VISION GROUP

NATIONAL PRIDE • GLOBAL EXCELLENCE

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

: Patrick Ayota	- Chairperson (Non Executive Director) (Re-elected on 24th November 2022)
: Don Innocent Wanyama	- Managing Director/Executive Director
: Gervase Ndyanabo	- Deputy Managing Director/Company Secretary
: Michael Nyago	- Non-Executive Director
: Julie Piloya Okiror	- Non-Executive Director
: David Kenneth Mafabi	- Non-Executive Director
: Susan Lubega	- Non-Executive Director (Retired on 24th November 2022)
: Moses Mwase	- Non-Executive Director (Retired on 24th November 2022)
: Robinah Kaitiritimba Kitungi	- Non-Executive Director (Re-elected on 24th November 2022)
: Aéko Ongodia	- Non-Executive Director (Re-elected on 24th November 2022)
: Sarah Irene Walusimbi	- Non-Executive Director (Re-elected on 24th November 2022)
: Peter Kawumi	- Non-Executive Director (Re-elected on 24th November 2022)
: Dr. Patricia Kevine Litho	- Non-Executive Director (Appointed on 22nd February 2023)
: Dr.Sengonzi Edward Damulira	- Non-Executive Director (Appointed on 1st April 2023)

BOARD AUDIT AND RISK COMMITTEE

: Michael Nyago	- Chairman
: Sarah Irene Walusimbi	- Member
: Josephine Olok	- Member
: Joseph Baliddawa	- Member (Retired on 21st February 2023)
: Parity Twinomujuni	- Member (Retired on 21st February 2023)
: Juanita Kyakyubya Karamagi	- Member (Appointed on 22nd February 2023)
: Paul Banadda Kiyingi	- Member (Appointed on 22nd February 2023)

REGISTERED OFFICE

: Plot 19/21, First Street
: Industrial Area
: P. O. Box 9815
: Kampala, Uganda

INDEPENDENT AUDITOR

: Auditor General
: Audit House
: Plot 2/12, Apollo Kaggwa Road
: P. O. Box 7983
Kampala, Uganda

DELEGATED AUDITOR

: PKF Uganda
: Certified Public Accountants
: P. O. Box 24544
: Plot 1B, Kira Road
: Kampala, Uganda

COMPANY SECRETARY

: Ndyanabo Gervase
: Plot 19/21, 1st Street
: Industrial Area
: P. O. Box 9815
: Kampala, Uganda

COMPANY INFORMATION (CONTINUED)

LEGAL ADVISORS	: K&K Advocates : P. O. Box 6160 : Kampala, Uganda
	: Sozi & Partners : P. O. Box 379 : Kampala, Uganda
PRINCIPAL BANKER	: Stanbic Bank Uganda Limited : P. O. Box 7131 : Kampala, Uganda
	: Standard Chartered Bank Uganda Limited : P. O. Box 7111 : Kampala, Uganda
	: KCB Bank Uganda Limited : P. O. Box 7399 : Kampala, Uganda
	: ABSA Bank Uganda Limited : Hannington Road : P. O. Box 7101 : Kampala, Uganda

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 30 June 2023, which disclose the state of affairs of New Vision Printing And Publishing Company Limited.

INCORPORATION

The Company was incorporated on 17th June 2002.

PRINCIPAL ACTIVITIES

The principal activities of the Company are publishing, printing and distribution of newspapers and magazines. The Company also engages in television and radio broadcasting, and digital online production.

BUSINESS REVIEW

	2023 Shs'000	2022 Shs'000
Revenue	87,626,047	111,403,223
Gross profit	16,953,184	22,966,855
Gross profit margin (%)	19%	21%
(Loss)/profit for the year	(5,460,200)	988,709
Net (loss)/profit margin (%)	-6.23%	0.89%
Net assets	59,757,415	65,673,037
Return on capital employed (%)	-9.52%	6.15%

SHARE CAPITAL

The authorised, issued and paid up share capital of the Company is Shs 1,503,990,000 (2022: Shs 1,503,990,000) representing 76,500,000 (2022: 76,500,000) ordinary shares of Shs 19.66 per share.

PRINCIPAL RISKS AND UNCERTAINTIES

The overall business environment continues to remain challenging and this has a resultant effect on overall demand of the Company's services. The Company's strategic focus is to enhance revenue growth whilst maintaining profit margins, the success of which remains dependent on overall market conditions and other factors.

The current risks and uncertainties facing the Company are:

In addition to the business risk discussed above, the Company's activities expose it to a number of financial, operational, strategic, information technology and legal, regulatory & compliance risks, which are described in detail in Note 33 to the financial statements. In summary these are listed below;

- unpredictable changes in labour costs;
- possibility that the Company runs low on cash;
- increase in inflation;
- increase in expected credit loss provision;
- increasing costs of raw materials;
- reputational risk;
- unfavorable macroeconomic changes.

REPORT OF THE DIRECTORS (CONTINUED)

DIVIDEND

The directors do not recommend the declaration of a dividend for the year (2022:Shs 494,190,000).

DIRECTORS

The directors who held office during the year and to the date of this report are shown on page 1.

The following directors retired by rotation in accordance with the Company's Articles of Association.

1. Susan Lubega
2. Moses Mwase

The following directors joined in accordance with the Company's Articles of Association.

1. Sengonzi Edward Damulira
2. Patricia Kevine Litho

STATEMENT AS TO DISCLOSURE TO THE COMPANY'S AUDITOR

With respect to each director at the time this report was approved:
(a) there is, so far as the director is aware, no relevant audit information of which the Company's auditor is unaware; and
(b) the director has taken all the steps that the he/she ought to have taken so as to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

TERMS OF APPOINTMENT OF THE AUDITOR

PKF Uganda was appointed, 'delegated auditor' by the office of the Auditor General during the year and continues in office in accordance with Chapter 98, Section 17 of the Public Enterprises Reform and Divestiture Act, 1993. The Auditor General monitors the effectiveness, objectivity and independence of the auditor.

BY ORDER OF THE BOARD

COMPANY SECRETARY
KAMPALA

27. 10. 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Uganda Companies Act, 2012 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that are sufficient to show and explain the transactions of the Company; and that disclose, with reasonable accuracy, the financial position of the Company and that enables them to prepare financial statements of the Company that comply with International Financial Reporting Standards and the requirements of the Uganda Companies Act, 2012. The directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in the manner required by the Uganda Companies Act, 2012. They also accept responsibility for:

i. Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
ii. Selecting and applying appropriate accounting policies; and
iii. Making accounting estimates and judgements that are reasonable in the circumstances;

The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the Company as at 30 June 2023 and of Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Uganda Companies Act, 2012.

Having made an assessment of the company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

Approved by the board of directors on 10.10. 2023 and signed on its behalf by:

DIRECTOR DIRECTOR

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED FOR THE YEAR ENDED 30TH JUNE 2023

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the financial statements of New Vision Printing and Publishing Company Limited set out on pages 10 to 57 which comprise the statement of financial position as at 30 June 2023, and the statement of profit or loss and other comprehensive (loss)/income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30th June 2023 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Uganda Companies Act, 2012.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Uganda, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key Audit Matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, the description of how my audit addressed the matter is provided in that context.

1.0 Review of non-current assets

Key Audit Matter	How my audit addressed the key audit matter
Impairment of non-current assets	
As of 30th June 2023, the Company conducted an impairment assessment of its non-current assets in accordance with International Accounting Standard 36 (IAS 36) - Impairment of Assets. The test for impairment of assets	My audit procedures included but were not limited to: i. Evaluating the appropriateness of management's assumptions used in the calculation of the value in use (VIU) and the fair value less costs to sell (FVLCS), including revenue growth rates, operating expenses, and discount rates.

compares the carrying value of Cash Generating Units (CGU) to the higher of their fair value less costs to sell or value in use (recoverable amount) which involves significant judgement and assumptions. This was therefore considered a Key audit matter. Having examined the impairment assessment made by management and the strategic plan to address the company's constraints, there were no further reportable exceptions.	ii. Assessing the reasonableness of the cash flow projections prepared by management, considering historical performance and market conditions. iii. Verifying the mathematical accuracy of the cash flow projections and the terminal value calculation with the requirements of IAS 36 Impairment of assets. iv. Testing the selection and application of the discount rate to ensure it is in accordance with relevant accounting standards and reflects the specific risks associated with the asset or CGU. v. Evaluating the adequacy of the disclosures in the financial statements related to the impairment assessment, including the presentation of key assumptions and the management's assessment of recoverable amounts. vi. Performing subsequent events reviews.
<u>Useful life of intangible assets</u>	
Management determined a 15-year useful life for its intangible assets, primarily the content development related to instructional materials used in primary and secondary education. I considered this a key audit matter because of the significance and subjectivity of this estimation. Having examined the determination process followed by management and review of subsequent events, I found no reportable exceptions.	My audit procedures included but were not limited to: i. Reviewing Company's documentation and justification for selecting a 15-year useful life. This included an examination of historical data, company policies, and factors cited by the Company, such as the extended duration of curriculum changes and government contracts. ii. Verifying the accuracy of historical data regarding curriculum changes by reviewing records and reports to ascertain the actual duration of past curriculum cycles. iii. Assessing the subjective elements within the determination of useful life, recognizing that factors such as the Company's internal policy introduce a degree of subjectivity. I evaluated whether these subjective elements were consistent with accounting standards and best practices.

	iv. Given the Company's expectation that open market sales will play a significant role, I examined sales records and market conditions to assess the likelihood of this expectation being realized. v. Performing subsequent events reviews.

Emphasis of Matter

Without qualifying my opinion, I would like to draw the readers' attention to the following matters which have been disclosed in note 23 of the financial statements.

2.0 Lapses in the credit risk assessment and collection process

During our audit of trade receivables, I noted trade receivables amounting to UGX.2.9 billion that have been long outstanding for over 2 years. The current receivables management approach, assuming a 5-month clearance period, does not reflect the reality of collections. This implies that the credit risk assessment is not aligned with the company's credit policy of 45 days, and therefore, the existing model lacks a detailed assessment of receivables at different aging stages.

Long outstanding receivables pose the risk of incomplete or non- collection, leading to substantial financial losses. Additionally, they can hinder profitability by tying up essential working capital and potentially create liquidity problems when used to meet short-term financial obligations.

Management explained that they recognise the risk of default and profile clients while assessing and granting credit to minimise risk exposure. The company has a debt collection team whose day-to-day role is to collect outstanding debts. Clients that fail to respond to internal collection efforts are cut off and referred to external debt collectors and the company Legal department for recovery through prosecution.

Management further explained that the majority of UGX.2.9 billion debts accrued in the period 2020 - 2021 when debt collection efforts were hampered by the COVID 19 pandemic economic shut down. Management therefore decided to offer flexibility and allows granting of additional credit where a client has a repayment plan that is acceptable in line with Section 9.4.1.5 of The Finance and Accounting manual (Amended).

Currently, management has an elaborate debt collection escalation procedure under section 3.2.0 of the credit policy where debts are managed according to the debt progression and client responsiveness. Debts that are proven uncollectible are provided for and written off upon approval by the Board but collection efforts continue all the same.

I advised management to continue strengthening its credit policies by enhancing the credit risk assessment process, setting clear credit limits, and closely monitoring receivables.

Other Matters

In addition to the matters raised above, I consider it necessary to communicate the following matters other than those presented or disclosed in the financial statements:

3.0 Non-performance of supplier statement reconciliations

During the audit of the payable balances, I noted that the finance department does not carry out reconciliations on a regular basis between suppliers' statements and the underlying accounting records.

