VISION GROUP

NATIONAL PRIDE • GLOBAL EXCELLENCE

BROADENING OUR REACH

ANNUAL REPORT 2011/12

Vision

“ A globally respected African media powerhouse that advances society”

Misssion

“To be a market focused, performance driven organisation, managed on global standards of operational and financial efficeincy”

Values

- Honesty
- Innovation
- Fairness
- Courage
- Excellence
- Zero Tolerance To Corruption
- Social Responsibility

CONTENT

VISION GROUP

NATIONAL PRIDE • GLOBAL EXCELLENCE

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 11th 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, 15th November 2012 at 3:00pm to conduct the following business:

1. To receive and adopt the report of the directors and the financial statements of the Company for the year ended June 30th 2012, together with the report of the auditors.

2. To approve and declare a final dividend of Ushs 35 per share for the year ended 30th June 2012.

3. To rotate and elect directors.

   In accordance with Articles 83-87 of the Company's Articles of Association, Capt. Gad Gasaatura retires by rotation from office as a director of the Company and being eligible offers himself for re-election.

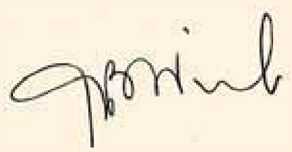
4. To appoint auditors for the financial year 2012/2013 and authorise directors to fix their remuneration in accordance with sections 159-162 of the Companies Act.

AOB:

To conduct any other business that may be conducted at the AGM for which notice will have been duly received.

Dated this 17th day of October, 2012

By order of the Board



Gervase Ndyanabo

COMPANY SECRETARY

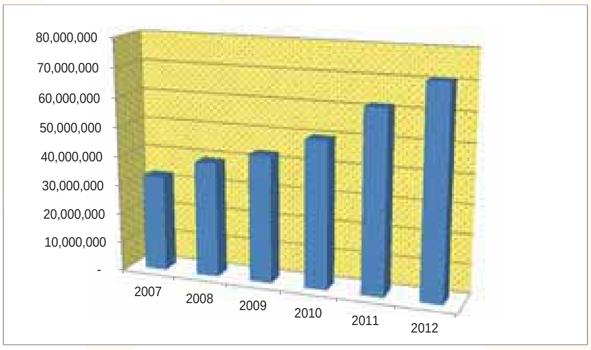
Note

- 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 in 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 or by phone: 0414 337 835

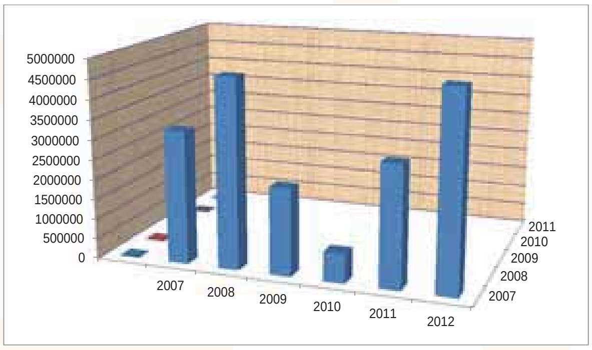
FINANCIAL HIGHLIGHTS

	2012	2011	2010	%change
	UGX'000	UGX '000	UGX '000	
Statement of comprehensive Income (Income Statement)				
Turnover	71,111,117	61,819,630	49,953,106	15
Profit before tax	5,492,720	4,685,859	1,898,963	17
Profit after tax	3,859,053	3,003,680	734,786	28
Statement of Financial Position (Balance Sheet)				
Property y Plant &Equipment	33,639,844	34,866,599	34,144,551	-4
Total Assets	64,410,639	61,995,235	59,762,245	4
Shareholders funds	51,603,129	49,897,388	48,041,208	3
Financial Performance				
Gross Profit Margin	29	29	29	0
Net Profit Margin	8	8	4	0
Return on Capital Employed	11	9	4	2
Return on non current Assets	15	13	5	2
Share Statistics				
Earnings Per share-basic &diluted	50	39	10	28%
Dividends (Proposed) per share	35	30	15	17%

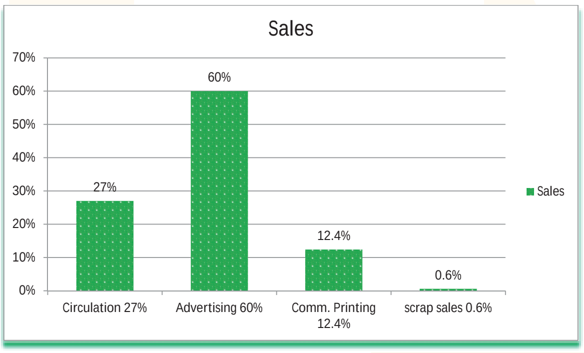
Turnover Trends Ushs



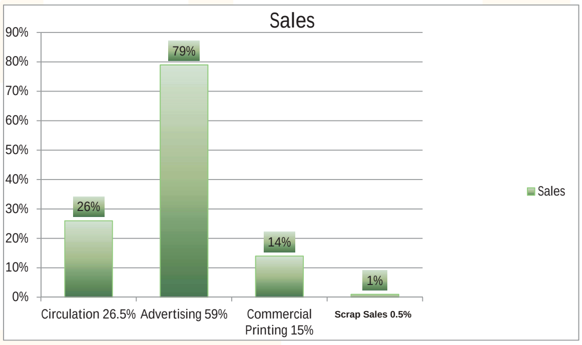
Profit After Tax Trends Ushs



Turnover Breakdown 2012



Turnover Breakdown 2011



BOARD OF DIRECTORS

Mr. David Ssebabi
Board Chairman

Mr. Robert Kabushenga
Managing Director/CEO

Mrs. Christine Guwatudde Kintu
Non Executive Director

Mr. Charles Tukacungurwa
Non Executive Director

Mr. Orono Otweyo
Non Executive Director

Capt. Gad Gasaatura
Non Executive Director

Hon. Steven Bamwanga
Non Executive Director

Ms. Grace Dwonga
Non Executive Director

Dr. Monica Chibita
Non Executive Director

Mr. Oode Obella
Non Executive Director

Mr. Gervase Ndyanabo
Company Secretary

CHAIRMAN'S STATEMENT

Mr. David Ssebabi
Board Chairman

Vision Group reported solid financial results in the last financial year with a significant improvement in performance despite the tough operating environment. Overall turnover grew by 15% from 61.8 billion Ushs to 71 billion Ushs. Profit before tax rose by 17% from 4.7 billion Ushs to 5.5 billion Ushs.

