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INTEGRATED REPORT 2021

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DEFINITIONS OF VARIOUS COPYRIGHTS

Performing rights

Performing rights are the rights to perform music in public or broadcast on mediums such as TV or radio for public consumption. The users of the musical works have to, by copyright law, pay the creators of those musical works for the public use of their music.

Performing rights belong to the person or people who own the music, who are often music composers, music publishers and/or lyricists who wrote, created and/or produced it.

They earn royalties when the music is performed in public. SAMRO is responsible for the administration of performing rights by tracking usage on behalf of its members, charging a license fee to music users and paying this back to its members as royalties.

Mechanical rights

Mechanical rights refer to the copyright contained in the reproduction and of musical works for public use. Examples of reproduction include the making of commercial copies of music such as CDs, cassette tapes, DVDs, MP3s – even ringtones – for public use. In other words when it is reproduced by a device or machine.

In South Africa, mechanical rights are administered by the Composers, Authors and Publishers Association, also known as CAPASSO.

Needletime rights

Needletime rights refer to copyright in the performance of music works. These rights entitle performers and record companies to remuneration for the public performance and/or use of their recorded performances.

Respective of whether they wrote the song or the lyrics, their talent contributed to the final product is covered in needletime rights each time the song is broadcast for public consumption.

In South Africa, needletime Rights are administered by the South African Music Performance Rights Association or known as SAMPRO.

Reprographic rights

Reprographic rights are administered by the Dramatic Artistic and Literary Rights Organisation (Pty) (Ltd), better known as DALRO. These are rights in the reproduction of visual art, such as stage rights for musicals and plays. Reprographic rights also cover the reproduction of literature and artwork typically displayed at art galleries.

About this report

The 2021 integrated report (report) presents the holistic performance of the Southern African Music Rights Organisation (SAMRO, the organisation or the company) and its subsidiaries¹ (the group) for the period 1 July 2020 to 30 June 2021. Any material events after this date and before publication are included in this report.

This report is our primary report to our stakeholders. It outlines our strategy, business model, sustainability initiatives, governance, remuneration and risk management. We have included commentary from the Chairperson and the Chief Executive Officer (CEO).

SAMRO is a non-profit company (NPC) with a high public interest score, as defined by the Companies Act, 71 of 2008, as amended (Companies Act).

SAMRO is affiliated with other international collective management organisations (CMOs) collecting licensing income on behalf of composers, authors and publishers (SAMRO members) in their territories. SAMRO plays a similar role in South Africa on behalf of other CMOs and makes regular distributions to them in return.

FINANCIAL INFORMATION

The full set of audited consolidated and separate annual financial statements for the year ended 30 June 2021 will be available to members from Friday, 3 December 2021 upon written request to the Company Secretary. The annual financial statements will be made available to such members free of charge.

The reporting structure, content and data of our summarised financial statements are comparable to previous reports. These financial statements were prepared in compliance with International Financial Reporting Standards (IFRS). SizweNtsalubaGobodo Grant Thornton (SNG-GT) audited SAMRO's summary separate and consolidated financial statements. Its independent report to SAMRO members is available on page 45.

REPORTING FRAMEWORKS AND REGULATIONS

The preparation of this report was guided by the following reporting frameworks and regulations:

- International Integrated Reporting Council's <IR> Framework (<IR> Framework)
- International Financial Reporting Standards (IFRS)
- Companies Act
- King Report on Corporate Governance™ for South Africa, 2016 (King IV)²

ASSURANCE

SAMRO operates in an established control environment, which is regularly documented and reviewed. Risk management and internal control procedures exist to provide reasonable but not absolute assurance that SAMRO's risks are being controlled and its assets safeguarded.

SNG-GT will provide external assurance on the financial information supplied in this report.

APPROVAL OF THE REPORT

The board of directors (the board) is responsible for the integrity and completeness of this report. The board applied its collective mind to preparing and presenting the report and accordingly approved the report for publication. The board believes the report was prepared under the <IR> Framework.

Signed on behalf of the board:

Nicholas Maweni
Chairperson
26 November 2021

Mark Rosin
CEO

¹ The SAMRO Foundation, DALRO, SAMRO House Holdings (Pty) Ltd and SAMRO House (Pty) Ltd.

² Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

2021 at a glance

DISTRIBUTIONS FOR THE YEAR TO 30 JUNE 2021

Category	Distribution	Date of credit
Post (Sequence 1)	FY2021	2020/07/13
Foreign (Sequence 1)	FY2021	2020/08/14
Post (Sequence 2)	FY2021	2020/09/03
Mobile & Internet Transmission (Sequence 1)	FY2021	2020/10/02
Foreign (Sequence 2)	FY2021	2020/10/19
Mobile & Internet Transmission (Sequence 2)	FY2021	2020/11/16
Post (Sequence 3)	FY2021	2020/12/05
Performance Adjustment (Sequence 1)	FY2021	2020/12/06
Non Society (Sequence 1)	FY2021	2020/12/15
Radio & General (Sequence 1)	FY2021	2021/02/14
Television (Sequence 1)	FY2021	2021/03/22
Live (Sequence 1)	FY2021	2021/04/13
Mobile & Internet Transmission (Sequence 3)	FY2021	2021/04/17
Foreign (Sequence 3)	FY2021	2021/05/03
Non Society (Sequence 2)	FY2021	2021/05/17
Performance Adjustment (Sequence 2)	FY2021	2021/06/15
Film (Sequence 1)	FY2021	2021/06/18
Post (Sequence 4)	FY2021	2021/07/07
Mobile & Internet Transmission (Sequence 4)	FY2021	2021/07/13

¹ Non-Société (NS): The work or a share of that work used belongs to a composer who is not affiliated with any society at the time of distribution.



OUR PERFORMANCE IN NUMBERS

Statistical information

R394 million

(2020: R367,6 million)

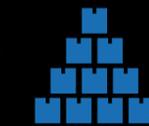
Total available for distribution



19

(2020: 22)

Number of distributions



R290 million

(2020: R408,9 million)

Total distributions paid to members



131 100

(2020: 70 725)

Facebook followers



R21,6 million

(2020: R52,6 million)

Cleared undocumented royalties



29,7%

(2020: 30,3% (previously 28,6%))

Cost-to-income ratio



R555,6 million

(2020: R569,9 million)

Total group licence revenue



26 700

(2020: 23 500)

Twitter followers



14 150

(2020: 9 880)

Instagram followers

Why become a member

SAMRO provides a valuable service to over four million music creators worldwide through its relationships with international collecting societies.

- Distribution of royalties
- SAMRO Funeral Benefit Scheme
- SAMRO Retirement Annuity Fund (SRAF)
- Join forces in lobbying for **Copyright Amendment Bill** (the bill or CAB) that best suits music creators
- SAMRO collects royalties worldwide and across South Africa, ensuring your **music rights** are **represented and measured** at the correct value
- Member **application** and **registration** is free

Organisational review

Strategy

Optimise the business model and diversify as we innovate.

Membership

As at 30 June 2021

SAMRO represents **19 504** composer and publisher members in South Africa and over **four million composers** and **authors** worldwide.

1 081 new members were elected during the year.

Employees

Employees ¹	161
African	67%
Coloured	12%
Indian	9%
White	11%
Foreign	1%



Our purpose

- To **create** value for the creators and users of music
- To **protect** the intellectual property rights of writers, composers and music publishers by licensing music users
- To **ensure** members whose works are commercially broadcast and played are paid their royalties from licence fees collected by SAMRO
- To actively **promote** the value of copyright

Our vision
A leading and most **admired** CMO in Africa, **respected** by the global **community** and **members**

Our values

- Accountability
- Achievement
- Integrity
- Service excellence
- Teamwork

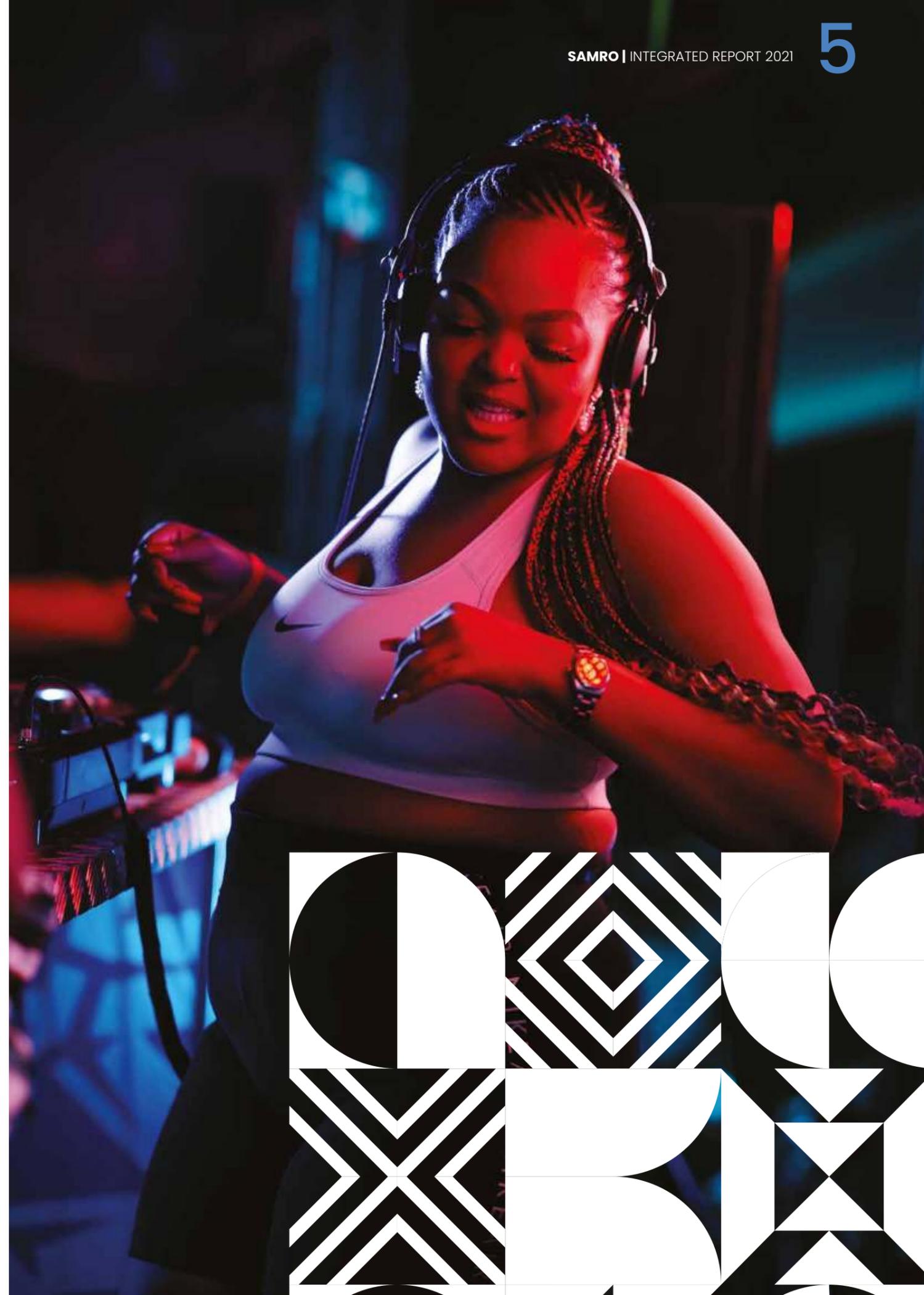
Rights administered by SAMRO²

Performing rights

A performing rights licence allows musical works to be broadcast, performed in public and transmitted by a diffusion service. The licence fees collected for this use are paid as royalties to music composers, authors, publishers and affiliated societies.

¹ 151 permanent and 10 contract employees.

² Mechanical rights are administered by the Composers, Authors and Publishers' Association (CAPASSO). Needletime rights are administered by the South African Music Performance Rights Association (SAMPRO).



Chairperson's report

Thank you for the opportunity to serve. I present SAMRO's integrated report for the year ended 30 June 2021.

I lift up my eyes to the mountains – where does my help come from?

A good time occurs precisely when we lose track of what time it is. But what we must certainly enjoy are the little treasures in life...as a wise man once said, one day we may look back and realise they were the big things. Now and then it is good to pause in pursuit of inner reflections and to celebrate the joys of today, the memories of yesterday and the hopes of tomorrow. This year, SAMRO is celebrating a Diamond Jubilee – 60 years since it was founded in 1961.

Over 18 months after the World Health Organization officially declared a pandemic (on 11 March 2020), the COVID-19 crisis is by no means over for the music sector. It is undoubtable that the impact of COVID-19 will be felt long into 2022 and beyond.

SAMRO's cost-to-income ratio dropped to 29.7% compared to 40% three years ago. Online revenue is up by 110%, while total revenue at company level, even with the pandemic, is down by 7% to R476,5 million (2020: R512,4 million), and members will also feel this through royalty distributions. We continue to efficiently administer music rights on behalf of our members – music composers, authors and publishers – and strive to be the leading and most admired collective management organisation (CMO) in Africa, respected by the global community and members.

The board of directors (board) is implementing the approved strategy which is to optimise the business model and diversify as we innovate. During the year, the focus was on optimisation, with the following goals: Increase revenue, Improve systems and processing, Improve reputation, Cost management and Consolidate music industry).

60th celebration

The journey of SAMRO is an interesting one that at times should be told not just in words but in songs. Dating back to the days of apartheid when Dr Gideon Roos and his two sons founded SAMRO in 1961, through their interesting connections.

In December 1961, SAMRO held its first-ever board meeting and annual general meeting (AGM), and a few weeks later, in

January 1962, it opened for business. This year, the AGM will be hosted in Durban, KwaZulu-Natal on 10 December 2021, where we will celebrate SAMRO's 60th and the more "marginalised music" of our country. Hip hip hooray!

As we celebrate our Diamond Jubilee, we must also reflect on the significant milestone of successfully collecting and distributing over R7 billion in royalties to our members in the last six decades. If nothing else, this figure demonstrates that SAMRO has consistently created value for members. We pride ourselves on being a progressive and innovative organisation that always strives to maximise value for our members. The board has set an audacious target of seeing the organisation reaching R1 billion revenue by 2025.

Board

The need for inclusive and ethical leadership has never been stronger. As a board, we understand our role extends beyond oversight. SAMRO plays an integral part in our society in ensuring members whose works are commercially broadcast and played are paid royalties from licence fees collected.

It is critical we ensure a strong culture of ethics and good governance is embedded across SAMRO. We do what is right, not what is easy.

In line with SAMRO's memorandum of incorporation (MOI), one-third of the non-executive directors is due for rotation annually. During the year, Wendy Oldfield was re-elected, Tebogo "ProVerb" Thekiso joined the board and Sello "Chicco" Twala stepped down. We thank them all for their commitment. We will continue to find ways to strengthen the board, ensure accountability and drive strategic thinking.

SAMRO Foundation

Since inception, SAMRO has delivered services to its members on a not-for-profit basis. Recently, SAMRO received approval from the South African Revenue Service (SARS) for tax exemption as a public benefit organisation (PBO), after meeting the requirements of the Income Tax Act, 58 of 1962.