Reconciled supplier statements can lead to payment errors, duplicate payments, and potential fraud.

Management explained that they circularise and reconcile supplier accounts on a quarterly basis. Supplier responses vary from quarter to quarter. Normally the company achieves 80% average feedback from major suppliers although this financial year the responses were exceptionally low.

I advised management to implement a robust supplier statement reconciliation process by assigning responsibility for reconciliations to specific individuals or departments. Management was further advised to regularly review and reconcile supplier statements to ensure accuracy and investigate any discrepancies and resolve them promptly.

Other information

The directors are responsible for the other information. The other information comprises the directors' report, the schedule of cost of sales and other operating expenditure but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the financial statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Uganda Companies Act, 2012, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

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

I 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 I identify during my audit.

I also provide the Directors with a statement that I have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Directors, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal Requirements

As required by the Companies Act, 2012 of Uganda, I report based on my audit that;

(i) I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purposes of my audit;

(ii) In my opinion, proper books of account have been kept by the company, so far as appears from my examination of those books; and

(iii) The company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

John F.S. Muwanga
AUDITOR GENERAL
Kampala

1st November, 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2023 Shs'000	2022 Shs'000
Revenue from contracts with customers	3	87,626,047	111,403,223
Cost of sales		(70,672,863)	(88,436,368)
Gross profit		16,953,184	22,966,855
Other operating income	4	2,546,671	1,675,021
Impairment losses on non current assets	20	(1,707,325)	-
Expected credit losses on financial assets	23	(1,762,974)	(761,368)
Distribution costs		(2,449,325)	(1,797,858)
Administrative expenses		(17,407,311)	(16,185,850)
Other operating expenses		(1,863,515)	(1,848,513)
Operating (loss)/profit		(5,690,595)	4,048,287
Finance costs	7	(1,083,569)	(2,329,629)
(Loss)/profit before tax		(6,774,164)	1,718,658
Tax credit/(charge)	8	1,313,964	(729,949)
(Loss)/profit for the year		(5,460,200)	988,709
Other comprehensive (loss)/income:			
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of freehold land		-	55,000
Loss on revaluation of property, plant and equipment		-	(651,234)
Deferred tax relating to items that will not be subsequently reclassified		-	195,370
		-	(400,864)
Total comprehensive (loss)/ income for the year attributable to owners of the Company, net of tax		(5,460,200)	587,845
Earnings per share			
Basic and diluted earnings/(loss) per share	11	(71.4)	12.9
Dividends			
Proposed dividends Shs per share	10	-	6.46

The notes on pages 14 to 57 form an integral part of these financial statements.

Report of the independent auditor - pages 6 - 9.

STATEMENT OF FINANCIAL POSITION

CAPITAL EMPLOYED	Notes	2023 Shs'000	2022 Shs'000
Share capital	12	1,503,990	1,503,990
Share premium		27,158,864	27,158,864
Revaluation reserves	13	2,836,392	2,926,853
Retained earnings		28,258,169	33,589,140
Proposed dividend	10	-	494,190
Equity attributable to shareholders		59,757,415	65,673,037
Non-current liabilities			
Deferred tax	15	3,073,732	4,561,895
Lease liability	16	-	105,735
		3,073,732	4,667,630
		62,831,147	70,340,667
REPRESENTED BY			
Non-current assets			
Property, plant and equipment	18	44,392,300	34,426,332
Right of use asset	19	2,840,576	3,173,135
Intangible assets	20	10,582,184	10,218,758
Other financial assets	21(b)	4,722,492	4,728,542
		62,537,552	52,546,767
Current assets			
Inventories	22	21,438,965	10,376,513
Trade and other receivables	23	26,928,440	32,835,315
Cash and cash equivalents	24	2,217,691	2,532,816
Right of return asset	29	2,398	6,583
Deposits with commercial banks	21(a)	192,424	1,514,206
Tax recoverable	9	2,534,651	2,321,376
		53,314,569	49,586,809
Current liabilities			
Lease liability	16	81,957	264,540
Provision for litigations	17	2,557,865	2,142,228
Trade and other payables	25	38,245,041	11,218,251
Refund liability	29	3,086	8,333
Grant liability	28	-	34,053
Pension obligation	27	436,471	-
Contract liabilities	26	1,865,456	2,332,608
Dividends payable	30	4,063,219	3,795,800
Borrowings	14	5,767,879	11,997,096
		53,020,974	31,792,909
Net current assets		293,595	17,793,900
		62,831,147	70,340,667

The financial statements which appear on pages 10 to 57 were approved and authorised for issue by the Board of Directors on 10. 10. 2023 and were signed on its behalf by:

_______________ **DIRECTOR** _______________ **COMPANY SECRETARY**

The notes on pages 14 to 57 form an integral part of these financial statements.

Report of the independent auditor - pages 6 - 9.

STATEMENT OF CHANGES IN EQUITY

	Share capital Shs '000	Share Premium Shs '000	Proposed dividends Shs '000	Revaluation reserve Shs '000	Retained earnings Shs '000	Total Shs '000
Year ended 30 June 2023						
At start of year	1,503,990	27,158,864	494,190	2,926,853	33,589,140	65,673,037
Profit for the year	-	-	-	-	(5,460,200)	(5,460,200)
Transfer of excess depreciation	-	-	-	(129,229)	129,229	-
Deferred tax on excess depreciation	-	-	-	38,769	-	38,769
Transactions with owners						
- Final dividend for 2022	-	-	(494,190)	-	-	(494,190)
At end of year	1,503,990	27,158,864	-	2,836,392	28,258,169	59,757,415

	Share capital Shs '000	Share Premium Shs '000	Proposed dividends Shs '000	Revaluation reserve Shs '000	Retained earnings Shs '000	Total Shs '000
Year ended 30 June 2022						
At start of year	1,503,990	27,158,864	-	3,435,348	32,940,863	65,039,065
Profit for the year	-	-	-	-	988,709	988,709
Transfer of excess depreciaion to retained earnings	-	-	-	(153,758)	153,758	-
Deferred tax on excess depreciation	-	-	-	46,127	-	46,127
Other comprehensive income						-
Revaluation gain on freehold land	-	-	-	55,000	-	55,000
Revaluation loss on plant and machinery and buildings	-	-	-	(651,234)	-	(651,234)
Deferred tax effect on revaluation	-	-	-	195,370	-	195,370
Transactions with owners						
- proposed dividends	-	-	494,190	-	(494,190)	-
At end of year	1,503,990	27,158,864	494,190	2,926,853	33,589,140	65,673,037

The notes on pages 14 to 57 form an integral part of these financial statements.

Report of the independent auditor - pages 6 - 9.

STATEMENT OF CASH FLOWS

	Notes	2023 Shs'000	2022 Shs'000
Operating activities			
Cash generated by operations	31	21,187,029	5,167,561
Interest on lease liabilities	16	(45,729)	(93,230)
Interest paid on borrowed funds	14	(1,037,840)	(1,851,657)
Tax paid		(348,706)	(1,327,120)
Net cash from operating activities		19,754,754	1,895,554
Cash flows used in investing activities			
Cash paid for purchase of property, plant and equipment	18	(12,423,173)	(4,328,755)
Cash paid for purchase of intangible assets	20	(3,008,551)	(9,287,330)
Placements of deposits with commercial banks	21(a)	(1,426,724)	(2,251,635)
Maturities of deposits with commercial banks	21(a)	2,748,506	10,594,396
Interest received from commercial bank deposits	21(a)	757	1,085,109
Proceeds from disposal of property, plant and equipment		61,194	19,422
Interest received on treasury bonds	21b)	722,417	-
Cash paid for purchase of treasury bond	21(a)	-	(5,000,090)
Net cash used in investing activities		(13,325,574)	(9,168,883)
Cash flows used in financing activities			
Repayments of principal portion of the lease liabilities	6	(288,318)	(220,817)
Dividends paid	29	(226,771)	(14,859)
Proceeds from borrowings	14	9,260,580	28,182,820
Repayments of borrowings	14	(15,489,796)	(21,185,724)
Net cash (used in)/ from financing activities		(6,744,305)	6,761,419
(Decrease) in cash and cash equivalents		(315,125)	(511,910)
Movement in cash and cash equivalents			
At start of year		2,532,816	3,044,726
(Decrease)		(315,125)	(511,910)
At end of year	23	2,217,691	2,532,816

The notes on pages 14 to 57 form an integral part of these financial statements.

Report of the independent auditor - pages 6 - 9.

NOTES

1. GENERAL INFORMATION

New Vision Printing And Publishing Company Limited is a public limited liability Company incorporated and domiciled in Uganda under the Uganda Companies Act, 2012. The address of its registered office is Plot 19/21, First Street,Industrial Area, P.O Box 9815, Kampala, Uganda. The principal activities of the Company are publishing, printing and distribution of newspapers and magazines. The Company also engages in television and radio broadcasting, and digital online production. The Company was listed on the the Uganda Securities Exchange in November 2004.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements comply with the requirements of the Uganda Companies Act, 2012. The statement of profit or loss represents the profit and loss account referred to in the Act. The statement of financial position represents the balance sheet referred to in the Act.

a) Basis of preparation

The financial statements of New Vision Printing And Publishing Company Limited have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2 - Inventories or value in use in IAS 36 -Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into level 1,2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Transfer between levels of the fair value hierarchy are recognized by the directors at the end of the reporting period during which the change occurred.

Going concern

The financial performance of the Company is set out in the director's report and in the statement of profit or loss and other comprehensive income. The financial position of the Company is set out in the statement of financial position. Disclosures in respect of risk management and capital management are set out in notes 33 and 34 respectively.

Based on the financial performance and position of the Company and its risk management policies, the directors are of the opinion that the Company is well placed to continue in business for the foreseeable future and as a result the financial statements are prepared on a going concern basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a). Basis of preparation (continued)

New standards, amendments and interpretations adopted by the Company

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IAS 16 'Property, Plant and Equipment: Proceeds before Intended Use'

The amendments prohibit entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the financial statements of the company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning the earliest period presented.

Amendments to IAS 37 'Onerous Contracts – Costs of Fulfilling a Contract'

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

These amendments had no impact on the financial statements of the company as the company did not identify any contracts as being onerous at the beginning and end of the reporting period.

Amendment to IFRS 9 Financial Instruments 'Fees in the '10 per cent' test for derecognition of financial liabilities.
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendment had no impact on the financial statements of the company as there were no modifications of the company's financial instruments during the period.

New standards, amendments and interpretations issued but not effective

At the date of authorisation of these consolidated financial statements, the following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- **Amendments to IAS 1 'Classification of Liabilities as Current or Non-current (issued in January 2020, amended in October 2022)**, effective for annual periods beginning or after 1 January 2024, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement for at least 12 months after the reporting date.

  The company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Basis of preparation (continued)

New standards, amendments and interpretations issued but not effective(continued)

- **Amendments to IAS 1 'Non-current Liabilities with Covenants' (issued in October 2022) effective for annual periods beginning on or after 1 January 2024,** improve the information an entity provides about liabilities arising from loan arrangements for which an entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement.

- **Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies (issued in February 2021)**

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

  The company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

- **Amendments to IAS 8 'Definition of Accounting Estimates' (issued in February 2021**), effective for annual reporting periods beginning on or after 1 January 2023, introduce a definition of 'accounting estimates' and clarify the distinction between changes in accounting estimates and change in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

  The amendments are not expected to have a material impact on the Company's financial statements.