Beyond delivering solid results, the Group has taken strategic actions for long-term success by increasing our investments to enable a sustainable growth model for our business. This model reflects the vision, mission and values that are central to the company's approach to doing business.

We also see good governance as an essential foundation for the long-term success of the Group, and your directors firmly believe that upholding the highest standards of corporate governance is an essential component of the delivery of the Group's strategy. You will find a description of the Group's corporate governance structures and procedures, along with an explanation of the work of the Board on page 12.

Understanding our Business

The Board and Executive Management meet annually to consider and approve the company strategy for the year ahead, and performance and progress against set objectives are reviewed quarterly.

In January 2012, the directors held a board retreat to develop annual plans and a long-term strategy for the company. The retreat also served as a platform for analysis on how to improve its performance and effectiveness to effectively contribute to the attainment of competitive advantage and increase shareholder return. An international management consultant and business advisor guided the directors on the qualities of an efficient and performing board.

We expect and are prepared for increased competition in most of the market segments but we look forward to growing our market share robustly

Dividend

Our continued improved performance is a clear indication of our commitment to increase shareholders return.

The Board of Directors is thus recommending a dividend of 35 Uganda Shillings per share subject to approval by shareholders at the Annual General Meeting.

Future Outlook

We expect and are prepared for increased competition in most of the market segments and we look forward to growing our market share robustly. We will utilise our financial resources to continue investing in order to offer excellent services to our clients and to position ourselves for sustainable growth and profitability. I am confident that with continued focus, the great efforts will yield even higher returns on our investment in the years to come.

Acknowledgement

On behalf of the Board of Directors, I wish to recognise and extend my sincere appreciation to our esteemed customers and other stakeholders who have supported us over the years.

I sincerely thank the management and staff of Vision Group for their dedicated service and achievements in implementing successful strategies in an extremely challenging and competitive environment during the year. I also thank my fellow Board Members for their support, diligence and commitment as we work towards achieving the company's objectives of realizing full potential.

To our shareholders, we are sincerely grateful for your support of an investment in the company's initiatives towards realising its full potential through sustainable growth.

Directors at the Board Retreat in Entebbe in January 2012

SENIOR MANAGEMENT

Robert Kabushenga
Chief Executive Officer/CEO

Gervase Ndyanabo
Company Secretary/
Chief Operations Officer

Barbara Kaija
Editor in Chief

Hajji Zubair Musoke
Chief Finance Officer

Tony Glencross
Chief Commercial Officer

Kathy Turinawe
Chief Human Resource Officer

Caroline Lutalo
Chief Internal Auditor

Bill Tibingana
Head of Radio

Peter Taremwa
Head of Printing

Mark Walungama
Head of TV

Louis Jadwong
Head of Digital

Susan Nsibirwa
Head of Marketing

Hope Nuwagaba
Head of Sales

Mr. Robert Kabushenga
CEO Vision Group

CHIEF EXECUTIVE OFFICER'S STATEMENT

Despite the challenging economic times in 2011/2012 the Company demonstrated remarkable resilience and better performance is expected in the next financial year

The previous financial year has been yet another year of real progress in delivering on the Company's strategy. Business objectives, financial targets and the budgeting process were developed within the broad structure of the strategic direction set by the Board of Directors. This has focused the activities of management on specific areas that have enabled the company improve its performance. This explains the significant progress in the transformation of the Company amidst difficult market conditions and the Company repositioning for future growth.

Most of the Strategic Business Units recorded an increase in revenue; Bukedde TV maintained market leadership and was ranked the most watched TV station in the country by UAMPS while TV West remained the biggest TV station in Western Uganda. The year also saw some product innovations like the introduction of The Kampala Sun, a weekly English tabloid and Urban TV aimed at the youth market. To enhance viewership, an agreement was entered into with MultiChoice Africa Ltd to host Bukedde TV on DStv and GoTv TV packages. There was also successful product repositioning of XFM, Bukedde FM, Flair for Her and Bukedde newspaper.

The company also effected a cover price increase on Bukedde and New Vision newspapers in July 2011 due to increased printing costs which was implemented without a reduction in sales.

Achieving International Standards of Efficiency

To achieve international standards of financial efficiency, the Management team applied a frugal and disciplined approach to the management of cash resources. There was aggressive revenue collection and disciplined spending behavior.

Management was able to control production cost targets by keeping down wastage and therefore the overall cost of doing business. This was largely due to tight supervision and discipline in consumption in a market that was experiencing very high inflation.

The Management team is deliberately driving a culture of frugality with respect to utilities consumption, assets protection and optimization plus handling of consumables. The Finance Team has also established a system of regularly reviewing management of costs by different units to make sure that there is real time response to high cost situations.

Financial Performance

The company achieved impressive revenue growth in advertising, circulation and printing. Overall Group sales grew by 16%, circulation revenue grew by 22% while advertising revenue grew by 16%.

However, there was a decline in printing sales by 2.5% which nevertheless was an improved performance on the previous non-election year (FY 2009/10). The company managed to maintain over 60% market share in both advertising and copy sales for all newspapers also closing in on the dominant market share for Radios, TVs and Digital. Printing gained over Ushs 600,000,000 as a result of packaging media and printing, revenue from the Expo increased from Ushs 69,066,017 in 2010/11 to Ushs 105,867,471 in 2011/2012 and the Nairobi Sales office started to deliver consistent advertising revenues for Newspapers, Radios, TVs and studio production.