We applied for PBO status based on some of the objectives and work of SAMRO NPC, which comply with Public Benefit Activities listed in Part 1 of the Ninth Schedule to the Income Tax Act, 58 of 1962. This change resulted in a further tax

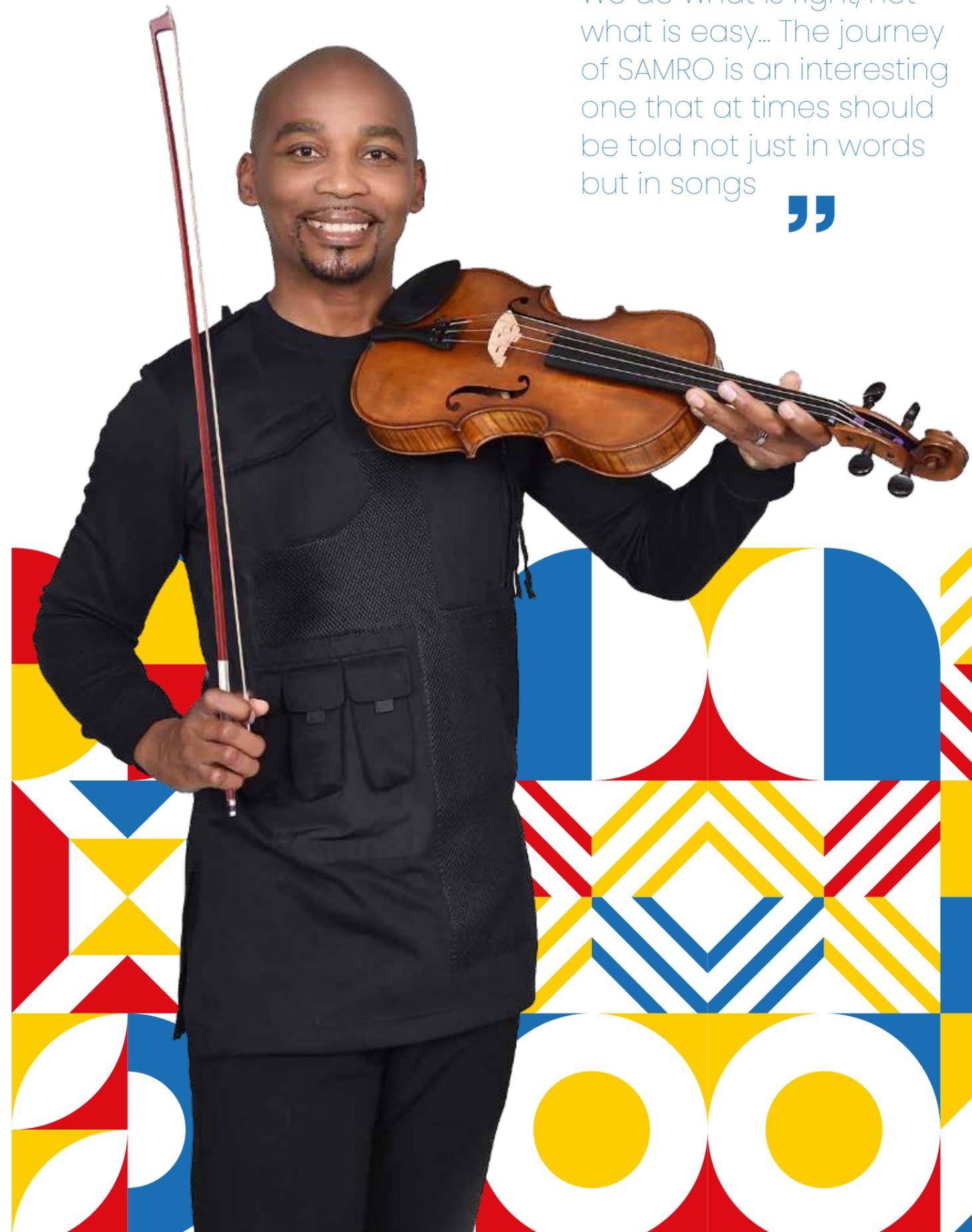
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We do what is right, not what is easy... The journey of SAMRO is an interesting one that at times should be told not just in words but in songs

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Chairperson's report continued

benefit, which necessitated a review of the SAMRO Foundation as a separate entity. The board took a decision that the work of the SAMRO Foundation will be incorporated within SAMRO NPC as part of corporate social responsibility (CSR).

All projects and initiatives will continue under the broader SAMRO and the approved strategy mentioned in the social, ethics and governance report herein will be implemented as such, bringing CSR initiatives closer to members.

Due to the outcry and challenges posed by the COVID-19 pandemic, we initiated the process of enabling qualifying SAMRO members to cash out their retirement annuities from the SRAF early, if the investment amount is at a maximum value of R7 000 or below.

Initiatives such as these and others like the Music Creation Support Grant show that SAMRO is continuously seeking additional benefits and mechanisms that can be leveraged to help our members during these difficult times.

Technology

Earlier this year, we introduced a technology system aimed to improve the way we pay royalties. The solution enables monitoring of airplay across platforms such as the internet, television and radio. It will improve the accuracy and efficiency with which SAMRO is able to collect and pay royalties to members.

We unveiled an online registration process for music users who wish to apply for a music usage licence to play music in the course of doing business. The online registration portal simplifies and streamlines the process for the purpose of efficiency and the introduction of the online member registration system, which will advance the member experience when applying for SAMRO membership.

We embarked on a Business Replacement System project, which will utilise a matching tool and be used by players in multiple industries. This tool should provide SAMRO with efficiencies in the form of a reduction in resourcing, undocumented works and queries. The solution is cloud based and includes machine learning, big data technologies and artificial intelligence, and will provide SAMRO with business and information technology (IT) systems that will support envisaged business processing models and volumes.

This project will allow for integration (where available via an online application programming interface) with all CISAC tools and will provide SAMRO with the advantages of immediate interested parties information allocation, integrated access to audio video interleave and WID repertoire information, access to live performance tools, etc.

The project is cost effective and positions SAMRO competitively in the industry. It will have a saving benefit of over R55 million over a five-year period.

Paying tribute

The year was not kind to us as we saw the passing of a number of our members including the "Village Pope" Dr Tsepo Tshola

and the musical grande dame Dr Sibongile Khumalo, who was a staunch advocate for gender equality within the music industry and had immense talent and a powerful voice. Mam'Sibongile was SAMRO's first black woman Deputy Chairperson and later first black woman Chairperson, serving on the boards of SAMRO and the SAMRO Foundation before retiring from both in December 2018.

We mourn the passing of our iconic composer and former SAMRO board member, Professor Mzilikazi Khumalo, who was a distinguished maestro of South African choral music and opera. He was a composer, arranger, choral director and a Professor Emeritus of African Languages. He served on SAMRO's board as Vice-Chairperson from 1993 to 2009. He was the only non-executive board member that had an office at SAMRO until he completed his board term in 2011.

We also pay tribute and mourn the passing of former board member and music legend Steve Kekana, who made a tremendous contribution to the South African music scene during a long and prolific career. He was appointed in January 2008 as a composer member to the SAMRO board and stepped down as a director on 30 June 2013. He served four terms as Chairperson of the SAMRO Retirement Annuity Fund and stepped down a month before his untimely passing.

At the going down of the sun, and in the morning, we will remember them, for their soulful melodies will linger on.

Our commitment, which is guided by our purpose and values – Accountability, Achievement, Integrity, Service excellence and Teamwork – helped us to strategically and systematically mitigate the impact of COVID-19 on our members.

At times I wish I knew then, what I know now, especially when I see the propensity of how the industry can at times self-destruct. But a wise man is the one who knows what he does not know.

When one chooses a thankless job, I guess one cannot be upset when you are not thanked but what matters is that we serve with the respect we have earned and the honour given to us by those who recognise the positive difference we make.

I thank all the board members, especially the role played by the independent non-executive directors for their clear perspective and the ability to engage objectively during many board discussions. I thank our Chief Executive Officer (CEO), Mark Rosin, who has been effective in implementing the turnaround strategy, and commend the commitment of the management team and all employees who have endured and serve with pride. Siyabonga!

I look forward to the next chapter as we try our very best, to take SAMRO to celestial musical heights.

Maluphakanyisw' uphondo lwayo, Yizwa imithandazo yethu, Nkosi sikelela.



Nicholas Maweni
Chairperson



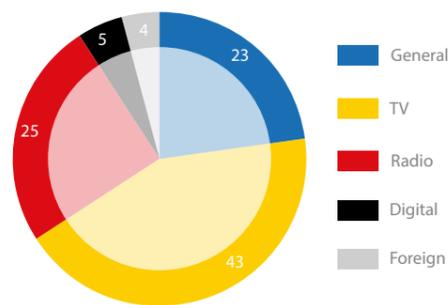
Chief Executive Officer's report

At the time of preparing this report, I will have completed just over 18 months at SAMRO. That is a reasonable amount of time to look both backwards and forwards. It is of course strange, that between my last report and this one, we have been in a perpetual state of lockdown of one level or another. Other than a few short weeks when some of our employee complement returned to the office, we have worked from home.

We saw a dramatic increase in applications for SAMRO membership this year. This is certainly in some measure due to prospective members wanting to ensure they will be able to earn from their music being played. We also believe that it is partly owing to COVID-19, as our members and potential members in many instances are desperate to find ways of earning, in circumstances where the live industry has been decimated.

In 2021, our membership increased to 19 504 voting composer and publisher members. We now also have over 100 000 prospect members. These are members who have yet to break the threshold for membership criteria. We had 7 500 new applicants just in the quarter to September 2021 and we are looking at how to best manage such massive growth in member numbers, which outstrips any of our sister societies anywhere, insofar, as we have been able to determine.

Licence and Royalty income (%)



In 2020, at company level, we broke the R500 million barrier from licensing revenue. However, that included just one quarter of a State of Disaster. This year has seen four successive such quarters and, as expected, we saw a dip in revenue. However, we did better than anticipated. Many international CMOs were expecting downturns in a range of between 25% and 35%. SAMRO collected R476.5 million in licence and royalty income, down by just 7%, and the amount available for distribution increased by 4% to R338.8 million this year, against R325.8 million in 2020. This downturn was due to the impact of the pandemic and the general economic environment, which continued to affect our licensees.

SAMRO's licensing revenue constitutes 95% of total income at group level and 96% of total income at company level. In 2021, broadcast income showed resilience, decreasing by just 4.7% or R17, 2 million. This is largely due to secured contractual commitments within the broadcast licensing sector, which limited the impact of the revenue decline as compared to general licensing.

In 2021, foreign licence income increased by 31% or R4 million to R17 million. We believe that with a slightly more aggressive approach, we can do even better in FY22 and will be recruiting a manager to oversee this important growth opportunity.

We have begun to see growth in online revenues too, up by 110% or R13.8 million. However, our general licensing revenue stream was troubling, as it was more severely impacted by lockdowns and declined by 17.3% or R22.7 million. This is largely because of retail closures, reduced trading hours and much reduced or absent foot traffic across many licensed sites. Lockdown was also an inhibiting factor in terms of approaching and converting new licensees.

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In 2021, foreign licence income increased by 31% & online revenues too, up by 110%

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Chief Executive Officer's continued

Due to a realignment of our "undoc works" write back policy, a larger amount (R25,4 million) was written back in 2021 compared to R4,8 million last year. Also, despite lower revenues, in 2021, SAMRO improved its solvency position due to lower costs and improved debtor and cash management.

Key to SAMRO's success is close, ongoing management of costs. While revenue generation rests only partly in our hands, costs remain more significantly an element which we are able to control.

Given our substantial member numbers and the numbers of distributions and adjustments which need to be made, most of our cost base comprises employee costs, social and cultural expenses, and depreciation and amortisation. At company level, we reduced our total expenditure by R40,5 million or 20,5%, as our cost saving initiatives took effect.

The major elements where significant savings were achieved versus last year, were in relation to bad debts and the employee benefit expense line.

Last year our bad debt expense was R19,5 million due to the movement in our bad debt provision where all debts over 60 days are provided for in our books. The Bad Debt has been restated as more fully explained below. This year the expense was replaced with a credit of R14,9 million due to a reduced legal book and a reduction in the absolute value

of accounts aged over 60 days. As part of the year end process we reviewed our overall provisioning for Debtors and Intercompany Loans that resulted in a restatement of our cost to income ratio for 2020 from 28,6% to 30,3%. The total amount of our provisions in 2020 remained unchanged but the cost allocations impacted the CTI calculation.

The employee benefit expense reduced by R5,6 million or 5,6% to R94,9 million. This reduction is attributable to a reduction in employee numbers (161 versus 176 in June 2020). Additionally, the enforcement of a new leave policy where employees have to use or lose their leave, resulted in the leave pay provision reducing by R2,8 million. During the year, 13 employees were retrenched as part of a process concluded in March 2021, resulting in exit costs but overall savings.

After many months in discussion with SARS in 2021, SAMRO was granted PBO status during the course of the financial year. The debit deferred tax balance will no longer be utilised and has been written back to the income statement. Refer to the Chairperson's report.

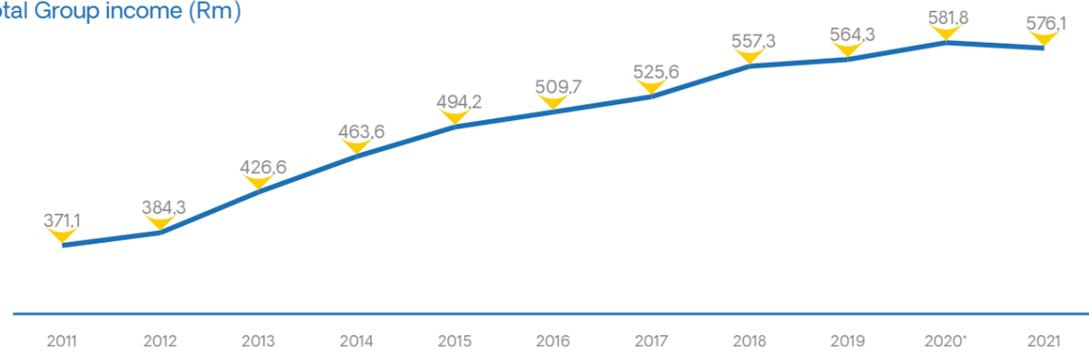
During the previous financial year, management decided to amend the useful life of the custom-built SQL Database, disclosed in the balance sheet as an intangible (2021 R36,2 million; 2020: R52,3 million). The useful life was initially



Company cost to income ratio (%)



Total Group income (Rm)



Total Group distributions paid (Rm)



*The 2020 number has been restated due to formatting and/or allocation changes that were implemented as part of the 2021 reporting process.

Chief Executive Officer's continued

assessed to be five years. Microsoft will discontinue support for the Dynamics AX ERP system in October 2023, therefore we had to act decisively. To that end, SAMRO is in the process of finding an alternative to replace Dynamics AX by September 2023. These system problems necessitated a hard look at our current business system and its status as fit for purpose.

