



SAMRO

Integrated
report

2020

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Definitions of various copyrights

Performing rights

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

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

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

Mechanical rights

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

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

Needletime rights

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

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

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

Reprographic rights

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

About this report

The 2020 integrated report (report) presents the holistic performance of the Southern African Music Rights Organisation (SAMRO, the organisation or the company) and its subsidiaries¹ (the group) for the period 1 July 2019 to 30 June 2020. Any material events after this date and before publication are included in this report.

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

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



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

Financial information

The full set of audited consolidated and separate annual financial statements for the year ended 30 June 2020 will be available to members from Monday, 7 December 2020 upon written request to the Company Secretary. The annual financial statements will be made available to such members free of charge.

The reporting structure, content and data of our summarised financial statements are comparable to previous reports. These financial statements were prepared in compliance with International Financial Reporting Standards (IFRS).

SizweNtsalubaGobodo Grant Thornton (SNG-GT) audited SAMRO's summary separate and consolidated financial statements. Its independent report to SAMRO members is available on page 45.

Reporting frameworks and regulations

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

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

Assurance

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

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

Approval of the report

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

Signed on behalf of the board:

Nicholas Maweni
Chairperson

Mark Rosin
CEO

2 December 2020

¹ The SAMRO Foundation, DALRO, SAMRO House Holdings (Pty) Ltd and SAMRO House (Pty) Ltd. Dormant/inactive subsidiaries: SAMRO IP Technologies and Gratia Arts.

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

2020 at a glance

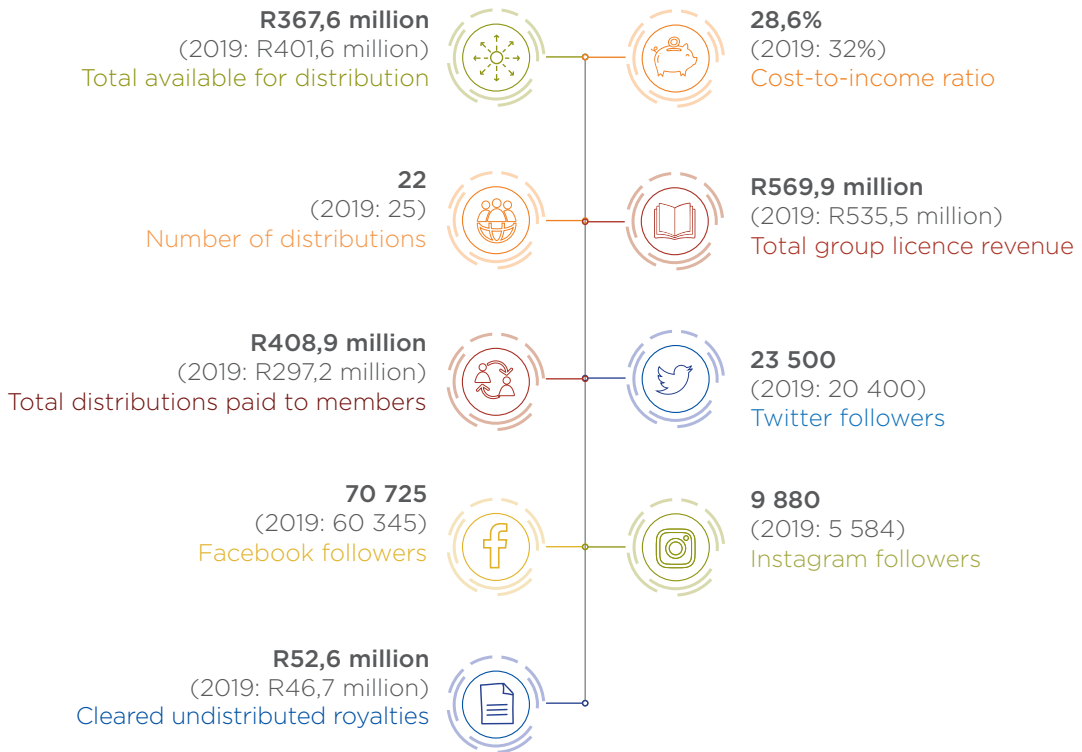
Distributions for the year to 30 June 2020

Category	Distribution	Date of credit
Post (Seq 1)	FY2020	2019/07/23
Foreign (Seq 1)	FY2020	2019/08/10
Post (Seq 2)	FY2020	2019/08/23
Supplementary NS ¹ (Seq 1)	FY2020	2019/09/10
Mobile & Internet Transmission (Seq 1)	FY2020	2019/09/30
Foreign (Seq 2)	FY2020	2019/10/25
Grant Of Rights	FY2020	2019/12/13
Foreign (Seq 3)	FY2020	2020/01/08
Mobile & Internet Transmission (Seq 2)	FY2020	2020/01/08
Post (Seq 3)	FY2020	2020/01/23
Radio & General (Seq 1)	FY2020	2020/02/21
Television (Seq 1)	FY2020	2020/03/26
Live (Seq 1)	FY2020	2020/04/10
Mobile & Internet Transmission (Seq 3)	FY2020	2020/04/23
Foreign (Seq 4)	FY2020	2020/05/01
Post (Seq 4)	FY2020	2020/05/18
Performance Adjustment (Seq 1)	FY2020	2020/05/27
Film (Seq 2)	FY2020	2020/06/04
Post (Seq 5)	FY2020	2020/06/11
Supplementary NS ¹ (Seq 2)	FY2020	2020/06/15
Film (Seq 1)	FY2020	2020/06/20
Mobile & Internet Transmission (Seq 4)	FY2020	2020/06/26

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

Our performance in numbers

Statistical information



Why become a member

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

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

Organisational review

Our strategic themes

SAMRO is a member-centric organisation thriving on a high-efficiency and high-performance culture. This enables us to successfully execute our strategic themes:

- Optimisation of the business model
- Diversification
- Innovation

Membership

As at 30 June 2020

SAMRO represents **18 490** composer and publisher members in South Africa and over **four million composers** and **authors** worldwide.

1 124 new members were elected during the year.

Employees

Employees ¹	203
African	69%
Coloured	13%
Indian	7%
White	10%
Foreign	1%

Our vision
To be the global **music rights** and **value-added** services organisation of choice for Africa.

Our values

- Accountability
- Achievement
- Integrity
- Service excellence
- Teamwork

Established
1961

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

Our purpose

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

Rights administered by SAMRO²

Performing rights

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

¹ 179 permanent and 24 contract employees.

² SAMRO no longer administers mechanical rights and needletime rights. Mechanical rights are administered by the Composers, Authors and Publishers' Association (CAPASSO). Following the Performers Organisation of South Africa's merger with the South African Music Performance Rights Association (SAMPRO), needletime rights are now administered by SAMPRO.



Chairperson's report



I am pleased to present SAMRO's 2020 integrated report for the year ended June 2020 to our stakeholders.

SAMRO, a well-established music collection society, with a heritage dating back to 1961, is responsible for the protection and administration of copyright for music composers, authors and publishers in Southern Africa.

A malfunctioning organisation can often be traced back to a malfunctioning board, where corporate governance has been allowed to slide. When personal interests take precedence over the greater good of an organisation, the rot can infiltrate its entire culture. We have seen it countless times in South Africa, with state capture or simple personal greed tainting numerous public and private entities.

Having joined SAMRO in June 2019, my focus was on reinstating good governance, aligning the organisation to its primary purpose of creating value for our members and stakeholders and providing guidance on achieving the organisation's strategic objectives.

Reinstating good governance is no easy affair, but that is my personal commitment to the thousands of musicians and composers served by SAMRO.

As Africa's leading CMO representing the largest database of music creators, we are committed to upholding the highest standards of business ethics and management, with a vision of evolving into a leading world-class copyright administration organisation.

We have been working tirelessly as a board to instil good corporate governance to ensure that SAMRO is back on track. Good governance requires a board to act with oversight and occasional intervention, not interference. Interference brings disruption and cannot be tolerated, but it is important that a board has the experience, knowledge and skills to know when to intervene, if that is required to assist the management or reinforce good governance. I have no doubt as chairperson of SAMRO that the task ahead will require some tough and unpopular decisions.

We have started a process of significant change at SAMRO. The focus is on transparency and improving operational delivery and efficiency, making sure that the organisation is member-centric. Our overarching strategy which is to Optimise our business model; Diversify income streams and be Innovative has been broken down into the following sub pillars:

- Increase revenue
- Improve systems and processing
- Improve reputation
- Cost management
- Consolidate music industry

The introduction of the sub-pillars and the implementation of these being assigned to various unit heads within the organisation, has ensured a holistic, 360-degree approach into overhauling SAMRO into a more efficient organisation.

New developments within the organisation

12 months into my tenure at SAMRO, I am pleased to announce that, amidst operating in an increasingly challenging environment, we have made progress on achieving some of the goals we set out to achieve.

SAMRO group generated R569,9 million (2019:R535,6 million) in license and royalty income.



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We are committed to being a world-class copyright administration business, upholding the highest standards of business ethics and management.

Nicholas Maweni
Chairperson

Chairperson's report continued

2020 will go down in history as the year that put a hold on daily life around the globe for our members. We have an opportunity to make sure it will also be remembered as the year in which SAMRO placed good governance back on the music sheet and inspired a new hope for the industry where there was despair.

Undoubtedly, COVID-19 pandemic has had an unprecedented impact on our industry, organisation, our lives, on how we work and interact.

The lockdown has had an adverse effect on our members as many could no longer hold public performances thus threatening their livelihood. As SAMRO we were agile and made sure that we were able to support our members. We were happy with the cooperation from the various financial institutions and landlords for heeding our call of leniency with our members during this COVID-19 pandemic. We also continued to assist members with the advance "loans" based on their future earnings.

We achieved record-breaking royalty payouts in the Radio and General distributions with the highest value paid in the past five years. Overall, between July 2019 and June 2020, we have paid over R408 million in royalty payments, and over 71% of this went to local SAMRO members.

If there are any learnings as we emerge from this pandemic and finding new ways of working, they are:

- improve efficiency;
- fast-tracking digitalisation; and
- identifying new opportunities.

Reduced board

SAMRO's board needed to be reduced and reshaped. While industry representation is necessary, it was excessive, unwieldy and needed to be balanced. SAMRO has a board that was elected and appointed at a highly contested AGM in December 2018, and in my first meeting as the newly appointed independent Chairperson in June 2019, I emphasised the basic fiduciary duties of acting honestly at all times, taking accountability for our actions, and always putting the best interests of SAMRO first. Previously SAMRO had 10% independent non-executive directors on the board.

We have now reduced the size of the board from 12 non-executive directors to 10, we reduced the number of publishers and increased the number of independent (non-executive) directors to 30% to maximise independence and also to add more valuable skills to the board.