Business Development

The first undertaking on our strategic theme was the development of an effective marketing function which is now sufficiently skilled to execute the responsibilities of the company. The team has enhanced capacity to generate data required for decision making on priorities and resource allocation. The company is now in a better position to respond to competitor actions, defend existing or even acquire new market share.

Basing on customer segmentation undertaken by the Marketing Department, Management devised a new approach to sales by designing tools that focus on audiences rather than media properties.

Production of The Kampala Sun grew from the inaugural 3,700 copies to 8,000 copies weekly and has also attracted advertising. In addition, Urban TV took on a reality television show (Rated Next) to increase viewership and drive brand awareness. A new radio station (XFM) which is more appealing to a youthful urban-based audience was launched and the station went ahead and expanded its reach to Mbarara to increase listenership. Another radio station in Arua (Arua One 88.7 FM) was also acquired to reach out to the West Nile region which is a business hub for North West Uganda, South Sudan and Eastern Congo. This was also aimed at meeting the company's target of covering all regions in Uganda.

The New Vision newspaper maintained an average of 33,000 copies daily throughout the year. This was achieved through improved planning, content innovations and operational efficiency. The launch of The Kampala Sun newspaper, called for product adjustment and improvement to differentiate the New Vision on Friday from Kampala Sun which led to redesigning of the Friday newspaper that was launched in March 2012. The paper has been able to grow from an average of 29,000 copies to maintaining an average of 32,000. The Sunday Vision newspaper was also redesigned thus empowering it to maintain its lead in the market pushing sales to the region of 30,000 from about 25,000.

Senior Management in the board room during their weekly meeting

The New Vision & Bukedde websites were redesigned for better navigation, to suit the current demands of our target audiences and to increase interactivity. The digital SBU was restructured with a mobile and online division to respond to the changing consumption methods of the audience. An e-paper version of the New Vision print edition was introduced on financial subscription basis for those who prefer to read the newspaper online. The New Vision website remains the only website in Uganda with a mobile version which makes it easier for people to access the website.

Team Management

The new company structure split along Strategic Business Units and Corporate/Support functions was operationalized resulting in improved productivity, greater efficiency and focus. A new performance management system that links individual performance targets to the business strategy was rolled out ensuring a direct link of individual staff effort to business objectives. Teambuilding programmes aimed at building synergies and cohesion of the teams were carried out and created an environment conducive for performance and progress.

Internal Controls

The Internal Audit department continued to provide independent and objective assurance regarding the adequacy and effectiveness of the company's risk management, control and governance processes. The department applies a risk-based audit methodology to guide the audit planning, audit execution and audit reporting processes. As part of improving internal audit processes, an external quality assessment of the department's activities was conducted in July 2011 and implementation of the recommendations is on course.

ICT

The process of automation of business processes to reduce on paperwork and increase efficiency was undertaken and is currently being implemented.

Awards and Recognitions

Several journalists won awards. Gerald Tenywa received the environment award in the coveted CNN MultiChoice African Journalism awards 2012, Stephen Senkaaba was first runner-up in the Arts and culture category while New Vision was honoured as the best print media house in science related stories. Harvest Money editor Joshua Kato won the Africa Green Revolution Award (AGRF) in the print media category and Gladys Kalibala received recognition for reporting on lost children in the Saturday Vision newspaper.

CIO East Africa recognized Vision Group as the top Media House in ICT excellence across the East African region The National Council for Science and Technology (UNCST) jointly with Uganda Science Journalists Association honoured New Vision writer John Kasozi for being the best print science writer in the country. These awards reassure our market and consolidate the confidence audiences and advertisers have in our products and services.

Vision Group through its various platforms the Group spearheaded a fundraising drive to generate a cash prize for Stephen Kiprotich who won an Olympic Gold Medal for Uganda. This exercise was able to raise UGX 300,000,000 and other contributions in kind.

Harvest Money editor Joshua Kato receives the Africa Green Revolution Award (AGRF) in the print media category from Kofi Anan

Future Outlook

Despite the challenging economic times in 2011/2012 the company demonstrated remarkable resilience and better performance is expected in the next financial year.

I take this opportunity to thank all staff for their commitment, dedication and support. I sincerely thank the Board of Directors for the oversight and guidance they have given to the company and commend their commitment, support and contribution to the long term growth of Vision Group. I also wish to express my deep gratitude to you our shareholders, our customers and stakeholders for the unwavering support in the year 2011/2012.

We are well prepared for the next financial year and thanks to the dedication of our wonderful employees, we are confident that we shall continue to outperform our competitors and deliver long-term value to our shareholders and stakeholders.

The CEO, Mr. Kabushenga (2nd from left) addresses shareholders during last year's AGM as Hon. Aston Kajara - representing the majority shareholder (centre) and other directors listen attentively.

CORPORATE GOVERNANCE STATEMENT

The Board

Vision Group is governed by a Board of Directors appointed by shareholders during Annual General Meetings (AGMs). The Board, composed of nine non-executive Directors and a Managing Director has a diverse mix of skills, experience and competence and is, therefore, well placed to propel the company forward.

The Board is aware of its mandate and obligations and accounts to shareholders on performance. The Board and Executive Management meet annually to consider and approve the company strategy for the year ahead, and performance and progress against set objectives are reviewed quarterly.

At the Board retreat in January 2012 the agenda included review of progress against strategy, approval of the enterprise risk management framework, corporate governance training and setting the direction for the year. The retreat also served as a platform for analysis on how to improve its performance and effectiveness to effectively contribute to the attainment of competitive advantage and increase shareholder return. An international management consultant and business advisor guided the directors on the qualities of an efficient and performing board.

Shareholders at the registration desk during last year's AGM

Appointments and Induction

Directors are appointed in accordance with the Company's Articles of Association. On appointment, they undergo induction into the company's business and operations. They are advised on their duties as well as governance best practice, legal and regulatory requirements and are continually updated on industry and regulatory developments as they arise.