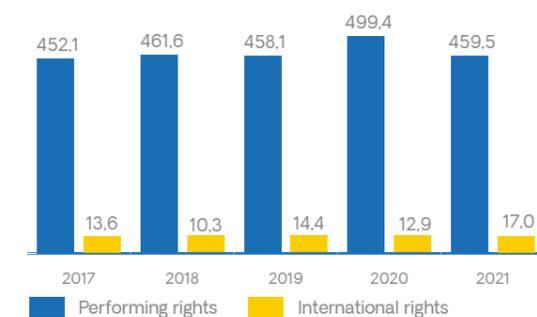
We know that members have become increasingly frustrated with SAMRO processes, adjustments, query resolution and so on. As part of looking forward in this report, below are some of the key initiatives we will be implementing at SAMRO as we enter the next phase of the business turnaround.

Arising from the system difficulties, we concluded an analysis of SAMRO's current capabilities, where it is now and where we want it to be. We have embarked on the Business System Replacement Project (BSRP) and have appointed consultants, familiar with international best practice, to help us get to the levels of our most efficient sister societies around the world. When this phase, currently helmed by our IT division and Spanish Point, is complete, we will appoint a vendor to supply the system, which we hope will go live at the end of calendar year 2022. Once implemented, we expect to see savings of approximately R55 million over five years.

It is also key, as a public-facing organisation, to meet our members' needs when it comes to what we term the customer journey at SAMRO. We are aware of communication shortcomings, failures and the lack of consistent and satisfactory query resolution. To this end, we are implementing a case management system to deal with every aspect of query resolution including efficient management and logging of queries, and the process of resolution.

To help improve distribution shortcomings, we introduced an automated music monitoring process. For too long we have relied on inefficient licensee reporting, which in turn leads to excessive performance and royalty adjustments. This system is long overdue at SAMRO and, although costly, will lead to greater efficiencies and cost savings for the business. We will still require licensee reporting, but will use our automated monitoring to supplement what we are provided by users, which is often inadequate.

License Income sources (Rm)



Finally, we have decided that it will be useful from a cost perspective and given our tax status, to bring the corporate social investment (CSI) aspects of the SAMRO Foundation into the parent business. The work of the Foundation will continue within SAMRO itself, with separate reporting, and we have already commenced rolling up the business into SAMRO NPC itself while winding up the SAMRO Foundation company.

Customers who use music in South Africa sometimes require four licences: from SAMRO, CAPASSO, SAMPRA and RISA. It must eventually be the case throughout the world that CMOs will have to align and work closely together. To that end, these four societies have started working cooperatively to explore the possibility and feasibility of the issue of a single licence regime. This will take some time to conclude and implement, but the process has begun. In the spirit and practice of efficiency, SAMRO and CAPASSO, in particular, are looking at ways to work cooperatively. More of this initiative will be announced as we get closer to developing a sustainable working model.

In order to help with managing risk within SAMRO, to highlight policy and process inefficiencies and to help implement controls within the organisation, we introduced an internal audit function within the business. This has proved a rigorous change to the way we consider, weigh and assess risk and control, both necessary additions to our structure.

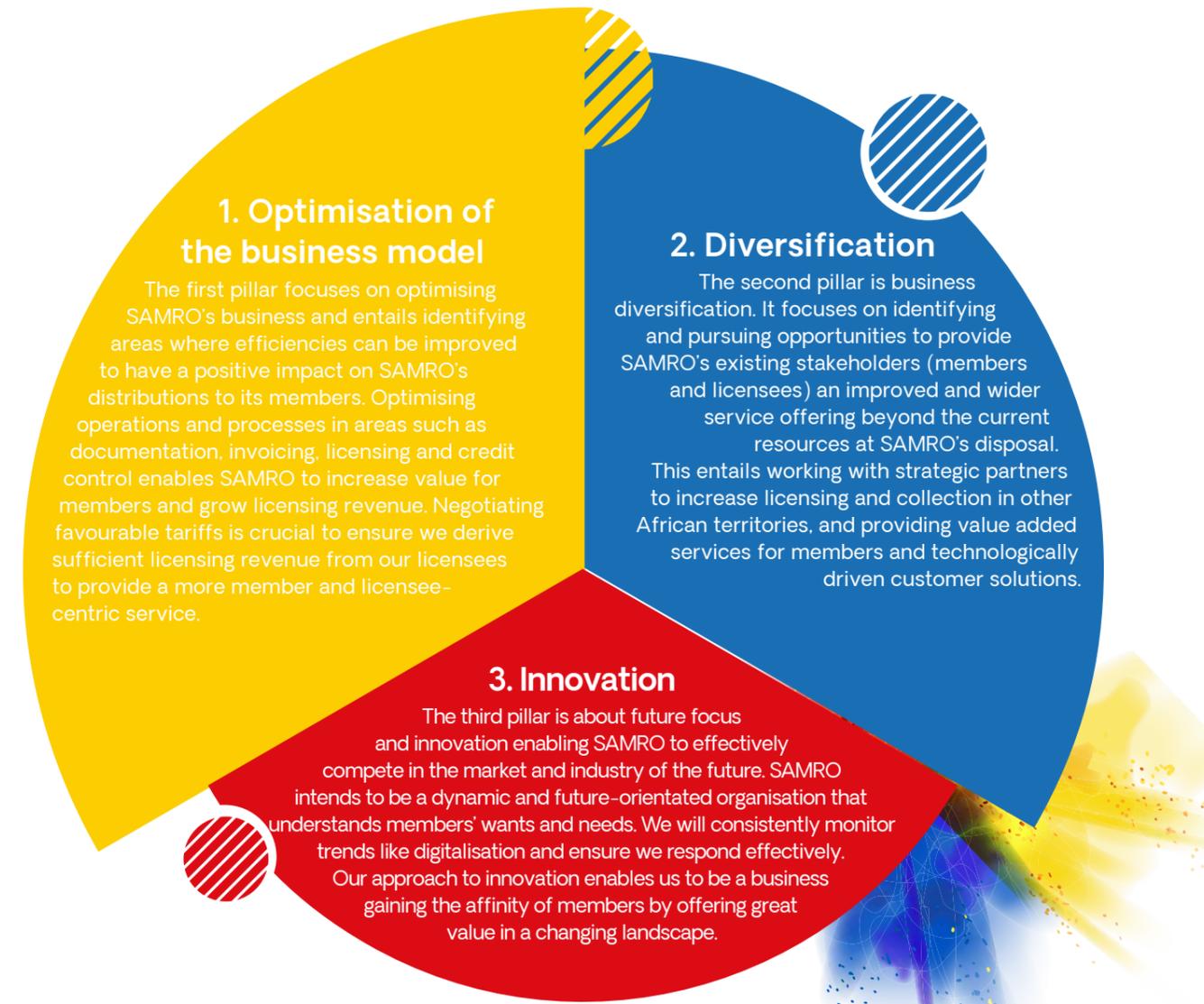
We believe that after undertaking a number of structural and operational fixes since 2020, we can now begin to look with some optimism at improved strategic implementation. Our new initiatives have already begun to bear fruit, and we have begun a journey to demonstrate how we want to develop and implement a new type of practice: one where SAMRO will become the best CMO in Africa, competitive with "best of breed" internationally and efficient for all members, whether from the publisher, composer or author perspective. We want to get revenue on the rise and costs on the decline, to commence consolidation in the industry and begin to make a more significant impact on the continent. We aim to diversify and grow, and the path to this future-proofed SAMRO has already begun.

I wish to give my thanks to the Chairperson of the board, the Chairpersons of subcommittees and all the board members for their guidance and support. To the management team for recognising the importance of team work and cooperation and for standing behind me. To our employees for their commitment throughout this lockdown period. Finally to our members, who in the main, have been helpful, understanding and supportive.

Mark Rosin
CEO

Strategic overview

SAMRO established three pillars on which its business strategy rests to support the group's vision:



Strategic overview continued

In the year under review, SAMRO management and the board prioritised the “optimisation of the business model” theme. We focused on the following five strategic objectives:

Pillar	Activities
Increasing revenue	<p>SAMRO embarked on various initiatives to maximise revenue. These included but were not limited to:</p> <ul style="list-style-type: none"> • Increase licensing of music users who do not have a SAMRO licence to significantly grow licensing revenue • Review existing licensees to ensure tariffs are favourable and relevant, and agreements are up to date • Improve collections of invoiced amounts to ensure sufficient revenue is collected from our licensees and bad debts are reduced • Improve the licensing, invoicing and credit control functions and activities to reduce bad debts and grow cash available for distribution
Improving systems and processes	<p>There are numerous inherited issues negatively affecting system functionality and resulting in inefficiencies in business processes. This led to undesirable member experience and less efficient distributions to members. SAMRO chose to focus on technologically driven solutions to improve the quality and value of distributions. This will ultimately improve customer experience. These solutions included but were not limited to:</p> <ul style="list-style-type: none"> • Outsourcing a world-class monitoring service to improve matching and linking processes to improve the quality and value of distributions • Outsourcing the distribution of digital licensing to increase the number of distributions and the value thereof • SAMRO embarked on an initiative to assess various technology options to modernise its operations and increase their efficiency
Managing costs	<p>SAMRO has been operating in a challenging economic environment in the past year, like most organisations in South Africa. This means it is business unusual. To be efficient and economically viable and find ways to adapt to the economic climate, SAMRO introduced the following:</p> <ul style="list-style-type: none"> • Assessing every function in SAMRO to maximise its operational efficiency and identify cost-saving measures • Improving internal controls to ensure prudent financial management • Inculcating financial disciplines across the business and supporting revenue growth initiatives to reduce the cost-to-income ratio to an acceptable and sustainable level • Improving financial and operational management of SAMRO House to ensure it is a profit-making business

Pillar	Activities
Improving reputation	<p>The negative public perception of SAMRO due to recent events affected its relationship with major stakeholders, ie members, employees, licensees and lawmakers.</p> <p>To improve its reputation, SAMRO proactively set out to significantly increase engagement and communication with SAMRO members. Frequent communication and engagement occurred on the following channels:</p> <ul style="list-style-type: none"> • Direct communication with members on the portal, website, email and SMS • Social media engagement • The newly introduced member townhall sessions • Industry workshops, events and conferences <p>Also, the work performed through the SAMRO Foundation (the Foundation) to the benefit of existing and future SAMRO members had a wide-reaching positive impact and helped improve the organisation’s reputation.</p>
Music industry cohesion/synergy	<p>With the impending CAB, SAMRO became a member of the Copyright Coalition to actively promote and protect our members’ rights. This is to ensure CAB in its current form is not legislated as it allows big technology companies to unethically benefit from free use of creative content at the expense of our members.</p> <p>Also, SAMRO is committed to working with other CMOs in South Africa that administer neighbouring rights to ensure harmonious operations and maximum value for creatives and the industry as a whole.</p>



Legislative framework

SAMRO derives its mandate from its MOI which provides that the objects of SAMRO are to:

- Strive to protect and enforce copyright and other intellectual property rights relating to music; prevent unlawful works of music performances and other unlawful uses of intellectual property relating to works of music; and reduce related abuses and unfair practices and methods
- Further and encourage the creation and promotion of music, literature and art, and the development of intellectual property, and encourage the national arts and training of authors, composers and proprietors
- Advance musical and related cultural interests
- Promote and support the social welfare (and reduce indigence) of authors and their families, dependants and heirs and their dependants
- Provide support for other social and cultural objectives in the principal territory as determined by the board
- Generally represent the views of those authors, publishers and proprietors of works of music and related intellectual property, and facilitate the interrelationship between, and advancement and protection of, the interests of authors, publishers and proprietors of works of music and related intellectual property, as a social and cultural group
- Encourage and promote efficiency in the administration of intellectual property relating to music and the use thereof
- Promote reforms in the laws regulating intellectual property associated with music
- Cooperate and enter into reciprocal arrangements with affiliates and related societies and bodies as the company deems fit. This is done through, among other things, acting as a collecting society and administering the administered intellectual property rights as contemplated in the MOI to support a viable and sustainable music culture, society and industry for the public benefit and/or to further the related cultural and social activities and communal or group interest.

To achieve the above, SAMRO has an obligation to conform to the following regulatory legislative framework:

- The Interim Constitution, Act 200 of 1993 was superseded by the final constitution on 4 February 1997. The final constitution has reference Act 108 of 1996.
- Copyright Act, 98 of 1978
- Companies Act and its regulations
- Promotion of Access to Information Act, 2 of 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, 4 of 2000
- Basic Conditions of Employment Act, 75 of 1997
- Labour Relations Act, 66 of 1995
- Employment Equity Act, 55 of 1998 (EE Act)
- Occupational Health and Safety Act, 85 of 1993
- Income Tax Act, 58 of 1962, as amended, and all subsequent Taxation Laws Amendment Acts
- Revenue Laws Amendment Act, 1996
- Skills Development Act, 97 of 1998
- Preferential Procurement Policy Framework Act, 5 of 2000
- Unemployment Insurance Act, 63 of 2001
- Division of Revenue Act
- Broad-Based Black Economic Empowerment Act, 53 of 2003 (BBBEE Act)
- Value Added Tax Act

Value added statement

FOR THE YEAR ENDED 30 JUNE 2021

SAMRO created and distributed R563 million of wealth in 2021 (2020: R523 million). Music royalty distribution for member benefits increased by 1.3% or R4.2 million to R320.8 million (2020: R316.6 million). Distributions were in the form of royalties, retirement annuity and funeral benefits, endowments for the national arts, and other social and cultural allocations. Payments to employees in the form of salaries, wages and benefits decreased by 9% to R102.1 million from R112.3 million. This represented 18.2% of total value distributed.

	GROUP	
	2021 R000	2020 R000
Music and royalties	476 510	512 376
Reprographic licence and royalties	73 267	50 977
Administration and other fees	9 498	10 385
Cost of generating revenue	(31 613)	(70 976)
VALUE ADDED	527 662	502 762
Income from investments	9 902	15 276
Distribution adjustment	25 359	4 773
WEALTH CREATED	562 923	522 811
VALUE DISTRIBUTION		
Members		
Music royalty distributions	320 779	316 650
Reprographic royalty distributions	73 267	50 977
Grant of rights payments	–	–
SRAF and members' funeral benefit	10 142	10 215
SAMRO Foundation allocation	8 175	6 057
Other social and cultural allocations	315	315
Employees		
Salaries, wages and benefits	102 154	112 312
Providers of capital		
Finance costs	–	38
Government		
Taxation charge	26 746	4 690
Reinvested in the group		
Depreciation and amortisation of capital items	20 655	21 676
Transferred to reserves	–	10 027
Retained earnings	690	(10 146)
Total	562 923	522 811

Our social impact

SAMRO plays a pivotal role in Africa as a driver of the creative economy through its CSI from the Foundation. SAMRO has promoted the sustainability of artistic communities and music for almost 60 years. Our corporate citizenship philosophy is based on the Freedom Charter and is closely related to our commitment to stakeholder development. These values have been the foundation of our corporate culture since 1962.

SAMRO's sustainability perspective is driven through its CSI activities and the social, ethics and governance committee. SAMRO allocates 8,25% of operational profit before distribution and tax to the Foundation, the SRAF and the SAMRO Funeral Benefit Scheme. This is according to the provisions in the standard reciprocal agreement approved by the International Confederation of Societies of Authors and Composers (CISAC).

