

**INTEGRATED
REPORT
2016**





CONTENTS

Scope and boundary	1	Transformation report	53
Abbreviations and definitions	2	Human capital report	54
2016 in essence	4	Value added statement	56
Group profile	6	Directors' responsibility statement	57
Business model	10	Certificate by company secretary	57
Strategy summary	12	Directors' report	60
Material matters	16	Independent auditor's report on summary financial statements	64
Board of directors	18	Summarised statement of comprehensive income	66
Executive directors and executive committee	20	Summarised statement of financial position	67
Chairperson's report	22	Summarised statement of cash flows	68
Acting chief executive officer's report	26	Statement of changes in funds and reserves	69
Chief financial officer's report	32	Summarised notes to the annual financial statements	70
Governance report	36	Corporate information	76
Remuneration report	44		
Risk report	46		
Sustainability report	48		

This report contains changes in design and layout aimed at providing information that is relevant, coherent, material and complete.



WE STRIVE TO
**CREATE
VALUE**
FOR THE CREATORS
AND USERS OF
MUSIC

SCOPE AND BOUNDARY

This integrated report covers the activities of the Southern African Music Rights Organisation (SAMRO) for the financial year from 1 July 2015 to 30 June 2016. SAMRO recognises that having a high public interest score, as defined by the Companies Act 71 of 2008, as amended (Companies Act), requires the group to adhere to integrated reporting standards as set out by the Act and the King Report on Governance for South Africa 2009 (King III).

THE INFORMATION PRESENTED IN THIS REPORT IS INTENDED TO PROVIDE SAMRO STAKEHOLDERS WITH BACKGROUND AND CONTEXT TO MAKE INFORMED DECISIONS ABOUT THE ORGANISATION'S ABILITY TO CREATE SUSTAINABLE LONG-TERM VALUE. THIS REPORT INCLUDES COMMENTARY BY THE CHAIRPERSON OF THE BOARD, THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO), SUSTAINABILITY INITIATIVES, GOVERNANCE, REMUNERATION AND RISK AREAS. THE STRUCTURE, CONTENT AND DATA ELEMENTS ARE COMPARABLE TO PREVIOUS REPORTS AND ADDRESS ISSUES THAT ARE MATERIAL TO SAMRO'S BUSINESS MODEL.

SAMRO's annual financial statements were audited by PricewaterhouseCoopers Inc., and their independent auditor's report to SAMRO members is on page 64. Summarised financial statements are included in this report.

SAMRO is affiliated to other international collective management organisations that collect licensing income on behalf of SAMRO members in their territories. SAMRO plays a similar role in South Africa on behalf of other collective management organisations, and makes regular distributions to these in return.

Frameworks and assurance

The following reporting principles and requirements were taken into account when compiling this report:

- International Integrated Reporting Council's <IR> Framework
- International Financial Reporting Standards (IFRS)
- King III
- Companies Act

Approval of the integrated report

The board acknowledges its responsibility to ensure the integrity of this report. The directors confirm that they have collectively assessed the content of the integrated report and believe it addresses all material matters, while providing a fair representation of the integrated performance of the group.

Accordingly, the board approved the 2016 integrated report for publication.



Sibongile Khumalo

Chairman

1 November 2016



Rev Abe Sibiya

Chief executive officer

1 November 2016

ABBREVIATIONS

AEMRO	Arab Emirates Music Rights Organisation
AGM	Annual general meeting
BBBEE	Broad-based black economic empowerment
BIEM	Bureau International des Sociétés Gérant les droits d'Enregistrement et de Reproduction Mécanique (Mechanical rights equivalent of CISAC)
CAMS	Copyright Asset Management and Services
CAPASSO	Composers, Authors and Publishers' Association
CASA	Composers' Association of South Africa
CCIFSA	Cultural and Creative Industry Federation of South Africa
CIPC	Companies and Intellectual Property Commission
CISAC	International Confederation of Societies of Authors and Composers
CMO	Collective management organisation
CSI	Corporate social investment
CWU	Communication Workers Union
DALRO	Dramatic, Artistic and Literary Rights Organisation (Pty) Ltd
dti	Department of Trade and Industry
IFRRO	International Federation of Reprographic Reproduction Organisations
MOI	Memorandum of incorporation
MPA	Music Publishers Association
MR TV	Mechanical rights for television
NORM	National Organisation for Reproduction Rights in Music in Southern Africa Limited
NPC	Non-profit company

POSA	Performers Organisation of South Africa
SADC	Southern Africa Development Community
SALGA	South African Local Government Association
PR	Performing rights
SAMIC	South African Music Industry Council
SAMPA	South African Music Promoters Association
SAMPRA	South African Music Performance Rights Association
SAMRO	Southern African Music Rights Organisation
SCAPR	Societies' Council for the Collective Management of Performers' Rights
SETA	Skills Education Training Authority
SRAF	SAMRO Retirement Annuity Fund
undoc	Musical works for which the rights holders are not known and that have not yet been documented

DEFINITIONS

NEEDLETIME RIGHTS

were introduced when the Performers' Protection Act and the Copyright Act were amended in 2002. These rights entitle performers and record companies to remuneration for the public performance and/or use of their recorded performances.

MECHANICAL RIGHTS

(also known as reproduction rights) apply when a musical work is legally affixed and/or reproduced to any medium for public use. Examples include making commercial copies of recordings on cassette, CD, DVD, tape, video, computer hard drives, cell phones (ringtones and track downloads), MP3 players, or any other medium.



**I LIVED FOR
MUSIC**

SINCE I COULD THINK.

Hugh Masekela

2016 IN ESSENCE HIGHLIGHTS

Challenges

- Responding robustly to difficult economic conditions
- Negotiation of improved broadcasting tariffs
- Licensing of government departments
- Ensuring SAMRO adapts to the proliferation of channels and growth of digital platforms
- Expanding our footprint across the African continent while continuing to develop and support South African composers, authors and publishers

DISTRIBUTIONS FOR THE YEAR TO 30 JUNE 2016

Category	Distribution #	Date of credit
Foreign (Sequence 1)	FY2016	2015-07-15
Post (Sequence 1)	FY2016	2015-07-28
Live (Sequence 2)	FY2015	2015-08-13
Post (Sequence 2)	FY2016	2015-08-24
Supplementary non-society shares (Sequence 1)	FY2016	2015-09-04
Foreign (Sequence 2)	FY2016	2015-09-16
Post (Sequence 3)	FY2016	2015-09-29
Live (Sequence 1)	FY2016	2015-10-02
Film	FY2016	2015-10-27
Post (Sequence 4)	FY2016	2015-11-06
Royalty adjustment (Sequence 1)	FY2016	2015-11-12
Satellite	FY2015	2015-11-19
Post (Sequence 5)	FY2016	2015-11-25
Grant of rights payments	FY2016	2015-11-30
Performance adjustment (Sequence 1)	FY2016	2015-12-17
Foreign Post (Sequence 1)	FY2016	2015-12-21
Performance adjustment (Sequence 1A)	FY2016	2015-12-22
Royalty adjustment (Sequence 1A)	FY2016	2015-12-24
Foreign (Sequence 3)	FY2016	2016-01-13
Post (Sequence 6)	FY2016	2016-01-26
R&G (Sequence 1)	FY2016	2016-02-22
TV (Sequence 1)	FY2016	2016-03-22
Foreign Mechanical Rights (Sequence 1)	FY2016	2016-03-31
Live (Sequence 2)	FY2016	2016-04-19
Post (Sequence 7)	FY2016	2016-05-04
Performance adjustment (Sequence 2)	FY2016	2016-05-16
TV (Sequence 1 Fix SABCI)	FY2016	2016-05-23
Post (Sequence 8)	FY2016	2016-05-30
Supplementary non-society shares (Sequence 2)	FY2016	2016-06-07
Royalty adjustment (Sequence 2)	FY2016	2016-06-23
Post (Sequence 9)	FY2016	2016-06-29

▲
Total available for distribution
6,1% to R368,4m

Cost ratio reduces to
19,9%

▲
Number of distributions
29 to 31

▲
Total group licence revenue
(before deductions)
3,7% to R468,3m



GROUP PROFILE

SAMRO was established in 1961 as a company limited by guarantee. Its members comprise southern African composers, authors and music publishers. When the new Companies Act was promulgated, SAMRO members elected to move from a company limited by guarantee to an NPC. Since inception, SAMRO has delivered services to its members on a not-for-profit basis.

Our vision

To be the global music rights and value-added services organisation of choice for African and Middle Eastern repertoire.


Our values

Accountability
Achievement
Integrity
Service excellence
Teamwork

Our purpose

To create value for the creators and users of music

SAMRO's objective



PROTECT AND ENFORCE
COPYRIGHT AND OTHER
INTELLECTUAL PROPERTY
RIGHTS RELATING TO MUSIC
AND PREVENT UNLAWFUL USES
OF INTELLECTUAL PROPERTY
RELATING TO MUSIC WORKS

SAMRO is the primary representative of music performing rights in southern Africa and seeks to protect and enforce copyright and other intellectual property rights relating to music. This includes unlawful use of intellectual property relating to music works.

SAMRO is a member-focused organisation with a high-efficiency, high-performance culture that allows us to successfully execute our strategy. Our strategic themes are revenue growth, member and stakeholder focus, and operational excellence.

Internationally, SAMRO is a member of the International Confederation of Societies of Authors and Composers (CISAC), the Bureau International des Sociétés Gérant les Droits d'Enregistrement et de Reproduction Mécanique (BIEM) and the Societies' Council for the Collective Management of Performers' Rights (SCAPR). The Dramatic, Artistic and Literary Rights Organisation (Pty) Ltd

(DALRO) is a member of the International Federation of Reproduction Rights Organisations (IFRRO). In South Africa, SAMRO is affiliated to a number of organisations that fulfil different roles within the industry, including the Composers' Association of South Africa (CASA), Composers Authors and Publishers' Association of South Africa (CAPASSO), the Music Publishers Association (MPA), South African Music Promoters Association (SAMPA) and South African Music Performance Rights Association (SAMPRO).

SAMRO plays a vital role in the administration of works and the distribution of royalties, and provides copyright protection for composers' and authors' works, through the collection of licence fees from **television broadcasters, radio stations, in-store radio stations, bars, clubs, retailers, restaurants** and all other businesses that broadcast music.

Types of rights administered by SAMRO



Performance rights administered by SAMRO

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.

Other rights administered by SAMRO-related entities



Mechanical rights

A mechanical rights licence permits the fixation and/or reproduction of musical works on any data storage medium.

Music composers, authors, publishers, and affiliated societies receive royalties from licence fees collected from such fixation and/or reproduction of musical works.

Mechanical rights are administered by CAPASSO.



Needletime rights

("Pay-for-play" or "public playing" rights)

Needletime rights entitle performers to remuneration for the public performance/use of their recorded performances.

Needletime rights are administered by SAMPRA and POSA.

Board members

The SAMRO board is made up of 14 members as follows:



14%

EXECUTIVE



50%

COMPOSERS/
AUTHORS



29%

PUBLISHERS



7%

INDEPENDENT

SAMRO represents

14 161

South African
composers and
publisher members
(2015: 13 246)

More than

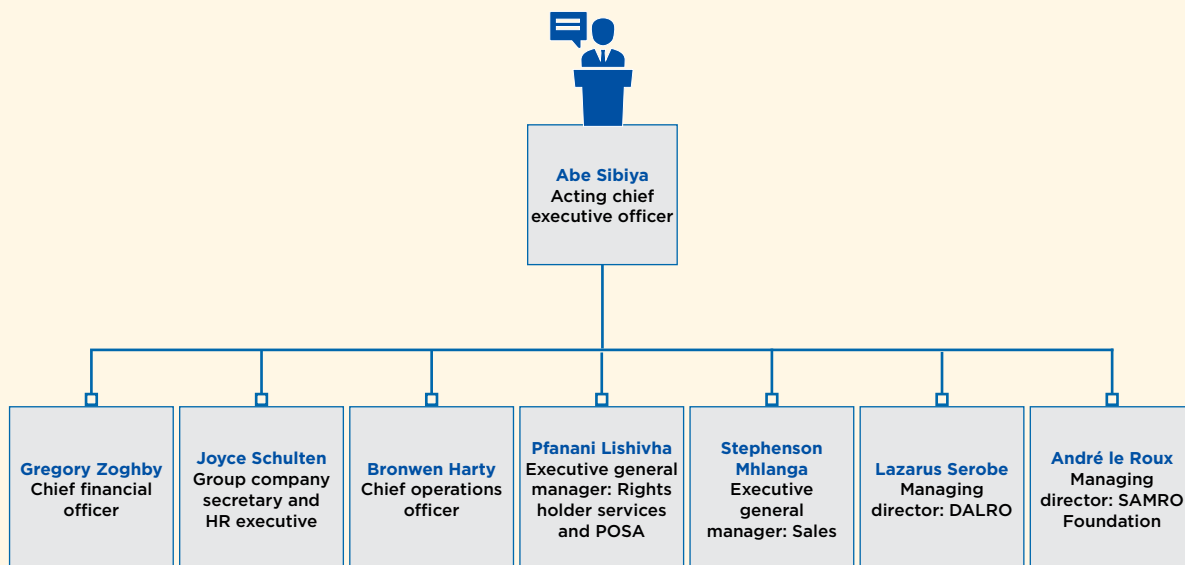
4 MILLION

composers and authors
across the globe

**190
EMPLOYEES**

58,4% Africans
15,3% Coloured
6,3% Indian
18,9% White
1,1% Foreign

Group operational and management structure



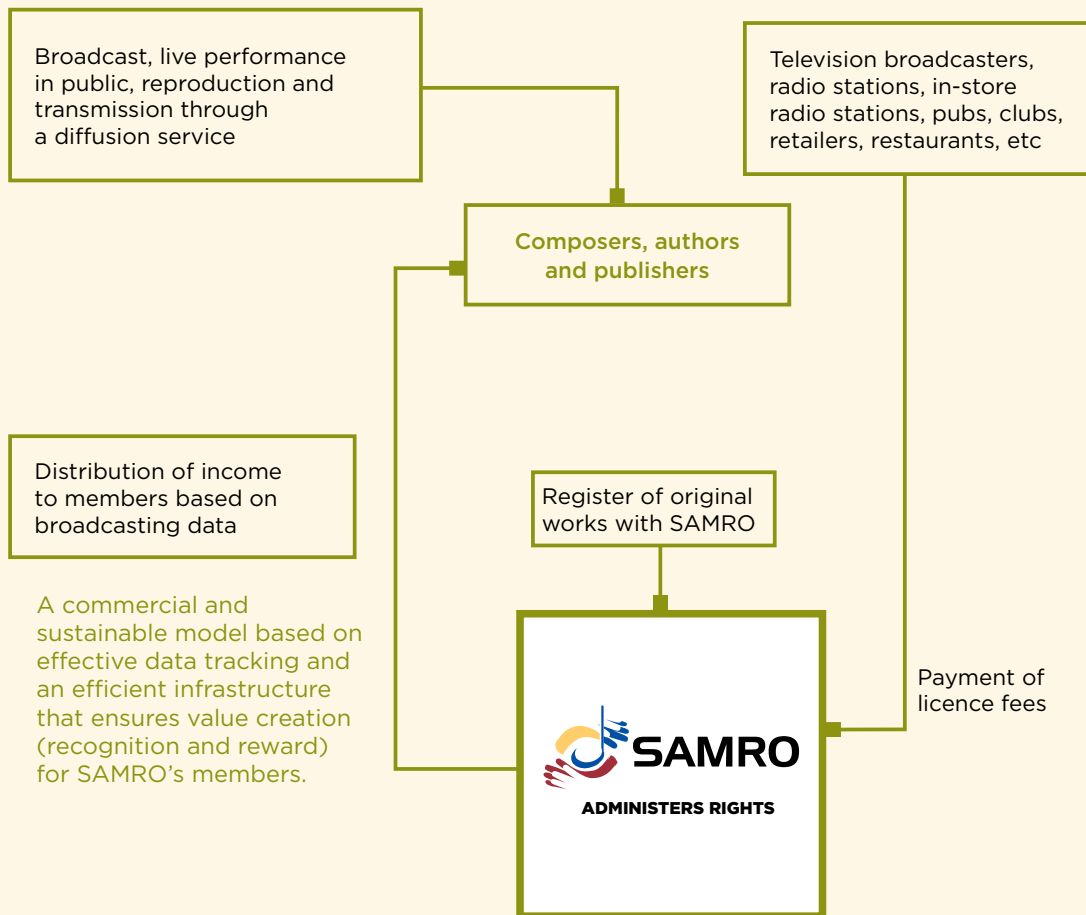
BUSINESS MODEL

SAMRO

SAMRO is a membership-based organisation, and its core function is the administration of various types of intellectual property works in copyright, governed by the Copyright Act, 98 of 1978, as amended. SAMRO also owns a property holding company in which SAMRO Place is housed. The organisation's main revenue is derived from licensing the rights of music composers, authors and publishers. This includes the licensing of musical works (SAMRO repertoire) for broadcast, performance in public and transmission through a diffusion service.

Composers, authors and publishers assign their rights to SAMRO for purposes of licensing. In return, SAMRO distributes the royalties to them after collecting licence fees from the users of copyright works (such as broadcasters) and deducting administration costs for this service.

SAMRO provides composers, authors and publishers from foreign territories with the same service through a system of bilateral agreements for reciprocal representation with similar organisations throughout the world. SAMRO also receives distributions from these international organisations when our members' works are performed in their countries.



