436	1,393,925
Employee costs	48,178,151	44,017,003

16. EMPLOYEE COSTS		
Basic Salaries	34,593,780	31,151,736
Pay As You Earn (PAYE)	7,256,554	6,889,450
Medical Aid	1,352,335	1,264,857
Nedloans Contributions	72,738	-
Namibia Public Workers Union (NAPWU)	120,546	-
Defined Pension Fund	4,510,359	4,517,958
Social Security Contribution	271,839	193,002
	48,178,151	**44,017,003**

17. TAXATION

The Authority is exempt from income tax in terms of section 16(1) of the Income Tax Act of Namibia, as amended.

18. FINANCE INCOME AND COSTS

Finance income		
Bank	165,775	69,670
Interest on short term Investments	1,343,875	289,229
	1,509,650	**358,899**
Finance costs		
Finance charges paid/payable for lease liabilities	(512,585)	-
Net finance income	**997,065**	**358,899**

Notes to the Annual Financial Statements (Continued)

	2020 N$	2019 N$
19. AUDITOR'S REMUNERATION		
Auditor's fees	148,586	303,474
	148,586	**303,474**
20. CASH USED IN OPERATIONS		
Surplus for the year	17,015,434	61,936
Adjustments for:		
Depreciation and amortisation	4,063,436	1,393,925
(Gain) loss on foreign exchange	(1,417,815)	(1,023,760)
Finance income - net	-	(358,899)
Non-cash investing and financing activities		
• Balancing figure	24,829	-
Changes in working capital:		
Decrease / (Increase) in trade and other receivables	(2,184,730)	7,594,781
(Decrease) / Increase in trade and other payables	4,160,109	(2,752,259)
	21,661,263	**4,915,724**
21. LEASES		
21.1. Amounts recognised in the statement of financial position		
The statement of financial position shows the followings relating to leases:		
Right-of-use assets		
Opening balance	5,939,565	-
Depreciation	(2,299,186)	-
	3,640,379	**-**
There were no additions to the right-of-use assets during the year.		
Lease liabilities		
Current	2,370,781	-
Non-Current	1,620,877	-
	3,991,658	**-**
21.2. Amounts recognised in the statement of surplus or deficit		
The statement of comprehensive income shows the following amounts relating to leases:		
Depreciation charge-of-right of use		
Buildings	2,299,186	-
	2,299,186	-

Notes to the Annual Financial Statements (Continued)

	2020 N$	2019 N$
21. LEASES (CONTINUED)		
21.3. Operating lease - as leasee (expense)		
Interest expense (included in finance costs)	512,585	-
Expense relating to short-term leases (included in cost of goods sold and administrative expenses)	1,522,837	-
Expense relating to variable lease payments not included in lease liabilities (included in administrative expenses)	521,393	-

The Authority leases various equipment and office building. All have a fixed term lease periods of three years. The lease terms are negotiated differently and have different terms of conditions. Extensions and termination are explicitly included.

Right-of-use leases asset are depreciated at the shorter of asset's useful life and the lease term on a straight line.

22. RELATED PARTIES

22.1. RELATIONSHIP

Related party relationship exists between the Authority and:

Entity / Organisation	Relationship
Key Management	
Ministry of Public Enterprises	State Enterprise Governance / Government
Ministry of Industrialization and Trade ("MIT")	Line Ministry / Government
Ministry of Finance	Treasury / Government
African Regional Intellectual Property Organisation (ARIPO)	Member State
World Intellectual Property Organisation (WIPO)	Member State
Corporate Registers Forum (CRF)	Member State

22.2. TRANSACTIONS

Related party transactions:

22.2.1. Key Management

• Chief Executive Officer and Executives	2,970,646	4,457,188

Key management comprises of the Chief Executive Officer, three (3) Executives and two (2) Acting Executives.

22.2.2. Other Income		
• Share of fees - African Regional Intellectual Property Organisation (ARIPO)	2,766,991	3,377,402
• Share of fees - World Intellectual Property Organisation (WIPO)	3,092,114	3,283,096
22.2.3. Government Grants		
• Ministry of Industrialization and Trade ("MIT")	21,500,000	8,000,000

Notes to the Annual Financial Statements (Continued)

	2020 N$	2019 N$
22. RELATED PARTIES (CONTINUED)		
22.2.4. Operating expenses		
• ARIPO Specific Membership Contribution	461,913	-
• WIPO Membership Contribution	41,216	-
• CRF Membership Contribution	6,028	-
• State-Owned Enterprise CEO Forum Membership Contribution	20,000	-
	529,157	**-**
22.3. BALANCES		
Related party balances:		
22.3.1 Trade and other receivables		
• African Regional Intellectual Property Organisation (ARIPO)	2,721,448	1,410,257
• World Intellectual Property Organisation (WIPO)	3,656,271	2,998,633
• Ministry of Industrialization and Trade ("MIT")	7,865	-
23. BOARD MEMBERS EMOLUMENTS		
Non-Executive Directors emoluments consists of:		
• Sitting and retainer allowances	229,178	365,204
• Travelling expenses (Daily Subsistence & Travel Allowance)	178,420	146,921
	407,598	**512,125**

