Vision Group

NATIONAL PRIDE • GLOBAL EXCELLENCE

Incorporated as New Vision PPCL

ANNUAL REPORT 2010-2011

25 YEARS 1986 -2011

Consolidating Our Investments

VISION GROUP

NATIONAL PRIDE • GLOBAL EXCELLENCE

Incorporated as New Vision PPCL

OUR VISION

"A globally respected African media powerhouse that advances society"

OUR MISSION

"To be a market-focused, performance-driven organisation, managed on global standards of operational and financial efficiency"

OUR VALUES

- Honesty
- Innovation
- Fairness
- Courage
- Excellence
- Zero tolerance to corruption
- Social Responsibility

Contents

BOARD OF DIRECTORS

Back row-Left to Right:
Mr. Orono Otweyo
Mrs. Christine Guwatudde Kintu
Dr. Monica Chibita
Mr. Oode Obella

Front row-Left to Right:
Mr. Charles Tukacungurwa
Ms. Grace Dwonga
Hon. Steven Bamwanga
Mr. David Ssebabi (Board Chairman)
Capt. Gad Gasaatura

Inset:
Mr. Robert Kabushenga
(Managing Director / CEO)

SENIOR MANAGEMENT

Back row-Left to Right:
Mr. Hajji Zubair Musoke - Chief Finance Officer
Mr. Ben Opolot - Managing Editor, English Newspapers
Mr. Bill Tibingana - Head of Radio
Mr. Mark Walungama - Head of TV
Mr. Peter Taremwa - Head of Printing
Mr. Godfrey Mulengi - Head of Sales

Front row-Left to Right
Mr. Gervase Ndyanabo - Chief Operations Officer
Ms. Susan Nsibirwa - Head of Marketing
Mr. David Mukholi - Managing Editor-Editorial
Mrs. Barbara Kaija - Editor in Chief
Mrs. Kathy Turinawe - Chief Human Resource Officer
Mrs. Kabumba Masiko Nahamya - Chief Internal Auditor

Inset:
Left:
Mr. Robert Kabushenga - Chief Executive Officer
Mr. Tony Glencross - Chief Commercial Officer
Right:
Mr. Geofrey Kulubya-Managing Editor, Regional Newspapers
Mr. Louis Jadwong - Head of Digital

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **10th ANNUAL GENERAL MEETING** (**AGM**) of New Vision Printing & Publishing Company Limited will be held at the Head Office of the Company, Plot 19/21 1st Street Industrial Area, Kampala on Thursday the 17th day of November, 2011 at 3:00pm for the following purposes:

Ordinary Business:

1. To receive and adopt the report of the directors and the financial statements of the company for the year ended June 30th 2011, together with the report of the auditors.
2. To approve and declare a final dividend of Ushs. 30 per share for the year ended 30th June 2011.
3. To rotate and elect directors:
   a. In accordance with Articles 83-87 of the Company's Articles of Association, Mr. David Ssebabi/Board Chairman and Mr. Orono Otweyo retire by rotation from office as directors of the Company and being eligible offer themselves for re-election.
   b. In accordance with Article 69 of the Company's Articles of Association, the board appointed Mr. Charles Tukacungurwa to fill a casual vacancy on the board and being eligible offers himself for election.
4. To approve fees payable to the non-executive directors.
5. To appoint auditors for the financial year 2011/2012 and authorize directors to fix their remuneration in accordance with sections 159-162 of the Companies Act.

Special Business:

1. To consider and, if approved, pass the resolution that the Articles of Association of the Company be altered to allow payment of dividends through electronic or telegraphic fund transfer.
2. To conduct any other business that may be conducted at the AGM for which notice will have been duly received.

Dated this 25th day of October, 2011

By order of the Board

Gervase Ndyanabo
COMPANY SECRETARY

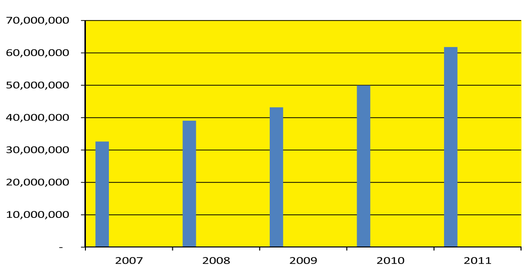
Note

- Articles 59, 60, 61, 62 and 63 provide for appointment of proxy if a shareholder is unable to attend. (Tear out the proxy card attached on page **69** of the Annual Report)
- The proxy should be delivered to the Company Secretary or faxed on +256 414 346 432 at least 24 hours before scheduled time for meeting. In default of this, it shall be treated as invalid.
- Shareholders are advised to notify the Company Secretary in writing of any change in their addresses or bank account details.
- All shareholders who have not received past dividends should contact the Company Secretary.
- Contact can be done by e-mail: shareholder@newvision.co.ug

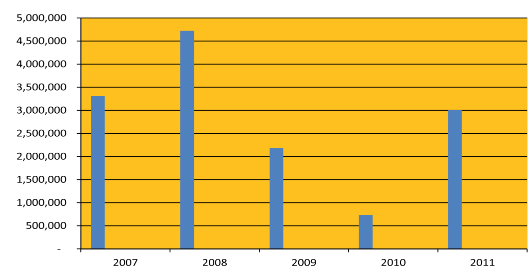
Financial Highlights

	2011	2010	% Change
	UGX '000	UGX '000	
Statement of comprehensive Income (Income Statement)			
Turnover	61,819,630	49,953,106	24
Profit before tax	4,685,859	1,898,963	147
Profit after tax	3,003,680	734,786	309
Statement of Financial Position (Balance Sheet)			
Property, Plant & Equipment	34,866,599	34,144,551	2
Total Assets	62,050,713	59,762,245	4
Shareholders funds	49,897,388	48,041,208	4
Financial Performance			
Gross Profit Margin	29	29	0
Net Profit Margin	8	4	100
Return on Capital Employed	9	4	125
Return on Total Assets	13	5	160
Share Statistics			
Earnings Per share-basic &diluted	39	10	390
Dividends (Proposed) per share	30	15	100

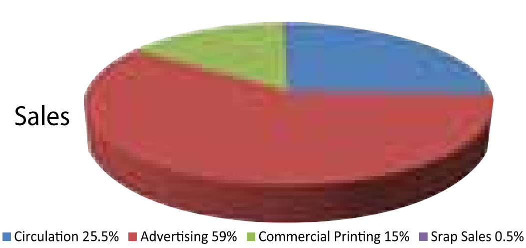
TURNOVER TREND (USHS.)



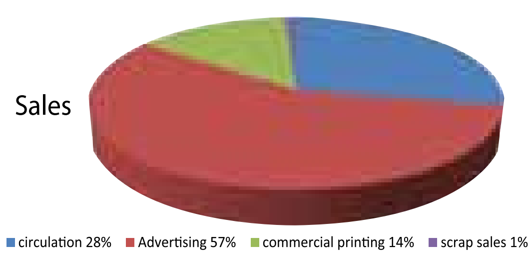
PROFIT AFTER TAX TREND (USHS.)



TURNOVER BREAKDOWN (2011)

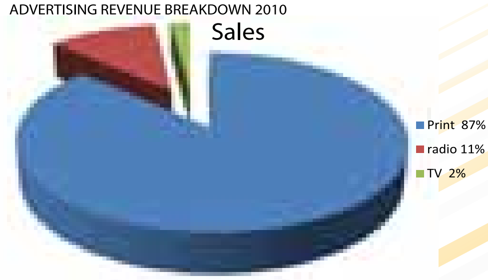


TURNOVER BREAKDOWN (2010)



ADVERTISING REVENUE BREAKDOWN 2011

ADVERTISING REVENUE BREAKDOWN 2010



Chairman's Report

Mr. David Ssebabi
Board Chairman

INTRODUCTION

ON behalf of the Board, it is my pleasure to present to you the Annual Report and Financial Statements of Vision Group for the Financial Year ended June 30 2011.

In the recently concluded Financial Year 2010/11, Vision Group incorporated as New Vision Printing and Publishing Company Ltd. registered an improvement in its financial performance. There was a 24% growth in turnover with a profit after tax growth of 309%. Earnings per share grew by 290%. All revenue centers registered growth in revenue. Total assets grew by 4% from Ushs 59.7bn to Ushs. 61.9bn and shareholders funds grew by 4% to reach Ushs. 49.9bn from Ushs 48bn last year with a return on equity of 9% up from 4% last year.

However, costs both direct and administrative, grew mainly as a result of increased business activity generated by the sales process. Nevertheless, the finances of the company are in excellent shape, costs are under control and risk is well managed.

Key developments during the year included a new strategic direction for the company with the development of a new vision and mission statement for the Company. There was also restructuring of the management team to reflect the new business challenges that the expansion drive has presented. The purpose of these measures is to ensure focus on business competitiveness and improve efficiency. The company is now organized on the basis of Strategic Business Units and Support Functions for better monitoring of performance.

Details of the financial perfomance are contained in the financial report.

PRINTING

The two printing sections of the web & sheetfed printing were merged to form the Printing Strategic Business Unit. This has made it possible to use the Goss web offset printing press for external commercial jobs such as inserts, books and ballot papers. This utilization has continued to offer opportunity for growth which is being pursued aggressively.

In the next financial year, the Company expects to increase printing & finishing capacity through acquisition of new machines such as a digital printer, folding machine, perfect binder, die cutter & a printing press. A quick shop will be established at the office for small print requirements by use of a digital printer. Emphasis will be on improving customer service to make it one of our competitive advantages in order to facilitate retention, business growth & third-party references.

DIGITAL

In January 2011, a strategic decision was made to set up a Digital Business Unit. The purpose of this unit is to take advantage of media opportunities created by online innovations and usage of handheld devices. This will involve providing a unique content service on the Internet for audiences that primarily consume media online. In addition, an electronic version of the New Vision newspaper will be available at a fee.

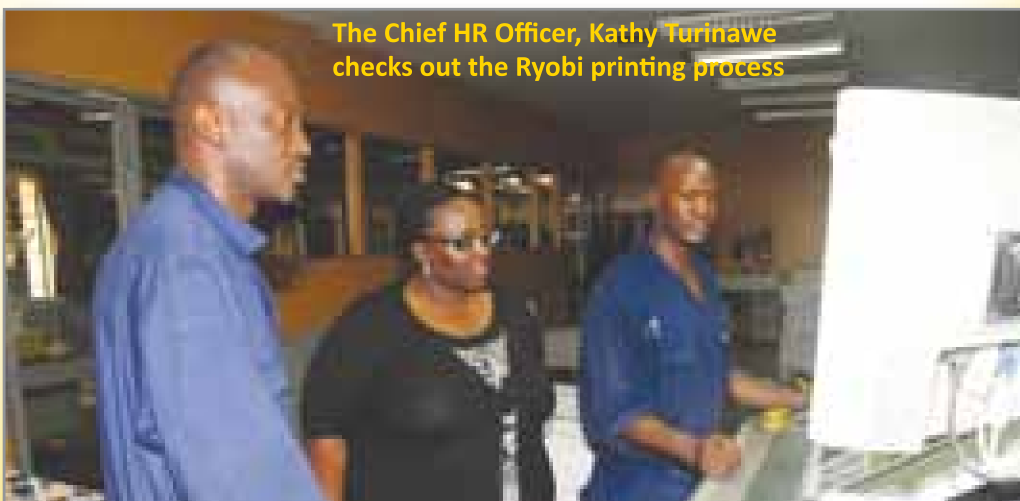
Investment in the Short Messaging Service (SMS) will in the next financial year generate some modest revenue. It will also have the additional benefit of being a marketing tool that will attract younger audiences to the company's products.

SALES

Over the past financial year, the entire commercial operation team was restructured to bring sales under one head, with key managers focussing on core sales areas. The purpose is to provide a central and directly coordinated team which can be more aggesssive in an increasingly competitive media market. I wish to report that sales in copy circulation, advertising and commercal printing were all above budget, with a record performance in the latter. Management has set up a sales office in Nairobi, Kenya to tap into the growing advertising business for the Ugandan market.

MARKETING

The just concluded financial year marked the formalisation of the marketing department. Ms. Susan Nsibirwa, a senior marketing professional with extensive corporate experience and a background of training as a journalist, was recruited to lead this effort. I also wish to report that during the recently concluded financial year, the country underwent an election exercise and during such periods, the company suffers negative perceptions with consequences on sales.



The Chief HR Officer, Kathy Turinawe checks out the Ryobi printing process

This year, however, the performance of the company and market positioning ensured that there was a more positive perception which led to a better than expected sales performance especially for copy circulation sales.