DALRO

DALRO licenses the reproduction of literary, artistic and dramatico-musical works, and offers a range of related services.

DALRO's main source of revenue is the administration of reprographic rights, although the organisation is developing other revenue streams in copyright licensing and related fields. The organisation developed tariff and licensing instruments for the licensing of these rights to private and public sector businesses, particularly media monitoring services. Licensing schemes were also developed for visual works of art and the adaptation of books for film and television productions.

The SAMRO Foundation

The SAMRO Foundation is a non-profit company (NPC) housing the corporate social investment (CSI) portfolio of the SAMRO group of companies. The Foundation's activities aim to promote South African arts and encourage a culture of excellence in the arts while supporting the local music industry through a diverse range of programmes.

Non-royalty commercial enterprises

This area of the business houses the group's activities that focus on generating non-royalty revenue to diversify the sustainable revenue stream for its members, including rental from SAMRO Place.

SAMPRA/POSA

The POSA Trust was set up, as a subsidiary of SAMRO, to administer the rights of performers when the sound recordings in which they participated are performed (needletime rights). SAMPRA is the independent body historically accredited to represent record producers in respect of needletime rights. After lengthy negotiations, a consolidation agreement between SAMPRA and POSA was reached in 2014, allowing for the creation of a single needletime rights society that operates separately from SAMRO. When formed, this society will have two chambers, one for record companies and the other for performers, with equal representation on the board.



STRATEGY SUMMARY

SAMRO's goal is to be the global music rights and value-added services organisation of choice for African and Middle Eastern repertoire. To achieve this goal, there are three strategic themes:

- Revenue growth
- Focus on members and users
- Operational excellence

STRATEGIC OUTCOME LEVEL	OUTCOMES	PROGRESS DURING 2016
Primary strategic outcome	To become a copyright asset management and services organisation	2016 marked the end of the Copyright Asset Management and Services (CAMS) strategy which was revised following the change in legal status to NPC. As a result, a number of the original deliverables fell outside of SAMRO's mandate. However, the remaining objectives were completed on time, and SAMRO continues to focus on its core deliverables of creating value for its members.
Secondary strategic outcomes	To facilitate a single music rights licence	The merger of POSA and SAMPRA into a new organisation, which will ensure that the rights of record companies and performers are administered under one roof, is now nearing completion. CAPASSO, the mechanical rights society formed from the merger of NORM and SAMRO's mechanical rights arm, has been successfully processing distributions for two years. These affiliations pave the way for a single rights licensing regime, but there are still many obstacles to overcome, from both an industry and a legislative perspective. SAMRO continues to be committed to this outcome and negotiations are proceeding.
	To pursue limited diversification	SAMRO is a role model for CMOs in the rest of Africa. This position allows us access to new markets within the region, enabling us to focus on our core business and our members while creating additional value through managed geographical diversification, beginning with UAE.

External environment

The South African economy suffered a further battering this year, with the rand decreasing in value against major international currencies, severe drought affecting domestic economic performance, and a climate of continued low growth. The relentless advance of technology, particularly digitalisation, creates challenging conditions for the administration and enforcement of copyright legislation, and the protection of intellectual property rights. The pace of technological change is increasing, and South Africa is behind the curve globally, though it is beginning to gain traction. SAMRO is studying international trends carefully to identify opportunities and strategies for the benefit of our members.

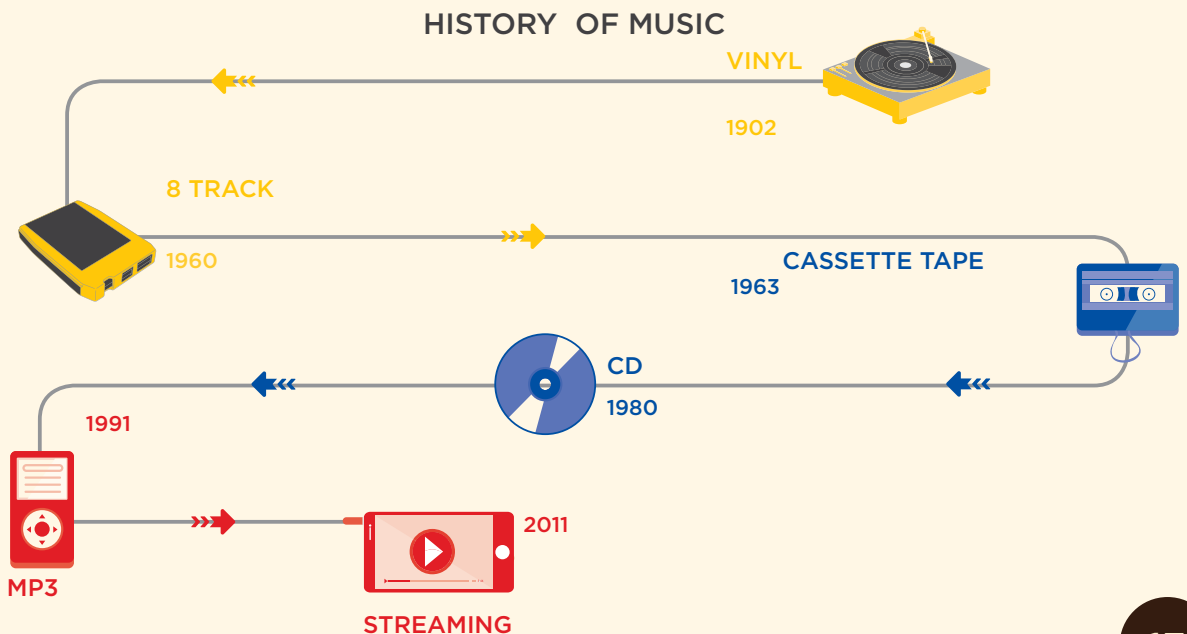
Proposed changes to the Copyright Amendment Bill, which threaten DALRO's long-term viability, have still not been resolved, fostering uncertainty and making it difficult to plan a long-term strategy for our literary rights subsidiary.

Short-term strategic imperatives

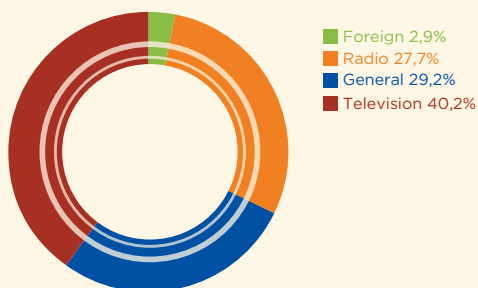
SAMRO has implemented a detailed business plan underlying the strategy mentioned above with clear milestones and measurable outcomes:

- Pricing – appropriate and value-creating tariffs
- Simple and efficient processes
- Accurate and timely invoicing
- Customer retention
- Market penetration
- Market development
- Effective credit control

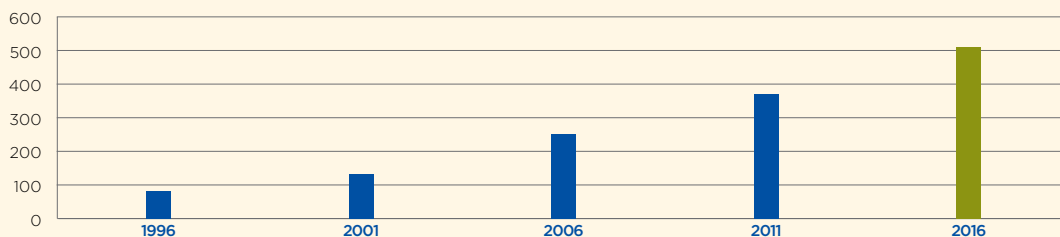
While it has been difficult to make significant inroads into the market in the current trading climate, we are pleased with our progress against the majority of these imperatives. We have improved our invoicing procedures and our credit control, ensuring better collection rates, and streamlined our processes to be more cost-effective and efficient, enabling our staff to perform at higher levels of productivity. Tariff negotiations with a major broadcaster have occupied us for some time but have borne fruit this year. Read more about that in the CEO's report on page 26.



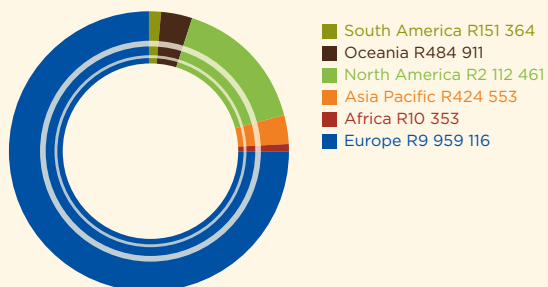
SOURCES OF LICENCE AND ROYALTY INCOME



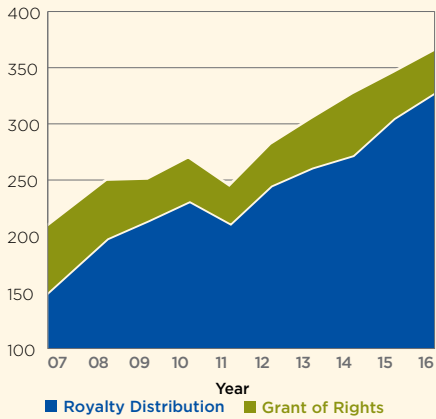
GROSS GROUP INCOME (Rm)



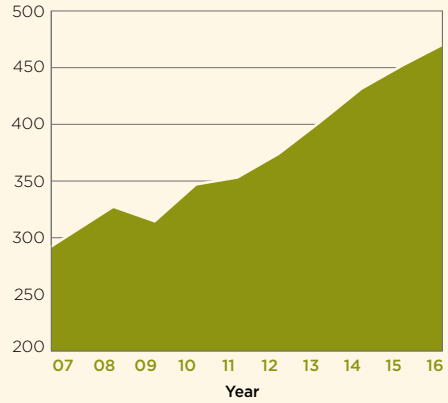
FOREIGN INCOME BY REGION 2016



DISTRIBUTIONS (Rm)



TOTAL INCOME (Rm)



LICENCE INCOME SOURCES (Rm)



Note: Mechanical rights are now administered by CAPASSO

COST-TO-INCOME RATIO (%)



MATERIAL MATTERS

The table below lists the matters that are considered most material to the group's long-term sustainability. These have been derived from a consideration of the operational risk register and an analysis of the broader trends in industry, both locally and internationally.

MATERIAL ISSUE	RISK	HIGH-LEVEL FEEDBACK	FURTHER INFORMATION
Membership	Ability to increase distributions in line with membership growth	Membership increased by 5,5% and distributions by 6,1%	Chairperson, CEO and sustainability reports
Reputation	Negative perceptions about SAMRO affecting membership and revenue	Positive engagement with members in 2016; active member participation at AGM	Chairperson and CEO reports
Legislative changes	Business model relies on existing legislation	No changes in legislation during 2016, but legislation affecting DALRO is pending	Chairperson and CEO reports
Costs	Fixed-cost base requires revenue growth	SAMRO contained operating costs to 7,1% increase over the prior year following several years of below inflationary increases	CEO and CFO reports
Piracy and revenue	Digital service providers and new distribution channels	Ongoing lobbying and awareness creation	Chairperson and CEO reports
Licensing	Licensing of community broadcasters not sustainable in current form. Lack of adequate copyright legislation for new media	Continuous business development initiatives aimed at new licensees	Reports of CEO and CFO
Data integrity	Correct and timely distributions rely on accurate data from users	IT system continuing to demonstrate improved data quality	Chairperson and CEO report

MATERIAL ISSUE	RISK	HIGH-LEVEL FEEDBACK	FURTHER INFORMATION
IT systems	Internet penetration among members increasing, although slowly	This remains challenging	CEO report
Compliance	Compliance capacity and structure	Monthly review and analysis of operational risks	CEO, governance and risk reports
Customers	Non-payment by licensees	Key account management extended	Chairperson and CEO report
Employees	Increased union activity	Proactive engagement with union	CEO and human capital reports



BOARD OF DIRECTORS

Non-executive directors



S Khumalo

*Appointed 1 November 2010
Composer member*

*Appointed chairperson
1 April 2016*



L Bala

*Appointed 27 March 2014
Composer member*



J Edmond

*Appointed 28 March 1987
Composer member*



JJ Mnisi

*Appointed 26 March 2015
Independent member*

*Independent director by invitation
- appointed 26 November 2009*



G Le Roux

*Appointed 28 November 2014
Composer member*



J Zaidel-Rudolph

*Appointed 1 January 2008
Composer member*



SCP Mabuse

*Appointed 25 March 1995
Composer member*



JJ Niemand

*Appointed 30 November 2012
Composer member*



A Mafokate

*Appointed 17 September 2015
Publisher member*



EXECUTIVE DIRECTORS AND EXECUTIVE COMMITTEE



Rev NA Sibiyi

*Appointed 1 November 2010
Publisher member*

*Appointed chairperson
13 September 2012*

*Appointed acting CEO
24 March 2016*



J Schulten

*Group company secretary
and HR executive*



GJ Zoghby

*Chief financial officer
Executive director*



B Harty

Chief operations officer



P Lishivha

*Executive general manager:
Rightsholder Services and POSA*



A le Roux

*Managing director: SAMRO
Foundation*



S Mhlanga

Executive general manager: Sales



L Serobe

Managing director: DALRO



“

Our overarching goal is the creation of economic value for our members' creative works and sustainability in the music industry.

”



CHAIRPERSON'S

REPORT

S Khumalo

Dear members and stakeholders

It is with pleasure that I present this integrated annual report for 2016 to you, our members and stakeholders, at the end of an important year for SAMRO. We were sorry to bid farewell to our chief executive officer, Siphso Dlamini, and welcomed our chairperson, Rev Abe Sibiya, into the post of acting CEO. I was honoured to take on the role of the chair during this interim period.

Despite changes at executive level, SAMRO has continued, unabated, to fulfil its purpose as the foremost collecting organisation in Africa. We exist to protect the intellectual property of our members – composers and publishers – and to make sure their ability to earn a sustainable livelihood from their creative efforts is not compromised or put in jeopardy. SAMRO adds value to society by acting as a cultural beacon, advocating for the role of arts and raising public awareness of the issues affecting our members.

We have a duty to ensure the legal framework in which we operate keeps up with global trends, and to liaise with government to create and maintain an environment in which composers, publishers and performers have a clear understanding of how their income is derived.

Remaining relevant in a changing world

SAMRO provides a consistent and reliable service to members, and we do this in an environment that is not constant but dynamic and ever-changing, particularly in the face of the unstoppable tide of digitalisation. We remain relevant by being a nimble, agile organisation that evolves as the industry evolves. In the past, our operations were predominantly manual. Recognising the need for increased sophistication in our collecting operations, we introduced the 'Zeus' processing system. We are pleased to report that our procedures are now highly digitised and more than 5 000 members manage their accounts entirely online. We have streamlined our processes to make them easy for our employees and members alike to administer.

Any system is only as good as the information it contains. To be a high-calibre CMO functioning to international standards, we need efficient processes and leading-edge technology. It is vital that the data we receive from members be of good quality. We are working hard with members to improve our collecting methodology and reduce the amount of undocumented works.

We are also supporting members in their own transition to the digital space, helping them to negotiate the proliferation of channels, the rise in online music distribution and other digital platforms, and the increasing risk of piracy.

International recognition

We are grateful to our outgoing CEO for the role he and his predecessor played in raising the profile of SAMRO on the international stage and in expanding our global reach. We retained our seat on the board of CISAC, where we proudly represent African music, and have been appointed to the post of Vice President of CISAC's newly established African office. We look forward to leveraging this position to grow and develop the collecting industry on the African continent. The establishment of AEMRO in Dubai is a further example of our growing African and global presence. See the CEO's report on page 26 for more information.

Responsible governance

We have paid particular attention to governance over the past year. Our search for a new CEO has paradoxically brought our internal processes into sharper focus while at the same time heightening our awareness of the world about us. It has been rewarding, as chairperson, to observe the robust debate and close collaboration that has taken place among board members, reaffirming our uncompromising commitment to our members.

This sense of obligation to members is what drives our approach to governance at SAMRO. Compliance and risk management are key duties of the board, which we discharge meticulously. However, all board decisions are taken not only in accordance with legislation and policy, but also with the best interests of the company and its members at heart. Our focus during the past financial year (as with the past three years) has been on the achievement of strategic objectives and on continuing to build trust with our members. Our overarching goal is the creation of economic value for our members' creative works and sustainability in the music industry.

Stakeholder engagement

SAMRO engages with multiple stakeholders whose interests do not always align, and we do so with sensitivity to the needs of all. Our members range from high-earning publishers to young composers

and authors breaking into the industry. We strive to foster an atmosphere of mutual respect and to create an empowering environment for everyone, regardless of the size of their catalogue.

Government is also a key role player in the creation of this environment. When the letter of the law doesn't talk to the spirit of it, we engage at the appropriate level to influence legislation and the rules that go with it. It is our responsibility as a rights organisation to manage the risk of not delivering to our members. We are proud of our ability to be proactive with government and we work collaboratively to help it understand the role it needs to play.

We continually engage with regulators and licensees to ensure payments are made correctly and timeously – a task that requires constant vigilance and diligence. Our dealings with regulatory bodies are healthy; and we have put a number of measures in place this year to make our processes with licensees more robust, thus strengthening relations and improving good will.

Our International affiliates are important stakeholders who need to be assured of their relevance in the South African market and of the benefits of association with SAMRO. As a member of CISAC we adhere strictly to the binding resolution governing equal treatment for all music, therefore, we felt duty-bound to communicate the implications of the public broadcaster's decision to increase the local music content of its programming.