The group's CSI initiatives are channelled through the Foundation, which provides investment support for music education and developing and promoting South African composers, authors and artists.

The Foundation annually allocates funds to projects. The board receives feedback on activities and progress at all board meetings and funds are allocated transparently. Below are some of the group's CSI statistics:

2021 CSI in numbers		
Over R210 million invested in the arts since 1962	SAMRO started its CSI efforts early by offering scholarships to music students at universities. This grew and today SAMRO boasts a legacy of supporting thousands of South African composers and performers over the past 60 years . SAMRO also supported a number of non-governmental organisation music schools and strategic education projects. In 2021 the Foundation took a more member-centric approach to its support, phasing out certain projects to ensure SAMRO's immediate constituency was better supported.	Historically, the Foundation ran a number of music education projects including the SAMRO Overseas Scholarships Competition and Bursaries for Music Students at Universities. In 2021 the Foundation implemented its new strategic focus offering 100 SAMRO members who successfully applied support from the Music Creation Support Fund. It also offered bursaries to SAMRO members to take the Boston College Music Business Short Learning Course.
Concerts SA (CSA) has impacted over 10 100 artists since it commenced in 2013	CSA has promoted live music to over half a million audience members. CSA is funded by the Royal Norwegian Embassy and administered by the Foundation.	Since inception, CSA supported over 4 650 concerts across South Africa's provinces and 11 Southern Africa Development Community (SADC) countries. This includes over 800 venues, reaching an audience of over 500 000 people in small venues.
The SAMRO Music Archive has supported the commissioning of over 500 new South African works	The SAMRO Music Archive preserves southern African music scores, with 64 500 in the physical archive and a growing selection of digital works.	The SAMRO Music Archive launched the Indigenous African Music (IAM) transcription Project and the SAMRO Scores online portal. It continues to implement new projects to preserve and promote South Africa's musical heritage.

THE SAMRO FOUNDATION

The SAMRO Foundation was registered as a Non Profit Company, independent from SAMRO NPC to administer SAMRO's Corporate Social Investment projects. The board members that were appointed for the period under review are: Ryan Hill (Chairperson), Celiwe Nkosi(Deputy Chairperson), Linah Ngcobo, Mark Rosin (SAMRO Group CEO), and Wendy Oldfield.

In recent years, SAMRO Members have called for a review of SAMRO's CSI efforts, requesting that the foundation look to realign itself to the needs of members. In response, and recognising the enormous challenges facing composers and particularly independent music publishers in the current market, SAMRO set about identifying the best ways to assist, meaningfully and sustainably.

A survey sent to the membership provided many useful insights, including that while 69% of the respondents were self-taught most members believed that **skills development was important** with priorities on music business (69%) and music creation (64%).

Closely following the survey inputs, a new SAMRO Foundation board introduced three fresh strategic focus areas to maximise the Foundation's impact:

- **Improving music business skills;**
- **Investing in innovative technology; and**
- **Thought leadership.**

With the new focus areas in mind, and taking into account the considerable devastation wreaked by COVID-19, the SAMRO Foundation immediately began to action reforms:

- As music bursaries for students at SA Universities that were largely performance based, the bursaries were transformed to offer SAMRO Members training in Music Business in a partnership with **Boston City Campus;**
- The Stakeholder Hub was discontinued and the SAMRO's CSI is researching ways to better invest in SMMEs that complement the music sector;
- Due to its overarching focus on music performance the SAMRO Overseas Scholarships Competition was discontinued;
- Support for NGO Music Schools and projects shifted towards supporting schools and projects that offered basic training in the music business.

To stimulate ongoing music creation SAMRO offered its members the opportunity to apply for the **SAMRO Music Creation Support Fund**. 100 members were selected by an independent committee to receive micro-grants of R20 000 each to complete the creation of their music works. This project helped to get a wide range of members' music projects off the ground – projects that otherwise would not have seen the light of day. SAMRO will continue to monitor the impact of these on the everyday lives and pockets of its members, observing how music goes 'from notes to notes'.

As part of its **research and thought leadership** mandate, the Foundation has begun research into the status of music business educational content and resources available to South Africans, and identified a significant gap in the curricula leading to a deficit in skills and available resources for small businesses in the sector. This will be a continued focus in the future, as SAMRO strives to make an impact in this area. Additionally, the Foundation identified a massive disparity in terms of female representation among music creators (only 16% of respondents to the survey were women). Within the context of the broader industry problem, the Foundation commenced research into *Women's Rights & Representation in the SA Music Industry* and will continue its work to correct this distortion.

The **SAMRO Music Archive** stores a large collection of South African music scores, photographs, research collections and biographies, and continues growing with new works and commissions from SAMRO members. SAMRO Scores (www.samroscores.org.za) is an online score portal for contemporary South African composer members to sell their music scores online. The Indigenous African Music (IAM) transcription project has transcribed over 50 indigenous African works which are available for free from the projects website www.iamtranscriptions.org. This year the IAM project continued in its work, contributing to preserving and promoting **South African guitar styles** and are in the process of creating an archive for **South Africa's Reuben T Caluza**.

The COVID-19 lockdown put an end to live-music performances in South Africa. Our survey confirmed that SAMRO members make a considerable part of their income from live performance, and as remedy to the pandemic Concerts SA rapidly produced research and published Digital Futures. The research spoke to the opportunities and challenges represented by new technologies available to musicians through technology, namely streaming and hybrid live-online events. They used this research to develop the **Digital Mobility Fund (DMF)**. The DMF gave performing artists in SA the opportunity to do live-stream and delayed broadcast performances. The SAMRO Foundation contributed to this fund, which successfully helped to keep the live-music economy rolling and Concerts SA's efforts attracted additional third-party financial support during the pandemic that was efficiently distributed to artists. Over three quarters of the recipients of support from the fund were SAMRO Members.

As SAMRO NPC achieved Public Benefit Status this year, the board agreed that there was no longer a need for the Foundation to operate as an independent entity incurring costs. It was resolved that the Foundation be absorbed and reintegrated into SAMRO NPC as the Corporate Social Investment division. This is in line with society practices globally.

Our social impact continued

SAMRO's CSI

Strategic focus areas	Objectives	Performance feedback
Improving music business skills	<ul style="list-style-type: none"> Industry Cohesion and Improved cooperation in the sector Improving professional skills and professional practice in the music sector 	<ul style="list-style-type: none"> SAMRO Member research was conducted to identify member's needs 100 SAMRO members received grants from the Music Creation Support Fund and reported back on their successes 30 SAMRO members received bursaries to complete the Boston City Campus Music Business Short Learning Course SAMRO ran professional skills workshops with Concerts SA in Johannesburg, Cape Town and Durban in August 2021
Investing in innovative technology	<ul style="list-style-type: none"> Economic growth in SA Music industry Researching innovative ways to utilise technology to facilitate improved activity in the SA Music industry 	<ul style="list-style-type: none"> Music Creation Support Fund enabled members to complete and monetise their music creation projects. SAMRO commenced the design and development of an Online Resource Center to provide practical videos, podcasts and tools for musicians to better operate in the South African music economy. Concerts SA created 2 308 work opportunities by distributing a total of R5.3 million to 196 project partners across South Africa through the Digital Mobility Fund (assisting live-music through streaming during lockdowns. 74% of the DMF recipients were SAMRO Members)
Thought Leadership	<ul style="list-style-type: none"> Research Preservation and Promotion of SA Music Legacy 	<ul style="list-style-type: none"> SAMRO commenced research into <i>Women's Rights & Representation in the SA Music Industry</i> SAMRO commenced research into music curricula that promote professionalism and best practice in the South African music industry. SAMRO supported the <i>Reuben T Caluza the B-Sides project</i> and an introduction to SA Guitar Styles are available for free from www.iamtranscriptions.org Concerts SA conducted groundbreaking research into the role that digital streaming played during the COVID-19 lockdowns in 2021

In tribute to our members who have passed on

- | | |
|-----------------------------------|-------------------------------------|
| Abram Monare | Simanoa Vusie Msibi |
| Johannes Muller | Bheka Alphios Mthembu |
| Mosaka Peggy Mokhomo | Thokozile Emmah Mkhwanazi |
| Simon Teboho Moloji | Isaac Kori Moraba |
| Cyril Vusi Khuzwayo | Thulane Raphael Mabaso |
| Maphakela Mary Mosikidi | Malethulie Ada Msomi |
| Marthinus Jacobus Benade | William Motala |
| Lawrence Thokoza Msomi | Kenneth Zwelihle Majola |
| Patricia Majalisa | Patrick Muntvakathenjwa Mncube |
| Nomasonto Dlamini | Israel Linda Mosehla |
| Ephraim Katz | Phambati Rickson Ngobeni |
| Sipho Buzumthetho Khoza | Thandi Mirriam Nkosi |
| Simon Bhekathina Phelani Mnomiya | Makavani Phineas Ndlovu |
| Khomotso Bob Fred Mabena | John Oakley Smith |
| John Arthur Baron | Susanna Magdalena Hendrina Odendaal |
| Mmakomane Etlas Makwela | Gregory Ralph Pinto |
| Bheki Simon Ndlela | Itani Phineas Randima |
| Bright Mxolisi Nosenga | Paul Tshabalala |
| Jabulani George Cindi | Sina Mary Thibedi |
| Barry Trevor Swan | Pieter Francois Andries De Villiers |
| Thomas Frederick Hermanus Senekal | Johannes Verwey |
| Nandi Tom Vuma | Fikile Jeanette Mkhize |
| Lefa Petros Xaba | Patrick Gwala Sandile |
| Ioannis Hadziantoniou | Mzwandile Petrus Kieviet |
| Pieter Barend Botha | Mvakalisi Wiseman Kekezwa |
| Ndodana Macdonald Mathunjwa | Cecelia Mazomba |
| Emmanuel Matsane | Lejone Shadrack Motloung |
| Sibongile Khumalo | Kgositsile Sam Motata |
| Mosala Meshack Maliehe | Mzenzisi Blessing Nala |
| Msawake Eliaja Mvelase | Zondeni Lungile Sithole |
| Musawenkosi Kenneth Molefe | Sifiso Dladla |

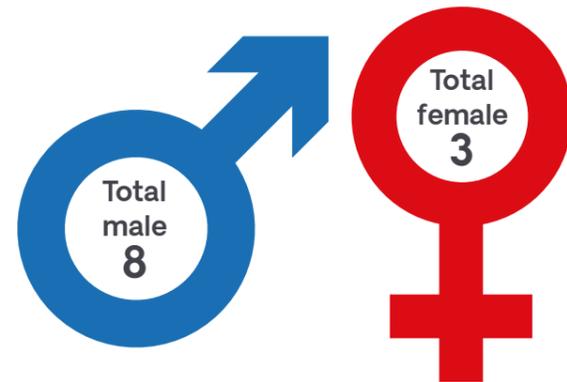
Rest peacefully, forever yours in music

Our social impact *continued*

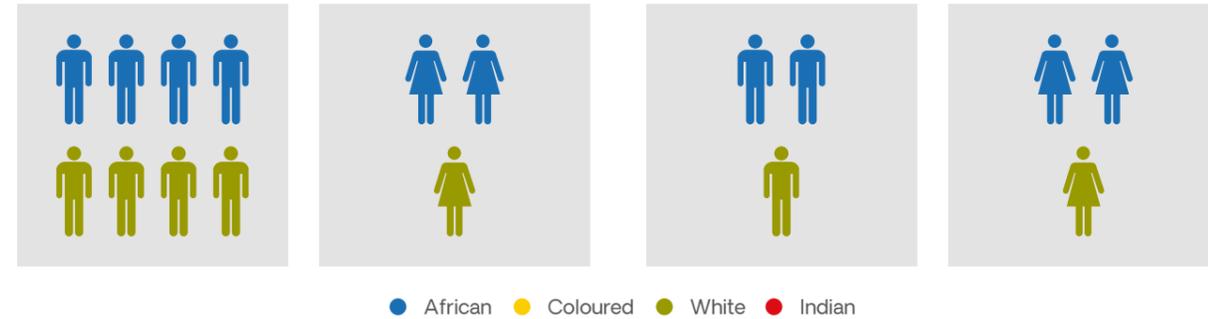
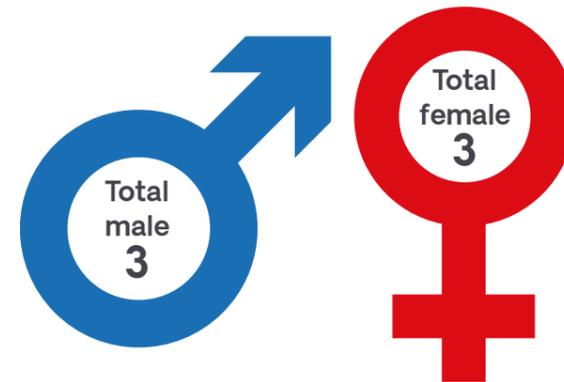
How we are governed

TRANSFORMATION REPORT

Board of directors (11)



GMs excluding CEO & CFO (6)



SAMRO LEADERSHIP

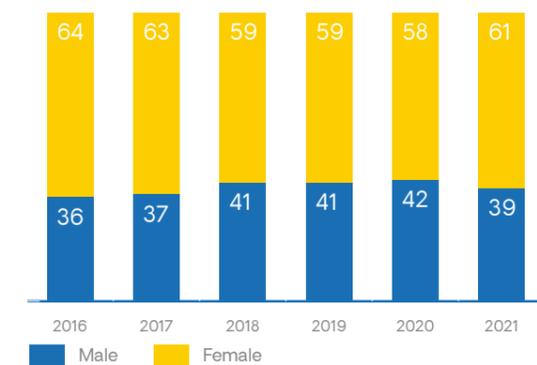
The SAMRO board regards corporate governance as fundamentally important to achieving SAMRO's mission and its financial objectives and fulfilling its corporate responsibilities. The board is committed to applying the core governance principles set out in King IV, which prescribe accountability, integrity, fairness and transparency in all dealings with stakeholders.