- **Amendments to IAS 12 'Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (issued in May 2021), effective for annual periods beginning on or after 1 January 2023,** narrowed the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

  The company is currently assessing the impact of the amendments.

- **Amendment to IFRS 16 'Lease Liability in a Sale and Leaseback' (issued in September 2022),** effective for annual periods beginning on or after 1 January 2024, requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss.

  The directors do not expect that adoption of these standards and interpretations will have a material impact on the financial statements in future periods. The Company plans to apply the changes above, if applicable, from their effective dates.

b) Significant accounting judgements, estimates and assumptions

In the application of the accounting policies, the directors are required to make judgements,estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The directors have made the following assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Significant accounting judgements, estimates and assumptions(continued)

- **Measurement of expected credit losses (ECL):**

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and FVTOCI is an area that requires the use of complex models and significant assumption about future economic conditions and credit behaviour.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and associated ECL; and
- Establishing Companies of similar financial assets for the purposes of measuring ECL.

ECLs are measured as the probability-weighted present value of expected cash over the remaining expected life of the financial instrument.

The measurement of ECLs are based primarily on the product of the instrument's Probability of Default (PD), Loss Given Default (LGD), and Exposure At Default (EAD).

The ECL model applied for financial assets, other than trade receivables, contains a three-stage approach that is based on the change in the credit quality of assets since initial recognition.

- Stage 1 - If, at the reporting date, the credit risk of non-impaired financial instruments has not increased significantly since initial recognition, these financial instruments are classified in Stage 1, and a loss allowance that is measured, at each reporting date, at an amount equal to 12-month expected credit losses is recorded.

- Stage 2 - When there is a significant increase in credit risk since initial recognition,these non-impaired financial instruments are migrated to Stage 2, and a loss allowance that is measured, at each reporting date, at an amount equal to lifetime expected credit that is measured, at each reporting date, at an amount equal to lifetime expected credit losses is recorded. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the ECL model requires reverting to recognition of 12-month expected credit losses.

- When one or more events that have a detrimental impact on the estimated future cash flows of a financial asset have occurred, the financial asset is considered credit-impaired and is migrated to Stage 3, and an allowance equal to lifetime expected losses continues to be recorded or the financial asset is written off.

Assessment of significant increase in credit risk: The determination of a significant increase in credit risk takes into account many different factors including a comparison of a financial instruments credit risk or PD at the reporting date and the credit or PD at the date of initial recognition. IFRS 9 however includes rebuttable presumptions that contractual payments that are overdue by more than 30 days will represent a significant increase in credit risk (stage 2) and contractual payments that are more than 90 days overdue will represent credit impairment (stage 3). The Company uses these guidelines in determining the staging of its financial assets unless there is persuasive evidence available to rebut these presumptions.

For trade receivables, the Company has applied the simplified model under IFRS 9 where lifetime expected credit loss allowance is recognised on the basis of a provisioning matrix.

The carrying amounts of the Company's financial assets that are subject to impairment assessment are disclosed in notes 23.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Significant accounting judgements, estimates and assumptions(continued)

- Useful lives, depreciation methods and residual values of property, plant and equipment, intangible assets and right-of-use assets : Management reviews the useful lives, depreciation methods and residual values of the items of property, plant and equipment, intangible assets and right-of-use assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in notes 18, 19 and 20, respectively.

- Accounting for leases under IFRS 16

Management has made various judgements and estimates under IFRS 16 as detailed below:

Incremental borrowing rate: To determine the incremental borrowing rate, the Company:
- where possible, uses recent third-party financing received as a starting point,adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk, which does not have recent third party financing;and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease term/period: In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option,or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of equipment, the following factors are normally the most relevant:

If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
If any leasehold improvements are expected to have a significant remaining value,the Company is typically reasonably certain to extend (or not terminate).
Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the Company could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

The carrying amounts of lease liabilities and right-of-use assets are disclosed in notes 15 and 18, respectively.

- Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Comapny is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets are disclosed in notes 18, 19 and 20, respectively.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Revenue recognition

(i) Revenue from contracts with customers

The Company is a media enterprise in the business of selling print products, advertising in print and broadcast and printing services. The Company has also entered into the business of events and experiential marketing. The Company recognises revenue as and when it satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognised is the amount the Company expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax.

i)(a) Sale of goods and advertising

Revenue from sale of goods and advertising is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods or airing/publishing of the adverts. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g.,warranties, customer loyalty points). In determining the transaction price for the sale of goods,the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer.The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The rights of return and volume rebates give rise to variable consideration. The Company's contracts for circulation sales include a right to return. However, the standard contracts and sales arrangements do not provide for volume rebates.

- Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period.The Company uses the most likely amount method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(ii) Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

(iii) Non-cash consideration

The Company generally agrees all its contracts settlements to be in cash.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The Company did not have contract assets during the year.

Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 2 (h) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Assets and liabilities arising from rights of return

Right of return assets
Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities
A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract
The Company pays sales commission for each contract that they obtain for circulation and advertising sales. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included under cost of sales) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

(ii) Other income

- Rental income from operating leases is recognized on a straight-line basis over the period of the lease.
- Interest income is recognised on a time proportion basis using the effective interest method.Once a financial asset is identified as credit-impaired, the effective interest rate is applied to the amortised cost (net of impairment losses) in subsequent reporting periods.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Translation of foreign currencies

i) Transactions and balances

Transactions in foreign currencies during the year are converted into Uganda Shillings (the functional currency), at the rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.The resulting differences from settlement and translation of monetary items are dealt with in profit or loss in the year in which they arise except for:

• exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as FVOCI, are included in other comprehensive income.

e) Property, plant and equipment

All property, plant and equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation (except as stated below). Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Freehold, buildings and plant and machinery are subsequently measured at fair value, based on periodic valuations, less subsequent depreciation.

Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and credited to revaluation reserve in equity except to the extent that the increase reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. Decreases that offset previous increases of the same asset are charged to other comprehensive income. All other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Freehold land is not depreciated.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Property, plant and equipment (continued)

Depreciation on all other assets is calculated on the straight line method to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life using the following annual rates:

	Rate
Buildings	2%
Plant and machinery	4.4%
Motor vehicles and motorcycles	10%
Furniture and fittings	12.5%
TV and radio transmission,studio equipment and electronics	8%-20%
Computers	25%
Cameras and pre press equipment	10%-33.3%

The assets' residual values, useful lives and methods of depreciation are reviewed at the end of each reporting period and adjusted prospectively.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future future economic benefits are expected from its use or disposal. Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss. On disposal of revalued amounts in the revaluation reserve relating to the particular assets being disposed of are transferred to retained earnings in the statement of changes in equity.

f) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

i) Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 15 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Intangible assets (continued)

ii) Licences and development costs

Licences and development costs are shown at historical cost and have a finite useful life. Licences are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over a period of 15 years to allocate the cost of licences over their estimated useful lives.

g) Impairment of non-financial assets other than goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Assets that have an indefinite useful life are not subject to amortisation and are tested for impairment annually.

An impairment loss is recognised for the amount by which the carrying amount of an asset or a cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case, management determines the recoverable amount of the CGU to which the asset belongs.

A CGU is the smallest identifiable group of assets that generates cash flows that are largely independent of cash inflows from other assets or groups of assets.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments

- **Financial assets**

All financial assets are recognised initially using the trade date accounting which is the date the Company commits itself to the purchase or sale.

The Company classifies its financial assets into the following categories:

i) Amortised cost;

Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding and are not designated at Fair Value Through Profit or Loss (FVTPL), are classified and measured at amortised cost;

The carrying amount of these assets is adjusted by any expected credit loss allowance measured and recognised.

ii) Fair Value Through Other Comprehensive Income (FVTOCI):

Financial assets that are held for collection of contractual cash flows where these cash flows comprise SPPI and also for liquidating the assets depending on liquidity needs and that are not designated at FVTPL, are classified and measured at value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for recognition of impairment gain or losses, interest revenue and foreign exchange gains and losses. Gains and losses previously recognised in OCI are reclassified from equity to profit or loss on disposal of such instruments. Gains and losses related to equity instruments are not reclassified.

iii) Fair Value Through Profit or Loss (FVTPL):

Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit or loss and other comprehensive income.

Notwithstanding the above, the Company may:

- on initial recognition of an equity investment that is not held for trading, irrevocably elect to classify and measure it at fair value through other comprehensive income.

- on initial recognition of a debt instrument, irrevocably designate it as classified and measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

At initial recognition of a financial asset, the Company determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period, the Company has not identified a change in its business models.

Derecognition/write off

Financial assets are derecognised when the rights to receive cash flows from the financial asset asset have expired, when the Company has transferred substantially all risks and rewards of ownership, or when the Company has no reasonable expectations of recovering the asset.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (continued)

- **Financial assets (continued)**

Impairment

Debt instruments that are subsequently measured at amortised cost or at impairment assessment. No impairment loss is recognised on investments measured at FVTPL.

The Company recognises loss allowances for Expected Credit Losses (ECLs) on the following financial instruments that are measured at amortised cost or at fair value through other comprehensive income (FVTOCI):

- Cash and cash equivalents
- Trade and other receivables
- Other financial assets

The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments for which:

- the credit risk has increased significantly since initial recognition; or
- there is observable evidence of impairment (a credit-impaired financial asset).

If, at the reporting date, the credit risk on a financial asset other than a trade receivable has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowance are recognised in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses represent the portion of lifetime expected credit losses that result from default events on a financial asset that are possible within 12 months after the reporting date.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting about past events, current conditions and forecasts of future economic conditions.

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12 months from the reporting date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

- **Financial liabilities**

Financial liabilities that are held for trading (including derivatives), financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Company may also, on initial recognition,irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

All other financial liabilities are classified and measured at amortised cost.

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

All financial liabilities are classified as non-current except those held for trading, those 'expected to be settled in the Company's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Financial instruments (cotinued)

- **Financial liabilities (continued)**

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 profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a currently enforceable legal right to offset the amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first-in-first-out (FIFO) method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling

j) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and at bank. All fixed deposits are regarded as financial assets.

k) Share capital

Ordinary shares are classified as equity.

l) Dividends

Proposed dividends are disclosed as a separate component of equity until declared.

Dividends are recognised as a liabilities in the period in which they are approved by the Company's shareholders.

m) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In this case, the tax is also recognised in other comprehensive income or equity.

Current tax

Current tax is provided on the results for the year, adjusted in accordance with tax legislation.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Taxation (continued)

Deferred tax

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the reporting date. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, the carry forward of unused tax credits and tax credits and unused tax losses can be utilised.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recoverable entirely through sale unless presumption is rebutted. The presumption is rebutted when the investment property is depreciable and held within a business model whose objective is to consume substantially all its economic benefits embodied in it over time rather than through sale.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

The Company offsets deferred tax assets and deferred tax liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

n) Accounting for leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as lessee

On the commencement date of each lease (excluding leases with a term, on commencement,'of 12 months or less and leases for which the underlying asset is of low value) the Company recognises a right-of-use asset and a lease liability.

The lease liability is measured at the present value of the lease payments that are not paid on that date. The lease payments include fixed payments, variable payments that depend on an index or a rate, amounts expected to be payable under residual value guarantees, and the exercise price of a purchase option if the Company is reasonably certain to exercise that option.

The lease payments are discounted at the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used.

For leases that contain non-lease components, the Company allocates the consideration payable to the lease and non-lease components based on their relative stand-alone components.

The right-of-use asset is initially measured at cost comprising the initial measurement of the lease liability, any lease payments made on or before the commencement date, any initial direct costs incurred, and an estimate of the costs of restoring the underlying asset to the condition required under the terms of the lease.