At AGMs, directors who have served for three years are retired by rotation and may offer themselves for re-election. At the last AGM, Mr. Charles Tukacungurwa was elected as a Director while Mr. David Ssebabi and Mr. Orono Otweyo offered themselves for rotation and were re-elected as directors.

Board Meetings

The Board meets quarterly and special meetings are convened as need arises. As recommended by governance best practice, paperwork for discussion during the meeting is delivered to thedirectors within sufficient time prior to the meeting to enable adequate preparation and informed decision making.

Chairman and Chief Executive Officer (CEO)

The roles and responsibilities of the Chairman of the Board and the CEO are distinct and separate. The CEO is accountable to the Board and takes charge of executive management for the effective and efficient running of the company on a day-to-day basis. The Chairman is primarily responsible for leadership of the Board and ensuring its effectiveness.

Directors' Remuneration

Non Executive Directors were paid a quarterly fee as well as a sitting allowance for every meeting attended at a rate as per table below.

	Chairman	Directors
Sitting allowance (Ushs)	672,000	560,000
Quarterly fees (Ushs)	1,344,000	1,120,000

No bonuses, loans or other remuneration incentives were paid out to Directors in the past financial year.

Remuneration of the Non Executive Directors is recommended by the Board for approval by shareholders at the AGM.

Board Committees

The Board inorder to fulfill its mandate and perform the oversight role has delegated authority to various committees but is ultimately and collectively accountable for performance and corporate governance.

Committees of the Board are:

Audit & Risk Committee;

Finance & Operations Committee;

Human Resources and Remunerations Committee; and

Editorial Committee

Audit and Risk Committee

In line with good corporate governance standards, membership of this committee consists of four non-executive directors.

The committee has the duty of overseeing the financial reporting process and ensures timely, objective, accurate and complete disclosure of financial information. The committee also reviews the effectiveness of internal control measures and management of risk. The committee meets regularly to carry out their roles and duties and in the past year, the committee met nine times.

An independent Internal Audit Department reports and provides assurance on the effectiveness of company's internal controls, risk management and governance processes. The Board has reviewed the company's system of internal control and is satisfied that the system is effective.

Presentation of Audited Accounts by Deloitte & Touche to the Board Audit Committee

Shareholders vote during last year's AGM

Risk

The Audit & Risk Committee oversees risk on behalf of the Board to ensure the interests of shareholders are protected. It also ensures that risks are properly identified, assessed, evaluated and monitored by management.

A risk management framework that put in place risk control measures across the Company was established in the previous financial year. At the annual retreat, the Board approved the Enterprise Risk Management Framework policy which was adopted and implemented during the year.

Appointment of Executive Management

The Board recruits and determines the remuneration of key executives in line with the long term interests of the Company and its shareholders.

In the past financial year, the Board upon recommendation of the Audit and Risk Committee appointed a new Chief Internal Auditor Mrs. Caroline Kyomuhendo Lutalo.

Directors' Training

Directors undertook several trainings in corporate governance from institutions such as Strathmore Business School and Centre for Corporate Governance Kenya, to enable them effectivey perform their role, discharge their duties and fulfill their obligations.

The Board Chairman, Mr David Ssebabi (2nd from right) listens to a question from a shareholder during last year's AGM

Company Secretary

Vision Group's Company Secretary is available to advise all directors on matters relating to the governance of the Company and ensures that board procedures and applicable laws and regulations are complied with.

Codes and Regulations

Vision Group is committed to complying with legislation and codes of best practice and seeks to maintain the highest standards of governance, including transparency and accountability. As a listed company, New Vision complies with Capital Markets (Corporate Governance) Guidelines, 2003 and the Listing Rules of the Uganda Securities Exchange (USE).

Shareholders Relations

Information about the company and its activities is provided in the Annual Report which is sent to all shareholders. The company's half year unaudited results and annual audit accounts are published in the New Vision newspaper and are uploaded onto the corporate website: *www.visiongroup.co.ug.*

The corporate website is also used as a tool for regular communication and the interactive shareholder page is regularly updated with information on corporate social responsibility, performance, unclaimed dividends, FAQs and any other news. There is also room for comments on the page.The company also makes use of electronic means of communication like emails and SMS to send information to shareholders. Shareholders can reach the company via email at *shareholder@newvision.co.ug.*

The company has engaged the services of a professional registrar Deloitte (U) Ltd to facilitate appropriate responses to shareholder queries and smooth transfer of shares. Shareholders are encouraged to attend the AGM to discuss the progress of their company and utilize the opportunity to ask questions.

The company has also appointed an officer to handle shareholder matters and respond to their queries. The officer can be reached on 0414 337835.

Vision Group also values its other stakeholders and considers their needs and objectives in their day to day operations.

SHAREHOLDER INFORMATION

SUMMARY OF SHAREHOLDERS			
INSTITUTIONAL	No. of Shareholders	Shares	% Holding
Ugandan	75	65,609,403	85.76
Foreign	9	2,126,611	2.78
INDIVIDUAL			
Ugandan	2,383	7,913,693	10.34
Foreign	104	850,293	1.11
Grand Total	2,571	76,500,000	100.00

LIST OF LARGEST 10 SHAREHOLDERS			
MEMBERNO	**ADDRESS**	**SHARES**	**PERCENT**
1	GOVERNMENT OF UGANDA	40,800,000	53.34
2	NATIONAL SOCIAL SECURITY FUND	15,000,000	19.61
3	NATIONAL INSURANCE CORPORATION LTD	3,068,172	4.01
4	BANK OF UGANDA STAFF RETIREMENT BENEFIT SCHEME AIG	1,353,380	1.77
5	NATIONAL SOCIAL SECURITY FUND-PINEBRIDGE	750,000	0.98
6	CAPT. GAD GASAATURA	741,969	0.97
7	NATIONAL SOCIAL SECURITY FUND-SIMS	648,888	0.85
8	MR. SAMUEL WAZUNULA MANGAALI	510,000	0.67
9	NOMURA NOMINEES LTD A/C SAMORA LTD	500,000	0.65
10	NOMURA NOMINEES LTD A/C KERSERCO	500,000	0.65

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company through its numerous platforms linked persons in need to members of the public eager to step in and help as it is our belief that together we can do more.