- Mr. N Maweni (Independent Chairperson) (Appointed 1 July 2019)
- Mr. S Mayekiso (Independent Vice-Chairperson) (Appointed 17 September 2019)
- Dr. S Vilakazi (Independent Board Member) (Appointed 15 April 2020)
- Mr. R Hill (Non-Executive Director) (Re-appointed 11 December 2020)
- Mr. D Alexander (Non-Executive Director) (Re-appointed 11 December 2020)
- Mr. E Twala (Non-Executive Director) (Resigned on 11 December 2020)
- Mrs. L Ngcobo (Non-Executive Director) (Re-appointed 11 December 2020)
- Dr. S Sithole (Non-Executive Director) (Re-appointed 11 December 2020)
- Ms. W Oldfield (Non-Executive Director) (Re-appointed 11 December 2020)
- Mr. M Rosin (CEO) (Appointed 03 February 2020)
- Mr. J Scullion (CFO) (Appointed 17 March 2020)

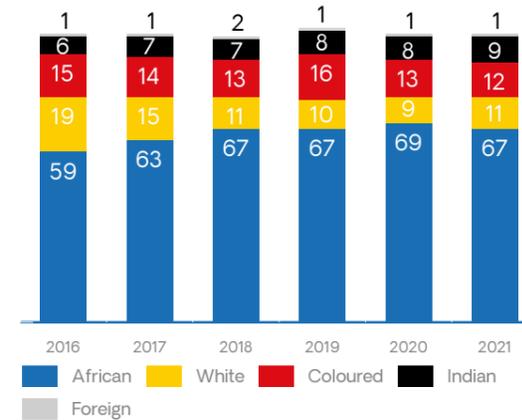
The following Directors were appointed:

- Mr. T Thekiso (Non-Executive Director) (Appointed on 11 December 2020)

Permanent employees by gender (%)



Permanent employees by race (%)



BOARD COMPOSITION

A unitary board with appropriate skills, experience and diversity is a fundamental element to drive the organisation forward



1	Nicholas Maweni	Independent board Chairperson
2	Sisa Mayekiso	Lead Independent board member
3	David Alexander	Publisher board member
4	Ryan Hill	Publisher board member
5	Dr Sibongile Vilakazi	Independent board member

6	Dr Sipho Sithole	Composer board member
7	Dr Linah Ngcobo	Composer board member
8	Wendy Oldfield	Composer board member
9	Tebogo Thekiso	Composer board member

How we are governed continued

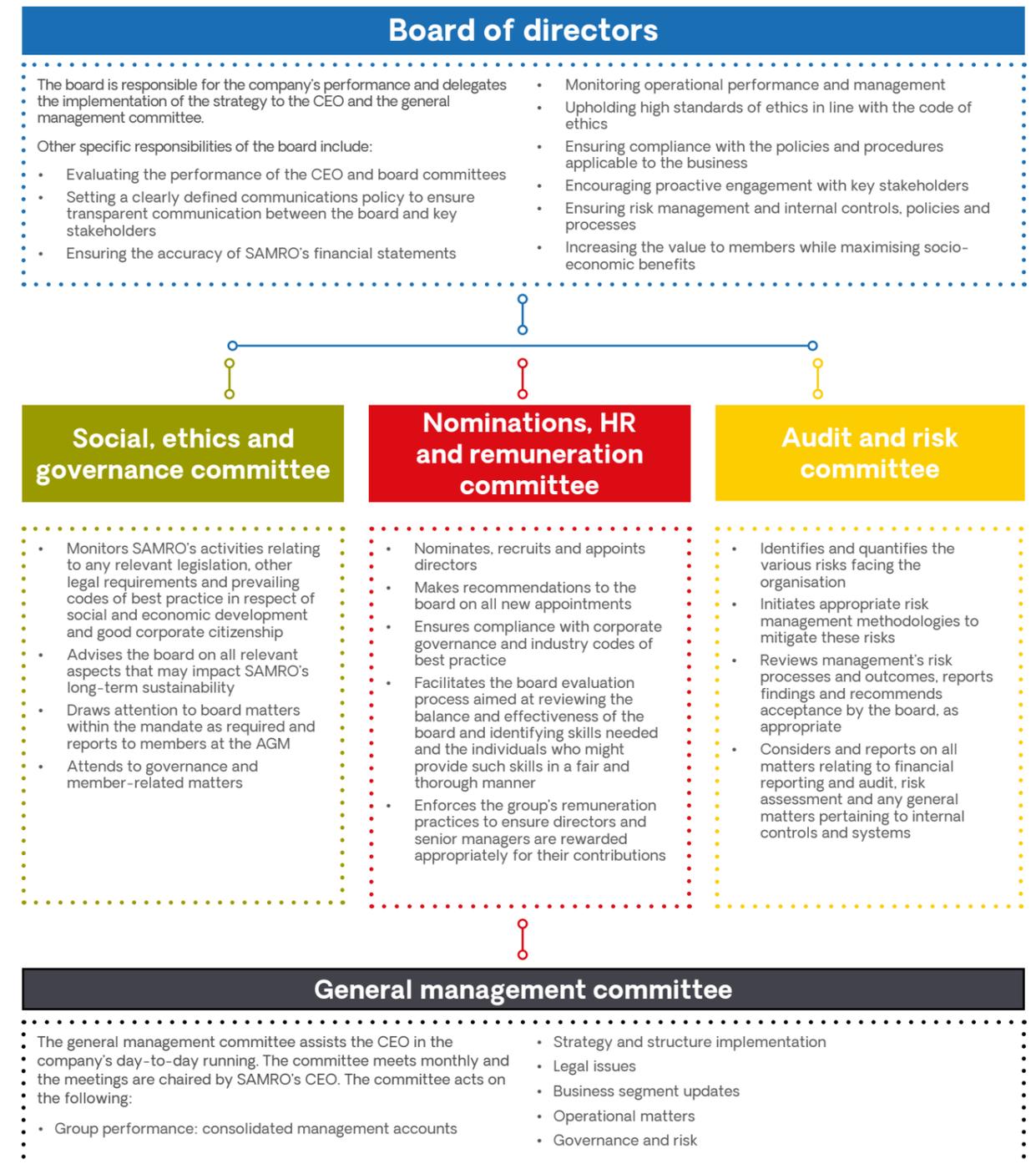
Board member meeting attendances as at June 2021

Meeting	Members	Number of meetings	Meeting attended
Social, Ethics and Governance committee	S Vilakazi	6	6
	R Hill	6	6
	S Twala	6	2*
	T Thekiso	6	2#
	N Maweni	6	6
Audit and Risk committee	S Mayekiso	6	6
	R Hill	6	6
	D Alexander	6	6
	S Sithole	6	6
Nominations, HR and remuneration committee	S Sithole	6	6
	N Maweni	6	6
	S Vilakazi	6	6
	W Oldfield	6	4
	L Ngcobo	6	6
SAMRO board	N Maweni	6	6
	W Oldfield	6	4
	S Vilakazi	6	6
	L Ngcobo	6	6
	S Sithole	6	6
	S Twala	6	2*
	S Mayekiso	6	6
	T Thekiso	6	2#
	R Hill	6	6
D Alexander	6	6	

* Board members who resigned during the year under review.

Board Members who were appointed during the year under review.

SAMRO'S GOVERNANCE STRUCTURE



How we are governed continued

COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

In the year under review, the board continued discharging its fiduciary duties, acting in good faith, with due diligence and care, and in the best interests of SAMRO and all its stakeholders. It does this within the context of the Companies Act, the SAMRO MOI, and the following principles set out in King IV:

- The governing body should lead ethically and effectively
- The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture
- The governing body should ensure the organisation is and is seen to be a responsible corporate citizen
- The governing body should appreciate the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process
- The governing body should ensure reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects
- The governing body should serve as the focal point and custodian of corporate governance in the organisation
- The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively
- The governing body should ensure its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties
- The governing body should ensure the evaluation of its own performance and its committees, its chair and its individual members, support continued improvement in its performance and effectiveness
- The governing body should ensure the appointment of and delegation to management contributes to role clarity and the effective exercise of authority and responsibilities
- The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives
- The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives
- The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen
- The governing body should ensure the organisation remunerates fairly, responsibly and transparently so as

to promote achieving strategic objectives and positive outcomes in the short, medium and long term

- The governing body should ensure assurance services and functions enable an effective control environment, and these support the integrity of information for internal decision making and of the organisation's external reports
- In executing its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach balancing the needs, interests and expectations of material stakeholders in the best interests of the organisation over time

Through these practices, the directors can contribute to the future sustainability of the company; enhance long-term member value creation; and ensure other key stakeholders, such as members, employees and suppliers, benefit from ongoing success.

The philosophy of board leadership is premised on the principle that the role of the board and management team's responsibility are two separate and distinct tasks. Consistent with this approach, the roles of the Chairperson and CEO are separate, with specific responsibilities divided between them to ensure a balance of power and authority. Balances ensures no one individual has unfettered powers of decision making, and cannot dominate the board's decisions. Only decisions of the board acting as a unitary body are binding on the CEO.

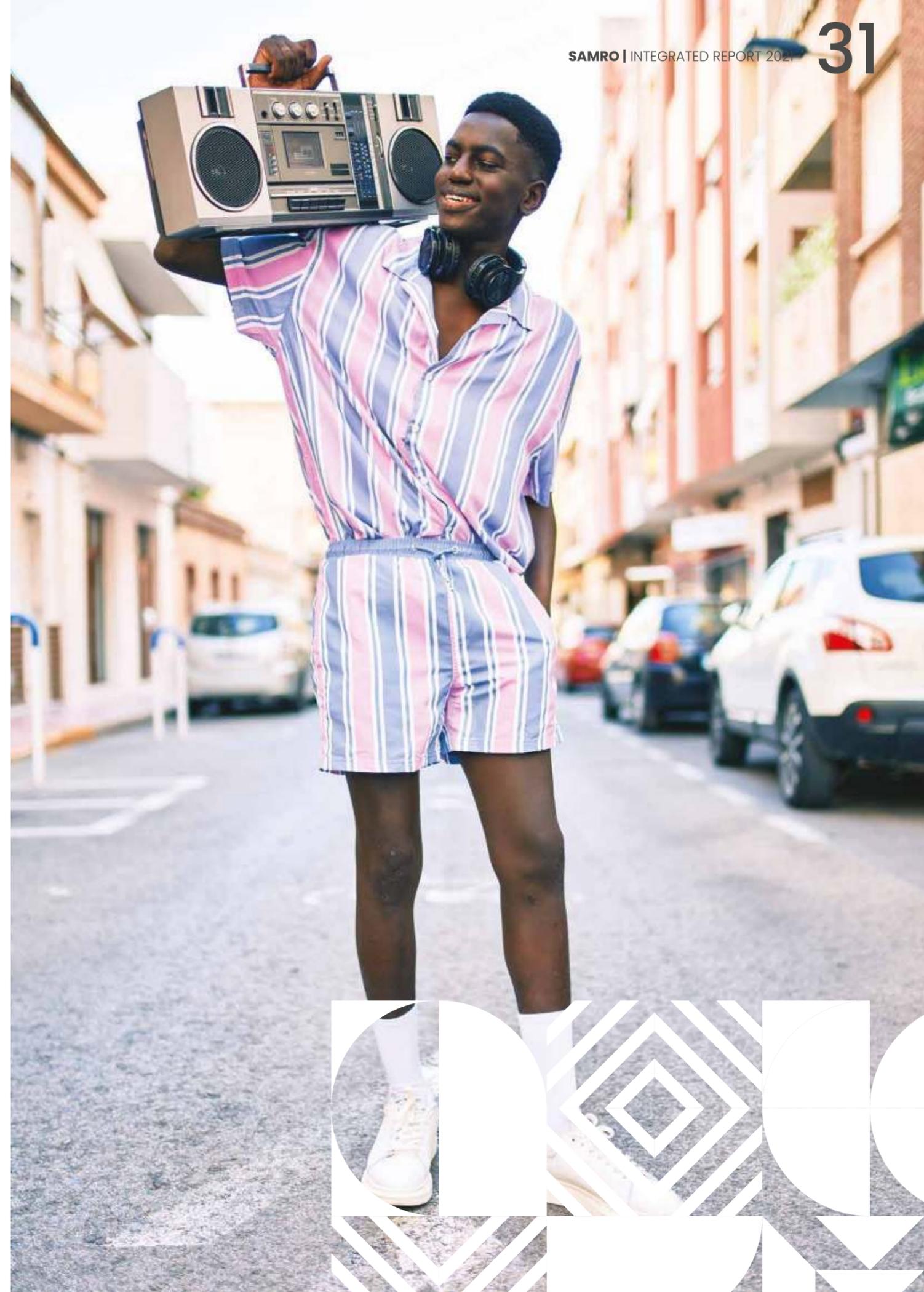
The board retains full and effective control over all the companies and entities in the group and assumes overall responsibility for SAMRO's compliance with the applicable legislation and governance provisions.

Company Secretary

SAMRO's group company secretary plays a pivotal role in the functioning of the Board. She ensures all directors have full and timely access to information they need to perform their duties and obligations properly, and enables the board to function effectively. She is responsible for the duties set out in section 88 of the Companies Act and for ensuring compliance with applicable laws and regulations. She also provides guidance and assistance in line with King IV. All directors have unlimited access to the group Company Secretary.

The group Company Secretary, Celiwe Nkosi, is not an executive director of SAMRO, nor is she related or connected to any of the directors. The appointment and removal of the group Company Secretary is a matter for the board as a whole. In addition to her role as group Company Secretary, Celiwe Nkosi also serves as the executive responsible for governance, risk and compliance and reports to the CEO.

The performance of the group Company Secretary is monitored by the CEO and is formally assessed by the board annually.



GROUP OPERATION AND MANAGEMENT STRUCTURE



Executive directors

1	Mark Rosin	CEO Appointed February 2020
2	John Scullion	CFO Appointed March 2020

Management team

1	Tanya Castignani	General Manager: Information Management and Services
2	Clinton Hornett	General Manager: Distributions
3	Grace Khambane	General Manager: HR
4	Manqoba Kubheka	General Manager: Licensing/Sales
5	Chola Makgamathe	General Manager: Legal
6	Celiwe Nkosi	Company Secretary
7	Karabo Senna	General Manager: Rightsholder Services

How we are governed continued

RISK MANAGEMENT

SAMRO recognises that effective risk management is fundamental to achieving its objectives. SAMRO regards risk management as a strategic management tool enabling the company to respond to its environment in an agile and effective way and lay a strong foundation for business success.

Risk reporting and oversight

Risk reporting is a fundamental component of risk management.

SAMRO adheres to stringent corporate governance principles. The board is required, through the audit and risk committee, to adequately identify, assess, reasonably manage and report on the business's risks. The committee reviews and evaluates these risks and ensures appropriate internal controls exist for risk mitigation.

The audit and risk committee provides oversight on risk management processes to ensure a standardised and consistent approach to risk management. These areas include:

- IT governance
- Licensing
- Business continuity
- Stakeholder management
- Human capital
- Information governance
- Operations
- Governance

Risk management process

SAMRO's risk management process is designed to mitigate the company's strategic and operational risks. SAMRO has a watchlist to monitor emerging risks which may become material in future.

Key risks 2021

1. Impact of the Covid-19 Pandemic
2. Failure to license music users
3. Poor financial operational controls
4. Poor service delivery
5. Procurement fraud/mismanagement
6. SAMRO being replaced by another industry player or government agency

Risk management framework and policy

SAMRO's risk management framework and policy are designed to holistically address the company's risks by:

- Identifying the risk on a scale of one to 10
- Rating the risk in terms of probability, impact and urgency, with scoring for each criterion
- Determining how the risk is mitigated, avoided, transferred or accepted
- Allocating risk owners
- Escalating risks rated nine and above to the board
- Discussing risks rated four to eight at the general management committee meetings attended by all executives
- The general manager manages risks rated below four (operational risks)

Internal control

An effective internal control framework is a critical component enabling us to evaluate and improve the effectiveness of all areas of our business.

SAMRO's internal controls are reviewed as part of the company's risk management process. The review of internal controls includes a review of all policies and procedures.

REPORT OF THE AUDIT AND RISK COMMITTEE



The SAMRO NPC group audit and risk committee (the committee) is a formal statutory committee in terms of the Companies Act and subcommittee of the board. The committee functions within documented terms of reference and complies with relevant legislation, regulation and governance codes. This report of the committee is presented to members in compliance with the requirements of the Companies Act and King IV.