Subsequently the lease liability is measured at amortised cost, subject to remeasurement to reflect any reassessment, lease modifications, or revised fixed lease payments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n) Accounting for leases (continued)

Depreciation is calculated using the straight-line method to write down the cost of each asset to its residual value over its estimated useful life. If ownership of the underlying asset is not expected to pass to the Company at the end of the lease term, the estimated useful life would not exceed the lease term.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as lessee

Increases in the carrying amount arising on revaluation are recognised in other comprehensive income and accumulated in equity under the heading of revaluation surplus. Decreases that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases are recognised in profit or loss. Annually, the difference between the depreciation charge based on the revalued carrying amount of the asset recognised in profit or loss and depreciation based on the asset's original cost (excess depreciation) is transferred from the revaluation reserve to the retained earnings.

For leases with a term, on commencement, of 12 months or less and leases for which the underlying asset is of low value, the total lease payments are recognised in profit or loss on a straight-line basis over the lease period.

The Company as lessor

Leases that transfer substantially all the risks and rewards of ownership of the underlying asset to the lessee are classified as finance leases. All other leases are classified as operating leases.

Payments received under operating leases are recognised as income in profit or loss on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

Assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position.

o) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions for future operating losses are not recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

The amount recognised as a provision is the best estimate of the present value of expenditures expected to be incurred to settle the obligation using a pre-tax rate that reflects the current market assessments of time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense in profit or loss under finance costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Employee entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

q) Retirement benefit obligations

Employee entitlements to long service awards are recognised when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the reporting date.

Gratuity expenses are accrued for staff whose contracts contain gratuity benefits in specific contributions as specified by their contracts and payments made after the contract term has elapsed. During the year, gratuity was fully replaced with the defined contribution plan.

The entity operates a defined contribution plan with Stanlib Uganda, for all qualifying employees.The entity contributes on behalf of each employee a set amount of the gross income on a monthly basis and is recorded as an administrative expense under 'Staff Costs' in profit or loss.There are no unpaid contributions by the end of the reported date.

Performance bonus provisions are recognised when it is apparent that the conditions for the bonus have been met and for only staff whose contracts contain a performance benefit clause.

The Company contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently 10% of the employees' gross salary. The Company's contributions are charged to profit or loss in the period to which they relate.

r) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the asset based either on actual cost on specific borrowings or, in the case of general borrowings, based on a weighted average cost.

Capitalisation of borrowing costs ceases when all activities necessary to prepare the asset for its intended use are complete. All other borrowing costs are recognised in profit or loss.

s) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

NOTES (CONTINUED)

3. Revenue from contracts with customers

3.1 Disaggregated revenue information

The Company presents disaggregated revenue based on the type of goods/services provided to customers, the nature of customer, nature of supply i.e. good or service and the timing of transfer of goods/services.

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segments

(a) **Types of goods and services**	**2023 Shs'000**	**2022 Shs'000**
News paper circulation	11,885,421	13,588,624
Advertising	51,211,208	54,162,164
Commercial printing	16,109,280	15,848,986
Publishing	7,489,111	26,919,320
Scrap sales	931,027	884,129
Total revenue	87,626,047	111,403,223

(b) **Nature of customer**		
Companies	42,133,437	38,313,260
Government departments	27,127,354	34,429,036
Advertising agencies	11,625,512	11,008,491
Schools and universities	3,075,316	10,472,563
Other customers*	3,664,429	17,179,872
	87,626,047	111,403,223

*Other customers include newspaper/radio agents and individuals with walk in/adhoc sales

(c) **Nature of supply**	**2023 Shs'000**	**2022 Shs'000**
Sale of goods	12,816,448	14,472,753
Rendering services	74,809,599	96,930,470
	87,626,047	111,403,223

Sale of goods include circulation and scrap sales.The rest of the offerings are rendering of services.

NOTES (CONTINUED)

4. Other operating income

	2023 Shs'000	2022 Shs'000
Other income	369,369	361,207
Rental income	210,629	169,971
Interest income	717,123	898,768
Write off provision for litigations	137,500	245,075
Gain on disposal of property,plant and equipment	52,561	-
Bad debts recovered	561,725	-
Net forex gain	497,764	-
	2,546,671	1,675,021

5. Operating profit

The following items have been charged/(credited) in arriving at operating profit/(loss):

	2023 Shs'000	2022 Shs'000
Depreciation on property, plant and equipment	2,448,569	2,117,024
Amortisation on right-of-use assets	332,559	315,669
Amortisation of intangible assets	937,799	717,223
Auditor's remuneration		
-current year	76,100	76,100
Impairment losses on finacial assets	1,762,974	761,368
Net (gain)/loss on disposal of property, plant and equipment	(52,561)	39,694
Directors' expenses	942,258	780,248
Staff costs (Note 6)	9,729,589	9,381,298

6. Staff costs

	2023 Shs'000	2022 Shs'000
	6,198,027	5,790,311
Salaries and wages	543,399	532,504
NSSF Company contribution	1,107,608	1,160,796
Medical expenses	274,688	268,167
Staff training and team building	868,686	871,756
Company contribution to staff provident fund	-	5,922
Retirement and terminal costs	737,181	751,842
Other staff costs		
	9,729,589	9,381,298

7. Finance costs

	2023 Shs'000	2022 Shs'000
Net foreign exchange loss/(gain)	-	58,625
Interest expense		
- bank short term loan	1,037,840	1,851,657
- lease liablity	45,729	93,230
- treasury bond amortization	-	326,117
	1,083,569	2,329,629

NOTES (CONTINUED)

8. Tax

	2023 Shs'000	2022 Shs'000
Current tax	-	-
Under provision	-	125,661
Rental income tax	63,189	50,991
Withholding tax expenses	72,242	72,242
Deferred tax (Note 15)	(1,449,394)	481,055
	(1,313,964)	729,949

The tax on the Company's profit/(loss) before tax differs from the theoretical amount that would arise using the basic rate as follows:

	2023 Shs'000	2022 Shs'000
(Loss)/profit before tax	(6,774,164)	1,718,658
Tax calculated at a tax rate of 30% (2022: 30%)	(2,032,249)	515,597
Tax effect of:		
- expenses not deductible for tax purposes	862,767	358,836
- 20% difference on treasury bond tax	(144,483)	(144,484)
Tax	(1,313,964)	729,949

9. Tax (recoverable)/payable

	2023 Shs'000	2022 Shs'000
At start of year	(2,321,376)	(1,220,613)
Charge for the period	63,189	50,991
Tax on bond	72,242	72,242
Paid during the year	(348,706)	(1,223,996)
At end of year	(2,534,651)	(2,321,376)

10. Dividends

The directors do not recommend the declaration of a dividend for the year (2022: Shs 494,190,000).

Payment of dividend is subject to a withholding tax at the rate of 10% for residents and 15% for non-residents.

11. (Loss)/earnings per share

- Basic

(Loss)/basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the parent Company by the weighted average number of ordinary shares in issue during the year.

	2023 Shs'000	2022 Shs'000
(Loss)/profit attributable to equity holders		
- continuing operations	(5,460,200)	988,708
Weighted average number of ordinary shares	76,500	76,500
(Loss)/basic earnings per share	(71.38)	12.9

NOTES (CONTINUED)

12. **Share capital**

	2023 Shs'000	2022 Shs'000
Authorised, issued and fully paid:		
76,500,000 (2022:76,500,000) ordinary shares of Shs 19.66 (2022:Shs 19.66 each)	1,503,990	1,503,990

13. **Revaluation reserve**

The Company's land and buildings, plant and machinery were professionally revalued on 12th May 2022 by White knights valuers Uganda, an engineering professional services consulting firm, an accredited and independent valuer. The amounts were incorporated in the Company's books of account on 30 June 2022.The book values of the assets were adjusted to the revaluations and the resultant surplus net of deferred tax was credited to other comprehensive income. The revaluation reserve is not distributable to shareholders.

The Company's policy is to revalue the land and buildings and plant and machinery every five years.

	2023 Shs'000	2022 Shs'000
At start of year	2,926,853	3,435,348
- excess depreciation	(90,461)	(153,758)
- Deferred tax impairment loss on property, plant and equipment	-	46,127
- revaluation deficit on plant and machinery and buildings	-	(596,234)
- deferred tax effect on revaluation	-	195,370
At end of year	2,836,391	2,926,853

	Land and buildings Shs'000	Plant and machinery Shs'000	Total Shs'000
As at start of year	1,864,176	1,062,677	2,926,853
Excess depreciation	(53,606)	(75,623)	(129,229)
Deferred tax on excess depreciation	16,082	22,686	38,768
	1,826,651	1,009,740	2,836,391

14. **Borrowings**

	2023 Shs'000	2022 Shs'000
The borrowings are made up as follows:		
Current		
Bank borrowings	5,767,879	11,997,096

Reconciliation of liabilities arising from financing activities:

	2023	2022
At start of year	11,997,096	5,000,000
Interest charged to profit or loss	1,037,840	1,851,657
Cash flows:		
- Proceeds from borrowings	9,260,580	28,182,820
- Repayments of borrowings	(15,489,796)	(21,185,724)
- Interest payment	(1,037,840)	(1,851,657)
At end of year	5,767,880	11,997,096

NOTES (CONTINUED)

14. **Borrowings (continued)**

The Company secured short term loan facilities from Stanbic Bank Uganda Limited.The loans have a tenure of 12 months with an interest rate of 11.75% pa + 3% pa.The loans disbursed in the year were Shs 2.891billion, Shs 2.247billion, Shs 1.679billion , Shs 1.934 billion and an ABSA invoice discounting facility amounting to Shs 507 million; the loan repayments were Shs 15,489,769,000 and the interest attributed to them was Shs 1,037,840,000. The loans mature between 17th October 2022 and 30 November 2023.

The borrowings are secured by the following:

- A pledge and cession over the fixed deposit funds of the customer.
- Any security currently whether stated herein or not held by the bank in relation to the Company.
- A legal mortgage in favour of the bank on land,buildings and machinery comprised of LRV 233 Folio 6 known as Plot 2 second street,Kampala, LRV 3477 Folio 1 known as Plot 19-21 First street, Industrial area, Unit 001 Condominium Plan No.0078 LRV 4188 Folio 7 known as Plot 17A street, Industrial area and LRV 774 Folio 11 known as Plot 4 3rd street for USD 2,896,246.
- All asset debenture documents over the fixed and floating assets of the customer for USD 2,896,246.

The borrowing facilities are subject to review at various dates during the next financial year.

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the reporting date are as follows:

Weighted average effective interest rates at the reporting date were:	**2023 Shs'000**	**2022 Shs'000**
Bank borrowings	11.10%	11.75%

Management expects to meet all contractual obligations in the future.