Vision Group is a responsible citizen and we believe that using our resources to inspire and create a positive change in the society is one way of discharging our responsibilities as a multi-media company. In addition, business is carried out in a way that is responsible and sustainable for the future taking into account all stakeholder needs.

In the past financial year, education, provision of basic needs, recognition of exemplary performance, environmental safety and health and rekindling lost hope were among the key CSR projects undertaken as part of a deliberate strategy to empower Ugandans of all backgrounds and to better the community. The company through its numerous platforms linked persons in need to members of the public eager to step in and help as it is our belief that together we can do more.

Notable CSR activities undertaken in the just-concluded financial year were:

The NiE Team launches the project at St. Jude in Hoima District

Margaret Kemigisha of Community Action project, Kabarole and winner of Pakasa Youth Awards displays her work at the awards ceremony at the New Vision head office in November 2011.

Education

The Newspapers in Education (NiE) project in partnership with the National Drug Authority created awareness about drugs amongst primary school children. Teachers were trained on several issues relating to drugs in order to better educate their students and cause lasting change through education to the youth. Initially 430 copies of the Wednesday New Vision newspaper were distributed weekly to 10 selected schools in various districts across the country and by the end of the financial year, 5,060 copies were distributed every week to 13 schools in various districts across the country. The project is also aimed at improving readership skills and literacy levels amongst primary school children.

Awakening Academic Giants was a project initiated to highlight the plight of highly respected historical and traditional schools that have produced great leaders but have since gone down to the drain due to neglect to ensure that the high standards are maintained. The project had a great impact and resulted in a motion in parliament with the Ministry of Education tasked to explain what was being done to fund and renovate the schools.

Recognising Exemplary Performance

Pakasa Awards recognised and rewarded members of the community for excellent entrepreneurship. Stories of those who have excelled in various areas were published in the New Vision newspaper to provide inspiration and role models for readers especially the youth to serve as motivation to use their entrepreneural skills to excel and to earn a living. The project which is on-going also empowers the youth to be more innovative in tackling poverty and building a bright future regardless of their backgrounds. The youth are encouraged to be job makers rather than job seekers in a bid to fight unemployment and poverty which has continued to tear up the Ugandan economy.

Women Achievers Awards recognised, honored and rewarded hardworking and determined women who had through agriculture taken significant steps to be self reliant to improve their livelihoods and those of their families inorder to empower women especially those at the grassroots to use their strengths to improve their livelihoods.

Rekindling Lost Hope

Following Vision Group's deliberate strategy to link needy persons to well wishers, the company used its platforms to highlight plights of members of society and to raise funds where necessary in a bid to improve the livelihoods of needy people who are unable to afford basic needs. Stories of needy persons are run in the newspaper, website, radio and TV and persons who volunteer to help are linked to them. The first project was for building a house for Nyakato (a blind HIV+ widow and mother of four) from Masindi. This project attracted contributions from all over the world and a total of Ushs 8,093,450. Upon completion of the project, Nyakato will be able to live in a decent house.

Vision Group donates to an HIV+ and blind widow from Masindi

To mark this year's Day of the African Child, Vision Group visited Kireka Home for Disabled Children. Other than donating foodstuff to the school that relies on well wishers to meet its daily needs, it was also an opportunity for members of staff to interact with the children who rarely get a chance to spend time with people other than their teachers. The children were engaged in various activities to give them hope and remind them that despite their disabilities, they can lead a meaningful and joyous life.

Vision Group has continued supporting persons with disabilities by creating opportunities for them, soliciting help for them to achieve their full potential and avenues through which they can meet their aspirations and dreams. It is on this quest that the company supported a blind student at Makerere University to enable him pursue his dreams of acquiring a degree in Mass Communications after a long period of determination to achieve his dreams despite his condition.

Vision Group visits Kireka school of the physically disabled children to commemorate the day of the African child

This was a story of succeeding against all odds and the Company was privileged to bring back hope to a student who had given up on his dreams.

The company also created an avenue for raising funds for Vincent Okech, a young boy from Soroti with swollen limbs whose parents were unable to afford money for his treatment. The family's plight was highlighted in the company's platforms which caused a lot of reaction from members of the public. Several companies and well wishers volunteered to contribute in order to enable the boy get treatment. The project also saw doctors from the UK visit the boy for medical check-up and it is expected that Vincent Okech will be able to receive treatment.

Vision Group visits Namirimu, an eight-year-old girl, who takes care of her HIV positive mother

Responsible Citizenship

Etop Radio and Newspaper embarked on an event dubbed "Etop Keep Soroti Clean" which saw members of staff clean up Soroti town a community which the company has for a long time worked together with. The event brought together the Local Councillors, students of Teso College Aloet and residents of Soroti who joined hands to improve hygiene and cleanliness in Soroti town to raise environmental awareness and demonstrate that it is important to keep the environment clean and healthy.

The Etop team, Local councillors, Students of Teso College and residents of Soroti clean up Soroti Town

The CNN JOURNALIST OF THE YEAR ENVIRONMENT AWARD, presented by Dr Magatte Wade, Acting Head of External Relations and Communication, African Development Bank to Gerald Tenywa, a New Vision Journalist.

NEWSPAPERS

The Vision Group dominates the newspaper market in Uganda with ten 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: - Pakasa, Mega Deals, Homes, 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"Sunday Xtra" and offers a good read for the whole family.

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, business advice, yiya ssente, relationship advice, leisure, traditional remedies, shocking eye openers, Women and health, entertainment, art, people, what's on and sports.