Role of the committee

The committee has an independent role with accountability to both the board and members. The committee's responsibilities include the statutory duties prescribed by the Companies Act, activities recommended by King IV and additional responsibilities assigned by the board. The responsibilities of the committee are as follows:

Integrated reporting and assurance

- Oversees integrated reporting, has regard to all factors and risks that may impact the integrity of the integrated report and recommends the integrated report to the board for approval
- Reviews the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information
- Reviews the company's internal and external assurance model and recommends to the board engagement of an external assurance provider on material sustainability issues when deemed necessary
- Monitors the relationship between the company and external assurance providers
- Annually reviews the expertise, resources and experience of the company's finance function and discloses the results of the review in the integrated report

Internal audit

- Approves the structure and appointment of the internal audit function – internal function or outsourced – as proposed by management
- Annually reviews the performance and objectivity of the internal auditor and subjects the internal audit function to independent quality review as and when deemed necessary by the committee
- Reviews progress on the three year strategic internal audit plan and ensures coordination between the internal and external auditors
- Receives and reviews the internal audit report at each meeting of the committee as well as the annual assessment of internal financial controls
- Considers the major findings of internal investigation and management's response

Risk management

- Oversees the development and annual review of a policy and plan for risk management to recommend for approval to the board
- Monitors implementation of the policy and plan for risk management taking place by means of risk management systems and processes
- Makes recommendations to the board concerning the levels of tolerance and appetite and monitors that risks are managed within the levels of tolerance and appetite as approved by the board
- Oversees that the risk management plan is widely disseminated throughout the company and integrated in the day to day activities of the company
- Ensures that risk management assessments are performed on a continuous basis

How we are governed continued

- Ensures that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks
- Ensures that management considers and implements appropriate risk responses
- Ensures that continuous risk monitoring by management takes place
- Expresses the committee's formal opinion to the board on the effectiveness of the system and process of risk management
- Reviews reporting concerning risk management that is to be included in the integrated report

Internal control

Systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against misstatement or loss.

While the board is responsible for the internal control systems and for reviewing their effectiveness, responsibility for their actual implementation and maintenance rests with the management team. The systems of internal control are based on established organisational structures, together with written policies and procedures, and provide for suitably qualified employees, segregation of duties, clearly defined lines of authority and accountability. They also include cost and budgeting controls and comprehensive management reporting.

Internal financial controls

The committee considered the results of the formal documented review of the company's systems of internal financial controls and risk management, including the design, implementation and effectiveness of the internal financial controls in place. The committee also assessed information and explanations given by management and discussions with the external auditor on the results of the audit. Through this process, no material matter has come to the attention of the committee or the board that has caused the directors to believe the company's systems of internal controls and risk management are not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

External audit

The committee appraised the independence, expertise and objectivity of SNG-GT as the external auditor, as well as approving the terms of engagement and the fees paid to SNG-GT.

The external auditor has unrestricted access to the group's records and management. The auditor furnishes a written report to the committee on significant findings arising from the annual audit and is able to raise matters of concern directly with the chairperson of the committee.

The audit partner in charge of the audit is rotated after five years. In terms of this policy, the current audit partner is in the second year of tenure. The group received confirmation from the external auditor that the partners and employees responsible for the audit comply with all legal and professional requirements regarding rotation and independence. The committee is satisfied that the external auditor is independent of the company.

Activities of the committee

The committee met five times during the financial year. Members of the committee and the internal or external auditor may request a non-scheduled meeting if they consider this necessary. The chairperson of the committee will determine if such a meeting should be convened.

Minutes of committee meetings, except those recording private meetings with the internal or external auditors, are circulated to all directors and supplemented by an update from the committee chairperson at each board meeting. Matters requiring action or improvement are identified and appropriate recommendations made to the board.

The chairperson of the committee attends all statutory member meetings to answer any questions on the committee's activities.

The committee performed the following activities relating to the audit function during the year, with certain of these duties being required in terms of the Companies Act:

- Recommended to the board and members the appointment of the external auditor, approved its terms of engagement and remuneration, and monitored its independence, objectivity and effectiveness
- Determined the nature and extent of any non-audit services the external auditor may provide to the group and preapproved any proposed contracts with the external auditor
- Recommended to the board and members the appointment of the internal auditor, approved its terms of engagement and remuneration, and monitored its independence, objectivity and effectiveness
- Reviewed and approved the following reports presented by the internal auditor

Internal audits completed in the financial year ended June 2021

1. Licensing Review
2. Distribution Review
3. Right Holder Services Review
4. Financial Management Review
Facilities Management Review
Investments Review
5. Procurement and Contract Management Review
6. ICT Security and Systems Processes Review
7. Risk Management Review
8. Combined Assurance Review
9. Audit Follow up Review on Internal Audit/External Audit Findings
10. Corporate Governance Review

- Reviewed the group's internal financial control and financial risk management systems
- Recommended to the board the approval of the annual budget for the year ending 30 June 2022
- Recommended to the board, following a Request for Proposal (RFP) process, the appointment of a vendor to manage the formation phase of the Business System Replacement Project (BSRP). This phase encompassed defining the business processing models that will sustain SAMRO 10+ years into the future, provide SAMRO with business systems that will support

envisaged business processing models and volumes and be a cost effective solution that will allow SAMRO to be competitive in the industry, comply with all legislation and be fully CISAC integrated and compliant

- Recommended to the board, following a rigorous Request for Information (RFI) and RFP process, the appointment of a vendor to implement the preferred solution for the BSRP
- Reviewed and recommended to the board for approval the integrated report and annual financial statements
- Evaluated the effectiveness of the committee

Evaluation of CFO and finance function

The committee is satisfied that the expertise and experience of the CFO are appropriate to meet the responsibilities of the position. This is based on the qualifications, levels of experience, continuing professional education and the board's assessment of the financial knowledge of the CFO.

The committee is also satisfied as to the appropriateness, expertise and adequacy of resources of the finance function and the experience of senior members of management responsible for the finance function.

Approval of the audit and risk committee report

The committee confirms that it has functioned in accordance with its terms of reference for the 2021 financial year.



Sisa Litha Mayekiso

Chairperson: Audit and risk committee
19 November 2021

How we are governed continued

REPORT OF THE SOCIAL, ETHICS AND GOVERNANCE COMMITTEE



The social, ethics and governance (SEG) committee fulfils its mandate of overseeing good stakeholder relationships, internally and externally, by promoting ethical behaviour and high moral standard in the organisation. The SEG committee is committed to supporting the board strategy, specifically the strategic pillar to improve efficiencies in the organisation and thus improve the experience of members and all other stakeholders. The following key milestones were achieved during the year:

Member services

The rights holder services department became more focused on member support and driving SAMRO towards being more member centric. The department's name change to member services was significant to make clear the essence of what the department does. The following support was provided to members during the year:

- The introduction of the online member registration system simplified the experience of submitting membership forms for registration. This saw a 186%

increase in the number of registrations processed, meaning that SAMRO is more accessible to a wider potential membership base

- The Portal Undoc was also introduced to allow members to submit registration for undocumented works. Members took advantage of the portal and over R1 million was claimed and paid to members. This initiative has gone a long way in making SAMRO more accessible to members
- A case management system was deployed as another step in improving efficiencies. The system ensures members who contact SAMRO can be tracked through an interactive communication system. This will improve the overall query life cycle by providing each member with a portal where they can log, monitor and receive feedback related to their cases. In addition, members will be able to rate every interaction with a consultant once the query is closed. This initiative will vastly improve member experience when interacting with SAMRO
- A new partnership with KaNzimande (underwritten by Rand Mutual Assurance) for funeral cover for members' families was entered into. This is the first fulfilment of the procurement intentions to benefit members who are able to offer SAMRO the requisite services it needs

Legal services

A debtors book clean up project was introduced and has assisted with effective debt collection. Over R8 million of bad debt was collected, resulting in more money to members.

Marketing and communications

The organisation celebrated 60 years in 2021, and the marketing and communication department assisted to highlight this significant milestone internally and externally. One of the challenges for the department was celebrating the milestone while being sensitive to potential member perceptions of being extravagant. This challenge is due to the trust deficit between members and the organisation, which the board is still working hard to bridge. The marketing and communications team spent considerable time managing SAMRO's reputation online and offline by focusing on trust building initiatives through positive content that is relatable and educational to demystify the role of SAMRO.

Ethical conduct

The board resolved that there will be zero tolerance of unethical behaviour from board members, employees and members. Parties found to have been involved in any unethical behaviour will be named and shamed publicly. Two employees were investigated for fraud in the organisation, and they elected to resign to avoid the consequences if found guilty. Two members were also suspended after an investigation found them to have committed fraud.

The SAMRO Foundation

The wellbeing and financial security of SAMRO members are at the forefront of our minds, and we have identified a strong need for business skills development in the industry. Working with the SAMRO Foundation, SAMRO has instituted a new strategy with three pillars:

- Business skills
- Innovative technology
- Thought leadership

Below are highlights of the SAMRO Foundation's year:

In response to the COVID-19 pandemic, the SAMRO Foundation initiated the Music Creation Support Fund, which facilitated momentum in the professional practices of SAMRO members. Members were given the opportunity to apply for micro-grants of R20 000 each to support their professional music creation projects. Applicants were required to prove to the selection committee that they had planned the works and their success post-production. 100 members received micro-grants, using the funds to ensure the completion and promotion of new music works.

To promote best practice in the music business, SAMRO partnered with Boston College to pilot a programme offering SAMRO members bursaries for a short music course that would help them better understand and navigate the music industry. 30 SAMRO members were selected and completed the course.

Concerts SA also rapidly responded to the COVID-19 crisis in the live music sector. After doing rapid and high-impact research, it published Digital Futures, which spoke to the opportunities and challenges represented by live online events. It used this research to develop the Digital Mobility Fund (DMF). The DMF gives performing artists in South Africa the opportunity to do live stream and delayed broadcast performances. The success of this programme attracted additional third-party financial support during the pandemic, which was distributed to artists. The positive impact of Concerts SA in the past six years has been felt by over 9 000 artists around the country, of which an estimated 70% are SAMRO members. In August 2021, SAMRO and Concerts SA ran a series of workshops in South Africa's metropolises to inform and assist musicians around the country in conceptualising, managing and fundraising for their music events, encouraging best practice in their music business activities.

The SAMRO Foundation also embarked on research projects, the most immediate of which has been research into women's rights and representation in the music industry in South Africa. It partnered with a leading women's rights consultancy, Tara Transform, in an earnest effort to find solutions to the challenges and barriers of entry experienced by women in our sector.

With South Africa's musical heritage close to our hearts, SAMRO Foundation supported two important projects. *Raymond Caluza – The B Side* and our support for Billy Monama's *An introduction to South African Guitar Styles* can be found on the Indigenous African Music website www.iamtranscriptions.org.

REPORT OF THE NOMINATIONS, HUMAN RESOURCES AND REMUNERATION COMMITTEE

The committee consists of a minimum of three non-executive directors who are nominated by the board and exist to assist the board with ensuring:

1. That the board has the appropriate composition to execute its duties effectively
2. That a formal succession plan exists to ensure the board, CEO and other executive appointments are in place and are aligned to SAMRO's policies
3. Fair and responsible remuneration of directors, executives and other employees exists, including ensuring that all employee benefits are justified and correctly valued
4. That appropriate HR policies are developed and implemented
5. An appropriate operating model and organisational structure exist to drive and implement the organisation's strategy
6. The committee also ensures that the organisation has the right people with the requisite skills and competencies necessary to pursue the strategic objectives as set out by the board, as well as ensuring harmonious relations between labour and management

How we are governed continued

During the year, the committee drove and executed the following, in line with its approved committee terms of reference.

Following the drafting and approval of the HR strategy, which is aligned to the organisational strategic pillars, the committee monitored the implementation milestones thereof and recommended the following deliverables to the board:

- a) Job evaluation and grading process in order to align SAMRO roles to the applicable remuneration benchmarks as per the remuneration policy
- b) To improve processes and systems:
 - The board ratified a new management structure that is envisaged to deliver the strategic objectives and future proof the organisation. The implementation commenced with the approval and recruitment process for the Chief Operating Officer (COO) in support of the approved management structure that will provide an enablement of improving systems and processes
 - The core CMO operations such as member services and distributions, supported by our innovation and systems teams, will report directly to the COO
- c) To manage costs:
 - There will be a change in reporting lines wherein HR and talent management, and legal and compliance will report to the CFO
 - A Chief Corporate Affairs (CCA) executive vacancy will be advertised in the financial year ending June 2023. The CCA's office will house the sales and licensing, and marketing, communication and CSI initiatives functions
 - The leave policy was approved and implemented premised on the Basic Conditions of Employment Act, 75 of 1997 legislative framework
 - The adjustment of salary increases was implemented in accordance with the beginning of the financial year
 - A board resolution was passed in respect of the employee retrenchment process that took place from December 2020 to February 2021
- d) Review of the performance management structure wherein the organisational performance parameters will be the driver and gate keeper for the individual incentive roll out
- e) Review of the BBEEE plan for SAMRO

Remuneration report

The nominations, HR and remuneration committee (the committee) oversees remuneration and its main responsibilities are to:

- Perform an annual self-assessment of the effectiveness of the committee, reporting findings to the board
- Determine and approve general policy on strategic compensation issues
- Annually review the committee's charter and, if appropriate, recommend required amendments for approval by the board
- Annually appraise the performance of the CEO
- Annually review and approve the remuneration packages of the most senior executives, including performance bonuses and increases, ensuring appropriateness and alignment with the remuneration policy
- Annually review the remuneration of non-executive directors
- Review incidents of unethical behaviour by senior managers and the CEO
- Prepare an annual remuneration report for inclusion in the company's integrated report

REMUNERATION STRATEGY AND POLICY

We rely on our remuneration strategy to attract, retain and motivate competent leaders. SAMRO's remuneration strategy is structured to motivate employees to ensure sustainable value creation for members by executing the group's strategy. SAMRO has an integrated approach to remuneration linked to the group's strategy.

SAMRO's remuneration policy and practices ensure alignment of the remuneration and incentives of executives and employees, and the group's long-term business strategy. The remuneration policy and practices aim to reward superior performance.

Primary objectives include the need to:

- Promote superior performance
- Direct employees' energy towards key business goals
- Achieve the most effective returns for employee spend
- Address diverse needs across differing cultures
- Have an overall credible remuneration policy

OVERVIEW OF REMUNERATION

Non-executive board members

The fees of the directors are determined by a special resolution at an AGM in line with the MOI of SAMRO.

SAMRO directors' remuneration is reviewed annually against competitors and companies of similar size through an independent benchmarking process. Directors' remuneration is not directly related to the organisation's performance.

Executives and employees

SAMRO's remuneration policy rewards high performance and aims to attract talented employees to enhance the group's value.

SAMRO offers a cost to company remuneration package. Employees qualify for benefits, such as car, housing and cell phone allowances over and above basic pay, pension, medical aid and other insured benefits. SAMRO's additional individual performance incentives are payable to all employees including executives.

