SOUTHERN AFRICAN MUSIC RIGHTS ORGANISATION NPC

(Registration Number 1961/002506/08)

Consolidated and Separate Annual Financial Statements

for the year ended 30 June 2025

General Information

Country of Incorporation and Domicile	South Africa
Nature of Business and Principal Activities	The group is an organisation domiciled in South Africa dedicated to the collective management of copyright in musical works of composers, songwriters and publishers.
Directors	R Hill S Mayekiso R Naicker A Lebethe L Thomas LA Bulley LT Luthuli MD Nkosi (Appointed 5 December 2024) N Maweni (Resigned 1 October 2025) S Vilakazi (Resigned 11 September 2025) TTS Thekisho (Retired by rotation 12 December 2024) G Le Roux (Resigned 1 October 2025) VM Motloutsi (Resigned 11 September 2025)
Registered Office	SAMRO Place 20 De Korte Street Braamfontein Johannesburg 2001
Postal Address	P O Box 31609 Braamfontein Johannesburg 2017
Bankers	Standard Bank, ABSA Bank, Nedbank, Investec, and First National Bank
Auditors	SizweNtsalubaGobodo Grant Thornton Inc. 152 14th Road Noordwyk Midrand 1687
Company Secretary	Marianne Fourie

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Directors' Responsibilities and Approval

The directors are required by the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. These consolidated and separate annual financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB®) and it is their responsibility to ensure that the consolidated and separate annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the consolidated and separate statement of financial position, results of operations and business of the group, and explain the transactions and financial position of the business of the group at the end of the financial year. The consolidated and separate annual financial statements are based upon appropriate accounting policies consistently applied throughout the group and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

The directors have reviewed the company and group’s cash flow forecast for the year to 30 June 2026 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 group's consolidated and separate financial statements. The consolidated and separate financial statements have been examined by the group's external auditors and their unqualified audit report is presented on pages 7 to 8.

The consolidated and separate financial statements set out on pages 9 to 70 which have been prepared on the going concern basis, were approved by the directors and were signed on 19 November 2025 on their behalf by:

A Lebethe	S Mayekiso
Chief Executive Officer	Lead Independent Director

Directors' Report

The directors present their report for the year ended 30 June 2025.

1. Incorporation

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

2. Review of activities

Main business and operations
The group is an organisation domiciled in South Africa dedicated to the collective management of copyright in musical works of composers, songwriters and publishers. There were no major changes herein during the year.

The operating results and Consolidated and Separate statement of financial position of the group are fully set out in the attached financial statements and do not in our opinion require any further comment.

During the 2021 financial year, SAMRO NPC was awarded Public Benefit Organisation (PBO) Status by the receiver of revenue. This PBO status exempts SAMRO NPC from normal taxation on it's profits.

3. Going concern

As at 30 June 2025, the group’s total assets exceed its liabilities by R60.2 million, and as at 30 June 2024, the group's total assets exceeded its liabilities by R37.4 million.
As at 30 June 2025, the company’s total assets exceed its liabilities by R148.7 million, and as at 30 June 2024, the company's total assets exceeded its liabilities by R127.2 million.

The group made a loss of R4.4 million for the year (2024: loss of R4.4 million).
The company made a nil profit/ loss for the year (2024: nil profit/ loss for the year).

The directors have reviewed the company and group’s cash flow forecast for the year to 30 June 2026 and, in light of this review and available credit facilities, including other liquid assets, they are satisfied that the company and group has access to adequate resources to continue in operational existence for the foreseeable future.

4. Events after reporting date

All events subsequent to the date of the consolidated and separate annual financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any other matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

5. Dividend

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

Directors' Report

6. Directors

The directors of the company during the year and up to the date of this report are as follows:
R Hill
S Mayekiso
R Naicker
A Lebethe
L Thomas
LA Bulley
LT Luthuli
MD Nkosi (Appointed 5 December 2024)
N Maweni (Resigned 1 October 2025)
S Vilakazi (Resigned 11 September 2025)
TTS Thekisho (Retired by rotation 12 December 2024)
G Le Roux (Resigned 1 October 2025)
VM Motloutsi (Resigned 11 September 2025)

Directors' interest in contracts

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

7. Independent Auditors

SizweNtsalubaGobodo Grant Thornton Inc. were the independent auditors for the year under review.

8. Royalty Distribution

Distributions for the Company for the year, after taking into account social and cultural deductions and amounts transferred from reserves, was determined at R630.2 million (2024: R622.2 million), an increase of R8.0 million or 1.3%.

Certificate by the Company Secretary

I hereby confirm, in my capacity as company secretary of SOUTHERN AFRICAN MUSIC RIGHTS ORGANISATION NPC, that for the financial year ended 30 June 2025, the company has filed all required returns and notices in terms of the Companies Act, 2008, with the Companies and Intellectual Property Commission and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

M Fourie

Marianne Fourie
SAMRO
Company Secretary
Johannesburg

19 November 2025

SNG Grant Thornton

Independent Auditors' Report

To the Members of Southern African Music Rights Organisation NPC

Opinion

We have audited the consolidated and separate financial statements of Southern African Music Rights Organisation NPC (the group and company) set out on pages 9 to 70, which comprise the consolidated and separate statements of financial position as at 30 June 2025; and the consolidated and separate statements of profit or loss and other comprehensive income; the consolidated and separate statements of changes in equity; and the consolidated and separate statements of cash flows for the year then ended; and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Southern African Music Rights Organisation NPC and its subsidiaries as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Southern African Music Rights Organisation NPC consolidated and separate annual financial statements for the year ended 30 June 2025", which includes the Directors' Report as required by the Companies Act of South Africa. Other information does not include the consolidated and separate financial statements and our auditors' report thereon.

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

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

Responsibilities of the directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with the with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the Consolidated and Separate Financial Statements

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

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

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

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

Jonathan Richard Jansen
SizweNtsalubaGobodo Grant Thornton Inc.
Director
Registered Auditor
08 December 2025

152 14th Road
Noordwyk
Midrand
1687

Statements of Profit or Loss and Other Comprehensive Income

Figures in R `000	Notes	Group 2025	Group 2024	Company 2025	Company 2024
Revenue	21	687 154	690 120	680 350	683 843
Other income	22	1 735	5 350	2 301	6 975
Distribution expenses (Royalties)		(630 167)	(622 215)	(630 167)	(622 215)
Administrative expenses		(11 290)	(11 341)	(11 059)	(11 119)
Net impairment losses on financial assets	24	(22 461)	(21 250)	(21 500)	(20 397)
Operating expenses		(184 560)	(194 055)	(175 762)	(186 076)
Other gains and (losses)	25	15 883	6 957	15 883	6 959
Loss from operating activities	26	**(143 706)**	**(146 434)**	**(139 954)**	**(142 030)**
Royalty distributions/ Undistributable income written back		74 163	83 418	74 163	83 418
Investment income	27	65 792	58 613	65 791	58 612
Loss before tax		**(3 751)**	**(4 403)**	**-**	**-**
Income tax expense	28	(692)	(18)	-	-
Loss for the year		**(4 443)**	**(4 421)**	**-**	**-**
Other comprehensive income net of tax					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on revaluation of Land & buildings/ Musical instruments		5 732	2 360	23	-
(Losses) / gains on remeasurements of Post-employment medical benefits		(192)	323	(192)	323
Total other comprehensive income that will not be reclassified to profit or loss		**5 540**	**2 683**	**(169)**	**323**
Components of other comprehensive income that will be reclassified to profit or loss					
Change in Fair value reserves					
Gains on mark-to-market reserve		21 629	11 019	21 629	11 019
Total change in Fair value reserves		**21 629**	**11 019**	**21 629**	**11 019**
Total other comprehensive income that will be reclassified to profit or loss		**21 629**	**11 019**	**21 629**	**11 019**
Total other comprehensive income net of tax	29	**27 169**	**13 702**	**21 460**	**11 342**
Total comprehensive income attributable to SAMRO members		**22 726**	**9 281**	**21 460**	**11 342**

Statements of Financial Position

Figures in R `000	Notes	Group 2025	Group 2024	Company 2025	Company 2024
Assets					
Non-current assets					
Property, plant and equipment	5	108 084	105 101	8 855	9 187
Intangible assets	6	5 796	7 380	5 796	7 380
Investments in subsidiaries	7	-	-	174	174
Investments	11	322 708	293 121	322 708	293 121
Loan to group company	12	-	-	173 993	173 024
Total non-current assets		**436 588**	**405 602**	**511 526**	**482 886**
Current assets					
Inventories		174	270	174	270
Trade and other receivables	9	183 298	148 266	194 935	159 927
Current tax assets		9 468	9 534	9 468	9 468
Cash and cash equivalents	13	838 173	763 951	837 405	762 841
Total current assets		**1 031 113**	**922 021**	**1 041 982**	**932 506**
Total assets		**1 467 701**	**1 327 623**	**1 553 508**	**1 415 392**
Equity and liabilities					
Equity					
(Accumulated loss) / retained income		(104 900)	(100 457)	13 988	13 988
Revaluation surplus	14	32 065	26 333	1 673	1 650
Remeasured post-employment medical benefit reserve	14	131	323	131	323
Mark - to - market reserve	14	132 873	111 244	132 873	111 244
Total equity		**60 169**	**37 443**	**148 665**	**127 205**
Liabilities					
Non-current liabilities					
Deferred tax liabilities	10	1 116	424	-	-
Post-employment medical benefits	18	16 754	16 703	16 754	16 703
Total non-current liabilities		**17 870**	**17 127**	**16 754**	**16 703**
Current liabilities					
Trade and other payables	15	49 352	69 259	47 779	67 690
Social and cultural obligations	17	51 954	51 808	51 954	51 808
Current portion of post-employment medical benefits	18	1 501	1 417	1 501	1 417
Distributions payable and in progress	19	1 286 855	1 150 569	1 286 855	1 150 569
Total current liabilities		**1 389 662**	**1 273 053**	**1 388 089**	**1 271 484**
Total liabilities		**1 407 532**	**1 290 180**	**1 404 843**	**1 288 187**
Total equity and liabilities		**1 467 701**	**1 327 623**	**1 553 508**	**1 415 392**

Statements of Changes in Equity - Company

Figures in R `000	Revaluation surplus	Remeasured post-employment medical benefit reserve	Mark- to-market reserve	(Accumulated loss) / retained income	Total
Balance at 1 July 2023	1 650	-	100 225	13 988	115 863
Changes in equity					
Other comprehensive income	-	323	11 019	-	11 342
Total comprehensive income	-	323	11 019	-	11 342
Balance at 30 June 2024	**1 650**	**323**	**111 244**	**13 988**	**127 205**
Balance at 1 July 2024	**1 650**	**323**	**111 244**	**13 988**	**127 205**
Changes in equity					
Other comprehensive income	23	(192)	21 629	-	21 460
Total comprehensive income	23	(192)	21 629	-	21 460
Balance at 30 June 2025	**1 673**	**131**	**132 873**	**13 988**	**148 665**

Statements of Changes in Equity - Group

Figures in R `000	Revaluation surplus	Remeasured post-employment medical benefit reserve	Mark- to-market reserve	(Accumulated loss) / retained income	Total
Balance at 1 July 2023	23 973	-	100 225	(96 036)	28 162
Changes in equity					
Loss for the year	-	-	-	(4 421)	(4 421)
Other comprehensive income	2 360	323	11 019	-	13 702
Total comprehensive income for the year	2 360	323	11 019	(4 421)	9 281
Balance at 30 June 2024	**26 333**	**323**	**111 244**	**(100 457)**	**37 443**
Balance at 1 July 2024	26 333	323	111 244	(100 457)	37 443
Changes in equity					
Loss for the year	-	-	-	(4 443)	(4 443)
Other comprehensive income	5 732	(192)	21 629	-	27 169
Total comprehensive income for the year	5 732	(192)	21 629	(4 443)	22 726
Balance at 30 June 2025	**32 065**	**131**	**132 873**	**(104 900)**	**60 169**

Statements of Cash Flows

Figures in R `000	Notes	Group 2025	Group 2024	Company 2025	Company 2024
Net cash flows from operations	36	**449 971**	**455 976**	**454 798**	**453 545**
Income taxes refunded / (paid)	37	39	(243)	-	-
Royalty and social distributions to members and affiliated societies	19	(419 718)	(429 153)	(419 718)	(429 153)
Applied to social and cultural expenses		(25 586)	(20 805)	(25 586)	(20 805)
Net cash flows from operating activities		**4 706**	**5 775**	**9 494**	**3 587**
Cash flows from investing activities					
Proceeds from sales of property, plant and equipment		52	51	52	51
Purchase of property, plant and equipment		(2 247)	(3 817)	(2 192)	(2 763)
Purchase of intangible assets		(1 991)	(2 339)	(1 991)	(2 339)
Purchases of investments		(5 508)	(22 824)	(5 508)	(22 824)
Proceeds from disposal of investments		13 418	7 594	13 418	7 594
Proceeds from loan to group company	20	-	-	500	3 750
Advancement of loan to group company	20	-	-	(5 000)	(3 000)
Interest received from investments and banks		61 929	54 932	61 928	54 931
Dividends received		3 863	3 681	3 863	3 681
Cash flows from investing activities		**69 516**	**37 278**	**65 070**	**39 081**
Net increase in cash and cash equivalents		**74 222**	**43 053**	**74 564**	**42 668**
Cash and cash equivalents at beginning of the year		763 951	720 898	762 841	720 173
Cash and cash equivalents at end of the year	13	**838 173**	**763 951**	**837 405**	**762 841**

Material Accounting Policies

1. General information

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

The group annual financial statements are presented in South African rand, which is the functional and presentation currency of the parent company and the presentation currency of the group. Amounts are rounded to the nearest thousand except where another rounding measure has been indicated.