HUMAN RESOURCE

In the year July 2010 to June 2011, the company underwent a restructuring process which saw the conclusion of the Organisational Development Project and implementation of newly approved company structures. This has enabled the company implement the new strategy through revamping our performance management system. The company is now better aligned to manage the challenges of its expansion drive and generate growth.

TELEVISION

Television has continued to show growth in all aspects (audience, programming and revenue). The two operational channels, Bukedde TV and TV West, continue to be the most watched channels in the central and western regions respectively.

According to the 2010 Uganda All Media Products and Services research, Bukedde contributed 15 programmes among the 20 most watched programmes in the central region. The introduction of a news programme (Agataliiko Nfuufu) was a major achievement in terms of popularity and revenue returns. It is expected that the station will return a profit sooner than the industrial standards of five years.

TV West has shown great potential for growth within the region and according to Synovate, it is the most watched station within the region.

In the next financial year, it is expected

Head of TV, Mark Walungama in the Bukedde TV Studio

that the Company will increase its TV stations by introducing an English channel. The introduction of the English channel will strengthen the impact of our stations on the market. We intend to launch full programming in December 2011, to coincide with the holiday season.

ICT

In the past financial year, the department restructured IT operations to give priority to primary support functions which enabled the department to mature beyond a reactive response to problems.

In the next financial year, IT shall focus on technological advancement. A business process automation sysytem shall be set up across the various departments to enhance document management and business efficiency.

A comprehensive Content Management System for the entire Editorial workflow to


The Editor-in-Chief, Barbara Kaija inspects prints off the GOSS Machine

cover all the fine details of how content is generated, approved and archived for print and online media will be implemented. This system shall provide a holistic view of the entire process including such details as the key advertisers, content-to-advertising ratios as well as a robust archive of all content generated for easier reference. The system shall also improve business efficiency because it shall give a bird's eye view of the entire process.

The department shall also work closely with Administration to install an access control system as well as CCTV cameras in various locations to improve the security and awareness of user activity.


Head of Radio, Bill Tibingana in the X FM Studio

EDITORIAL

The main editorial focus in the year was on political reporting to ensure professionalism and objectivity. This was successfully executed by the editorial team which is why the company was acknowledged by observers as having had an objective and balanced approach to coverage of the elections. This also explains why the copy sales of newspapers grew and our electronic platforms have generated the largest audiences. Management has been working on improving the collaboration between the different media platforms in sharing resources in the generation of content.

The Women Achievers Awards have become synonymous with Vision Group and this year was no different as women from around the country were honoured through publication of their stories for their contribution to maternal health. A colourful awards ceremony was held in April and attracted sponsorship from UNFPA, DFCU Bank and National Council for Women.

RADIO

Radio Rupiny achieved the second position as the 'most-listened-to' station in northern region, according to the Uganda All Media Products and Services report that was released earlier this year. The station is popular in Acholi and Lango regions.

Etop Radio topped the Eastern radio consumption market in the Synovate report. The station is very successful both audience-wise and financially; covering Teso region and reaching Moroto and Karamoja.

Bukedde Fa Ma jointly with Bukedde TV hosted the President on two occasions to address the nation on the economy and public demonstrations.

X FM Breakfast Show Crew in their office

Chief Finance Officer Zubair Musoke at the company premises

This year the Company is expected to relaunch Vision Group's English radio station as a youth station, under the brand name, 94.8 X FM. The station will be based in Kampala and will feature a variety of popular artists.

AUDIT

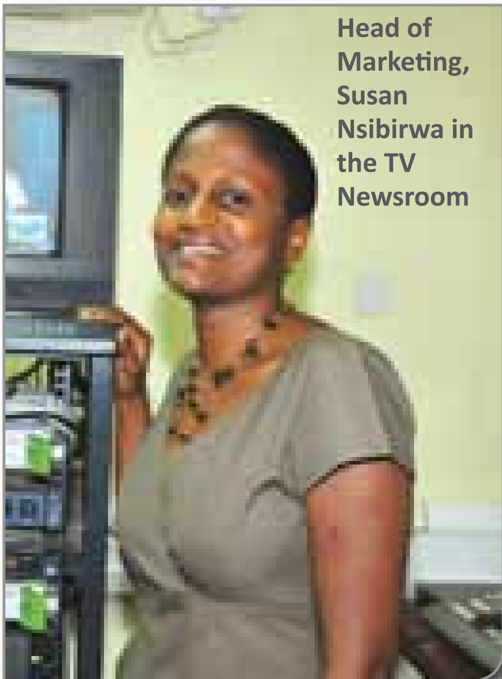
For the year ended 30/06/2011, internal audit enhanced the risk management focus of the internal audit department by assisting the Company to identify, understand and appropriately manage its risk exposures and entrenched the company-wide use of Control Risk Self Assessment methodologies.

To improve the department's effectiveness, several initiatives were implemented which included: providing timely periodic reports to the Audit Committee of the board and the Chief Executive Officer; planned and prioritized audit cycles for auditable areas and units of the Company based on a clearly defined risk profile; initiation of a fraud risk assessment component in all our routine audits; enhanced the visible accountability for performance of the internal audit function; fully automated the department's activities and extensive use of IDEA software as a solution to enlarging the audit coverage and scope in light of time constraints and improvement of operations.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to thank all our business partners, particularly our advertisers, readers, radio and television audiences, suppliers and other stakeholders. Your support has been instrumental in enabling us to achieve these financial results and growth.

I wish to commend the Management and staff of Vision Group for their hard work

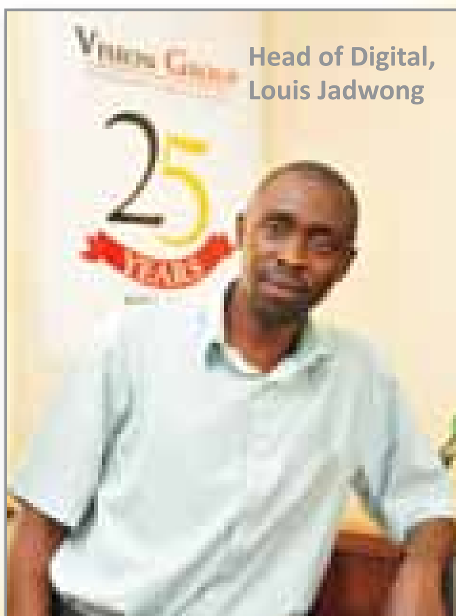


Head of Marketing, Susan Nsibirwa in the TV Newsroom

Head of Sales, Godfrey Mulengi

and dedication in keeping all our media platforms at the top. I also wish to thank my fellow directors under whose guidance the Company has grown tremendously. Special thanks go to the shareholders for their confidence in the Board and management of the Company.

The Managing Editor, English Newspapers, Ben Opolot



Head of Digital, Louis Jadwong

Corporate Governance

Vision Group is committed to high standards of corporate governance and has continued implementing ongoing initiatives to improve governance for the benefit of all stakeholders.

BOARD OF DIRECTORS

Vision Group is headed by a Board of Directors which has ultimate responsibility for the management and strategic guidance of the Company. The board is responsible for the overall governance of the Company, and ensuring that appropriate controls, systems and practices are in place.

The Board of Directors remains steadfast in implementing governance practices. This provides direction to the Company managers who structure their respective governance frameworks according to Vision Group's standards. The Board of Directors considers conformance and performance in performing their roles of oversight counsel.

A number of committees have been established that assist the board in fulfilling its stated objectives. The committees' role and responsibilities are set out in terms of agreed mandates, which are constantly reviewed annually to ensure they remain relevant. These committees provide in-depth focus on specific areas of board responsibility.

All directors undertake training in corporate governance to enable them provide proper incentives to the Company and pursue objectives that are in line with the interests of the Company and its shareholders.

The number of directors has increased to ten. These directors bring onto the table diverse skills, experience and expertise in a bid to effectively guide the Company and ensure that the objective of shareholder value maximisation is achieved. The skills, knowledge and experience of the board are regularly reviewed to ensure that its composition remains appropriate and in line with the Company's strategy.

The Board also goes through an assessment process which is aimed at enhancing its performance. This assessment helps the board examine how well they are prepared to meet the Company's governance challenges by identifying their strengths, as well as their weaknesses.

Presentation of Audited Accounts to the Board Audit Committee

Chief Operations Officer/ CS, Gervase Ndyanabo checking out magazine print quality

The Board held its annual strategy and team building retreat in January, 2011 to share best practices and chart the future of the Company.

Vision Group is also in the process of establishing an enterprise-wide risk management framework which will put in place risk control measures across the company.

BOARD MEETINGS

The Board meets at least once in every quarter, with additional meetings scheduled when deemed necessray. Directors are provided with comprehensive board documentation at least a week prior to each meeting.

BOARD COMMITTEES

The Board has four committees – Audit and Risk Committee, Finance and Operations Committee, Editorial Committee and Human Resources and Remunerations Committee. These committees hold meetings regularly to ensure that proper checks and balances are carried out in a bid to meet the objectives of the Company.

The audit committee held four meetings in the past financial year.

STRATEGY

The Board is aware of its obligations to shareholders in formulating the strategic direction that the Company will follow, and thus meets with the Executive Committee annually to consider and approve the Company strategy for the year ahead.

Agreed targets and objectives for the year are monitored by the board. Performance against financial objectives is monitored by the board through management's quarterly reporting.

CODES AND REGULATIONS

Vision Group operates in a regulated industry and is committed to complying with legislation, regulations, and codes of best practice and seeks to maintain the highest standards of governance, including integrity, transparency and accountability.

The Company complies with applicable legislation, regulations, standards and codes, with the board continually monitoring regulatory compliance.

Full disclosure of operating results and other material information is made availabile to the shareholders, the general public, and regulatory bodies including the Uganda Securities Exchange (USE) and the Capital Markets Authority (CMA). General meetings are held annually with due notice given to shareholders. Annual returns, resolutions and notices are filed with the Registrar of Companies in time.

LISTING

As a listed Company, there is compliance with Capital Markets (Corporate Governance) Guidelines, 2003 and the Listing Rules of the Uganda Securities Exchange. The share closed the FY at Ushs.1,000.

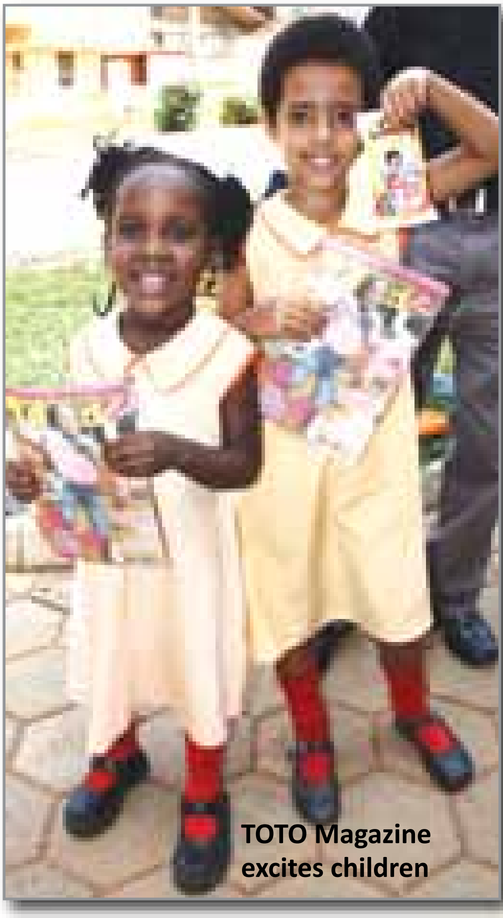
SHAREHOLDERS' RESPONSIBILITIES

The shareholders' role is to appoint the board of directors and the external auditors. This role is extended to holding the board accountable and responsible for efficient and effective corporate governance.

Through the Company website, shareholders are given a chance to air their views and to get more information from and about the Company. The Company has also set up an email system that is used by shareholders to constantly communicate and get information about the Company and its shares. The shareholder email address is *shareholder@newvision.co.ug.*

DELEGATION AND EFFECTIVE CONTROL

The board has the responsibility of the Company's operations. Authority has been delegated to the Managing Director to manage the business together with his executive commitee. Further delegations are managed through a process that is monitored by the Company Secretary.



TOTO Magazine excites children

The Managing Director is tasked with the implementation of board decisions and to ensure a clear flow of information between management and the board, which facilitates both qualitative and quantitative evaluation of the Company's performance.

Directors have full and unrestricted access to management and all company and group information. This includes unlimited access to advice and services of the Company Secretary, who assists in providing any information or documentation they may require to facilitate the discharge of their duties and responsibilities.