We achieved this through the appointment of: Lead Independent non-executive director, Mr Sisa Mayekiso (CA)SA who chairs SAMRO's audit and risk committee and Dr Sibongile Vilakazi, PhD, who chairs the social, ethics and governance committee.

Finding a CEO

It took us, as the board of SAMRO, nearly a year to fill the vacant position of CEO. Finding a person of the necessary calibre proved to be difficult. The board needed a CEO that understood the industry and who was a persuasive leader, because the organisation was riddled with issues to resolve.

The appointment of Mark Rosin in February 2020, who has stepped in for a period of two years tasked, with a set of strategic Key Performance Indicators to turn the organisation around, brings much-needed stability and leadership to SAMRO. With Mark's skill set and experience in the industry backed by an ethical, enthusiastic and diligent board, SAMRO is well on its way to achieving its vision of being a leading, world-class music collecting society.

Cost reduction

The musicians who we represent complain - quite rightly - that the cost-to-income ratio is too high because the staffing costs are excessive. Meanwhile, the distribution of music has changed dramatically through digital technologies. In 2018, the cost to income ratio was 38% high. Cost-saving initiatives have yield fruit, as we managed to reduce this to less than 29% and have set a goal to reduce it further to below 25% which SAMRO hasn't seen in more than 10 years.

Public domain

A musical work is classified as "DP" by SAMRO when it does not enjoy copyright protection and is in the public domain (domaine publique, DP). Simply put, creative works become the public domain (or in other words, belonging to and

available for use by the public) once the intellectual property rights to the works have expired. This arrangement rule recognises a capped 16,7%, copyright royalty share for the portion of the work that the arranger created on the back of the original public domain work. This percentage is allocated to the person who arranges the DP work. We've increased the portion of the arranger from 16,7%, to receive 50% copyright royalty share and the balance of 50% will be ring-fenced for various CSI initiatives.

Undocumented (Undoc) works

Up until this point, only our Publisher members had access to the undocumented list and we are aware of how unsettling this has been for some of our composer members. In our commitment to be more transparent, announced and updated the Member Portal to include a new Undoc claiming process that has given access to all SAMRO members to the undocumented list of works.

All unclaimed works are accounted for and Members are given a right to claim over a prescribed period. The value of any works that remain unclaimed at the end of each prescription period, gets written back into the distribution pool. This simply means that the balance of money provided for in the distribution of undocumented works, that remains unclaimed, is written back into the main distribution and paid out in royalties to all qualifying members.

With our post distributions, we had five distribution payouts from undocumented works, to the value of over R50 million, the highest we have paid from Undoc in the past five years.

Furthermore, a world-first in the music collecting industry, is we have launched a platform that gives all of SAMRO's members access to undocumented works, to identify any works that may have been left "unmatched" to the rightful owner, due to incomplete data on SAMRO's records. This then allows for the rightful owners to identify these works through a stringent verification process and receive their due royalties.

PBO status

We are in the process of changing the organisation's status to a Public Benefit Organisation (PBO) as SAMRO is set up to carry its business objectives in a non-profit manner

with altruistic intent. The outcome of this status change is the preferential tax treatment SAMRO is likely to receive.

SAMRO Foundation

We've reviewed the SAMRO Foundation's strategy and realigned it for the purpose of primarily benefiting SAMRO members, making sure that the Foundation enables music creators to manage sustainable music businesses. This will be done through:

- business skills;
- innovative technology; and
- thought leadership.

We also continue with Concerts SA, established in 2013, with support from the Norwegian Ministry of Foreign Affairs – Working with musicians, promoters, venue owners and audiences, and providing support to the sector through research and skills development for music professionals. The project aims to build a vibrant and viable live music circuit in southern Africa.

Members benefits

SAMRO is also the pioneer and leader in providing a Funeral benefit scheme and a Retirement Annuity Fund for its members.

Funeral Benefit Scheme assists composers with the burdensome costs associated with funeral arrangements. We have increased the Funeral Benefit payout by 25% (it was R20 000 per member and is now R25 000). The benefit covers the composer member, their spouse and up to five children under 18 years.

The SAMRO Retirement Annuity Fund is for composer members only, in recognition of the fact that most musicians struggle to put a consistent amount away for their retirement, because their earnings were erratic. The Fund is a separate legal entity registered by the Registrar of Pension Funds and is administered by a specialist retirement fund administration company. Members may retire from the Fund at any time between the ages of 55 and 75. Members who are totally and permanently

Chairperson's report continued

incapacitated to perform their normal occupation due to ill health may apply for ill health early retirement before age 55.

DALRO

In September 2020 we reached an agreement to sell a SAMRO subsidiary, The Dramatic, Artistic and Literary Rights Organisation (DALRO) to a management consortium led by Lazarus Serobe, DALRO's Managing Director.

DALRO is a multi-purpose copyright organisation established in 1967 and a subsidiary of SAMRO with the focus of administering copyright for literary works such as books, poems, newspaper articles and a range of other artistic and dramatic works such as plays, musicals and visual arts.

The transaction is one of several organisational restructuring outcomes in line with SAMRO's strategy to reduce operating costs and improve efficiencies within the organisations.

Commitment to a culture of good governance

Whilst we have made great strides in a number of areas, this does not, by any means, indicate we should, at any given point rest on our laurels. We simply cannot afford to, as this would be a grave injustice to our members. We still have many legacy issues to overcome in the areas of governance, inefficient licensing models, poor systems and processes that have caused many frustrations for our customers (members and licensees), complex operating models that need to be simplified, all of which have had a negative impact on our reputation.

That said, we are progressively repositioning the organisation and with our commitment to transparency, endeavour to keep all our stakeholders informed of new developments and achievements as they happen.

SAMRO remains committed to ensuring there is good governance within the organisation.

We have been reviewing all the company's policies, some of which were drafted several years ago, to ensure that they are aligned with the new organisation's strategy. As a member-based organisation we have a responsibility for ensuring that our decisions aim to serve our members, first and foremost.

This member-centric culture is one that the SAMRO's board of directors, the Chief Executive and his management team, will ensure is inculcated throughout the organisation.

Good governance puts us firmly on the road of evolving into a SAMRO that is a respected leader in Africa and globally, that we and our stakeholders, may take pride of being associated with and being a part of.

Next Year (2021), SAMRO will be celebrating a Diamond Jubilee (60 years), for it was in December 1961, when SAMRO held its first-ever board meeting and AGM and a few weeks later, in January 1962, it opened for business. We are already looking forward to kickstarting the celebrations in 2021.

Although these are challenging times for us all, I remain optimistic that our country and the world will thrive once again.

Vaderland! Ons sal die adel van jou naam met ere dra.

Good governance is indeed about being proper so that SAMRO can help its members to prosper.



Nicholas Maweni
Chairperson



Chief Executive Officer's report



I cannot think that when my Chairman Nicholas Maweni wrote in his 2019 report, of the person that he saw leading SAMRO into a turnaround, that he would have been thinking of me. I was pleased that he and the SAMRO Board saw the qualities it required in me and that I am able to serve our Members, the Board and our employees and contribute to the organisation and to this Integrated Report.

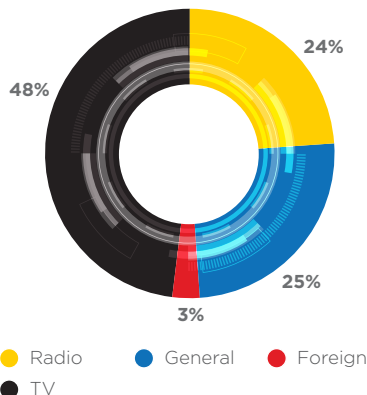
The Chairman and the Board, had with my immediate predecessor, identified a range of problems faced by SAMRO and had commenced the cost-cutting requirement of the operations. My arrival in February was welcomed and I felt privileged to be back in the industry that had supported me for so long. We got to work around the big business issues that need attention to get the turnaround into operation; revenue, costs, debtors, servicing clients, distribution efficiency, automation and systems analysis.

Then Covid-19 struck and SAMRO House staff departed into their own homes for 6 months. It seems almost unbelievable that South Africa has been in one or other level of lockdown for 8 months. This has changed the way we work, the way we meet, the need for space and much more. We have had to adapt to a new normal. Most of our employees dealt with the changes well and operations were not significantly affected. However, some people found it difficult managing work, home life, children and lockdown isolation. People returned to SAMRO House as did our Members seeking support in early October and other than a few staff members who are vulnerable to the effects of the virus; we are back to full strength.

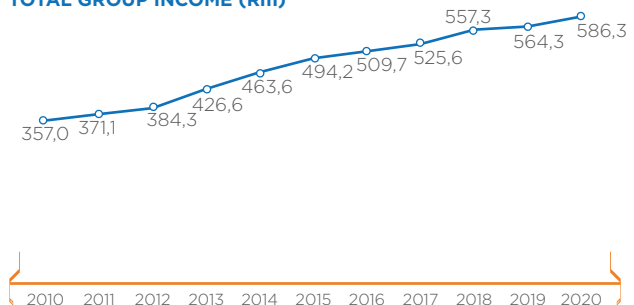
Let me turn to the business of SAMRO

In 2020, our membership base increased by 1 124 members to 18 490 as we continued diligently to administer rights, collect licence fees and distribute royalties. SAMRO's total group income increased by 3,9% to R586,3 million (2019: R564,3 million). Licensing revenue from performing rights increased by over 6% due to renewed contracts at more favourable rates and for the first time in SAMRO's history at company level, licensing revenue exceeded R500 million and comprised 97% of total income. Live performance revenue however, continues to remain under pressure and was adversely affected by the national lockdown when the live music circuit was decimated.

LICENCE AND ROYALTY INCOME



TOTAL GROUP INCOME (Rm)





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SAMRO is on a drive to reinforce its role as a transparent and accountable entity serving the best interests of its members.

Mark Rosin
CEO

Chief Executive Officer's report continued

General licensing income this year decreased by 3%, with this category of income being particularly hard hit by lockdown. Rebate or payment holiday requests came thick and fast. During the financial year ending June 2020, there were four consecutive quarters of negative economic growth with the fourth quarter being the most significant with the advent of hard lockdown. SAMRO had managed, with a closer lens on revenue generation, to buck the trend. Prior to the fourth quarter, there was actually positive growth in general licensing for the first nine months, but the fourth quarter drop hit us hard.

We have spent a lot of time this year focusing on the collection of the debtors book. Our inefficient collection processes and the economic woes prevalent in all industries have led to dramatic inefficiencies in collecting and processing debts and we have put a team in place to ensure more efficient collections and collection systems.