Transformation

SAMRO takes a holistic approach to transformation. We believe that we can contribute to society by helping it to move from one state to another, not just by meeting criteria on a scorecard. Positive role models are a strong force for empowerment; diversity at senior level motivates all employees by generating a sense of ownership.

Our efforts in terms of transformation have met with some challenges. We have established a transformation committee to ensure we are better able to meet the criteria at the next assessment. See the Transformation Report on page 53 for more information. We look forward to welcoming a young African woman publisher to the board in the next financial year. While this will enhance our BBBEE rating, more importantly we see it as an affirming step for potential young publishers. We

hope it will inspire other young people, particularly black women, to consider a career in publishing.

Looking ahead

Our focus this year has been on making sure the organisation is stable during this transition period. In the year ahead we look forward to recruiting and working with a new CEO and ensuring the continued sustainability of the organisation as a financially secure CMO with a growing international footprint. We will continue to work tirelessly to meet the needs of our members.

Acknowledgements

I am humbled by the faith entrusted in me as acting chairperson, and would like to thank the board for its support and encouragement as we have navigated the journey into the future together. Special thanks are due to Rev Sibiyi for his willingness to fill the shoes of the CEO temporarily and help steer the ship while we seek a permanent replacement.

I would particularly like to thank Siphso Dlamini for his energy and drive during his time as CEO, and for his vision in awakening SAMRO to the possibility of an active presence outside of South Africa and Europe. With tenacity and good humour, he encouraged us to think beyond our borders and adopt a more tangibly internationalist approach.

I extend my appreciation to the executive of SAMRO for continuing to make sure the company functions effectively and productively. Thanks are also due to the managers and employees of SAMRO, who have maintained high morale and high productivity despite the depressed financial space in which we have had to operate.

And of course we wouldn't be here if it weren't for the support and involvement of our members, the creators and publishers of music who do so much to put South African music on the world map. Thank you for your dedication to your craft and your backing throughout the year and we look forward to our continued association in the year ahead.



S Khumalo

Chairperson
1 November 2016



“

SAMRO is a well-managed, robust, professional organisation that serves as a beacon for the rest of Africa.

”



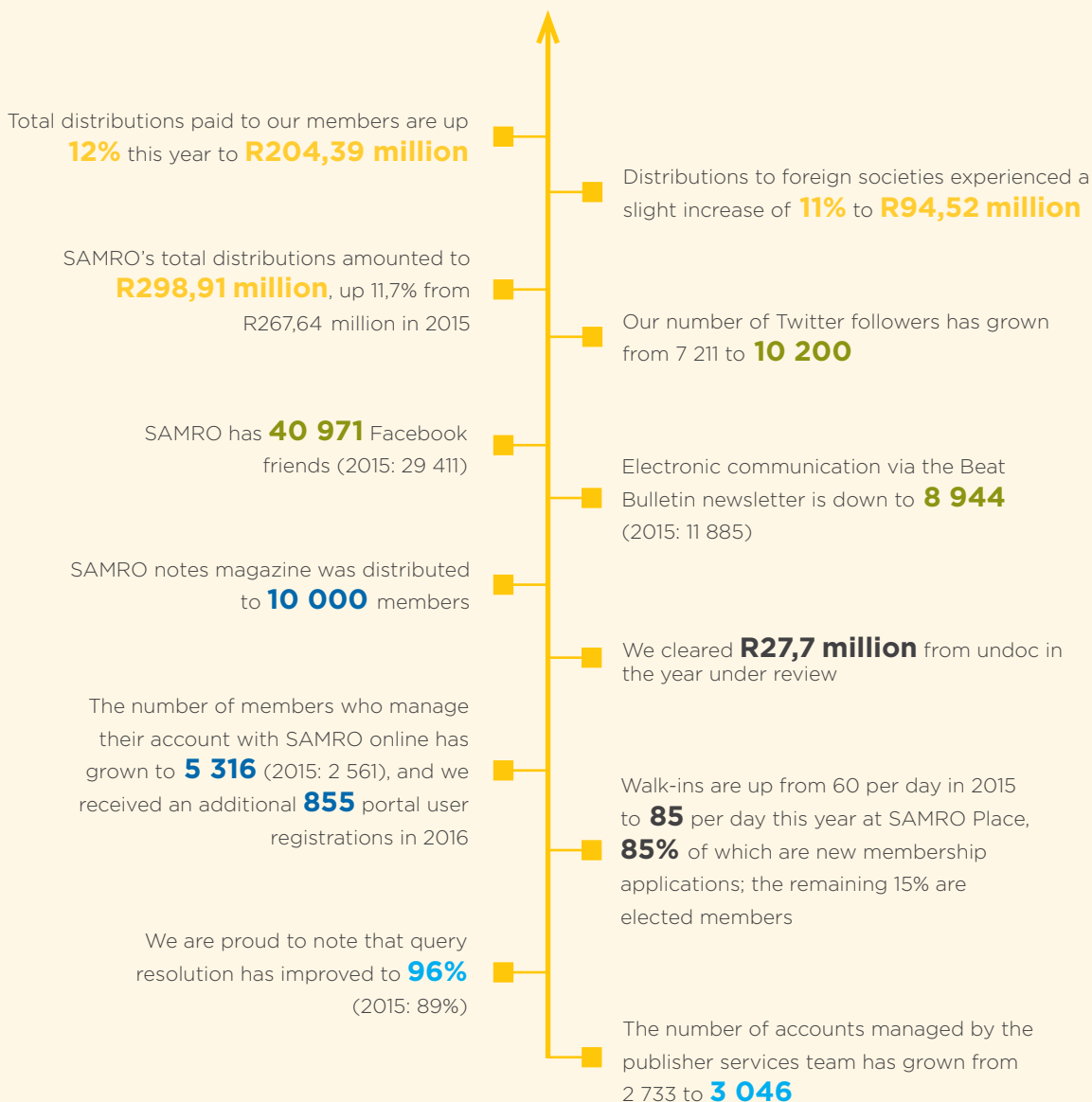
ACTING CHIEF EXECUTIVE OFFICER'S

REPORT

Rev NA Sibiya

I take pleasure in presenting this report to you in my capacity as acting chief executive officer (CEO) of SAMRO. Many members will know me as your chairperson, a post I have held since 2012. We were very sorry to say goodbye to Siphon Dlamini, our CEO, in March of this year. To ensure continuity I agreed to take up the role of CEO while the organisation conducted a thorough search for a suitable replacement for Mr Dlamini, who brought so much to SAMRO in his short tenure as CEO. I have endeavoured to carry on his good work and assure members and colleagues alike of a seamless transition from one management regime to the next.

Tracking our performance in numbers



A changing environment for CMOs

The global economy has been beleaguered in recent years and South Africa has not been immune from the effects. 2016 did not bring any relief from this economic strain, and domestic issues further weakened South Africa's international financial standing, bringing the rand under pressure and threatening our credit rating as a country. These conditions have inevitably impacted our members. CD sales have decreased but South African musicians have not yet fully grasped the commercial potential of digitalisation.

Against this context, however, collecting management is enjoying growth. Important advances have been made in technology as the fast-moving tide of the digital wave sweeps over us. CISAC, our mother body, is working hard to leverage technology to improve the means of collecting, data integration, data monitoring and use, and to enhance distribution and reporting.

SAMRO has been exploring ways to tap into this increasing sophistication in collective management for the benefit of our members. We are working with the dti to develop reciprocal arrangements with various international bodies, where those arrangements do not currently exist, to enable us to unlock revenues that are currently trapped.

A beacon for Africa

The collecting industry in Africa is also growing. Until recently there were 21 collecting organisations on the continent; there are now 34. Operationally, the African market is less developed than the rest of the world, but SAMRO is the notable exception. SAMRO is a well-managed, robust, professional organisation that serves as a beacon for the rest of Africa. We sit on the board of CISAC and represent the interests of African music at the highest international level, standing shoulder to shoulder with our contemporaries worldwide. We participate in high-calibre global conferences and are constantly vigilant to the pace of change and the latest developments in our industry. This enables us to interpret trends and understand what they mean for our members and for our counterparts on the African continent.

We are particularly pleased that CISAC is in the process of setting up an African office that will establish an African music database and put us on the world map. SAMRO is leading the way as the vice president of the African board, which will allow us to mentor other African countries as they establish and strengthen their CMOs.

AEMRO

As part of our commitment both to the African music industry and to extending our footprint into international territories, we are pleased to announce the expansion of our business into the United Arab Emirates (UAE) with the establishment of AEMRO. This allows us to grow our membership earning potential by tapping into new markets without reinventing the wheel; reliance on the existing SAMRO infrastructure will reduce the costs of doing business in the new environment. We have cultivated harmonious and productive relationships with the government of Dubai through close links with the Department of Economics; and our Dubai-based executive management team has entered into a beneficial partnership with the local industry, as governed by UAE laws. This will open up opportunities for SAMRO members to introduce their repertoire to a new and untapped international market and thereby grow their revenue. This is aligned with our strategic goal of diversification, as shown on page 12.

Supporting and growing the industry

One of the challenges for our members is how to properly monetise their talent. Society needs arts and culture, but it is increasingly difficult to ensure a sustainable livelihood from the arts. SAMRO plays an important role in helping members to develop a catalogue of music that can be marketed in a versatile manner to the right audiences. Digitalisation and internationalisation create massive opportunities for South African artists, and they need our support to understand the world of publishing and to grapple with the demands of the digital space, where the potential for earnings is huge. Musicians need to become more commercially aware, taking a more active role in the administration of their business.

Last year we welcomed the Cultural and Creative Industries Federation of South Africa (CCIFSA); and while the entity is still young, we believe it will serve a unifying purpose and add momentum to the business development of the creative sector, helping the industry to find the right path.

Through the SAMRO Foundation and the stakeholder hub, we provide administrative support to other arts organisations, fostering a community of agencies and other entities dedicated to ensuring a flourishing creative economy in South Africa. We are particularly proud of the work of Concerts SA, a collaboration between the SAMRO Foundation, the Norwegian Embassy and Rikskonsertene (Concerts Norway), that brings live music performances to schools and other venues and provides support to the sector through research and skills development, helping to build a vibrant live music circuit in South Africa.

SAMRO membership continues to grow, with an increase of 5.5% over the previous year. This is a testament to the resilience and vitality of the South African music scene – despite the difficult trading conditions, composers, authors and performers continue to write and produce music. Furthermore, the quality of our membership is on an upward trend, which will grow the revenue of the organisation and the reputation and calibre of the industry.

Highlights for 2016

Throughout most of the year we were engaged in a lengthy and protracted series of negotiations with the nation's public broadcaster, SABC, regarding radio and TV tariffs, which had not increased for many years. We are very pleased to report that the SABC has agreed to increase the radio tariff to 4% and invoicing has already commenced at this rate in the new financial year. It is disappointing that similar progress was not achieved on the television tariff, but we look forward to resolution of this tariff in the new financial year.

Many local composers and publishers lobbied the SABC strongly during the year to increase local content and the SABC's decision to increase

it to 90% has been warmly received by SAMRO members. Notwithstanding this broadcaster policy, SAMRO adheres strictly to CISAC's binding resolution for equal treatment of all composers' music used. SAMRO is in talks with the SABC to bolster reporting protocols to improve distributions to all composers. This year saw a focus on systems and processes as part of our drive towards a high-performance culture and our ongoing push to contain costs. We have reviewed the operational efficiency of all our departments, with a particular focus on sales, and are pleased to say that our efforts are now being reflected in the financials (see the CFO's report on page 32).

A significant achievement this year was the creation of our research and development (R&D) hub. Its role is to look at potential innovations, benchmarking our activities against CMOs around the world. Effective R&D keeps SAMRO relevant and our thinking current. It also gives us a window into the rest of the collecting world and ensures we maximise the knowledge-sharing opportunities afforded to us by our international connections.

Finally, we were pleased to retain our seat on the board of CISAC. This involved strategic lobbying and assertive engagement on our part, and we are proud to facilitate continued representation of African music at international level through our participation on this prestigious body.

Transformation

SAMRO is wholeheartedly committed to transformation, not only in terms of legislative compliance, but in accordance with the spirit of the law as it was conceived and designed – a tool to bring about a fairer, more equal society in which all South Africans have the opportunity to realise their potential, unhindered by economic injustice. As a result of the change in the Broad-Based Black Economic Empowerment (BBBEE) codes, SAMRO has found it challenging to achieve the scorecard we feel reflects our intrinsic philosophy. Therefore, we have instituted a programme that we believe will deliver an acceptable score and BBBEE level within a fixed period of time. We look forward to keeping you informed of our progress in this matter.

Stakeholder engagement

Close attention was also paid to stakeholder engagement. In addition to building bridges with the country's largest broadcaster, we nurtured relationships with government and the departments we regularly liaise with, as well as our counterparts in other music rights organisations. We enjoy healthy associations with the chairpersons and CEOs of stakeholder organisations and undertake collaboration where appropriate. We continue to progress the merger between POSA and SAMPRO for the administration of needletime rights and look forward to its conclusion in the new financial year.

Stakeholders are not only external but also internal. Our employees remain a key stakeholder group and a core asset without which we could not conduct our business. We are committed to maintaining open and transparent communications with our colleagues and are pleased that we have had no industrial unrest for several years. My predecessors held – and I have continued – regular employee engagement sessions, called Majwaneng, which bring together diverse groups of employees to elicit their views and ideas on the running of the organisation. These sessions are two-way and help management understand the concerns of employees and serve to reinforce the high-performance culture we have been working to establish. See the Human Capital report on page 54 for more information on employee relations.

Future focus

Looking ahead, in the next year we anticipate finalising our tariff negotiations with the SABC to include television and revising our tariff structure with the commercial broadcasters. We intend to grow and strengthen our stakeholder relations and leverage our international expansion for the benefit of all members. Our investment in R&D will help us to remain innovative and ensure we are always at the cutting edge of international developments.

To increase our non-royalty revenue and to create further opportunities to grow our grant of rights payments to members perpetually, we have agreed to the development of the parking lot opposite SAMRO House. This solid investment allows us to increase the rentable space owned by SAMRO and the value of our property with no requirement for capital outlay. The investment would be structured as a 99-year lease that will allow SAMRO to take over the property, worth in excess of R180 million (in today's terms), after 99 years, when ownership will revert to SAMRO House.

Acknowledgements

I would personally like to thank the board for entrusting this short tenure of SAMRO to me. I thank the executive team of Gregory Zoghby, Bronwen Harty, Joyce Schulten, Pfanani Lishivha, Stephenson Mhlanga, Lazarus Serobe and André le Roux, our managers and all SAMRO's employees for supporting me and the organisation during this period of transition and for continuing to work so hard to build a high-performance culture. I would like to express my heartfelt thanks to Siphon Dlamini for all his assistance during the handover period and for his support and the warm relations we enjoyed when I was in the chair.

And of course the organisation and indeed the industry would not exist without the creative efforts of all our composer and publisher members, who fly the flag for African music and show the world the richness and diversity of our musical culture. Thank you for entrusting us with your musical rights.



Rev NA Sibiyi

Acting chief executive officer
1 November 2016

A man and a woman are lying on their backs on a lush green lawn. The man, on the left, is wearing a light blue t-shirt and has his eyes closed with a smile. The woman, on the right, is wearing a lime green ribbed top and is laughing joyfully with her eyes closed. Both are wearing white earbuds. A central text box with a green border is overlaid on the image. At the bottom, there are decorative musical notes in blue and yellow.

MUSIC
IS A
LANGUAGE.

YOUSOU N'DOUR



CHIEF FINANCIAL OFFICER'S

REPORT

GJ Zoghby

Overview – performance

Trading conditions over the past year remained challenging for all industries, and the creative economy was no exception. Against this backdrop SAMRO held its own with licence revenue seeing modest growth. The difficult economic environment has had a direct impact on our revenue collections, with many small licensees finding it difficult to keep afloat; and new business has been hard-earned.

Licence and royalty income grew by 3,3% to R449,3 million (2015: R434,9 million), while total revenue generated by performing rights licences increased by 3% to R436,2 million (2015: R423,4 million). I am pleased to report that the company did not experience any strain in meeting its obligations and very little money was liquidated from investments to fund distributions, unlike in previous years. I am also delighted that early indications in the new financial year suggest that renewed efforts and process enhancements in both the sales and credit control areas are beginning to pay off.

Licence income from broadcasters struggled this year as a result of downward pressure on advertising spend with the broadcasters in light of the difficult economic conditions. Television income grew by a muted 4%, while radio was marginally better at 4,3%. As broadcast revenue constitutes two third of our licence income, this created significant pressure on the revenue line. Sliced differently, public broadcasters' licence revenue shrank by 0,7%, while private broadcasters grew by 10,9%.

General licensing fared worse as many businesses failed to keep up their licence payments and closed down, resulting in an increase in bad debt write-offs, shrinking the general licensing income for the year. Foreign revenue has grown 13,9% in rand terms, mainly as a result of a depreciating rand, but has declined almost 10% real terms as foreign societies have struggled with their revenue.

Investment income struggled in the current year as the market exhibited significant volatility and the rand remained under pressure for most of the year. As a result of the market turmoil, this income declined by 9,8% for the year.

Licensing and tariffs

The year under review brought a successful conclusion to negotiations with the SABC regarding tariffs, with the announcement that the radio tariff would increase from 3,25% to 4%, which became effective in the new financial year. We look forward to resolution of the television tariff in the coming months as well. Throughout this process SAMRO managed complex stakeholder engagements adeptly as we vigorously defended the interests of our members while at the same time maintaining a harmonious and fruitful relationship with the nation's public broadcaster, meeting extensive requests for information in support of the rate review. Implementation of the new tariff has not been without its challenges, but invoicing has now commenced at the higher rate in the new financial year.

