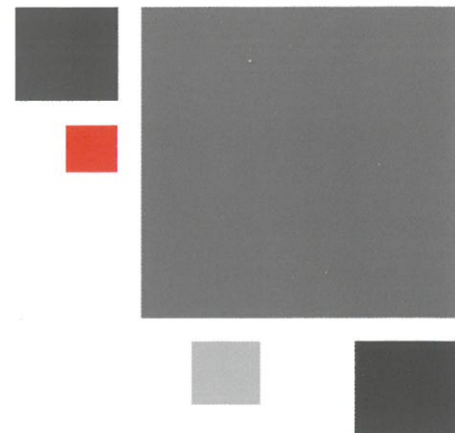




BUSINESS AND INTELLECTUAL
PROPERTY AUTHORITY
Protecting Entrepreneurship and Innovation



Annual Report

2016/17



Protecting Entrepreneurship and Innovation

Registered number

The Business and Intellectual Property Authority was established as a juriscctc person under section 3 of the BIPA Act, 2016 (Act No.8 of 2016)

Registered office address

188 Sam Nujoma Drive
Komenco Haus
Windhoek

Postal Address

P.O. Box 185
Windhoek
Contact Number
+264 61 299 4400

Email Address

info@bipa.na

Website

www.bipa.na

Bankers' information

Bank Windhoek
P.O Box 15
Windhoek

External Auditors' information

Saunderson & Co
P.O Box 24305
Windhoek

Tax reference number

5540652-011

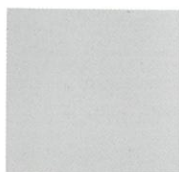


Table of Contents

BOARD OF DIRECTORS' REPORT 3

REVIEW BY THE CHIEF EXECUTIVE OFFICER 4

1 CORPORATE OVERVIEW 6

1.1 BIPA Mandate 7

1.2 Mission 7

1.3 Vision 7

1.4 Values 7

1.5 Legislative and other mandates 10

2 BOARD OF DIRECTORS STRUCTURE 11

2.1 Powers 12

2.1.2 Role and Responsibilities 12

2.2 BIPA Board of Directors 13

2.3 BIPA Board Committees 14

2.3.1 Finance, Risk and Audit Committee (FRAC) 14

2.3.2 Human Resource and Remuneration Committee (HRRC) 14

2.3.3 Transformation Committee (TRANSCOM) 14

2.3.4 Ad Hoc Grievance Committee 14

3 EXECUTIVE MANAGEMENT 15

3.1 Office of the CEO 16

4 OPERATIONAL AND STRATEGIC OVERVIEW 17

4.1 HUMAN CAPITAL MANAGEMENT 18

4.1.1 Introduction 18

4.1.2 Workforce Profile and Employment Equity 18

4.1.3 Recruitment and Staff turnover 19

4.1.4 Performance Management 19

4.1.5 Capacity Development 19

4.1.6 Employee Relations and Wellness 19

4.1.7 Employment Cost 19

4.1.8 Approved Policies 19

4.2 BUSINESS REGISTRATION SERVICES 20

4.2.1 Introduction 20

4.2.2 Business registration legal framework 20

4.2.3 Business registration office activities 21

4.3 INTELLECTUAL PROPERTY SERVICES 22

4.3.1 Introduction 22

4.3.3 IP Office Key Achievements – FY 2016/17 22

4.3.4 IP office divisions report 23

4.3.4 Activities related to WIPO 24

4.4 FINANCE AND ADMINISTRATION 25

4.4.1 Introduction 25

4.4.2 Financial performance 25

4.4.3 Income 25

4.4.4 Earnings 26

5 ANNUAL FINANCIAL STATEMENTS 28

■ Leaders' Reports



Board of Directors' Report

It is my pleasure to present the 2016/17 annual report and financial position of the Business and Intellectual Property Authority (BIPA). The period under review has been abundant in terms of growth for the authority, but also brought with it some challenges and even greater achievements.

One of the major achievements for the institutions and the Board at large, was the promulgation of the BIPA Bill into law. The Business and Intellectual Property Act 2016, Act NO. 8 of 2016 was eventually passed by parliament and came into force on 16 January 2017. BIPA thus transitioned from being a Section 21 Company, to a fully-fledged State-Owned Enterprise.

It is with pleasure that I may again state that, as a back-office department of the ministry, BIPA has performed extremely well in making strides towards increasing new registrations of both businesses that of intellectual property rights (IPR's).

During the period under review, the Authority incurred a deficit of N\$8,169 million (surplus 2016-N\$6,140 mil) due to a significant decrease in Government subsidy by 34.1%, and an increase in operating expenditure, primarily on employee costs. As part of the growing pains and development of any new entity, it was anticipated that BIPA would continue, for the next 2-3 years need additional funding to supplement existing funding sources.

Although the BIPA Board and management took proactive steps to prepare for the instability in the current volatile economy, tougher times were expected ahead, especially in public and hybrid sectors.

We wish the incoming leadership of BIPA to continue to fulfill and exceed BIPA's long-term goals, mainly in strengthening BIPA's management capacity in new and updated systems for registration, but also in ensuring a sustainable funding model for the entity that could lessen the burden on government subsidies.

To safeguard BIPA's goals, BIPA will take advantage of existing strategic and smart partnerships with amongst others, the World Intellectual Property Organisation

(WIPO) and the African Regional Intellectual Property Organisation (ARIPO).

It is evident that BIPA's mandate comes with many unique challenges and responsibilities that require consistent and bold action, prudent financial stewardship and vested stakeholder commitments. A strengthened governance structure is therefore crucial for a growing institution like BIPA.

BIPA continues to embrace its role in contributing towards Namibia's development goals as per Vision 2030, National Development Plan (NDP) 5 and the Harambee Prosperity Plan (HPP).

BIPA recognizes that the industry and public at large should play important roles in creating an agency that is robust, competitive and innovative to national economic initiatives. That is why BIPA has held national consultative roundtables and workshops to solicit inputs in the development of its policies and implementation strategies.

With the BIPA Act having been promulgated, the Board mandate came to an end. We are proud to report that we have successfully wound-up BIPA as a Section 21 Company of the Companies Act, 2004. On behalf of the Board members I would like to thank the appointing authority, Hon. Immanuel Ngatjizeko (MP), for having accorded us the opportunity to spear head and facilitate the creation of BIPA. I also want to extend the Board's profound gratitude to the BIPA executives and all BIPA employees for their cooperation with the Board during our tenure. I wish BIPA all the best.

The Board of Directors

Review by the Chief Executive Officer

Two critical achievements characterized the 2016/17 Financial Year for the Business and Intellectual Property Authority (BIPA), namely the enactment of the Business and Intellectual Property Authority Act, 2016 (Act No. 8 of 2016) and entering into force of the said enabling Act on 16 January 2017. The BIPA Act is indeed a culmination of Government's vision, to create a responsive business and intellectual property authority, and the intellectual and financial investments of the Namibian people and that of our development partners.

The BIPA Act with its instruments, establishes a modern legal and regulatory institution with the objective of transforming the landscape of administration, promotion, protection, registration of businesses and intellectual property rights. The establishment of BIPA thus, serves to promote access to and participation of all Namibians in the formal business landscape and economy; promote commerce, trade and investment; support value-addition industrialization and development; improve Namibia's ease of doing business ranking; improve competitiveness on the global landscape and foster creativity and innovation.

In keeping with the BIPA Act, we successfully migrated both Intellectual Property and Business registration activities from the Ministry of Industrialization, Trade and SME Development (MITSMED) and Ministry of Information and Communication Technology (MICT), including the responsible personnel. At BIPA, we consider human capital to be the most valued asset in determining its success and fulfilment of its strategic objectives. To this end our focus remained directing the corporate culture of BIPA towards performance driven and developing an employee value proposition.

We continue to appreciate the commitment of government to make budgetary allocation through MITSMED during the formation phase of BIPA. It is expected that BIPA will

generate sufficient income from annual duties/returns, business registrations, registrations of trademarks & patents and copyrights over the medium-term to sustain its operationalization and improve the efficiencies in order to render quality services to the public.

Finally, I wish to acknowledge and celebrate the immense support and guidance of the BIPA Board and the contribution of each BIPA staff towards the attainment of our strategic objectives.

The next financial year will surely bring its own mix of successes and challenges, but our direction is clear and we know what we must do. Our job is to continue to focus intently on playing our role in contributing to the long-term aspirations to transform Namibia into a knowledge based society as set out in Vision 2030.