2. Basis of preparation and material accounting policy information

The consolidated and separate financial statements of SOUTHERN AFRICAN MUSIC RIGHTS ORGANISATION NPC have been prepared in accordance with IFRS Accounting Standards and the Companies Act of South Africa. The consolidated and separate financial statements have been prepared under the historical cost convention except for land & buildings, paintings, musical instruments and certain financial instruments that have been measured at fair value, where applicable.

The preparation of financial statements in conformity with IFRS Accounting Standards as issued by the IASB requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in note 3.

The material accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Investments in subsidiaries are accounted for at cost, less accumulated impairment losses in the separate annual financial statements.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the group's accounting policies.

The year end of the SAMRO and its subsidiaries is 30 June.

2.2 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Assets and liabilities designated in foreign currencies are translated at rates of exchange ruling at the reporting date.

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

2.3 Property, plant and equipment

Recognition

Property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

SAMRO Place is owned and accounted for as Investment property in SAMRO House Proprietary Limited's financial statements. The building at SAMRO Place is held to earn rentals in the books of SAMRO House Pty Ltd. SAMRO House Proprietary Limited owns the building at SAMRO Place for which a less than significant portion is leased to, and occupied by, its parent (SAMRO) for administrative purposes. SAMRO Place does not qualify as investment property in the consolidated financial statements, because the property is owner occupied from the perspective of the group as per ISA 40.15. SAMRO Place is therefore accounted for and disclosed as owner occupied property, as per IAS 16, in the consolidated financial statements.

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

Subsequent measurement - Cost model

After initial recognition, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Subsequent measurement - Revaluation model

Paintings and musical instruments are initially measured at cost and subsequently revalued by recognised professional valuers to net realisable open-market value using the market approach. The owner-occupied land and buildings (SAMRO Place) is measured at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Any revaluation surplus is recorded in the fixed asset revaluation reserve.

Revaluations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

An increase in the carrying value of an asset as a result of a revaluation is recognised in other comprehensive income and accumulated in equity under the revaluation surplus. The increase is recognised in profit or loss to the extent where the increase reverses a previously recognised revaluation decrease for the same asset.

A decrease in the carrying value of an asset as a result of a revaluation is recognised in profit or loss except where the decrease reverses a previously recognised revaluation increase for the same asset, the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus.

The revaluation surplus in equity, related to a specific item of property, plant and equipment, is transferred directly to retained earnings when the asset is derecognised. Revalued assets are depreciated in the same way as under the cost model and the depreciation is charged to profit or loss.

Depreciation

Depreciation of an asset commences when it is available for use, and ceases at the earlier of the date that the asset is classified as held for sale, or the date that the asset is derecognised.

The depreciation charge for each period is recognised in profit or loss unless it is included in the carrying amount of another asset. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The depreciable amount of an asset is determined after deducting its residual value.

Residual values, useful lives and depreciation methods are reviewed at each financial year end.

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

Depreciation is provided on each item of property and equipment, other than freehold land, to write down the cost, less residual value, on a straight line basis over their useful lives as follows:

Asset class	**Useful life / depreciation rate**
Leasehold improvements	20% p.a.
Motor vehicles	20% p.a.
Office furniture and equipment	5% to 20% p.a.
Computer equipment	20%
Paintings and Musical instruments	Indefinite
Owner occupied building - SAMRO Place	2% p.a.

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss. To the extent where the decrease reverses a previously recognised revaluation increase for the same asset, the decrease is recognised in other comprehensive income and reduces the amount accumulated in equity under revaluation surplus. Future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statements of profit or loss and other comprehensive income.

2.4 Intangible assets

Recognition

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Initial measurement

Intangible assets are initially measured at cost.

Separately acquired assets are initially measured at their purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and any directly attributable cost of preparing the asset for its intended use.

Internally generated software products are recognised initially at cost, being the sum of expenditure from the date the recognition criteria for an intangible asset are met.

Directly attributable costs that are capitalised as part of the software product include the software development and an appropriate portion of the relevant overheads.

Basis of preparation and material accounting policy information continued...

Other development expenditure that does not meet the capitalisation criteria per IAS 38 is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Subsequent measurement - Cost model
After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation
For computer software development costs amortisation is allocated on a systematic basis over its useful life (i.e. straight line method).

Useful lives of all assets are reviewed annually.

The classification of useful lives and amortisation rates are as follows:

Asset class		Useful life classification	Useful life / amortisation rate
Computer software development costs	Dynamics AX	Finite	20% p.a.
Computer software development costs	Acumatica	Finite	20% p.a.

As at 30 June 2024, the useful life of Dynamics AX was reassessed to end on 30 September 2024 (i.e. 3 months after go-live of the new Acumatica system). Refer note 6.2.1 for more detail.

Impairments
The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of intangible assets is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if required by another standard.

Retirements and disposals
An asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on disposal is recognised in profit or loss.

2.5 Financial instruments

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

Classification and recognition
Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

Financial assets classification
The group classifies financial assets into the following categories:
- Financial assets subsequently measured at fair value through profit or loss
- Financial assets subsequently measured at fair value through other comprehensive income (OCI)
- Financial assets subsequently measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The group reclassifies debt investments when and only when its business model for managing those assets changes.

The group financial assets are classified into the following categories:
- Loans to group companies – amortised cost
- Trade and other receivables – amortised cost
- Cash and cash equivalents – amortised cost
- Investments and other financial assets - held at fair value through OCI

Financial liabilities classification
The group classifies financial liabilities into the following categories:
- Financial liabilities subsequently measured at amortised cost

The group financial liabilities are classified into the following categories:
- Trade and other payables – amortised cost

Recognition
Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

Initial measurement
Financial assets
When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.

Financial liabilities
Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Basis of preparation and material accounting policy information continued...

Subsequent measurement

Financial assets

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- Amortised cost: assets held only for collection of principal and interest payments
    - Interest income is included in finance income using the effective interest rate method.
    - Any gain or loss on derecognition is recognised in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses.
    - Impairment losses are presented as a separate line item in the statement of profit or loss.
- Fair value through OCI: assets held only for collection of principal and interest payments and for selling the financial assets
    - Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
    - When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses).
    - Interest income from these financial assets is included in finance income using the effective interest rate method.
    - Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
    - A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.
    - The entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.

Equity instruments

All equity investments are subsequently measured at fair value.

- Fair value through OCI: elected to present fair value gains and losses on equity investments in OCI
    - There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.
    - Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
    - Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.
- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
    - Changes in the fair value are recognised in other gains / (losses) in the statement of profit or loss as applicable.

Financial liabilities

- Amortised cost:
    - After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
    - Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.
    - Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
    - The effective interest rate amortisation is included as finance costs in the statement of profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

Derecognition
Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets
A forward looking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk:

- For credit exposures with no significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month expected credit loss).
- For credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

The group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Loan to group company
This can include loans between holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

The loan to group company is classified as a financial asset at amortised cost, and is initially measured at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables
Trade receivables are measured at initial recognition at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method. For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently carried at amortised cost.

Trade and other payables
Trade payables are initially measured at fair value less direct transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

2.6 Inventories

Inventories consist of stationery and marketing materials/ goods.

Recognition
Inventories are recognised as an asset when
- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the inventories can be measured reliably.

Measurement
Inventories are measured at cost, and subsequently at the lower of cost and net realisable value using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use.

The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Recognition as an expense
Inventories (i.e. stationery) are used for consumption purposes only. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.7 Tax

During the 2021 financial year, SAMRO NPC was awarded Public Benefit Organisation (PBO) Status by the receiver of revenue. This PBO status exempts SAMRO NPC from normal taxation on it's profits.

The subsidiaries of SAMRO NPC are subject to taxation as per the policy below.

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of:
- deductible temporary differences;
- the carry forward of unused tax losses; and
- the carry forward of unused tax credits.

Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. The amount already paid in respect of current and prior periods which exceeds the amount due for those periods, is recognised as an asset.

The benefit relating to a tax loss that can be carried back to recover current tax of a previous period is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

Current tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off the recognised amounts; and
- there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and deferred tax assets are made to reflect the tax consequences that would follow from the manner in which it is expected, at the end of the reporting period, recovery or settlement if temporary differences will occur.

Deferred tax assets and liabilities are offset only where:

- there is a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same entity within the group or different taxable entities within the group which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax expense (income)

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

2.8 Royalty distributions in progress

Distributions in progress comprise amounts pertaining to royalty allocations made in the previous three distribution periods, to works or rights-holder shares that cannot be distributed in accordance with established distribution rules, standards, practices and procedures. These allocations are retained to allow on-going research in respect of identification of the works and rights-holder shares and obtaining the necessary documentation and complying with the required documentation update procedures. Until such time as the necessary identification, contractual information and other documentation is obtained and processed, such royalties cannot be correctly distributed. The amounts are retained until such time as they are duly distributed as royalties or written back to income.

2.9 Leases as lessor

Classification

Leases where the group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating leases

Lease payments from operating leases are recognised as income on a straight-line basis.

Costs, incurred in earning the lease income is recognised as an expense.

Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and those costs are recognised as an expense over the lease term on the same basis as the rental income.

2.10 Provisions and contingencies

A provision is a liability of uncertain timing or amount. A liability is a present obligation of the entity arising from past events, the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Provisions for bonuses and legal claims are recognised when:

- there is a a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating losses.

2.11 Reserves

The nature and purpose of each reserve within equity is described below:

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

Revaluation surplus
Fair value gains on the revaluation of assets such as paintings, musical instruments and land and buildings.

Mark-to-market reserve
Fair value gains on investments through other comprehensive income, which include equities, exchange traded assets/ funds, and gilts and bonds. Refer note 11 for the details regarding the disclosure of these investments. Refer note 2.5 for the classification, recognition, and measurement criteria of these instruments.

Retained earnings/ (Accumulated losses)
Retained earnings/ Accumulated losses comprise net gains and losses recognised in the consolidated and separate statements of profit and loss and other comprehensive income.

2.12 Revenue from contracts with customers

Revenue is income arising in the course of an entity's ordinary activities.

Revenue for the company and group comprises revenue earned from licensing activities and rental revenue.

The standard payment period for revenue earned from licensing activities and rental revenue is 30 days from invoice date.

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:
- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

Measurement
When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

(i) Royalties from licencing contracts – music rights
Licence fees are based on licence assessments for the use of music within the company and group's repertoire. These licence fees are determined on usage as well as a specified tariff structure which is determined at the time of signing of customer contracts. The revenue is derived mainly from Broadcasters (public, private as well as online streaming services), and any consumers of music in the normal course of their business operations that are registered with the entity. Members cede their rights to the company, which administers the agreements to generate the economic benefits thereof. Revenue is recognised on an accrual basis at a point in time based on usage of licensed music.