We have also been in talks with the private broadcasters regarding their tariffs, a process that has suffered delays for various reasons. We are hopeful that these broadcasters will now follow the example of the SABC and allow our members to enjoy fairer remuneration for the use of their music. Out of this process has come increased monitoring of music content by one broadcaster to demonstrate the level of music use, in support of the tariff increase, which we welcome, though SAMRO will conduct an independent content assessment to confirm the broadcaster's result.

General licensing tariffs have been reviewed but are more complicated to implement. Simplified tariffs have begun to impact positively in some municipalities which are now complying and becoming licensed. SAMRO is in discussion with the South African Local Government Association (SALGA) in the hopes of bringing some industry pressure to bear on its members. Simplification of the university tariffs has also had a positive impact on those institutions willing to take a blanket licence; some of the larger universities are already compliant. The restaurant tariff was revised, to positive reception, with more restaurants acceding to the licensing efforts.

SAMRO reviewed the promoter's tariff downwards from 3% to 2% to encourage compliance against a backdrop of a previous increase which was poorly received by the promoter community, leading to a significant reduction in uptake of licences. The lower tariff has resulted in increased renewals, but we are still facing an uphill battle with new promoters.

Finally, SAMRO has struggled for several years with the licensing of government departments, with limited success. While we are delighted to have secured the tariff increase with the SABC, licence income from broadcasting tariffs is based on a percentage of advertising spend. In the event of economic downturn and poor performance, such as that experienced by the SABC for some time, and more recently by e.tv, our broadcasting revenue, which is the largest single proportion of our income, is adversely affected. A regular tariff review will afford us some protection from these fluctuations.

Cost control and efficiencies

Cost control remains one of our key focus areas and, despite some unexpected costs, we kept expenditure to an inflationary increase and reduced the cost ratio from 23,5% to 19,9%. Our biggest outlay will always be salaries and benefits, while other significant costs include depreciation on assets (including the new Zeus system on Dynamics AX (DAX)), legal fees, professional and consultant fees, investment management fees, organisational development, storage, and other incidental expenses.

SAMRO has continued to work on streamlining and improving its processes to make them more efficient. To this end several enhancements have been made to the DAX system, but further changes have been put on hold as we migrate to the next software release, which we anticipate will take between 15 and 18 months, slightly later than originally anticipated, due to delays caused by the Dutch society in finalising their upgrade, the benefits of which were included in the original negotiated price of the system.

We have had to manage credit control carefully in the current economic circumstances. Smaller licensees, who are generally less compliant than larger accounts, have come under enormous pressure, and we have had to exercise a degree of tolerance. We have continued to collect from broadcasters and key accounts without undue irregularities.

New business development efforts have been bolstered by the appointment of a full-time researcher who has been tasked with identifying opportunities for the sales team to pursue.

Document processing has been streamlined to facilitate a shorter invoicing process; and renewals have been centralised under one individual, giving greater control over the process and removing duplication and associated costs. Government business will be handled by a dedicated account manager, which should result in improved relationships with government and municipalities, thereby shortening the licensing time lags.

DALRO

DALRO enjoyed very positive results last year, commendable not only in the prevailing economic climate, but particularly with the threat of the proposed copyright legislation currently before parliament, which may render DALRO's business model unsustainable. Fee income grew by 16,8%, contributing to total income growth of 21,8%, after accounting for all income streams. Although blanket licence income grew by 10,3%, revenue growth was enhanced by an increase of 186,6% in primary rights. The investment revenue increase of 39% also added significantly to DALRO's overall income, due to increased cash balances.

The proposed changes to copyright law for education could potentially reduce DALRO's revenue by two thirds, if the legislation is passed in the original format without amendment. This process has still to go through Nedlac and to Cabinet, at which point there is likely to be significant objection to the proposed changes. Many creators will see their earnings capability severely compromised or even wiped out. This could result in a constitutional challenge being mounted from various quarters, although we are hopeful of a less litigious outcome.

POSA

The merger with SAMPRO has progressed slowly, although several important milestones have been achieved. The memorandum of incorporation has been completed and the inaugural AGM was held at the end of October 2016. The new organisation is to be structured with two chambers, for performers and record labels, with equal representation on the board. At the time of going to print, POSA and SAMPRO were awaiting approval of the 2014 distribution plan by the Registrar of Copyright before the 2014 royalties could be distributed. POSA also performed

distributions on behalf of third parties, earning a fee for this activity. Progress has been made in terms of licensing radio broadcasters and revenue is expected to start flowing in the new financial year. POSA was also admitted as an associate of SCAPR, the Societies' Council for the Collective Management of Performers' Rights. SCAPR is a not-for-profit organisation based in Belgium, operating as an international platform for the development of the practical cooperation between performers' collective management organisations.

SAMRO Place

SAMRO House revenue has remained flat on the previous year, due to the loss of several tenants and the struggle to fill these vacancies quickly, as well as lower cash balances in the year. A decision was made to find a single large tenant rather than several small tenants, as larger tenants have historically tended to be more reliable and less likely to default. The commercial rental market is relatively flat at the moment, and turnover of larger tenants is low, hence the delay in filling vacant tenancies. Costs were well controlled in the year, increasing by only 5,9% over the previous year.

Reserves

SAMRO actively manages its reserves capacity to ensure that it is able to meet new business and other developmental needs in future. The two main elements of reserves were as follows:

- The revaluation reserve relating to unrealised surpluses on investments that have increased in value and have not been sold

- The retained earnings reserve, which contains the funds set aside for future development

Future prospects

In the short term we do not expect the economic landscape of South Africa to change radically. The trading environment will continue to be challenging, and digitalisation will continue apace, with the accompanying difficulties in administering music rights in that space and the risk of piracy. The Consumer Price Index (CPI) is expected to edge down towards 6%. Interest rates are likely to begin to fall and we expect little change in credit extension. New business will require tenacity and perseverance, and gains will be hard won. Therefore our focus will remain firmly on driving efficiencies through process improvements, cost containment and optimal use of assets. SAMRO will continue to be a well-run operation that puts the interests of its members before all else.

I offer my thanks to the board and the executives for your unfailing support and to my support teams in the company – legal, finance and admin, who have persevered and shown their commitment to achieve our strategic goals, without which our society would not be able to operate efficiently for the benefit of our members.



Gregory Zoghby

Chief financial officer
1 November 2016



GOVERNANCE REPORT

The SAMRO board is responsible for safeguarding the interests of its members in the execution of plans, strategies and governance initiatives. Board members represent composers, authors and publishers.

Directors undertake to behave ethically in all dealings of the board and uphold the principles of good corporate governance as defined in the King Report on Governance for South Africa 2009 (King III). SAMRO became a non-profit company (NPC) on 1 May 2013, under the Companies Act.

Governance highlights for 2016

- Seamless handover of CEO post from S Dlamini to acting CEO A Sibiya
- Vice chairperson S Khumalo stepped up to post of Chairperson
- One new publisher director appointed
- POSA/SAMPRA merger nearing completion
- Identification of a young black woman publisher to the board (to take up position in new financial year)
- Established think tank to enhance research and development efforts
- DALRO's governance processes aligned with those of SAMRO
- Membership category 'candidate member' has been changed to 'ordinary member'

The board of directors

The SAMRO board guides the group, determining the strategic direction and monitoring progress of the implementation of the strategy. The board sets the ethical tone of the organisation, and its roles and responsibilities are described in the board charter, available from the company secretary upon request.

The board follows established policies and procedures to ensure that SAMRO complies with the laws and regulations governing the organisation and its environment, applying

the principles of good business practice in all undertakings. The board takes stakeholder relations seriously and ensures that engagement with important stakeholders, especially members, occurs at board, management and key employee levels.

The CEO runs the organisation via delegated authority from the board and with their full support. Discrete board committees are responsible for specific areas, managing the performance of each and being accountable for results. The board, as a whole, holds the ultimate accountability to members for the performance of the organisation.

Specific responsibilities of the board include:

- monitoring operational performance and management
- ensuring risk management and internal controls, policies and processes
- evaluating the performance of the CEO and board committees
- setting a clearly defined communications policy to ensure transparent communication between the board and key stakeholders
- increasing the value to members while maximising socio-political benefits
- ensuring the accuracy of SAMRO's financial statements

As a summary of the resolutions and AGM outcomes for the period, please be advised that:

- PricewaterhouseCoopers Inc. (PwC) was reappointed as the SAMRO auditors
- the Annual Financial Statements were approved
- Mr Arthur Mafokate was appointed as a publisher director
- Mr John Edmond, Ms Sibongile Khumalo and Mr Sipho Mabuse were reappointed as directors
- a Special Resolution was passed authorising the board to grant financial assistance to SAMRO House Holdings (Pty) Ltd in connection with its operational expenses and current and future funding obligations and arrangements

Governance structures, documents and processes are regularly reviewed by the board and committees to ensure that these remain relevant to the group. Board meetings take place at least

four times during any given year. During the year, four ordinary meetings and one extraordinary meeting were held and attendance is shown in the table below.

DIRECTORS	DATE FIRST APPOINTED	DATE LAST APPOINTED	17/09/15	26/11/15	18/02/16	24/03/16	23/06/16
Non-executive directors							
NA Sibiya (chairperson)	1 November 2010	29 November 2013	✓	✓	✓	-	-
NA Sibiya ¹ (acting CEO)	1 November 2010	29 November 2013	-	-	-	-	✓
S Khumalo	1 November 2010	27 November 2015	✓	✓	✓	-	-
S Khumalo ² (chairperson)	1 November 2010	27 November 2015	-	-	-	✓	✓
L Bala	27 March 2014	28 November 2014	✓	✓	✓	✓	✓
J Edmond	28 March 1987	27 November 2015	✓	A	✓	✓	✓
SCP Mabuse	25 March 1995	27 November 2015	✓	✓	✓	✓	✓
J Niemand	30 November 2012	30 November 2012	✓	✓	✓	✓	✓
J Savage ³	1 July 2013	29 November 2013	✓	✓	✓	✓	-
G Le Roux	28 November 2014	28 November 2014	✓	✓	✓	✓	✓
T Moraba ⁴	28 November 2014	28 November 2014	✓	✓	✓	✓	✓
J Zaidel-Rudolph	1 January 2008	29 November 2013	✓	✓	✓	✓	✓
J Mnisi ⁵	26 November 2009	26 March 2015	✓	A	✓	✓	✓
A Mofakate	17 September 2015	17 September 2015	✓	✓	✓	✓	✓
Executive directors							
SS Dlamini ⁶	1 July 2013	1 July 2013	✓	✓	✓	✓	-
GJ Zoghby	1 March 2008	1 March 2008	✓	✓	✓	✓	✓

✓ = Attendance, A = Apology received, - = Not applicable

¹ Acting CEO from 1 April 2016

² Acting chairperson from 24 March 2016

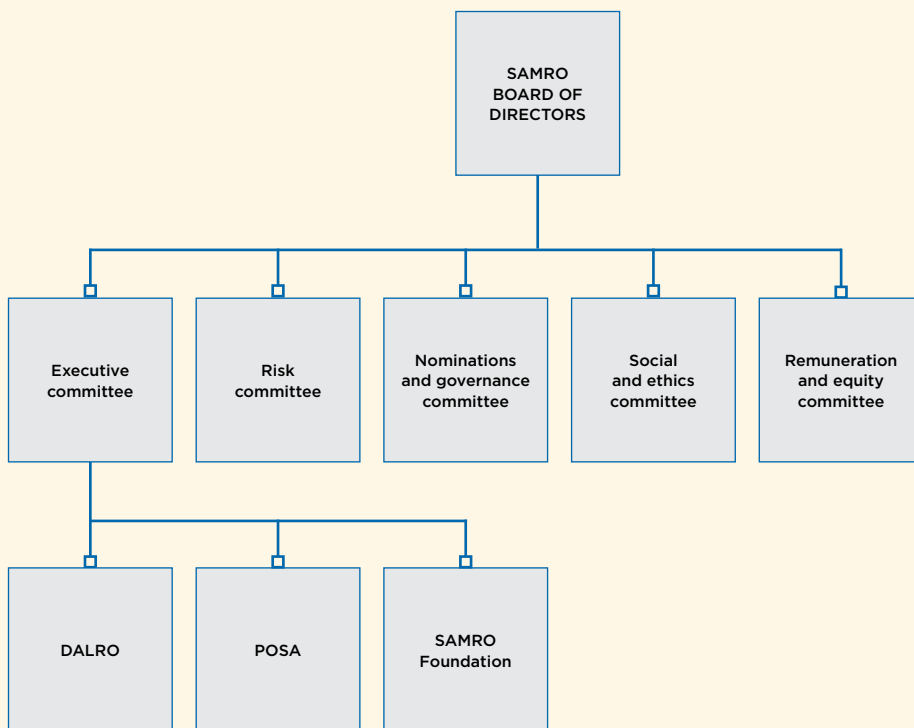
³ Resigned April 2016

⁴ Resigned 2 March 2016

⁵ Acted as independent director from 26 November 2009

⁶ Resigned 12 February 2016. CEO until 31 March 2016

Governance structure



Board composition

SAMRO’s unitary board structure currently comprises 14 members: 12 non-executive directors, the chief executive officer (CEO) and the chief financial officer (CFO). The importance placed on diversity in appointing directors is reflected in the gender, race, member type and musical genre represented. Eight non-executive directors are historically disadvantaged South Africans, of which two are woman.

SAMRO’s MOI stipulates that at least half of the directors must be composers or authors and not less than one-third must be publishers. Board members are nominated by members and elected at the AGM. The broad base of member participation in this process ensures adequate diversity in the board members elected, offering relevant industry experience, qualifications and a variety of disciplinary and social backgrounds.

The board is confident that its composition represents sufficient diversity, background and

experience to govern the company effectively. The board considers matters and acts collectively to ensure that deliberations are robust and balanced without allowing any individual to dominate the decision-making process.

During 2016, the CEO, Siphso Dlamini, left the organisation to pursue other interests within the music industry. Rev Abe Sibiyi stepped into the role of acting CEO, while Ms Sibongile Khumalo was appointed as interim chairperson of the board. Jay Savage, publisher member and director representing Sony, resigned from the board to pursue other interests. He has been replaced by Rowlin Naicker from the beginning of the new financial year, also representing Sony. Tsholo Moraba, publisher member and director representing Gallo Publishing, resigned from the board. Relebogile Mabotje, a rising young black composer and publisher member has been identified as his replacement, her appointment being confirmed in the new year.

Directors' remuneration

For details of the organisation's approach to remuneration of executive and non-executive directors, please refer to the remuneration report on page 44.

Board training

Comprehensive training is given to each new director at orientation. The training covers SAMRO's business model, operating and legal environment, as well as the director's rights, duties and responsibilities, and liabilities. Long-standing directors can also make use of this training if they wish. No additional training was conducted in 2016 but activity is planned for 2017.

Succession planning

SAMRO is committed to the sustainability of the organisation, to safeguard the continuity of value for members. Maintaining a high-performance culture requires individuals with appropriate skills and enthusiasm, and suitable replacements must be readily available when key positions become vacant. To ensure succession in essential roles, we continually develop the critical skills required at various management and leadership levels. Read more about succession planning in the human capital report on page 54.

Access to information and independent advice

The company secretary provides directors with company secretarial resources and guidance on the performance of directors' duties. Directors are further afforded access to external independent professional advice at the organisation's expense and are provided with ongoing training as and when required.

The chairperson

The board elects the chairperson, who holds office for three years and is eligible for reappointment for as long as he or she remains qualified to act as a director. The chairperson presides over all meetings of the board and has the casting vote, should the number of votes on a matter be equally divided at a board meeting. The chairperson is a non-executive director of the company.

The chief executive officer

The board delegates authority for the day-to-day running of the organisation to the CEO. This authority is subject to certain areas where the board must be consulted prior to effecting

decisions, such as significant budget deviations, membership elections and promotions.

The performance of the CEO is evaluated against criteria that include:

- international relationships
- relationship with the board
- management of SAMRO internally (employees)
- management of SAMRO externally (stakeholders)
- revenue and budgets
- growth in distributions

The company secretary

The responsibilities of the company secretary include:

- assisting the nominations and governance committee with the appointment of directors
- assisting with the induction and training of directors
- providing guidance to the board on the duties of directors and good governance
- ensuring board and committee charters are kept up to date
- preparing and circulating board papers and ensuring the preparation and circulation of minutes for board and committee meetings
- assisting with the drafting of yearly work plans
- eliciting responses, input and feedback for board and board committee meetings
- assisting with the evaluation of the board, board committees and individual directors
- ensuring compliance with all relevant legislation

The board evaluated and is satisfied with the skills and experience of company secretary, Ms J Schulten, in performing her duties and responsibilities.

Board committees

The board delegates certain of its duties to various committees while retaining overall responsibility for the organisation. These committees operate under formal terms of reference, which are approved by the board and reviewed as and when required. The current committees are detailed on pages 40 to 41.

Nominations and governance committee

The nominations and governance committee is chaired by a member of the main board. It is responsible for:

- making recommendations to the board on all new appointments
- nominating, recruiting and appointing directors
- facilitating the board evaluation process aimed at reviewing the balance and effectiveness of the board and identifying skills needed and the individuals who might provide such skills in a fair and thorough manner
- ensuring compliance with corporate governance and industry codes of best practice

The nominations and governance committee comprises four non-executive directors and the CEO.