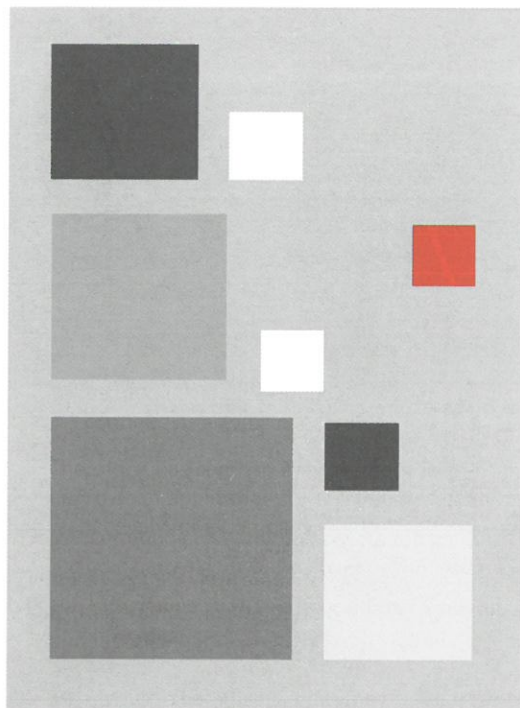
I would like to thank the BIPA Board of Directors for their unwavering commitment and support towards the attainment of BIPA's strategic objectives and overall vision and mission. I also wish to sincerely thank the BIPA staff who continue to give their time and expertise in carrying out their work as diligently as they can.

Finally, I wish to express our appreciation to our valued stakeholders who continue to contribute so generously to the work of BIPA and ensuring that our mandate is executed successfully.



Tileinge Andima
Chief Executive Officer

List Of Acronyms & Abbreviations



BIPA:	Business and Intellectual Property Authority
ARIPO:	African Regional Intellectual Property Organisation
BFS:	Business Financial Solutions
CHF:	Swiss Franc
CIPC:	Companies and Intellectual Properties Commission
CRF:	Corporate Registers Forum
ECRF:	European Corporate Registers Forum
FRAC:	Finance, Risk and Audit Committee
HPP:	Harambee Prosperity Plan
HRRC:	Human Resources and Remuneration Committee
IP:	Intellectual Property
IPAS:	Industrial Property Automated System
IPR:	Intellectual Property Rights
MICT:	Ministry of Information and Communication Technology
MITSMED:	Ministry of Industrial, Trade and SME Development
N\$:	Namibia Dollar
NASCAM:	Namibian Society of Composers and Authors of Music
NDP:	National Development Plan
PCT:	Patent Cooperation Treaty
SADC:	Southern African Development Community
USD	United States Dollar
TRANSCOM:	Transformational Committee
TISC:	Technology and Innovation Support Centres
WIPO	World Intellectual Property Organisation

PART 1

■ Corporate Overview



01 Corporate Overview

During the financial year under review, BIPA operated as a dual entity. BIPA was incorporated under the Companies Act, 2004 (Act No.28 of 2004) as a Association Not for GainSection 21, limited by guarantee, until the date of deregistration on 30 August 2017. Upon deregistration of the Section 21 as a legal entity, it transferred all its rights and liabilities including its staff to BIPA, a State Owned Enterprise (SOE), established in terms of section 3 of the BIPA Act. 8 of 2016. The BIPA Act was promulgated in August 2016 and came into force on 16 January 2017.

1.1 BIPA Mandate

It is imperative to provide globally competitive, effective and efficient services in the administration and protection of business and of Intellectual Property Rights (IPRs) in an effort to transform the business landscape and in so doing inspire innovation.

The objectives of both BIPA as a Section 21 and BIPA as an SOE were similar and are outlined below as per section 2 of the BIPA Act:

- a. To foster economic growth and development in order to raise income and promote investment and employment and the efficient protection and administration of business and intellectual property in Namibia;
- b. To consolidate, in the manner herein provided, the various offices and officials involved in the registration and administration of business and intellectual property;
- c. To facilitate and promote the efficient and effective registration of business and intellectual property and to keep and administer the registers with regard thereto;
- d. To facilitate and promote the efficient and effective registration of business and intellectual property and to keep and administer the registers with regard thereto;
- e. To promote the conduct and use of business and intellectual property in Namibia;
- f. To facilitate, streamline, simplify, harmonize and expedite business and intellectual property procedures, registrations, filings and searches;
- g. To enhance the efficient exchange and distribution of information.

1.2 Mission

To register, grants and protect business and intellectual property rights

1.3 Vision

To transform the business landscape and inspire innovation

1.4 Values

BIPA is driven to create common and shared principles and understanding through its corporate values, and in doing so, encourage active participation of each staff member in not only understanding, but living these values through their behaviour and decision making.

- **Accountability** - We accept the responsibilities entrusted to us and shall be answerable for all our decisions and actions.
- **Customer Oriented** - We commit to provide customer centric superior service at all times.
- **Teamwork** - We believe there is strength in unity and therefore we shall support each other to achieve our collective objectives.
- **Integrity** - We shall uphold the highest standards of ethical behaviour in the execution of our mandate.
- **Innovation** - We shall continuously seek innovative avenues to improve our service to our stakeholders.

The following themes remain of vital strategic importance over the next five years and create distinct focal clusters against which objectives can be defined:

- **Financial Sustainability** – The assessment that BIPA will have sufficient funds to meet all its resource and financial obligations in order to adequately fulfil its mandate as outlines within the Act.
- **Stakeholder Relations** – Creating positive relationships with the BIPA stakeholders through appropriate management of their expectations and agreed objectives.
- **Operational Excellence** – Strive for an improved and consistent delivery service with minimum variation and minimum waste.
- **Human Capital** - the collective skills, knowledge, or other intangible assets of individuals that can be used to create economic value



Mission

To promote, register, grant, protect and regulate business and intellectual property rights

Vision

To create a transformed business landscape and an innovative nation



Values

Customer Oriented

Accountability

Innovation

Teamwork

Integrity



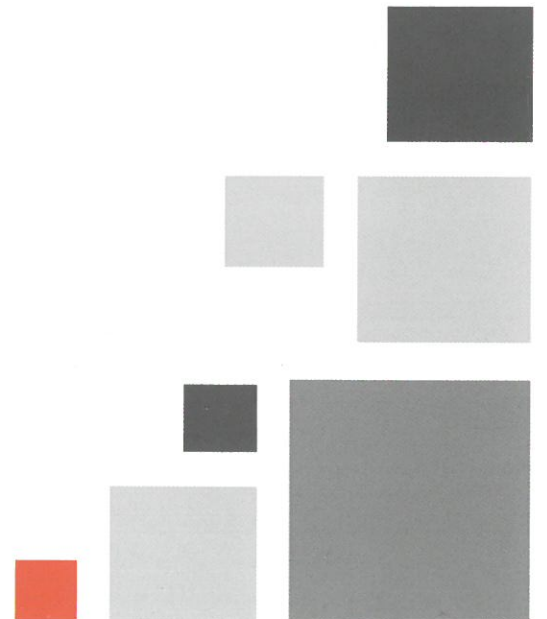
1.5 Legislative and other mandates

As per its mandate, BIPA administers all or part of the following legislation relating to corporate and intellectual property regulations. Its mandate encompasses companies, close corporations, co-operatives, trademarks, patents, designs, aspects of copyright legislation and enforcement of rules and regulations in most of these areas of law.

Legislation	Mandate	Sector
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.	Country-wide
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.	Economy-wide
Close Corporation Act, Act No. 69 of 1984	Register close corporations, maintain data, regulate governance of and disclosure by close corporations.	Economy-wide
Trade Marks Act, 1973 (Act No. 48 of 1973)-	Register trademarks, maintain data, resolve disputes.	Economy-wide
Patents, Designs, Trade Marks, and Copyright Proclamation, 1923 (Act No. 17 of 1923) and;	Register trademarks, maintain data, resolve disputes.	Economy-wide
Patents and Designs Act, 1916 (Act No. 9 of 1916)	Register patents, maintain data, publish patent journal, administer Court of Commissioner of patents.	Economy-wide
Industrial Property Act, Act No. 1 of 2012	Register designs, maintain data, resolve disputes	Economy-wide
Copyright and Neighboring Rights Protection Act, 1994 (Act No. 6 of 1994)	Register copyrights, maintain data, resolve disputes, provide non-binding advice to the public.	Creative Industries

**PART 2**

■ Board of Directors Structure



2.1 Powers

The role, function and powers of the Board, its members and Committees and its relations with regards to other structures of the 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 of the BIPA and for the control of the BIPA.

The Board has the exclusive power to make any decision in respect of the BIPA. The Board exercises its powers responsibly:

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

2.1.2 Role and Responsibilities

It is the responsibility of the Board to guide the BIPA in pursuit of its purpose within the powers conferred upon the Board by the enabling Act, the Board Charter and other Board decisions and policies.