(ii) Foreign royalties from licencing contracts
Foreign royalty income received from affiliated societies attributable to music represents the royalties within SAMRO's repertoire in those territories. The revenue from foreign royalty is based on usage reports, which are received from other societies (Collection Management Organisations). Foreign royalty income is recognised as revenue once received at a point in time.

(iii) Rental income
The rentals received are recognised on a straight-line basis over the term of the lease.

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

2.13 Other income

Other income for the company and group comprises dividends, interest income, and investment activities.

(i) Interest income (Investment income)
Except for interest on government bonds and stocks, which are fixed in nature, interest is recognised on a time proportion basis according to the effective interest rate method which takes into account the effective yield on the asset over the period it is expected to be held. Interest is raised at year end for the proportionate share of interest earned but not yet received up to the accounting reporting date.

(ii) Dividend income (Investment income)
Dividends are recognised when the shareholders right to receive dividends is established.

2.14 Royalty distributions

This amount represents money available for distribution which is calculated by deducting all costs including administrative, Social & Cultural as well as other expenses from total revenue net of bad debts.

Royalty distributions are standard processes, whereby net licence income from the licensing of public performance, broadcast and diffusion rights in musical works, owned by those whose rights are administered by SAMRO, is allocated in the form of royalties to those rights holders whose musical works were logged as performed, broadcast or played by licensed users of music.

Amounts pertaining to distributions in progress, which remain undistributed after a period of three years, are written back to profit and loss in line with the Prescription Act.

2.15 Transfers to social and cultural funds

Allocations to social and cultural funds are made expressly for the purpose of the social wellbeing of members, promotion of the national arts, and are determined and approved by SAMRO's board of directors. The allocation comprises a deduction from net SAMRO licence revenue. The deduction is made in terms of the provisions contained in the standard CISAC (International Confederation of Societies of Authors and Composers) approved reciprocal agreement as adopted by SAMRO. Net SAMRO licence revenue is determined by deducting licensing administration expenses from gross licence revenue for the SAMRO territory. The deduction is applied to the SAMRO Retirement Annuity Fund (SRAF), the SAMRO Funeral Benefit Scheme and the SAMRO Corporate Social Investment.

2.16 Employee benefits

Defined contribution plans
Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to an entity during a period, the contribution payable to a defined contribution plan in exchange for that service is recognised:

- as a liability, after deducting any contribution already paid. Where the contribution already paid exceeds the contribution due for service before the end of the reporting period, the excess is recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.
- as an expense, except where the amount is allowed as an inclusion in the cost of an asset.

Material Accounting Policies

Basis of preparation and material accounting policy information continued...

As at 30 June 2025, employees within the group are members of the Alexander Forbes Access Retirement Fund. Membership of the fund is compulsory for all employees of the group. The fund provides benefits on a defined contribution basis. The fund is subject to the Pension Funds Act of 1956, as amended. The effective date of the transfer of business from the SAMRO Staff Pension Fund to the Alexander Forbes Access Retirement Fund was 18 June 2014.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Medical
The group provides defined benefit health care for the benefit of the employees. The present value of the post-employment medical benefits for retired employees is actuarially determined annually using the projected unit credit method and any deficit is recognised immediately in profit or loss. This benefit is unfunded.

Short term benefits
The cost of all short-term employee benefits, such as salaries, bonuses, housing allowances, medical and other contributions are recognised during the period in which the employee renders the related service.

2.17 Related parties

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Key management personnel are defined as related parties as are all directors of SAMRO and the main trading subsidiary of the group.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

3.1.1 Impairment of financial assets

The Group measures the expected credit losses (ECL) using reasonable and supportable forward-looking information, which is based on assumptions of future economic conditions.
Refer note 9 for details on the assumptions used in determining the ECL for Trade receivables.

Critical accounting estimates and judgements continued...

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:
• When there is a breach of financial covenants by the debtor; or
• When the debtor fails to make payment within the credit period allowed even though there isn't a breach of financial covenants by the debtor; or
• Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

The ECL allowance seeks to measure the possible loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from debtors that have been handed over.

Probability of default constitutes a key input in measuring the ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

3.1.2 Impairment of non-financial assets

The recoverable amounts of cash-generating units and individual assets are reviewed at each reporting date and have been determined based on the higher of "value-in-use" calculations and fair value less costs to sell. These calculations require the use of estimates and assumptions which are subject to risk and uncertainties. It is reasonably possible that an assumption may change which may then impact on estimations and may then require a material adjustment to the carrying value of assets.

Fair value less costs of disposal:
- Fair value is determined in accordance with IFRS 13 Fair Value Measurement
- Costs of disposal are the direct added costs only

Value in use:
The value in use calculations were considered by management in accordance with the criteria as per IAS 36 Impairment of Assets. The following was considered by management when performing this assessment for non-financial assets: The approved budget for the next financial year, the possible variations in the amount or timing of those future cash flows, the time value of money, and other factors that market participants would reflect in pricing the future cash flows that the company expects to derive from the asset.

3.1.3 Recognition of foreign royalty revenue

The revenue from foreign royalty is based on usage reports, which is received from other societies (Collection Management Organisations). Should those usage reports not be available, management use judgement to estimate revenue based on previous years' revenues received.

3.1.4 Determination of social and cultural allocations, transfers to/from reserves and amounts for distribution

In the determination of the amounts for social and cultural distribution, management, together with the board, use their judgment to determine the amounts to be set aside for future development and social and cultural provisions. The amounts for distribution are consequently determined. Refer 2.15 Transfers to social and cultural funds for details on the assumptions made.

3.1.5 Carrying value of property and equipment

In determining the carrying value of property and equipment, management exercise their judgments in the estimation of useful lives and residual carrying values of individual and groups of assets.

Material Accounting Policies

Critical accounting estimates and judgements continued...

The fair value of paintings are determined by recognised professional valuers every 3 years. The last valuation was done as at 30 June 2025.

The fair value of musical instruments are determined by recognised professional valuers every 3 years. The last valuation was done as at 30 June 2025.

The fair value of land and buildings are determined by recognised professional valuers annually. The last valuation was done as at 30 June 2025.

3.1.6 Post-employment benefits

The post employment benefits disclosed in the annual financial statements require actuarial valuation on an annual basis.

This includes a number of assumptions and estimates by the actuaries which are disclosed in note 18.

3.2 Critical judgements in applying the entity's accounting policies

In the process of applying the group’s accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

3.2.1 Operating lease commitments – Group as lessor

The group has entered into commercial property leases on its investment property portfolio. The group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Material Accounting Policies

4. New standards, interpretations, and amendments

Standards, interpretations and amendments that are not yet effective at June 2025:

The Group has considered the following new standards and interpretations and amendments to existing standards, which are not yet effective as at June 2025 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 21	Lack of Exchangeability: The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1-Jan-25	Impact is still being assessed.
Amendment to IFRS 9	Financial instruments – Transaction Price: This amendment removes the conflict between IFRS 9 and IFRS 15 over the amount at which the trade receivable is initially measured. Under IFRS 15, a trade receivable may be recognised at an amount that differs from the transaction price e.g., when the transaction price is variable. Conversely, IFRS 9 requires that companies initially measure trade receivables without a significant financing component at the transaction price. IFRS 9 has been amended to require companies to initially measure a trade receivable without a significant financing component at the amount determined by applying IFRS 15.	1-Jan-26	Impact is still being assessed.
Amendment to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments- These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).	1-Jan-26	Impact is still being assessed.
Annual Improvements to IFRS Accounting Standards Volume 11	The amendments were made to address potential inconsistencies and potential confusions in the standards relating to: IFRS 1 dealing with hedge accounting by a first-time adopter IFRS 7 dealing with gain or loss on derecognition and disclosures in the implementation guidance IFRS 9 dealing with lessee derecognition of lease liabilities and transaction price IFRS 10 dealing with determination of 'de facto agent' IAS 7 dealing with the term 'cost method'	1-Jan-26	Impact is still being assessed.
IFRS 18	Presentation and Disclosure in Financial Statements: IFRS 18 replaces IAS 1 Presentation of Financial Statements with a focus on updates to the statement of profit or loss. The amendment requires enhanced profit or loss performance measures that are reported outside the financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.	1-Jan-27	A significant change to the primary financial statements is expected. Impact is still being assessed.

Material Accounting Policies

New standards, interpretations, and amendments continued...

IFRS 19	Subsidiaries without Public Accountability - Disclosures: IFRS 19 simplifies disclosures for subsidiaries without public accountability, reducing costs while maintaining usefulness for stakeholders. Subsidiaries that elect to apply IFRS 19 will follow the same recognition, measurement and presentation requirements of those standards will be replaced with the reduced requirements of IFRS 19.	1-Jan-27	Impact is still being assessed.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

5. Property, plant and equipment

Balances at year end and movements for the year

	Leasehold improvements	Motor vehicles	Office furniture and equipment	Computer equipment	Paintings and Musical instruments	Owner occupied land & buildings - SAMRO Place	Total
Reconciliation for the year ended 30 June 2025 - Group							
Balance at 1 July 2024							
At cost or revaluation	123	2 958	9 825	5 274	1 935	130 673	**150 788**
Accumulated depreciation	(4)	(1 642)	(6 084)	(2 080)	(4)	(35 873)	**(45 687)**
Carrying amount	**119**	**1 316**	**3 741**	**3 194**	**1 931**	**94 800**	**105 101**
Movements for the year ended 30 June 2025							
Additions from acquisitions	-	959	482	806	-	-	**2 247**
Depreciation	(24)	(768)	(762)	(1 095)	(1)	(2 309)	**(4 959)**
Revaluation increase / (decrease)	-	-	-	-	23	5 709	**5 732**
Disposals - carrying value	-	-	-	(37)	-	-	**(37)**
Property, plant and equipment at the end of the year	**95**	**1 507**	**3 461**	**2 868**	**1 953**	**98 200**	**108 084**
Closing balance at 30 June 2025							
At cost or revaluation	123	2 002	10 291	5 844	1 958	136 382	**156 600**
Accumulated depreciation	(28)	(495)	(6 830)	(2 976)	(5)	(38 182)	**(48 516)**
Carrying amount	**95**	**1 507**	**3 461**	**2 868**	**1 953**	**98 200**	**108 084**

Notes to the Consolidated and Separate Financial Statements

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Property, plant and equipment continued...

Reconciliation for the year ended 30 June 2024 - Group	Leasehold improvements	Motor vehicles	Office furniture and equipment	Computer equipment	Paintings and Musical instruments	Owner occupied land & buildings - SAMRO Place	Total
Balance at 1 July 2023							
At cost or revaluation	-	2 721	8 196	4 211	1 935	128 313	**145 376**
Accumulated depreciation	-	(1 320)	(5 900)	(1 407)	(4)	(33 513)	**(42 144)**
Carrying amount	**-**	**1 401**	**2 296**	**2 804**	**1 931**	**94 800**	**103 232**
Movements for the year ended 30 June 2024							
Additions from acquisitions	123	248	2 026	1 420	-	-	**3 817**
Depreciation	(4)	(333)	(516)	(1 012)	-	(2 360)	**(4 225)**
Revaluation increase / (decrease)	-	-	-	-	-	2 360	**2 360**
Disposals - carrying value	-	-	(65)	(18)	-	-	**(83)**
Property, plant and equipment at the end of the year	**119**	**1 316**	**3 741**	**3 194**	**1 931**	**94 800**	**105 101**
Closing balance at 30 June 2024							
At cost or revaluation	123	2 958	9 825	5 274	1 935	130 673	**150 788**
Accumulated depreciation	(4)	(1 642)	(6 084)	(2 080)	(4)	(35 873)	**(45 687)**
Carrying amount	**119**	**1 316**	**3 741**	**3 194**	**1 931**	**94 800**	**105 101**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Property, plant and equipment continued...