While broadcast revenue increased only 0,4% in 2019, this year was much better. We were pleased to unlock blockages with the SABC and see the flow of arrears begin and current licence income start to flow once more. Broadcast licensing revenue overall was up 13% on the prior year as a result of improved revenues in private TV broadcasting. However, public TV & radio as well as private radio revenue all declined during the year. The full impact of Covid-19 lockdown on broadcast revenues was only felt towards the end of the last quarter due to the lead times required in the sale of advertising in the industry and the consequent lag effect on our revenues.

Digital revenues increased by 48%. The increased monetisation of digital revenue is an area of focus for SAMRO as collecting money from traditional sources will wane over time.

SAMRO, at group level generated R569,9 million (2019: R535,6 million) in licence and royalty income, up 6,4% and distributed R408,9 million or 37,6% more in royalties (2019: R297,2 million). The increase in our overall distributions to our members was mainly driven by the public broadcaster repaying its outstanding debt from the previous financial year that had been excluded from last year's distribution pool and this improved distributions.

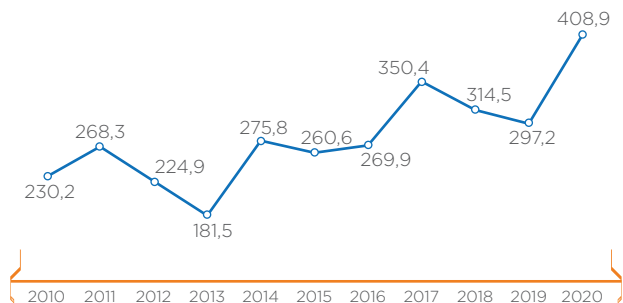
We maintained our cost-cutting initiatives throughout the 2020 financial year. There were cost savings in most expense categories except in personnel expenses. There was a change in the accounting estimate in respect of the amortisation of our ERP system that extended its useful life. This reduced the amortisation expense by over R9,4 million.

With improved licence income and a reduced amortisation expense and despite an increase in the bad debts provision the cost-to-income ratio reduced to 28,6% (2019: 32%). This is the first time the cost to income ratio has been below 30% since the 2016 financial year.

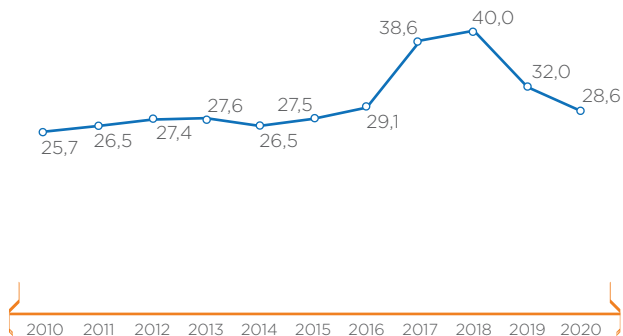
SAMRO's 'Undoc' liability became a priority for us this year. Because of unreliable usage reporting from many quarters and a lack of notification consistency, claims to 'Undoc' have conventionally been entertained for 5 years. To ensure fiscal stability, we have decided that as we introduce better monitoring of our key broadcasters, we need to reduce the write back period (i.e. the period after which we take unclaimed money back into the income statement) to after 3 years in year 4. We understand that this will take some time to implement, so we have introduced a one year grace period for claims going back 5 years before implementing the after 3 year write back. We have also opened our 'Undoc' portal to all members to allow easy online access.

Since the legislation and implementation of needle time, it is sometimes apparent that licensees are 'fatigued' by having to deal with too many CMO's, all making a claim for fees. Many licensees not understanding the different rights that require licensing makes it worse. It has been clear for some time that it will be convenient for licensees to be able to get a single licence for all rights. While the CMO's all have different needs, agendas and fee requirements, we need to find common ground to enable this opportunity. To this end, we have engaged a consultant to help us look at the viability of a single licence regime and its implementation across the CMO community. It will take some time to implement, but the scope of work has been defined and the work has commenced.

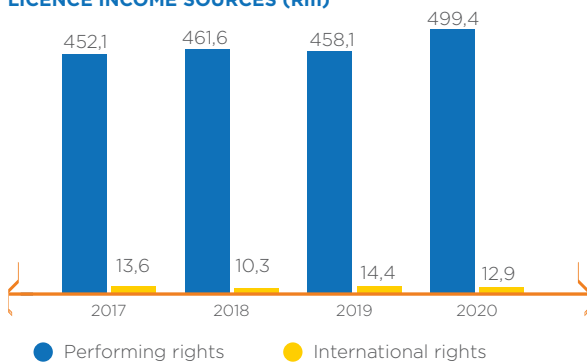
DISTRIBUTIONS (Rm)



COST TO INCOME RATIO (Rm)



LICENCE INCOME SOURCES (Rm)



Chief Executive Officer's report continued

The management of DALRO and a consortium approached SAMRO with a view to selling DALRO last year. The Board took a view that DALRO was not a key asset and we disposed of it.

The SAMRO Foundation continues its good work. Special mention must be made of the Concerts SA initiative, which pivoted from live to online concerts, sometimes with small audiences and we were able to make R1,8 million available for performance funding. In the forthcoming financial year, we are looking to the Foundation to undertake yet another pivot and start looking more closely at an alignment between the work our Foundation does and our membership requirements. While we will continue to provide bursaries, transcribe South African works and support performance and CSI initiatives, we will look to ensure that the endeavours of SAMRO and the Foundation are more closely aligned.

'Disruption' and 'competition' are two words that are starting to permeate our environment. The days where SAMRO could conduct its work without understanding and reacting to our environment are over. Our systems and distributions have to be efficient and the cost of collecting and distributing our licence revenue has to drop. If we do not continue managing the business in a way that brings our cost of collection and distribution down (our 'cost to income ratio'), members and associates will leave us. So efficiency must remain a priority and we should encourage members not to carve out any repertoire because they are able to find more effective and efficient ways to collect money. Already international systems are geared up to collect digital revenues at a lower rate that we are able to do and we need to get our systems into a position that we are competitive, particularly in the digital, streaming space.

To effect this and to become globally relevant and more competitive, we need a business management system that is fully functional and future proofed. We have completed the first part of an exercise to identify the party who can help in this process and we will soon move to selecting a supplier. Again, the installation and testing of a new system will take time, but we are starting that process now.

In this regard, as noted earlier in my report, management decided to amend the useful life of the custom built SQL Database, disclosed in the Balance Sheet as an intangible asset (2020: R52,3 million, 2019: R69,5 million). The useful life was initially assessed to be 5 years. Microsoft will discontinue support for the Dynamics AX ERP system in October 2023. SAMRO is currently in the process of finding an alternative to replace Dynamics AX by September 2023. The useful life was extended by 1,25 years resulting in a remaining useful life of 3,25 years as at 30 June 2020. The effect of the change in the useful life of the database is that it decreased the amortisation expense from R25,4 million to R16,0 million a R9,4 million reduction.

Lastly, we have after many years, realised that across many broadcasters, usage reporting is inadequate. SAMRO will, before the end of the second quarter of the 2021 financial year, conclude an agreement and commence installation of a usage monitoring system for broadcasters which will have the effect of improving the understanding of usage, on lowering the number of Undoc claims and result in fewer queries and improve efficiencies.

In conclusion, I would like to extend a personal note of gratitude to our members, from both the composer and publisher communities, who have welcomed me into the organisation. To my Board and Chair and all Board sub-committees and their Chairs, my gratitude for your support and reinforcement in helping me with the turnaround of SAMRO. Of course to our employees too. After ten months I should know you all better, but Covid took care of that privilege. However, we have spent good times together throughout the organisation and for that I thank you and look forward to working with you until the end of my tenure to co-operate and take SAMRO to new heights.



Mark Rosin
CEO

Strategic overview

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

1. Optimisation of the business model

The first pillar focuses on optimising SAMRO's business and entails identifying areas where efficiencies can be improved to have a positive impact on SAMRO's distributions to its members. Optimising operations and processes in areas such as documentation, invoicing, licensing and credit control enables SAMRO to increase value for members and grow licensing revenue. Negotiating favourable tariffs is crucial to ensure we derive sufficient licensing revenue from our licensees to provide a more member and licensee-centric service.

2. Diversification

The second pillar is business diversification. It focuses on identifying and pursuing opportunities to provide SAMRO's existing stakeholders (members and licensees) an improved and wider service offering beyond the current resources at SAMRO's disposal. This entails working with strategic partners to increase licensing and collection in other African territories, and providing value added services for members and technologically driven customer solutions.

3. Innovation

The third pillar is about future focus and innovation enabling SAMRO to effectively compete in the market and industry of the future. SAMRO intends to be a dynamic and future-orientated organisation that understands members' wants and needs. We will consistently monitor trends like digitalisation and ensure we respond effectively. Our approach to innovation enables us to be a business gaining the affinity of members by offering great value in a changing landscape.

Strategic overview continued

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

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

Pillar

Activities

Improving reputation

The negative public perception of SAMRO due to recent events affected its relationship with major stakeholders, ie members, employees, licensees and lawmakers.

To improve its reputation, SAMRO proactively set out to significantly increase engagement and communication with SAMRO members. Frequent communication and engagement occurred on the following channels:

- Direct communication with members on the portal, website, email and SMS
- Social media engagement
- The newly introduced member townhall sessions
- Industry workshops, events and conferences

Also, the work performed through the SAMRO Foundation (the Foundation) to the benefit of existing and future SAMRO members had a wide-reaching positive impact and helped improve the organisation's reputation.

Music industry cohesion/synergy

With the impending CAB, SAMRO became a member of the Copyright Coalition to actively promote and protect our members' rights. This is to ensure CAB in its current form is not legislated as it allows big technology companies to unethically benefit from free use of creative content at the expense of our members.

Also, SAMRO is committed to working with other CMOs in South Africa that administer neighbouring rights to ensure harmonious operations and maximum value for creatives and the industry as a whole.



Legislative framework

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

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

for the public benefit and/or to further the related cultural and social activities and communal or group interest.

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

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

Value added statement

for the year ended 30 June 2020

SAMRO created and distributed R523 millions of wealth in 2020 (2019: R566 million). Music royalty distributions for member benefit remained at the same level as 2019: R316,6 million. Distributions were in the form of royalties, retirement annuity and funeral benefits, endowments for the national arts, and other social and cultural allocations.

Payments to employees in the form of salaries, wages and benefits increased by 7,7% from R104 million to R112 million. This represented 21% of total value distributed. Taxation paid to government totaled R4,7 million.

No withdrawals have been made from reserves in the past two years.