At senior level, remuneration is linked to the group's performance rather than standardised performance-related packages.

Directors' responsibility statement

The directors are required by the Companies Act of South Africa 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 Summary Consolidated annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the Summary Consolidated statement of financial position, results of operations and business of the Group, and explain the transactions and financial position of the business of the Group at the end of the financial year. The Summary Consolidated annual financial statements are based upon appropriate accounting policies consistently applied throughout the Group 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 directors set 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 Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group 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 consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company and group's cash flow forecast for the year to 30 June 2022 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The Summary Consolidated annual financial statements set out on pages 46 to 57 which have been prepared on the going concern basis, were approved by the directors and were signed on 26 November 2021 on their behalf by:



Mark Rosin

Chief Executive Officer



Nicholas Maweni

Chairperson

Directors' report

The directors present their report for the year ended 30 June 2021.

1. INCORPORATION

The Company is incorporated in the Republic of South Africa under the South African Companies Act as a non-profit company.

2. NATURE OF BUSINESS

Southern African Music Rights Organisation NPC (SAMRO) carries on the business of administering the copyright in the works created by its members and other rights holders it represents.

3. OPERATING AND FINANCIAL REVIEW

The financial results of the group and company are set out on pages 46 to 57.

During the financial year, SAMRO NPC was awarded Public Benefit Organisation (PBO) Status by the receiver of revenue. This PBO status exempts SAMRO NPC from normal taxation on its profits. As a result, the accumulated Deferred tax balance has been reversed in the current financial year.

4. GOING CONCERN

As at 30 June 2021, the group's total assets exceed its liabilities by R11.0 million, and as at 30 June 2020, the groups' total liabilities exceeded its assets by R35.6 million.

The group made a profit of R0.7 million for the year (2020: loss of R0.1 million).

The directors have reviewed the company and group's cash flow forecast for the year to 30 June 2022 and, in light of this review and available credit facilities, including other liquid assets, they are satisfied that the company and group has or had access to adequate resources to continue in operational existence for the foreseeable future including with specific consideration of the risk associated with COVID-19.

5. DIVIDEND

SAMRO has no share capital and thus does not declare dividends.

6. DIRECTORS

The directors of the company during the year and up to the date of this report are as follows:

M Rosin
 N Maweni
 J Scullion
 D Alexander
 L Ngcobo
 S Sithole
 W Oldfield
 R Hill
 S Mayekiso
 S Vilakazi
 TTS Thekisho (Appointed 11 December 2020)
 E Twala (Resigned 14 December 2020)

Directors' interest in contracts

No material contracts involving directors' interests were entered into in the year under review.

7. SECRETARY

The Group's designated secretary is C Nkosi.

The registered and postal address of the secretary is the same as those of the company as detailed on page 58.

8. DISTRIBUTION

Distributions for the company for the year, after taking into account income tax, social and cultural deductions and amounts transferred from reserves, was determined at R338.8 million (2020: R325.8 million), an increase of R13.0 million or 4%.

9. AUDITORS

SizweNtsalubaGobodo Grant Thornton Inc. will continue in office as auditors in accordance with the South African Companies Act, 2008.

Certificate by the Company Secretary

I hereby confirm, in my capacity as company secretary of SOUTHERN AFRICAN MUSIC RIGHTS ORGANISATION NPC, that for the financial year ended 30 June 2021, the company has filed all required returns and notices in terms of the Companies Act, 2008, with the Companies and Intellectual Property Commission and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.



Celiwe Nkosi

Company Secretary

Johannesburg

26 November 2021

Independent auditor's report on the summary consolidated financial statements

TO THE MEMBERS OF SOUTHERN AFRICAN MUSIC RIGHTS ORGANISATION NPC

Opinion

The summary consolidated financial statements, which comprise the summary consolidated balance sheet as at 30 June 2021, the summary consolidated income statement, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited separate and consolidated financial statements of Southern African Music Rights Organisation NPC for the year ended 30 June 2021.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the separate and consolidated audited financial statements, in accordance with (International Accounting Standards) IAS 34 and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited separate and consolidated financial statements and the auditor's report thereon.

The Audited Financial Statements and our report thereon

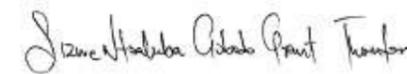
we expressed an unmodified audit opinion on the audited separate and consolidated financial statements in our report dated 26 November 2021.

Director's responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the IAS 34 and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



SizweNtsalubaGobodo Grant Thornton Inc.

Director: M Dwanya

Registered Auditor

Woodmead

2 December 2021

Statements of profit or loss and other comprehensive income

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	GROUP		COMPANY	
		2021 R000	2020 R000	2021 R000	2020 R000
Revenue	9	555 566	569 866	476 510	512 376
Other income	10	3 709	3 872	9 610	11 269
Distribution expenses	12	(394 046)	(367 627)	(338 751)	(325 821)
Other administrative expenses		(9 138)	(8 438)	(7 022)	(7 578)
Administration expenses		(170 833)	(205 921)	(150 225)	(190 147)
Other gains and (losses)	13	6 935	279	(16)	7 229
(Loss)/profit from operating activities	14	(7 807)	(7 969)	(9 894)	7 328
Royalty distributions written back	15	25 359	4 773	25 359	4 773
Investment income	16	9 884	7 805	8 757	5 008
Finance costs	17	-	(38)	-	-
Profit before tax		27 436	4 571	24 222	17 109
Income tax expense		(26 746)	(4 690)	(24 222)	(7 082)
Profit/(loss) for the year		690	(119)	-	10 027
Other comprehensive income/(loss) net of tax					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains/(Loss) on revaluation of paintings and land and buildings		5 708	-	148	-
Total other comprehensive income that will not be reclassified to profit or loss		5 708	-	148	-
Components of other comprehensive income/(loss) that will be reclassified to profit or loss					
Change in Fair value reserves					
Changes in fair value of investments at fair value through other comprehensive income		40 236	(877)	40 236	(877)
Total change in Fair value reserves		40 236	(877)	40 236	(877)
Total other comprehensive income/(loss) that will be reclassified to profit or loss		40 236	(877)	40 236	(877)
Total other comprehensive income/(loss) net of tax		45 944	(877)	40 384	(877)
Total comprehensive income/(loss) attributable to SAMRO members		46 634	(996)	40 384	9 150

Statement of financial position

AS AT 30 JUNE 2021

	NOTES	GROUP		COMPANY	
		2021 R000	2020 R000	2021 R000	2020 R000
ASSETS					
Non-current assets					
Property, plant and equipment		104 799	95 827	7 847	8 711
Intangible assets		36 166	52 285	36 166	52 285
Investment in subsidiaries		-	-	174	175
Deferred tax assets		2 400	10 772	-	6 945
Investments	4	208 821	188 192	208 821	188 192
Loan to group company		-	-	186 831	185 371
Total non-current assets		352 186	347 076	439 839	441 679
Current assets					
Inventories		166	132	166	132
Trade and other receivables		63 514	41 266	75 133	52 762
Current tax assets		9 413	8 055	9 468	8 110
Loan to group company		-	-	-	5 741
Cash and cash equivalents	5	363 436	252 020	355 327	242 265
Total current assets other than assets classified as held for sale		436 529	301 473	440 094	309 010
Assets classified as held for sale	6	72 502	60 612	-	-
Total current assets		509 031	362 085	440 094	309 010
Total assets		861 217	709 161	879 933	750 689
EQUITY AND LIABILITIES					
Equity					
(Accumulated loss)/retained income		(93 731)	(94 421)	4 809	4 809
Revaluation reserve		5 708	-	1 419	1 271
Fair value through other comprehensive income reserve		99 053	58 817	99 053	58 817
Total equity		11 030	(35 604)	105 281	64 897
Liabilities					
Non-current liabilities					
Post-employment medical benefits		26 072	21 930	26 072	21 930
Current liabilities					
Trade and other payables		48 172	39 236	34 806	31 206
Social and cultural obligations	7	20 231	22 409	24 991	27 170
Loan from group company		-	-	6 065	1 190
Current portion of post-employment medical benefits		1 428	1 193	1 428	1 193
Distributions payable and in progress	8	681 290	602 615	681 290	603 103
Total current liabilities other than liabilities directly associated with assets classified as held for sale		751 121	665 453	748 580	663 862
Liabilities directly associated with assets held for sale	6	72 994	57 382	-	-
Total current liabilities		824 115	722 835	748 580	663 862
Total liabilities		850 187	744 765	774 652	685 792
Total equity and liabilities		861 217	709 161	879 933	750 689

Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2021

	NOTES	GROUP		COMPANY	
		2021 R000	2020 R000	2021 R000	2020 R000
Net cash flows from operations		409 621	561 235	348 074	503 272
Income taxes paid		(2 119)	(3 321)	(1 358)	(3 592)
Royalty, non-royalty and social distributions to members and affiliated societies		(290 012)	(408 867)	(235 205)	(318 702)
Applied to social and cultural expenses		(20 810)	(18 307)	(22 666)	(17 746)
Cash flows from assets held for sale		-	(7 280)	-	-
Net cash flows from operating activities		96 680	123 460	88 845	163 232
Cash flows from investing activities					
Proceeds from sales of property, plant and equipment		-	1 031	-	1 031
Purchase of property, plant and equipment		(821)	(169)	(761)	(169)
Net proceeds on (additions)/disposals of investments		2 716	(1 329)	2 716	(1 329)
Cash received/(paid) on loans from/to group companies		-	-	9 156	9 312
Interest received from investments		8 363	2 755	7 236	2 607
Cash flows from assets held for sale		2 957	2 649	-	-
Dividends received		1 521	2 401	1 521	2 401
Interest paid		-	(38)	-	-
Interest received from subsidiaries		-	-	4 349	4 349
Cash flows from investing activities		14 736	7 300	24 217	18 202
Cash flows from financing activities					
Cash flows from assets held for sale		-	6 461	-	-
Cash flows from financing activities		-	6 461	-	-
Net increase in cash and cash equivalents		111 416	137 221	113 062	181 434
Cash and cash equivalents at beginning of the year		252 020	114 799	242 265	60 831
Cash and cash equivalents at end of the year	5	363 436	252 020	355 327	242 265

Statements of changes in equity

FOR THE YEAR ENDED 30 JUNE 2021

	COMPANY			
	Revaluation reserve R000	Fair value reserve R000	(Accumulated loss)/retained income R000	Total R000
Balance at 1 July 2019	1 271	59 694	(5 218)	55 747
Changes in equity				
Profit for the year	-	-	10 027	10 027
Fair value loss on investment through other comprehensive loss	-	(877)	-	(877)
Total comprehensive loss	-	(877)	10 027	9 150
Balance at 30 June 2020	1 271	58 817	4 809	64 897
Balance at 1 July 2020	1 271	58 817	4 809	64 897
Changes in equity				
Revaluation of paintings	148	-	-	148
Fair value gains on investment through other comprehensive income	-	40 236	-	40 236
Total comprehensive income	148	40 236	-	40 384
Balance at 30 June 2021	1 419	99 053	4 809	105 281

	GROUP			
	Revaluation reserve R000	Fair value reserve R000	(Accumulated loss)/retained income R000	Total R000
Balance at 1 July 2019	-	59 694	(94 302)	(34 608)
Changes in equity				
Loss for the year	-	-	(119)	(119)
Fair value loss on investment through other comprehensive loss	-	(877)	-	(877)
Total comprehensive loss for the year	-	(877)	(119)	(996)
Balance at 30 June 2020	-	58 817	(94 421)	(35 604)
Balance at 1 July 2020	-	58 817	(94 421)	(35 604)
Changes in equity				
Profit for the year	-	-	690	690
Revaluation of paintings and land and buildings	5 708	-	-	5 708
Fair value gains on investment through other comprehensive income	-	40 236	-	40 236
Total comprehensive income for the year	5 708	40 236	690	46 634
Balance at 30 June 2021	5 708	99 053	(93 731)	11 030

Notes to the annual financial statements

FOR THE YEAR ENDED 30 JUNE 2021

1. GENERAL INFORMATION

SOUTHERN AFRICAN MUSIC RIGHTS ORGANISATION NPC ('the company') and its subsidiaries (together, 'the group') is an organisation domiciled in South Africa dedicated to the collective management of copyright in musical works of composers, songwriters and publishers.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These summarised consolidated financial statements for the year ended 30 June 2021 have been extracted from the full set of audited consolidated annual financial statements for the year ended 30 June 2021, which have been prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa. The summarised consolidated financial statements have been prepared using the principles of IAS 34 "Interim Financial Reporting" and should be read in conjunction with the full set of audited consolidated annual financial statements. These accounting policies have been consistently applied to all the years presented, unless otherwise stated.

	GROUP		COMPANY	
	2021 R000	2020 R000	2021 R000	2020 R000
3. CAPITAL EXPENDITURE INCURRED				
Property and equipment	821	169	761	169
Software development	-	-	-	-
	821	169	761	169
4. INVESTMENTS				
At cost	110 005	112 704	110 005	112 704
Market revaluation	98 816	75 488	98 816	75 488
Financial assets at fair value through OCI	208 821	188 192	208 821	188 192
5. CASH AND CASH EQUIVALENTS				
Cash on hand and balances with banks	347 516	241 690	339 407	231 935
Short term investments	15 920	10 330	15 920	10 330
	363 436	252 020	355 327	242 265

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2021

6. ASSETS CLASSIFIED AS HELD FOR SALE

During the 2020 financial year, a decision was made by the board of SAMRO NPC to dispose of 100% held in DALRO (Pty) Ltd. The shareholding in DALRO was sold to a consortium led by the managing director of DALRO. As at 30 June 2021, the suspensive condition as per the sale agreement had not been met. The sale was finally concluded on 31 August 2021, after the reporting date. As such, the following assets and liabilities were reclassified as held for sale as at 30 June 2020 and as at 30 June 2021:

	GROUP	
	2021 R000	2020 R000
Current assets		
Assets of disposal group classified as held for sale	72 502	60 612
Current liabilities		
Liabilities of disposal group classified as held for sale	72 994	57 382
Assets classified as held for sale:		
Property and equipment	93	-
Intangible assets	1 231	1 641
Deferred tax asset	421	757
Inventory	154	185
Trade receivables	18 504	13 082
Tax receivable	1 286	2 047
Cash & cash equivalents	50 813	42 900
Total assets of disposal group held for sale	72 502	60 612
Liabilities directly associated with assets classified as held for sale:		
Social & cultural obligations	5 190	4 019
Royalty distributions payable	62 697	51 218
Trade & other payables	5 107	2 145
Total liabilities of disposal group held for sale	72 994	57 382
The results of the held-for-sale business DALRO (Pty) Ltd was included in the profit for the year as set out below:		
Revenue	73 288	51 186
Social and Cultural expenses	(315)	(315)
Other operating expense	(16 043)	(14 854)
Distribution expense	(55 295)	(41 806)
Operating profit/(loss)	1 635	(5 789)
Investment income	996	2 650
Profit/(loss) before taxation	2 631	(3 139)
Taxation	(1 097)	439
Net profit/(loss) for the year	1 534	(2 700)
Cash flows from the held-for-sale business DALRO (Pty) Ltd:		
Net cash inflows/(outflows) from operating activities	12 769	(7 280)
Net cash inflow from investing activities	885	2 649
Net cash (outflow)/inflow from financing activities	(5 741)	6 461
Net cash inflows	7 913	1 830