15. **Deferred tax**

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 30% (2022: 30%). The movement in the deferred tax account is as follows:

	2023 Shs'000	**2022 Shs'000**
At start of year	4,561,895	4,322,335
(Credit)/charge to profit or loss	(1,449,394)	481,055
(Credit) to equity	(38,769)	(241,496)
At end of year	3,073,732	4,561,895

NOTES (CONTINUED)

15. Deferred tax (continued)

Deferred tax liabilities, deferred tax in the statement of profit and loss is attributable to the following items:

Year ended 30 June 2023	At start of the year Shs'000	Charge to profit or loss Shs'000	(Credit) to equity Shs'000	At end of the year Shs'000
Deferred tax liabilities				
Property and equipment				
- historical cost	5,253,463	580,769	-	5,834,232
Right of use asset	87,553	(70,042)	-	17,511
Revaluation deficit - 2022	(195,369)	-	-	(195,369)
Revaluation surplus - 2017	2,139,617	-	-	2,139,617
Provision for impairment loss	(1,013,486)	(123,084)	-	(1,136,570)
Excess depreciation	(716,882)	-	(38,769)	(755,651)
Right of return asset	1,975	(1,256)	-	719
	5,556,872	386,386	(38,769)	5,904,489
Deferred tax assets				
Provision for litigations	(642,668)	(124,691)	-	(767,359)
Provision for slow moving inventory	(158,652)	70,419	-	(88,233)
Refund liability	(2,500)	1,574	-	(926)
Lease liability	(111,083)	86,496	-	(24,587)
Tax losses	(85,763)	(2,002,558)	-	(2,088,321)
Net unrealised foreign exchange differences	5,688	132,980	-	138,668
Deferred tax assets	(994,977)	(1,835,781)	-	(2,830,759)
Net deferred tax liability	4,561,895	(1,449,394)	(38,769)	3,073,732

Year ended 30 June 2022	At start of the year Shs'000	Charge to profit or loss Shs'000	(Credit) to equity Shs'000	At end of the year Shs'000
Deferred tax liabilities				
Property and equipment				
- historical cost	4,530,044	723,419	-	5,253,463
Right of use asset	140,494	(52,941)	-	87,553
Revaluation deficit - 2022	-	-	(195,369)	(195,369)
Revaluation surplus - 2017	2,139,617	-	-	2,139,617
Excess depreciation	(670,754)	-	(46,127)	(716,882)
Right of return asset	313	1,662	-	1,975
	6,139,714	672,140	(241,496)	6,570,358
Deferred tax assets				
Provision for litigations	(521,718)	(120,950)	-	(642,668)
Provision for impairment loss	(960,779)	(52,707)	-	(1,013,486)
Provision for slow moving inventory	(169,159)	10,507	-	(158,652)
Refund liability	(428)	(2,072)	-	(2,500)
Lease liability	(165,293)	54,210	-	(111,083)
Tax losses	-	(85,763)	-	(85,763)
Net unrealised foreign exchange differences	-	5,688	-	5,688
Deferred tax assets	(1,817,379)	(191,085)	-	(2,008,463)
Net deferred tax liability	4,322,335	481,055	(241,496)	4,561,895

NOTES (CONTINUED)

16. **Lease liabilities**

	2023 Shs'000	2022 Shs'000
Non-current	-	105,735
Current	81,957	264,540
	81,957	370,275

The total cash outflow for leases in the year was:

	2023	2022
Payments of principal portion of the lease liability	(334,047)	(314,047)
Interest paid on lease liabilities	45,729	93,230
	(288,318)	(220,817)

Reconciliation of lease liabilities arising from financing activities:

	2023	2022
At start of year	370,275	550,977
Interest charged to profit or loss	45,729	93,230
Cash flows:		
- Additions	-	40,115
- Payments under leases	(334,047)	(314,047)
At end of year	81,957	370,275

The exposure of the Company's leases to interest rate changes and the contractual repricing dates at the reporting date are as follows:

	2023 Shs'000	2022 Shs'000
6 - 12 months	1.75%	1.75%

Leases from the lessor amounted to Shs 82 million (2022:Shs 370 million) as at 30 June 2023. Management expects to meet all contractual obligations in the future.

The Company leases commercial premises and plant and machinery under non-cancellable lease agreements. The lease terms are between 2 and 4 years, and ownership of the assets lie within the Company.

As at reporting date the Company had leases with lease terms of 12 months or less.

For more information on the nature of the leases entered into and the related right-of-use assets, see Note 19.

17. **Provision for litigation**

	2023 Shs'000	2022 Shs'000
At start of year	2,142,228	1,739,063
Utilised	(187,486)	(80,000)
Additional provisions	740,623	728,240
Write back during the year	(137,500)	(245,075)
At end of year	2,557,865	2,142,228
Analysed as		
- current portion	2,557,865	2,142,228

The Company is defendant in several litigation cases majorly relating to Libel, defamation and exemplary damage charges, for which judgments had not been reached by the authorisation date of these fiancial statements. Provisions were made for estimates of likely pay-outs resulting from the cases for which the Company's chances of success were assessed as remote and moderate. Likelihood of sucess was based on the entity's lawyers' assessments of the status litigations.

18. Property, plant and equipment

Year ended 30 June 2023

	Land Shs'000	Buildings Shs'000	Plant and Machinery Shs'000	Motor vehicle and motor cycles Shs'000	Furniture and fittings Shs'000	TV and radio trasmission, studio equipment and Shs'000	Computers Shs'000	Cameras and pre-press equipment Shs'000	Work in progress Shs'000	Total Shs'000
Cost or valuation										
At start of year	90,000	12,415,951	14,266,697	3,644,424	3,167,831	7,514,871	7,212,582	4,071,196	1,706,913	54,090,466
Additions	-	15,681	234,513	692,966	61,111	1,561,602	725,998	-	9,131,302	12,423,173
Disposals	-	-	-	(345,717)	-	-	(5,400)	-	-	(351,117)
At end of year	90,000	12,431,632	14,501,210	3,991,673	3,228,942	9,076,473	7,933,180	4,071,196	10,838,215	66,162,521
Depreciation										
At start of year	-	-	198	2,368,971	2,686,653	5,051,685	5,768,830	3,787,794	-	19,664,132
Charge for the year	-	258,718	694,006	214,976	129,447	523,164	519,086	109,171	-	2,448,569
Disposals	-	-	-	(337,080)	-	-	(5,400)	-	-	(342,480)
At end of year	-	258,718	694,204	2,246,867	2,816,101	5,574,850	6,282,516	3,896,966	-	21,770,221
Carrying value	90,000	12,172,914	13,807,007	1,744,807	412,841	3,501,623	1,650,664	174,231	10,838,215	44,392,300

The Company has not pledged any item of property, plant and equipment and right of use assets as security as at 30 June 2023 (30 June 2022: Nil).

NOTES (CONTINUED)

18. **Property, plant and equipment (continued)**

Year ended 30 June 2022

	Land Shs'000	Buildings Shs'000	Plant and Machinery Shs'000	Motor vehicle& motor cycles Shs'000	Furniture and fittings Shs'000	TV and radio trasmission, studio equipment Shs'000	Computers Shs'000	Cameras and pre-press and equipment Shs'000	Capital work in progress Shs'000	Total Shs'000
Cost or valuation										
At start of year	35,000	16,145,834	31,597,351	3,303,133	2,934,125	7,075,746	6,684,011	4,109,048	571,198	72,455,446
Additions	-	-	1,285,735	362,904	233,706	739,127	533,847	37,722	1,135,715	4,328,755
Disposals	-	(7,165)	(142,575)	(21,613)	-	(300,002)	(5,276)	(75,574)	-	(552,203)
Revaluation surplus/(deficit)	55,000	(532,333)	(118,899)	-	-	-	-	-	-	(596,231)
Reversal of accumulated depreciation on revaluation	-	(3,190,386)	(18,354,915)	-	-	-	-	-	-	(21,545,301)
At end of year	90,000	12,415,951	14,266,697	3,644,424	3,167,831	7,514,871	7,212,582	4,071,196	1,706,913	54,090,466
Depreciation										
At start of year	-	2,922,982	17,820,093	2,265,780	2,542,819	4,884,816	5,392,025	3,756,980	-	39,585,495
Charge for the year	-	269,854	658,124	124,803	143,834	433,794	380,460	106,155	-	2,117,024
Disposals	-	(2,450)	(123,104)	(21,613)	-	(266,925)	(3,655)	(75,340)	-	(493,086)
Reversal of accumulated depreciation on revaluation	-	(3,190,386)	(18,354,915)	-	-	-	-	-	-	(21,545,301)
At end of year	-	-	198	2,368,971	2,686,653	5,051,685	5,768,830	3,787,794	-	19,664,134
Carrying value	90,000	12,415,951	14,266,500	1,275,454	481,177	2,463,186	1,443,752	283,402	1,706,913	34,426,332

The Company has not pledged any item of property, plant and equipment and right of use assets as security as at 30 June 2022 (30 June 2021: Nil).

Freehold land, buildings and plant and machinery were professionally revalued in 2022 by White knights valuers, Uganda Engineering Professional Services consulting firm on the basis of fair market value.The carrying amounts of the properties were adjusted to the revalued amounts and the resultant surplus net of deferred tax was credited to other comprehensive income.The date of revaluation has been considered to be 1st July 2022.The revaluation gain/loss was incorporated in the Company's books of account on 30th June 2022.The revaluation reserve is not distributable to shareholders.

The Company's policy is to revalue the land and buildings and plant and machinery every five years.

18. Property, plant and equipment (continued)

In determining the valuations for land and buildings and plant and machinery, the valuer refers to current market, fair and insurance value conditions including recent sales transactions of similar properties - assuming the highest and best use of the properties. There has been no change in the valuation technique used during the year compared to prior periods.

Depreciation and amortisation expense has been charged in profit or loss as follows:

	2023 Shs'000	2022 Shs'000
Cost of sales	3,016,702	2,512,339
Operating expenses	702,226	637,577
	3,718,928	3,149,916

Impairment assessment of non-current assets

As of 30 June 2023, the overall changes in customers' consumption behaviour and evolving of the media and entertainment industry, the ongoing economic uncertainty has led to a decreased demand in both the Company's goods and services. Management performed an impairment assessment as at 30 June 2023 for its non current assets since the company is considered as a single cash generating unit.

As of 30 June 2023, the Company conducted an impairment assessment of its non current assets in accordance with International Accounting Standard 36 (IAS 36) - Impairment of Assets. The recoverable amount was determined using the Value in Use (VIU) approach. The VIU calculation is based on the following key assumptions and methodologies:

1. Cash Flow Projections: Management prepared detailed cash flow projections for a period of 5 years, reflecting the expected future cash inflows and outflows associated with the non current assets. These projections considered [5% GDP growth, inflation rate of between 3.9% and 5.0%, revenue and costs trend analysis and were derived from management's best estimates, historical performance, and market conditions.

2. Discount Rate: The discount rate applied to the projected future cash flows is 22.78%. This rate reflects the time value of money and the specific risks associated with the non current assets. The discount rate was determined based on the weighted average cost of capital (WACC).

3. Terminal Value: A terminal value was calculated at the end of the forecast period, representing the perpetuity beyond the forecast period. The terminal value was determined using the perpetuity growth model, with key assumptions including terminal growth rate/long term growth rate of 4.45%.

From the assessment, the recoverable amount of the assets was determined to be Shs 59,757,417,554, based on a thorough assessment in accordance with IAS 36 – Impairment of Assets. The carrying amount of these assets as of June 30, 2023, was Shs 61,464,743,000, which exceeded their recoverable amount.

As a result of this assessment, the Company recognized an impairment loss amounting to Shs 1,707,325,180 in the financial statements for the year ended June 30, 2023. The impairment loss is considered a non-cash expense and has been reflected accordingly in the financial statements.

NOTES (CONTINUED)

18. Property, plant and equipment (continued)

Impairment assessment of non-current assets (continued)

The impairment loss are considered non-cash expenses and have been reflected accordingly in the financial statements.

The Company will continue to monitor the recoverable amount of these assets in subsequent reporting periods for any further impairment indicators and adjust the carrying amount and revaluation gains as necessary in accordance with International Financial Reporting Standards.