Further:

- a. The Board is responsible for the overall direction of the BIPA's business and undertakings on behalf of its stakeholders. The Board delegates authority for the actual conduct of the business to the Chief Executive Officer, who together with senior management is accountable to the Board.
- b. The Board should at all times exercise care, diligence, and business judgment, and act in a responsible and ethical manner in accordance with the laws of Namibia, and in line with best practices of corporate governance, the reasonable interest of the BIPA's stakeholders.
- c. To act as the focal point for and custodian of corporate governance by managing its relationship with senior management and the stakeholders of the BIPA along sound corporate governance principles.
- d. Inform and approve the strategies and strategic objectives of the BIPA and ensure that strategy, risk, performance and sustainability considerations are effectively integrated and appropriately balanced.
- e. To bring independent, informed and effective judgment to bear on material decisions of the BIPA.
- f. To ensure significant business risks are identified and appropriately managed and regularly review the risk management register, framework and system.
- g. To provide effective leadership on an ethical foundation.
- h. To ensure that the BIPA is and is seen to be a responsible corporate citizen by having regard to not only the financial aspects of the business operations, but also the environment and society within which it operates.
- i. The Board should satisfy itself that the BIPA is governed effectively in accordance with corporate governance best practices, which include risk management, legal compliance management, appropriate and relevant non-binding industry rules, codes, standards and internal control systems in order to maximise sustainable returns, safeguard the people, assets and reputation of the BIPA, and to ensure compliance with applicable laws and regulations.
- j. Monitoring the implementation, through an approved governance framework, Board Committees and executive management of the Board's strategies, decisions, values and policies; with a structured approach to governance, reporting, risk management and risk-based auditing of the BIPA's financial transactions.
- k. The appointment, evaluation of performance and removal of the Chief Executive Officer of BIPA is a matter for the Board.
- l. The Board must ensure that the BIPA has an effective and independent Audit Committee.
- m. Must be responsible for the governance of risk and ensure effective risk based internal auditing.
- n. The Board must commence immediate business rescue proceedings as soon as the BIPA is financially distressed, and the Board must approve the budget.
- o. The Board must assess the performance of the Board, its committees and its individual members on an annual basis.
- p. Must monitor the financial performance of the BIPA including adopting annual budgets and approving the BIPA's financial statements.
- q. Ensuring that the adequate systems of internal compliance and control exist and are appropriately monitored for compliance.
- r. Ensure that disputes are resolved as effectively, efficiently and expeditiously as possible whenever they occur.
- s. The Board must monitor the relationship between the management and stakeholders of BIPA.

2.2 BIPA Board of Directors

	Name	Role on the Director
1.	Ms. Dagmar Honsbein	Chairperson
2.	Ms. Lovisa Indongo-Namandje	Deputy Chairperson
3.	Ms. Maria Pogiso	Director
4.	Ms. Kauna Ndilula	Director
5.	Mr. Frits Jacobs	Director
6.	Mr. R.A Kaakunga	Director



Dr. Dagmar Honsbein
Chairperson



Lovisa Indongo-Namandje
Deputy Chairperson



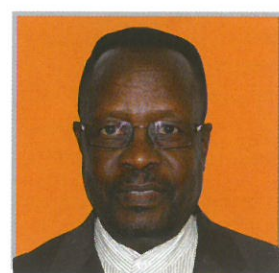
Frits Jacobs
Director



Kauna Ndilula
Director



Maria Pogiso
Director



Riundja A. Kaakunga
Director

During the period under review, the BIPA Full Board held four (4) ordinary meetings and zero, (0) special meetings as indicated below.

Attendance Register						
Member	Period Served	Scheduled Board Meetings				Fees for services
		11/07/2016	03/08/2016	31/10/2016	30/11/2016	
D. Honsbein	28/07/2011 – Present	a	a	a	a	66 308.42
L. Indongo-Namandje	28/07/2011 – Present	n/a	a	a	n/a	57 450.68
K. Ndilula	28/07/2011 – Present	a	n/a	a	n/a	43 245.63
R.A. Kaakunga	28/07/2011 – Present	a	a	a	a	47 885.23
M. Pogiso	28/07/2011 – Present	a	a	a	a	*
F.C Jacobs	28/07/2011 – Present	a	a	a	a	43 172.48
T.S Andima	28/07/2011 – Present	a	a	a	a	x
					Total	258 062.45

a – Attended
n/a – Not in attendance
* - in Public service
x – Ex-Officio member

2.3 BIPA Board Committees

The Board may from time to time determine in terms of the governance framework, and delegated authorities from the general powers of the Board which matters are reserved for final decision-making by the Board or Board Committees; and those that require the Board's or Board Committees' consent 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 CEO subject to the obligation to report all material matters to the Board.

- Finance, Risk and Audit Committee (FRAC);
- Human Resource and Remuneration Committee (HRRC);
- Transformation Committee (TRANSCOM) and
- Ad Hoc Grievance Committee;

2.3.1 Finance, Risk and Audit Committee (FRAC)

The purpose of the Finance, Risk and Audit Committee is to assist the Board in fulfilling its obligations and oversight responsibilities relating to financial planning, the audit process, financial reporting, the system of corporate controls and risk management, and when required, to make recommendations to the full Board for approval.

In the process of overseeing BIPA's audit procedures, the Finance, Risk and Audit Committee will be provided with the resources necessary to carry out its responsibilities, including the authorization to engage independent counsel and other advisors.

During the period under review, the FRAC held three (3) ordinary meeting and zero (0) special meeting as indicated below.

Meeting Type	Date
Ordinary	26 April 2016
Ordinary	14 June 2016
Ordinary	12 October 2016

2.3.2 Human Resource and Remuneration Committee (HRRC)

The Committee is responsible for developing a formal and transparent policy and procedure on BIPA remuneration and for fixing the remuneration packages of BIPA Management. The Committee shall operate on the principle that the financial reward offered by BIPA should be sufficient to attract people of the required caliber, because failure to attract the right people will have a negative impact on the efficiencies of BIPA.

During the period under review, the HRRC held five (5) ordinary meeting and zero (0) special meetings as indicated below.

Meeting Type	Date
Ordinary	13 June 2016
Ordinary	15 August 2016
Ordinary	27 October 2016
Ordinary	14 November 2016
Ordinary	17 November 2016

2.3.3 Transformation Committee (TRANSCOM)

Transformation is a national strategic imperative in our country and it is a fundamental tenet in the vision and strategy of BIPA. The Transformation Committee (TransCom) is constituted as a committee of the Board of BIPA in respect of all duties that may be assigned to it by the BIPA Board.

During the period under review, the Transformation Committee held three (3) ordinary meeting and zero (0) special meeting as indicated below.

Meeting Type	Date
Ordinary	14 November 2016
Ordinary	18 November 2016
Ordinary	28 November 2016

2.3.5 Ad Hoc Grievance Committee

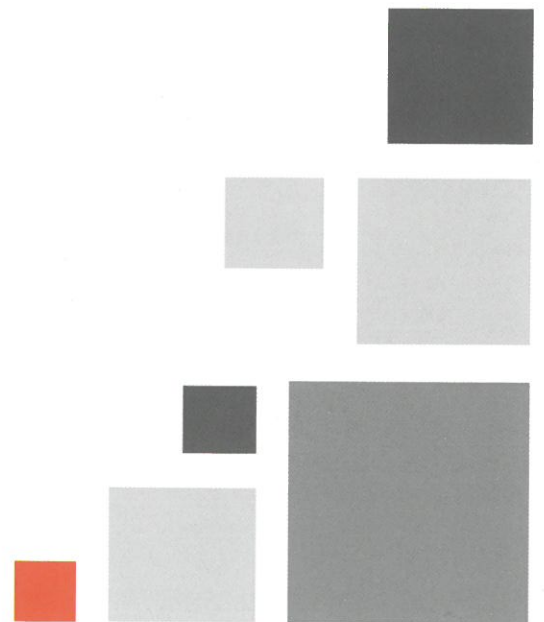
The purpose of the Grievance Committee is to receive ethics complaints and arbitration requests (i.e., grievances) and to provide a preliminary review and screening process. The committee does not conduct hearings and does not make determinations of code violations, nor arbitration decisions. It should dismiss frivolous, unsubstantiated complaints and ensure that only valid complaints, properly framed and presented, are dealt with.

During the period under review, the Ad Hoc Grievance Committee held one (1) ordinary meeting as indicated below.