	GROUP	
	2020 R000	2019 R000
Music licence and royalties	512 376	472 592
Reprographic licence and royalties	50 974	57 725
Administration and other fees	7 698	12 254
Cost of generating revenue	(68 291)	(57 611)
VALUE ADDED	502 757	484 960
Income from investments	15 276	21 797
Distribution adjustment	4 773	59 214
WEALTH CREATED	522 806	565 971
VALUE DISTRIBUTION		
Members		
Music royalty distributions	316 651	316 616
Reprographic royalty distributions	50 974	57 725
Grant of rights payments	-	27 317
SRAF and members' funeral benefit	10 215	9 052
SAMRO Foundation allocation	6 058	20 564
Other social and cultural allocations	315	315
Employees		
Salaries, wages and benefits	112 313	104 261
Providers of capital		
Finance costs	38	2 409
Government		
Taxation charge	4 690	5 893
Reinvested in the group		
Depreciation and amortisation of capital items	21 674	30 204
Transferred to reserves	10 027	3 271
Retained earnings	(10 149)	(11 657)
Total	522 806	565 971

Our social impact

SAMRO plays a pivotal role in Africa as a driver of the creative economy through its corporate social investment (CSI) from the Foundation (www.samrofoundation.org.za).

SAMRO has been promoting the sustainability of artistic communities and music for almost 60 years. Our corporate citizenship philosophy is based on the Freedom Charter and is closely related to our commitment to stakeholder development. These values have been the foundation of our corporate culture since 1962.

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

The group's CSI initiatives are channeled through the Foundation, which provides investment support for music education and developing and promoting South African composers, authors and artists. The Foundation annually allocates funds to projects. The board receives feedback on activities and progress at all board meetings and funds are allocated transparently. Below are some of the group's CSI statistics:

2020 CSI in numbers

<p>Over R200 million invested in the arts since 1962</p>	<p>SAMRO started its CSI efforts early by offering scholarships to composer members. This grew and today SAMRO boasts a legacy of supporting thousands of SA composers and performers over the past 58 years.</p> <p>SAMRO also supports a number of NGO music schools and strategic education projects.</p>	<p>The SAMRO Overseas Scholarships Competition has yielded 78 winners since inception, many runners up and numerous named subsidiary awards, thanks to bequests and donations. The 2019 competition for singers included works that adapted indigenous works and launched the SAMRO/Doreen Nteta Indigenous African Music award in honour of Doreen Nteta's efforts to conserve, preserve, and promote southern African indigenous culture.</p>
<p>Concerts SA (CSA) has impacted over 9 000 artists since it commenced in 2013</p>	<p>CSA has promoted live music to over half a million audience members. CSA is funded by the Royal Norwegian Embassy and administered by the Foundation.</p>	<p>Since inception CSA supported over 4 500 concerts across South Africa's provinces and 11 Southern Africa Development Community (SADC) countries. This includes over 800 venues, reaching an audience of close to 500 000 people in small venues.</p>
<p>The SAMRO Music Archive has supported the commissioning of over 500 new South African works</p>	<p>The SAMRO Music Archive preserves southern African music scores, with 64 500 in the physical archive and a growing selection of digital works.</p>	<p>The SAMRO Music Archive worked towards the growth in digital works with the launch of the Indigenous African Music (IAM) transcription Project and the SAMRO Scores online portal supported by the US Ambassador's Fund for Cultural Preservation.</p>

The SAMRO Foundation

The Foundation's current mission is to promote South Africa's national arts through sponsorships; encourage excellence in the arts; facilitate economic participation in the creative economy; influence cultural and arts policy by means of research and advocacy; and promote living cultural heritage. This mission is under review and a new strategy is being developed to serve SAMRO members, as directed by the SAMRO board.

The Foundation was established in 2012 and is a semi-autonomous NPC. The Foundation is fully registered as a public benefit organisation approved for section 18(a). This means contributions are tax deductible by donors. The Foundation has a team of dedicated and passionate individuals who work relentlessly to successfully execute numerous projects.

For nearly six decades, the **SAMRO Foundation Education Portfolio** has supported music students, non-government music schools and specific education projects around the country. The bursaries and grants help sustain the music sector as a whole. **The SAMRO Overseas Scholarships Competition** continues promoting the excellence, integrity and international reputation of our sector to the world.

In 2020, 13 NGO music schools and 10 strategic education projects across South Africa received SAMRO's support. These included Access Music Project, Buskaid, the Cape Town Big Band Jazz Festival, the International Steelpan and Marimba Festival, and the South African National Youth Orchestra.

The micro-grants offered help these valuable institutions sustain themselves, and act as endorsement for further funding should they require it. A map of the Foundation's historical investment into the music landscape can be found here: <https://www.concertssa.co.za/venues-map/>.

Concerts SA (CSA) is administered by IKS Cultural Consulting under the auspices of the SAMRO Foundation. The project was formed in 2013 with invaluable support from the Norwegian Partners Rikskonsertene (Concerts Norway) and the Norwegian Ministry of Foreign Affairs with the objectives to partner with musicians, promoters, venue owners and audiences to build music circuits and encourage the mobility of southern African artists. CSA focuses on live-music performances at venues and schools in disadvantaged areas, a mobility fund and skills development through workshops for the music sector at large. Another focus area for CSA is research, focusing on audience development, live music environment and music venue mapping. In 2020 CSA released the groundbreaking research into live streaming in South Africa titled *Digital futures*. This follows CSA's research reports *It Starts with a Heartbeat*, about live music in cities, and *Songlines*, research into the live-music industry in South Africa.

CSA has continued to play an instrumental role in improving music in Southern Africa through increased partnership, diversity, range and scope. This joint SAMRO/Royal Norwegian Embassy project has impressively impacted over 9 000 musicians in the past six years. These artists are mostly from popular music and jazz genres (www.concertssa.co.za).

The SAMRO Music Archive stores a large collection of South African music scores, photographs, research collections and biographies, and continues growing with new works and commissions from SAMRO members. **SAMRO Scores** (www.samroscores.org.za) is an online score portal for contemporary South African composer members to sell their music scores online. The **IAM transcription project** has transcribed over 50 indigenous African works which are available for free from the projects website.

Our social impact continued

The Foundation's focal areas

the Foundation affirmed its commitment to the arts in South Africa by focusing on five strategic areas, implemented through the projects outlined in the table below:

Strategic focus areas	Objectives	Performance feedback
Encouraging excellence in the arts	<ul style="list-style-type: none"> • Return on investment • Brand awareness in the arts • Goodwill 	<ul style="list-style-type: none"> • Growth in careers of artists who are beneficiaries of the Foundation's initiatives • Responses from grant recipients • Media & Branding
Facilitating economic participation in the creative economy	<ul style="list-style-type: none"> • Improved cooperation in the sector • Economic growth among partners • Formalisation of the sector • Increase in number of platforms 	<ul style="list-style-type: none"> • CSA benefited over 9 000 artists, at 4 500 concerts at 800 venues, to nearly half a million people in the audience, in South Africa's provinces and 11 SADC countries • CSA conducted groundbreaking research into the role that digital streaming played during the COVID-19 lockdowns
Promoting living cultural heritage	<ul style="list-style-type: none"> • Increased awareness of southern African culture/music • Increased awareness of works in the SAMRO music archive 	<ul style="list-style-type: none"> • Preparations towards the launch of the Indigenous African Music (IAM) Project www.iamtranscriptions.org • Working with composer members to prepare and produce their sheet music for online consumption • Provided samroscores.org.za as a simple and accountable platform for international consumers to purchase sheet music
Influencing cultural and arts policy through research and advocacy	<ul style="list-style-type: none"> • Improved awareness of the music sector (internal and external) • Building on research to provide a broader knowledge base • Representing musicians at related policy events 	<ul style="list-style-type: none"> • Partnered with human rights organisations like the Turquoise Harmony Institute to use music to promote social causes • Talks and seminars with partners like US Hip-Hop artist Konshens The MC
Building capacity and institutional strength of arts organisations	<ul style="list-style-type: none"> • Improved professionalism in the sector • Improved income for recipients • Improved compliance in the sector 	<ul style="list-style-type: none"> • Supported numerous organisations in the music sector through micro-grants • Helped numerous organisations through strategic crisis management and governance support

In tribute to our members who have passed on

Abneer Enock Masia

Bekizizwe Joseph Shabalala

Bethwell Bhekifa Bhengu

Bhekinkosi Robert Masango

Bongani Ernest Dlongolo

Jeffrey Thulani Mavimbela

Johan Jeremia Jansen van Vuuren

Jonathan Paul Clegg

Lourens Stephanus Daniel Botha

Mareki George Abraham Ramela

Masala Freddy Tshipota

Mondo David Bogatsu

Mpendulo General Dandile

Msongelwa Potatoes Zuma

Nelisiwe Lynette Nzama

Njabulo Zondi

Petros Malibongwe Gcwabe

Phuti Eric Molokomme

Rabadietsa John Motsoapong

Richard John Buetow

Risimati Wilson Maluleke

Samson Mthombeni

Sarel Christiaan Pretorius

Skheto Norman Mathebula

Steven Mtimkulu

Sthembile Lorraine Sethole

Vaunduku Xaba

Vukani Julius Masinga

William Mbatha

Zanele Gloria Masemola

Rest peacefully, forever yours in music

Our social impact continued

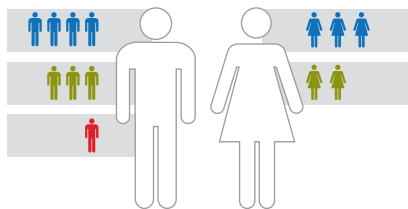
SAMRO embraces inclusive growth and diversity in South Africa in line with the BBBEE and EE Acts, 55 of 1998.