19. Right of use assets

	2023 Shs'000	2022 Shs'000
Lease hold land		
Cost		
At start and end of year	4,181,314	4,181,314
Depreciation		
At start of year	1,300,023	1,200,938
Depreciation charge for the year	99,085	99,085
At end of year	1,399,107	1,300,023
Net book value	2,782,207	2,881,291
Details of leasehold land:		
(i) LRV 2418 Folio15, Mbarara	196,000	196,000
(ii) Plot 19, Industrial Area, Kampala	141,788	141,788
(iii) Plot 2, Industrial Area, Kampala	223,029	223,029
(iv) Plot 2, Picfare, Kampala	1,682,804	1,682,804
(v) Plot 4, Industrial Area, Kampala	519,867	519,867
(vi) Namanve land	1,417,825	1,417,825
	4,181,313	4,181,313
Leased printers		
Cost		
At start of year	872,671	832,556
Additions	-	40,115
	872,671	872,671
Depreciation		
At start of year	580,827	364,243
Depreciation charge for the year	233,474	216,584
At end of year	814,302	580,827
Net book value	58,369	291,844
Total net book value right of use assets	2,840,576	3,173,135

The Company has not pledged any right of use assets as security as at 30 June 2023 (30 June 2022: Nil).

20. Intangible assets

Year ended 30 June 2023	Computer software and websites Shs '000	Developer licence Shs '000	Development costs Shs'000	Total Shs'000
Cost				
At start of year	4,929,030	160,578	8,058,494	13,148,102
Additions	208,386	-	2,800,165	3,008,551
At end of year	5,137,416	160,578	10,858,659	16,156,653
Amortization:				
At start of year	2,373,377	18,734	537,233	2,929,344
Charge for the year	203,183	10,705	723,911	937,799
Impairment charge	-	-	1,707,325	1,707,325
At end of year	2,576,560	29,439	2,968,469	5,574,468
Net book value	2,560,856	131,139	7,890,190	10,582,184

Year ended 30 June 2022	Computer software and websites Shs '000	Developer licence Shs '000	Development costs Shs'000	Total Shs'000
Cost				
At start of year	3,700,194	160,578	-	3,860,772
Additions	1,228,836	-	8,058,494	9,287,330
At end of year	4,929,030	160,578	8,058,494	13,148,102
Amortization:				
At start of year	2,204,092	8,029	-	2,212,121
Charge for the year	169,285	10,705	537,233	717,223
At end of year	2,373,377	18,734	537,233	2,929,344
Net book value	2,555,653	141,844	7,521,261	10,218,758

21. Other financial assets

Financial assets comprise the following:

a) Deposits with commercial banks

These deposits include fixed deposits and bid bonds or bank guarantees deposited in various banks as per bid requirements.

Reconciliation of fixed deposits	2023 Shs'000	2022 Shs'000
At start of year	1,514,206	10,043,308
Placements during the year	1,426,724	2,251,635
Maturities	(2,748,506)	(10,594,396)
Accrued interest	757	898,768
Interest received	(757)	(1,085,109)
At end of year	192,424	1,514,206

NOTES (CONTINUED)

21. Other financial assets (continued)

b) Financial assets measured at amortized cost

Treasury bonds

	2023 Shs'000	2022 Shs'000
At start of year	4,728,542	-
Additions	-	5,000,090
Amortisation	-	(326,117)
Interest received	(722,417)	-
Accrued interest	716,367	54,569
At end of year	4,722,492	4,728,542

22. Inventories

	2023 Shs'000	2022 Shs'000
Commercial paper	5,089,752	1,967,294
Plates & chemicals	608,063	206,272
Films,inks & materials	168,288	545,113
Newsprint	4,195,298	4,482,374
Computer stationary	17,885	170,878
Machine consumables	1,037,300	983,562
Publishing stock	10,235,201	2,140,487
Work in progress	381,287	409,375
Less: provision for stock obsolescence*	(294,109)	(528,842)
	21,438,965	10,376,513

*The movement in the provision for stock obsolescence during the year is analysed below:

	2023 Shs'000	2022 Shs'000
At start of year	528,842	563,863
Increase in provision for stock obsolescence during the year	81,201	152,746
Consumption during the year	(315,934)	(187,767)
At end of year	294,109	528,842

23. Trade and other receivables

	2023 Shs'000	2022 Shs'000
Trade receivables	12,635,529	13,141,765
Staff advances	556,741	839,749
Other receivables*	2,170,141	2,448,020
Receivables from related parties (Note 30(i))	12,248,092	11,824,121
Less: expected credit losses	(3,788,567)	(3,378,286)
	23,821,936	24,875,369
Prepayments	1,113,762	4,861,800
Creditors with debit balances	1,992,742	3,098,146
Total trade and other receivables	26,928,440	32,835,315

*Other receivables relate to sundry debtors -freelancers & sales representatives.

NOTES (CONTINUED)

23. Trade and other receivables (continued)

	2023 Gross amount Shs'000	2023 ECL allowance Shs'000	2023 Carrying amount Shs'000	2022 Gross amount Shs'000	2022 ECL allowance Shs'000	2022 Carrying amount Shs'000
Trade and other receivables	12,635,529	(756,045)	11,879,484	13,141,765	(714,656)	12,427,109
Staff advances	556,741	(52,113)	504,628	839,749	(24,432)	815,317
Other receivables*	2,170,141	(2,666,857)	(496,716)	2,448,020	(2,336,500)	111,520
Receivables from related parties (Note 30(i))	12,248,092	(313,551)	11,934,541	11,824,121	(302,698)	11,521,424
Prepayments	1,113,762	-	1,113,762	4,861,800	-	4,861,800
Creditors with debit balances	1,992,742	-	1,992,742	3,098,146	-	3,098,146
	30,717,007	(3,788,567)	26,928,440	36,213,601	(3,378,286)	32,835,315

Movement in expected credit loss provision

	2023 Shs'000	2022 Shs'000
At start of year	3,378,286	3,202,595
Additions	1,762,974	761,368
Write offs	(1,352,693)	(585,677)
	3,788,567	3,378,286

In the opinion of the directors, the carrying amounts of trade and other receivables approximate to their fair value.

24. Cash and cash equivalents

	2023 Shs'000	2022 Shs'000
Cash at hand	117,258	203,714
Cash at bank	2,100,433	2,329,102
	2,217,691	2,532,816

The carrying amounts of the Company's cash and cash equivalents are denominated in the following currencies:

	2023 Shs'000	2022 Shs'000
Uganda shillings	2,099,602	2,154,400
Kenya shillings	15,743	13,687
Euro	2,042	279,042
US Dollar	100,304	85,687
	2,217,691	2,532,816

NOTES (CONTINUED)

25. Trade and other payables

	2023 Shs'000	2022 Shs'000
Trade payables	29,585,679	6,092,221
Accruals	747,977	855,181
Provisions	1,739,689	1,403,074
Other payables	6,171,696	2,867,775
	38,245,041	11,218,251

In the opinion of the directors, the carrying amounts of trade and other payables approximate their fair value.

The carrying amounts of the Company's trade and other payables are denominated in the following currencies:

	2023 Shs'000	2022 Shs'000
UgandaShillings	19,503,292	10,775,580
South African Rand	49,699	-
Euro	472,093	-
US Dollar	18,199,435	388,670
Pound	20,522	54,001
	38,245,041	11,218,251

The maturity analysis of the Company's trade and other payables is as follows:

Year ended 30 June 2023	0 to 1 month Shs	2 to 3 months Shs	4 to 12 months Shs	Total Shs
Trade payables	3,360,177	4,805,585	21,419,918	29,585,679
Accruals	747,977	-	-	747,977
Provisions	1,739,689	-	-	1,739,689
Other payables	6,171,696	-	-	6,171,696
	12,019,539	4,805,585	21,419,918	38,245,041

Year ended 30 June 2022	0 to 1 month Shs	2 to 3 months Shs	4 to 12 months Shs	Total Shs
Trade payables	3,583,307	1,024,051	1,484,862	6,092,221
Accruals	855,181	-	-	855,181
Provisions	1,403,074	-	-	1,403,074
Other payables	2,867,775	-	-	2,867,775
	8,709,337	1,024,051	1,484,862	11,218,251

26. Contract liabilities

	2023 Shs'000	2022 Shs'000
Contracts	2,332,608	1,750,304
Additions	698,617	704,570
Recognized during the year	(1,165,768)	(122,266)
	1,865,456	2,332,608

These represent amounts invoiced to customers in excess of revenue recognised based on inputs.There were significant changes during the year.

NOTES (CONTINUED)

27. Pension obligation

	2023 Shs'000	2022 Shs'000
At start of year	-	-
Current year charge	868,686	871,756
Payments	(432,215)	(871,756)
At end of year	436,471	-

Pension entitlements for employees are recognized when they accrue. During the period, the Company incurred pension expenses for managers employed on contract terms. Provision for pension is made under the assumption that all entitled employees were terminated at the reporting date.

28. Grant liability

Democratic Grant Facility (DGF)	-	34,053

The overall movement in DGF grant liability during the year was as follows:

At start of year	34,053	81
Cash received during the year	-	320,929
Direct project expenditure	(34,053)	(286,957)
At end of year	-	34,053

On 01 December 2020, the Company renewed a partnership agreement with the Democratic Grant Facility (DGF) to run a project titled "Amplifying Access to Justice through Media Interventions". Under this project, the Company through its media platforms, increases awareness about people's legal and human rights, and enhances accountability for violation of rights. The project highlights challenges encountered in accessing justice, encourages accountability by duty bearers and ultimately improves access to justice. This project is being implemented by NVPPCL with support from DGF as the Donor.It is a 22 month project running up to 30th September 2022, with a budget of Ushs 1,513 million. Implementation officially started on 01 December 2020.

29. Right of return assets and refund liabilities

	2023 Shs'000	2022 Shs'000
Right of return assets		
At start of year	6,583	1,042
Increase	2,398	5,541
Decrease in expected returns	(6,583)	-
At end of year	2,398	6,583
Refund liability		
At start of year	8,333	1,428
Increase	3,086	6,905
Decrease in expected returns	(8,333)	-
At end of year	3,086	8,333

All rights of return assets and refund liabilities result from the existence of return obligations associated with the sale of newspapers and magazines in accordance with IFRS 15.

30. Dividends payable

	2023 Shs'000	2022 Shs'000
At start of year	3,795,800	3,810,659
Dividend declared in the year	494,190	-
Dividend paid in the year	(226,771)	(14,859)
	4,063,219	3,795,800

NOTES (CONTINUED)

31. **Cash flows from operating activities**

	Notes	2023 Shs'000	2022 Shs'000
(Loss)/profit before tax		(6,774,164)	1,718,658
Adjustments for:			
Depreciation of property, plant and equipment	18	2,448,569	2,117,024
Depreciation of right of use assets	19	332,559	315,669
Amortisation of intangible assets	20	937,799	717,223
Net loss/(gain) on disposal of property, plant and equipment		(52,561)	39,694
Amortisation of treasury bond	21b)	-	326,117
Accrued interest on treasury bond	21b)	(716,367)	(54,569)
Accrued iterest income on deposits with commercial banks	21a)	(757)	(898,768)
Increase in provision for litigations	17	740,623	728,240
Write back of provision for litigations	17	(324,986)	(325,075)
Increase in allowance for expected credit losses	23	1,762,974	761,368
Increase in provision for stock obsolescence	22	234,733	35,021
Interest expense on lease liabilities	16	45,729	93,230
Interest expense on borrowed funds	14	1,037,840	1,851,657
Impairment loss on non current assets		1,707,325	-
Changes in working capital			
- inventories		(11,297,185)	(5,531,185)
- trade and other receivables		4,143,901	(1,189,125)
- contract liabilities		(467,152)	582,304
- trade and other payables		27,463,265	3,844,743
- right of return asset		4,185	(5,541)
- refund liability		(5,247)	6,905
- grant liability		(34,053)	33,972
Cash from operations		21,187,029	5,167,561

32. **Related party transactions and balances**

The Company is controlled by Government of Uganda which owns 53% of the Company's shares.The remaining 47% of the shares are widely held by the public.