Reconciliation for the year ended 30 June 2025 - Company	Leasehold improvements	Motor vehicles	Office furniture and equipment	Computer equipment	Paintings and Musical instruments	Owner occupied land & buildings - SAMRO Place	Total
Balance at 1 July 2024							
At cost or revaluation	123	2 958	8 425	5 274	1 935	-	**18 715**
Accumulated depreciation	(4)	(1 642)	(5 798)	(2 080)	(4)	-	**(9 528)**
Carrying amount	**119**	**1 316**	**2 627**	**3 194**	**1 931**	**-**	**9 187**
Movements for the year ended 30 June 2025							
Additions from acquisitions	-	959	441	792	-	-	**2 192**
Depreciation	(24)	(768)	(624)	(1 093)	(1)	-	**(2 510)**
Revaluation increase - Musical instruments	-	-	-	-	23	-	**23**
Disposals - carrying value	-	-	-	(37)	-	-	**(37)**
Property, plant and equipment at the end of the year	**95**	**1 507**	**2 444**	**2 856**	**1 953**	**-**	**8 855**
Closing balance at 30 June 2025							
At cost or revaluation	123	2 002	8 860	5 830	1 958	-	**18 773**
Accumulated depreciation	(28)	(495)	(6 416)	(2 974)	(5)	-	**(9 918)**
Carrying amount	**95**	**1 507**	**2 444**	**2 856**	**1 953**	**-**	**8 855**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Property, plant and equipment continued...

Reconciliation for the year ended 30 June 2024 - Company	Leasehold improvements	Motor vehicles	Office furniture and equipment	Computer equipment	Paintings and Musical instruments	Owner occupied land & buildings - SAMRO Place	Total
Balance at 1 July 2023							
At cost or revaluation	-	2 721	7 791	4 211	1 935	-	**16 658**
Accumulated depreciation	-	(1 320)	(5 624)	(1 407)	(4)	-	**(8 355)**
Carrying amount	**-**	**1 401**	**2 167**	**2 804**	**1 931**	**-**	**8 303**
Movements for the year ended 30 June 2024							
Additions from acquisitions	123	248	972	1 420	-	-	**2 763**
Depreciation	(4)	(333)	(449)	(1 012)	-	-	**(1 798)**
Disposals - carrying value	-	-	(63)	(18)	-	-	**(81)**
Property, plant and equipment at the end of the year	**119**	**1 316**	**2 627**	**3 194**	**1 931**	**-**	**9 187**
Closing balance at 30 June 2024							
At cost or revaluation	123	2 958	8 425	5 274	1 935	-	**18 715**
Accumulated depreciation	(4)	(1 642)	(5 798)	(2 080)	(4)	-	**(9 528)**
Carrying amount	**119**	**1 316**	**2 627**	**3 194**	**1 931**	**-**	**9 187**

Revaluation of paintings and musical instruments:

The revaluation of the paintings and musical instruments was done by an independent valuer as at 30 June 2025. The Sales comparison approach to value was the valuation method adopted by the independent valuer as at 30 June 2025. The valuation was based on fair market values at the time which was the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The estimated fair value for financial reporting purposes was determined via online research results, both locally and internationally. In verifying some of the more specialised items, valuation was also often based on current research papers. Consultation with dealers, auctioneers and other appraisers / valuers had been undertaken. The valuer also used primary and secondary markets to arrive at value. The primary market is a market for new items available for the first time. These secondary market is a market in which items that are still being created by the producer are being sold to subsequent owners.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Property, plant and equipment continued...

Paintings and musical instruments have been categorised as level 2 assets.

Inputs used in arriving at the fair value of the paintings and musical instruments are current market prices attainable during the sale or auction of the paintings and musical instruments.

If the cost model had been applied, the carrying values would have been as follows:

	Group 2025	Group 2024	Company 2025	Company 2024
Paintings	136	147	136	147
Musical instruments	64	102	64	102

Land and buildings

SAMRO Place

A nine storey office block on ERF 4518 Johannesburg Township, Registration Division I.R. Transvaal. The building was purchased effective 1 February 2008 for a consideration of R56 000 000. Transfer costs of R160 000 were incurred in the transaction. The building has been refurbished and to date R65 227 598 refurbishment costs have been incurred.

The building on ERF 4518 Johanesburg, was last valued on 30 June 2025 by Ockert Brits, a registered Professional Valuer with registration number 6876/7 in terms of the Property Valuer's Profession Act, (Act No 47 of 2000). The market value was estimated to be R98 200 000.

The valuation is based on fair market values which is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Fair Value Estimation

The building has been categorised as a level 2 fair value asset. This means that the fair value is based on inputs that are observable. Inputs used in arriving at the fair value of the building include gross rentals earned, rental space available, as well as estimated annual operating expenses.

For the purpose of determining the Market Value for the subject property the Income Approach based on the Discounted Cash Flow Method has been used. The Discounted Cash Flow (DCF) Method takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to prevailing market levels. Properties are valued by discounting the expected future net income for a specific period at an appropriate discount rate (or total rate of return) to give the present value (PV) of the expected net income cash flow. To this figure, an applicable final discounted residual or reversionary value is added.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Property, plant and equipment continued...

As at 30 June 2025 the significant inputs observable were as follows:
- A weighted rental growth of 13.63% (2024: 5.61%)
- A revisionary capitalisation rate of between 12% and 13.6% (2024: 11% and 13%)
- A market risk adjusted discount rate of 12.5% (2024: 10.3%)

The table below indicates the sensitivities of the aggregate property values for the following changes to assumptions:

	Increase R'000	**Decrease R'000**
5% change in the net cash flows	4 936	(4 886)
50bps change in the discount rate	(3 753)	4 118

If the cost model had been applied, the carrying values would have been as follows:

	Group 2025	**Group 2024**
Land and buildings	71 271	73 580

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

6. Intangible assets

6.1 Reconciliation of changes in intangible assets

	Computer software development costs	Total
Reconciliation for the year ended 30 June 2025 - Group		
Balance at 1 July 2024		
At cost	155 745	**155 745**
Accumulated amortisation and impairment	(148 365)	**(148 365)**
Carrying amount	**7 380**	**7 380**
Movements for the year ended 30 June 2025		
Business System Replacement Project development costs	1 991	**1 991**
Amortisation	(3 575)	**(3 575)**
Intangible assets at the end of the year	**5 796**	**5 796**
Closing balance at 30 June 2025		
At cost	157 736	**157 736**
Accumulated amortisation and impairment	(151 940)	**(151 940)**
Carrying amount	**5 796**	**5 796**

Reconciliation for the year ended 30 June 2024 - Group	Computer software development costs	Total
Balance at 1 July 2023		
At cost	153 407	**153 407**
Accumulated amortisation and impairment	(137 655)	**(137 655)**
Carrying amount	**15 752**	**15 752**
Movements for the year ended 30 June 2024		
Business system replacement project development costs	2 066	**2 066**
Other additions from acquisitions	273	**273**
Amortisation	(10 711)	**(10 711)**
Intangible assets at the end of the year	**7 380**	**7 380**
Closing balance at 30 June 2024		
At cost	155 745	**155 745**
Accumulated amortisation and impairment	(148 365)	**(148 365)**
Carrying amount	**7 380**	**7 380**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Intangible assets continued...

Reconciliation for the year ended 30 June 2025 - Company	Computer software development costs	Total
Balance at 1 July 2024		
At cost	155 745	**155 745**
Accumulated amortisation and impairment	(148 365)	**(148 365)**
Carrying amount	**7 380**	**7 380**
Movements for the year ended 30 June 2025		
Business System Replacement Project development costs	1 991	**1 991**
Amortisation	(3 575)	**(3 575)**
Intangible assets at the end of the year	**5 796**	**5 796**
Closing balance at 30 June 2025		
At cost	157 736	**157 736**
Accumulated amortisation and impairment	(151 940)	**(151 940)**
Carrying amount	**5 796**	**5 796**

Reconciliation for the year ended 30 June 2024 - Company	Computer software development costs	Total
Balance at 1 July 2023		
At cost	153 407	**153 407**
Accumulated amortisation and impairment	(137 655)	**(137 655)**
Carrying amount	**15 752**	**15 752**
Movements for the year ended 30 June 2024		
Business system replacement project development costs	2 066	**2 066**
Other additions from acquisitions	273	**273**
Amortisation	(10 711)	**(10 711)**
Intangible assets at the end of the year	**7 380**	**7 380**
Closing balance at 30 June 2024		
At cost	155 745	**155 745**
Accumulated amortisation and impairment	(148 365)	**(148 365)**
Carrying amount	**7 380**	**7 380**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

Intangible assets continued...

6.2 Devlopment costs incurred and Contractual commitments for acquisition of intangible assets

6.2.1 Development costs incurred since the commencement of the Business system replacement project

Computer software development costs	17 863	15 872	17 863	15 872
*Accumulated impairment	(11 522)	(11 522)	(11 522)	(11 522)
Accumulated amortisation	(816)	-	(816)	-
	5 524	**4 350**	**5 524**	**4 350**

SAMRO has replaced the Dynamix AX ERP system. However, SAMRO was still able to make use of Dynamics AX with the support provided by the internal IT department, until the development of the new core system (for the Distributions and Member Services departments) was completed and ready for use during FY24 and FY25. The new system includes the system replacements for Licensing, Member Services, Distributions, and Finance.
- Development of the new core system for the Distributions department had been completed in the last quarter of FY24. (Distributions data feeds from the new core system into the new Acumatica system).
- The new Licensing system (i.e. Acumatica) had been implemented and in use as from November 2023.
- Developments for the new Licensing system and Finance system started after November 2023.
- Implementation and use of the new Finance system (i.e. Acumatica) commenced 01 July 2024.
- Development of the distributions section of the Acumatica system in relation to Finance was completed in October 2024.
- Development of the CRM section of the Acumatica system for the Member Services department had also been completed and ready for use as from May 2025.

*Microsoft had confirmed that it will no longer support Dynamics AX as from October 2023. Therefore, SAMRO had engaged with an external service provider in FY22 to assist with the development of a new core system (for the Distributions and Member services departments). However, the new core system as developed by this external service provider in FY22 and FY23 had not met the development criteria/needs as required by SAMRO. The SAMRO board made a decision on 21 July 2023 to discontinue the services provided by this external service provider. As a result, SAMRO has impaired the total amount of the development costs incurred up to 30 June 2023. The impairment charge for FY23 amounted to R11 522 075.09.

6.2.2 Contractual commitments for acquisition of intangible assets

The group had committed itself to operational expenditure of R3.7m (Business System Replacement Project costs) and capital expenditure of R4.9m (Project costs) in the 2026 financial year which have been contracted for and would be financed from its existing cash resources (FY25: Budget of R6.7m expenditure in total vs R5.1m operational and capital expenditure actually incurred)

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

7. Investments in subsidiaries

Investments in subsidiaries	-	-	174	174

7.1 Investment in subsidiary

7.1.1 Shares at cost

Name of subsidiary	Nature of business	Shares at cost	
*SAMRO House Holdings Proprietary Limited	Investment holding	174	174
Total cost of shares		**174**	**174**

*Principal place of business: SAMRO Place, South Africa

7.1.2 Issued share capital and interest held for these subsidiaries are as follows:

	Issued share capital		Effective holding	
	2025 R	2024 R	2025 %	2024 %
*SAMRO House Holdings Proprietary Limited	1 000	1 000	100%	100%
*SAMRO House Proprietary Limited	200	200	100%	100%

*Principal place of business: SAMRO Place, South Africa

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

8. Financial assets

8.1 Carrying amount of financial assets by category

	At fair value through profit or loss	At amortised cost	At fair value through other comprehensive income	Total
Year ended 30 June 2025 - Group				
Investments (Note 11)	126 616	-	196 092	**322 708**
Trade and other receivables (Note 9)	-	183 298	-	**183 298**
Cash and cash equivalents (Note 13)	-	838 173	-	**838 173**
	126 616	**1 021 471**	**196 092**	**1 344 179**
Items of income, expense, gains or losses - Group				
Net gains or net losses through profit or loss	15 868	-	-	**15 868**
Net gains or net losses through other comprehensive income	-	-	21 629	**21 629**
Total interest income on assets not measured at fair value through profit or loss	-	61 929	-	**61 929**
	15 868	**61 929**	**21 629**	**99 426**

	At fair value through profit or loss	At amortised cost	At fair value through other comprehensive income	Total
Year ended 30 June 2024 - Group				
Investments (Note 11)	112 117	-	181 004	**293 121**
Trade and other receivables (Note 9)	-	148 266	-	**148 266**
Cash and cash equivalents (Note 13)	-	763 951	-	**763 951**
	112 117	**912 217**	**181 004**	**1 205 338**
Items of income, expense, gains or losses - Group				
Net gains or net losses through profit or loss	6 989	-	-	**6 989**
Net gains or net losses through other comprehensive income	-	-	11 019	**11 019**
Total interest income on assets not measured at fair value through profit or loss	-	54 932	-	**54 932**
	6 989	**54 932**	**11 019**	**72 940**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial assets continued...