Transformation is part of SAMRO's culture. Our social, ethics and governance committee oversees transformation within the company by monitoring our compliance with the BBBEE and EE Acts. SAMRO's HR team has implemented policies aligned with our values. In 2020, SAMRO's transformation focus areas were:

- Implementation of a bursary scheme for BEE candidates
- The procurement department was formalised and implemented procedures which assists with supplier selection and collection of supplier BEE information
- Improved BBBEE product knowledge and insight relating to the new specialised scorecard and the elements SAMRO will be measured against
- Continued use of the economically active population targets in our recruitment process to ensure the applicable gaps are closed at all levels
- Integrating the smartscore system to ensure continuous planning and monitoring of our transformation agenda
- Initiated the process of collecting valid black economic empowerment (BEE) certificates from all suppliers to improve the preferential procurement element

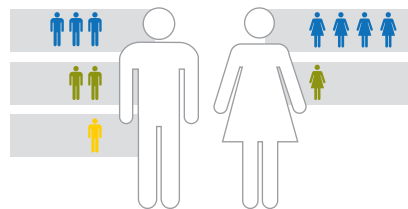
Management control

Board of directors (13)

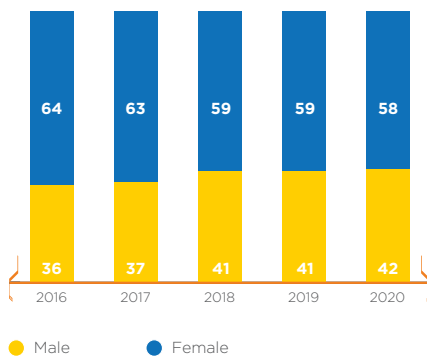


● African ● Coloured ● White ● Indian

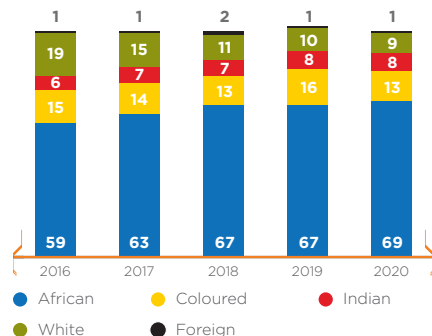
General management committee (11)



PERMANENT EMPLOYEES BY GENDER (%)



PERMANENT EMPLOYEES BY RACE (%)



We continue prioritising equity appointments, primarily African females, to contribute to meeting BBBEE targets. SAMRO is dedicated to having a diverse board with the expertise and skills required to drive performance and transformation throughout the company.

How we are governed

SAMRO leadership

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

During the year under review, the SAMRO board composition changed as follows:

Mr Nicholas Maweni - Independent Board Chairperson

Mr David Alexander - Non-Executive Director

Mr Ryan Hilll - Non-Executive Director

Mr Sello Twala - Non-Executive Director

Dr Siphso Sithole - Non-Executive Director

Dr Linah Ngcobo - Non-Executive Director

Ms Wendy Oldfield - Non-Executive Director

Ms Natalie Sanderson - Non-Executive Director (Resigned on 31 March 2020)

Ms Relebogile Mabotja - Non-Executive Director (Resigned on 08 October 2019)

Mr Gaby Le Roux - Non-Executive Director (Retired on 29 November 2019)

Mr Rowlin Naicker - Non-Executive Director (Retired on 29 November 2019)

The following independent Directors were appointed:

Mr Sisa Mayekiso - Lead Independent Director (Appointed on 17 September 2019)

Dr Sibongile Vilakazi - Independent Non-Executive Director (Appointed on 21 May 2020)

How we are governed continued

Board composition



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

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



6 Dr Sipho Sithole

Composer board member

7 Sello Twala

Composer board member

8 Dr Linah Ngcobo

Composer board member

9 Wendy Oldfield

Composer board member

How we are governed continued

Board member meeting attendances as at June 2020

Meeting	Members	Number of meetings	Meeting attended
Social, Ethics and Governance committee	S Sithole	3	3
	S Twala	3	2
	W Oldfield	3	3
	N Maweni	3	3
	S Vilakazi [#]	1	1
Audit and Risk committee	S Mayekiso	1	1
	N Sanderson*	4	3
	D Alexander	3	2
	R Naicker*	4	3
Nominations, HR and remuneration committee	N Maweni	3	3
	R Mabotja*	3	1
	G le Roux*	3	1
	S Sithole	3	3
	R Hill	3	3
	S Vilakazi [#]	1	1
SAMRO board	W Oldfield	6	6
	N Maweni	6	6
	R Mabotja*	6	1
	G le Roux*	6	2
	S Sithole	6	6
	S Twala	6	5
	N Sanderson*	6	4
	R Naicker*	6	2
	S Mayekiso [#]	3	1
	R Hill	6	5
	D Alexander	6	6
	S Vilakazi [#]	1	1

* Board members who resigned during the year under review.

[#] Board Members who were appointed during the year under review.

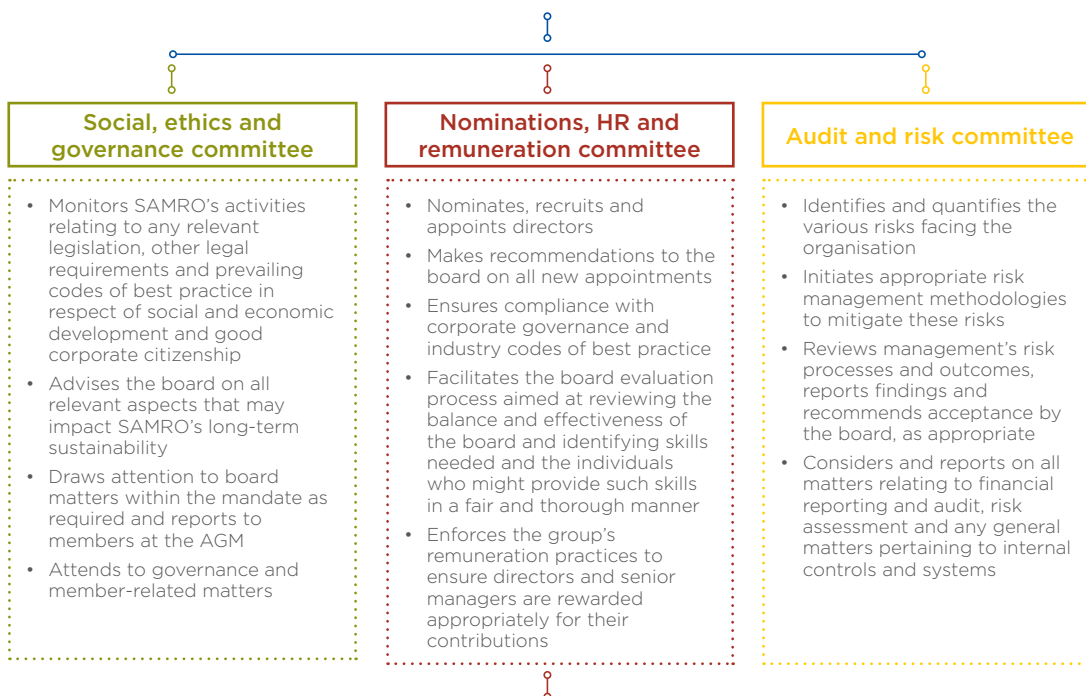
SAMRO's governance structure

Board of directors

The board is responsible for the company's performance and delegates the implementation of the strategy to the CEO and the general management committee.

Other specific responsibilities of the board include:

- 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
- Ensuring the accuracy of SAMRO's financial statements
- Monitoring operational performance and management
- Upholding high standards of ethics in line with the code of ethics
- Ensuring compliance with the policies and procedures applicable to the business
- Encouraging proactive engagement with key stakeholders
- Ensuring risk management and internal controls, policies and processes
- Increasing the value to members while maximising socio-economic benefits



Social, ethics and governance committee

- Monitors 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
- Advises the board on all relevant aspects that may impact SAMRO's long-term sustainability
- Draws attention to board matters within the mandate as required and reports to members at the AGM
- Attends to governance and member-related matters

Nominations, HR and remuneration committee

- Nominates, recruits and appoints directors
- Makes recommendations to the board on all new appointments
- Ensures compliance with corporate governance and industry codes of best practice
- Facilitates 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
- Enforces the group's remuneration practices to ensure directors and senior managers are rewarded appropriately for their contributions

Audit and risk committee

- Identifies and quantifies the various risks facing the organisation
- Initiates appropriate risk management methodologies to mitigate these risks
- Reviews management's risk processes and outcomes, reports findings and recommends acceptance by the board, as appropriate
- Considers and reports on all matters relating to financial reporting and audit, risk assessment and any general matters pertaining to internal controls and systems

General management committee

The general management committee assists the CEO in the company's day-to-day running. The committee meets monthly and the meetings are chaired by SAMRO's CEO. The committee acts on the following:

- Group performance: consolidated management accounts
- Strategy and structure implementation
- Legal issues
- Business segment updates
- Operational matters
- Governance and risk

How we are governed continued

Compliance with applicable laws and regulations

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

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

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

The philosophy of board leadership is premised on the principle that the role of the board and management team's responsibility are two separate and distinct tasks. Consistent with this approach, the roles of the Chairperson and CEO are separate, with specific responsibilities divided between them to ensure a balance of power and

authority. Balances ensures no one individual has unfettered powers of decision making, and cannot dominate the board's decisions. Only decisions of the board acting as a unitary body are binding on the CEO.

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

Company Secretary

SAMRO's group company secretary plays a pivotal role in the functioning of the Board. She ensures all directors have full and timely access to information they need to perform their duties and obligations properly, and enables the board to function effectively. She is responsible for the

duties set out in section 88 of the Companies Act and for ensuring compliance with applicable laws and regulations. She also provides guidance and assistance in line with King IV. All directors have unlimited access to the group Company Secretary.

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

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



How we are governed continued

Group operation and management structure



Executive directors

1 **Mark Rosin**

CEO
Appointed to SAMRO
February 2020

2 **John Scullion**

CFO
Appointed March 2020

Risk management

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

Risk reporting and oversight

Risk reporting is a fundamental component of risk management.

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

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

- IT governance
- Licensing
- Business continuity

- Stakeholder management
- Human capital
- Information governance
- Operations
- Governance

Risk management process

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

Key risks 2020

1. Digital service providers providing music royalty distribution services
2. Failure to license music users
3. Poor financial operational controls
4. Poor service delivery
5. Volatile membership
6. BEE compliance
7. Procurement fraud/mismanagement
8. SAMRO being replaced by another industry player or government agency



Management team

1	Tanya Castignani	General Manager: Information Management and Services
2	Clinton Hornett	General Manager: Distributions
3	Grace Khambane	General Manager: HR
4	Manqoba Kubheka	General Manager: Licensing/Sales
5	André le Roux	Managing Director: SAMRO Foundation
6	Jacqui Mabuza	General Manager: Group Marketing and Brand
7	Chola Makgamathe	General Manager: Legal
8	Celiwe Nkosi	Company Secretary
9	Karabo Senna	General Manager: Rightsholder Services
10	Lazarus Serobe	Managing Director: DALRO
11	Thomas Windsch	Senior Data Analyst

How we are governed continued

Risk management framework and policy

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

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

Internal control

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

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

Audit and risk committee report

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

Role of the committee

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

The responsibilities of the committee are as follows:

Integrated reporting and assurance

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

Internal audit

- Approves the structure and appointment of the internal audit function – internal function or outsourced – as proposed by management
- Annually reviews the performance and objectivity of the internal auditor and subjects the internal audit function to independent quality review as and when deemed necessary by the committee
- Reviews the functioning of the internal audit programme and apartment, if any, ensures coordination between the internal and external auditors, and ensures that any internal audit function is adequately resourced and has appropriate standing within the company
- Receives and reviews the internal audit report at each meeting of the committee as well as the annual assessment of internal financial controls
- Considers the major findings of internal investigation and management's response

Risk management

- Oversees the development and annual review of policy and plan for risk management to recommend for approval to the board

- Monitors implementation of the policy and plan for risk management taking place by means of risk management systems and processes
- Makes recommendations to the board concerning the levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved by the board
- Oversees that the risk management plan is widely disseminated throughout the company and integrated in the day to day activities of the company
- Ensures that risk management assessments are performed on a continuous basis
- Ensures that frameworks and methodologies are implemented to increase the possibility of anticipating unpredictable risks
- Ensures that management considers and implements appropriate risk responses
- Ensures that continuous risk monitoring by management takes place
- Expresses the committee's formal opinion to the board on the effectiveness of the system and process of risk management
- Reviews reporting concerning risk management that is to be included in the integrated report

Internal control

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

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

Internal financial controls

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

External audit

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

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

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

Activities of the committee

The committee met four times during the financial year and attendance at the meetings is detailed in creating value through good governance. Members of the committee and the external auditor may request a non-scheduled meeting if they consider this necessary. The chairman of the committee will determine if such a meeting should be convened.