Nature of relationship, transactions and terms and conditions

(i) Government of Uganda

The Government has 53% control of the Company. The Company's transactions with the Government relate to sale of newspapers, magazines and adverts through its different plat forms. Credit is issued on normal terms between 30-90 days. The Company also pays dividends to the Government in its capacity as a shareholder.

(ii) National Insurance Corporation Limited

National Insurance Corporation Limited has 2.7% shareholding in the Company. The Company's transactions with National Insurance Corporation Limited relate to sale of newspapers, magazines and adverts through its different plat forms. Credit is issued on normal terms between 30-90 days. The Company also pays dividends to National Insurance Corporation Limited in its capacity as a shareholder.

(iii) National Social Security Fund

National Social Security Fund has 19.61% shareholding in the Company. The Company's transactions with National Social Security Fund relate to sale of newspapers, magazines and adverts through its different platforms. Credit is issued on normal terms between 30-90 days.The Company also pays dividends to National Social Security Fund in its capacity as a shareholder.

32. **Related party transactions and balances (continued)**

(iv) Terms and conditions

Other than the terms disclosed above, there have been no guarantees provided or received for any of the above related party balances.

The following transactions were carried out with related parties:

a) **Sale of goods and services**

	2023 Shs'000	2022 Shs'000
Government ministries, departments and agencies	20,969,355	25,379,224
National Insurance Corporation Limited	57,370	53,339
National Social Security Fund	269,530	294,004
	21,296,256	25,726,567

b) **Outstanding balances arising from sale of goods and services**

i) **Receivables from related parties (Note 23)**

	2023	2022
Government ministries, departments and agencies	12,118,885	11,610,317
National Insurance Corporation Limited	62,555	45,805
National Social Security Fund	66,652	168,000
	12,248,092	11,824,121
Less: impairment allowance	(313,551)	(302,698)
	11,934,541	11,521,424

Movements in the related party balances are analysed further below:

Year ended 30 June 2023

	At start of year Shs'000	Billings Shs'000	Collections Shs'000	Expected credit loss	At end of year Shs'000
Government ministries, departments and	11,610,317	20,969,355	(20,460,787)	-	12,118,885
National Insurance Corporation Limited	45,805	57,370	(40,620)	-	62,555
National Social Security Fund	168,000	269,530	(370,878)	-	66,652
Less: impairment allowance	(302,698)	-	-	(313,551)	-
	11,521,424	21,296,256	(20,872,284)	(313,551)	12,248,092

Year ended 30 June 2022

	At start of year Shs'000	Billings Shs'000	Collections Shs'000	Expected credit loss	At end of year Shs'000
Government ministries, departments and	6,972,890	25,379,224	(20,741,797)	-	11,610,317
National Insurance Corporation Limited	42,960	53,339	(50,494)	-	45,805
National Social Security Fund	70,549	294,004	(196,553)	-	168,000
Less: impairment allowance	(181,412)	-	-	(302,698)	-
	6,904,987	25,726,566	(20,988,844)	(302,698)	11,824,121

The receivables from related parties are interest free, have no specific dates of repayment and are unsecured.

32. Related party transactions and balances (continued)

c) **Dividend transactions and balances**

	2023 Shs'000	2022 Shs'000
Dividends declared in the year		
National Insurance Corporation Ltd	13,343	-
National Social Security Fund	96,911	-
Ministry of Finance, Planning & Economic Development	261,921	-
	372,174	-

d) **Key management compensation (including directors' remuneration)**

Key members of management
Mr. Don Wanyama (Managing Director)
Mr. Ndyanabo Gervase (Deputy Managing Director)

Key members of management remuneration

	2023 Shs'000	2022 Shs'000
Salaries	886,724	836,816
NSSF employer contribution	46,534	43,187
Company contribution to staff provident fund	215,267	204,225
	1,148,525	1,084,227

There were no loans to key members of management during the year (2022: Nil)

None of the related party balances is either past due or impaired.

33. Risk management objectives and policies

Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established an Audit and Risk Committee, and the Strategy Department, which are responsible for developing and monitoring the risk management policies in their specified areas. All Board committees have non-executive members and report regularly to the Board of Directors on their activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Company's Audit and Risk Committee is responsible for monitoring compliance with the Company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Company.

33. Risk management objectives and policies (continued)

Financial risk management (continued)

The Audit and Risk Committee is assisted in these functions by Internal Audit and Risk functions.Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

a) **Market risk**

- Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, Euro, KES, GBP.The risk arises from future transactions, assets and liabilities in the statement of financial position date.

The table below summarises the effect on post-tax profit and components of equity had the Uganda Shilling weakened by 10% against each currency, with all other variables held constant. If the Uganda shilling strengthened against each currency, the effect would have been the opposite.

Year ended 30 June 2023

Company	**Zar**	**US $**	**Euro**	**Pound**	**Kes**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**	**Shs'000**
Effect on profit in Shs (Decrease)	(3,479)	(1,266,939)	(32,904)	(1,437)	(2,377)

Year ended 30 June 2022

Company	**US $**	**Euro**	**Pound**	**Kes**
	Shs'000	**Shs'000**	**Shs'000**	**Shs'000**
Effect on profit in Shs (Decrease)/increase	(21,209)	19,533	(3,780)	958

A 10% sensitivity rate is being used when reporting foreign risk internally to key management personnel and represents managements assessment of the reasonably possible change in foreign exchange rates.

NOTES (CONTINUED)

33. **Risk management objectives and policies (continued)**

Financial risk management(continued)

a) **Market risk (continued)**

- Interest rate risk

The Company's exposure to interest rate risk arises from the current borrowings and interest bearing financial assets. Financial assets and liabilities obtained at different rates expose the Company to interest rate risk. Financial assets and liabilities obtained at fixed rates expose the Company to fair value interest rate risk, except where the instruments are carried at amortised costs. The Company maintains adequate ratios of borrowings when compared to total borrowings in fixed interest rates.

The table below summarises the effect on post-tax profit and equity had interest rates been 1 percentage point higher, with all other variables held constant. If the interest rates were lower by 1 percentage point, the effect would have been the opposite.

	2023 Shs'000	2022 Shs'000
Effect on profit (Decrease)	(39,028)	(73,380)

b) **Credit risk**

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, management assesses the credit quality of the customer, taking into account their financial position, past experience and other factors.

Individual limits are set based on internal or external information in accordance with limits set by the management. The utilisation of credit limits is regularly monitored.

In assessing whether the credit risk on a financial asset has increased significantly, the Company compares the risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on that financial asset as at the date of initial recognition. In doing so, the Company considers reasonable and supportable information that is indicative of significant increases in credit risk since initial recognition and that is available without undue cost or effort. There is a rebuttable assumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.

For this purpose, default is defined as having occurred if the debtor is in breach of contractual obligations, or if information is available internally or externally that suggests that the debtor is unlikely to be able to meet its obligations. However, there is a rebuttable assumption that that default does not occur later than when a financial asset is 90 days past due.

If the Company does not have reasonable and supportable information to identify significant increases in credit risk and/or to measure lifetime credit losses when there has been a significant increase in credit risk on an individual instrument basis, lifetime expected credit losses are recognised on a collective basis. For such purposes, the Company financial assets on the basis of shared credit risk characteristics, such as:

- type of instrument;
- industry in which the debtor operates; and
- nature of collateral.

33. Risk management objectives and policies (continued)

(b) **Credit risk(continue)**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired include observable data about the following events:

- significant financial difficulty of the debtor
- a breach of contract
- it is probable that the debtor will enter bankruptcy
- the disappearance of an active market for the financial asset because of financial difficulties.

The gross carrying amount of financial assets with exposure to credit risk at the reporting date using a single loss rate approach was as follows:

Basis for measurement of loss allowance	**Gross receivables**	**Loss rates**	**ECL**	**Carrying amount**
As at 30 June 2023	**Shs'000**	**%**	**Shs'000**	**Shs'000**
Companies	7,937,954	5.14%	(407,653)	7,530,302
Schools and Universities	1,214,479	8.79%	(106,795)	1,107,684
Advertising agents	2,745,605	6.21%	(170,478)	2,575,127
Others (Newspaper/Radio agents and individuals)	737,491	9.64%	(71,120)	666,371
Government departments	12,248,092	2.56%	(313,551)	11,934,541
Prepayments	1,113,762	0%	-	1,113,762
Creditors with debit balances	1,992,742	0%	-	1,992,742
	27,990,125		(1,069,596)	26,920,529
Specific allowance				
Staff advances	556,741		(52,113)	504,628
Other receivables*	2,170,141		(2,666,857)	(496,716)
	30,717,007		(3,788,567)	26,928,440

As at 30 June 2022	**Gross receivables Shs'000**	**Loss rates %**	**ECL Shs'000**	**Carrying amount Shs'000**
Companies	8,356,552	4.71%	(393,260)	7,963,292
Schools and Universities	3,352,844	6.50%	(213,756)	3,139,088
Advertising agents	496,070	6.38%	(46,821)	449,249
Others (Newspaper/Radio agents and individuals)	11,824,121	9.44%	(302,698)	11,521,424
Government departments	936,299	2.56%	(60,820)	875,480
Prepayments	4,861,800	0%	-	4,861,800
Creditors with debit balances	3,098,146	0%	-	3,098,146
	32,925,832		(1,017,354)	31,908,478
Specific allowance				
Staff advances	839,749		(24,432)	815,317
Other receivables*	2,448,020		(2,336,500)	111,520
	36,213,601		(3,378,286)	32,835,316

Financial assets for which the loss allowance has been measured at an amount equal to lifetime expected credit losses have been analysed above based on their credit risk ratings as follows:

a) financial assets for which credit risk has increased significantly since initial recognition but that are not credit impaired;

33. Risk management objectives and policies (continued)

(b) Credit risk (continued)

b) financial assets that are credit impaired at the reporting date;
c) trade receivables, contract assets and lease receivables for which the loss allowance is always measured at an amount equal to lifetime expected credit losses, based, as a practical expedient, on provision matrices.

The age analysis of the trade receivables at the end of each year was as follows:

	Not past due Shs'000	30 to 150 days past Shs'000	150 to 365 days past Shs'000	Over 365 days past Shs'000	Total Shs'000
As at 30 June 2023	8,267,612	7,123,230	4,131,955	5,360,823	24,883,621
As at 30 June 2022	5,688,659	10,165,545	3,832,026	5,279,656	24,965,886

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Cash flows forecasting is performed by the finance department of the Company by monitoring the Comapny's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities,the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses,the Company's management maintains flexibility in funding by maintaining availability under committed credit lines.

Notes 14 and 25 disclose the maturity analysis of borrowings and trade and other payables.