APPOINTMENTS

Appointment of directors is governed by the Company's articles of association and is subject to regulatory approval in line with the applicable legislation and regulations. Directors are appointed by shareholders at the Annual General Meeting (AGM) and interim board appointments are allowed in between AGMs. These appointments are then confirmed at the AGM.

In effecting appointments, the board considers skills, knowledge and experience of the proposed director as well as other attributes. The board is also cognisant of the need to ensure demographic representations when making appointments.

During the year, the Company appointed four directors. These appointments were made during last year's AGM. There was also an interim appointment of a director who is to be confirmed during this year's AGM.

On appointment, each director undergoes induction to bring him in line with the Company's day-to-day activities. The director is also taken on a tour around the Company and factory. In addition, a meeting is scheduled with management to introduce new directors to the Company and its operations.

FEES

Non-Executice Directors receive fixed fees for service on the board and board committees. The board reviews directors' fees and makes recommendation to shareholders for approval during the AGM.

The fees paid out to directors in the past financial year are as set out below:

	Chairman	Directors
Sitting allowance (Ushs.)	600,000	500,000
Quarterly fees (Ushs.)	1,200,000	1,000,000

COMPANY SECRETARY

The Company Secretary provides the board with guidance on its respponsibilities and keeps directors up-to-date with changes to relevant legislation as well as governance best practices. The secretary also oversees the induction of new directors as well as the ongoing training of directors. All directors have access to the services of the Company Secretary.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Vision Group is a CSR-focused business and is committed to giving back to the

Staff of **Vision Group** give St. Maria Goretti Primary School a fresh coat of paint as part of CSR community in which it operates. As such, it proactively promotes the public interest by responding to issues of social concern, encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere regardless of legality.

In the just concluded financial year, the Company was involved in a series of CSR activities which included:

Painting Classroom Blocks at St. Maria Goretti, Buziga, a school for HIV orphans. This was in a bid to improve the livelihoods of children who are orphaned by HIV/AIDS. The school also received *TOTO* magazines and *Pass PLE* handouts.

Breast feeding campaign. This campaign was embarked on with the theme of promoting awareness on the benefits of breastfeeding. Stories of the experiences of women on breastfeeding were published, which greatly highlighted the importance and benefits of breastfeeding.

Donation of Books. Between April and June the Group donated over 19,000 books to hundreds of secondary schools around the country. This was not only to mark the 25th anniversary but also in recognition of the fact that many schools are not well equipped to facilitate their students to perform better in national exams. The books were specifically designed to enhance performance in O and A Level examinations.

Child Sacrifice. New Vision, through its media platforms Bukedde TV and *Bukedde* newspaper, run programmes that were aimed at educating citizens on child sacrifice. Through these programmes, a vice that was secretly going on in the society was brought to the limelight.

Tumaini Awards. This was a programme that honoured and recognized individuals, business, NGOs and community-based organizations that have made significant efforts to improve the lives of children in Uganda. The programme was aimed at generating increased community awareness around children's rights issues; to honour those who deserve to be recognized for their work with children; and to inspire others to work harder to improve the lives of children in Uganda.

The Managing Director/CEO
Vision Group,
Robert Kabushenga

Shareholding distribution as at 29th August, 2011

Category	Number of shareholders
1-1000 Shares	1,700
1001 - 5000	618
5001 – 100,000	144
10,001 – 100,000	133
100,001 and above shares	32
Total	2,627

List of the Top 10 shareholders as at 25th August, 2011

	Name	Number of shares	Percentage shareholding
1	Government of Uganda	40,800,000	53.34
2	National Social Security Fund	15,000,000	19.61
3	National Insurance Corporation	3,068,172	4.01
4	Frontaura Global Frontier Fund Limited	1,284,133	1.68
5	Bank of Uganda Staff Retirement Benefit Scheme (AIG)	1,043,380	1.36
6	Nomura Nominees Ltd a/c Shanzu Investments	800,000	1.05
7	Capt. Gad Gasaatura	741,969	0.97
8	Mr. Wazunula Samuel Mangaali	510,000	0.67
9	Nomura Nominees Ltd a/c Samora	500,000	0.65
9	Nomura Nominees Ltd a/c Hansig	500,000	0.65
9	Nomura Nominees Ltd a/c KERSERCC LTD	500,000	0.65
9	Nomura Nominees Ltd a/c Rock Investments Ltd	500,000	0.65
10	Crane Bank Ltd	359,693	0.47

Vision Group Newspaper Printing Press

Company Profile

The Vision Group incorporated as New Vision Printing & Publishing Company Limited (NVPPCL) started business in March 1986 and is a multimedia business housing newspaper, magazines, internet publishing, television, radio broadcasting, commercial printing, advertising and distribution services. NVPPCL is now listed on the Uganda Stock Exchange with a turnover of over UGX 50 billion (FY 2009/2010)

NEWSPAPERS

The Vision Group dominates the newspaper market in Uganda with five publications.

THE NEW VISION is the leading English daily newspaper with several editions from Monday to Friday

The newspaper has various sections making up the whole paper, with a strong emphasis on enhanced reader value. The added value features include: - Education, Jobs, Tenders, Her Vision, Health & Beauty, Farming, Children, Business Vision and Entertainment.

The New Vision newspaper supports Education in Uganda and publishes advanced career/study guides and conducts direct school education through the "Newspapers in Education" program.

SATURDAY VISION is an English weekend entertainment newspaper aimed at leisure, entertainment & relaxation for all ages. It offers a variety news features, sports, commentary and entertainment.

THE SUNDAY VISION comes with a free magazine "Discovery" and offers a veriety of background news features, sports, commentary and entertainment.

BUKEDDE is the only daily paper published in Luganda. It is the fastest growing newspaper in Uganda and is an integral part of the average working Ugandan's day.

It has a variety of features which include farming, relationship advice, leisure, traditional remedies, shocking eye openers, Women and health, entertainment, art, people, what's on and sports.

REGIONAL NEWSPAPERS

Regional newspapers are published weekly and focus on the everyday life and human interest side of the communities in Western, Northern and Eastern Uganda. The Vision Group is the only publishing house in Uganda producing local language newspapers for the different areas in Uganda.

ORUMURI is published in Runyankore/Rukiga weekly every Monday. The main circulation area is the western part of Uganda, from Masaka to Kabale, including Toro, Kasese, Bunyoro.

Orumuri offers a variety to its readers which includes local and international news, gossip, relationship education, politics, community news and gossip, wedding pictorial, business, herbal remedies, farming, weekly news round up and sports.

RUPINY is published in Luo weekly every Wednesday. The northern part of Uganda, Gulu and Lira are Rupiny's main circulation area.

Rupiny has a variety of features such as local and international news, politics, relationship advice, sports, community news & gossip, business, leisure, crazy crazy country, pictorials and readers' letters & opinions.

ETOP is published in Ateso weekly every Thursday. The main circulation area covers North Eastern Uganda, Soroti, Katakwa and Kumi.

Etop gives its readers value for money with a variety of features that include regional and international news, relationship advice, sports, community news and gossip, business, pictorial and readers' letters & opinions.

MAGAZINES

Our magazines deliver niche audiences which is an attractive vehicle to reach more people.

CITY BEAT is an entertainment magazine published in Uganda aimed at an urban audience between the ages of 19 and 34.

BRIDE & GROOM is the perfect wedding planners tool, covering all items from budgeting, through to fashion and the wedding ceremony.

FLAIR for her is designed for the working woman, covering all aspects of professional life, health and fitness, work-life balance, parenting and fashion.

DIGITAL

WEBSITE PUBLISHING

www.newvision.co.ug - carries digital versions of all the above products. It is the leading website in East Africa with approximately 35,000 hits daily.

www.bukedde.co.ug - is very popular with Ugandans living in the diaspora with approximately 15,000 hits daily

www.enteruganda.com – is the definitive guide to all services and activities in Uganda

www.jobs.co.ug – Comprehensive jobs site offering listing jobs and candidates

VISION MOBILE

With a dedicated SMS platform, 8338 is available for Bulk SMS, SMS polls, content aggregation and other customized offerings.

8338 SMS Info in yo hands

BROADCASTING

Vision Group has five radio stations and three free to air television channels:-

RADIOS

94.8 XFM

Is an English urban entertainment station that covers much of Kampala.

BUKEDDE FM 100.5FM

Bukedde FM broadcasts in Luganda offering its listeners a blend of entertainment and information. The radio station shares a close & beneficial relationship with the readership of the Bukedde newspaper.

RADIO WEST 100.2FM

Radio West is western Uganda's dominant Radio Station offering regional news, music & entertainment. It is also available on the following frequencies in the respective areas:- 94.3 FM Kabale, 106.6 FM Masaka, 95.2 FM Kampala, 91.0FM Fort Portal.

RADIO RUPINY 95.7 FM

Radio Rupiny is the new radio station, based in Gulu for the people of the northern part of Uganda, stretching from Lira, round to Kitgum and Gulu. The radio broadcasts politics, news, infotainment, local and international music in a mixture of Luo and Acholi. It is the radio of choice for the people of the north.

ETOP RADIO 99.4 FM

Based in Soroti, Etop broadcasts in Ateso for Eastern Uganda from Tororo, Mbale and Soroti. The radio offers a mixture similar to it's sister station in the North, with a combination of politics, news, infotainment and music.

TELEVISION

BUKEDDE TV

Uganda's only Luganda TV station, Bukedde TV is the leading station in the Central region. Reaching a 100 KM radius from the centre of Kampala, the station talks to people from Luwero to Jinja, Masaka to Entebbe and includes the Ssese Islands. The station enjoys a strong symbiotic relationship with Bukedde newspaper and Bukedde FM.

TV WEST

Is stationed in Mbarara in Western Uganda and is the leading regional station. It also has a strong relationship with Radio West and broadcasts to Bushenyi, Kasese, Isingiro, Ibanda, Kabale and Lyantonde.

URBAN TV

Urban is set to be Kampala's leading English TV station targeting 15-35 year olds living and working in Kampala. Urban is primarily an entertainment station but also offers news and current affairs programs. By complementing XFM, New Vision and City Beat, Urban ensures that Vision Group's coverage of issues that affect the youth are adequately addressed.

PRINTING SERVICES

VISION PRINTING is Vision Group's commercial printing division and is undoughtedly Uganda's best value printer.

We print anything on paper at the most competitive price in Uganda. Some of the products we print include; books, annual reports, spiral bound dairies, calendars (desk, wall, shipping & piano), folders, printed stationery, labels, magazines, newsletters, newspapers, marketing & promotional materials like brochures, flyers, leaflets, posters, wobblers among others in quantities from 1 piece to millions.

BENEFITS:

- Speedy delivery
- Competitive prices
- Guaranteed Quality
- After-sale services

ADVERTISING SERVICES

We partner with advertisers in order to offer them the best oppotunities to reach their target market.

We offer a unique combination of print design, radio and television advert production and other customized communication packages.

Advertising services included:-

- Display & Classifed adverts
- Supplements
- Theme supplements - *motor mart, food guide, property and shopping*
- Special reviews
- Job adverts
- Tenders
- Insertions
- Website adverts
- Radio adverts
- Television adverts

CIRCULATION DISTRIBUTION SERVICES

Circulation distribution services ensures that our newspapers and magazines are sold and distributed daily to all major towns in Uganda and neighbouring cities like Nairobi, Kigali and Juba.

Circulation services aims at getting the newspaper on the market early enough to conveniently serve all readers at a profit.

New Vision is a member of the Audit Bureau of Circulations South Africa (ABC). The New Vision, Sunday Vision and Bukedde circulation figures are independently audited every quarter.

ABC registration offers independently audited, accurate, consistent and regular circulation data, in addition it gives credibility to the circulation data; provides content that aids the advertiser in media planning and buying decisions and; aids the publisher in selling advertising.