MEMBERS	16/09/15	23/03/16	22/06/16	CATEGORY
L Bala (chairperson)	✓	A	✓	Non-executive
S Khumalo	✓	✓	-	Non-executive
A Mafokate ¹	-	-	✓	Non-executive
T Moraba ²	✓	-	-	Non-executive
JJ Niemand ³	-	-	✓	Non-executive
Prof J Zaidel-Rudolph	✓	✓	✓	Non-executive
SS Dlamini ⁴	✓	✓	-	Executive (CEO)
NA Sibiya ⁵	-	✓	✓	Non-executive (acting CEO)

✓ = Attendance, A = Apology received, - = Not applicable

¹ Appointed 24 March 2016

² Resigned 2 March 2016

³ Appointed 24 March 2016

⁴ Resigned 12 February 2016. CEO until 31 March 2016

⁵ Appointed acting CEO 1 April 2016

The risk committee comprises five non-executive directors. The CEO and CFO attend by invitation. The committee meets at least four times a year and is chaired by an independent non-executive director, Mr J Mnisi.

MEMBERS	17/09/15	26/11/15	24/03/16	23/06/16	CATEGORY
J Mnisi (chairperson)	✓	A	✓	✓	Non-executive, independent
J Edmond	✓	A	✓	✓	Non-executive
G Le Roux	✓	✓	✓	✓	Non-executive
S Mabuse	✓	✓	✓	✓	Non-executive
JJ Niemand	✓	✓	✓	✓	Non-executive
PwC representative ¹	✓	✓	✓	✓	Invitee

✓ = Attendance, A = Apology received, - = Not applicable

¹ PwC auditors represented by the audit partner and/or senior manager

The risk committee is responsible for identifying and quantifying the various risks facing the organisation and initiating appropriate risk management methodologies to mitigate these risks. The risk committee reviews management's risk processes and outcomes, reports its findings and recommends acceptance by the board, as appropriate. In addition, the committee is mandated to consider and report on all matters relating to financial reporting and audit, risk assessment and any general matters pertaining to internal controls and systems.

The CEO reports to the risk committee on any perceived deficiencies in risk and financial management. The external auditor attends meetings of the risk committee by invitation and has the opportunity to engage with the committee without management being present, if necessary.

The risk committee satisfied itself as to the independence of the company's external auditor, PricewaterhouseCoopers Inc. SAMRO has a policy in place governing the provision of non-audit services by the external auditor.

Further information on the activities and deliberations of the risk committee can be found in the risk report on page 46.

Risk committee

Remuneration and equity committee

The remuneration and equity committee ensures (in consultation with executive management) that directors and senior managers are rewarded appropriately for their contributions in line with the organisation's remuneration policies.

MEMBERS	16/09/15	18/02/16	24/03/16	CATEGORY
S Khumalo ¹ (Chairperson)	-	-	✓	Non-executive
SS Dlamini ²	✓	✓	✓	Executive (CEO)
J Edmond	✓	✓	✓	Non-executive
JJ Mnisi	✓	✓	✓	Non-executive, independent
NA Sibiya ³	✓	✓	✓	Non-executive (acting CEO)
PwC representative ⁴	-	✓	✓	Invitee

✓ = Attendance, A = Apology received, - = Not applicable

¹ Appointed chairperson 18 February 2016

² Resigned 12 February 2016. CEO until 31 March 2016

³ Appointed acting CEO 1 April 2016

⁴ PwC represented by the audit partner

The composition and activities of the committee are discussed in more detail in the remuneration report that follows on page 44.

Social and ethics committee

SAMRO's social and ethics committee is a statutory committee in terms of section 72 of the Companies Act. Its purpose is to monitor SAMRO's activities relating to any relevant legislation, other legal requirements and prevailing codes of best practice in respect of social and economic development and good corporate citizenship.

A further responsibility of this committee is to advise the board on all relevant aspects that may have a significant impact on SAMRO's long-term sustainability. The committee also draws attention to board matters within its mandate as required and reports to members at the AGM.

The committee adopted terms of reference at the first meeting in June 2014, conforming to section 72(4) of the Companies Act. These included the constitution, membership, frequency of and attendance at meetings, authority, duties, review and assessment and written resolutions.

The membership of this committee includes seven directors of which six are non-executives and one executive (CEO).

MEMBERS	16/09/15	16/11/15	23/03/16	CATEGORY
JJ Niemand (Chairperson)	✓	✓	✓	Non-executive
SS Dlamini ¹	✓	✓	✓	Executive (CEO)
S Khumalo	✓	A	✓	Non-executive
A Le Roux	✓	✓	✓	Non-executive
SCP Mabuse	✓	✓	A	Non-executive
J Savage ³	A	✓	-	Non-executive
NA Sibiya ²	-	-	✓	Non-executive (acting CEO)
J Zaidel-Rudolph	✓	✓	✓	Non-executive

✓ = Attendance, A = Apology received, - = Not applicable

¹ Resigned 12 February 2016, CEO until 31 March 2016

² Appointed acting CEO 1 April 2016

³ Resigned April 2016

Executive committee

The executive committee, a management committee, assists the CEO in the day-to-day running of the company and is chaired by the CEO of SAMRO. The executive committee meets monthly (see members on pages 20 to 21). This committee acts on the following:

- group performance - consolidated management accounts
- strategy and structure implementation
- legal issues
- business segment updates
- governance and risk

IT governance

The board is also responsible for IT governance, assisted by SAMRO's risk committee in the execution of its duties in this regard.

An IT progress report is presented by the chief operating officer at each risk committee meeting for discussion.

Aspects of IT governance are also overseen by the information management and services (IM&S) division of SAMRO. This unit is responsible for the operational execution, maintenance and

implementation of all relevant IT services and policies. The general manager for IM&S monitors the service and raises any issues or risks at the monthly general managers' meeting. The policies governing IM&S at SAMRO are:

- acceptable use
- acquisition of computer hardware
- email
- information security
- internet security
- password
- IT backup
- physical access to computer room
- software development
- software

Corporate ethics, donations and gifts

SAMRO is committed to building and sustaining an ethical culture and adopts a zero-tolerance approach to fraud and illegal acts. Our values are incorporated into the performance management system to entrench these aspirations into the behaviour and attributes of the organisation.

The organisation has a whistle-blowing service allowing employees to report incidents of fraud or illegal acts. Two fraudulent incidents came to light during the year, both involving a falsified change of bank details. The members affected have been recompensed and the matters handled with appropriate severity internally. Charges have been laid with the South African Police Services and

steps have been taken to recover monies from the individual's pension fund. Any outstanding amount will be recovered from insurance.

The group does not have a formal donations policy, and the organisation's social investments and donations are handled by the SAMRO Foundation. No donations were made to political parties. SAMRO does not have a formal policy on corporate gifts and entertainment; however, employees are required to declare any gifts valued at R1 000 or more.

Conflict of interest

At orientation training, subsequent directors' training sessions and all board meetings, directors are informed of their fiduciary duty to act in the best interests of the organisation at all times.

Documents in respect of fiduciary duties are also included in every board pack. Directors declare any interests to their fellow directors as a standing item at all board meetings to avoid any perception of a possible conflict of interest. A similar process is followed at executive committee meetings.

Compliance with laws, rules, codes and standards

The company secretary is responsible for monitoring compliance within the organisation and reports any significant matters to the board relating to non-compliance with mandatory laws and rules, as well as the potential consequences or risks associated with any new legislation.



I BELIEVE

I CAN SING ANYTHING.

MIRIAM MAKEBA

REMUNERATION REPORT

The remuneration committee comprises four non-executive directors, of which one is independent. The CEO attends by invitation. The chairperson of the board chairs the committee; and executive directors and certain members of management also attend meetings by invitation, as appropriate.

The remuneration committee met three times during the financial year, had input into the performance scheme and various other matters.

The main responsibilities of the remuneration committee are to:

- determine and approve general policy on strategic compensation issues
- prepare an annual remuneration report for inclusion in the company's integrated report
- annually review and approve the remuneration packages of the most senior executives, including performance bonuses and increases, ensuring they are appropriate and in line with the remuneration policy
- annually appraise the performance of the CEO
- annually review the remuneration of non-executive directors
- review incidents of unethical behaviour by senior managers and the CEO
- annually review the committee's charter and, if appropriate, recommend required amendments for approval by the board
- perform an annual self-assessment of the effectiveness of the committee, reporting these findings to the board

Remuneration strategy and policy

SAMRO's remuneration strategy aims to attract, motivate and retain competent leaders to support the execution of its strategy and ensure sustainable value creation for the composers, authors and users of music.

Our remuneration policy and practices align the remuneration and incentives of executives and employees with the group's long-term business strategy and 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 a credible remuneration policy overall

SAMRO has adopted an integrated approach to reward strategy, encompassing a balanced design, in which reward components are aligned with SAMRO's five-year strategy.

Overview of remuneration

Non-executive board members

Non-executive directors receive a quarterly retainer paid on the date of the board meeting. Subject to attendance at the meeting, an attendance fee is also paid. Directors also receive an annual portion subject to the performance of certain member liaison duties. Where non-executive directors are active on subcommittees of the board or the boards of subsidiaries, they receive additional remuneration linked to these extra duties.

A premium is payable to the chairperson and vice chairperson of the board, as well as to the chairpersons of the committees.

Remuneration is reviewed annually, with reference to competitors and companies of similar size. This remuneration is not linked to the organisation's performance. Independent advice is acquired to review directors' remuneration as part of the annual salary benchmark initiative.

Executives and employees

SAMRO's remuneration policy aims to recognise excellent performance and attract competent, innovative talent to grow the value of the group.

Remuneration packages are structured on a 'salary plus allowances plus benefits' basis. In addition to basic pay, pension, medical aid and other insured benefits, certain employees may qualify for one or more additional benefits, including car, housing and cell phone allowances.

All employees, including executives, qualify for additional individual performance incentives.

At senior level we favour compensation tailored to meet the needs of the business rather than standardised performance-related packages.

SAMRO benchmarks salaries through an annual survey to ensure the organisation's remuneration practices remain fair and relevant. This survey compares data with over 800 South African organisations employing around 1,5 million economically active individuals with similar jobs.

Performance management

SAMRO's performance management system aligns with the objectives of SAMRO's strategy.

The performance bonus scheme is linked to the performance of the organisation and the individual, aimed at driving superior performance for the group.

Employee performance is reviewed twice a year and individuals are assessed against agreed key performance areas for the period. The resultant ratings are discussed and reviewed and any performance issues are addressed. A score is then calculated based on specific goals, key performance indicators (KPIs) and personal competence.

The weighting of performance factors is as follows:

Individual goals score	95%
Organisational score	5%
Total score	100%

Employees are rated and scored against competencies aligned to the group's values and include:

- accountability
- achievement
- integrity
- service excellence
- teamwork

The individual's total score determines the bonus received, calculated as a percentage of monthly salary.

Further information on performance management is shown in the human capital report on page 54.

Service contracts

The CEO's contract is subject to standard terms and conditions of employment. Non-executive directors are subject to the regulations regarding appointment and rotation in terms of the company's MOI and none of the executive directors has a notice period of more than one year.

The CEO's service contract does not include predetermined compensation as a result of termination that would exceed one year's salary and benefits.

As per the decision made by the nominations and governance committee, there is a contractual arrangement between SAMRO and all board directors. All new appointments are based on contracts.

EXECUTIVE DIRECTORS' REMUNERATION	2016 R000	2015 R000
Salaries and bonuses	5 502	5 728
Pension and medical aid	738	828
Other benefits	1 656	511
Total	7 896	7 067

Discharge of responsibilities

The remuneration committee determined that, during the financial year, it had discharged its responsibilities as outlined in its terms of reference. The board concurred and approved the accuracy of this assessment.

RISK REPORT

The SAMRO risk committee's composition and activities are detailed in the governance report on page 36.

The committee has been mandated by the board to consider and report on all matters relating to financial reporting and audit, risk assessment and any general matters pertaining to internal controls and systems.

All members of the risk committee act independently as described in section 94 of the Companies Act. The chief executive officer (CEO), chief financial officer (CFO), chief operations officer (COO), external audit partners, and other employees attend the meeting by invitation.

Other members of executive management attend various meetings by invitation on an ad hoc basis.

Responsibilities of the risk committee

The committee's responsibilities include:

- reviewing and reporting to the board on the appropriateness of risk funding methodologies, including insurance
- ensuring that risk management is included in the audit programme
- ensuring that the organisation's approach to risk management remains relevant to changes
- ensuring that an external risk review is conducted as part of the normal annual audit
- reviewing the expertise, resources and experience of the company's finance function
- recommending the appointment of the external auditor and overseeing the external audit process
- reviewing and approving the company's integrated report, including the annual financial statements for presentation to and approval by the board
- reviewing the viability of the company and the group on a going-concern basis and making relevant recommendations
- receiving all the external auditor's reports directly from the external auditor
- approving the external auditor's terms of engagement and remuneration and tabling the resolution at the AGM with regard to appointment and remuneration of the external auditor

Risk management

In order to deliver the group's strategic objectives, while ensuring sustainable growth in value for all stakeholders, SAMRO must effectively manage the range of risks facing the organisation in all operational aspects of the business.

Internal control

Compliance with regulatory requirements and internal policies and procedures is critical for good business practice and requires a sound internal control framework. The approach to risk management includes a review of these internal controls and confirmation of adherence to policies and procedures across the organisation. The relevance of the policies and procedures themselves is assessed on a regular basis and updates recommended as appropriate.

The manager tasked with auditing the processes makes ongoing recommendations regarding non-adherence and potential improvements required.

Risk policy

SAMRO is committed to the highest standards of corporate governance and identifies and manages risk actively in terms of the applicable codes and regulations. The organisation's risk profile is derived from a structured approach to risk management. Identification, management and reporting of risks are embedded in business activities and processes.

Risk governance is managed at various levels within the group, including the executive committee, the general management committee (which includes the general managers of each business unit) and the risk committee of the board. Risk is escalated to the level appropriate to the significance and severity of the risk identified. Each divisional head is responsible for identifying and developing risk management plans.

The general management committee formulates and oversees the risk management system and monitors the group's risk profile. In addition, a formal risk register is monitored and updated regularly, allowing for effective and appropriate action to be taken in response to the risk within agreed ranges of tolerance.

SAMRO is exposed to a wide range of risks, some of which may have material consequences. These include:

- regulatory environment
- industry competition
- international trends
- compliance
- technology
- innovation
- business interruption

Risk framework

SAMRO's risk management framework is designed to ensure that significant risks and related incidents are identified, documented, reported, monitored and managed in a consistent and structured manner across the group.

SAMRO's risk management process addresses:

- identifying the risk
- rating the risk in terms of probability, impact and urgency, with scoring for each criterion

- determining how the risk is being mitigated, avoided, transferred or accepted
- allocating who owns the risk and who manages the risk
- taking risks rated nine and above to the board
- discussing risks rated four to eight at the general management committee meetings attended by all executives
- managing risks rated below four (operational risks) in the area of the risk, usually by the general manager

Material issues and how we manage them

Some material risks are outside our control and may affect the overall performance of our business. Despite our formalised and structured approach to risk identification, some risks may be unknown at present. Other risks, currently regarded as immaterial, may become material. Audit, risk and quality control functions assist in monitoring the system of internal control.



SUSTAINABILITY REPORT

SAMRO was founded more than 60 years ago to promote the sustainability of music and artistic communities. As the largest cultural institution on the landscape, we have a responsibility to our members... not only financially, but as a driver of the creative economy. The diversity of our membership and the extent of our reach means that SAMRO is able to influence arts policy at government level, build the capacity of arts organisations, and preserve our musical heritage.

SAMRO was founded with the vision of being both a representative of and a support to musicians and artists. Not only do we protect their livelihood; we provide professional counsel and guidance that helps composers and performers to create value. This type of comprehensive engagement requires the collaboration and commitment of everyone at SAMRO. Our employees are an integral component of our pursuit of excellence. Read more about our support for and development of our employees in the human capital report on page 54.

The SAMRO Foundation

The social and ethics committee, formed in 2014, oversees matters of sustainability for SAMRO. The CSI activities of the organisation are channelled through the SAMRO Foundation, which provides investment support for music education and the development and promotion of South African composers, authors and artists. Originally the SAMRO board took on the CSI responsibilities since 1962 but in 1996 founded SAMRO Endowment for the National Arts (SENA), a subcommittee of the board. The SAMRO Foundation, established in 2012, emerged from SENA and is a semi-autonomous non-profit organisation. The Foundation is fully registered as a Public Benefit Organisation approved for Section 18(a), which means that the contributions to the Foundation are tax-deductible in the hands of donors.

Examples of Foundation investment projects include bursaries and music education, heritage preservation and conservation through the archive. The stakeholder hub benefits creative industry organisations and our live performance initiative, Concerts SA. The SAMRO Foundation's ethos can be summed up as 'roots to fruits', with a strong emphasis on ploughing resources into the roots in order to bear the fruits.



YOU CANNOT HAVE A CREATIVE
ECONOMY WITHOUT
**MUSIC AND
LITERATURE.**

THE SAMRO FOUNDATION IS A
CULTURAL CATALYST.