The tables below disclose the undiscounted maturity profile of the Company's financial liabilities:

Year ended 30 June 2023

	Interest rate %	1 - 3months Shs	3 months - 1 year Shs	1 - 5 years Shs	Total Shs
Interest bearing liabilities					
- Borrowings	14.75%	-	5,767,879	-	5,767,879
- Lease liabilities	21%	-	81,957	-	81,957
Non-interest bearing liabilities					
- Trade and other payables	0%	16,825,123	21,419,918	-	38,245,041
		16,825,123	27,269,754	-	44,094,877

Year ended 30 June 2022

	Interest rate	1 - 3 months Shs'000	3 months - 1 year Shs'000	1 - 5 years Shs'000	Total Shs
Interest bearing liabilities					
- Borrowings	14.75%	2,999,274	8,997,822	-	11,997,096
- Lease liabilities	21%	-	264,540	105,735	370,275
Non-interest bearing liabilities					
- Trade and other payables	0%	8,709,337	2,508,913	-	11,218,251
		11,708,611	11,771,275	105,735	23,585,622

34. Capital management

Internally imposed capital requirements

The Company's objectives when managing capital are:

- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk;
- to comply with the capital requirements set out by the Company's bankers;
- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to maintain a strong asset base to support the development of business.
- to maintain an optimal capital structure to reduce the cost of capital.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Consistently with others in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and cash equivalents. Capital comprises all components of equity (i.e. share capital, share premium, other reserves, retained earnings, and revaluation surplus).

Internally imposed capital requirements

The gearing ratios at 30 June 2023 and 2022 were as follows:	2023 Shs'000	2022 Shs'000
Total borrowings, including lease liabilities (Note 13 and Note 15)	5,849,837	12,367,371
Less cash and cash equivalents (Note 23)	(2,217,691)	(2,532,816)
Net debt	3,632,146	9,834,555
Total equity	59,757,415	65,673,037
Gearing ratio	0.06	0.15

Externally imposed capital requirements

The Company's bankers have established certain guidelines for the management of capital and working capital. These are;

- dividend pay-outs and any changes in the capital structure of the Company must first be approved in writing by the bankers; and
- total borrowings must not exceed the total of inventories and debtors (within 90 days)

The ratios at 30 June 2023 and 30 June 2022 were as follows:	2023 Shs'000	2022 Shs'000
Total borrowings (Note 14)	5,767,880	11,997,096
Debtors (within 90 days)	13,366,561	11,831,630
Inventories	21,438,965	10,376,513
	34,805,526	22,208,143
Ratio	0.17	0.54

35. Contingent liabilities

The Company is involved in a number of litigations, mainly libel cases, which were yet to be concluded upon by the date of authorisation of these financial statements. Management continually monitors all potential, threatened and actual litigations and assesses the exposure to the Company, if any. Management is confident that any exposure to the Company is adequately covered and those considered as contingencies are assessed as not likely to crystallize.

36. Segment information

For management purposes, the Company is organised into business units based on its products and services and has five reportable segments, as follows:

- Print media segment, which produces newspapers and magazines generating circulation and advertising revenue.
- Electronic media segment, which deals with the radio and television stations generating advertising revenue from the electronic media platforms.
- Commercial printing segment, which deals with on demand and tailored printing solutions to customers.
- Publishing segment which deals with publication of government and open market books.
- Other segment, which majorly includes events, sale and disposal of non-current assets,interest income and rental income.

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of each business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

For the purposes of monitoring segment performance and allocating resources between segments: all assets are allocated to reportable segments other than tax assets. All liabilities are allocated to reportable segments other than current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Income tax expense is allocated to reportable segments based on their share of profit before tax. The totals presented for the Company`s operating segments reconcile to the key financial figures as presented in its financial statements above.

The totals presented for the Company's operating segments reconcile to the key financial figures as presented in its financial statements above.

Finance costs, administration staff costs, certain other administrative costs, impairment of financial assets, finance income and other income, are not allocated to individual segments as the underlying instruments are managed on a Company basis. Current taxes, deferred taxes are not allocated to those segments as they are also managed on a Company basis. Capital expenditure consists of additions of property, plant and equipment, intangible assets. Inter-segment revenues are eliminated on consolidation.

36. **Segment information (continued)**

Year ended 30 June 2023	**Print media Shs'000**	**Electronic media Shs'000**	**Commercial printing Shs'000**	**Publishing Shs'000**	**Others Shs'000**	**Total segments Shs'000**
External customers	34,599,241	26,849,955	16,230,453	7,367,937	2,578,461	87,626,048
Other operating income	-	-	-	-	2,546,671	2,546,671
Total revenue	34,599,241	26,849,955	16,230,453	7,367,937	5,125,132	90,172,719
Cost of sales	(28,688,819)	(21,511,285)	(12,921,468)	(6,266,820)	(2,473,961)	(71,862,353)
Administrative expenses	(11,585,953)	(8,583,917)	(519,118)	-	(824,700)	(21,513,688)
Other operating expenses	(68,489)	(754,975)	(19,420)	(1,020,631)	-	(1,863,515)
Income tax credit	504,169	391,248	236,504	107,363	74,681	1,313,965
Profit after taxation	(5,239,851)	(3,608,974)	3,006,952	187,849	1,901,152	(3,752,871)
Other information						
Segment assets	44,186,954	34,290,281	20,728,035	9,409,649	6,545,345	115,160,263
Segment liabilities	20,396,109	15,827,936	9,567,785	4,343,368	3,021,244	53,156,442
Capital expenditure	204,685	2,273,534	43,604	2,800,165	978,434	6,300,421
Depreciation & amortisation expense	329,242	775,548	161,016	723,911	1,729,208	3,718,926

36. **Segment information(continued)**

Year ended 30 June 2022	Print media Shs'000	Electronic media Shs'000	Commercial printing Shs'000	Publishing Shs'000	Others Shs'000	Total segments Shs'000
External customers	37,548,513	30,017,032	15,885,233	26,883,073	1,069,372	111,403,223
Other operating income	-	-	-	-	1,675,021	1,675,021
Total revenue	37,548,513	30,017,032	15,885,233	26,883,073	2,744,393	113,078,244
Cost of sales	(30,820,857)	(21,935,484)	(13,279,166)	(24,497,167)	-	(90,532,675)
Administrative expenses	(11,417,300)	(8,039,429)	(450,318)	-	-	(19,907,046)
Other operating expenses	(101,975)	(716,405)	(37,205)	(24,583)	(39,697)	(919,865)
Income tax expense	(242,386)	(193,768)	(102,543)	(173,537)	(17,716)	(729,950)
Profit after taxation	(5,034,005)	(868,054)	2,016,001	2,187,786	2,686,980	988,708
Other information						
Segment assets	33,914,252	27,111,731	14,347,726	24,281,103	2,478,767	102,133,579
Segment liabilities	12,107,006	9,678,583	5,121,977	8,668,080	884,892	36,460,537
Capital expenditure	1,143,586	1,164,260	1,190,823	8,058,494	963,323	12,520,486
Depreciation & amortisation expense	266,193	622,286	280,513	537,233	1,443,692	3,149,917

In addition, other operating segments are combined under others. The main source of revenue for this segment is the other income, events, sale and disposal of non current assets, interest income and rental income.

For the purposes of monitoring segment performance and allocating resources between segments:
- All assets are allocated to reportable segments other than tax assets. Goodwill is also allocated to the applicable reportable segment.
- All liabilities are allocated to reportable segments other than current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.
- Income tax expense is allocated to reportable segments based on their share of profit before tax.

37. Commitments

At the reporting date, the commitments were as follows:

	2023 Shs'000	2022 Shs'000
Imported items	-	617,436
Purchase of equipment	6,038,150	2,532,253
Namanve factory	2,061,947	-
Outdoor advertising	1,497,830	-
	9,597,927	3,149,689

As at 30 June 2023, the outstanding balance on billboards was USD 331,425, while the installation costs for the remaining 3 sites amounted to USD 77,022(outdoor advertising). Additionally, for the Namanve Factory project, the contract price is UGX 5,598,661,340, with payments of UGX 3,536,714,193 made for completed work the uncompleted work has been disclosed above. Furthermore, a Colour Perfector (purchase of equipment) with an LPO issued costs USD 1,646,560 for Plant & Machinery.The exchange rate used for this calculation is Shs 3,667.13.

38. Incorporation

New Vision Printing and Publishing Company Limited is incorporated in Uganda under the Companies Act as a public limited liability Company and is domiciled in Uganda.

39. Presentation currency

The financial statements are presented in Uganda Shillings rounded off to the nearest thousand (Shs '000).

MANUFACTURING ACCOUNT

		2023 Shs'000	2022 Shs'000
1.	**COST OF SALES**		
	Cost of raw and packing materials consumed (1.1)	14,001,145	12,387,621
	Production costs (1.2)	56,671,718	76,048,747
		70,672,863	88,436,368
1.1)	**Cost of raw and packing materials consumed**		
	Opening stock	9,750,915	4,331,407
	Purchases	24,634,010	17,807,129
	Closing stock	(20,383,780)	(9,750,915)
		14,001,145	12,387,621
1.2)	**Production costs**		
	Staff salaries	15,181,403	15,734,478
	NSSF Company contribution	1,414,877	1,488,787
	Free lancers payment	4,304,141	4,858,046
	Sales commission	11,036,061	10,907,460
	Other production staff costs	1,233,790	1,080,805
	Outsourcing expenses	6,234,701	24,925,890
	Depreciation on property, plant and equipment and right of use assets	3,016,702	2,512,339
	Utilities	707,915	661,867
	Repairs and maintenance	2,110,479	2,121,361
	TV content	2,378,033	4,190,640
	News services & licenses	908,981	863,227
	Insurance	372,871	353,203
	Editorial content	130,772	122,545
	Event costs	1,687,566	733,894
	Rent and rates	369,056	-
	Other production costs	1,999,792	2,257,471
	Stock loss adjustment	81,201	152,746
	Fuel and vehicle run	920,821	878,279
	Communication	413,938	438,031
	Promotional	2,168,618	1,767,677
		56,671,718	76,048,747
1.3)	**Distribution costs**	2,449,325	1,797,858

SCHEDULE OF OTHER OPERATING EXPENDITURE

	2023 Shs'000	2022 Shs'000
1. ADMINISTRATIVE EXPENSES		
Employment costs		
Salaries and wages	6,198,027	5,790,311
NSSF Company contribution	543,399	532,504
Medical expenses	1,107,608	1,160,796
Staff training and team building	274,688	268,167
Company contribution to staff provident fund	868,686	871,756
Retirement and terminal costs	-	5,922
Other staff costs	737,181	751,842
Total employment costs	9,729,589	9,381,298
Other administrative expenses:		
Repairs and maintenance	2,047,559	1,809,984
Printing and stationery	177,283	176,644
Internet and network	1,389,047	1,295,780
Motor vehicle running	613,881	585,520
Provision for litigation	791,450	720,345
Communication	103,485	109,508
Bank charges and commission	310,242	346,389
Listing expenses	129,999	102,380
Audit fees	76,100	76,100
Directors' expenses	942,258	780,248
Other administrative expenses	1,096,419	801,655
Total other administrative expenses	7,677,722	6,804,552
Total administrative expenses	17,407,311	16,185,850
2. OTHER OPERATING EXPENSES		
Rent and rates	155,491	149,672
General insurance	149,984	130,479
Electricity and water	473,266	519,413
Security expenses	382,548	371,678
Depreciation and amortisation	702,226	637,577
Loss on asset disposal	-	39,694
Total other operating expenses	1,863,515	1,848,513
3. FINANCE COSTS		
Net foreign exchange (gain)/loss	-	58,625
Interest on loans	1,037,840	1,851,657
Treasury bond amortisation	-	326,117
Interest on leases	45,729	93,230
Total net finance costs	1,083,569	2,329,629