	At fair value through profit or loss	At amortised cost	At fair value through other comprehensive income	Total
Year ended 30 June 2025 - Company				
Investments (Note 11)	126 616	-	196 092	**322 708**
Loan to group company (Note 12)	-	173 993	-	**173 993**
Trade and other receivables (Note 9)	-	194 935	-	**194 935**
Cash and cash equivalents (Note 13)	-	837 405	-	**837 405**
	126 616	**1 206 333**	**196 092**	**1 529 041**
Items of income, expense, gains or losses - Company				
Net gains or net losses through profit or loss	15 868	-	-	**15 868**
Net gains or net losses through other comprehensive income	-	-	21 629	**21 629**
Total interest income on assets not measured at fair value through profit or loss	-	61 928	-	**61 928**
	15 868	**61 928**	**21 629**	**99 425**

	At fair value through profit or loss	At amortised cost	At fair value through other comprehensive income	Total
Year ended 30 June 2024 - Company				
Investments (Note 11)	112 117	-	181 004	**293 121**
Loan to group company (Note 12)	-	173 024	-	**173 024**
Trade and other receivables (Note 9)	-	159 927	-	**159 927**
Cash and cash equivalents (Note 13)	-	762 841	-	**762 841**
	112 117	**1 095 792**	**181 004**	**1 388 913**
Items of income, expense, gains or losses - Company				
Net gains or net losses through profit or loss	6 989	-	-	**6 989**
Net gains or net losses through other comprehensive income	-	-	11 019	**11 019**
Total interest income on assets not measured at fair value through profit or loss	-	54 931	-	**54 931**
	6 989	**54 931**	**11 019**	**72 939**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

9. Trade and other receivables

Gross trade debtors	200 194	152 680	199 455	152 154
Loss allowance	(31 141)	(25 866)	(18 722)	(13 625)
Trade debtors - net	169 053	126 814	180 733	138 529
*Other receivables	14 245	21 452	14 202	21 398
	183 298	148 266	194 935	159 927

*Other receivables include accrued revenue, prepayments & staff debtors.

The standard credit period is 30 days. It is considered default on the debtor's part should outstanding balances go beyond the 30 day credit period. A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 – Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery. Such indicators include close of business, trade debtors that have entered into liquidation proceedings, long outstanding trade debtors that no longer play licensed royalty music, etc.

The loss allowance for trade receivables is measured by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses (ECL) on trade receivables. These lifetime expected credit losses are estimated by making use of the past default experience of debtors but also incorporates forward-looking information and general economic conditions as at the reporting date. The independent actuaries (Matlotlo Actuaries & Quants), when determining the ECL for the financial year ended 30 June 2025, have not adjusted the historical loss rates for forward looking macro-economic factors as they do not have a basis to believe the underlying debtors will, on average, experience better or worse economic conditions than the historic period assessed.

When determining the ECL on trade receivables, the actuaries divided the trade receivables into sub-groups: Trade receivables that have been handed over to Legal (i.e. credit sales with high chances of low collection) and Ordinary trade receivables (i.e. all other trade receivables). The outstanding receivables were also allocated to the age profiles as stated below. To determine the amounts that were exposed to loss (i.e. exposure) in a particular age bucket, the initial credit sales were reduced by the payments received before the debt age bucket. The unpaid amount represents the amount to be written off. To determine the loss rates for the exposure in each age bucket, the written off amount was divided by the exposure. The expected credit loss of each sub-group was then calculated by multiplying the current gross receivable balance by the loss rate. Once the expected credit losses of each age profile for the receivables was calculated, all the expected credit losses of each age profile was added together to determine the total expected credit loss of the outstanding debtors.

The current year and prior year aging are disclosed as follows:

	Gross carrying amount R000	Weighted average ECL R000	Expected loss rate %	Loss allowance R000
Group				
At 30 June 2025				
Due - 1 to 30 days	81 464	-	0%	-
Past due by 31 to 60 days	32 194	(36)	0%	(36)
Past due by 61 to 90 days	15 144	(14)	0%	(14)
Past due by more than 90 days	71 392	(31 090)	44%	(31 090)
Total	**200 194**	**(31 141)**		**(31 141)**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

Trade and other receivables continued...

At 30 June 2024				
Due - 1 to 30 days	84 642	-	0%	-
Past due by 31 to 60 days	17 124	(99)	1%	(99)
Past due by 61 to 90 days	6 705	(1)	0%	(1)
Past due by more than 90 days	44 208	(25 766)	58%	(25 766)
Total	**152 680**	**(25 866)**		**(25 866)**

	Gross carrying amount R000	Weighted average ECL R000	Expected loss rate %	Loss allowance R000
Company				
At 30 June 2025				
Due - 1 to 30 days	81 120	-	0%	-
Past due by 31 to 60 days	32 106	-	0%	-
Past due by 61 to 90 days	15 130	-	0%	-
Past due by more than 90 days	71 099	(18 722)	26%	(18 722)
Total	**199 455**	**(18 722)**		**(18 722)**
At 30 June 2024				
Due - 1 to 30 days	84 324	-	0%	-
Past due by 31 to 60 days	16 920	-	0%	-
Past due by 61 to 90 days	6 702	-	0%	-
Past due by more than 90 days	44 208	(13 625)	31%	(13 625)
Total	**152 154**	**(13 625)**		**(13 625)**

Trade and other receivables do not attract interest and are payable within 30 days from the date of invoice. As a practical expedient, the transaction price is not adjusted for the effects of any financing component if, at contract inception with the broadcaster, the expectation is that the period between recognition of an account receivable and broadcaster payment is one year or less.

In addition, receivable balances are monitored on an ongoing basis. The maximum credit risk exposure on receivables is the carrying amount.

All amounts are short-term. The carrying values of trade and other receivables reasonably approximates fair value.

Movements in impairment of trade and other receivables are as follows:

At the beginning of the year	25 866	20 356	13 625	7 994
Written off during the year	(17 186)	(15 991)	(17 105)	(15 870)
Charge for the year	22 461	21 501	22 202	21 501
At the end of the year	**31 141**	**25 866**	**18 722**	**13 625**

The contractual amount that was written off during the current financial year was R17.2m Group/ R17.1m Company (FY24: R16.0m Group/ R15.9m Company)

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

10. Deferred tax

Net deferred tax liabilities	**(1 116)**	**(424)**	**-**	**-**

Reconciliation of deferred tax movements

Group	Deferred tax	Total
Opening balance at 1 July 2024	(424)	**(424)**
Movements during the year attributable to temporary differences on:		
Provisions	31	**31**
Revaluation of land and buildings	(734)	**(734)**
Income received in advance	11	**11**
Closing balance at 30 June 2025	**(1 116)**	**(1 116)**
Opening balance at 1 July 2023	(406)	**(406)**
Movements during the year attributable to temporary differences on:		
Provisions	(18)	**(18)**
Revaluation of land and buildings	-	**-**
Income received in advance	-	**-**
Closing balance at 30 June 2024	**(424)**	**(424)**

Company

The deferred tax closing balance for the company (SAMRO NPC) is nil for the current and prior financial years due to the company's tax exemption status that was obtained during the 2021 financial year.

Deferred tax (Liability)/ Asset	**(1 116)**	**(424)**	**-**	**-**
Closing balance	**(1 116)**	**(424)**	**-**	**-**
The closing balance comprises:				
Provisions	92	61	-	-
Revaluation of land and buildings	(1 219)	(485)	-	-
Income received in advance	11	-	-	-
	(1 116)	**(424)**	**-**	**-**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

11. Investments

Financial assets	322 708	293 121	322 708	293 121
Listed investments				
Shares at fair value	136 007	129 857	136 007	129 857
Gilts and bonds	42 983	39 395	42 983	39 395
Exchange traded assets	4 466	-	4 466	-
Exchange traded funds	12 637	11 753	12 637	11 753
Total listed securities	**196 092**	**181 004**	**196 092**	**181 004**
Unlisted securities				
Asset swaps	92 025	80 471	92 025	80 471
Unit trusts	34 590	31 646	34 590	31 646
Total unlisted securities	**126 616**	**112 117**	**126 616**	**112 117**
Total investments	**322 708**	**293 121**	**322 708**	**293 121**
Financial assets at Fair value through Other comprehensive income:				
South African Equities	114 872	99 620	114 872	99 620
Gilts and bonds	42 983	39 395	42 983	39 395
Exchange traded funds	12 637	11 753	12 637	11 753
Foreign equity	21 134	30 236	21 134	30 236
Exchange traded assets	4 466	-	4 466	-
	196 092	**181 004**	**196 092**	**181 004**
Financial assets at Fair value through Profit or loss:				
Asset swaps	92 025	80 471	92 025	80 471
Unit trusts	34 590	31 646	34 590	31 646
	126 616	**112 117**	**126 616**	**112 117**
Total investments at the end of the year	**322 708**	**293 121**	**322 708**	**293 121**

A register of listed and unlisted investments is available for inspection by members.

The group’s exposure to credit risk from investments arises from default of the counterparties. The maximum exposure to the group equals the carrying amount of these instruments. Refer to note 34.2 and note 34.1.3 for further disclosure on credit risk and fair value respectively. The group’s exposure to interest rate risk on investments is variable, dependant on the prevailing interest rate as indicated by the South African Reserve Bank, with the exception of interest generated from government bonds, which are fixed at a rate of 7.00%. The group’s investment decisions are made by the investment committee through investment guidelines.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

12. Loan to group company

SAMRO House Holdings Proprietary Limited	-	-	188 886	188 619
Impairment/ Loss allowance	-	-	(14 893)	(15 595)
	-	**-**	**173 993**	**173 024**
Non-current assets	-	-	173 993	173 024
Current assets	-	-	-	-
	-	**-**	**173 993**	**173 024**

All loans are unsecured and have no fixed repayment terms. Up until 30 September 2023, interest was charged at a nominal rate negotiated by both parties annually: the rate was set at 5.5% annually on the interest-bearing portion of the loans. The Group had changed the interest rate on the intercompany loans from 5.5% to 0% with effect from 01 October 2023. No interest has been recognised on the intercompany loans as from 01 October 2023.

The loan to SAMRO House Holdings Proprietary Limited has been subordinated in favour of other creditors of the borrower, until such time as its assets, fairly valued, exceed its liabilities.

The fair value of the loan to SAMRO House Holdings Proprietary Limited approximates it's carrying value.

Exposure to Credit Risk

Loans receivable inherently expose the Company to credit risk, being the risk that the Company will incur financial loss if counterparties fail to make payments as they fall due.

Loans receivable are subject to the impairment provisions of IFRS 9 – Financial Instruments, which requires a loss allowance to be recognised for all exposures to credit risk. The loss allowance for Group loans receivable is calculated based on 12-month expected losses if the credit risk has not increased significantly since initial recognition. In cases where the credit risk has increased significantly since initial recognition, the loss allowance is calculated based on lifetime expected credit losses.

The loss allowance is updated to either 12-month or lifetime expected credit losses at each reporting date based on changes in the credit risk since initial recognition. If a loan is considered to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

The independent actuaries determined the expected credit loss on the loans receivable as the product of the exposure at default, the probability of default, loss given default and the value of the loans discounted for time value of money.
- The exposure at default is assumed to be the outstanding value of the loan at valuation date as there is no interest accruing on the loan, nor are there expected repayments on the loan.
- The probability of default was determined by taking the average of probabilities of defaults by Standards & Poor's and Moody’s.
- The loss given default estimate was determined as one less the property value over the exposure at default. Property value is assumed to grow at a rate inflation as implied by financial markets (bootstrapped from trading of government nominal and inflation-linked bonds).
- The discount rate was based on a zero-yield curve bootstrapped from the trading of government bonds yields by the Johannesburg Stock Exchange.
- Since there are no expected repayments of the loan, the outstanding term of the loan is determined by the period it takes for the property value of the loan to exceed the exposure at default.

The maximum exposure to credit risk is the gross carrying amount of the loans as presented below. The Company does not hold collateral against group loans receivable.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

Loan to group company continued...