– ANDRE LE ROUX,
MANAGING DIRECTOR,
SAMRO FOUNDATION

SAMRO Foundation focus areas

Over the past year, the SAMRO Foundation has reconfirmed its commitment to promoting the arts in South Africa through a focus on five strategic areas which we do through the projects outlined in the table below:

Focal areas – Measurable outcomes	Focal areas	Impact	Indicators
	Encouraging excellence in the arts	<ol style="list-style-type: none"> 1. Return on investment 2. Brand awareness 3. Goodwill 	<ol style="list-style-type: none"> 1. Market impact (free articles, advertising) 2. Audience responses (visitor's books, attendance records) 3. Branding at events 4. Reports from recipients
	Facilitating economic participation in the creative economy	<ol style="list-style-type: none"> 1. Improved cooperation in sector 2. Economic growth in sector 3. Formalisation of the sector 4. Increase in platforms 	<ol style="list-style-type: none"> 1. No. of artists benefited 2. No. of partner venues 3. Audience attendance 4. Concerts held
	Promoting living cultural heritage	<ol style="list-style-type: none"> 1. Increased awareness of southern African culture/music 2. Increased awareness of archived works 3. Increased commissioning of new works 4. International access 	<ol style="list-style-type: none"> 1. Archive sales 2. Size of digital library 3. Collections indexed and updated 4. No. of schools 5. No. of visitors
	Influencing cultural and arts policy - through research and advocacy	<ol style="list-style-type: none"> 1. Improved awareness of the music sector (Internal and external) 2. Building on old research to provide a broader knowledge base 3. Representing musicians at related policy events 	<ol style="list-style-type: none"> 1. New research published 2. Participation at policy discussions 3. Research index relevance 4. Positive shifts in policies
	Building capacity and Institutional strength of arts organisations	<ol style="list-style-type: none"> 1. Improved professionalism in sector 2. Improved income generation to recipients 3. Improved compliance in the sector 	<ol style="list-style-type: none"> 1. Growth in stakeholder hub tenants 2. Money given to projects 4. Return on investments (reports)

This year, four members of the board were reconfirmed, and eight new directors joined the board of the Foundation.

As part of the Foundation's commitment to building capacity and institutional strength, we also continuously develop our own technology and improve our processes. This year, for the first time, bursary applications and adjudication took place exclusively online, using new assessment software developed in-house. The entire adjudication process was more efficient, virtually paperless and more cost-effective. By lowering our administrative costs, more of our resources become available for projects and beneficiaries.

Stakeholder engagement

SAMRO has multiple stakeholders with varying levels of power and interest. We strive to build and maintain harmonious and effective relationships with all stakeholders, recognising that each group

has a role to play in the creation of value for members. Inevitably, certain stakeholders wield more influence than others; but we endeavour to communicate transparently, promptly and effectively with all parties at all times. Our high-level stakeholder engagement initiatives for 2016 are highlighted in the reports of the chairperson and CEO (pages 22 and 26).

A key stakeholder is the South African Government. We liaise with several departments within government: Department of Trade and Industry, Department of Arts and Culture and Department of Basic Education. As a musical rights administrator, copyright legislation is at the heart of our business. We engage with government on two levels: we comply with regulatory requirements passed down to us; and we consult with and advise government on policy and legislative changes, serving as the voice of the industry and of our members in supporting, promoting and protecting music, arts and culture in South Africa.

Online presence/social media

The SAMRO website is a key resource for creators and users of music, housing information about the various types of rights and membership as well as licensing application forms, distribution schedules, important links and much, much more.

The website also provides portal access to the Zeus system, allowing members to manage their SAMRO account entirely online, viewing and updating personal information, notifying works and viewing current and past account statements securely. Now members representing 40% of total membership manage their rights online.

Social media allows the SAMRO Foundation to share performances of scholarship winners and other beneficiaries, with a lively Facebook, Twitter and YouTube presence. Concerts SA's website contains information about all of its projects and is active on Facebook, Twitter, YouTube and SoundCloud.

Wawela

Wawela Music Awards recognise and award SAMRO members whose talent goes beyond the ordinary, shining a light on South Africa's creative prowess on local and international stages, screens and airwaves. The word "wawela" means "go beyond" in Zulu. The Wawela Awards are a platform for composers, authors, lyricists and publishers alike to showcase and celebrate their accomplishments.

The 2016 awards took place on 7 October in Johannesburg. Full details of the awards are available at <http://www.wawelamusicawards.co.za/>.

Corporate Social Investment

Our corporate citizenship philosophy is inspired by the ideals of the Freedom Charter and closely aligned with our commitment to developing our stakeholders. These values have been an intrinsic part of our corporate culture since 1962, a year after SAMRO was founded.

CSI projects are managed by the SAMRO Foundation and are concentrated in the areas of:

- music education programmes
- music heritage
- conservation and promotion through the SAMRO music archive
- music/cultural industry support through the SAMRO stakeholder hub

In terms of the provisions contained in the standard CISAC-approved reciprocal agreement as adopted by SAMRO, the company allocates 8,25% of its operational profit before distribution and tax to the Foundation, the SAMRO Retirement Annuity Fund and the SAMRO Funeral Benefit Scheme. The funds allocated to the Foundation are assigned to projects on an annual basis. SAMRO's board is informed of Foundation activities and progress at all board meetings and funds are disbursed transparently.

Music conservation, preservation and promotion

The SAMRO Foundation hosts the SAMRO Music Archive, which is an impressive collection of 64 500 scores written by South African composers and members of SAMRO. The archive also contains photographs, books, CDs and other recordings, bringing the total number of archived items to over 600 000. The archive is open to the public and to researchers for academic, media and other purposes.

Industry support – Stakeholder Hub

The SAMRO Foundation Stakeholder Hub is an initiative designed to consolidate SAMRO's commitment to cultural industry support. We offer administrative backing and infrastructure to help grow other arts organisations.

Music industry incubator (INCUBINC)

This year we began to develop strategies for a music industry incubator, to promote professionalism, productivity and profitable products in our industry, and to enhance the careers of artists by being the leading creative industry project accelerator in Africa. Called Umhlambi Zenyathi, the incubator's aim is to mentor and nurture a defined range of new artistic enterprises, involving emerging and established artists with clearly defined products, projects or programmes identified by the selection team as demonstrating artistic potential and a legitimate need for administrative and business support.

Concerts SA

Concerts SA (CSA) is a joint South African/Norwegian live music development project administered by the SAMRO Foundation; it receives financial, administrative and technical support from the Norwegian Ministry of Foreign Affairs (MFA), SAMRO and Concerts Norway. Working with musicians, promoters, venue owners

and audiences, the project aims to build a vibrant and sustainable live music circuit in South Africa and the region, focusing particularly on live music performances at venues and schools in disadvantaged areas.

The three-year funding from the MFA may come to an end in 2016. The Norwegian Embassy has indicated its support for a new application for a further grant for the project but has expressed a desire to see more proactive engagement by the South African government. The global funding climate is currently under pressure and we continue to seek alternative sources of support for the project, both within South Africa and internationally.

In 2016, the Concerts SA Music Mobility Fund awarded 22 musicians grants to undertake

tours across southern Africa. Seven tours will be supported in the SADC region and 15 in South Africa. Since its inception in 2013, the fund has supported over 250 artists and close to 100 tours across the length and breadth of southern Africa, from Cape Town to Tanzania. The tours selected for support this year cover a wide range of music expressions.

Concerts SA has reached nearly 75 000 concert-goers at venues, and over 35 000 school children have been exposed to a live music performance or workshop. The project has contributed towards an income for hundreds of musicians and many support staff.

For more information visit the Concerts SA website: <http://www.concertssa.co.za>

CSI IN NUMBERS



more than
R130m
invested in the arts
since 1962



40
music schools
supported



since 2013, the Concerts SA project has contributed to the income of over
1 000
musicians



more than
78 overseas scholarships
for young musicians awarded since 1962; the scholarships alternate each year for composers, singers, instrumentalists and keyboard players in both Western art music and Jazz.



approximately
64 500
original South African
works archived – many of
them original handwritten
manuscripts



more than
400
new South African music
works commissioned



12 university programmes
supported and more than
2 000
bursaries
awarded



over
100 live
music venues
surveyed by **Concerts SA**
– a flagship project of the
Foundation

SUSTAINABILITY REPORT CONTINUED

Hub stakeholders are as follows:

Internal

PROJECT	DETAILS AND SCOPE OF SUPPORT
Arts & Culture Trust	One of South Africa's premier independent arts and culture funding and development agencies. ACT has been subsidised for three years by SAMRO Foundation for rent. ACT now pays rent at 100% of the rate as per the stakeholder hub programme.
ANFASA – Academic and Non-Fiction Authors Association of South Africa	The Foundation has partnered with ANFASA to sponsor grants for authors with a specific interest in music research as part of the ANFASA Grant Scheme for Authors. ANFASA's rent has been subsidised for three years by SAMRO Foundation, but ANFASA now pays full rental costs.
CASA – Composers Association of South Africa	The National Music Composers' Workshops were supported by the National Arts Council and administered by SAMRO and the Foundation from 2013 to 2015. The funds granted to CASA were used to run four national workshops for composers and musicians. The workshops and reporting to the NAC were completed and the final instalment was paid in February 2016.
MOSHITO – Music Conference and Exhibition	Pioneered by SAMRO in 2003, MOSHITO has become an independent entity and the largest, most influential music industry trade fair and expo in Africa.
CCIFSA – Creative & Cultural Industries Federation of South Africa	CCIFSA is a representative body set up with the assistance of the Department of Arts and Culture for the cultural and creative sectors in South Africa. It was formed as an NPO to promote and develop the social and economic interests of the cultural and creative industries by acting as a representative body for these sectors.
MASA – Musician Association of South Africa	MASA joined the SAMRO Foundation stakeholder hub programme in May 2016, taking over from SACA.

External

PROJECT	DETAILS AND SCOPE OF SUPPORT
Arterial Network South Africa (ANSA)	Arterial Network South Africa addresses matters of networking and advocacy in the arts.
Music in Africa (MiA)	MiA is a partnership between the SAMRO Foundation, the Goethe-Institut and the Siemens Foundation. The Foundation joined MiA at the Frankfurt MusikMesse in March 2016 where we exhibited our archive alongside MiA.
BASA	BASA offers links and support between arts organisations and businesses in the form of workshops and networking meetings throughout the year. André le Roux is a member of the board of BASA.
KKNK	The KKNK runs an annual festival which SAMRO supports. André le Roux served as a member of the KKNK board and resigned in May 2016.

TRANSFORMATION REPORT

SAMRO is committed to transformation in all aspects of its operation. We seek to comply in full with the BBBEE Act and the Employment Equity (EE) Act as a proudly South African company.

Leadership and monitoring of transformation is the responsibility of the social and ethics committee. Its job is to monitor our progress against the BBBEE and EE Acts to ensure SAMRO becomes an organisation that is demographically representative of our country and its people.

SAMRO ensures employment equity and empowerment practices through a range of policies, executed in cooperation with the human resources team. SAMRO policies are clearly aligned to our values and aim to promote the necessary culture and activities that will achieve our transformation agenda.

Beyond the organisation, we believe that our efforts to ensure greater equity and enfranchisement are an important part of our country's struggle to transform itself into a fairer, more equal society. Diversity at senior level is highly motivating to all employees, who are empowered by effective role models, especially black women, which in turn leads to a greater sense of ownership of the organisation.

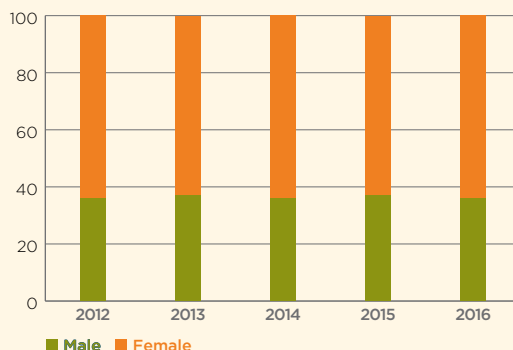
As mentioned last year, increased focus was applied to equity appointments, primarily black females, to contribute to meeting BBBEE targets, but also to provide the inspiration to young black women described above. We are delighted to have attracted to the SAMRO board a young African woman publisher, who will join us in the next financial year. We strive to have a range of races, ages and genders on the board with the expertise and skills required to drive performance and transformation throughout the company. After the financial year-end, there are eight black, one Indian and five white members on the board of directors. Three board members are female, two of whom are black. There are currently four black males, one coloured male, one white male and two white females on the executive committee.

With the recent changes to the criteria associated with the various BBBEE codes, SAMRO has achieved a lower rating than previously, despite our best efforts. The organisation is fully committed to achieving a BBBEE-compliant state at the earliest possible date and has instituted a programme designed to deliver that outcome. Our lack of

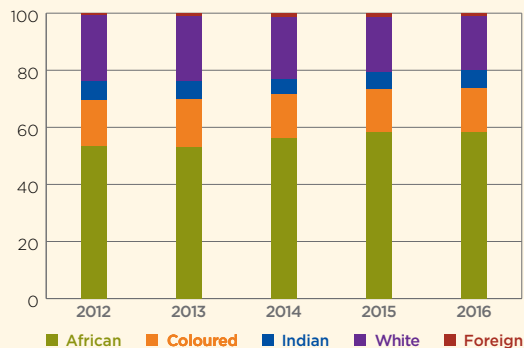
black females at senior management level means our score for 'management control' is lower than we would like, despite having black and coloured males on the board and Exco. The appointment of the black woman publisher mentioned above will improve our score in this area.

The board remains satisfied with SAMRO's performance against its five-year diversity and employment equity plan and targets. We continue to monitor recruitment practices to ensure fair representation of race and gender within the organisation and we are committed to developing the capacity of our own people at all levels.

PERMANENT EMPLOYEES BY GENDER (%)



PERMANENT EMPLOYEES BY RACE (%)



HUMAN CAPITAL REPORT

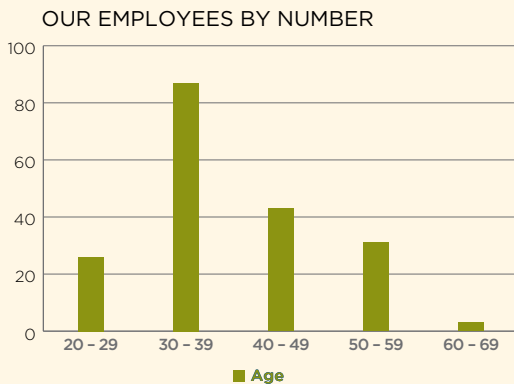
SAMRO is proud of its reputation as a high-functioning organisation that delivers a quality service to its members. A high-performance culture able to produce this result is only achieved through the hard work and dedication of all employees, and they, in turn, are entitled to expect ongoing training and development opportunities, sensitive health and wellness policies, and fair remuneration practices. SAMRO is committed to being an employer of choice that cares for its work force, develops the skills of its employees and respects freedom of association.

Our employees by number

In 2016 we employed 190 permanent staff (2015: 202) and 13 temporary employees (2015: 15). 81% of our permanent employees are from previously disadvantaged groups.

The distribution of permanent employees across the age spectrum is as follows:

Our employees by number



Attraction and retention

SAMRO operates in a specialist environment that requires expert skills. Attracting and retaining these scarce skills is challenging and we have policies in place to mitigate the risk of losing key employees. Salaries are benchmarked against market averages and we aim to position our remuneration rates towards the median of the scale. We offer an attractive package, which includes medical aid, retirement planning and death and disability benefits for permanent employees, in addition to a competitive salary.

Employee turnover in 2016 was 16% (2015: 8,8%). 34 people left the organisation, of which nine had been dismissed or were entering disciplinary action. Excluding these individuals, the turnover was 11,7%. A succession planning and management policy was established and will be implemented during the next financial year.

Employee training

The ability to deliver outstanding service to members is dependent on regular upskilling of staff, as we operate in a dynamic environment which is constantly evolving in terms of legislation and technology. Our focus on excellence and high performance means we invest in the skills and competencies needed for our employees to excel in service delivery. Our training programme is guided by the annual skills development plan, which we submit to the relevant SETA. Management and leadership programmes are offered to candidates from supervisory to executive management levels.

The needs of personal and organisational development are often challenged by the financial constraints faced in the not-for-profit sector. The difficult trading conditions faced during the past financial year caused us to reduce our spend on training and development, limiting the number of training interventions we were able to implement. This affected individual development needs identified in the High-Performance Initiative for managers, as well as general training required by employees at all levels.

In total R1 169 000 was spent on skills and organisational development (2015: R1,9 million). 24% of employees received training during the year.

In partnership with Only The Best, a recruitment consultancy, SAMRO gave 28 learners from the Services SETA the opportunity to gain practical experience on completion of their learnerships through the SETA. The learners enjoyed their internships and developed new skills, and we also benefited, with eight interns finding employment with SAMRO on a permanent basis.

Performance management programme

Our drive to build a culture of excellence includes a high-performance initiative comprising personal development plans for all employees and a set of standards against which performance is measured. Performance objectives are aligned to the strategic goals of the organisation, and salary bonuses link directly to the performance review process. Since the introduction of the programme, there has been a general improvement in employee performance, with a 19% increase in employees performing above the standard level in comparison to the previous year:

Comparative performance summary 2015 vs. 2016

PERFORMANCE LEVEL	2016	2015
Above standard	39%	20%
Meet standard	50%	68%
Below standard	11%	12%
Average score	2,7	2,5

Succession planning

As mentioned, we operate in an environment of scarce skills and a small but competitive market. It is vital that we ensure succession planning of specialised knowledge for certain critical positions. Each role is analysed and a profile developed based on the position, not the incumbent post-holder. A gap analysis is performed with employees directly beneath the position to identify the knowledge and expertise that would be needed to step up into the role, should it become vacant, including evaluation of training needs. Succession plans and talent pipelines are reviewed at various levels of the risk framework.