Meeting Type	Date
Ordinary	19 December 2016

**PART 3**

■ Management and Support Structure



3.1 Executive Management

The Chief Executive Officer and the Executive management members provide for the strategic and policy direction of the institution;

	Position	Office Holder
1.	CEO	Mr. Tileinge Andimba
2.	Executive: Human Capital Management	Ms. Selma Ambunda
3.	Executive: Finance and Administration	Mr. Immanuel Awene
4.	Chief Legal and Company Secretary	Ms Vivienne Katjioungua

3.2 Office of the CEO

The Office of the Chief Executive Officer also serves as the office of the Registrar of Business Registrations and is therefore entrusted with the execution and daily running of a sound entity that can enhance the efficiency and effectiveness of business and IP rights registrations in Namibia. Together with his Executive team, the CEO is responsible for the overall operational and strategic direction of BIPA to ensure the targets within its strategic plan is met annually.



Tileinge Andimba
Chief Executive Officer



Vivienne Katjioungua
Chief Legal & Company Secretary



Selma Ambunda
Executive: Human Capital
Management



Immanuel Awene
Executive: Finance
& Administration

2.3 BIPA Board Committees

The Board may from time to time determine in terms of the governance framework, and delegated authorities from the general powers of the Board which matters are reserved for final decision-making by the Board or Board Committees; and those that require the Board's or Board Committees' consent 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 CEO subject to the obligation to report all material matters to the Board.

- Finance, Risk and Audit Committee (FRAC);
- Human Resource and Remuneration Committee (HRRC);
- Transformation Committee (TRANSCOM) and
- Ad Hoc Grievance Committee;

2.3.1 Finance, Risk and Audit Committee (FRAC)

The purpose of the Finance, Risk and Audit Committee is to assist the Board in fulfilling its obligations and oversight responsibilities relating to financial planning, the audit process, financial reporting, the system of corporate controls and risk management, and when required, to make recommendations to the full Board for approval.

In the process of overseeing BIPA's audit procedures, the Finance, Risk and Audit Committee will be provided with the resources necessary to carry out its responsibilities, including the authorization to engage independent counsel and other advisors.

During the period under review, the FRAC held three (3) ordinary meeting and zero (0) special meeting as indicated below.

Meeting Type	Date
Ordinary	26 April 2016
Ordinary	14 June 2016
Ordinary	12 October 2016

2.3.2 Human Resource and Remuneration Committee (HRRC)

The Committee is responsible for developing a formal and transparent policy and procedure on BIPA remuneration and for fixing the remuneration packages of BIPA Management. The Committee shall operate on the principle that the financial reward offered by BIPA should be sufficient to attract people of the required caliber, because failure to attract the right people will have a negative impact on the efficiencies of BIPA.

During the period under review, the HRRC held five (5) ordinary meeting and zero (0) special meetings as indicated below.

Meeting Type	Date
Ordinary	13 June 2016
Ordinary	15 August 2016
Ordinary	27 October 2016
Ordinary	14 November 2016
Ordinary	17 November 2016

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Transformation is a national strategic imperative in our country and it is a fundamental tenet in the vision and strategy of BIPA. The Transformation Committee (TransCom) is constituted as a committee of the Board of BIPA in respect of all duties that may be assigned to it by the BIPA Board.

During the period under review, the Transformation Committee held three (3) ordinary meeting and zero (0) special meeting as indicated below.

Meeting Type	Date
Ordinary	14 November 2016
Ordinary	18 November 2016
Ordinary	28 November 2016

2.3.5 Ad Hoc Grievance Committee

The purpose of the Grievance Committee is to receive ethics complaints and arbitration requests (i.e., grievances) and to provide a preliminary review and screening process. The committee does not conduct hearings and does not make determinations of code violations, nor arbitration decisions. It should dismiss frivolous, unsubstantiated complaints and ensure that only valid complaints, properly framed and presented, are dealt with.

During the period under review, the Ad Hoc Grievance Committee held one (1) ordinary meeting as indicated below.

Meeting Type	Date
Ordinary	19 December 2016



PART 4

Operational And Strategic Overview

4.1.3 Recruitment and Staff turnover

To capacitate BIPA, 37 permanent positions were filled during the year under review. Twenty (20) employees who were performing the business registrations, intellectual property and copyrights functions were transferred from MITSMED and MICT into the Authority's establishment. Thirteen (13) temporary employees were appointed on a permanent basis. During the period under review, 3 employees left the Authority, representing an attrition rate of 3.6%.

4.1.4 Performance Management

In order to entrench results oriented-oriented culture, BIPA continued to evaluate its performance and that of its employees. The performance is evaluated on three aspects, i.e. corporate, departmental and individuals. These different aspects of performance evaluation are combined and averaged to obtain the overall performance score for the Company. During the year under review, the overall performance score was 3.0 (at a five-rating score).

4.1.5 Capacity Development

A strong emphasis has been placed on capacity building programmes for employees at all levels of the organization. BIPA spent N\$ 230 000.00 on capacity development during the period under review. In total, 25 employees attended various training. One (1) employee have benefited from the Authority's financial study assistance scheme.

4.1.6 Employee Relations and Wellness

Employee wellness is high on the Authority's agenda, and a Wellness Day aimed at promoting employee health was organised during the year, education on the importance of adopting a healthy lifestyle were made. During the period under review, BIPA did not have a recognized trade union.

4.1.7 Employment Cost

Due to the employment numbers that increased by 35%, the total cost of employment for the year under review was N\$ 11, 087 646.00.

4.1.8 Approved Policies

During the reporting period, the Board approved the following Policies:

- a. Performance Management Policy
- b. Disciplinary Code and Procedures
- c. Training and Development Policy
- d. Code of Ethics Policy
- e. Condition of Employment and Benefits
- f. Job Matching and Placement Strategy

Business Registration Services



4.2 Business Registration Services

4.2.1 Introduction

Namibia's ranking on the World Bank's Ease of Doing Business report showed a slight improvement in 2017 to a position of 106 compared to 108 in 2016, however, Namibia's ranking in the SADC region remained at 7. In 2014 and 2016, Namibia ranked 6th, while in 2015 the country ranked 5th. Namibia has dropped in global ranking considerably since 2012 when it ranked 78 on the global index, with the "Ease of Doing Business", indicator reflecting a ranking of 172, in terms of the time it takes to start a business. According to the report, it took 10 procedures to start a business; approximately 66 days. The country scored 68.9 on the indicator in 2016, on a ranking scale of 0 to 100, which shows a drop in ranking.

The Business Registrations Department thus remains focused on improving business registration processes with the view to meaningfully contribute to the "ease of doing business".

The Department promotes, registers, grants and regulates businesses and further, serves as the legal depository of business information in Namibia.

4.2.2 Business registration legal framework

Section 5(b) for the Business and Intellectual Property Authority Act of 2016, mandates BIPA to regulate and administer the registration of businesses under the applicable legislation as enlisted hereunder:

Domain	National Legislation
Company Registrations	1. Companies Act, 1973 (Act No. 61 Of 1973) 2. Companies Act, 2004 (Act No. 28 Of 2004) Provides for The Establishment Of the Company Registration Office, Appointment Of The Registrar And Provides For The Incorporation, Management And Liquidation Of Companies; And Incidental Matters.
Close Corporations	1. Close Corporations Act, 1988, (Act No. 26 Of 1988) 2. Close Corporation Amendment Act, 1994 (Act No. 8 Of 1994) Provides for 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	1. The Financial Intelligence Act, 2012 (Act 13 of 2012) In terms of Section 4 of the FIA, the Registrar of Companies and Close Corporations must for the purposes of the FI Act, in addition to information required for companies and close corporations under any other law - - annually collect and keep accurate and up-to-date prescribed information in respect of members, directors, shareholders and beneficial owners of companies and close corporations; - forward to the Registrar of Deeds all changes to members, directors, shareholders or beneficial owners information of companies and close corporations which own immovable properties; and - avail all information referred to in paragraphs (a) and (b) of companies and close corporations to competent authorities upon request.

4.2.3 Business registration office activities

Section 5(b) for the Business and Intellectual Property Authority Act of 2016, mandates BIPA to regulate and administer the registration of businesses under the applicable legislation as enlisted hereunder:

4.2.3.1 Comparative Statistics

The Business Registration Office processes applications for the registration of Companies and Defensive Names in accordance with the Companies Act and Regulations thereunder as well as the registration of Close Corporations as provided for by the Close Corporation Act and Regulations.

Overview Of Applications During The 2016/17 Review Period

Application Type	Number 2015/16	Number 2016/17	Variance
Name Reservations	28,377	30,489	2,112
Section 21	145	213	68
Company	1,043	1,404	361
Foreign Company	-	8	8
Defensive Names	4,070	4,145	75
Close Corporation	13,309	16,112	2,803
Total Registrations for the year under review	46,944	52,371	5,427

There is an evident increase on all the number of entities registered as per the table above.