How we are governed continued

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

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

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

- Recommended to the board and members the appointment of the external auditors, approved their terms of engagement and remuneration, and monitored their independence, objectivity and effectiveness
- Determined the nature and extent of any non-audit services which the external auditor may provide to the group and preapproved any proposed contracts with the external auditors
- Reviewed the group's internal financial control and financial risk management systems
- Reviewed and recommended to the board for approval the integrated report and annual financial statements
- Evaluated the effectiveness of the committee

Evaluation of Chief Financial Officer and finance function

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

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

Approval of the audit and risk committee report

The committee confirms that it has functioned in accordance with its terms of reference for the 2020 financial year.



Sisa Litha Mayekiso

Chairperson: Audit and risk committee

2 December 2020

Report of the SAMRO Social, Ethics and Governance Committee of the Board

The Social, Ethics and Governance Committee (SEG) of the SAMRO board is mandated to oversee good stakeholder relationships, internally and externally. The committee is responsible for ensuring ethical behaviour and high moral standard in the organisation. In line with the strategic priorities set by the board, the SEG committee is committed to support the strategic pillar to improve efficiencies in the organisation and thus improve the experience of members and all other stakeholders. It is for this reason that the committee has prioritised the following initiatives in the past year:

Stakeholder relations

The Stakeholder Relations team has been assigned the responsibility of engaging fellow CMOs in the continent and international CMOs to strengthen our working relations with them, share business experiences and industry trends to unlock revenue flow. The team was preoccupied, in the past year, with developing monitoring systems to make it easier to identify all CMOs we have relations with and the revenue they are bringing. We intend to dial up the output from this team to improve the positioning of SAMRO as the leading CMO in Africa that look out for the sustainable growth and development of its members.

Marketing

The marketing role is essential to assist the organisation to advance the messaging of being the leading CMO in Africa that looks out for the sustainable growth and development of its

members. The past year has really tested Marketing to persistently communicate this message to all stakeholders. Due to the COVID-19 pandemic, all marketing efforts were geared towards identifying opportunities to support members better during this most difficult time. Other efforts were geared towards promoting transparency, seeking gender parity in the music industry and celebrating the organisation's rich musical heritage. In particular, the efforts attempted to achieve the following:

- Demonstrate SAMRO's commitment to transparency to its members
- Champion for gender equality in the music industry during women's month
- Increase awareness of marginalised music genres through positive marketing and PR initiatives

Rights holder management

The following policies were approved by the board to assist the organisation to be effective in servicing members using the limited resources under the disposal of the organisation:

- **ADVANCE PAYMENT POLICY** - The policy was developed to regulate the manner in which advances are paid to ensure the organisation can cope with all the requests.
- **MINIMUM ENTRY FEE** - Due to the fact that SAMRO's resources are limited and SAMRO seeks to improve the service offered and the overall cost to income ratio. It was considered that to better manage the resource allocation and SAMRO to continue its objective of providing an exceptional value proposition to its members, the board approved that a minimum fee be levied to members to ensure that SAMRO becomes more efficient and effective as a collecting society.
- **SRAF MINIMUM THRESHOLD** - the board approved that the allocation rules for the SRAF Contribution Schedule be amended to:
 - a) Permit that an allocation be made to a natural member provided they have earned royalties equal to or in excess of R100.00 within the review year
 - b) members who have not earned royalties equal to or in excess of R100.00 will not receive an allocation

These amendments were made to protect members from administration fees that eroded their contribution.

Ethical conduct

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

The foundation

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

- Business skills
- Innovative technology
- Thought leadership

Through business partnerships, SAMRO will help to grow members' businesses, empowering them to innovate and find new technology solutions for industry growth, which will improve the livelihood of all members. This will be monitored and researched and enable SAMRO to be a leading voice on the continent. SAMRO will need to identify strategic partners across business sectors and in education, to assist in rolling out programs to empower our members.

Our composers cannot easily find sustainable employment like in other sectors. SAMRO would like to help composers stand on their own two feet, grow their own businesses, make a decent living and thrive.

The SEG committee looks forward to a moment where doing business with SAMRO will be efficient and smooth for its members and the members' economic status will have significantly improved as a result of efforts made by the organisation to simplify their lives.

Report of the SAMRO Human Resources, Remuneration and Nomination Committee of the Board

The committee consists of a minimum of three non-executive directors which are nominated by the board and exist to assist the board in respect of the following:

- 1) That the board has the appropriate composition to execute its duties effectively
- 2) That a formal succession planning plan exists to ensure that the board, CEO and other executive appointments are in place and are aligned to the SAMRO's policies
- 3) Ensure a fair and responsible remuneration of directors, executives and other employees, including ensuring that all employee benefits are justified and correctly valued
- 4) Assist the board in ensuring that appropriate HR policies are developed and implemented
- 5) Ensure that an appropriate operating model and organisation structure exist to drive and implement the strategy of the organisation

During the year under review, the HR, Remuneration and Nomination Committee of the SAMRO board drove and executed the following:

- 1) Received, considered and recommended to the board the approval of the following policies:
 - a. Job Evaluation and Grading Policy
 - b. Remuneration Policy
 - c. Sexual Harassment Policy
 - d. Succession and Career Management Policy

- 2) Received, considered and recommended to the board the approval of the following:
 - a. Operating model that will drive the following:
 - i. Growth and expansion
 - ii. Operations and efficiency improvements
 - iii. Innovation and systems
 - iv. Public affairs and empowerment
 - b. A supporting organisational structure that will drive and execute the following:
 - i. Increasing revenue
 - ii. Improving systems and processes
 - iii. Managing costs
 - iv. Improving reputation
 - v. Music industry cohesion/synergy
- 3) HR Strategy, which must support the execution of the above was considered by the committee and has been referred back for further improvement.
- 4) The HR Committee received, considered the submission by management the following, which was then recommended to the board for approval:
 - a. Revision of the bonus provision
 - b. Revision of the leave policy
 - c. Adjustment of the payment of increases period
 - d. Alignment of the workforce/human resources with the new operating model and demanding cost structure

Remuneration report

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

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

Remuneration strategy and policy

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

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

Primary objectives include the need to:

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

Overview of remuneration

Non-executive board members

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

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

Executives and employees

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

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

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

Directors' responsibility statement

The directors are required in terms of the Companies Act, 71 of 2008, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company and group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company and group's cash flow forecast for the year to 30 June 2020 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company and group's annual financial statements. The annual financial statements have been examined by the company and group's external auditors and their report is presented on page 45.

The annual financial statements and additional schedules, set out on pages 46 to 57, were prepared by Leanne Thomas CA(SA) under the supervision of John Scullion CA(SA). These annual financial statements were approved by the board on 2 December 2020 and were signed on its behalf by:



John Scullion
Chief Financial Officer
2 December 2020



Nicholas Maweni
Chairperson

Directors' report

Incorporation

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

Nature of business

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

Operating and financial review

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

Directors and secretary

The directors of the company are listed below and the Company Secretary is Celiwe Nkosi (appointed on 1 June 2019).

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

Name

N Maweni	(Appointed 1 July 2019)
S Mayekiso	(Appointed 17 September 2019)
R Mabotja	(Resigned 10 October 2019)
R Naicker	(Resigned 29 November 2019)
R Hill	(Re-appointed 29 November 2019)
D Alexander	(Re-appointed 29 November 2019)
E Twala	(Re-appointed 29 November 2019)
L Ngcobo	(Re-appointed 29 November 2019)
S Sithole	(Re-appointed 29 November 2019)
W Oldfield	(Re-appointed 29 November 2019)
G Le Roux	(Resigned 29 November 2019)
D Modiba	(Resigned 31 January 2020)
M Rosin	(Appointed 3 February 2020)
N Sanderson-Kasner	(Resigned 8 March 2020)
J Scullion	(Appointed 17 March 2020)
S Vilakazi	(Appointed 15 April 2020)

Directors' report continued

Directors' interest in contracts

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

Distribution

Distributions for the company for the year, after taking into account income tax, social and cultural deductions and amounts transferred from reserves, were determined at R325,8 million (2019: R357,5 million), a decrease of R31,7 million or 8,9%.

Dividends

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

Going concern

The directors have reviewed the company and group's cash flow forecast for the year to 30 June 2020 and, in light of this review and available credit facilities, including other liquid assets, they are satisfied that the company and group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The group made a loss of R0,1 million for the year (2019: loss of R8,4 million).

The directors have reviewed the company and group's cash flow forecast for the year to 30 June 2021 and, in light of this review and available credit facilities, including other liquid assets, they are satisfied that the company and group has or had access to adequate resources to continue in operational existence for the foreseeable future.

Auditors

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

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 2020, 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.



Celiwe Nkosi

Company Secretary (appointed 1 June 2019)

2 December 2020
Johannesburg

Independent auditor's report on the summary consolidated financial statements

To the Members of Southern African Music Rights Organisation NPC

Opinion

The summary consolidated financial statements, which comprise the summary consolidated balance sheet as at 30 June 2020, the summary consolidated income statement, summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes, are derived from the audited separate and consolidated financial statements of Southern African Music Rights Organisation NPC for the year ended 30 June 2020.

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

Summary consolidated financial statements

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

The audited consolidated financial statements and our report thereon

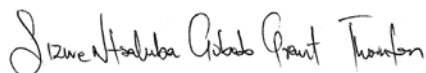
We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 2 December 2020.

Director's responsibility for the summary consolidated financial statements

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

Auditor's responsibility

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



SizweNtsalubaGobodo Grant Thornton Inc.