Credit Loss Allowances

The loss allowance is measured by applying the general approach which is prescribed by IFRS 9. The following table sets out the gross carrying amount, loss allowance and measurement basis of expected credit losses for loans receivable:

Instrument	Gross Carrying amount R'000	Loss allowance R'000	Amortised cost R'000
SAMRO House Holdings Proprietary Limited	188 886	(14 893)	173 993

Movements in impairment of loan to group company are as follows:

	Group 2025	Group 2024	Company 2025	Company 2024
At the beginning of the year	-	-	15 595	16 448
Charge for the year	-	-	(702)	(853)
At the end of the year	**-**	**-**	**14 893**	**15 595**

13. Cash and cash equivalents

	Group 2025	Group 2024	Company 2025	Company 2024
Cash on hand and balances with banks	819 509	759 895	818 741	758 785
Short term investments	18 664	4 056	18 664	4 056
	838 173	**763 951**	**837 405**	**762 841**

All amounts are short-term. The carrying values of cash and cash equivalents reasonably approximates fair value.

Management has assessed the expected credit loss of cash and cash equivalents and determined it to be immaterial as the balances are held by reputable financial institutions.

Cash and cash equivalents are invested with the following institutions having a stable outlook as at 30 June 2025:

	Credit rating	
	Short-term	**Long-term**
Standard Bank	P-1.za	Baa3
ABSA	P-1.za	Baa3
Nedbank	P-1.za	Baa3
Investec	P-1.za	Baa3
FNB	P-1.za	Baa3

14. Reserves

14.1 Classification of reserves

	Group 2025	Group 2024	Company 2025	Company 2024
Revaluation surplus	32 065	26 333	1 673	1 650
Remeasured post-employment medical benefit reserve	131	323	131	323
Mark - to - market reserve	132 873	111 244	132 873	111 244
Total reserves	**165 069**	**137 900**	**134 677**	**113 217**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

Reserves continued...

14.2 Revaluation surplus

At the beginning of the year	26 333	23 973	1 650	1 650
Revaluation of Musical instruments	23	-	23	-
Revaluation of land and buildings	5 709	2 360	-	-
At the end of the year	**32 065**	**26 333**	**1 673**	**1 650**

14.3 Remeasured post-employment medical benefit reserve

At the beginning of the year	323	-	323	-
Actuarial (loss)/ gain on remeasurement	(192)	323	(192)	323
At the end of the year	**131**	**323**	**131**	**323**

14.4 Mark - to - market reserve

Total unrealised gain at the beginning of the year	111 244	100 225	111 244	100 225
Fair value adjustment	21 629	11 019	21 629	11 019
Total unrealised gain at the end of the year	**132 873**	**111 244**	**132 873**	**111 244**

15. Trade and other payables

Accounts payable	37 989	49 786	36 416	48 217
Leave pay accrual	5 063	4 338	5 063	4 338
Bonus accrual	6 300	15 135	6 300	15 135
Total trade and other payables	**49 352**	**69 259**	**47 779**	**67 690**

Trade and other payables do not attract interest and are payable 30 days from the date of statement. All amounts are short-term. The carrying values of trade and other payables reasonably approximates fair value.

Leave pay accrual is computed in terms of employees' current salary and accrued days leave at the financial year end. This method accounts for any utilisations during the year.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

16. Financial liabilities

Carrying amount of financial liabilities by category

	At amortised cost	Total
Year ended 30 June 2025 - Group		
Trade and other payables excluding non-financial liabilities (Note 15)	37 989	**37 989**
	37 989	**37 989**
year ended 30 June 2024 - Group		
Trade and other payables excluding non-financial liabilities (Note 15)	49 786	**49 786**
	49 786	**49 786**
Year ended 30 June 2025 - Company		
Trade and other payables excluding non-financial liabilities (Note 15)	36 416	**36 416**
	36 416	**36 416**
year ended 30 June 2024 - Company		
Trade and other payables excluding non-financial liabilities (Note 15)	48 217	**48 217**
	48 217	**48 217**

17. Social and cultural obligations

	Group 2025	Group 2024	Company 2025	Company 2024
Social and cultural obligations	51 954	51 808	51 954	51 808
Balance at the beginning of the year	51 808	45 068	51 808	45 068
Utilisation during the year	(25 586)	(20 805)	(25 586)	(20 805)
Current funding for the year	25 732	27 545	25 732	27 545
Balance at the end of the year	**51 954**	**51 808**	**51 954**	**51 808**

17.1 Social Obligations

	Group 2025	Group 2024	Company 2025	Company 2024
Other social funds not included in distributions				
Balance at the beginning of the year	19 981	16 800	19 981	16 800
Utilisation during the year	(14 945)	(10 592)	(14 945)	(10 592)
Current funding for the year	15 475	13 773	15 475	13 773
Balance at the end of the year	**20 511**	**19 981**	**20 511**	**19 981**
Total social funds	**20 511**	**19 981**	**20 511**	**19 981**

Notes to the Consolidated and Separate Financial Statements

Social and cultural obligations continued...

17.2 Cultural obligations

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024
SAMRO Foundation and related provisions				
Balance at the beginning of the year	29 842	26 283	29 842	26 283
Utilisation during the year	(10 640)	(10 213)	(10 640)	(10 213)
Current funding for the year	10 256	13 772	10 256	13 772
Balance at the end of the year	**29 458**	**29 842**	**29 458**	**29 842**
Bequests and donations				
Balance at the beginning of the year	1 985	1 985	1 985	1 985
Utilisation during the year	-	-	-	-
Current funding for the year	-	-	-	-
Balance at the end of the year	**1 985**	**1 985**	**1 985**	**1 985**
Total cultural funds	**31 443**	**31 827**	**31 443**	**31 827**
Total social and cultural funds	**51 954**	**51 808**	**51 954**	**51 808**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

18. Post employment medical benefits

Net liability reconciliation:

Opening balance of the liability	18 120	18 313	18 120	18 313
Income statement charge	134	(192)	134	(192)
Benefits paid-out to in-service employees (FY23)	-	-	-	-
Closing balance of the liability	**18 255**	**18 120**	**18 255**	**18 120**
Current portion of the liability	1 501	1 417	1 501	1 417
Long term portion of the liability	16 754	16 703	16 754	16 703
	18 255	**18 120**	**18 255**	**18 120**

Former employees (i.e. retirees) of SAMRO participate in the Discovery Health Medical Scheme, administered by Discovery Health (Pty) Ltd. Members who joined the company before 1 January 2003 are eligible for a subsidy of medical scheme contributions in retirement. Eligible members are entitled to a 60% subsidy of medical scheme contributions, including savings. This subsidy benefit is unfunded.

Present value of obligations:

Opening balance	18 120	18 313	18 120	18 313
Interest cost	1 636	1 740	1 636	1 740
Benefit payments	(1 694)	(1 609)	(1 694)	(1 609)
Actuarial loss/ (gain) on obligation - OCI	192	(323)	192	(323)
Closing balance of employment medical benefits	**18 255**	**18 120**	**18 255**	**18 120**

Income statement charge:

Interest cost	1 636	1 740	1 636	1 740
Benefit payments	(1 694)	(1 609)	(1 694)	(1 609)
Actuarial loss/ (gain) on obligation - OCI	192	(323)	192	(323)
	134	**(192)**	**134**	**(192)**

Present value of obligations per demographic:

2025 - Group and Company	**Continuation Members**	**Total**
Opening balance	18 120	18 120
Interest cost	1 636	1 636
Benefit payments	(1 694)	(1 694)
Actuarial (gain)/ loss on obligation - OCI	192	192
Decrement Experience	(87)	(87)
Contributions Increase	354	354
Membership changes	-	-
Economic Assumptions	(135)	(135)
Miscellaneous	60	60
Closing balance of employment medical benefits	**18 255**	**18 255**
Number of members	26	26
Average value per member	702	702

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

Post employment medical benefits continued...

Present value of obligations per demographic:

2024 - Group and Company	**Continuation Members**	**Total**
Opening balance	18 313	18 313
Interest cost	1 740	1 740
Benefit payments	(1 609)	(1 609)
Actuarial (gain)/ loss on obligation - OCI	(323)	(323)
Decrement Experience	(583)	(583)
Contributions Increase	341	341
Membership changes	-	-
Economic Assumptions	(139)	(139)
Miscellaneous	58	58
Closing balance of employment medical benefits	**18 120**	**18 120**
Number of members	27	27
Average value per member	671	671

The liability valuation was carried out by a firm of consulting actuaries at 30 June 2025 and is based on a Projected Unit Credit Method. There were 0 in service members (2024: 0) and 26 continuation members (2024: 27). The liability is calculated on a member by member basis, taking into account potential liabilities arising in respect of principal members and their spouses. For each member, the subsidy cash flow is projected for each probable year of payment using healthcare inflation. The cash flows are multiplied by the discount factor and the probability of payment and are summed to arrive at the expected present value of the liability. The liability accrues uniformly over each employee's service period. For in-service members the past service liability is determined by multiplying the full-service liability by the number of the years of service as a proportion of the total years of service from employment date to retirement date. The methodology aims to ensure a market consistent valuation of the liability, making reference to market rates, commonly used decrements assumptions in the life assurance industry and likely terms of the buy-out of the liability (i.e. the fair value cost if the liability were to be transferred to an independent third party).

The duration of the liability as at 30 June 2025 is 14.30 years.

The principal actuarial assumptions are as follows:

	Group 2025	Group 2024	Company 2025	Company 2024
Discount rate (per market yield curve)	7.3% - 13.0%	8.4% - 13.9%	7.3% - 13.0%	8.4% - 13.9%
Medical inflation rate (market inflation+2%)	5.0% - 9.4%	6.0% - 10.2%	5.0% - 9.4%	6.0% - 10.2%
Expected retirement age	65	65	65	65

The assumed rates of mortality are as follows:

During employment:	SA85-90 (Light) Ultimate table
Post-employment:	PA(90) Ultimate table rated down 3 years

Sensitivity analyses:

The estimate of the value of the provision is most sensitive to assumptions of future medical scheme contribution inflation and discount rates as set out below:

Post-Employment Medical Liability

	Health care cost inflation		
	Central Assumption 5.0% - 9.4%	-1%	+1%
Accrued liability 30 June 2025 (R000)	18 255	(1 191)	1 340
% change	-	-6.5%	+7.3%

Figures in R `000

Post employment medical benefits continued...

	Discount rate		
	Central Assumption 7.3% - 13.0%	-1%	+1%
Accrued liability 30 June 2025 (R000)	18 255	+1 483	(1 295)
% change	-	+8.1%	-7.1%

	Post-retirement mortality		
	Central Assumption 65 years	1 year less	1 year more
Accrued liability 30 June 2025 (R000)	18 255	+684	(681)
% change	-	+3.7%	-3.7%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

A projection of results of the valuation as at 30 June 2024 to 30 June 2026 is set out below:

Year ending 30 June 2025	**Accrued Liability R000**
Accrued liability as at 30 June 2025	18 255
Interest Cost	1 437
Expected Benefit Payments	(1 705)
Projected Accrued Liability as at 30 June 2026	**17 987**

Year ending 30 June 2024	**Accrued Liability R000**
Accrued liability as at 30 June 2024	18 120
Interest Cost	1 636
Expected Benefit Payments	(1 634)
Projected Accrued Liability as at 30 June 2025	**18 123**

SAMRO NPC's existing cash resources should fund the cost of the entitlements expected to be earned on a yearly basis.

The plan liability exposes SAMRO NPC to the following risks:
- Investment risk: The present value of the defined benefit obligation is calculated using a discount rate determined by reference to the market yield curve. The yield curve of interest rates used for discounting is as derived from market of trading government bond. Future inflation is also as implied by the market of nominal and inflation linked bonds. Both curves are sourced from the JSE Securities Exchange as at the valuation date.
- Interest risk: A decrease in the bond Interest rate will increase the plan liability.
- Inflation risk: There is no market to provide an objective expectation of future medical aid scheme contribution inflation. The medical aid contribution inflation depends on, amongst others, healthcare cost inflation and the financial viability of the underlying medical schemes plan. A higher inflation rate would increase the plan liability.
- Longevity risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan liability.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

Post employment medical benefits continued...

There were no significant developments in the reporting period that impacted the liability.