KAMPALA SUN is a weekly paper capturing the unpredictable rhythms and heartbeat of Kampala. We reflect life from all nuances – politics, corporate, religion, sports, fashion and lifestyle; celebrities and the ordinary, all in dramatic language. We focus on the young adults (male and female) in the 18 – 35 years age bracket and promise to offer editorial content that is appealing and give the advertisers a greater opportunity to accurately target this audience.

REGIONAL NEWSPAPERS

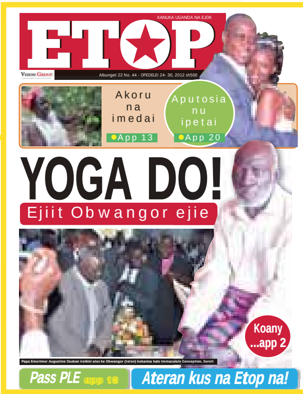
Regional newspapers are published weekly and focus on the everyday life and human interest side of the communities in Western, Northern and Eastern Uganda.
The Vision Group is the only publishing house in Uganda producing local language newspapers for the different areas in Uganda.

ORUMURI is published in Runyakore/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, relationships, education, politics, community news, 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 farming, 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, farming, sports, community news and gossip, business, pictorial and readers' letters & opinions.

MAGAZINES

Our magazines deliver niche to reach people directly in the associated target market.
They are published quarterly.

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

WEBSITES PUBLISHING

www.newvision.co.ug - Our flagship website. It is a leading website in East Africa with approximately over 1.4 million monthly visitors & 6.191 million page views.

www.bukedde.co.ug - is very popular with Ugandans living in the diaspora with approximately over 332,024 monthly visitors & 1.5 million page views.

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.

VISION MOBILE
Info in your hands

BROADCASTING

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

RADIOS

XFM
Is Uganda's freshest and most dynamic youth station that targets 18-28 year old English speakers in Kampala 94.8 FM and Mbarara 96.6 FM. The station features the biggest local and international artists alongside the coolest on-air presenters.

u know u want to...

BUKEDDE FM
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 and is a prominent station in the central region and Kampala on 100.5 FM. It is also available on 106.8 FM in Masaka.

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 based in Gulu for the people of the northern part of Uganda, stretching from Lira, round to Kitgum and Gulu. Broadcasting in a mixture of Acholi and Luo with a mixture of politics, news, infotainment, local and international music. 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.
Etop Radio is the number one station in the region

ARUA ONE 88.7 FM
Arua One was established as a commercial radio station in 2002 and was acquired by Vision Group in February 2012. Arua One FM is one of the leading multi-lingual stations in the West Nile region.
The station broadcasts in mainly Lugbara, Swahili and English. Arua One FM's signals reach an extensive area including the districts of Arua, Nebbi, Yumbe, Moyo, Adjumani, Packwach, Koboko, parts of the Democratic Republic of Congo and Southern Sudan.

TELEVISION

BUKEDDE TV
Uganda's first 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 Orumuri, 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 15-28 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 Kampala Sun, Urban ensures that Vision Group's coverage of issues that affect the youth are adequately addressed.

...It starts here.

PRINTING SERVICES

VISION PRINTING
delivering value

VISION PRINTING is Vision Group's commercial printing division and offers customers value for money.

We print anything on paper at the most competitive price in Uganda. Some of the products we print include; books, annual reports, spiral bound diaries, 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.

We also provide digital color printing with emphasis on high productivity; superb media handling and finishing; exceptional fusing and image quality for the sharpest text and clearest graphics; powerful workflow integration enabling significant, additional time and cost saving benefits, with features such as on-line ordering, job ticketing and payment, and direct integration with variable data printing applications.

BENEFITS:

- Speedy delivery
- Competitive prices
- Guaranteed Quality
- After-sales service

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:-

- Notices & announcements
- Display & Classifed adverts
- Supplements
- Special reviews
- Job adverts
- Tenders
- Insertions
- Website adverts
- Radio adverts
- Television adverts

Please refer to the attached advertising rate card.

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

P.O.Box 9815, Kampala

WEBSITES
www.newvision.co.ug
www.visiongroup.co.ug

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.

Western Uganda
- Masaka - Plot 58 Buddu Street
- Mbarara - Plot 4 Stanley Road

Eastern Uganda
- Jinja - Plot 18 African Mall, Clive Road
- Mbale - Plot 51-54 Republic Street
- Soroti - Plot 14 Engwau Road

Northern Uganda
- Lira - Plot 72/74 Isaya Ogwanguzi Road
- Arua - Plot 13/15 Pakwach Road
- Gulu - Plot 9/11 Coronation Road

Nairobi
10th floor, South Wing Bruce House, Standard Street
P.O.Box 13450-00100
Tel: +254 20 22 135 67

The Editorial team at the Vision Group newsroom

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
	Capt. 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

STATUTORY AUDITOR
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 2012 which disclose the company's state of affairs

PRINCIPAL ACTIVITY

The principal activities of the company include 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	5,492,720
Taxation credit	(1,633,667)
Profit for the year transferred to retained earnings	3,859,053

DIVIDEND

The directors recommend the payment of a final dividend of Ushs 35 per share amounting to Ushs 2,295,000,000 for the year (2011: Ushs 30 per share amounting to Ushs 2,295,000).

DIRECTORS

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

AUDITORS

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

In accordance with the provisions of the National Audit Act, Deloitte & Touche were appointed by the Auditor General to act on his behalf and have expressed their willingness to continue in office.

BY ORDER OF THE BOARD

Company Secretary
Kampala

27th September 2012

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 that financial 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 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.

Director

Director

27th September 2012

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

REPORT & OPNION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2012

THE RT.HON. SPEAKER OF PARLIAMENT

By Article 163 (3) of the Constitution of the republic of Uganda, I am required to audit and report to Parliament on the public accounts of Uganda and of all public offices including the Courts, the Central and Local Government administrations, Universities and public institutions of the like nature and any Public Corporation or other bodies or organizations established by an Act of Parliament.