Freedom of association

Approximately 53% of SAMRO employees are members of the Communication Workers Union (CWU) and enjoy active unionisation. Our relationship with the CWU is healthy and non-antagonistic and we did not experience any disruption from industrial action during the year. The March 2016 salary negotiations were concluded to the satisfaction of all involved. We continue to hold monthly dialogue meetings with the CWU in accordance with our agreement.

Wellness, health and safety

In compliance with legislation, SAMRO has health and safety committees. Committee members have induction and training on the duties of the committee; however, with several members having left the company, the committees are currently being renewed, and training is being arranged for the new members. The next meeting is planned for the second quarter of the new financial year.

Regular occupational health and safety (OHS) risk-control audits are conducted to ensure adherence to internal procedures and external legislation. Necessary improvements are identified and implemented as required. Appropriate medical emergency and disaster recovery plans are in place.

Work-time injuries are monitored, and we are pleased to report that once again no serious injuries or deaths took place at SAMRO this year.

All SAMRO employees are able to utilise the employee wellness programme provided by ICAS. In addition to confidential counselling, debt management support and other facilities, ICAS runs an annual wellness day, giving employees the opportunity, entirely voluntarily, to access HIV testing and other wellness services. SAMRO takes a preventative approach to health, and therefore membership of a medical aid is a condition of employment. We offer a Discovery Group Medical Aid scheme; or employees can retain membership of a spouse's medical aid if they provide evidence of membership. SAMRO contributes 60% of the monthly medical aid contributions.

Contributions to SAMRO's retirement annuity fund for members amounted to R7,8 million.

VALUE ADDED STATEMENT

SAMRO created and distributed R556,3 million of wealth in 2016, 7% more than in 2015. Distributions for member benefit, in the form of royalties, retirement annuity and funeral benefits, endowments for the national arts and other social and cultural allocations increased by 7,7% to R455,4 million (2015: R422,8 million).

Payment to employees in the form of salaries, wages and benefits increased by 18,9% to R105,4 million (2015: R89,5 million). This represented 18,9% of total value distributed. Providers of capital received R2,4 million this year and taxation paid to the government totalled R1,3 million.

A net total of R20,3 million was drawn from reserves to fund operations during the year.

	GROUP	
	2016 R000	2015 R000
Music licence and royalties	449 320	434 932
Reprographic licence and royalties	57 941	49 535
Administration and other fees	25 679	21 567
Cost of generating revenue	(77 985)	(64 355)
Value added	454 955	441 679
Income from investments	34 689	37 773
Distribution adjustment	66 702	40 675
Wealth created	556 346	520 127
Value distribution		
Members		
Music royalty distributions	326 929	305 411
Reprographic royalty distributions	57 941	49 535
Grant of rights payments	41 445	41 634
SRAF and members funeral benefit	9 202	8 930
SAMRO Foundation allocation	19 589	17 298
Other social and cultural allocations	264	10
Employees		
Salaries, wages and benefits	105 396	89 460
Providers of capital		
Finance costs	2 360	2 183
Government		
Taxation charge	1 270	(2 195)
Reinvested in the group		
Depreciation and amortisation of capital items	12 238	11 816
Transferred to reserves	-	-
Retained earnings	(20 288)	(3 955)
Total	556 346	520 127

DIRECTORS' RESPONSIBILITY STATEMENT

The directors of SAMRO are responsible for the preparation, integrity and fair presentation of the group and separate financial statements for the company. The financial statements presented on pages 66 to 74 have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Companies Act, and include amounts based on judgements and estimates made by management.

In the preparation of such statements, the directors trust that they have applied the most appropriate accounting policies consistently and are supported by reasonable prudent judgements and estimates, and have followed all IFRS that they consider applicable. The financial statements fairly present the results of operations for the year and the financial position of the group and company at year-end in accordance with IFRS.

The directors are responsible for ensuring that accounting records are kept and that they disclose, with reasonable accuracy, the financial position and results of the group and company to satisfy the directors that all of the financial statements comply with the relevant legislation.

The group operates in an established control environment, which is documented and regularly reviewed. This incorporates risk management and internal control procedures, which are designed to provide reasonable, but not absolute assurance that assets are safeguarded and the risks facing the business are being controlled. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The going concern basis was adopted in preparing the financial statements and the directors have no reason to believe that the group will not be a going concern in the foreseeable future, based on forecasts and available cash resources.

The financial statements have been audited by the independent auditors, PricewaterhouseCoopers Inc., who were given unrestricted access to all financial records and related data, including minutes of all meetings of members, the board of directors and committees of the board. These financial statements support the viability of the group and the company. The directors believe that all representations made to the independent auditors during their audit are valid and appropriate.

The audit report of PricewaterhouseCoopers Inc. is available for review on page 64.

The financial statements were approved by the board of directors on 1 November 2016 and are signed on its behalf by:



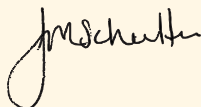
S Khumalo
Chairperson



Rev NA Sibiyi
Acting chief executive officer

CERTIFICATE BY COMPANY SECRETARY

In my capacity as company secretary, I hereby certify, in terms of the Companies Act, 71 of 2008, as amended, that for the year ended 30 June 2016, the company has lodged with the Registrar of Companies all such returns as are required of a company in terms of the Companies Act and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



JM Schulten
Company secretary
Johannesburg

1 November 2016





DIRECTORS' REPORT

To the members

Your directors have pleasure in submitting their fifty-fourth annual report and SAMRO's audited financial statements for the year ended 30 June 2016.

Principal activities of the group

The SAMRO Group is the largest copyright collective administration group in southern Africa. It has traditionally administered performing rights in musical works on behalf of its members and affiliated societies. SAMRO was accredited to administer needletime rights on behalf of performers in 2008 and as a result of that accreditation, set up a dedicated needletime administration operation in a form of a Trust, called the Performers Organisation of South Africa (POSA).

An agreement has been signed to merge POSA and SAMPRA, so that needletime rights may be administered by one organisation in line with the recommendation made by the copyright review commission, which stipulated that each right should be managed by a separate collecting society. Significant progress has been made on this front, and it is anticipated to come to fruition in the new financial year. Distributions have been made to members for the monies received for the 2013 period.

Financial review

Financial highlights

Group Income

Total Group income	R509,7 million (2015: R494,3 million)	+3,1%
Licence and royalty income	R468,3 million (2015: R451,6 million)	+3,7%
Literary rights income	R13,7 million (2015: R11,7 million)	+17,1%
Investment income	R32,1 million (2015: R35,6 million)	-9,8%

Music Rights Income

Music Rights Income	R449,3 million (2015: R434,9 million)	+3,3%
Broadcast income	R304,9 million (2015: R289,2 million)	+5,4%
General licence income	R131,3 million (2015: R134,2 million)	-2,2%
Foreign income	R13,1 million (2015: R11,6 million)	+12,9%

Literary Rights Collected

Literary Rights Collected	R49,9 million (2015: R45,5 million)	+9,7%
Other licence income	R8,1 million (2015: R4,1 million)	+97,6%

Group review

Income

Total group income for the year increased from R494,3 million to R509,7 million, an increase of R15,4 million or 3,1%. Group licence and royalty income for the year amounted to R468,3 million compared to R451,6 million previously, an improvement of R16,7 million or 3,7%.

The largest contribution to overall group income was from music rights, especially the broadcasting of musical works. The contribution to gross income from television, both free-to-air and pay services, amounted to R175,1 million (2015: R168,3 million) and R124,2 million (2015: R119 million) from radio. General licence income, which represents diffusion and public performance of musical works (including cinema) amounted to R131,3 million (2015: R134,2 million).

Administration expenses

Group administration expenses amounted to R157,8 million compared to R132,8 million in 2015, reflecting an 18,8% increase.

Distribution

An amount of R378,4 million was available for distribution for the year under review, this figure being before taxation, social and cultural deductions and transfers to reserves. Distributions for the group for the year, after taking into account income tax, social and cultural deductions and amounts transferred from reserves was determined at R368,4 million compared to R347 million in 2015, an increase of R21,4 million or 6,1%.

Review of operations for SAMRO and subsidiaries

Income

SAMRO – music rights

The total licence and royalty income of SAMRO for the past year increased by R14,4 million to R449,3 million (2015: R434,9 million). Domestic licence income for the year increased by R12,8 million to R436,2 million from R423,4 million in 2015, a 3% improvement. Income from broadcasting this year increased by 5,4% to R304,9 million (2015: R289,2 million). General licence income (excluding cinema) decreased by R4,4 million to R123,9 million (2015: R128,3 million).

Income received from foreign affiliates for the year increased to R13,1 million (2015: R11,6 million). Total non-royalty income decreased by R3,2 million to R39,8 million (2015: R43 million). Income received from investments decreased by R3,5 million to R32,1 million (2015: R35,6 million). This year, administration expenses represent 19,9% (2015: 23,5%) of SAMRO's total income.

DALRO – literary rights

Following last year's slow growth in reprographic blanket licensing in the tertiary education sector, this revenue line grew at a more than satisfactory 9,7%. This year, the wholly owned subsidiary increased its overall licence royalty stream by 17%, a very pleasing R8,2 million to R57,9 million (2015: R49,5 million). Local transactional royalty income from theatrical rights increased by a staggering 200% to R6,9 million (2015: R2,3 million).

As opposed to transactional licensing, blanket licences represented 75,7% of DALRO's reprographic reproduction licences invoiced, compared with 75,2% in 2015. The total of other licence fees invoiced by DALRO for the year grew rapidly to R8,1 million (2015: R4,1 million). Administration charges to cover expenses represented 23,6% of licence and royalty income, unchanged from 2015.

SAMRO House Holdings

SAMRO House Holdings (Pty) Ltd is the property holding company, with its asset being SAMRO House (Pty) Ltd. During the year under review, SAMRO House Holdings (Pty) Ltd owned one building, 20 de Korte Street, the current headquarters of SAMRO.

SAMRO House

SAMRO House (Pty) Ltd is the property company that owns the Braamfontein headquarters of SAMRO. Rental income in the year grew slowly by 3,7% to R9 million, due largely to the slow replacement of quality tenants. Operating costs have been well controlled in the year, increasing by 5,9%.

Gratia Artis

Gratia Artis (Pty) Ltd remains dormant and no commercial activity took place within this wholly owned subsidiary.

POSA

The Performers Organisation of South Africa continued to sign up new members and increased its membership to just over 13 900 members. Licence income for the period 2013 was received in early December 2015, and the royalties were distributed before the end of December 2015, with a distribution rate of 89%.

Amount distributable

SAMRO

The amount available for distribution to SAMRO members and affiliated societies for this year is R368,4 million compared with R347 million in 2015, an increase of 6,1%. It is disappointing that the overall distribution is not higher, but a closer analysis of this figure shows that royalty distributions have increased by 7%, while Grant of Rights payments have remained flat due to poor performance in the investment market along with

reduced trading as a result of the volatility in the market. During the year, SAMRO processed the 2016 distributions determined at the 2015 financial year-end and distributions in progress, resulting in royalty credits distributed to its own members and affiliated societies, of R300,4 million.

DALRO

DALRO's distributions to rights holders in literary and dramatic works reached R28,2 million (2015: R43,3 million). DALRO moved onto a new administration system and the blanket licence component was not yet ready. As a result, running of the blanket licence distribution was postponed to the new financial year. Since DALRO operates as an agency, the value of reprographic and other licence income collected, as well as the amount distributed, are not reflected on the statement of comprehensive income. Distributions are, however, disclosed in the distribution notes to the annual financial statements.

Taxation

Taxation expense for the year amounted to R1,3 million (2015: R1,3 million recovery).

Dividends

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

Subsidiary and associate companies

The following figures reflect the nature of business, issued share capital and the effective holding in subsidiary and associate companies:

NAME OF SUBSIDIARY	NATURE OF BUSINESS	ISSUED SHARE CAPITAL		EFFECTIVE HOLDING	
		2016 (RANDS)	2015 (RANDS)	2016 (%)	2015 (%)
SAMRO House Holdings (Pty) Ltd	Investment Holding	1 000	1 000	100	100
SAMRO House (Pty) Ltd	Property Holding	200	200	100	100
DALRO (Pty) Ltd	Rights Administration	2	2	100	100
Gratia Artis (Pty) Ltd	Dormant	2	2	100	100
SAMRO IP Technologies (Pty) Ltd	Holding	1 000	1 000	100	100
POSA	Trust	-	-	100	100
AEMRO	Rights Administration	-	-	80	80

Review of group's financial position

There has been no significant change in the nature of the group's assets or liabilities during the year.

Share capital

SAMRO, being a not for profit company, has no share capital, and no shares can therefore be issued. No debentures have been issued, and no wholly owned subsidiary issued any shares or debentures during the accounting period.

Fixed assets

There were no extraordinary changes to fixed assets for the year under review.

Intangible assets

Investment in software and information management systems development is reflected as an intangible asset on the statement of financial position.

Investments

Investments are classified as available-for-sale investments and have been valued at their market value in compliance with IFRS.

Directors' remuneration

For details of non-executive and executive directors' remuneration, refer to the remuneration report on page 44.

Directors' interest in contracts

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

Management by third party

No part of the business or any South African subsidiary is managed by a third person or company in which a director has an interest. DALRO (Pty) Ltd, SAMRO House Holdings (Pty) Ltd and SAMRO House (Pty) Ltd pay service fees to SAMRO for administrative, accounting, secretarial and management services rendered by SAMRO. AEMRO in the United Arab Emirates is managed by IPR Management, a 20% shareholder in the business, on behalf of SAMRO.

Composition of SAMRO's board and other committees

Composition of the board, nominations and governance, social and ethics, risk and remuneration committees of SAMRO is reflected in the corporate governance section on page 36 of this report.

Directors

During the year under review, the casual vacancy created by the resignation in the previous financial year of Ms A Emdon as a publisher member, was filled by Mr A Mofokate. Casual vacancies created during the year by the departure of Mr J Savage and Mr T Moraba had not been filled by the financial year-end. Mr R Naicker and Ms R Mabotja, both publisher members, were appointed after the financial year-end.

Composers / Lyricists:

L Bala, J Edmond, S Khumalo, G Le Roux, SCP Mabuse, JJ Niemand and J Zaidel-Rudolph

Publishers:

A Mafokate, NA Sibiya,

Independent:

JJ Mnisi

Executive Directors:

NA Sibiya (acting CEO), GJ Zoghby

Secretary

JM Schulten

Auditors

PricewaterhouseCoopers Inc. will continue in office as auditors in accordance with the South African Companies Act.

INDEPENDENT AUDITOR'S REPORT ON SUMMARY FINANCIAL STATEMENTS

TO THE MEMBERS OF SOUTHERN AFRICAN MUSIC RIGHTS ORGANISATION

The summary consolidated financial statements, set out on pages 66 to 74, which comprise the summary consolidated statement of financial position as at 30 June 2016, and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Southern African Music Rights Organisation NPC for the year ended 30 June 2016. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 1 November 2016. Our auditor's report on the audited consolidated financial statements contained an Other Matter paragraph: "Other Reports Required by the Companies Act" (refer below).

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, therefore, is not a substitute for reading the audited consolidated financial statements of Southern African Music Rights Organisation NPC.

Directors' Responsibility for the Summary Consolidated Financial Statements

The directors are responsible for the preparation of a summary of the audited consolidated financial statements in accordance with the principles of IAS 34 "Interim Financial Reporting" and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, "Engagements to Report on Summary Financial Statements".

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of Southern African Music Rights Organisation NPC for the year ended 30 June 2016 are consistent, in all material respects, with those consolidated financial statements, in accordance with the principles of IAS 34 "Interim Financial Reporting" and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Other Reports Required by the Companies Act

The "Other Reports Required by the Companies Act" paragraph in our audit report dated 1 November 2016 states that as part of our audit of the consolidated financial statements for the year ended 30 June 2016, we have read the Directors' Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summary consolidated financial statements or our opinion thereon.



PricewaterhouseCoopers Inc.