4.2.3.2 Notable improvements for the 2016/17 financial year

The office has seen an improvement in the turnaround times. Statistics indicate that the office took an average of three (3) working days to approve an application for a Name Reservation as well as Defensive Names; 5 days for incorporating a Close Corporation and 7 working days respectively for a Company.

The notable improvement is attributable to the notable commitment and dedication of our staff. The registration of businesses is centralized to Head Office in Windhoek; hence, all applications are processed in Windhoek. With the envisaged decentralization of services, BIPA will undoubtedly improve the business registration turnaround times.

Meanwhile, the office is gratefully, supported by regional officials under the Department Industrial Development, in rendering its services at regional level. The services rendered at regional level are limited to advisory services as well as submissions and collections of registration documents.

In an effort to ease business registration, BIPA rolled out the on-line service for Name Reservations via its Website in 2013 and the table below illustrates how the service is gaining popularity, in that 607 online applications were recorded during the year under review compared to 564 in the previous financial year.

Financial Year	2013/14	2014/15	2015/16	2016/17
Number of online name reservation applications	66	261	564	607

4.2.3.3 The One Stop Shop Facility

BIPA is part of the pilot team involved in the development and implementation of a One-Stop Shop Facility for Namibia. The One Stop Shop is a reform measure initiated by the Ministry of Industrialization, Trade and SME Development aimed at streamlining and improving the process of starting a business in Namibia. As a country, Namibia has consistently been gliding down the rankings on the "Ease of Doing Business" index as measured by the World Bank. The current focus of the project is on four key institutions that provide Business Registration services, i.e. BIPA, Social Security Commission, Inland Revenue Department and Ministry of Home Affairs and Immigration.

BIPA has been involved in such consultative meetings aimed at developing the framework for implementation of the One-Stop Shop. To date, as part of the project, the Ministry has launched the NamBizOne Portal. The portal guides domestic and foreign investors on the administrative and legal requirements to invest, start and run a business in Namibia. The Portal provides detailed information on the process of incorporating a business in Namibia. The Ministry of Industrialization, Trade and SME Development envision the rolling out of the One-Stop Shop Facility in 2018.

Intellectual Property Services



4.3.1 Introduction

The core functions of Intellectual Property (IP) Office are to register and grant intellectual property rights in Namibia, promote the creation, use and protection of IP, and contribute to the development of the domestic, regional and international IP legal frameworks. The focus of the IP Office remains delivery of quality and excellent services to the customers through administration and registration of IP rights; build an IP conscious society through various targeted stakeholders engagements and programs with the view of promoting IP and supporting developmental initiatives; and participate in the development and improvement of the IP legal frameworks at national, regional and international fora.

The 2016/17 FY was both challenging but exciting as we witnessed the passing, signing and entering into force of the Business and Intellectual Property Authority Act, 2016 (Act 8 of 2016). Through the BIPA Act, Namibia overhauled the national institutional framework for the administration and registration of business and intellectual property by the creation of BIPA. The IP Office is pleased to have provided support towards the finalization of this groundbreaking legal framework; without failing on its day to day business operations of service delivery.

The Office also managed and coordinated various IP related project. Overall, we consider 2016/17 FY to be one of the most defining period for intellectual framework. We are looking forward, as part of the BIPA team, to transform the business landscape and inspire innovation!

4.3.2 Intellectual property legal framework overview

With the enactment and entering into force of the Business and Intellectual Property Authority (BIPA) Act, 2016 (Act No. 8 of 2016), Namibia overhauled the national institutional framework for the administration and registration of business and intellectual property by the creation of BIPA. BIPA has therefore, assumed the responsibility of the administration of intellectual property rights, namely trademarks, industrial designs, patents & copyright.

Namibia is a member of the African Regional Intellectual Property Organization (ARIPO), an intergovernmental organization for cooperation among African states in intellectual property matters. ARIPO was primarily established to promote intellectual property in the region as a tool for socio-economic development for its member states. There are currently 19 members of ARIPO, namely: **Botswana, The Gambia, Ghana, Kenya, Lesotho, Malawi, Mozambique, Namibia, Sierra Leone, Liberia, Rwanda, São Tomé and Príncipe, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.**

4.3.3 IP Office Key Achievements – FY 2016/17

4.3.3.1 Overview of IP rights applications and fees collected

The number of national applications received during the reporting period are outlined in the tables below:

IP Rights	Applications	Fees collected on Applications
Trade marks	3 038	N\$ 788, 580. 00
Trade Marks Maintenance (Renewals, amendments, assignments, registered users)	4075	N\$ 261, 346.00
Industrial Designs	32	N\$64.00
Patents	32	N\$ 320.00
Copyright	204	N\$ 19, 000.00
Total		N\$ 1, 069, 310.00

4.3.4 IP office divisions report

4.3.4.1 Trademarks division

The Office receives national applications, designations through Banjul Protocol and designations through Madrid System.

The focus of the trademarks division remains the acceleration of national applications business processes. We are proud to have recorded improvement in the business operations. We witnessed reduced turnaround time for filing notices, increased the number of applications examined and registered. This achievement is attributed to team work spirit, improved business processes, realignment of tasks and above all the strengthened accountability and reporting system. We are proud of this notable improvement.

We are still in the process of capacitating the Madrid and Banjul units to process applications designating Namibia through the Banjul Protocol (ARIPO) and Madrid Agreement and Protocol (WIPO). In spite of human resources constraints, we have commenced attending to enquiries and processing applications. The operationalization of these units remain work in progress.

The number of applications received and registrations granted are outlined in the tables below:

National Trade Marks Applications Processed FY 2016/17

Total No. of Applications received	Trade Marks Applications examined	Trade Marks accepted	Trade Marks Registered
3 038	1 812	2 118	N\$ 788, 580. 00

Madrid and Banjul Designations FY2016/17

Regional/International Designations	Number of Designations / Applications
Madrid	926
Banjul	185

4.3.3.2 Patents and industrial designs division

The Patents & Designs Division continues to function with limited human capital and manual business process. We are focusing on national applications, but do process the Harare, Patent Cooperation Treaty (PCT) and Hague applications. We established a separate unit for the Harare, PCT and Hague applications, but have not assigned a staff member due to limited human capital.

The number of applications received and registrations granted are outlined in the tables below:

Patents & Industrial Designs Applications Processed FY 2016/17

National Filing	Applications	Registrations
Patents	32	17
Designs	25	20

PCT, Hague & Harare Designations

Regional/International Designations	Number of Designations / Applications
PCT & HARARE- Patents	482 (mainly PCT designations of ARIPO member states)
Hague & Harare- Designs	34 (mainly Hague designations of ARIPO member states)

4.3.3.3 Copyright division

The Copyright Division focuses on awareness campaigns and information sharing initiatives. The office undertook the following activities targeting various audiences as outlined below:

- Oshikuku Arts Performance Centre (APC) with performers, dancers, guitar & piano students and lecturers.
- Okalongo Constituency Office with the community members
- Ruacana at Oshifo Constituency Office with students of High School and Vocational Training Centre
- Omahenene Borders with Police and Custom officials
- Outapi Constituency with some musicians and community members
- Oshana Regional Library with Librarians staff members and
- Ongwediva multipurpose Centre with community members and musicians.
- The Intellectual Property Seminar in Gobabis was held at the Kalahari Convention Center for the Government Agencies members, Business Sector, SMEs & Farmers, Copyright Holders, Traditional Knowledge Holders and Manufacturing Industries. This Seminar was conducted in conjunction with Business and Intellectual Property Authority (BIPA), the Ministry of Industrialization, Trade & SME Development (MITSMED), MICT and Namibian Society of Composers and Authors of Music (NASCAM).
- The Commemoration of the Intellectual Property Day was celebrated at the Gobabis Legare Sport Complex on the 23rd of July 2016.

Copyright Applications Processed FY 2016/17

Total No. Of Applications for Copyright Works	Applications verified	Applications accepted	Applications Rejected
204	204	190	

4.3.4 Activities related to WIPO

4.3.4.1 Memorandum of Understanding between Namibia and WIPO

WIPO, under its Development Agenda, provides the member states support in the in the development and strengthening of national IP system. Namibia has over the years enjoyed cordial cooperation with WIPO which has recently been translated into a Memorandum of Understanding (MOU).

Namibia, with the assistance of WIPO, in 2015, conducted an IP audit which preceded and informed the formulation of the IP Development Plan (IPDP). To facilitate cooperation for the effective implementation of the IPDP, Namibia and WIPO entered into a Memorandum of Understanding.