Accordingly, I have audited the financial statements of New Vision Printing and Publishing Company Limited for year ended 30th June 2012, as set out on pages 37 to 71 appended to this report. These financial statements, comprise of the Statement of Financial Position as at 30th June 2012, 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 Financial Reporting Standards and the requirements of the Ugandan Companies Act (Cap 110). This responsibility includes designing, implementing and maintaining internal controls relevant to the 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.

Auditors' Responsibility

My responsibility is to express an opinion on these 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 with 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 presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as Ill 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 30 June 2012 and of its profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Ugandan Companies Act

Report on other Legal Requirements

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

i. all information and explanations which to the best of my knowledge and belief was necessary for the purpose of this audit was obtained.
ii. proper books of accounts have been kept by the Company, so far as appears from my examination of those books, and
iii. the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account

John F.S Muwanga
AUDITOR GENERAL
KAMPALA
5th October 2012

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 Ushs '000	2011 Ushs '000
REVENUE	8	71,111,117	61,819,630
DIRECT COSTS		(50,317,010)	(43,670,234)
GROSS PROFIT		20,794,107	18,149,396
OTHER OPERATING INCOME	9	433,623	415,301
DISTRIBUTION COSTS		(1,532,918)	(1,254,442)
ADMINISTRATIVE EXPENSES		(14,104,403)	(12,225,114)
GAIN ON DISPOSAL OF ASSETS		419,040	58,082
REVALUATION LOSS ON BUILDINGS	14	(377,525)	-
FAIR VALUE LOSS ON INVESTMENTS		-	(34,064)
FINANCE COSTS	10	(139,204)	(423,300)
PROFIT BEFORE TAXATION	11	5,492,720	4,685,859
TAXATION CHARGE	12 (a)	(1,633,667)	(1,682,179)
PROFIT FOR THE YEAR		3,859,053	3,003,680
OTHER COMPREHENSIVE INCOME			
GAIN ON REVALUATION OF PROPERTY AND MACHINERY		198,126	-
TAX EFFECT ON REVALUATION GAIN ON PROPERTY	12 (d)	(56,438)	-
OTHER COMPREHENSIVE INCOME NET OF TAX		141,688	-
TOTAL COMPREHENSIVE INCOME		4,000,741	3,003,680
			Ushs
EARNINGS PER SHARE - (basic and diluted)	13 (a)	50	39

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2012

	Notes	2012 Ushs '000	2011 Ushs '000
ASSETS			
Non-current assets			
Property, plant and equipment	14	33,639,844	34,866,599
Prepaid operating lease rentals	15	2,338,410	2,476,673
Intangible assets	16	1,149,178	134,706
		37,127,432	37,477,978
Current assets			
Investments	17	321,616	1,492,456
Inventories	18	8,903,879	7,634,536
Trade and other receivables	19	14,745,157	9,802,465
Corporate tax recoverable	12 (c)	47,190	1,564,022
Cash and bank balances	21	3,265,365	4,023,778
		27,283,207	24,517,257
Total assets		64,410,639	61,995,235
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		342,492	267,830
Retained earnings		22,597,783	20,966,704
Shareholders' funds		51,603,129	49,897,388
Non-current liabilities			
Deferred tax liability	12 (d)	5,256,018	5,152,123
		5,256,018	5,152,123
Current liabilities			
Borrowings	24	-	286,410
Trade and other payables	25	6,844,149	6,217,684
Dividends payable	26	707,343	441,630
		7,551,492	6,945,724
Total equity and liabilities		64,410,639	61,995,235

The financial statements on pages 37 to 71 were approved by the board of directors on 27th September 2012 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 2012

	Share capital Ushs '000	Share premium Ushs '000	Revaluation reserve* Ushs '000	Retained earnings Ushs '000	Total Ushs '000
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 revaluation surplus on disposal	-	-	(56,785)	56,785	-
Deferred tax on disposal of revaluation surplus	-	-	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
At 1 July 2011	1,503,990	27,158,864	267,830	20,966,704	49,897,388
Total comprehensive income	-	-	141,688	3,859,053	4,000,741
Transfer of excess depreciation	-	-	(95,752)	95,752	-
Deferred tax on excess depreciation	-	-	28,726	(28,726)	-
Dividend declared for year 2011	-		-	(2,295,000)	(2,295,000)
At 30 June 2012	1,503,990	27,158,864	342,492	22,597,783	51,603,129

*The revaluation reserve relates to the cumulative surplus arising from the revaluation of property, plant and equipment in accordance with the accounting policies of the company. The reserve is non-distributable and is released to retained earnings proportionately through use or disposal of the related assets.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 UShs '000	2011 UShs '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27	5,022,973	6,716,588
Interest received	9	132,366	148,070
Interest paid	10	(11,692)	(151,560)
Tax paid	12 (c)	(69,379)	(13,877)
Net cash generated from operating activities		5,074,269	6,699,221
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	14	(3,980,312)	(5,566,381)
Additions to prepaid operating lease		(945,699)	-
Increase in purchased goodwill	16	(250,380)	-
Proceeds on liquidation of investments	16	170,840	224,228
Proceeds from disposal of property, plant and equipment		488,566	366,731
Net cash used in investing activities		(4,516,985)	(4,975,422)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease principal repayments		(286,410)	(1,374,220)
Dividends paid	26	(2,029,287)	(1,353,547)
Net cash used in financing activities		(2,315,697)	(2,727,767)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,758,413)	(1,003,968)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		5,023,778	6,027,746
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,265,365	5,023,778
Represented by:			
Cash and cash equivalents	28	3,265,365	5,023,778

NEW VISION PRINTING AND PUBLISHING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1 GENERAL INFORMATION

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 31 December 2011

Amendments and revised standards	*Effective for annual periods beginning on or after*
IFRS 7, Financial Instruments: Disclosures – Amendments resulting from May 2010 Annual Improvements to IFRSs	01-Jan-11
IAS 1, Presentation of Financial Statements – Amendments resulting from May 2010 Annual Improvements to IFRSs	01-Jan-11
IAS 24, Related Party Disclosures – Revised definition of related parties	01-Jan-11