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2021

	GROUP		COMPANY	
	2021 R000	2020 R000	2021 R000	2020 R000
7. SOCIAL AND CULTURAL OBLIGATIONS				
Social and cultural obligations	20 231	22 409	24 991	27 170
Balance at the beginning of the year	22 409	24 129	27 170	23 035
Utilisation during the year	(20 810)	(18 307)	(22 666)	(17 746)
Current funding for the year	18 632	16 587	20 487	21 881
Balance at the end of the year	20 231	22 409	24 991	27 170
7.1 Social Obligations				
Other social funds not included in distributions				
Balance at the beginning of the year	9 518	8 192	9 518	8 192
Utilisation during the year	(9 843)	(8 889)	(9 843)	(8 889)
Current funding for the year	10 142	10 215	10 142	10 215
Balance at the end of the year	9 817	9 518	9 817	9 518
Copyrights training fund				
Balance at the beginning of the year	–	734	–	–
Utilisation during the year	–	(25)	–	–
Current funding for the year	–	300	–	–
Transfer to assets held for sale	–	(1 009)	–	–
Balance at the end of the year	–	–	–	–
Total social funds	9 817	9 518	9 817	9 518
7.2 Cultural obligations				
SAMRO Foundation and related provisions				
Balance at the beginning of the year	10 807	10 558	15 667	12 858
Utilisation during the year	(12 822)	(11 417)	(12 823)	(8 857)
Current funding for the year	10 345	11 666	10 345	11 666
Balance at the end of the year	8 330	10 807	13 189	15 667
Bequests and donations				
Balance at the beginning of the year	2 084	2 084	1 985	1 985
Utilisation during the year	–	–	–	–
Current funding for the year	–	–	–	–
Balance at the end of the year	2 084	2 084	1 985	1 985
Bilateral agreement funds				
Balance at the beginning of the year	–	2 429	–	–
Utilisation during the year	–	(402)	–	–
Current funding for the year	–	835	–	–
Transfer to assets held for sale	–	(2 862)	–	–
Balance at the end of the year	–	–	–	–
Bursary funds				
Balance at the beginning of the year	–	312	–	–
Utilisation during the year	–	–	–	–
Current funding for the year	–	15	–	–
Transfer to assets held for sale	–	(327)	–	–
Balance at the end of the year	–	–	–	–
Total cultural funds	10 414	12 891	15 174	17 652
Total social and cultural funds	20 231	22 409	24 991	27 170

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2021

	GROUP		COMPANY	
	2021 R000	2020 R000	2021 R000	2020 R000
8. ROYALTY DISTRIBUTION PAYMENTS TO MEMBERS AND AFFILIATED SOCIETIES				
Available for distribution at the end of the year	409 846	394 910	409 846	395 398
Distributions in progress at the end of the year	271 444	207 705	271 444	207 705
	681 290	602 615	681 290	603 103
Available for distribution at the beginning of the year	(394 910)	(483 878)	(395 398)	(436 007)
Distribution in progress at the beginning of the year	(207 705)	(164 750)	(207 705)	(164 750)
– Shares in musical works	(27 020)	(20 592)	(27 020)	(20 592)
– Musical works	(180 685)	(144 158)	(180 685)	(144 158)
Add:				
Distribution expenses	(394 046)	(367 627)	(338 751)	(325 821)
Royalty distributions written back	25 359	4 773	25 359	4 773
Less:				
Available for distribution at the end of the year	409 846	394 910	409 846	395 398
Distributions in progress at the end of the year	271 444	207 705	271 444	207 705
– Shares in musical works	25 977	27 020	25 977	27 020
– Musical works	245 467	180 685	245 467	180 685
	(290 012)	(408 867)	(235 205)	(318 702)
9. REVENUE				
Music rights	459 547	499 400	459 547	499 400
Royalties from affiliated societies	16 963	12 976	16 963	12 976
DALRO licensing fees	73 267	50 977	–	–
DALRO sale of books and musicals	21	209	–	–
SAMRO House rental income	5 768	6 304	–	–
Total revenue	555 566	569 866	476 510	512 376
10. OTHER INCOME				
Sundry income	10	13	10	13
Administration, computer and management fees from subsidiary companies	–	–	1 553	3 109
Interest on loans and cash balances	3 696	3 859	3 695	3 798
Interest from subsidiary companies	–	–	4 349	4 349
Bad debts recovered	3	–	3	–
Total other income	3 709	3 872	9 610	11 269
11. EMPLOYEE BENEFITS EXPENSE				
<i>Personnel costs include:</i>				
Salaries and bonuses	84 872	92 465	76 574	85 696
Training	1 526	2 053	1 515	2 053
Social security levies	914	914	832	845
Other employment costs	4 534	5 598	2 665	3 633
Pension – Defined contribution plans	9 862	10 719	8 935	9 896
Post-employment benefits	4 376	(1 635)	4 376	(1 635)
	106 084	110 114	94 897	100 488
12. DISTRIBUTION EXPENSES				
Licence and royalty	394 046	367 627	338 751	325 821

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2021

	GROUP		COMPANY	
	2021 R000	2020 R000	2021 R000	2020 R000
13. OTHER GAINS AND (LOSSES)				
Loss on disposal of property and equipment	(33)	(242)	(33)	(242)
Loss on deregistration of Gratia Artis (Pty) Ltd and SAMRO IP Technologies (Pty) Ltd	–	–	(1)	–
Gain on disposal of investments	18	7 471	18	7 471
Revaluation on land and buildings	6 950	(6 950)	–	–
Total other gains and (losses)	6 935	279	(16)	7 229
14. (LOSS)/PROFIT FROM OPERATING ACTIVITIES				
Operating profit/(loss) includes the following items:				
Office rental and repairs	4 279	3 733	4 158	3 458
Depreciation	4 121	4 526	1 388	1 884
Amortisation	16 534	17 150	16 106	16 329
Operating costs	6 376	5 324	5 976	4 785
Professional fees	4 593	2 022	1 481	677
IT costs	3 906	3 707	3 698	3 606
Employee benefits – Refer note 11	106 084	110 114	94 897	100 488
Marketing costs	1 799	1 515	1 744	1 490
Other costs	8 238	6 005	5 646	3 901
Auditors remuneration				
Fees – current year	2 105	2 180	1 922	2 020
Fees – under provision previous years	754	388	(12)	212
	2 859	2 568	1 910	2 232
(Reversals of expected credit losses)/Expected credit losses*	(1 979)	33 352	(2 719)	31 617
Investment management fees	761	845	761	845
Impairment loss – Other				
Intangible assets	–	1 220	–	1 220
Receivable from SAMPRO	–	448	–	448
Loan from SAMRO IP Technologies to SAMRO	–	56	–	–
	–	1 724	–	1 668
Social and Cultural expenses				
Social	10 142	10 215	10 142	10 215
Cultural	8 490	6 372	10 345	11 666
	18 632	16 587	20 487	21 881
* Includes the expected credit losses on trade receivables and loans to group companies				
15. ROYALTY DISTRIBUTIONS WRITTEN BACK				
Undistributable income written back	25 359	4 773	25 359	4 773
16. INVESTMENT INCOME				
Interest from investments	8 363	5 404	7 236	2 607
Dividends	1 521	2 401	1 521	2 401
Total income from investments	9 884	7 805	8 757	5 008
17. FINANCE COSTS				
Interest from borrowings	–	38	–	–

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2021

	GROUP		COMPANY	
	2021 R000	2020 R000	2021 R000	2020 R000
18. KEY MANAGEMENT EMOLUMENTS				
From the company and its controlled subsidiaries for:				
Directors				
Current emoluments				
– Non-executive directors' - fees	1 367	1 942	1 367	1 765
– Non-executive directors' - other	5	2	5	2
– Salaries	5 821	7 093	5 260	3 845
– Pension and medical contributions	–	675	–	213
– Bonuses and other fringe benefits	765	897	765	22
Total directors' current emoluments	7 958	10 609	7 397	5 847
Post-retirement benefits				
– Estimated post-retirement benefits	–	–	–	–
Total directors' emoluments	7 958	10 609	7 397	5 847
Paid by:				
– Company	7 397	5 847	7 397	5 847
– Subsidiaries	561	4 762	–	–
Total paid	7 958	10 609	7 397	5 847
Other key management				
Current emoluments				
– Salaries and bonuses	10 553	10 780	10 553	10 780
– Pension and medical aid contributions	1 236	1 312	1 236	1 312
– Other fringe benefits	174	99	174	99
Total other key management current emoluments	11 963	12 191	11 963	12 191
Post-retirement benefits				
– Estimated post-retirement benefits	86	(32)	86	(32)
Total other key management emoluments	12 049	12 159	12 049	12 159
Total key management emoluments	20 007	22 768	19 446	18 006

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2021

19. RESTATEMENT OF PRIOR YEAR BALANCES

During the 2020 financial year, the loss allowance on loans to the group companies was incorrectly allocated against trade receivables. As a result, the trade receivables balance was understated and loans to Group companies balance was overstated. A re-allocation was done to correct the balances as at 30 June 2020.

20. EVENTS AFTER THE REPORTING DATE

After balance sheet date, SAMRO NPC received the outstanding balance in respect of the sale of the shares in DALRO (Pty) Ltd. This payment was received on 31 August 2021.

21. GOING CONCERN

The Covid-19 pandemic had a negative impact on many SAMRO licensees. Throughout the financial year, monthly licensing revenue has been carefully monitored in order to assess the impact of the Covid-19 pandemic on our results for the period 2020- 2021. Ultimately, company revenue decreased by 7% compared to prior year. Investment income improved significantly due to the recovery in market values and interest rates improving since the start of the pandemic.

We believe that the negative impact of the Covid-19 pandemic will still affect our revenue during the 2022 financial year as many of our licensees have not been able to return to business as usual. The loss allowance for trade receivables is extremely conservative to account for potential defaulters.

During the 2021 financial year, the company undertook a review of its cost base given the negative impact of the pandemic on its operating results. As staff costs contribute significantly to our overheads, this resulted in a number of retrenchments across the company.

The directors are consistently monitoring the financial performance, liquidity and solvency in order to ensure the company's ability to continue as a going concern. Operational costs will continue to be tightly controlled to mitigate the impact of reduced revenue levels. The directors have reviewed the company's forecasts for the next twelve months and are satisfied that the company has adequate financial resources to continue as a going concern, including with specific consideration of the risk associated with COVID-19.

Notes to the annual financial statements continued

FOR THE YEAR ENDED 30 JUNE 2021

22. STANDARDS, INTERPRETATIONS AND AMENDMENTS THAT ARE NOT YET EFFECTIVE AT JUNE 2021:

The Group has considered the following new standards and interpretations and amendments to existing standards, which are not yet effective as at June 2021 but are effective for the financial years commencing as reflected in the table:

Title	Number	Effective for year commencing	Expected effect on Annual Financial statements
First-time Adoption of International Financial Reporting Standards: Annual Improvements to IFRS Standards 2018 – 2020	Amendment to IFRS 1	1 January 2022	No impact as the parent applies IFRS.
Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Amendment to IFRS 10	The effective date of this amendment has been deferred indefinitely until further notice	Standard will be assessed when its application becomes relevant.
Financial Instruments: Annual Improvements to IFRS Standards 2018 – 2020 – Clarification of which fees an entity includes when it applies the "10 per cent" test in assessing whether to derecognise a financial liability.	Amendment to IFRS 9	1 January 2022	The standard will unlikely have a material impact on the classification of the group's liabilities.
Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	Amendment to IAS 8	1 January 2023	The standard will unlikely have a material impact on the recognition of accounting estimates.
Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – Clarification of how to classify debt and other liabilities as current or non-current.	Amendment to IAS 1	1 January 2023	The standard will unlikely have a material impact on the classification of debt and other financial liabilities.
Presentation of Financial Statements: Disclosure of Accounting Policies – Requires companies to disclose their material accounting policy information rather than their significant accounting policies	Amendment to IAS 1	1 January 2023	The standard will unlikely have a material impact on changes to accounting policies.
Presentation of Financial Statements: Clarification of the basis of classifying Current and Non-current Liabilities; Clarification of the transfer of a company's own equity instruments	Amendment to IAS 1	1 January 2022	The standard will unlikely have an impact on the group's financial results. While the company has intergroup loans, this clarity does not impact the accounting treatment of any existing loan agreements.
Provisions, Contingent Liabilities and Contingent Assets: Clarification of the cost of fulfilling the contract when assessing if a contract is onerous	Amendment to IAS 37	1 January 2022	The standard is unlikely have an impact on the group's financial results.
Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Clarification of how a company accounts for income tax, including deferred tax	Amendment to IAS 12	1 January 2023	The standard's impact will be reasonably estimated closer to its effective date.

Corporate information

Country of incorporation and domicile	South Africa
Registration number	1961/002506/08
Nature of Business and Principal Activities	The group is an organisation domiciled in South Africa dedicated to the collective management of copyright in musical works of composers, songwriters and publishers.
Registered office	3rd Floor, SAMRO Place 20 De Korte Street Braamfontein Johannesburg 2001
Postal address	P O Box 31609 Braamfontein Johannesburg 2017
Telephone	+27 712 8000
Facsimile	+27 86 674 4391
International	+27 11 712 8039
Hotline (during working hours)	+27 86 117 2676
Email	customerservices@samro.org.za
SMS	45141 @ RI per SMS
Website	www.samro.org.za
Facebook	SAMROSouthAfrica
Twitter	@SAMROMusic
Instagram	Samromusic
CEO	Mark Rosin
CFO	John Scullion
Bankers	Standard Bank, ABSA Bank, Nedbank, and Investec
Auditors	SizweNtsalubaGobodo Grant Thornton Inc. 20 Morris Street East Woodmead 2191
Legal advisors	Spoor and Fisher Webber Wentzel Terina Singh
Investment advisors	Investec Nedbank Wealth Old Mutual Multi Managers

Glossary

AGM	Annual general meeting
ANFASA	Academic and Non-Fiction Authors Association of South Africa
ANSA	Arterial Network South Africa
BASA	Business and Arts South Africa
BBBEE	Broad-based black economic empowerment
BEE	Black economic empowerment
CAB	Copyright Amendment Bill
CAPASSO	Composers, Authors and Publishers' Association
CMO	Collective management organisation
CSA	Concerts SA
CSI	Corporate social investment
DALRO	Dramatic, Artistic and Literary Rights Organisation (Pty) Ltd
IAM	Indigenous African music
IAR	Institute of African Royalty
IT	Information technology
MiA	Music in Africa
MOI	Memorandum of incorporation
NGO	Non-governmental organisation
NPC	Non-profit company
Puku	Puku Children's Literature Foundation
RIESA	Roodepoort International Eisteddfod of South Africa
SADC	Southern Africa Development Community
SAMPRA	South African Music Performance Rights Association
SAMRO	Southern African Music Rights Organisation
SAUMA	South African Up and Coming Music Awards
SRAF	SAMRO Retirement Annuity Fund
THI	Turquoise Harmony Institute
VAT	Value added tax



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