Detailed Statement of Surplus or Deficit and Other Comprehensive Income

	2020 N$	2019 N$
Revenue		
Income from Registrations of Companies, Close Corporation and Defensive names	4,839,232	4,423,714
Income from Amendments of Companies and Close Corporation	840,476	345,212
Income from Annual Duties and Returns	46,152,840	40,540,510
Registration of Trademarks, Patents and Copyrights	4,370,079	1,992,518
Other income - file request and copies	73,429	228,483
	56,276,056	**47,530,437**
Other income		
Share of fees - Africa Regional Intellectual Property Organisation (ARIPO)	2,766,991	3,377,402
Sundry income	13,100	96,441
Share of fees - World Intellectual Property Organisation (WIPO)	3,092,114	3,283,096
Government Grants - Ministry of Industrialization and Trade ("MIT")	21,500,000	8,000,000
Grant received (Cash) - Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	1,282,584	-
Interest received	1,509,650	358,899
Profit on sale of property, plant and equipment	-	4,515
Donation received (Deferred income) - Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ)	231,931	-
Exchange (gain)/loss	1,417,815	1,023,760
	31,814,185	**16,144,113**
Expenses (Refer to page 100 & 101)	**(71,074,807)**	**(63,612,614)**
Surplus for the year	**17,015,434**	**61,936**

The supplementary information presented does not form part of the annual financial statements and is unaudited

Detailed Statement of Surplus or Deficit and Other Comprehensive Income (Continued)

	Note(s)	2020 N$	2019 N$
Operating expenses			
ARIPO Specific contribution		461,913	559,610
Advertising		343,949	106,677
Auditors remuneration	**19**	148,586	303,474
Bank charges		245,546	235,595
Bar-coding retrieval file		1,365,779	960,804
Books, Journals and Manuals		20,904	69,268
Cleaning		99,687	71,879
Computers expenses		853,800	383,141
Consulting fees		2,457,887	520,723
Consumables		-	67,697
Courier & Postage		472,814	562,420
Covid - 19 expenses		300,643	-
Depreciation and amortisation	**5,6 &21**	4,063,436	1,393,925
Directors fees		229,178	365,204
Electricity & Water		557,934	1,191,360
Employee costs	**16**	48,178,151	44,017,003
Endowment fee		-	156,555
Finance costs		512,585	-
Flowers & Gifts		-	10,465
Loose tools and equipment		16,560	4,349
Loss allowance		6,811	4,838
Insurance		123,013	132,413
Lease of machinery		521,393	282,292
Legal expenses		-	818,713
Loss on exchange difference		-	-
Motor vehicle expenses		173,403	108,818
Membership fees		54,205	79,164
NTA - VET Levy		505,782	621,176
Parking fees and fines		1,000	-
Printing & Stationery		947,486	1,007,034
Printing of registration documents		-	62,258
Promotions		23,696	37,107
Rent Paid		1,522,837	3,862,718
Recruitment expenses		43,706	56,765
Refreshments		69,881	96,933

The supplementary information presented does not form part of the annual financial statements and is unaudited

Detailed Statement of Surplus or Deficit and Other Comprehensive Income (Continued)

	Note(s)	2020 N$	2019 N$
Relocation Expenses		-	2,990
Repair & Maintenance		684,997	521,451
Retreats, Conferences and Team Building		98,889	44,042
Security		864,264	713,115
Silnam Support Services		1,932,000	2,549,609
Telephone & fax		1,265,067	1,013,327
Training/Capacity Building		360,283	9,100
Travelling costs		1,459,116	441,896
WIPO Contribution		41,216	41,700
WIPO Day		24,848	116,330
Wellness event		21,562	8,676
		71,074,807	**63,612,614**

The supplementary information presented does not form part of the annual financial statements and is unaudited

BUSINESS AND INTELLECTUAL PROPERTY AUTHORITY

Protecting Entrepreneurship and Innovation

HEAD OFFICE

PZN Building, 3 Ruhr Street
Northern Industrial Area
Windhoek, Namibia
P O Box 185, Windhoek
Tel: 061 299 4400

KATUTURA OFFICE

Erf No: 2780 Shire street
Wanaheda
Extension 2
Tel: 061 299 4452

REGIONAL OFFICE: ERONGO

Sam Nujoma Avenue, No 3147
Walvis Bay, Erongo Region
Tel: +264 64 464 178
Email: region@bipa.na