Director: M Dwanya
Registered Auditor

2 December 2020
Johannesburg

Statement of comprehensive income

for the year ended 30 June 2020

	NOTES	COMPANY		GROUP	
		2020 R000	2019 R000	2020 R000	2019 R000
REVENUE FROM CONTRACTS WITH CUSTOMERS					
	3	512 376	472 592	569 866	535 593
Other income	4	11 269	9 096	1 185	6 978
Investment income	5	5 008	10 846	7 805	13 322
Other gains	6	7 471	8 476	7 471	8 476
Total revenue		536 124	501 010	586 327	564 369
Bad debts		(31 617)	(15 180)	(33 352)	(15 276)
Administration expenses		(143 592)	(152 531)	(161 468)	(171 052)
Other expenses		(877)	(2 791)	(7 458)	(5 750)
Social and cultural expenses	8	(21 881)	(23 820)	(16 588)	(29 931)
Distribution and grant of rights expenses	9	(325 821)	(357 552)	(367 627)	(401 658)
Operating profit/(loss)		12 336	(50 864)	(166)	(59 298)
Royalty distributions written back	10	4 773	59 214	4 773	59 214
Finance charges	11	-	-	(38)	(2 409)
Profit/(loss) before taxation		17 109	8 350	4 569	(2 493)
Taxation		(7 082)	(5 079)	(4 690)	(5 893)
Net profit/(loss)		10 027	3 271	(121)	(8 386)
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation of land and buildings		-	-	-	2 786
Taxation relating to items above		-	-	-	(609)
<i>Items that will be reclassified to profit or loss:</i>					
Changes in fair value of investments at fair value through other comprehensive income		(1 130)	(14 772)	(1 130)	(14 772)
Taxation relating to items above		253	3 309	253	3 309
Other comprehensive (loss)/profit for the year		(877)	(11 463)	(877)	(9 286)
Total comprehensive income/(loss) for the year		9 150	(8 192)	(998)	(17 672)
Attributable to:					
SAMRO members		9 150	(8 192)	(998)	(17 672)

Statement of financial position

as at 30 June 2020

	NOTES	COMPANY		GROUP	
		2020 R000	2019 R000	2020 R000	2019 R000
ASSETS					
Non-current assets					
Property and equipment		8 711	11 698	95 826	108 404
Intangible assets		52 285	69 465	52 285	71 927
Investment in subsidiaries		175	175	-	-
Deferred tax		6 945	11 433	10 772	13 625
Financial asset at fair value through OCI	14	188 192	180 793	188 192	180 793
Total non-current assets		256 308	273 564	347 075	374 749
Current assets					
Trade and other receivables		40 621	182 965	41 266	193 560
Inventory		132	420	132	640
Related-party receivable		203 254	200 263	-	-
Taxation receivable		8 110	6 860	8 055	7 074
Cash and cash equivalents	15	242 265	60 831	252 020	114 799
Total current assets		494 382	451 339	301 473	316 073
Assets classified as held for sale	18	-	-	60 612	-
Total assets		750 690	724 903	709 160	690 822
EQUITY AND LIABILITIES					
Capital and reserves					
Retained earnings/(accumulated losses)		4 809	(5 220)	(94 424)	(94 303)
Revaluation reserve		1 270	1 270	-	-
Fair value through other comprehensive income reserve		58 817	59 693	58 817	59 693
Members equity		64 896	55 743	(35 607)	(34 610)
Non-controlling interest		-	-	-	-
Total equity		64 896	55 743	(35 607)	(34 610)
Non-current liabilities					
Post-employment medical benefit		21 930	23 716	21 930	23 716
Total non-current liabilities		21 930	23 716	21 930	23 716
Current liabilities					
Distributions payable	16	395 398	436 007	394 911	483 878
Distributions in progress	16	207 705	164 750	207 705	164 750
Current portion of post-retirement medical benefit		1 193	1 043	1 193	1 043
Related-party payable		1 190	1 029	-	-
Social and cultural obligations	17	27 170	23 035	22 410	24 129
Trade and other payables		31 208	19 580	39 236	27 915
Current tax liability		-	-	-	-
Total current liabilities		663 864	645 444	665 455	701 715
Liabilities directly associated with assets classified as held for sale	18	-	-	57 382	-
Total funds and liabilities		750 690	724 903	709 160	690 822

Statement of cash flows

for the year ended 30 June 2020

	NOTES	COMPANY		GROUP	
		2020 R000	2019 R000	2020 R000	2019 R000
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES					
Cash generated from licensing operations		515 437	239 898	561 260	280 728
Taxation paid		(3 592)	(13 728)	(3 321)	(14 588)
Royalty, grant of rights and social distributions to members and affiliated societies	16	(318 702)	(259 907)	(408 865)	(297 218)
Applied to social and cultural expenses		(17 746)	(18 536)	(18 307)	(23 223)
Cash flows from assets held for sale	18	-	-	(7 280)	-
Net cash flows generated/(utilised) from operating activities		175 397	(52 273)	123 487	(54 301)
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES					
Additions to property, equipment and intangible assets		(169)	(729)	(169)	(1 437)
Interest paid		-	-	(38)	(2 409)
Dividends received		2 401	3 997	2 401	3 997
Interest received		2 607	6 849	2 754	9 325
Increase in loans to related parties		(2 830)	(37 621)	-	-
Proceeds on disposal of property and equipment		1 008	534	1 005	547
Net (outflows)/proceeds on (additions)/disposals of investments		(1 329)	56 842	(1 329)	56 842
Interest received from subsidiaries		4 349	4 349	-	-
Cash flows from assets held for sale	18	-	-	2 649	-
Net cash flows generated/(utilised) from investing activities		6 037	34 221	7 273	66 865
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES					
Financing activities					
Repayment of borrowings		-	-	-	(28 417)
Cash flows from assets held for sale	18	-	-	6 461	-
Net cash flows generated/(utilised) from financing activities		-	-	6 461	(28 417)
Net increase/(decrease) in cash and cash equivalents		181 434	(18 052)	137 221	(15 853)
Cash and cash equivalents at the beginning of the year		60 831	78 883	114 799	130 652
Cash and cash equivalents at the end of the year		242 265	60 831	252 020	114 799

Statement of changes in funds and reserves

for the year ended 30 June 2020

	COMPANY			
	Retained earnings/ (accumulated losses) R000	Revaluation reserve R000	Fair value reserve R000	Total R000
Balance at 30 June 2018	(8 489)	1 270	71 157	63 938
Total comprehensive income/(loss) for the year	3 271	-	(11 463)	(8 192)
Profit for the year	3 271	-	-	3 271
Fair value gains on investments through other comprehensive income	-	-	(11 463)	(11 463)
Balance at 30 June 2019	(5 218)	1 270	59 694	55 746
Total comprehensive income/(loss) for the year	10 027	-	(877)	9 150
Profit for the year	10 027	-	-	10 027
Fair value gains on investments through other comprehensive income	-	-	(877)	(877)
Balance at 30 June 2020	4 809	1 270	58 817	64 896

Statement of changes in funds and reserves continued

for the year ended 30 June 2020

	GROUP			
	(Accumulated losses)/ retained earnings R000	Re-valuation reserve R000	Fair value reserve R000	Total funds and reserves R000
Balance at 30 June 2018	(85 917)	(2 177)	71 157	(16 937)
Total comprehensive income for the year	(8 386)	2 177	(11 463)	(17 672)
Loss for the year	(8 386)	-	-	(8 386)
Fair value gains on investments through other comprehensive income	-	-	(11 463)	(11 463)
Revaluation of land and buildings	-	2 177	-	2 177
Balance at 30 June 2019	(94 303)	-	59 694	(34 609)
Total comprehensive income for the year	(121)	-	(877)	(998)
Loss for the year	(121)	-	-	(121)
Fair value gains on investments through other comprehensive income	-	-	(877)	(877)
Revaluation of land and buildings	-	-	-	-
Balance at 30 June 2020	(94 424)	-	58 817	(35 607)

Notes to the annual financial statements

at 30 June 2020

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 2020 have been extracted from the full set of audited consolidated annual financial statements for the year ended 30 June 2020, 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	
	2020 R000	2019 R000	2020 R000	2019 R000
3 REVENUE FROM CONTRACTS WITH CUSTOMERS				
Music rights	499 400	458 132	499 400	458 132
Royalties from affiliated societies	12 976	14 460	12 976	14 460
Licence and royalty income	512 376	472 592	512 376	472 592
DALRO Licensing fees	-	-	50 977	57 725
DALRO sale of books and musicals	-	-	209	209
Rental income	-	-	6 304	5 067
TOTAL REVENUE FROM CONTRACTS WITH CUSTOMERS	512 376	472 592	569 866	535 593
4 OTHER INCOME				
Sundry Revenue	13	43	13	5
Interest on loans and cash balances	3 798	1 611	3 857	1 667
Interest from subsidiary companies	4 349	4 349	-	-
Administration, computer and management fees from subsidiary companies	3 109	3 093	-	-
SAMRO Foundation project funding	-	-	(2 685)	5 306
Total other income	11 269	9 096	1 185	6 978
5 INVESTMENT INCOME				
Dividends	2 401	3 997	2 401	3 997
Interest from investments	2 607	6 849	5 404	9 325
Total income investments	5 008	10 846	7 805	13 322
6 OTHER GAINS				
Gain on disposal of investments	7 471	8 476	7 471	8 476
Total other gains	7 471	8 476	7 471	8 476

Notes to the annual financial statements continued

at 30 June 2020

	COMPANY		GROUP	
	2020 R000	2019 R000	2020 R000	2019 R000
7 OPERATING LOSS				
Operating loss includes the following items:				
Accommodation costs	3 458	3 279	3 733	3 909
Depreciation	1 883	2 232	4 524	5 152
Amortisation	16 329	24 942	17 150	25 052
Revaluation loss on land & buildings	-	-	6 950	-
Operating costs	4 785	7 039	5 324	7 874
Professional fees	677	2 385	2 022	3 152
IT costs	3 607	3 976	3 707	4 096
Employee benefits	100 488	94 763	110 114	104 850
Marketing costs	1 490	2 952	1 515	3 085
Other costs	3 901	7 223	6 005	9 442
Auditors remuneration				
Fees – current year	2 020	2 823	2 180	3 470
Fees – under provision previous years	212	128	388	128
	2 232	2 951	2 568	3 598
Bad debt provision	31 617	15 180	33 352	15 276
Investment management fees	845	1 101	845	1 101
(Profit)/loss on disposal of property and equipment	242	(536)	242	(542)
Impairment loss*	1 668	-	1 668	-
The impairment loss relates to:				
Intangible and other assets	1 220	-	1 220	-
Receivable from SAMPRO	448	-	448	-
	1 668	-	1 668	-
7.1 EMPLOYEE BENEFITS				
Personnel costs include:				
Salaries and bonuses	85 698	74 766	92 466	81 921
Social security levies	845	1 210	915	1 291
Pension costs on defined contribution plan	9 896	10 035	10 719	10 841
Training	2 053	2 055	2 053	2 057
Other employment costs	3 632	5 006	5 597	7 049
	102 124	93 072	111 750	103 159
Post-employment benefits	(1 636)	1 691	(1 636)	1 691
	100 488	94 763	110 114	104 850
8 SOCIAL AND CULTURAL EXPENSES				
Social	10 215	9 052	10 215	9 052
Cultural	11 666	14 768	6 373	20 879
	21 881	23 820	16 588	29 931
9 DISTRIBUTION AND GRANT OF RIGHTS PAYABLE				
Licence and royalty	325 821	330 235	367 627	374 341
Grant of rights	-	27 317	-	27 317
Total distributions	325 821	357 552	367 627	401 658