Director: AM Motaung
Registered Auditor
Sunninghill

1 November 2016



SUMMARISED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

		COMPANY		GROUP	
Notes		2016 R000	2015 R000	2016 R000	2015 R000
REVENUE	3	449 320	434 932	468 283	451 622
Other income	4	7 678	7 376	6 716	4 878
Investment income	5	15 144	16 470	17 693	18 628
Other gains	6	16 996	19 145	16 996	19 145
Total revenue		489 138	477 923	509 688	494 273
Bad debts		(29 315)	(24 468)	(29 315)	(24 699)
Administration expenses		(125 100)	(116 704)	(157 800)	(132 788)
Other expenses		(8 504)	(8 144)	(8 504)	(8 144)
Social and cultural expenses	8	(24 216)	(23 501)	(29 055)	(26 239)
Distribution and grant of rights expenses	9	(368 374)	(347 045)	(368 374)	(347 045)
Operating loss	7	(66 371)	(41 939)	(83 360)	(44 642)
Royalty distributions written back	10	66 702	40 675	66 702	40 675
Finance charges	11	-	-	(2 360)	(2 183)
Profit/(loss) before taxation		331	(1 264)	(19 018)	(6 150)
Taxation		(331)	1 264	(1 270)	2 195
Net loss		-	-	(20 288)	(3 955)
Other comprehensive income					
Foreign currency translation reserve		-	-	(225)	-
Revaluation of assets		(6 073)	129	(6 073)	129
Taxation		(2 027)	(21 261)	(2 027)	(21 261)
Other comprehensive loss for the year		(8 100)	(21 132)	(8 325)	(21 132)
Total comprehensive loss for the year		(8 100)	(21 132)	(28 613)	(25 087)
Attributable to:					
SAMRO Members		(8 100)	(21 132)	(25 386)	(25 087)
Non controlling interests		-	-	(3 227)	-

SUMMARISED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

		COMPANY		GROUP	
Notes		2016 R000	2015 R000	2016 R000	2015 R000
ASSETS					
Non-current assets					
		13 458	14 900	120 810	124 294
		114 737	113 282	116 804	114 318
		175	175	-	-
		273	123	273	1 063
	14	286 918	301 077	286 918	301 077
Total non-current assets		415 561	429 557	524 805	540 752
Current assets					
		60 603	59 970	67 514	62 412
		496	501	622	708
		182 097	162 925	3 000	3 000
		9 591	10 635	9 565	10 608
	15	92 018	110 688	169 470	158 276
Total current assets		344 805	344 719	250 171	235 004
Total assets		760 366	774 276	774 976	775 756
EQUITY AND LIABILITIES					
Capital and reserves					
		46 626	46 626	(47 271)	(30 162)
		1 154	1 246	1 154	1 246
		80 585	88 593	80 585	88 593
		-	-	(180)	-
Members equity		128 365	136 465	34 288	59 678
		-	-	(3 227)	-
Total funds and reserves		128 365	136 465	31 061	59 678
Non-current liabilities					
		25 378	25 087	25 378	25 087
	16	-	-	27 475	27 475
Total non-current liabilities		25 378	25 087	52 853	52 562
Current liabilities					
	17	393 027	405 506	466 263	448 169
	18	172 919	159 199	172 919	159 199
		922	892	922	892
		4 210	7 839	3 622	7 771
	19	17 515	18 471	19 253	21 036
		18 030	20 817	28 083	26 450
Total current liabilities		606 623	612 724	691 062	663 517
Total funds and liabilities		760 366	774 276	774 976	775 756

SUMMARISED STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

	COMPANY		GROUP	
	2016 R000	2015 R000	2016 R000	2015 R000
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES				
Cash generated from licensing operations	295 746	287 329	288 199	296 087
Finance costs	-	-	(2 360)	(2 183)
Dividends received	6 511	6 070	6 511	6 070
Interest received	8 633	10 400	11 182	12 558
Cash flow from operations	310 890	303 799	303 532	312 532
Taxation paid	(1 463)	(6 670)	(1 464)	(6 670)
Royalty, grant of rights and social distributions to members and affiliated societies	(300 430)	(266 838)	(269 857)	(260 594)
Applied to social and cultural expenses	(25 172)	(24 329)	(30 838)	(27 775)
Net cash flows (utilised)/generated from operating activities	(16 175)	5 962	1 373	17 493
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES				
Additions to property, equipment and intangible assets	(9 902)	(17 939)	(11 890)	(20 214)
(Increase)/decrease in loans (to)/from related parties	(22 800)	8 782	(4 149)	7 144
Proceeds on disposal of property and equipment	269	260	271	345
Proceeds on disposal of investments	25 589	121	25 589	121
Interest received from subsidiaries	4 349	4 349	-	-
Net cash flows generated/(utilised) from investing activities	(2 495)	(4 427)	9 821	(12 604)
Net (decrease)/increase in cash and cash equivalents	(18 670)	1 535	11 194	4 889
Cash and cash equivalents at the beginning of the year	110 688	109 153	158 276	153 387
Cash and cash equivalents at the end of the year	92 018	110 688	169 470	158 276

STATEMENT OF CHANGES IN FUNDS AND RESERVES

for the year ended 30 June 2016

COMPANY	Retained earnings R000	Fixed asset revaluation reserve R000	Unrealised gains reserve R000	Total R000
Balance at 30 June 2014	46 626	2 042	108 929	157 597
Total comprehensive loss for the year	-	(796)	(20 336)	(21 132)
Revaluation of paintings	-	(510)	-	(510)
Revaluation of investments	-	-	639	639
Deferred tax	-	(286)	(20 975)	(21 261)
Balance at 30 June 2015	46 626	1 246	88 593	136 465
Total comprehensive loss for the year	-	(92)	(8 008)	(8 100)
Revaluation of paintings	-	(44)	-	(44)
Revaluation of investments	-	-	(6 029)	(6 029)
Deferred tax	-	(48)	(1 979)	(2 027)
Balance at 30 June 2016	46 626	1 154	80 585	128 365

GROUP	Retained earnings R000	Fixed asset revaluation reserve R000	Unrealised gains reserve R000	Foreign currency translation reserve R000	Total R000	Non- controlling interest R000	Total funds and reserves R000
Balance at 30 June 2014	(26 207)	2 042	108 929	-	84 764	-	84 764
Total comprehensive income for the year	(3 955)	(796)	(20 336)	-	(25 087)	-	(25 087)
Loss for the year	(3 955)	-	-	-	(3 955)	-	(3 955)
Revaluation of paintings	-	(510)	-	-	(510)	-	(510)
Revaluation of investments	-	-	639	-	639	-	639
Deferred tax	-	(286)	(20 975)	-	(21 261)	-	(21 261)
Balance at 30 June 2015	(30 162)	1 246	88 593	-	59 677	-	59 677
Total comprehensive loss for the year	(17 109)	(92)	(8 008)	(180)	(25 389)	(3 227)	(28 616)
Loss for the year	(17 109)	-	-	(180)	(17 289)	(3 227)	(20 516)
Revaluation of paintings	-	(44)	-	-	(44)	-	(44)
Revaluation of investments	-	-	(6 029)	-	(6 029)	-	(6 029)
Deferred tax	-	(48)	(1 979)	-	(2 027)	-	(2 027)
Balance at 30 June 2016	(47 271)	1 154	80 585	(180)	34 288	(3 227)	31 061

SUMMARISED NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2016

1. GENERAL INFORMATION

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.

2. BASIS OF PREPARATION

These summarised consolidated financial statements for the year ended 30 June 2016 have been extracted from the full set of audited consolidated annual financial statements for the year ended 30 June 2016, which have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective or issued and early adopted, and in the manner required by 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.

	COMPANY		GROUP	
	2016 R000	2015 R000	2016 R000	2015 R000
3. REVENUE	449 320	434 932	468 283	451 622
Music rights				
Performing rights	436 177	423 365	436 177	423 365
Mechanical rights	-	6	-	6
Total SAMRO territory	436 177	423 371	436 177	423 371
Royalties from affiliated societies	13 143	11 561	13 143	11 561
Licence and royalty income	449 320	434 932	449 320	434 932
Reprographic administration fees	-	-	13 681	11 711
Rental income	-	-	5 282	4 979
TOTAL REVENUE	449 320	434 932	468 283	451 622
4. OTHER INCOME	7 678	7 376	6 716	851
Administration fees	19	74	58	146
Interest on loans and cash balances	912	690	958	705
Interest from subsidiary companies	4 349	4 349	-	-
Administration, computer and management fees from subsidiary companies	2 398	2 263	-	-
Project funding	-	-	5 700	4 027
Total other income	7 678	7 376	6 716	4 878
5. INVESTMENT INCOME	15 144	16 470	17 693	18 628
Available-for-sale investments				
Dividends	6 511	6 070	6 511	6 070
Interest from debentures and loan stock	3 555	4 110	3 555	4 110
Interest from bonds and notes	1 055	3 397	1 055	3 397
Interest from short-term investments	4 023	2 893	6 572	5 051
Total income from available-for-sale investments	15 144	16 470	17 693	18 628
6. OTHER GAINS	16 996	19 145	16 996	19 145
Gain on disposal of investments	16 996	19 145	16 996	19 145
Total other gains	16 996	19 145	16 996	19 145

	COMPANY		GROUP	
	2016 R000	2015 R000	2016 R000	2015 R000
7. OPERATING LOSS				
Operating loss includes the following items:				
Accommodation costs	2 963	3 011	3 608	1 922
Depreciation	2 764	2 326	5 710	5 230
Amortisation	6 475	6 238	6 528	6 587
Operating costs	11 848	10 341	13 928	11 939
Professional fees	1 310	1 404	2 269	2 574
IT costs	4 103	2 767	4 315	3 006
Employee benefits	87 598	78 067	105 717	86 446
Marketing costs	2 813	4 255	2 896	4 485
Other costs	2 426	2 777	9 466	4 160
Auditors remuneration				
Fees – current year	1 559	1 447	1 974	1 833
Fees – under provision previous years	119	56	119	107
	1 678	1 503	2 093	1 940
Bad debt provision	29 705	24 815	29 705	25 046
Investment management fees	1 372	1 357	1 372	1 357
Loss on disposal of property and equipment	(128)	(44)	(130)	(57)
	87 598	78 067	105 717	86 446
7.1 EMPLOYEE BENEFITS				
<i>Personnel costs include:</i>				
Salaries and bonuses	68 513	63 558	83 615	69 426
Social security levies	1 047	848	1 120	924
Pension costs on defined contribution plan	9 093	8 116	9 792	8 627
Training	712	953	713	953
Recruitment	311	501	513	508
Other employment costs	7 601	7 105	9 643	9 022
	87 277	81 081	105 396	89 460
Post-employment benefits	321	(3 014)	321	(3 014)
	87 598	78 067	105 717	86 446
8. SOCIAL AND CULTURAL EXPENSES	24 216	23 501	29 055	26 239
Social	9 202	8 930	9 202	8 930
Cultural	15 014	14 571	19 853	17 309
	24 216	23 501	29 055	26 239
9. DISTRIBUTION AND GRANT OF RIGHTS PAYABLE	368 374	347 045	368 374	347 045
Licence and royalty	326 929	305 411	326 929	305 411
Grant of rights	41 445	41 634	41 445	41 634
Total distributions	368 374	347 045	368 374	347 045
10. ROYALTY DISTRIBUTIONS WRITTEN BACK	66 702	40 675	66 702	40 675
Undistributable income written back	66 702	40 675	66 702	40 675

SUMMARISED NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2016

	COMPANY		GROUP	
	2016 R000	2015 R000	2016 R000	2015 R000
11. FINANCE CHARGES	-	-	2 360	2 183
Interest on borrowings	-	-	2 360	2 183
Total finance costs	-	-	2 360	2 183
12. KEY MANAGEMENT EMOLUMENTS	21 493	18 201	36 583	23 383
From the company and its controlled subsidiaries for:				
Directors				
Current emoluments				
- Non-executive directors – fees	1 746	923	1 994	923
- Non-executive directors – other	58	408	208	408
- Salaries	5 502	5 728	17 618	5 729
- Pension and medical aid contributions	738	828	1 312	827
- Bonuses and other fringe benefits	1 656	511	1 922	519
Total directors' current emoluments	9 700	8 398	23 054	8 406
Post-retirement benefits				
- Estimated post-retirement benefits	-	-	5	-
Total directors' emoluments	9 700	8 398	23 059	8 406
Paid by:				
- Company	9 700	8 398	9 700	8 406
- Subsidiaries	-	-	13 359	-
Total paid	9 700	8 398	23 059	8 406
Other key management				
Current emoluments				
- Salaries and bonuses	9 209	7 663	10 570	11 917
- Pension and medical aid contributions	1 653	1 373	1 882	1 994
- Other fringe benefits	921	866	1 061	1 214
Total other key management current emoluments	11 783	9 902	13 513	15 125
Post-retirement benefits				
- Estimated post-retirement benefits	10	(99)	11	(148)
Total other key management emoluments	11 793	9 803	13 524	14 977
Total key management emoluments	21 493	18 201	36 583	23 383
13. CAPITAL EXPENDITURE INCURRED	9 902	17 939	11 890	20 214
Property and equipment	1 959	1 274	2 863	2 504
Software development	7 943	16 665	9 027	17 710
	9 902	17 939	11 890	20 214

	COMPANY		GROUP	
	2016 R000	2015 R000	2016 R000	2015 R000
14. AVAILABLE-FOR-SALE INVESTMENT	286 918	280 102	286 918	280 102
At cost	183 378	191 508	183 378	191 508
Market revaluation	103 540	109 569	103 540	109 569
	286 918	301 077	286 918	301 077
15. CASH AND CASH EQUIVALENTS	92 018	110 688	169 470	158 276
Cash on hand and balances at banks	47 232	75 240	124 684	122 828
Short-term investments	44 786	35 448	44 786	35 448
	92 018	110 688	169 470	158 276
16. BORROWINGS				
Nedbank mortgage bond	-	-	27 475	27 475
	-	-	27 475	27 475
17. DISTRIBUTIONS PAYABLE	393 027	405 506	466 263	448 169
Royalty distributions	326 929	305 411	326 929	305 411
Grant of rights	41 445	41 634	41 445	41 634
Current amount per income statement	368 374	347 045	368 374	347 045
Social benefits	8 792	8 910	8 792	8 910
For distribution current year DALRO	-	-	69 425	39 723
For distribution current year POSA Trust	-	-	3 811	2 940
Prior periods amounts	23 086	77 599	23 086	77 599
	400 252	433 554	473 488	476 217
Distributions advances	(7 225)	(28 048)	(7 225)	(28 048)
Total for distribution	393 027	405 506	466 263	448 169
18. DISTRIBUTIONS IN PROGRESS	172 919	159 199	172 919	159 199
Shares in musical works	13 727	9 468	13 727	9 468
Musical works	159 192	149 731	159 192	149 731
	172 919	159 199	172 919	159 199

SUMMARISED NOTES TO THE ANNUAL FINANCIAL STATEMENTS CONTINUED

for the year ended 30 June 2016

	COMPANY		GROUP	
	2016 R000	2015 R000	2016 R000	2015 R000
19. SOCIAL AND CULTURAL OBLIGATIONS	17 515	18 471	19 253	21 036
Balance at the beginning of the year	18 471	19 299	21 036	22 572
Utilisation during the year	(25 172)	(24 329)	(30 838)	(27 775)
Current funding for the year	24 216	23 501	29 055	26 239
Balance at the end of the year	17 515	18 471	19 253	21 036
19.1 SOCIAL OBLIGATIONS				
Other social funds not included in distributions				
Balance at the beginning of the year	10 974	11 120	10 974	11 120
Utilisation during the year	(10 988)	(9 076)	(10 988)	(9 076)
Current funding for the year	9 202	8 930	9 202	8 930
Balance at the end of the year	9 188	10 974	9 188	10 974
Copyrights training fund				
Balance at the beginning of the year	-	-	1 192	1 247
Utilisation during the year	-	-	(530)	(55)
Current funding for the year	-	-	250	-
Balance at the end of the year	-	-	912	1 192
Total social funds	9 188	10 974	10 100	12 166
19.2 CULTURAL OBLIGATIONS				
SAMRO Foundation and related provisions				
Balance at the beginning of the year	5 512	6 194	4 623	6 224
Utilisation during the year	(14 184)	(15 253)	(14 927)	(16 172)
Current funding for the year	15 014	14 571	15 014	14 571
Balance at the end of the year	6 342	5 512	4 710	4 623
Bequests and donations				
Balance at the beginning of the year	1 985	1 985	2 084	2 084
Utilisation during the year	-	-	-	-
Current funding for the year	-	-	-	-
Balance at the end of the year	1 985	1 985	2 084	2 084
Bilateral agreement funds				
Balance at the beginning of the year	-	-	1 719	1 116
Utilisation during the year	-	-	(703)	(1 070)
Current funding for the year	-	-	1 075	1 673
Balance at the end of the year	-	-	2 091	1 719
Bursary funds				
Balance at the beginning of the year	-	-	444	781
Utilisation during the year	-	-	(190)	(348)
Current funding for the year	-	-	14	11
Balance at the end of the year	-	-	268	444
Total cultural funds	8 327	7 497	9 153	8 870
Total social and cultural funds	17 515	18 471	19 253	21 036



CORPORATE INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
REGISTRATION NUMBER	1961/002506/08
REGISTERED OFFICE	5th Floor SAMRO Place 20 De Korte Street Braamfontein 2001 Johannesburg
POSTAL ADDRESS	PO Box 31609 Braamfontein 2017
TELEPHONE	011 712 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 @ R1 per SMS
WEBSITE	www.samro.org.za
FACEBOOK	SAMROSouthAfrica
TWITTER	@SAMROMusic
ACTING CHIEF EXECUTIVE OFFICER	Rev NA Sibiya
CHIEF FINANCIAL OFFICER	GJ Zoghby
CHIEF OPERATING OFFICER	B Harty
BANKERS	Standard Bank Absa Bank
AUDITORS	PricewaterhouseCoopers Inc.
LEGAL ADVISORS	Spoor & Fisher Webber Wentzel
INVESTMENT ADVISORS	Investec Nedbank Wealth



PHOTO CREDITS

Cover	Wawela Music Awards 2013 - Wesley Spoon
Inside Cover	Wawela Music Awards 2013 - Wesley Spoon
Page 2 - 3	Concerts SA - Christine Msibi
Page 5	SAMRO Foundation - Dwayne Innocent Kapula
Page 7	SAMRO Foundation - Suzy Bernstein
Page 11	Wawela Music Awards 2013 - Wesley Spoon
Page 25	SAMRO Foundation - Suzy Bernstein
Page 35	Concerts SA - Vulane Mthembu
Page 48	Concerts SA - Vulane Mthembu
Page 65	Concerts SA - Egil Austrheim



www.SAMRO.org.za