19. Royalty distribution payments to members and affiliated societies

Available for distribution at the end of the year	994 774	865 639	994 774	865 639
Distributions in progress at the end of the year	292 081	284 930	292 081	284 930
	1 286 855	**1 150 569**	**1 286 855**	**1 150 569**
Available for distribution at the beginning of the year	(865 639)	(750 538)	(865 639)	(750 538)
Distribution in progress at the beginning of the year	(284 930)	(290 387)	(284 930)	(290 387)
- Shares in musical works	(40 878)	(30 367)	(40 878)	(30 367)
- Musical works	(244 052)	(260 020)	(244 052)	(260 020)
Add:				
Distribution expenses (Royalties)	(630 167)	(622 215)	(630 167)	(622 215)
Royalty distributions/ Undistributable income written back	74 163	83 418	74 163	83 418
Less:				
Available for distribution at the end of the year	994 774	865 639	994 774	865 639
Distributions in progress at the end of the year	292 081	284 930	292 081	284 930
- Shares in musical works	43 086	40 878	43 086	40 878
- Musical works	248 995	244 052	248 995	244 052
Royalty distribution cash payments to members and affiliated societies	**(419 718)**	**(429 153)**	**(419 718)**	**(429 153)**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

20. Non-licensing activities

(Increase)/ Decrease in related party balances

Opening balance of group loans	-	-	(176 478)	(174 006)
Closing balance of group loans	-	-	(176 745)	(176 478)
(Increase) in group loans	-	-	(267)	(2 472)
Add intercompany interest and fees	-	-	567	1 625
Indebtedness of subsidiaries	-	-	300	(847)
Interest	-	-	-	(1 087)
Administration, computer and management fees	-	-	(567)	(538)
Net movement group companies	-	-	(267)	(2 472)

Loan to group company

Opening balance	-	-	(176 478)	(174 006)
Intercompany charges	-	-	4 233	(3 222)
Interest	-	-	-	(1 087)
Administration, computer and management fees	-	-	(567)	(538)
Rental	-	-	4 687	5 593
*Other intercompany charges	-	-	113	(7 190)
(Cash Outflow): Advanced to group company	-	-	(5 000)	(3 000)
Cash inflow: Proceeds from group company	-	-	500	3 750
Closing balance	-	-	(176 745)	(176 478)
(Increase) in loan to group company	-	-	(267)	(2 472)

*Includes intercompany charges for stationery, telephone, employee benefits, and other operating expenses. FY24 includes payments made by SAMRO, on behalf of Samro House, to the creditors of Samro House totalling R7.2m

21. Revenue

Music rights	649 191	648 048	649 191	648 048
Royalties from affiliated societies	31 159	35 795	31 159	35 795
SAMRO House rental income	6 804	6 277	-	-
Total revenue	**687 154**	**690 120**	**680 350**	**683 843**

22. Other income

Sundry income	87	4	87	4
Admin fee income	-	250	-	250
Administration, computer and management fees from subsidiary companies	-	-	567	538
Interest on member loans advanced	988	797	988	797
*Interest from subsidiary companies	-	-	-	1 087
Membership fee income	352	297	352	297
Bad debts recovered	308	4 002	307	4 002
Total other income	**1 735**	**5 350**	**2 301**	**6 975**

*Refer note 12 for details regarding change in interest rate from 5.5% to 0% on the loan to group company with effect from 01 October 2023.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

23. Employee benefits expense

Personnel costs form part of operating expenses (refer note 26) and include:

Salaries and bonuses	94 725	101 759	94 503	101 389
Training	1 751	2 215	1 751	2 215
Social security levies	1 167	1 153	1 165	1 153
*Other employment costs	4 148	3 859	1 939	1 908
Pension - Defined contribution plans	10 970	10 344	10 935	10 344
Post-employment benefits	(58)	131	(58)	131
	112 703	**119 461**	**110 235**	**117 140**

*Other employment costs include medical aid contributions, workmen’s compensation, funeral cover contributions as well as staff functions and meeting expenses.

24. Net impairment losses on financial assets

Net impairment losses on financial assets comprises

Trade receivables	22 461	21 501	22 202	21 501
Member advances	-	(251)	-	(251)
Loans to group companies	-	-	(702)	(853)
	22 461	**21 250**	**21 500**	**20 397**

25. Other gains and (losses)

Profit/ (loss) on disposal of property and equipment	15	(32)	15	(30)
Gain on disposal of investments	2 117	927	2 117	927
Fair value gains and (losses) on unit trusts	13 751	6 062	13 751	6 062
Total other gains and (losses)	**15 883**	**6 957**	**15 883**	**6 959**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

26. Loss from operating activities

Loss from operating activities includes the following items:

Office rental and repairs[1]	6 370	6 925	4 688	5 593
Depreciation[1]	4 961	4 227	2 511	1 798
Amortisation[1]	3 576	10 710	3 576	10 710
^Other operating costs[3]	5 526	5 042	5 520	5 032
Professional fees[1]	5 708	2 802	5 597	2 667
IT costs[2]	5 723	5 387	5 718	5 386
Employee benefits[1] - Refer note 23	112 703	119 461	110 235	117 140
Marketing costs[1]	3 934	4 471	3 934	4 471
*Other costs[3]	13 301	11 288	11 213	9 524

^Other operating costs include Inspection and collection expenses, Insurance, Travel, Printing & stationery, Telecommunication expenses, etc.
*Other costs include bank charges, IT & HR consulting fees, recruitment fees, storage costs, and subscription costs.

Auditors remuneration[2]				
Fees (External) - current year	2 320	2 401	2 102	2 193
Fees (Internal) - current year	1 228	1 327	1 228	1 327
Fees - under provision previous years	107	59	106	59
	3 655	**3 788**	**3 436**	**3 579**
Investment management fees[1]	1 230	1 105	1 230	1 105
Social and Cultural expenses[1]				
Social	15 476	13 773	15 476	13 773
Cultural	10 256	13 772	10 256	13 772
	25 732	**27 545**	**25 732**	**27 545**

Notes:
[1] Included in Operating expenses
[2] Included in Administration expenses
[3] Included in Administration expenses and in Operating expenses

27. Investment income

Interest received from Banks	1 195	1 460	1 195	1 460
Interest received from Investments	60 734	53 472	60 733	53 471
Dividends	3 863	3 681	3 863	3 681
Total income from investments	**65 792**	**58 613**	**65 791**	**58 612**

Notes to the Consolidated and Separate Financial Statements

28. Income tax expense

28.1 Income tax recognised in profit or loss:

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024
Deferred tax				
Current year	692	18	-	-
Total income tax expense	**692**	**18**	**-**	**-**

28.2 The income tax for the year can be reconciled to the accounting (loss) / profit as follows:

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024
Loss before tax from operations	(3 751)	(4 403)	-	-
Income tax calculated at 27.0%	(1 013)	(1 189)	-	-
Tax effect of				
Income not subject to tax[1]	-	(282)	-	-
Expenses not deductible for tax[2]	1 757	1 451	-	-
Unrecognised tax loss	132	38	-	-
Permanent difference on fair value adjustment	(184)	-	-	-
Tax charge	**692**	**18**	**-**	**-**

[1] Income not subject to tax includes interest received on intercompany loan.

[2] Expenses not deductible for tax includes expenses of a capital nature, interest expense on intercompany loans as well expenses that are not incurred in the production of income.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

29. Other comprehensive (income)/ loss

Disclosure of gross, tax and net other comprehensive (income)/ loss

	Gross other comprehen-sive income	Net other comprehen-sive income
year ended 30 June 2025 - Group		
Gain on revaluation of land and buildings & musical instruments	(5 732)	(5 732)
Loss on remeasurements of post-employment medical benefits	192	192
Changes in fair value of investments	(21 629)	(21 629)
Total other comprehensive income	**(27 169)**	**(27 169)**
year ended 30 June 2024 - Group		
Gain on revaluation of land and buildings	(2 360)	(2 360)
Gains on remeasurements of post-employment medical benefits	(323)	(323)
Changes in fair value of investments	(11 019)	(11 019)
Total other comprehensive income	**(13 702)**	**(13 702)**
year ended 30 June 2025 - Company		
Gain on revaluation of musical instruments	(23)	(23)
Loss on remeasurements of post-employment medical benefits	192	192
Changes in fair value of investments	(21 629)	(21 629)
Total other comprehensive income	**(21 460)**	**(21 460)**
year ended 30 June 2024 - Company		
Gain on revaluation of musical instruments	-	-
Gains on remeasurements of post-employment medical benefits	(323)	(323)
Changes in fair value of investments	(11 019)	(11 019)
Total other comprehensive income	**(11 342)**	**(11 342)**

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

30. Key management emoluments

Directors emoluments and related payments

Payments to directors for the year ended 30 June 2025 for services rendered are as follows:

	Services as director	Basic salary	Other benefits[1]	Bonuses	Total
	R'000	R'000	R'000	R'000	R'000
Executive directors					
Lebethe A	-	2 134	291	546	2 971
Thomas L	-	1 781	243	438	2 462
	-	**3 915**	**534**	**984**	**5 433**
Prescribed officers					
Mofikoe M	-	1 865	254	459	2 578
	-	**1 865**	**254**	**459**	**2 578**
Non-executive directors					
Hill R	145	-	-		145
Maweni N[2]	554	-	-		554
Mayekiso SL	436	-	-		436
Vilakazi SD[3]	422	-	-		422
Thekisho TTS[4]	36	-	-		36
Le Roux G[2]	165	-	-		165
Naicker R	148	-	-		148
Motloutsi V[3]	382	-	-		382
Bulley L	155	-	-		155
Luthuli L	145	-	-		145
Nkosi D[5]	51	-	-		51
	2 639	**-**	**-**	**-**	**2 639**
	2 639	**5 780**	**788**	**1 443**	**10 650**
Less: paid by subsidiary companies	-	-	-		-
Paid by holding company	**2 639**	**5 780**	**788**	**1 443**	**10 650**

[1] Other benefits comprise pension contributions.
[2] Resigned 01 October 2025
[3] Resigned 11 September 2025
[4] Retired by rotation 12 December 2024
[5] Appointed 05 December 2024

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Key management emoluments continued...

Payments to directors for the year ended 30 June 2024 for services rendered are as follows:

	Services as director R'000	Basic salary R'000	Other benefits[1] R'000	Bonuses R'000	Total R'000
Executive directors					
Lebethe A	-	2 072	205	138	2 415
Thomas L	-	1 672	228	222	2 122
	-	**3 744**	**433**	**360**	**4 537**
Prescribed officers					
Mofikoe M	-	1 751	239	431	2 421
	-	**1 751**	**239**	**431**	**2 421**
Non-executive directors					
Hill R	98	-	-	-	98
Maweni N	546	-	-	-	546
Mayekiso SL	448	-	-	-	448
Vilakazi SD	422	-	-	-	422
Thekisho TTS	98	-	-	-	98
Le Roux G	165	-	-	-	165
Naicker R	152	-	-	-	152
Motloutsi V[2]	88	-	-	-	88
Bulley L[3]	64	-	-	-	64
Luthuli L[4]	58	-	-	-	58
	2 139	**-**	**-**	**-**	**2 139**
	2 139	**5 495**	**672**	**791**	**9 097**
Less: paid by subsidiary companies	-	-	-	-	-
Paid by holding company	**2 139**	**5 495**	**672**	**791**	**9 097**

[1] Other benefits comprise pension contributions.
[2] Appointed 01 May 2024
[3] Appointed 07 December 2023
[4] Appointed 07 December 2023

31. Related parties

Individuals, as well as their close family members or entities, are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions or if the parties are jointly controlled.

Key management personnel are defined as related parties as are all directors of SAMRO and the main trading subsidiaries of the Group.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Related parties continued...