	COMPANY		GROUP	
	2020 R000	2019 R000	2020 R000	2019 R000
10 ROYALTY DISTRIBUTIONS WRITTEN BACK				
Undistributable income written back	4 773	59 214	4 773	59 214
11 FINANCE CHARGES				
Interest paid	-	-	38	2 409
Total finance costs	-	-	38	2 409
12 KEY MANAGEMENT EMOLUMENTS				
From the company and its controlled subsidiaries for:				
Directors				
Current emoluments				
- Non-executive directors' - fees	1 765	1 208	1 942	1 453
- Non-executive directors' - other	2	31	2	32
- Salaries	3 845	3 932	7 093	7 330
- Pension and medical aid contributions	213	585	675	1 098
- Bonuses and other fringe benefits	22	221	897	911
Total directors' current emoluments	5 847	5 977	10 609	10 824
Post-retirement benefits				
- Estimated post-retirement benefits	-	-	-	-
Total directors' emoluments	5 847	5 977	10 609	10 824
Paid by:				
- Company	5 847	5 977	5 847	5 977
- Subsidiaries	-	-	4 762	4 847
Total paid	5 847	5 977	10 609	10 824
Other key management				
Current emoluments				
- Salaries and bonuses	10 780	8 282	10 780	8 282
- Pension and medical aid contributions	1 312	1 036	1 312	1 036
- Other fringe benefits	99	143	99	143
Total other key management current emoluments	12 191	9 461	12 191	9 461
Post-retirement benefits				
- Estimated post-retirement benefits	(32)	32	(32)	32
Total other key management emoluments	12 159	9 493	12 159	9 493
Total key management emoluments	18 006	15 470	22 768	20 317
13 CAPITAL EXPENDITURE INCURRED				
Property and equipment	169	708	169	1 246
Software development	-	21	-	191
	169	729	169	1 437
14 FINANCIAL ASSETS AT FAIR VALUE THROUGH OCI				
At cost	112 704	104 174	112 704	104 174
Market revaluation	75 488	76 619	75 488	76 619
	188 192	180 793	188 192	180 793

Notes to the annual financial statements continued

at 30 June 2020

	COMPANY		GROUP	
	2020 R000	2019 R000	2020 R000	2019 R000
15 CASH AND CASH EQUIVALENTS				
Cash on hand and balances at banks	231 935	37 042	241 690	91 010
Short-term investments	10 330	23 789	10 330	23 789
Total cash & cash equivalents	242 265	60 831	252 020	114 799
16 ROYALTY DISTRIBUTIONS AND GRANT OF RIGHTS PAYMENTS TO MEMBERS AND AFFILIATED SOCIETIES				
Available for distribution at the beginning of the year	(436 007)	(385 317)	(483 878)	(426 393)
Distributions in progress at the beginning of the year	(164 750)	(177 010)	(164 750)	(177 009)
- Shares in musical works	(20 592)	(19 007)	(20 592)	(19 007)
- Musical works	(144 158)	(158 003)	(144 158)	(158 002)
Add:				
Distribution and grant of rights expenses	(325 821)	(357 552)	(367 627)	(401 658)
Royalty distributions written back	4 773	59 214	4 773	59 214
Less:				
Available for distribution at the end of the year	395 398	436 007	394 911	483 878
Distributions in progress at the end of the year	207 705	164 750	207 705	164 750
- Shares in musical works	27 020	20 592	27 020	20 592
- Musical works	180 685	144 158	180 685	144 158
	(318 701)	(259 907)	(408 865)	(297 218)

	COMPANY		GROUP	
	2020 R000	2019 R000	2020 R000	2019 R000
17 SOCIAL AND CULTURAL OBLIGATIONS				
Balance at the beginning of the year	23 035	17 751	24 129	17 421
Utilisation during the year	(17 746)	(18 536)	(18 307)	(23 223)
Current funding for the year	21 881	23 820	16 588	29 931
Balance at the end of the year	27 170	23 035	22 410	24 129
17.1 SOCIAL OBLIGATIONS				
Other social funds not included in distributions				
Balance at the beginning of the year	8 192	7 849	8 192	7 849
Utilisation during the year	(8 889)	(8 709)	(8 889)	(8 709)
Current funding for the year	10 215	9 052	10 215	9 052
Balance at the end of the year	9 518	8 192	9 518	8 192
Copyrights training fund				
Balance at the beginning of the year	-	-	734	434
Utilisation during the year	-	-	(25)	-
Current funding for the year	-	-	300	300
Transfer to assets held for sale	-	-	(1 009)	-
Balance at the end of the year	-	-	-	734
Total social funds	9 518	8 192	9 518	8 926
17.2 CULTURAL OBLIGATIONS				
SAMRO Foundation and related provisions				
Balance at the beginning of the year	12 858	7 917	10 558	4 660
Utilisation during the year	(8 857)	(9 828)	(11 416)	(8 871)
Current funding for the year	11 666	14 769	11 666	14 769
Balance at the end of the year	15 667	12 858	10 808	10 558
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	-	-	2 249	2 097
Utilisation during the year	-	-	(402)	(868)
Current funding for the year	-	-	835	1 020
Transfer to assets held for sale	-	-	(2 682)	-
Balance at the end of the year	-	-	-	2 249
Bursary funds				
Balance at the beginning of the year	-	-	312	297
Utilisation during the year	-	-	-	-
Current funding for the year	-	-	15	15
Transfer to assets held for sale	-	-	(327)	-
Balance at the end of the year	-	-	-	312
Total cultural funds	17 652	14 843	12 892	15 203
Total social and cultural funds	27 170	23 035	22 410	24 129

Notes to the annual financial statements continued

at 30 June 2020

18 ASSETS CLASSIFIED AS HELD FOR SALE

During the year, a decision was made by the board of SAMRO NPC to dispose of 100% the shares held in DALRO (Pty) Ltd. As at 30 June 2020, negotiations with a potential buyer had reached an advanced stage. Please see note 19 for further details.

The following assets and liabilities were reclassified as held for sale as at 30 June 2020:

	2020 R000
Assets classified as held for sale:	
Intangible assets	1 641
Deferred tax asset	757
Inventory	185
Trade receivables	13 082
Taxation	2 047
Cash and cash equivalents	42 900
Total assets of disposal group held for sale	60 612
Liabilities directly associated with assets classified as held for sale:	
Social and cultural obligations	4 019
Royalty distributions payable	51 218
Trade and other payables	2 145
Total liabilities of disposal group held for sale	57 382
In the current year, the results of the held-for-sale business DALRO (Pty) Ltd was included in the profit for the year as set out below:	
Revenue	51 186
Social and cultural expenses	(315)
Other operating expenses	(14 854)
Distribution expense	(41 806)
Operating loss	(5 789)
Investment income	2 650
Profit before taxation	(3 139)
Taxation	439
Net loss for the year	(2 700)
Cash flows from the held-for-sale business DALRO (Pty) Ltd:	
Net cash outflows from operating activities	(7 280)
Net cash inflow from investing activities	2 650
Net cash inflow from financing activities	6 461
Net cash inflows	1 831

19 SUBSEQUENT EVENTS

After the balance sheet date, SAMRO NPC sold their shareholding in DALRO to a consortium led by the current Managing Director of DALRO. The transaction was concluded on 28 August 2020.

20 GOING CONCERN

The Covid-19 pandemic had a negative impact on many of SAMRO licensees during the lockdown period. After the balance sheet date, monthly licensing revenue have been carefully monitored in order to assess the impact of the Covid-19 pandemic on our results for the period 2020 – 2021.

The ultimate impact of the pandemic remains unknown but it is estimated that licensing revenue may decrease by 25% during FY2021 compared to FY2020. The directors are consistently monitoring the financial performance, liquidity and solvency in order to ensure the company's ability to continue as a going concern. Operational costs will be tightly controlled to mitigate the impact of reduced revenue levels. The Directors have reviewed the company's forecasts for the next twelve months and are satisfied that the company has adequate financial resources to continue as a going concern, including with specific consideration of the risk associated with COVID-19.

21 STANDARDS, INTERPRETATIONS AND AMENDMENTS THAT ARE NOT YET EFFECTIVE AT JUNE 2020

The Group has considered the following new standards and interpretations and amendments to existing standards, which are not yet effective as at June 2020 but are effective for the financial years commencing as reflected in the table:

Number	Title	Effective for year commencing	Expected effect on annual financial statements
Amendments to IAS 1 & IAS 8	Presentation of financial statements and Accounting policies, changes in accounting estimates and errors on the definition of material	1 January 2020	The impact is not known or reasonably estimable
Amendments to IFRS 3	Business combinations	1 January 2020	The impact is not known or reasonably estimable

22 STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE

The following new standards, interpretations and amendments to existing standards, that are effective as at June 2020 had no significant effect on the Group's operations:

Number	Title	Effective for year commencing
Amendments to IAS 19	Employee benefits	1 January 2019
IFRS 16	Leases	1 January 2019
Amendments to IAS 28	Investments in associates and joint ventures	1 January 2019
Amendments to IFRS 3, IFRS 11, IAS 12 & IAS 23	Annual improvements cycle 2015-2017	1 January 2019
IFRIC 23	Uncertainty over income tax treatments	1 January 2019

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	+27 712 8000
Facsimile	+27 86 674 4391
International	+27 11 712 8039
Hotline (during working hours)	+27 86 117 2676
Email	customerservices@samro.org.za
SMS	45141 @R1 per SMS
Website	www.samro.org.za
Facebook	SAMROSouthAfrica
Twitter	@SAMROMusic
Instagram	Samromusic
CEO	Mark Rosin
CFO	John Scullion
Bankers	Standard Bank Absa Bank
Auditors	SizweNtsalubaGobodo Grant Thornton Inc
Legal advisors	Spoor & Fisher Webber Wentzel Terina Singh
Investment advisors	Investec Nedbank Wealth Old Mutual Multi Managers

Glossary

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