CONTACT NEW VISION:

HEADQUARTERS-
+256 (0)414 337 000
+256 (0)312 337 000

EDITORIAL
editorial@newvision.co.ug
+256 (0)414 337 000
+256 (0)312 337 000

ADVERTISING-
advertising@newvision.co.ug
+256 (0)414 337 000
+256 (0)312 337 000

PRINTING-
print@newvision.co.ug
+256 (0)414 337 000
+256 (0)312 337 000

OFFICES:

Kampala
Our head office is located on Plot 19/21, First Street Industrial Area.
Advertising offices are situated at JR Complex, Plot 101 Jinja Road.
Regional offices are situated:-

Western Uganda	-Masaka, Mbarara, Fort Portal
Eastern Uganda	- Jinja, Mbale, Soroti
Northern Uganda	- Lira, Arua, Gulu
Central Uganda	- Luwero

The Managing Editor, Regional Newspapers, Geofrey Kulubya

Staff of the Printing Unit, Peter Taremwa, David Semugga, Rogers Anguzu and Sam Kyagulanyi in the factory

Chief Commercial Officer, Tony Glencross

Managing Editor-Editorial, David Mukholi

Chief Internal Auditor, Masiko Nahamya

The Legal Team, Ritah Kabatunzi and Doreen Awanga compile the 2010/11 Annual Report

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

CORPORATE INFORMATION

DIRECTORS	Mr. David Ssebabi	- Chairman
	Mr. Robert Kabushenga	- Managing Director / CEO
	Mr. Orono Otweyo	- Non Executive Director
	Mrs. Christine Guwatudde Kintu	- Non Executive Director
	Mr. Gad Gasaatura	- Non Executive Director
	Mr. Steven Bamwanga	- Non Executive Director
	Mr. Oode Obella	- Non Executive Director
	Dr. Monica Chibita	- Non Executive Director
	Ms. Grace Dwonga	- Non Executive Director
	Mr. Charles Tukacungurwa	- Non Executive Director

BOARD AUDIT COMMITTEE

Mr. Orono Otweyo (Chairman)
Mr. Oode Obella
Ms. Grace Dwonga
Mr. Charles Tukacungurwa

COMPANY SECRETARY

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

REGISTERED OFFICE

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

AUDITORS

Auditor General
Ministry of Finance Building
Plot 2/12 Appolo Kagwa Road
P. O. Box 7083
Kampala, Uganda

DELEGATED AUDITORS

Deloitte & Touche
Certified Public Accountants (Uganda)
3rd Floor Rwenzori House
1 Lumumba Avenue
P. O. Box 10314
Kampala, Uganda

BANKERS

Standard Chartered Bank Uganda Limited
P. O. Box 7111
Kampala, Uganda

Stanbic Bank Uganda Limited
P.O Box 7131
Kampala, Uganda

LEGAL ADVISORS

Lex Uganda Advocates and Solicitors
P. O. Box 22490
Kampala, Uganda

Kiwanuka and Karugire Advocates & Solicitors
P. O. Box 6160
Kampala, Uganda

Kimuli and Sozi Advocates
P. O. Box 22593
Kampala, Uganda

Okae, Basalirwa, Kakerewe and Company Advocates
P. O. Box 1876
Lira, Uganda

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 30 June 2011.

PRINCIPAL ACTIVITY

The principal activities of the company are printing and publishing of newspapers and magazines and radio and television broadcasting. The current publications include; The New Vision, Saturday Vision, Sunday Vision, Bukedde, Bukedde Lwamukaaga, Bukedde Ku Ssande, Orumuri, Etop and Rupiny Newspapers.

FINANCIAL RESULTS	Ushs' 000
Profit before taxation	4,685,859
Taxation credit	(1,682,179)
Profit for the year transferred to retained earnings	3,003,680

DIVIDEND

The directors recommend the payment of a final dividend of Ushs 30 per share amounting to Ushs 2,295,000,000 for the year (2010: Ushs 15 per share amounting to Ushs 1,147,500,000).

DIRECTORS

The present membership of the board is set out on page 2.

Ms. Grace Akello resigned on 14 September 2010
Mr. Henry Mutefu retired on 14 September 2010
Mr. Patrick Bitature retired on 30 October, 2010
Mr. Steven Bamwanga was appointed on 28 October, 2010
Mr. Oode Obella was appointed on 28 October, 2010
Dr. Monica Chibita was appointed on 28 October, 2010.
Ms. Grace Dwonga was appointed on 28 October, 2010
Mr. Charles Tukacungurwa was appointed on 29 April, 2011

AUDITORS

In accordance with sections 23 and 24 of the National Audit Act, the financial statements of the Company shall be audited once every year by the Auditor General or an Auditor appointed by him to act on his behalf.

The Auditors, Deloitte & Touche, were appointed by the Auditor General's office to act on its behalf and have expressed their willingness to continue in office.

BY ORDER OF THE BOARD

Secretary
Kampala
22-09-2011

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Companies Act 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 the operating results of the company for that year. It also requires the directors to ensure that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. They are also responsible for safeguarding the assets of the company.

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Ugandan Companies Act, and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least the next twelve months from the date of this statement.

The directors certify that, to the best of their knowledge, the information furnished to the auditors for the purpose of the audit was correct and is an accurate representation of the company's financial transactions.

Director
22-09-2011

Director
22-09-2011

REPORT AND OPINION OF THE AUDITOR GENERAL

ON THE FINANCIAL STATEMENTS OF

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2011

I have audited the financial statements of New Vision Printing and Publishing Company Limited, for the year ended 30th June 2011, as set out on pages 7 to 40. These financial statements, comprise of the Statement of Financial Position as at 30th June 2011, the Statement of Comprehensive Income, Statement of changes in Equity Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Director's responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Reporting Standards and the requirements of the Companies Act (Cap 110). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the Financial Statements, based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that the audit is planned and performed to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence obtained was sufficient and appropriate to provide a basis for my opinion.

OPINION

In my opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the company as at 30th June, 2011 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Ugandan Companies Act.

Report on the other Legal Requirements

As required by the Companies Act, I report based on the audit that;

i. All information and explanations which was necessary for the purposes of the audit was obtained.

ii. In my opinion proper books of account have been kept by the Company, so far as appears from our examination of those books, and

iii. The Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

John F.S. Muwanga

AUDITOR GENERAL

KAMPALA

22nd September 2011.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 Ushs '000	2010 Ushs '000
REVENUE	8	61,819,630	49,953,106
DIRECT COSTS		(43,670,234)	(35,606,222)
GROSS PROFIT		18,149,396	14,346,884
OTHER OPERATING INCOME	9	415,301	886,749
DISTRIBUTION COSTS		(1,254,442)	(1,157,785)
ADMINISTRATIVE EXPENSES		(12,225,114)	(10,077,477)
GAIN/(LOSS) ON DISPOSAL OF ASSETS		58,082	(1,439,441)
LOSS ON INVESTMENTS		(34,064)	(23,103)
FINANCE COSTS	10	(423,300)	(636,864)
PROFIT BEFORE TAXATION	11 (a)	4,685,859	1,898,963
TAXATION CHARGE	12 (a)	(1,682,179)	(1,164,177)
PROFIT FOR THE YEAR		3,003,680	734,786
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		3,003,680	734,786
		Ushs	Ushs
EARNINGS PER SHARE - (basic and diluted)	13 (a)	39	10

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
30 JUNE 2011

	Notes	2011 Ushs '000	2010 Ushs '000
ASSETS			
Non-current assets			
Property, plant and equipment	14	34,866,599	34,144,551
Prepaid operating lease rentals	15	2,476,673	2,550,606
Intangible assets	16	134,706	134,706
Investments	17	-	327,126
		37,477,978	37,156,989
Current assets			
Inventories	18	7,634,536	4,222,099
Trade and other receivables	19	9,802,465	9,084,555
Investments	17	1,492,456	3,871,558
Corporate tax recoverable	12 (c)	1,564,022	2,881,298
Cash and bank balances	21	4,023,778	2,545,746
		24,517,257	22,605,256
Total assets		61,995,235	59,762,245
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	22	1,503,990	1,503,990
Share premium	23	27,158,864	27,158,864
Revaluation reserve		267,830	374,605
Retained earnings		20,966,704	19,003,749
Shareholders' funds		49,897,388	48,041,208
Non-current liabilities			
Borrowings	24	-	395,196
Deferred tax liability	12 (d)	5,152,123	4,801,097
		5,152,123	5,196,293
Current liabilities			
Borrowings	24	286,410	1,265,434
Trade and other payables	25	6,217,684	4,611,633
Dividends payable	26	441,630	647,677
		6,945,724	6,524,744
Total equity and liabilities		61,995,235	59,762,245

The financial statements on pages 32 to 68 were approved by the board of directors on 22-09-2011 and were signed on its behalf by:

Director

Director

NEW VISION PRINTING AND PUSLISHING COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Share capital Ushs '000	Share premium Ushs '000	Revaluation reserve* Ushs '000	Retained earnings Ushs '000	Total Ushs '000
At 1 July 2009	1,503,990	27,158,864	758,419	19,032,649	48,453,922
Transfer of excess depreciation	-	-	(108,371)	108,371	-
Deferred tax on excess depreciation	-	-	32,511	(32,511)	-
Transfer of surplus on disposal	-	-	(439,935)	439,935	-
Deferred tax on transfer	-	-	131,981	(131,981)	-
Dividend declared for year 2009	-	-	-	(1,147,500)	(1,147,500)
Total comprehensive income for the year	-	-	-	734,786	734,786
At 30 June 2010	1,503,990	27,158,864	374,605	19,003,749	48,041,208
At 1 July 2010	1,503,990	27,158,864	374,605	19,003,749	48,041,208
Transfer of excess depreciation	-	-	(95,752)	95,752	-
Deferred tax on excess depreciation	-	-	28,726	(28,726)	-
Transfer of surplus on disposal	-	-	(56,785)	56,785	-
Deferred tax on disposal	-	-	17,036	(17,036)	-
Dividend declared for year 2010	-	-		(1,147,500)	(1,147,500)
Total comprehensive income for the year	-	-	-	3,003,680	3,003,680
At 30 June 2011	1,503,990	27,158,864	267,830	20,966,704	49,897,388

*The revaluation reserve represents the carrying value cumulative surplus arising from the revaluation of property, plant and equipment.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 UShs '000	2010 UShs '000
Cash flows from operating activities			
Cash generated from operations	27	6,716,588	22,140,564
Interest received	9	148,070	346,521
Interest paid	10	(151,560)	(296,191)
Tax paid	11 (c)	(13,877)	(5,139)
Net cash generated from operating activities		6,699,221	22,185,755
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(5,566,381)	(24,978,257)
Prepayment of operating leases	15	-	(196,000)
Sale/(purchase) of investments		224,228	(412,064)
Proceeds from disposal of property, plant and equipment		366,731	1,017,255
Net cash used in investing activities		(4,975,422)	(24,569,066)
Cash flows from financing activities			
Finance lease principal repayments		(1,374,220)	(564,270)
Dividends paid	25	(1,353,547)	(534,944)
Net cash used in financing activities		(2,727,767)	(1,099,214)
Net increase in cash and cash equivalents		(1,003,968)	(3,482,525)
Cash and cash equivalents at beginning of year		6,027,746	9,510,271
Cash and cash equivalents at end of year	27	5,023,778	6,027,746
Represented by:			
Cash and cash equivalents	27	5,023,778	6,027,746

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1 REPORTING ENTITY

New Vision Printing and Publishing Company Limited ("the company") is incorporated in the Republic of Uganda as a limited liability company under the Ugandan Companies Act. The company is listed on the Uganda Securities Exchange.

For purposes of the Ugandan Companies Act, the balance sheet is equivalent to the statement of financial position while the profit and loss account is represented by the statement of comprehensive income.

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

a) New standards and amendments to published standards effective for the year ended 30 June, 2011.

	Effective for annual periods beginning on or after
Amendments and revised standards	
IFRS 1, First-time adoption of International Financial Reporting Standards – amendments relating to oil and gas assets and determining whether an arrangement contains a lease.	1 January, 2010
IFRS 2, Share-based payment – amendments relating to group cash-settled share-based payment transactions.	1 January, 2010
Various improvements resulting from May 2010 Annual Improvements to IFRSs	1 January 2010
IFRS 1, First-time Adoption of International Financial Reporting Standards – limited exemption from comparative IFRS 7 disclosures for first-time adopters.	1 July, 2010
IAS 32, Financial Instruments: Presentation – amendments relating to classification of rights issues.	1 February, 2010
New interpretations	
IFRIC 17, Distributions of Non-cash Assets to Owners	1 July, 2009
IFRIC 18, Transfers of Assets from Customers	1 July, 2009
IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments.	1 July, 2010

b) New and amended interpretations in issue but not yet effective in the year ended 30 June, 2011

	Effective for annual periods beginning on or after
New and Amendments to standards	
IFRS 1, First-time Adoption of International Financial Reporting Standards – replacement of ‘fixed dates’ for certain exceptions with ‘the date of transition to IFRSs’; and additional exemption for entities ceasing to suffer from severe hyperinflation	1 July, 2011
IFRS 7, Financial Instruments: Disclosures – amendments enhancing disclosures about transfers of financial assets	1 January, 2011

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

b) New and amended interpretations in issue but not yet effective in the year ended 30 June, 2011 (Continued)

	Effective for annual periods beginning on or after
New and Amendments to standards (Continued)	
IFRS 9, Financial Instruments – Classification and Measurement	1 January, 2015
IAS 12, Income Taxes – limited scope amendment (recovery of underlying assets)	1 January, 2012
IAS 24, Related Party Disclosures – revised definition of related parties	1 January, 2011
Various improvements resulting from May 2010 Annual Improvements to IFRSs	1 January 2011
IAS 27 consolidated and separate financial statements - reissued as IAS 27 separate financial statements (as amended in 2011)	1 January 2013
IFRS 10, Consolidated financial statements	1 January 2013
IFRS 11, Joint arrangements	1 January 2013
IFRS 12, Disclosure of interests in other entities	1 January 2013
IFRS 13, Fair value measurements	1 January 2013
IAS 19, Employee benefits - amended standard resulting from the post employee benefits and termination benefits project	1 January 2013

c) Impact of new and amended standards and interpretations on the financial statements or the year ended 30 June, 2011 and future annual periods.