BIPA as the national authority on IP, is responsible for the coordination and implementation of the spirit of the MOU and the activities under the IPDP in Namibia. To this end BIPA and WIPO have entered into various commitments to effect the intent of the MOU.

4.3.4.2 Draft IP Policy & Strategy

The draft IP Policy & Strategy has been reviewed and improved by the National Task Force and representatives of key stakeholders. The draft has been submitted to the MITSMED. In the meantime, the Minister has submitted the draft to the office of the Attorney General for constitutionality scrutiny. We are awaiting feedback from the AG office.

4.3.4.3 Model IP Office

Namibia was selected as a pilot office for the WIPO Project on Model IP Office; a project which offers comprehensive sustainable office modernization solutions including back office automation and rendering e-services. The Project entails data capturing of the manual data, validation of the electronic data, digitization of paper documents, upgrade of the IPAS system and deployment of new IPAS modules.

The implementation of the Project is ongoing.

4.3.4.4 IP, Tourism & Culture Project

Namibia, together with other three (3) WIPO member states (Egypt, Sri Lanka, Ecuador), was selected as a pilot country for the implementation of the IP, Tourism & Culture Project. The Project aims at analysing, supporting and promoting awareness of the role of the IP system in tourism-related economic activity; including activity related to the promotion of national and/or local knowledge, traditions, and culture. It considers practical experiences where selected IP tools and strategies can assist tourism operators achieve competitiveness through innovative steps, cooperation and collaboration, exploiting synergies among outputs thus fostering overall economic improvement.

BIPA, as the national focal point, is spearheading the project implementation. BIPA has held a national consultative meeting; established the national steering committee and commenced with the national study. The national steering committee identified tourism priority areas for the study, namely: Cultural, natural and eco-tourism.

4.3.4.5 Draft Strategic Plan for Building Respect for IP

BIPA with the support of WIPO has developed a Draft Strategic Plan for Building Respect for IP, which aims at implementing activities geared towards promotion of creativity and balanced enforcement approach. The Plan, once adopted will create an environment for effective and coordinated initiatives aimed at building respect for IP in Namibia.

4.3.4.6 Technology and Innovation Support Centres (TISCs)

Namibia and WIPO commenced negotiations on the possibility of entering into a Service Level Agreement through which parties agree to the implement TISCs project in Namibia's.

The project aims at stimulating innovation in Namibia by effectively facilitating access and exploitation of scientific and technological information for researchers, academia, individual innovators/inventors and the public at large, consequently improving economic growth. TISCs will be established at Higher learning institutions, R&D institutions and support organizations.

The principal objective of this project is to stimulate innovation in Namibia. This will be achieved by establishing TISCs to provide appropriate, high-quality technology and innovation support services. TISCs will avail both patent and non-patent information as well as providing intellectual property rights advisory services.

Finance And Administration



4.4 FINANCE AND ADMINISTRATION

4.4.1 Introduction

BIPA's financial management, financial reporting, budgeting and reporting, Controls, logistics and procurement continued to increase and strengthen. This is shown through increase in staff, revenue and budget.

4.4.2 Financial performance

BIPA's performance fluctuated over the years and has not been all favourable. This is due to reliance on government funding and also core incomes were collected through revenue stamps and direct to government.

4.4.3 Income

The Authority's income for year ending March 2017 amounted to N\$22.40 million of which N\$13.56 million was Government subsidy representing 60%. BIPA's share of fees for international listings at WIPO and ARIPO amounted to N\$2.80 million and N\$4.59 million respectively. The deterioration of the N\$ against the CHF (Swiss Franc) and the USD (US Dollar) resulted in a foreign exchange gain of N\$935,909.00.

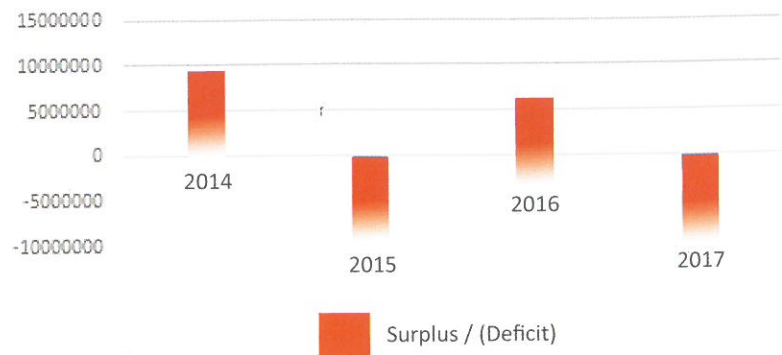


Figure 1: Income (2014 – 2017)

4.4.4 Earnings

The authority reported a deficit of N\$8.169 million for the year ended 31 March 2017 (2016: N\$6.140 million surplus). Retained earnings as at 31 March 2017 amounted to N\$25.098 million (2016: N\$33.228 million). Drop in budget in financial year ending March 2017 affected both profits and retained earnings.

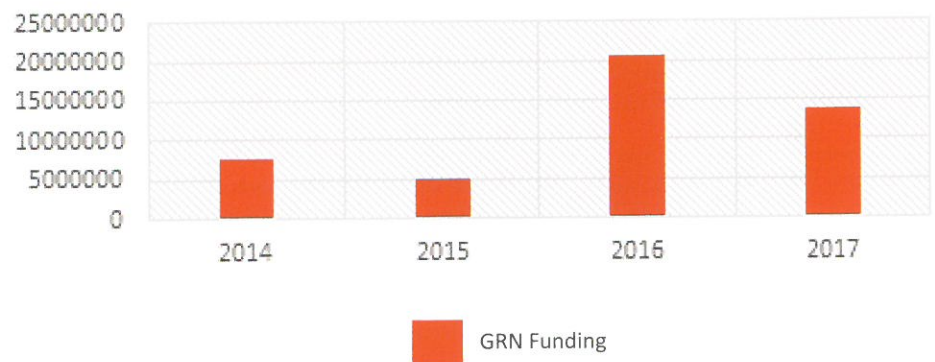
Figure 2: Surplus / (Deficit) - (2014 to 2017)



4.4.5 GRN funding

BIPA's operational subsidy allocation for the 2016/2017 financial year was N\$13.56 million. Below is the graph of GRN subsidy for the year 2014 -2017.

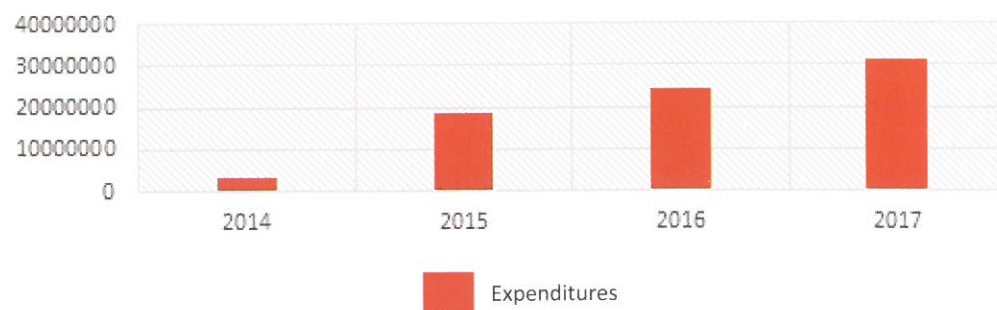
Figure 3: GRN Funding (2014-2017)



4.4.6 Expenditure

Total expenditure was N\$30.57 million (2016: N\$23.90 million). The increase was mainly due to increased personnel as the Authority is being operationalised as well as the printing of business registration forms that are being provided to the public at no cost, rental of office space and the IT support services.

Figure 4: Expenditures (2014 – 2017)



4.4.7 Financial position

Total Assets amounted to N\$36.08 million (2016: N\$44.04 million). There was a drop in Total Assets by 18% due to reduction in Cash and Cash Equivalents. BIPA's Current Asset represents 51% (79% for 2016) in 2017 to Total Assets. The Authority remains highly solvent in comparison to its liabilities.