31.1 Group companies

Subsidiaries — Refer note 7.1

31.2 Related party transactions and balances

	Subsidiaries	Total
Year ended 30 June 2025		
Related party transactions		
Administration and management fees received - SAMRO House Holdings (Pty) Ltd	195	**195**
Administration and management fees received - SAMRO House (Pty) Ltd	372	**372**
	567	**567**
Interest received - SAMRO House Holdings (Pty) Ltd	-	**-**
Rental expense - SAMRO House (Pty) Ltd	4 687	**4 687**
Outstanding loan accounts		
SAMRO House Holdings (Pty) Ltd	188 886	**188 886**
	188 886	**188 886**
year ended 30 June 2024		
Related party transactions		
Administration and management fees received - SAMRO House Holdings (Pty) Ltd	185	**185**
Administration and management fees received - SAMRO House (Pty) Ltd	353	**353**
	538	**538**
Interest received - SAMRO House Holdings (Pty) Ltd	1 087	**1 087**
Rental expense - SAMRO House (Pty) Ltd	5 593	**5 593**
Outstanding loan accounts		
SAMRO House Holdings (Pty) Ltd	188 619	**188 619**
	188 619	**188 619**

The administration and management fees had initially been agreed upon by the Group at a market related rate and annual increases thereof are based on inflation.

Up until 30 September 2023, interest was charged at a nominal rate negotiated by both parties annually: the rate was set at 5.5% annually on the interest-bearing portion of the loans. The Group had changed the interest rate on the intercompany loans from 5.5% to 0% with effect from 01 October 2023. No interest has been recognised on the intercompany loans as from 01 October 2023. The loan is unsecured and has no repayment terms.

The rental had initially been agreed upon by the Group at a market related rate and annual increases thereof are based on an agreed upon rate.

31.3 Key management

Key management personnel are those personnel who by virtue of their office are able to influence strategic decisions. Management consider key management to include non-executive directors, executive directors, executive general managers and general managers.

Related parties continued...

31.3.1 Key management remuneration

Refer to note 30 for details on emoluments of key management.

There are two groups of SAMRO directors - composers and publishers. These directors and parties related to them are entitled to royalty distributions from SAMRO. These distributions are computed on the same basis as those for other rights holders and are not considered to be emoluments for services as directors.

32. Events after the reporting date

No events occurred subsequent to 30 June 2025 that required the company to disclose or adjust the results as presented in these annual financial statements.

33. Going concern

Even though Company revenue has decreased by 0.5% compared to the prior year, it is estimated that licensing revenue may increase by 11.2% during FY2026 compared to FY2025. The directors are consistently monitoring the financial performance, liquidity and solvency in order to ensure the company's ability to continue as a going concern. Operational costs will continue to be tightly controlled to mitigate any possible 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.

As at 30 June 2025, the group's total assets exceed its liabilities by R60.2 million, and as at 30 June 2024, the group's total assets exceeded its liabilities by R37.4 million.
The group made a loss of R4.4 million for the year (2024: loss of R4.4 million).
The directors have reviewed the company and group's cash flow forecast for the year to 30 June 2026 and, in light of this review and available credit facilities, including other liquid assets, they are satisfied that the company and group has access to adequate resources to continue in operational existence for the foreseeable future.

34. Financial risk management

The group's principal financial liabilities comprise trade payables and loans received. The main purpose of these financial liabilities is to raise finance for the group's operations. The group has various financial assets such as trade receivables, cash and short-term deposits and investments at fair value through OCI which arise directly from its operations.

The main risks arising from the group's financial instruments are cash flow interest rate risk, liquidity risk, price risks in the form of the fair value movements of its investments and credit risk.

The board of directors review and agree the policies for managing each of these risks, which are summarised below.

Figures in R `000

Financial risk management continued...

34.1 Market risk

34.1.1 Cash flow and fair value interest rate risk

Exposure

The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates and short and medium term deposits with floating interest rates.

Risk management is carried out by the management of the company under policies approved by the board of directors. The fund managers of the investment portfolios provide regular updates and guidance to management of SAMRO as to the performance and management of the funds in accordance with the financial institutions protocols and policies.

Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (0.25% change in the basis points percentage), with all other variables held constant, of the group's profit before tax (through the impact on floating interest rate borrowings and investments) and equity. The same methods and assumptions were used and disclosed in the prior period.

	Increase/ decrease in basis points %		Effect on profit before tax & equity R000	
	2025	**2024**	**2025**	**2024**
Gilts and bonds	+0.25%	+0.25%	107	98
	-0.25%	-0.25%	(107)	(98)
Unit trusts	+0.25%	+0.25%	86	79
	-0.25%	-0.25%	(86)	(79)
Short term funds	+0.25%	+0.25%	2 095	1 910
	-0.25%	-0.25%	(2 095)	(1 910)

Figures in R `000

Financial risk management continued...

34.1.2 Price risk

Exposure

The group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The group manages price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the group's senior management on a regular basis. All equity investment decisions are reviewed and approved by the group investment committee.

At the reporting date, the exposure to listed and unlisted equity securities at fair value was R322.7 million. A decrease of 10% in the JSE market index could have an impact of approximately R32.27 million on the equity attributable to the group, depending on whether or not the decline is significant or prolonged. An increase of 10% in the value of the listed securities would impact equity or profit/ loss.

Sensitivity

	Change in year-end price %		Effect on equity or Profit/Loss R000	
	2025	**2024**	**2025**	**2024**
Shares at fair value	+10%	+10%	13 601	12 986
	-10%	-10%	(13 601)	(12 986)
Gilts and bonds	+10%	+10%	4 298	3 940
	-10%	-10%	(4 298)	(3 940)
Exchange traded assets	+10%	+10%	447	-
	-10%	-10%	(447)	-
Exchange traded funds	+10%	+10%	1 264	1 175
	-10%	-10%	(1 264)	(1 175)
Unit Trusts	+10%	+10%	3 459	3 165
	-10%	-10%	(3 459)	(3 165)

Notes to the Consolidated and Separate Financial Statements

Figures in R `000

Financial risk management continued...

34.1.3 Fair value estimation

The table below presents the group's assets and liabilities that are measured at fair value. The classification into different levels is based on the extent that quoted prices are used in the calculation of fair values and the levels have been defined as follows:

Level 1:
Fair value based on quoted prices (unadjusted) on inactive markets for identical assets or liabilities.

Level 2:
Fair value based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) and must be observable for the full term of the asset; or

Level 3:
Fair value based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). Unobservable inputs may include reasonably available information such as discount rates and risk assumptions.

The following table presents the group’s assets and liabilities that are measured at fair value:

Year ended 30 June 2025

	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Listed equity	136 007	-	-	136 007
Asset swaps	-	92 025	-	92 025
Gilts and bonds	42 983	-	-	42 983
Exchange traded assets	4 466	-	-	4 466
Exchange traded funds	12 637	-	-	12 637
Unit trusts	-	-	34 590	34 590
	196 092	92 025	34 590	322 708

Year ended 30 June 2024

	Level 1 R000	Level 2 R000	Level 3 R000	Total R000
Financial assets				
Listed equity	129 857	-	-	129 857
Asset swaps	-	80 471	-	80 471
Gilts and bonds	39 395	-	-	39 395
Exchange traded assets	-	-	-	-
Exchange traded funds	11 753	-	-	11 753
Unit trusts	-	-	31 646	31 646
	181 004	80 471	31 646	293 121

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s-length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Financial risk management continued...

Investments classified as level 2 consist of financial instruments that are not traded in an active market. The fair value of these financial instruments is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. The observable inputs used to determine the fair value of unit trusts and participation bonds classified as level 2 are the unit prices published by the unit trust fund managers.
Asset swaps:
- Method of calculation: Unit prices are calculated on a net asset value basis by determining the total market value of all assets in the Fund, including any income accruals, less any permissible deductions.
- The Net Asset Value (NAV): represents the value of the assets of a fund less its liabilities.

If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Unit Trusts:
Unit trusts are generally medium to long- term investments. The value of units may go down as well as up and past performance is not necessarily a guide to the future. Unit Trusts are traded at ruling prices and can engage in scrip lending and borrowing. Different classes of units may apply to these portfolios and are subject to different fees and charges. Unit trust prices are calculated on a net asset value basis, which is the total value of all assets in the portfolio including any income accruals and less any permissable deductions (brokerage, Uncertified Securities Tax, VAT, auditor's fees, bank charges, trustee and custodian fees, and the annual management fee) from the portfolio, divided by the number of units in issue.

34.2 Credit risk

In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to expected credit losses are limited. The maximum exposure is the carrying amount as disclosed in notes 9, 11, and 12.

With respect to credit risk arising from the other financial assets of the group, which comprise cash, cash equivalents and financial investments, the group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Refer to notes 9, 11, and 12.

34.3 Liquidity risk

The group monitors its risk to shortage of funds. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of investment planning and treasury management. The table below analyses the group’s liabilities into relevant maturity groupings.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

Financial risk management continued...

34.3.1 Maturities of financial liabilities

Contractual maturities of financial liabilities	Less than 6 months	Between 6 months and 1 year	Total contractual cash flows	Carrying amount
Year ended 30 June 2025 - Group				
Trade and other payables excluding non-financial liabilities (Note 15)	37 989	11 357	**49 346**	**49 346**
year ended 30 June 2024 - Group				
Trade and other payables excluding non-financial liabilities (Note 15)	49 786	19 473	**69 259**	**69 259**
Year ended 30 June 2025 - Company				
Trade and other payables excluding non-financial liabilities (Note 15)	36 416	11 355	**47 771**	**47 771**
year ended 30 June 2024 - Company				
Trade and other payables excluding non-financial liabilities (Note 15)	48 217	19 473	**67 690**	**67 690**

35. Capital management

The primary objective of the group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business.

The group manages primarily internally generated cash balances. Refer to note 13 for the details regarding the current year and prior year cash and cash equivalents balances.

Cash and cash equivalents	838 173	763 951	837 405	762 841
Total assets	1 467 701	1 327 623	1 553 508	1 415 392
Equity	60 169	37 443	148 665	127 205
Total Liabilities	1 407 532	1 290 180	1 404 843	1 288 187

The group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the group may adjust the distribution payments to members and transfers to and from the group's reserves. No changes were made to the objectives, policies or processes during the years ended 30 June 2024 and 30 June 2025.

The group is not subject to any externally imposed capital requirements.

Notes to the Consolidated and Separate Financial Statements

Figures in R `000	Group 2025	Group 2024	Company 2025	Company 2024

36. Cash flows from operating activities

Loss for the year	(4 443)	(4 421)	-	-
Adjustments for:				
Income tax expense	692	18	-	-
Investment income	(65 792)	(58 613)	(65 791)	(58 612)
Depreciation and amortisation expense	8 537	14 937	6 087	12 508
Expected credit losses/ (Reversals of expected credit losses) recognised in profit or loss	22 461	21 501	21 500	20 648
Royalty distributions/ Undistributable income written back	(74 163)	(83 418)	(74 163)	(83 418)
Interest from subsidiaries	-	-	-	(1 087)
Post-employment medical benefits	(58)	131	(58)	131
Distribution expense (Royalties)	630 167	622 215	630 167	622 215
Social and cultural expenses	25 732	27 545	25 732	27 545
(Surplus) on disposal of investments	(2 117)	(927)	(2 117)	(927)
Fair value (gains) and losses on unit trusts	(13 751)	(6 062)	(13 751)	(6 062)
Other non cash items: Intercompany charges processed through loan to subsidiary	-	-	4 233	(2 135)
(Gain)/ Loss on disposal of property and equipment	(15)	32	(15)	30
Income tax penalties	27	-	-	-
Change in operating assets and liabilities:				
Adjustments for decrease / (increase) in inventories	96	(153)	96	(153)
Adjustments for increase in trade accounts receivable	(64 700)	(86 667)	(64 406)	(86 726)
Adjustments for increase in other operating receivables	7 207	(497)	7 196	(490)
Adjustments for (decrease) / increase in trade accounts payable	(11 798)	3 654	(11 800)	3 377
Adjustments for increase/ (decrease) in other operating payables	(8 111)	6 701	(8 112)	6 701
Net cash flows from operations	**449 971**	**455 976**	**454 798**	**453 545**

37. Income tax paid

Amounts receivable / (payable) at the beginning of the year	9 534	9 291	9 468	9 468
Amounts (receivable) / payable at the end of the year	(9 468)	(9 534)	(9 468)	(9 468)
Taxation expense (credit)	(692)	(18)	-	-
Penalties	(27)	-	-	-
Less deferred tax included in taxation expense	692	18	-	-
	39	(243)	-	-

38. Retirement benefits

As at 30 June 2025, employees within the Group are members of the Alexander Forbes Access Retirement Fund. Membership of the fund is compulsory for all employees of the Group. The fund provides benefits on a defined contribution basis. The fund is subject to the Pension Funds Act of 1956, as amended.