Amendments to IAS 1 Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2009)

The amendments to IAS 1 clarify that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or noncurrent.

Amendments to IAS 7 Statement of Cash Flows (as part of Improvements to IFRSs issued in 2009)

The amendments to IAS 7 specify that only expenditures that result in a recognised asset in the statement of financial position can be classified as investing activities in the statement of cash flows.

The application of the amendments to IAS 7 has resulted in a change in the presentation of cash outflows in respect of investments in securities.

Amendments to IFRS 7 Financial Instruments: Disclosures (as part of Improvements to IFRSs issued in 2010)

The amendments to IFRS 7 clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

c) Impact of new and amended standards and interpretations on the financial statements or the year ended 30 June, 2011 and future annual periods (continued).

Amendments to IAS 1 Presentation of Financial Statements (as part of Improvements to IFRSs issued in 2010)

The amendments to IAS 1 clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters

The amendments provide two exemptions when adopting IFRSs for the first time relating to oil and gas assets, and the determination as to whether an arrangement contains a lease.

Amendments to IFRS 2 Share-based Payment – Group Cash-settled -based Payment Transactions

The amendments clarify the scope of IFRS 2, as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another group entity or shareholder has the obligation to settle the award.

Improvements to IFRSs issued in 2009 and 2010

Except for the amendments to IFRS 5, IAS 1 and IAS 7 described earlier, the application of Improvements to IFRSs issued in 2009 and 2010 has not had any material effect on amounts reported in the financial statements.

IFRS 9, Financial Instruments

IFRS 9 *Financial Instruments* issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

EW VISION PRINTING AND PUBLISHING COMPANY LIMITED

OTES TO THE FINANCIAL STATEMENTS
OR THE YEAR ENDED 30 JUNE 2011 (Continued)

ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

c) Impact of new and amended standards and interpretations on the financial statements or the year ended 30 June, 2011 and future annual periods (continued).

IFRS 9, Financial Instruments (continued)

The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

IFRS 9 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that IFRS 9 that will be adopted in the company's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard will have a significant impact on amounts reported in respect of the company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The amendments to IFRS 7 titled Disclosures – Transfers of Financial Assets

These increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

The directors do not anticipate that these amendments to IFRS 7 will have a significant effect on the company's disclosures regarding transfers of financial assets. However, if the company enters into other types of transfers of financial assets in the future, disclosures regarding those transfers may be affected.

IAS 24 Related Party Disclosures (as revised in 2009)

This modifies the definition of a related party and simplifies disclosures for government-related entities.

The disclosure exemptions introduced in IAS 24 (as revised in 2009) do not affect the company because the company is not a government-related entity. However, disclosures regarding related party transactions and balances in these financial statements may be affected when the revised version of the Standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the Standard.

The amendments to IAS 32 titled Classification of Rights Issues

These address the classification of certain rights issues denominated in a foreign currency as either an equity instrument or as a financial liability. If the company does enter into any rights issues within the scope of the amendments in future accounting periods, the amendments to IAS 32 will have an impact on the classification of those rights issues.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

2 ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Continued)

c) Impact of new and amended standards and interpretations on the financial statements for the year ended 30 June, 2011 and future annual periods (continued).

IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

This provides guidance regarding the accounting for the extinguishment of a financial liability by the issue of equity instruments. To date, the company has not entered into transactions of this nature. However, if the company does enter into any such transactions in the future, IFRIC 19 will affect the required accounting. In particular, under IFRIC 19, equity instruments issued under such arrangements will be measured at their fair value, and any difference between the carrying amount of the financial liability extinguished and the fair value of equity instruments issued will be recognised in profit or loss. Except as indicated, these amendments have had no effect on the amounts reported by the company.

3 SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis of accounting as modified by the revaluation of certain items of property, plant and equipment and financial instruments which are accounted for at fair value.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in Uganda Shillings (UShs), which is also the company's functional currency. Except as indicated, financial information presented in Uganda Shillings has been rounded to the nearest thousand.

USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

During the period, the areas involving a higher degree of judgment or complexity or where assumptions and estimates are significant to the financial statements are disclosed in note 4 .

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been applied consistently throughout the year and are consistent with prior year.

REVENUE RECOGNITION

Revenue from the sale of newspapers, magazines, scrap and commercial printing is recognised upon the delivery of goods to customers or when title has passed to customers. Advertisement revenue is recognised when advertisements are published in the newspaper or aired on radio or television. All revenue is stated net of Value Added Tax and discounts.

Interest income is recognised as it accrues, unless its collectability is in doubt.

Other income is recognised on an accrual basis.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

SEGMENTAL REPORTING

Operating segments are identified on the basis of internal reports about components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The company's reportable segments under IFRS 8 are therefore; publishing, broadcasting, commercial printing and others. For more details on key segments (or business clusters) see note 5.

PROPERTY, PLANT AND EQUIPMENT

Plant and machinery held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. 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 the reporting period.

Any revaluation increase arising on the revaluation of such plant and machinery is recognised in other comprehensive income, except to the extent that it 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. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation on revalued plant and machinery is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Land, buildings, fixtures and other equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

DEPRECIATION

Depreciation on property, plant and equipment is calculated on the straight line basis to write down the cost of each asset, or the revalued amount, to its residual value over its estimated useful life. The rates in use are:

Buildings	4%
Plant and machinery	8%
Furniture and office equipment	12.5%
Motor vehicles and motor cycles	25%
Computers and digital cameras	40%
Pre-press equipment	25%
Radio transmission and studio equipment	12.5%
Radio electronic equipment	20%
Television studio equipment	12.5%
Television transmission equipment	8%

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTANGIBLE ASSETS

Intangible assets relating to software and website are initially measured at purchase cost and amortised on a straight-line basis over their estimated useful lives.

Goodwill arising in a business combination is recognised as an intangible asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is not amortised but is reviewed for impairment on an annual basis.

IMPAIRMENT OF ASSETS

At the end of each reporting period, the company reviews the carrying amounts of its 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. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

LEASES

Leases of property, plant and equipment, where the company assumes substantially all the risks and rewards of ownership, are classified as finance leases. Assets acquired under finance leases are capitalised at the inception of the lease at the lower of their fair value and the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in non-current liabilities. The interest element of the finance charge is charged to the statement of comprehensive income over the lease period.

Rentals payable under operating leases are amortised on a straight line basis over the term of the relevant lease.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Cost is determined by weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

TRADE RECEIVABLES

Trade receivables are carried at an anticipated realisable value. Provisions are made against doubtful receivables based on a review of all outstanding amounts at the year-end. The provision is based on the difference between the carrying amount and the present fair value of the expected cash flows, discounted at the effective interest rate. Receivables not collectible are written off against the provision. Subsequent recoveries of amounts previously written off are credited to profit or loss for the year under other operating income in the year of their recovery.

PROVISIONS

Provisions 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 a reliable estimate of the amount can be made.

PENSION AND NATIONAL SOCIAL SECURITY FUND CONTRIBUTION

The company makes contributions to the statutory National Social Security Fund (NSSF) on behalf of its national employees. The company's contribution amounts to 10% of the employees' salaries and is charged to the statement of comprehensive income as it falls due.

Gratuity payments are recognised for staff whose contracts contain gratuity benefits in specific contributions as specified by their contracts and after the contract term has elapsed.

FOREIGN CURRENCIES

The financial statements have been prepared in Uganda Shillings (Ushs' 000). Monetary assets and liabilities expressed in foreign currencies are translated into Uganda Shillings at the rate of exchange ruling at the reporting date. Transactions during the year are translated at the rates ruling at the dates of the transactions. Gains and losses on exchange are charged to profit or loss for the year.

TAXATION

Current taxation is provided on the basis of the results for the year as shown in the financial statements adjusted in accordance with the tax legislation. The tax liability is calculated on the taxable profit at currently enacted tax rates.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred income tax.

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

DIVIDENDS PAYABLE

Dividends payable on ordinary shares are charged to retained earnings in the year in which they are declared. Proposed dividends are not accrued for until ratified at an Annual General Meeting.

FINANCIAL INSTRUMENTS

A financial asset or liability is recognised when the company becomes party to the contractual provisions of the instrument.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (continued)

Financial assets

i) Classification

The company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale assets. Management determines the appropriate classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the company intends to sell in the short term or those that it has designated as at fair value through profit or loss or available-for-sale.

Held to maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where a sale occurs other than an insignificant amount of held-to-maturity assets, the entire category is classified as available for sale.

Available-for-sale financial assets
These are financial assets that are not financial assets at fair value through profit or loss, loans, advances and receivables, or financial assets held to maturity.

(ii) Recognition and derecognition

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the company has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of “financial assets at fair value through profit or loss” are charged or credited to profit or loss for the year. Gains and losses arising from changes in the fair value of available-for-sale financial assets are dealt with through other comprehensive income and accumulated under a separate heading in the statement of changes in equity, until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised through other comprehensive income is recycled to profit or loss for the year.

Fair values of quoted investments in active markets are based on quoted bid prices. Equity securities for which fair values cannot be measured reliably are measured at cost less impairment.

(iii) Impairment and uncollectability of financial assets

At the end of each reporting period, all financial assets are subject to review for impairment.

If it is probable that the company will not be able to collect all amounts due (principal and interest) according to the contractual terms of loans, receivables, or held-to-maturity investments carried at amortised cost, an impairment loss has occurred. The amount of the loss is the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate (recoverable amount). The carrying amount of the asset is reduced to its estimated recoverable amount. The amount of the loss incurred is included in the profit or loss for the year.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

(iii) Impairment and uncollectability of financial assets (continued)

If a loss on a financial asset carried at fair value (recoverable amount is below original acquisition cost) has been recognised through other comprehensive income and there is objective evidence that the asset is impaired, the cumulative net loss that had been recognised directly in equity is removed from equity and recycled through profit or loss for the year even though the financial asset has not been derecognised.

Financial liabilities

After initial recognition, the company measures all financial liabilities other than liabilities held for trading at amortised cost. Liabilities held for trading (financial liabilities acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin) are subsequently measured at their fair values.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks and investments in money market instruments.

COMPARATIVES

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

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

In the process of applying the entity's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

These are dealt with below:

i) Critical judgements in applying the company's accounting policies

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Fair values of financial instruments

The fair value of financial instruments that are not traded in an active market (for example, investments held for trading) is determined by using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES (continued)

ii) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Property, plant and equipment

Critical estimates are made by the directors in determining the useful lives and depreciation rates of items of property, plant and equipment.

Impairment

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.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

5 SEGMENT REPORTING

a) Adoption of IFRS 8 Operating Segments

The operating segments are identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

b) Segment information

	PRINT MEDIA		ELECTRONIC MEDIA		COMMERCIAL PRINTING		OTHERS		TOTAL	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Revenue	44,738,631	38,773,025	7,471,774	3,968,367	9,203,496	6,817,940	405,729	393,774	61,819,630	49,953,106
Other operating income	-	-	-	-	-	-	415,301	886,749	415,301	886,749
Total Sales	44,738,631	38,773,025	7,471,774	3,968,367	9,203,496	6,817,940	821,030	1,280,523	62,234,931	50,839,855
Segment profit before taxation	7,194,602	4,409,761	(1,824,496)	(1,170,655)	(981,214)	(896,779)	296,967	(443,364)	4,685,859	1,898,963
Income tax expense	(2,582,794)	(2,703,445)	654,977	717,681	352,247	549,779	(106,608)	271,808	(1,682,179)	(1,164,177)
Profit after taxation	4,611,808	1,706,316	(1,169,519)	(452,974)	(628,967)	(347,000)	190,359	(171,556)	3,003,680	734,786
OTHER INFORMATION										
Segment Assets	41,443,540	30,474,788	6,612,222	2,980,857	6,246,429	3,374,218	6,129,022	20,051,084	60,431,213	56,880,947
Segment Liabilities	5,041,967	3,707,457	797,512	362,641	1,027,155	410,496	79,090	2,439,346	6,945,724	6,919,940
Capital Expenditure	2,687,412	20,208,223	1,589,067	1,565,368	70,115	3,416,289	1,219,787	-	5,566,381	25,189,880
Depreciation & amortisation expense	2,598,060	2,973,979	645,750	374,131	417,968	522,950	947,839	-	4,609,617	3,871,060

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.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010 (Continued)

6 FINANCIAL RISK MANAGEMENT

The company has exposure to the following financial risks:

- Credit Risk
- Liquidity Risk
- Market Risk - interest rate and foreign currency fluctuations
- Capital Management

The principal activities of the company continue to be printing, publishing and broadcasting in the media industry. The company's activities expose it to a variety of financial risks, including credit risk and the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. Management has put in place elaborate policies in all its functions as a control against risk exposures.