4.4.8 Administration

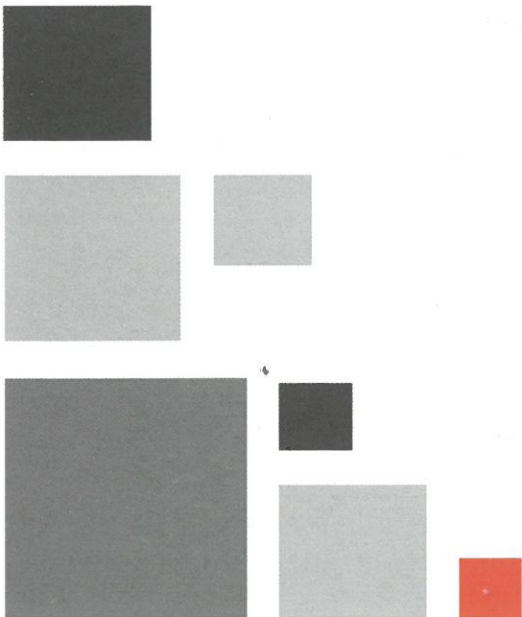
The Authority increased its foot print by opening Katutura Office in August 2016 situated at Erf 2780, Shire Street, Extension 2, Wanaheda, in Windhoek. This improved accessibility to BIPA's services in fulfilment strategic objective of bringing services closer to the people.

4.4.9 New head office premises

Pending the construction of BIPA Headquarters, the current BIPA Head Office is situated at Kamenco Haus, Erf 188 C/280W Sam Nujoma Drive, Windhoek, which was occupied on the 1st of November 2016, on a three (3) year contract.

PART 5

Audited Financial Statements



Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

General Information

Country of incorporation and domicile	Namibia
Nature of business and principal activities	To run a legal system for business and intellectual property registration, protection and promotion thereof.
Directors	Dagmar Honsbein Fritz Charles Jacobs Kaunapaua Ndilula Lovisa Indongo-Namandje Maria Pogisho Riundja Ali Kaakunga Tileinge Sacharias Andima
Registered office	129 Hosea Kutako Drive Windhoek
Business address	188 Sam Nujoma Drive Kamenco Haus Windhoek
Postal address	P.O.BOX 185 Windhoek Namibia
Bankers	Bank Windhoek Limited
Auditors	Saunderson & Co Registered Accountants and Auditors Chartered Accountants (Namibia)
Secretary	ACSEC Professional Services CC
Tax reference number	5540652-011

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)
Annual Financial Statements for the year ended 31 March 2017

Index

The reports and statements set out below comprise the annual financial statements presented to the :		Page
Directors' Responsibilities and Approval		3
Independent Auditor's Report		4 - 5
Directors' Report		6 - 7
Statement of Financial Position		8
Statement of Comprehensive Income		9
Statement of Changes in Equity		10
Statement of Cash Flows		11
Accounting Policies		12 - 14
Notes to the Annual Financial Statements		15 - 18
The following supplementary information does not form part of the annual financial statements and is unaudited:		
Statement of Financial Performance		19 - 21

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)
Annual Financial Statements for the year ended 31 March 2017

Directors' Responsibilities and Approval

The Directors are required by the Companies Act, No 28 of 2004, 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 Namibian Generally Accepted Accounting Practice-NAC001: Financial Reporting Standard for Small and Medium sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

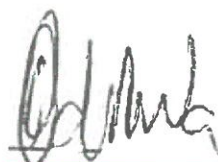
The annual financial statements are prepared in accordance with The Namibian Generally Accepted Accounting Practice-NAC001: Financial Reporting Standard for Small and Medium sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The external Auditors are responsible for independently auditing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external Auditors and their report is presented on page 4. The annual financial statements set out on pages 6 to 21, which have been prepared on the going concern basis, were approved by the board of directors on 14 June 2017 and were signed on its behalf by:



Dagmar Honsbein
(Board Chairperson)



Kaunapaua Ndilula
(Chairperson: Finance, Risk and Audit Committee)

Windhoek 14 June 2017

Independent Auditor's Report

Opinion

We have audited the Annual Financial Statements of Business and Intellectual Property Authority set out on pages 8 to 18, which comprise the Statement of Financial Position as at 31 March 2017, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Annual Financial Statements, including a summary of significant accounting policies.

In our opinion, the Annual Financial Statements present fairly, in all material respects, the financial position of Business and Intellectual Property Authority as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with The Namibian Generally Accepted Accounting Practice-NAC001: Financial Reporting Standard for Small and Medium sized Entities and the requirements of the Companies Act, No 28 of 2004.

Basis for opinion

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

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act, No 28 of 2004, which we obtained prior to the date of this report. Other information does not include the Annual Financial Statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the Annual Financial Statements in accordance with The Namibian Generally Accepted Accounting Practice-NAC001: Financial Reporting Standard for Small and Medium sized Entities and the requirements of the Companies Act, No 28 of 2004, and for such internal control as the directors determine is necessary to enable the preparation of Annual Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report

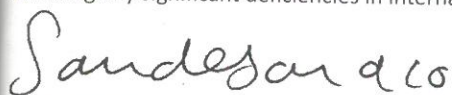
Auditor's responsibilities for the audit of the Annual Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Annual Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Annual Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Statements, including the disclosures, and whether the Annual Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Saunderson & Co Registered Accountants and Auditors
Chartered Accountants (Namibia)

Per: Edington Tafirenyika
Partner

14 June 2017
Windhoek

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

Directors' 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 2017.

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 company operates in Namibia.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with the Namibian Generally Accepted Accounting Practice-NAC001: Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act, No 28 of 2004. 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. Directors

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

Directors	Nationality
Dagmar Honsbein	Namibian
Fritz Charles Jacobs	Namibian
Kaunapaua Ndilula	Namibian
Lovisa Indongo-Namandje	Namibian
Maria Pogisho	Namibian
Riundja Ali Kaakunga	Namibian
Tileinge Sacharias Andima	Namibian

There have been no changes to the directorate for the period under review.

4. Events after the reporting period

The activities of the company will be guided by the BIPA Act 2016 (Act No.8 of 2016). The company will cease to be a section 21 company due to an Act of parliament. The Directors will cease and members will be appointed. The new board of members will be appointed by the Ministry of Public Enterprises.

5. Going concern

The directors believe that the association has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the association is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the association. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the association.

6. Auditors

Saunderson & Co continued in office as auditors for the company for 2017.

7. Secretary

The company secretary is ACSEC Professional Services CC.

Postal address
P. O. Box 24305
Windhoek

Business address
129 Hosea Kutako Drive
Windhoek

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

Statement of Financial Position as at 31 March 2017

	Notes	2017 N\$	2016 N\$
Assets			
Non-Current Assets			
Property, plant and equipment	2	17,801,621	9,066,611
Current Assets			
Trade and other receivables	3	12,604,038	10,184,394
Cash and cash equivalents	4	5,672,967	24,788,408
Total Assets		18,277,005	34,972,802
		36,078,626	44,039,413
Equity and Liabilities			
Equity			
Accumulated fund		25,098,673	33,268,590
Liabilities			
Non-Current Liabilities			
Building fund	6	10,000,000	10,000,000
Current Liabilities			
Trade and other payables		5 979,953	770,823
Total Liabilities		10,979,953	10,770,823
Total Equity and Liabilities		36,078,626	44,039,413

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

Statement of Comprehensive Income

	Notes	2017 N\$	2016 N\$
Other income			
Operating expenses	7	20,997,281	28,022,773
Operating (Deficit) Surplus		(30,572,887)	(23,901,651)
Investment revenue	8	(9,575,606)	4,121,122
(Deficit) Surplus for the year	10	1,405,689	2,019,518
		(8,169,917)	6,140,640

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

Statement of Changes in Equity

	Accumulated fund N\$	Total equity N\$
Balance at 01 April 2015	27,127,950	27,127,950
Surplus for the year	6,140,640	6,140,640
Balance at 01 April 2016	33,268,590	33,268,590
Deficit for the year	(8,169,917)	(8,169,917)
Balance at 31 March 2017	25,098,673	25,098,673

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)
Annual Financial Statements for the year ended 31 March 2017

Statement of Cash Flows

	Notes	2017 N\$	2016 N\$
Cash flows from operating activities			
Cash used in operations	12	(11,082,220)	(1,933,959)
Interest income		1,405,689	2,019,518
Net cash from operating activities		(9,676,531)	85,559
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(9,503,910)	(8,309,710)
Proceeds from disposal of property, plant and equipment	2	65,000	-
Net cash from investing activities		(9,438,910)	(8,309,710)
Total cash movement for the year		(19,115,441)	(8,224,151)
Cash at the beginning of the year		24,788,408	33,012,559
Total cash at end of the year	4	5,672,967	24,788,408

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1. Presentation of annual financial statements

The annual financial statements have been prepared in accordance with The Namibian Generally Accepted Accounting Practice-NAC001: Financial Reporting Standard for Small and Medium sized Entities, and the Companies Act, No 28 of 2004. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in Namibia Dollar.

These accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

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	Average useful life
Furniture and fixtures	10 years
Motor vehicles	6 years
Office equipment	3 years
IT equipment	3 years
Leasehold improvements	10 years
Other Fixed Assets	10 years
Server	15 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.

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.

1.2 Financial instruments

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

Accounting Policies

1.3 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.4 Share capital and equity

If the company reacquires its own equity instruments, those instruments are deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments. Consideration paid or received shall be recognised directly in equity.

1.5 Employee benefits

Short-term employee benefits

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

1.6 Government grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability. Grants are measured at the fair value of the asset received or receivable.

1.7 Revenue

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts. Interest is recognised, in profit or loss, using the effective interest rate method.

1.8 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.9 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in profit or loss in the period in which they arise.

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)
Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

	2017 N\$			2016 N\$		
2. Property, plant and equipment						
	2017			2016 ^f		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	1,579,866	(132,635)	1,447,231	485,879	(82,462)	403,417
Motor vehicles	1,796,977	(655,325)	1,141,652	879,155	(408,329)	470,826
Office equipment	41,078	(21,255)	19,823	28,311	(10,352)	17,959
IT equipment	1,044,958	(486,900)	558,058	587,355	(246,336)	341,019
Leasehold improvements	2,368,858	(84,602)	2,284,256	-	-	-
Other Fixed Assets	390,349	(3,411)	386,938	-	-	-
Capital work in progress	11,963,663	-	11,963,663	7,833,390	-	7,833,390
Total	19,185,749	(1,384,128)	17,801,621	9,814,090	(747,479)	9,066,611

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	403,417	1,226,237	(92,575)	(89,848)	1,447,231
Motor vehicles	470,826	917,822	-	(246,996)	1,141,652
Office equipment	17,959	12,768	-	(10,904)	19,823
IT equipment	341,019	457,603	-	(240,564)	558,058
Leasehold improvements	-	2,368,858	-	(84,602)	2,284,256
Other Fixed Assets	-	390,349	-	(3,411)	386,938
Capital work in progress	7,833,390	4,130,273	-	-	11,963,663
	9,066,611	9,503,910	(92,575)	(676,325)	17,801,621

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	273,056	172,248	(41,887)	403,417
Motor vehicles	646,657	-	(175,831)	470,826
Office equipment	12,584	12,310	(6,935)	17,959
IT equipment	177,616	291,762	(128,359)	341,019
Capital work in progress	-	7,833,390	-	7,833,390
	1,109,913	8,309,710	(353,012)	9,066,611

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
3. Trade and other receivables		
Deposits		
Accrued income - ARIPO	130,600	98,413
Accrued Income - WIPO	9,986,842	6,481,565
ARIPO prepaid contribution	2,486,596	3,085,256
	-	519,160
	<u>12,604,038</u>	<u>10,184,394</u>
ARIPO Receivables 2017-(545,442.73 USD @ N\$12.9748); 2016- (431,075.50 USD @ N\$15.0358.) WIPO Receivables 2017-(191,156.01 CHF @ N\$13.0082); 2016- (198,020.36 CHF @ N\$15.5805.)		
4. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5,444	660
Bank balances	3,145,264	5,452,269
Short-term Bank Windhoek Investment Fund	2,522,259	19,335,479
	<u>5,672,967</u>	<u>24,788,408</u>
5. Trade and other payables		
Trade payables	979,953	770,823
6. Building fund		
The Building fund pertains to a Governemnt grant received during the 2015 financial year for the construction of the BIPA Headquarters in Robert Mugabe Avenue. The fund will be accounted for in terms of International Accounting Standard 20 upon completion of the Headquarters.		
7. Other income		
Gain on exchange differences	-	976,170
Fees - ARIPO	4,593,007	3,506,078
Company Registration	44,664	21,693
Sundry Income	-	19,888
Fees-WIPO	2,803,353	2,915,611
MITSMED Grants	13,556,257	20,583,333
	<u>20,997,281</u>	<u>28,022,773</u>

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)
Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
8. Operating (Deficit)Surplus		
Operating (Deficit)Surplus for the year is stated after accounting for the following:		
Operating lease charges Premises		
• Contractual amounts-Head office	583,471	791,810
• Contractual amounts-Katutura Satellite Office	1,720,740	611,404
Equipment		
• Contractual amounts	65,888	-
Lease rentals on operating lease for systems and hardware		
• Contractual amounts	254,550	36,364
	<u>2,624,649</u>	<u>1,439,578</u>
Loss on Disposal of Property, plant and equipment	(27,575)	-
Depreciation on property, plant and equipment	676,325	353,012
Employee costs	<u>11,087,646</u>	<u>7,865,609</u>
9. Employee cost		
Employee costs		
Basic Salaries	7,538,567	5,713,784
PAYE	1,674,126	1,248,623
Medical Aid	476,064	341,338
Pension Fund	1,304,551	488,519
SSC	90,488	73,345
Staff Garnishee	3,850	-
	<u>11,087,646</u>	<u>7,865,609</u>
10. Investment revenue		
Interest revenue		
Bank	218,909	168,750
Interest on short term Investments	1,186,780	1,850,768
	<u>1,405,689</u>	<u>2,019,518</u>
11. Auditor's remuneration		
Fees	<u>51,750</u>	<u>31,625</u>

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)
Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
12. Cash used in operations		
(Deficit) Surplus before taxation	(8,169,917)	6,140,640
Adjustments for:		
Depreciation	676,325	353,012
Loss on sale of assets	27,575	-
(Gain) loss on foreign exchange	885,393	(976,170)
Interest received	(1,405,689)	(2,019,518)
Other non-cash items	(664,297)	-
Changes in working capital:		
Trade and other receivables	(3,305,037)	(3,955,675)
Trade and other payables	873,427	(1,476,248)
	<u>(11,082,220)</u>	<u>(1,933,959)</u>

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

Statement of Financial Performance

	2017 N\$	2016 N\$
Other income		
Share of fees - African Regional Intellectual Property Organisation (ARIPO)	4,593,007	3,506,078
Fees -Company Registration	44,664	21,693
Sundry income	-	19,888
Share of fees - World Intellectual Property Organisation (WIPO)	2,803,353	2,915,611
Government Grants - MITSMED	13,556,257	20,583,333
Interest received	10 1,405,689	2,019,518
Gain on exchange differences	-	976,170
	22,402,970	30,042,291
Expenses (Refer to page 20)	(30,572,887)	(23,901,651)
(Deficit) Surplus for the year	(8,169,917)	6,140,640

Business and Intellectual Property Authority (Non-Profit Association Incorporated under Section 21)
(Registration number 21/2011/0482)

Annual Financial Statements for the year ended 31 March 2017

Notes to the Annual Financial Statements

	2017 N\$	2016 N\$
Operating expenses		
ARIPO Specific contribution	237,104	431,088
Accounting fees	-	37,375
Administration fees	-	150
Advertising	417,920	261,785
Auditors remuneration	11 51,750	31,625
Bank charges	41,234	57,915
Cleaning	29,835	42,402
Computer expenses	87,338	-
Consulting fees	569,333	323,678
Consumables	82,800	-
Corporate Services	735,190	98,059
Courier & Postage	3,607 715	-
Promotions	1,369,831	-
Depreciation	676,325	353,012
Donations	50,000	-
Electricity & Water	207,158	249,117
Employee costs	11,087,646	7,865,609
Entertainment	36,301	52,084
Directors fees	279,714	116,456
Fines and penalties	-	2,000
Flowers & Gifts	8,329	-
Loose Tools and equipments	4,356	-
General expense	-	27,979
Gratuity	49,387	53,052
Insurance	100,962	134,194
Staff Uniform	5,750	-
Legal expenses	81,862	47,727
Loss on exchange differences	885,393	-
Books, Journals and Manuals	98,532	-
Cutlery & Crokery	- 6,973	-
Motor vehicle expenses	64,378	84,595
Bar- coding retrieval file	1,041,288	-
Membership Fees	17,000	-
Standard Archive Containers	112,375	-
Printing & Stationery	492,627	678,802
Printing of registration documents	2,487,758	4,980,109
Loss on sale of Fixed Assets	27,575	-
Rent Paid	2,624,649	1,439,578
Repair & Maintenance	114,803	20,450
Secretarial fees	1,420	1,420
Security	420,092	305,984
Silnam Support Services	4,237,100	4,479,869
Software expenses	-	59,045
NTA-VET Levy	108,664	56,010
Telephone & fax	375,573	217,055
Training/Capacity Building	190,863	116,815
Relocation Expenses	18,136	-
Travelling costs	526,940	532,107
WIPO Contribution	40,545	40,261
WIPO Day	473,444	696,556
	30,572,887	23,901,651



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