Risk management is carried out by the finance department under policies approved by the Board of Directors. Finance department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity. The policies and procedures established for this purpose are continuously benchmarked with the industry best practices.

The financial management objectives and policies are as outlined below:

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's credit risk is primarily attributable to its trade and other receivables and amounts due from related parties. Provision for doubtful debts is estimated by the company's finance departments based on prior experience, existing financial and economic factors faced by the debtor and the exit options available.

The credit risk on trade and other receivables is limited because the company has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults.

The credit risk on liquid funds with financial institutions is low, because the institutions are banks with high credit-ratings

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

6 FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

The amounts that represent the company's maximum exposure to credit as at 30 June 2011 are as follows:

As at 30 June 2011	Total	Fully Performing	Past due not impaired	Impaired
	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Financial assets				
Bank balances	3,597,985	3,597,985	-	-
Investments	1,492,456	1,492,456	-	-
Trade and other receivables (net of prepayments and staff advances)	8,954,144	6,026,884	2,247,111	680,149
Due from related parties	34,913	34,913	-	-
	14,079,498	11,152,238	2,247,111	680,149

As at 30 June 2010	Total	Fully Performing	Past due not impaired	Impaired
	Ushs '000	Ushs '000	Ushs '000	Ushs '000
Financial assets				
Bank balances	2,244,358	2,244,358	-	-
Investments	4,198,684	4,198,684	-	-
Trade and other receivables (net of prepayments and staff advances)	8,267,072	5,767,049	1,791,794	708,229
Due from related parties	81,429	81,429	-	-
Total	14,791,543	12,291,520	1,791,794	708,229

The customers under the fully performing category are paying their debts as they continue trading.

The debtors that are impaired relate to amounts that have been outstanding for more than 1 year and have been fully provided for.

The amounts that are past due but not impaired are expected to be collected in ordinary course of business.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the company's short, medium and long-term funding and liquidity management requirements.

The company manages liquidity risk through continuously monitoring forecasts and matching the maturity profiles of financial liabilities and ongoing review of future commitments and credit facilities available to the company.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

6 FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk management (Continued)

The table below analyses the company's financial instruments into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table approximate to contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 30 June 2011	Total Ushs '000	Less than 1 year Ushs '000	Between 1 and 2 years Ushs '000	Between 2 and 5 years Ushs '000	Over 5 years Ushs '000
Financial assets					
Cash and bank balances	4,023,778	4,023,778	-	-	-
Investments	1,492,456	1,492,456	-	-	-
Trade and other receivables (net of prepayments)	9,512,691	9,512,691	-	-	-
Due from related parties	34,913	34,913	-	-	-
	15,063,838	15,063,838	-	-	-
Financial liabilities					
Borrowings	286,410	286,410	-	-	-
Trade and other payables	6,217,684	6,217,684	-	-	-
	6,504,094	6,504,094	-	-	-
Net undiscounted financial assets	8,559,744	8,559,744	-	-	-

As at 30 June 2010	Total Ushs '000	Less than 1 Ushs '000	Between 1 and 2 years Ushs '000	Between 2 and 5 years Ushs '000	Over 5 years Ushs '000
Financial assets					
Cash and bank balances	2,545,746	2,545,746	-	-	-
Investments	4,198,684	3,871,558	327,126	-	-
Trade and other receivables (net of prepayments)	8,772,658	8,772,658	-	-	-
Due from related parties	81,429	81,429	-	-	-
	15,598,517	15,271,391	327,126	-	-
Financial liabilities					
Borrowings	1,660,630	1,265,434	395,196	-	-
Trade and other payables	4,611,633	4,611,633	-	-	-
	6,272,263	5,877,067	395,196	-	-
Net undiscounted financial assets/(liabilities)	9,326,254	9,394,324	(68,070)	-	-

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

6 FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value measurements recognized in the statement of financial position

The company specifies a hierarchy of fair valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, unobservable inputs reflect the company's market assumptions.

The following table provided an analysis of the financial instruments that are measure subsequent to initial recognition at fair value grouped into Levels 1 to 3 based on the degree to which the fair value is observable

(i) Level 1 fair value measurements are those that are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

(ii) Level 2 fair value measurement are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable marker data (unobservable inputs).

As at 30 June, 2011

	Level 1 Ushs. '000	Level 2 Ushs. '000	Level 3 Ushs. '000	Total Ushs. '000
Financial assets at FVTPL				
Investments with African Alliance	-	492,456	-	492,456
	-	492,456	-	492,456
Financial Liabilities at FVTPL	-	-	-	-

As at 30 June, 2010

	Level 1 Ushs. '000	Level 2 Ushs. '000	Level 3 Ushs. '000	Total Ushs. '000
Financial assets at FVTPL				
Investments with African Alliance	-	716,684	-	716,684
	-	716,684	-	716,684
Financial Liabilities at FVTPL	-	-	-	-

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

6 FINANCIAL RISK MANAGEMENT (Continued)

(d) Market risk

Market risk relates to exposure to adverse movements in market variables, including interest rates, prices and exchange rates.

(i) Interest rate risk

Interest rate risks arise from fluctuations in the bank borrowing rates. The interest rates vary from time to time depending on the prevailing economic circumstances. The company closely monitors the interest rate trends to minimize the potential adverse impact of interest rate changes. The table below summarises the exposure to interest rate risk at the end of each reporting period. Included in the table are the company's financial instruments at carrying amounts, categorized by the earlier of contractual repricing or maturity dates.

	Up to 1 year Ushs' 000
At 30 June 2011	
Financial assets	
Bank balances	3,597,985
Held to maturity investments	1,492,456
Total financial assets	5,090,441
Financial liabilities	
Borrowings	286,410
Total financial liabilities	286,410
Interest sensitivity gap	4,804,031
At 30 June 2010	
Total financial assets	6,115,916
Total financial liabilities	1,660,630
Interest sensitivity gap	4,455,286

Interest rate risks – increase / decrease of 1% in net interest margin
The following sensitivity analysis shows how profit would change if the market risk variables had been different at the end of the reporting period with all other variables held constant.

	Ushs' 000 Effect on profit 2011	Ushs' 000 Effect on profit 2010
- one percentage point movement	349	(5,033)
+ one percentage point movement	(349)	5,033

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

6 FINANCIAL RISK MANAGEMENT (Continued)

(i) Interest rate risk (Continued)

As at 30 June 2011	Weighted average effective	3 months to 1 year Ushs'000	1 to 5 years Ushs'000	Total Ushs'000
Varriable interest rate financial assets	11.25%	1,492,456	-	1,492,456
Variable interest rate financial liabilities	15.57%	286,410	-	286,410

(ii) Currency risk

The company's operations are predominantly in Uganda where the currency has been relatively unstable against the major convertible currencies. Majority of the purchases are denominated in foreign currency and therefore a mismatch exists between sales and purchases in terms of non-uniformity in currency of trade.

The company's foreign currency dominated financial assets and liabilities are predominantly in USD and Euros. The carrying amounts of the company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	USD Ushs' 000	GBP Ushs' 000	EURO Ushs' 000	Total Ushs' 000
2011				
Assets				
Bank balances	200,872	-	22,836	223,708
Trade receivables	29,645	-	17,182	46,827
Total assets	230,517	-	40,018	270,535
Liabilities				
Trade payables	917,084	48,398	546,195	1,511,677
Total liabilities	917,084	48,398	546,195	1,511,677
2010				
Assets				
Bank balances	649,387	-	29,672	679,059
Trade receivables	336,149	134,261	368,921	839,331
Total assets	985,536	134,261	398,593	1,518,390
Liabilities				
Trade payables	1,042,375	-	-	1,042,375
Total liabilities	1,042,375	-	-	1,042,375

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

6 FINANCIAL RISK MANAGEMENT (Continued)

(ii) Currency risk (continued)

Foreign exchange risk – appreciation/depreciation of Ushs against other currencies by 5%.

The following sensitivity analysis shows how profit would be affected if the market risk variables had been different at reporting date with all other variables held constant.

	2011 Ushs' 000 Effect on profit	2010 Ushs' 000 Effect on profit
Currency - US Dollars		
+ 5% Ushs Movement	(34,328)	2,845
- 5% Ushs Movement	34,328	(2,845)
Currency - Euros		
+ 5% Ushs Movement	(25,309)	19,929
- 5% Ushs Movement	25,309	(19,929)
Currency - British pounds		
+ 5% Ushs Movement	(2,386)	6,713
- 5% Ushs Movement	2,386	(6,713)

7 CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with other players in the industry, the company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt.

The company manages its capital to ensure that it is able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The company's overall strategy remains at maximizing shareholders value.

The gearing ratio at year end was as follows	2011 Ushs '000	2010 Ushs '000
Debt (includes short term borrowings)	286,410	1,660,630
Cash and bank balances	(4,023,778)	(2,545,746)
Net debt	(3,737,368)	(885,116)
Equity (includes all capital and reserves)	49,897,388	48,041,208
Net debt to equity ratio	-7%	-2%

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

	2011 Ushs '000	2010 Ushs '000
8 REVENUE		
Advertising revenue	36,501,193	28,652,042
Circulation sales	15,805,605	14,094,880
Commercial printing revenue	9,203,496	6,817,940
Scrap sales	309,336	388,244
	61,819,630	49,953,106
9 OTHER OPERATING INCOME		
Bad debts recovered	46,812	5,804
Interest income	148,070	346,521
Other income	50,216	494,627
Foreign exchange gains	170,203	39,797
	415,301	886,749
10 FINANCE COSTS		
Interest expense on finance leases	151,560	296,191
Finance lease charge	271,740	340,673
	423,300	636,864
11 (a) PROFIT BEFORE TAXATION		
The profit before taxation is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	4,535,684	3,797,127
Amortisation of prepaid operating leases	73,933	73,933
Staff costs (Note 10 (b))	16,361,724	13,734,095
Provision for doubtful debts	298,384	446,464
Provision for obsolete inventories	115,895	211,498
Auditors' remuneration	62,914	46,500
Finance lease charge	271,740	340,673
Directors' fees	207,959	38,334
(Gain)/loss on disposal of assets	(58,082)	1,439,441
(b) STAFF COSTS		
Salaries and wages	13,143,987	11,036,932
Terminal benefits	25,472	8,286
National Social Security Fund contributions	1,231,793	1,027,448
Gratuity expenses - (note 28)	469,296	395,737
Other staff costs	1,491,176	1,265,692
	16,361,724	13,734,095

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

12 TAXATION	2011 Ushs '000	2010 Ushs '000
(a) **Taxation charge**		
Current taxation	1,331,153	(2,568,746)
Deferred taxation charge - note (d)	351,026	3,732,923
	1,682,179	1,164,177
(b) **Reconciliation of taxation charge to expected tax based on accounting profit**		
Profit before taxation	4,685,859	1,898,963
Tax at applicable rate of 30%	1,405,758	569,689
Tax effect of non-deductible expenses	(74,605)	1,933,644
Deferred tax not recognised	-	(1,339,156)
	1,331,153	1,164,177
(c) **Corporate tax recoverable**		
At beginning of year	(2,881,298)	(307,413)
Charge / (credit) for the year - note (a)	1,331,153	(2,568,746)
Tax paid during the year	(13,877)	(5,139)
At end of year	(1,564,022)	(2,881,298)
(d) **Deferred tax liability**		
The deferred income tax liability comprises;		
Accelerated capital allowances	5,490,646	5,011,012
Deferred tax on revaluation	114,785	160,546
Provisions	(453,308)	(370,461)
	5,152,123	4,801,097
Movement in dererred tax account		
At beginning of year	4,801,097	1,068,174
Charge profit or loss - note (a)	351,026	3,732,923
At end of year	5,152,123	4,801,097

13 (a) EARNINGS PER SHARE – BASIC & DILUTED

Profit attributable to ordinary shareholders – Ushs'000	3,003,680	734,786
	No.	No.
Shares in issue during the year	76,500,000	76,500,000
	Ushs	Ushs
Basic earnings per share – Ushs	39	10

The basic and diluted earnings per share were the same as at 30 June 2011 and 30 June 2010 since there were no potentially dilutive shares.

b) DIVIDENDS PER SHARE

During the year, a dividend of Ushs 15 per share amounting to Ushs 1,147,500,000 was paid in respect of 2010 financial year (2010 – Ushs 15 amounting to Ushs 1,147,500,000 in respect of 2009 financial year). Payment of dividends is subject to withholding tax at a rate of 15% for non individuals and 10% for individuals.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

14 PROPERTY, PLANT AND EQUIPMENT

a) For the year ended 30 June 2011

	Freehold land Ushs '000	Buildings Ushs '000	Plant and machinery Ushs '000	Motor vehicles Ushs '000	Furniture and equipment Ushs '000	Radio transmission equipment Ushs '000	Computers Ushs '000	Radio studio equipment Ushs '000	Radio studio electronics Ushs '000	Cameras and pre-press Ushs '000	Television studio equipment and electronics Ushs '000	Television transmission equipment Ushs '000	Total Ushs '000
COST AND VALUATION													
At 1 July 2010	27,000	11,036,479	22,324,589	547,421	1,789,697	1,008,332	3,673,611	361,862	131,242	1,792,111	198,513	320,873	43,211,730
Additions	-	193,716	1,883,643	788,762	391,447	134,807	947,679	-	7,153	86,088	701,874	431,212	5,566,381
Disposals	-	-	(116,757)	(294,203)	(26,724)	(52,107)	(102,760)	-	-	(386,802)	-	-	(979,353)
At 30 June 2011	27,000	11,230,195	24,091,475	1,041,980	2,154,420	1,091,032	4,518,530	361,862	138,395	1,491,397	900,387	752,085	47,798,758
At cost	27,000	11,230,195	23,231,210	1,041,980	2,154,420	1,091,032	4,518,530	361,862	138,395	1,491,397	900,387	752,085	46,938,493
At valuation - 2007	-	-	860,265	-	-	-	-	-	-	-	-	-	860,265
	27,000	11,230,195	24,091,475	1,041,980	2,154,420	1,091,032	4,518,530	361,862	138,395	1,491,397	900,387	752,085	47,798,758
DEPRECIATION													
At 1 July 2010	-	750,048	2,403,999	506,091	1,059,151	140,473	3,168,070	125,578	33,306	826,132	25,224	29,107	9,067,179
Eliminated on disposal	-	-	(43,809)	(188,276)	(16,076)	(10,393)	(102,760)	-	-	(309,390)	-	-	(670,704)
Charge for the year	-	449,467	1,994,734	221,049	370,877	78,582	693,034	59,377	21,382	445,836	142,749	58,597	4,535,684
At 30 June 2011	-	1,199,515	4,354,924	538,864	1,413,952	208,662	3,758,344	184,955	54,688	962,578	167,973	87,704	12,932,159
At cost	-	1,199,515	3,877,275	538,864	1,413,952	208,662	3,758,344	184,955	54,688	962,578	167,973	87,704	12,454,510
At valuation - 2007	-	-	477,649	-	-	-	-	-	-	-	-	-	477,649
	-	1,199,515	4,354,924	538,864	1,413,952	208,662	3,758,344	184,955	54,688	962,578	167,973	87,704	12,932,159
NET BOOK VALUE													
At 30 June 2011	27,000	10,030,680	19,736,551	503,116	740,468	882,370	760,186	176,907	83,707	528,819	732,414	664,381	34,866,599
At cost	27,000	10,030,680	19,353,935	503,116	740,468	882,370	760,186	176,907	83,707	528,819	732,414	664,381	34,483,983
At valuation - 2007	-	-	382,616	-	-	-	-	-	-	-	-	-	382,616
	27,000	10,030,680	19,736,551	503,116	740,468	882,370	760,186	176,907	83,707	528,819	732,414	664,381	34,866,599

Buildings, plant and machinery were last re-valued during the year ended 30 June 2007, by Bageine and Company, independent valuers. Valuations were made on the basis of open market value. The book values of the revalued assets were adjusted to the revalued amounts and the resultant surplus, net of deferred income tax, was credited to the revaluation reserve in shareholders' equity. The revaluation reserve is non-distributable and is released to retained earnings through use or disposal of the asset.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

14 PROPERTY, PLANT AND EQUIPMENT

b) For the year ended 30 June 2010

	Freehold land Ushs '000	Buildings Ushs '000	Plant and machinery Ushs '000	Motor vehicles Ushs '000	Furniture and equipment Ushs '000	Radio transmission equipment Ushs '000	Computers Ushs '000	Radio studio equipment Ushs '000	Radio studio electronics Ushs '000	Cameras and pre-press Ushs '000	Television studio equipment Ushs '000	Television transmission equipment Ushs '000	Capital work in progress Ushs '000	Total Ushs '000
COST AND VALUATION														
At 1 July 2009	27,000	3,473,031	6,623,698	549,390	1,365,560	614,264	3,122,347	262,480	66,883	1,757,828	-	-	3,688,870	21,551,351
Additions	-	7,563,448	10,056	4,148	432,945	394,068	775,288	99,382	64,359	34,283	198,513	320,873	15,096,517	24,993,880
Transfers	-	-	18,785,387	-	-	-	-	-	-	-	-	-	(18,785,387)	-
Disposals	-	-	(3,094,552)	(6,117)	(8,808)	-	(224,024)	-	-	-	-	-	-	(3,333,501)
At 30 June 2010	27,000	11,036,479	22,324,589	547,421	1,789,697	1,008,332	3,673,611	361,862	131,242	1,792,111	198,513	320,873	-	43,211,730
At cost	27,000	11,036,479	21,464,324	547,421	1,789,697	1,008,332	3,673,611	361,862	131,242	1,792,111	198,513	320,873	-	42,351,465
At valuation - 2007	-	-	860,265	-	-	-	-	-	-	-	-	-	-	860,265
	27,000	11,036,479	22,324,589	547,421	1,789,697	1,008,332	3,673,611	361,862	131,242	1,792,111	198,513	320,873	-	43,211,730
DEPRECIATION														
At 1 July 2009	-	299,338	1,344,788	435,796	753,341	59,632	2,691,978	66,230	14,744	481,010	-	-	-	6,146,857
Eliminated on disposal	-	-	(638,732)	(6,117)	(8,808)	-	(223,148)	-	-	-	-	-	-	(876,805)
Charge for the year	-	450,710	1,697,943	76,412	314,618	80,841	699,240	59,348	18,562	345,122	25,224	29,107	-	3,797,127
At 30 June 2010	-	750,048	2,403,999	506,091	1,059,151	140,473	3,168,070	125,578	33,306	826,132	25,224	29,107	-	9,067,179
At cost	-	750,048	2,078,887	506,091	1,059,151	140,473	3,168,070	125,578	33,306	826,132	25,224	29,107	-	8,742,067
At valuation - 2007	-	-	325,112	-	-	-	-	-	-	-	-	-	-	325,112
	-	750,048	2,403,999	506,091	1,059,151	140,473	3,168,070	125,578	33,306	826,132	25,224	29,107	-	9,067,179
NET BOOK VALUE														
At 30 June 2010	27,000	10,286,431	19,920,590	41,330	730,546	867,859	505,541	236,284	97,936	965,979	173,289	291,766	-	34,144,551
At cost	27,000	10,286,431	19,385,437	41,330	730,546	867,859	505,541	236,284	97,936	965,979	173,289	291,766	-	33,609,398
At valuation - 2007	-	-	535,153	-	-	-	-	-	-	-	-	-	-	535,153
	27,000	10,286,431	19,920,590	41,330	730,546	867,859	505,541	236,284	97,936	965,979	173,289	291,766	-	34,144,551

Buildings, plant and machinery were last re-valued during the year ended 30 June 2007, by Bageine and Company, independent valuers. Valuations were made on the basis of open market value. The book values of the revalued assets were adjusted to the revalued amounts and the resultant surplus, net of deferred income tax, was credited to the revaluation reserve in shareholders' equity. The revaluation reserve is non-distributable and is released to retained earnings through use or disposal of the asset.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

14 PROPERTY, PLANT AND EQUIPMENT (Continued)

No additional asset was acquired under finance lease in the current year The Net Book Value of all the assets subject to finance leases amount to Ushs 961 million (2010: Ushs 1,171 million).

	2011 Ushs '000	2010 Ushs '000
Cost - capitalised finance leases	1,941,345	3,734,897
Disposals	(386,802)	(1,793,552)
	1,554,543	1,941,345
Depreciation		
At beginning of year	769,959	833,875
Eliminated on disposal	(309,390)	(290,930)
Charge for the year	132,853	227,014
	593,422	769,959
Net Book Value	961,121	1,171,386

If the buildings, plant and machinery were stated on the historical cost basis, the amounts would be as follows:

	Buildings 2011 Ushs '000	Buildings 2010 Ushs '000	Plant and machinery 2011 Ushs '000	Plant and machinery 2010 Ushs '000
Cost	11,230,195	11,036,479	23,231,210	21,464,324
Accumulated depreciation	(1,199,515)	(750,048)	(3,877,275)	(2,078,887)
Net Book Value	10,030,680	10,286,431	19,353,935	19,385,437

15 PREPAID OPERATING LEASE RENTALS

	2011 Ushs '000	2010 Ushs '000
COST		
At beginning of year	2,914,854	2,718,854
Additions	-	196,000
At end of year	2,914,854	2,914,854
AMORTISATION		
At beginning of year	364,248	290,315
Charge for the year	73,933	73,933
At end of year	438,181	364,248
NET BOOK VALUE		
At end of year	2,476,673	2,550,606

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

	2011	2010
	Ushs '000	Ushs '000
16 INTANGIBLE ASSETS		
a) Computer software and websites		
COST		
At beginning and end of year	42,000	42,000
AMORTISATION		
At beginning and end of year	42,000	42,000
NET BOOK VALUE		
At end of year	-	-
b) Goodwill		
At beginning and end of year	134,706	134,706
TOTAL INTANGIBLE ASSETS	134,706	134,706
17 INVESTMENTS		
Short-term Investments		
Fair value through profit or loss: African Alliance Uganda Limited	492,456	389,558
Held to maturity: Stanbic Bank Uganda Limited	1,000,000	3,482,000
	1,492,456	3,871,558
Long-term Investments		
Fair value through profit or loss: African Alliance Uganda Limited	-	327,126
Total Investments	1,492,456	4,198,684

The fair value through Profit or loss investments represent funds invested on the company's behalf by African Alliance Uganda Limited.

The Held to maturity investments are term deposits held with Stanbic bank Uganda Limited. The effective interest rate of the term deposits is 11.25% (2010: 1.6%)

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

		2011	2010
		Ushs '000	Ushs '000
18	INVENTORIES		
	News print	4,698,066	1,725,118
	Consumables	1,259,587	480,993
	Work in progress	225,291	150,942
	Printing ink and chemicals	929,550	1,021,569
	Films and plates	625,202	974,397
	Provision for obsolescence	(103,160)	(130,920)
		7,634,536	4,222,099
19	TRADE AND OTHER RECEIVABLES		
	Trade receivables	9,661,850	8,987,679
	Less: provision for impairment	(680,149)	(708,229)
	Net trade receivables	8,981,701	8,279,450
	Prepayments	289,774	311,897
	Staff advances	383,019	327,281
	Other receivables	113,058	84,498
	Receivables from related parties (Note 19(b))	34,913	81,429
		9,802,465	9,084,555

20 RELATED PARTY BALANCES AND TRANSACTIONS

(a) **Related parties include:**

-The Government of Uganda
- National Social Security Fund
- National Insurance Corporation
- The Eye Magazine
- Protea Hotel*
- Simba Telecom*

The government of Uganda is a majority shareholder through the Minister of Finance, Planning and economic Development and the Minister of state for Finance (privatization). National Social Security Fund and National Insurance Corporation are significant shareholders in the company

The Eye Magazine is owned by a key management personnel.

*Protea Hotel and Simba Telecom ceased being related parties to the company in the current year following the resignation of Mr. Patrick Bitature from the company's board of directors.

		2011	2010
(b)	**Due from related parties**	Ushs '000	Ushs '000
	The Eye Magazine	34,913	73,928
	Protea Hotel	-	2,727
	Simba Telecom	-	8,255
	Less: provision for impairment	-	(3,481)
	Total due from related parties - note 18	34,913	81,429
(c)	**Due to related parties**		
	Protea Hotel - note 24	-	12,502

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

	2011	2010
	Ushs '000	Ushs '000
20 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)		
(d) **Transactions with related parties**		
(i) Sales of goods and services		
Advertisements in Newspapers / Magazines / Radio and Television		
Advertisements in newspapers Protea Hotel/ Simba Telecom	-	26,522
Newspapers supplied to Protea Hotel	-	15,258
Commercial printing work with The Eye Magazine	229,521	203,159
	229,521	244,939
ii) Purchase of goods and services		
Meeting services with Protea Hotel	-	36,546
	-	36,546

Sales and purchases to/from related parties were made at terms and conditions similar to those offered to major customers / suppliers.

	2011	2010
(e) **Compensation to key management personnel**	Ushs '000	Ushs '000
Salaries and other short term benefits	890,545	903,893
Gratuity	258,585	395,737
	1,149,130	1,299,630
(f) **Directors' remuneration**		
- Executive Directors	280,680	237,600
- Non Executive Directors - fees	207,959	38,334
	488,639	275,934

21 CASH AND BANK BALANCES

	2011	2010
Cash on hand	425,793	301,388
Cash at bank	3,597,985	2,244,358
	4,023,778	2,545,746

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)**

		2011	2010
22	SHARE CAPITAL	Ushs '000	Ushs '000
	Authorised:		
	76,500,000 Ordinary shares of Ushs 19.66 each	1,503,990	1,503,990
	Issued and fully paid:		
	76,500,000 Ordinary shares of Ushs 19.66 each	1,503,990	1,503,990
23	SHARE PREMIUM		
		27,158,864	27,158,864

The share premium comprises 25,500,000 ordinary shares of Ushs 19.66 each which were issued at a premium of Ushs 1,080.34 per share.

		2011	2010
		Ushs '000	Ushs '000
24	BORROWINGS		
	Short-term finance leases	286,410	1,265,434
	Long-term finance leases	-	395,196
		286,410	1,660,630
	Finance lease liabilities - minimum lease payments		
	Due within 1 year	367,990	1,564,134
	Due after 1 year but within 5 years	-	415,783
		367,990	1,979,917
	Future finance charges	(81,580)	(319,287)
		286,410	1,660,630

The company entered into a Uganda Shilling denominated finance lease arrangement to finance the purchases of printing equipment worth Ushs 1,465 million from East African Development Bank in the financial year 2007/2008. This lease has a 1% purchase option at expiry and is repayable over a period of five years. The finance lease is secured on the leased assets and the effective interest rate on the lease was 15.57% (2010: 15.57%).

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

		2011 Ushs '000	2010 Ushs '000
25	TRADE AND OTHER PAYABLES		
	Trade payables	3,353,587	2,434,843
	VAT payable	373,170	601,897
	Accruals	434,964	359,821
	Other payables	2,055,963	1,202,570
	Due to related parties (Note 19)	-	12,502
		6,217,684	4,611,633
26	a) DIVIDENDS PAYABLE		
	At beginning of year	647,677	35,121
	Dividends declared in the year	1,147,500	1,147,500
	Dividends paid in the year	(1,353,547)	(534,944)
	At end of year	441,630	647,677

b) DIVIDENDS PER SHARE

During the year, a dividend of Ushs 15 per share amounting to Ushs 1,147,500,000 was paid in respect of 2010 financial year (2010 – Ushs 15 amounting to Ushs 1,147,500,000 in respect of 2009 financial year). Payment of dividends is subject to withholding tax at a rate of 15% for non individuals and 10% for individuals.

		2011 Ushs '000	2010 Ushs '000
27	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	4,685,859	1,898,963
	Adjustments for:		
	Depreciation	4,535,684	3,797,127
	Amortisation of operating lease prepayments	73,933	73,933
	(Gain)/Loss on disposal of property, plant and equipment	(58,082)	1,439,441
	Interest expenses	151,560	296,191
	Interest received	(148,070)	(346,521)
	Operating profit before working capital changes	9,240,884	7,159,134
	(Increase)/decrease in inventories	(3,412,437)	703,771
	(Increase)/decrease in trade and other receivables	(717,910)	13,085,673
	Increase in trade and other payables	1,606,051	1,191,986
	Cash generated from operations	6,716,588	22,140,564

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

28 CASH AND CASH EQUIVALENTS

For cash flow purposes, the cash and cash equivalents comprise:

	2011	2010
	Ushs '000	Ushs '000
Cash on hand (note 20)	425,793	301,388
Cash at bank (note 20)	3,597,985	2,244,358
Held to maturity investments (note 16)	1,000,000	3,482,000
	5,023,778	6,027,746

29 RETIREMENT BENEFIT OBLIGATIONS

During the year, the Company incurred Ushs 469.2 million (2010: Ushs 395.7 million) as gratuity for managers employed on contract terms. The amount has been charged to the statement of comprehensive income.

30 CAPITAL COMMITMENTS

	2011	2010
	Ushs '000	Ushs '000
Authorised and contracted for	1,630,023	717,376
Authorised but not contracted for	-	125,100
Future lease commitments		
	1,630,023	842,476

31 OPERATING LEASE RENTALS

	2011	2010
Minimum lease payments under operating lease recognised in income for the year.	271,740	340,673

32 CONTINGENT LIABILITIES

The company is involved in a number of legal and court cases which were yet to be concluded upon by the date of authorisation of these financial statements. The contingent liabilities arising from these cases amount to Ushs 872,498,392 (2010: Ushs 622,737,092). However, based on legal advice, the directors have evaluated the pending cases and determined that no material financial liability is likely to crystallise. Consequently, no provisions have been made in these financial statements in respect of these cases.

APPENDIX I

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

DETAILED STATEMENT OF INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 Ushs '000	2010 Ushs '000
Revenue		61,819,630	49,953,106
Direct costs	Appendix II	(43,670,234)	(35,606,222)
Gross Profit		18,149,396	14,346,884
Other operating income		415,301	886,749
Distribution costs	Appendix II	(1,254,442)	(1,157,785)
Administrative expenses	Appendix III	(12,225,114)	(10,077,477)
Gain/(loss) on disposal of assets		58,082	(1,439,441)
Loss on investments		(34,064)	(23,103)
Finance costs		(423,300)	(636,864)
Profit before taxation		4,685,859	1,898,963

APPENDIX II

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

DETAILED STATEMENT OF INCOME
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

	2011 Ushs '000	2010 Ushs '000
Direct costs		
Material cost	12,818,476	11,332,165
Production salaries and wages	9,995,501	8,322,736
Advertising commission	5,518,544	4,334,805
Depreciation	3,494,291	2,955,384
Promotional expenses	1,880,336	1,674,253
Contributors' payments	1,877,785	1,420,018
TV content	1,508,082	519,021
Other staff costs	1,169,713	930,066
Repairs and maintenance	1,183,680	561,591
Other production costs	882,294	584,673
Utilities	756,882	673,026
Professional fees	566,386	192,445
Motor vehicle running costs	489,006	391,414
Communication costs	452,799	522,095
News services & licenses	379,820	360,778
Insurance	273,533	186,604
Rent and rates	210,626	433,650
Provision for obsolescence	115,895	211,498
Election expenses	95,776	-
Meeting Expense	809	-
	43,670,234	35,606,222
Distribution costs		
Transportation of newspapers	1,254,442	1,157,785

APPENDIX III

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

DETAILED STATEMENT OF INCOME
FOR THE YEAR ENDED 30 JUNE 2011 (Continued)

	2011	2010
	Ushs '000	Ushs '000
Administrative expenses		
Other salaries and wages	3,148,486	2,714,196
NSSF Contribution	1,231,793	1,027,448
Depreciation charge	1,115,326	915,673
Repairs and maintenance	981,105	720,417
Printing and Stationery	542,254	443,338
Rent and office expenses	521,116	629,111
Gratuity	469,296	395,737
Bad debts provision	298,384	446,464
Other operating expenses	632,778	279,410
Staff training	391,720	174,936
Medical expenses	386,057	249,459
Motor vehicle running costs	326,004	260,943
Other staff costs	321,463	335,626
Electricity and water	304,699	326,121
Security	280,225	202,596
Travel and accommodation	234,314	154,433
Directors' expenses	207,959	38,334
Professional fees	203,712	164,113
Entertainment	140,702	144,958
Communication costs	113,200	130,524
General Insurance	107,077	87,064
Bank charges and commission	104,027	90,009
Shareholders' expenses	65,949	70,420
Audit fees	62,914	46,500
Team building	24,777	-
Grants and donations	9,777	29,647
	12,225,114	10,077,477

Proxy **CARD**

For the attention of:
The Company Secretary
New Vision Printing and Publishing Company Limited
P.O. Box 9815, Kampala
Plot 19/21 1st Street Industrial Area

10th ANNUAL GENERAL MEETING

VISION GROUP
NATIONAL PRIDE • GLOBAL EXCELLENCE
Incorporated as New Vision PPCL

PROXY CARD

I/We the undersigned being a shareholder in the above mentioned company, hereby appoint

....

of (address)..

as my/our proxy to attend and vote on my/our behalf at the 10th Annual General Meeting of the company to be held on 17th day of November 2011 at 3.00pm or at any adjournment thereof.

Signed this.........................day of ....2011.

Name..

Signature...

Note:

1. This proxy card is to be delivered to the Company Secretary or faxed to +256 (0414) 346432 at least twenty four hours before the time appointed for holding the meeting and in default the instrument of proxy shall be treated as invalid.
2. In the case of a corporation, the proxy must be under that corporation's common seal.

New Vision
UGANDA'S LEADING DAILY

Saturday Vision
-- 7 days one paper --

SUNDAY Vision
--Big on Sundays! Miss it, Miss out--

Bukedde

Bukedde
LWAMUKAAGA

Bukedde
KU SSANDE

ORUMURI

RUPINY

ETOP

X FM 94.8
u know u want to...

Bukedde FM 100.5
Embuutikizi

100.2FM
Radio West

ETOP Radio 99.4 FM
AICA NA ATEKER

RADIO RUPINY
95.7 FM, Lira-98.1 FM

CITYBEAT

Flair
FOR HER

BRIDE & GROOM

PREMIERSHIP

Bukedde TV

Urban

tvWest

Vision Printing™
UGANDA'S BEST VALUE PRINTER

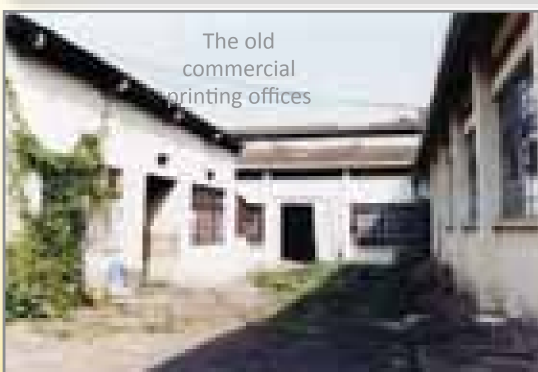
SMS 8338
Info in yo hands

25 YEARS
1986 -2011

VISION GROUP through the years

The First New Vision Head Office as of 1986

New Vision Head Office today



The old commercial printing offices

The present commercial printing offices

Vision Group through the years

Old Pre-press and Store

New Factory Building

Old Face of the New Vision Newspaper


NewVision
UGANDA'S LEADING DAILY
Bukenya rejects court summons
Adjusting to life as a politician's spouse
MUSEVENI WARNS NEW MINISTERS
Seya refuses to surrender house
Makerere to trail graduates for fee
NATIONAL NEWS
Hepatitis E break out in Kabong
OBITUARY
Remembering our dear ones


SUNDAY Vision
Late Edition
--Big on Sundays! Miss it, Miss out--
GADAFFI'S SH900B IN UGANDA
Libyan companies in trouble as sanctions bite - Page 3
COURTSHIP:
How to win the heart of an Acholi girl through dance
Mafabi, Mbabazi spice up race for Speaker
A WOMAN'S PAIN OVER MISSING HUSBAND - REAL LIFE PULL-OUT

New Look of the Newspaper

25 YEARS
1986 -2011

Vision Group through the years

The old printing press

The current ultra modern 9000 printing press

Vision Group's 25th anniversary celebration

Bukedde TV-News

The front office

25
YEARS
1986 -2011

New Vision Printing and Publishing Company Limited
Plot 19/21, 1st Street Industrial Area.
P.O. Box 9815, Kampala **Tel:** 256 414 337 000 **Fax:** 256 414 235 843
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