(b) New and amended interpretations in issue but not yet effective in the year ended 31 December 2011

New and Amendments to standards	*Effective for annual periods beginning on or after*
IFRS 7, Financial Instruments: Disclosures – Amendments enhancing disclosures about transfers of financial assets	01-Jul-11
IFRS 7, Financial Instruments: Disclosures – Amendments enhancing disclosures about offsetting financial assets and financial liabilities	01-Jan-13
IFRS 7, Financial Instruments: Disclosure – Amendments requiring disclosures about initial application of IFRS 9	1 January 2013 or otherwise when IFRS 9 is first applied
IFRS 9, Financial Instruments – Classification and Measurement of financial assets	01-Jan-15
IFRS 9, Financial Instruments – Accounting for financial liabilities and derecognition	01-Jan-15
IAS 1, Presentation of Financial Statements – presentation of items of other comprehensive income	01-Jul-12
IAS 12, Income Taxes - Limited scope amendment (recovery of underlying assets)	01-Jan-12
IAS 32, Financial Instruments: Presentation – Amendments to application guidance on the offsetting of financial assets and financial liabilities	01-Jan-14

(c) Impact of new and amended standards and interpretations on the financial statements for the year ended 31 December 2011 and future annual periods

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 disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements

NEW VISION PRINTING AND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (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 31 December 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 disclose an analysis of other comprehensive income by item in the statement of changes in equity or in the notes to the financial statements

IAS 24 Related Party Disclosures (2009)

IAS 24 (as revised in 2009) has been revised on the following two aspects: (a) IAS 24 (as revised in 2009) has changed the definition of a related party and (b) IAS 24 (as revised in 2009) introduces a partial exemption from the disclosure requirements for government-related entities.

IFRS 9 Financial Instruments (2009)

IFRS 9 introduces new requirements for classifying and measuring financial assets, as follows:

• Debt instruments meeting both a 'business model' test and a 'cash flow characteristics' test are measured at amortised cost (the use of fair value is optional in some limited circumstances)

• Investments in equity instruments can be designated as 'fair value through other comprehensive income' with only dividends being recognised in profit or loss

• All other instruments (including all derivatives) are measured at fair value with changes recognised in the profit or loss

• The concept of 'embedded derivatives' does not apply to financial assets within the scope of the Standard and the entire instrument must be classified and measured in accordance with the above guidelines.

IFRS 9 Financial Instruments (2010)

A revised version of IFRS 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over the existing derecognition requirements from IAS 39 Financial Instruments: Recognition and Measurement.

The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss.

Improvements to IFRSs (2010)

These amend seven pronouncements (plus consequential amendments to various others) as a result of the IASB's 2008-2010 cycle of annual improvements.

Key amendments include:

- **IFRS 1** - accounting policy changes in year of adoption and amendments to deemed cost (revaluation basis, regulatory assets)
- **IFRS 3/IAS 27** - clarification of transition requirements, measurement of non-controlling interests, unreplaced and voluntarily replaced share-based payment awards

NEW VISION PRINTING AND PUBLISHING

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

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

Improvements to IFRSs (2010) (continued)

- **Financial statement disclosures** - clarification of content of statement of changes in equity (IAS 1), financial instrument disclosures (IFRS 7) and significant events and transactions in interim reports (IAS 34)

- **IFRIC 13** - fair value of award credits

Amendments to IFRS 7 Financial Instruments: Disclosures

These make amendments to IFRS 7 Financial Instruments: Disclosures resulting from the IASB's comprehensive review of off balance sheet activities.

The amendments introduce additional disclosures, designed to allow users of financial statements to improve their understanding of transfer transactions of financial assets (for example, securitisations), including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.

Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)

Amends IAS 12 Income Taxes to provide a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale.

As a result of the amendments, SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Assets would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn.

IAS 19 Employee Benefits (2011)

The key amendments include:

- Requiring the recognition of changes in the net defined benefit liability (asset) including immediate recognition of defined benefit cost, disaggregation of defined benefit cost into components, recognition of remeasurements in other comprehensive income, plan amendments, curtailments and settlements (eliminating the 'corridor approach' permitted by the existing IAS 19)

- Introducing enhanced disclosures about defined benefit plans
- Modifying accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits

- Clarifying various miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and administration costs and risk-sharing and conditional indexation features

- Incorporating other matters submitted to the IFRS Interpretations Committee.

NEW VISION PRINTING AND

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

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

Disclosures — Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

Amends the disclosure requirements in IFRS 7 Financial Instruments: Disclosure to require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation.

The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. The IASB believes that these disclosures will allow financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)

Amends IAS 32 Financial Instruments: Presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off'
- The application of simultaneous realisation and settlement
- The offsetting of collateral amounts
- The unit of account for applying the offsetting requirements.

The directors anticipate that the adoption of amendments to various IFRSs resulting from the International Accounting Standards Board (IASB)'s annual improvements project, when effective, will have no material impact on the financial statements of the company

***(d)* Early adoption of standards**

The company did not early-adopt any new or amended standards in 2011.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

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 reporting 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.

Other income is recognised on an accrual basis.

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.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 subsequent accumulated depreciation and any 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.

Equipment are stated at cost less accumulated depreciation.

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%

Freehold land is not depreciated.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (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.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 provisions 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.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

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.

(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.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

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.

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 2012 (Continued)

5 SEGMENT REPORTING

a) Adoption of IFRS 8 Operating Segments

The Company has adopted IFRS 8 Operating Segments with effect from 1 July 2009. IFRS 8 requires operating segments to be 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 Ushs'000	2012 Ushs'000	2011 Ushs'000	2012 Ushs'000	2011 Ushs'000	2012 Ushs'000	2011 Ushs'000	2012 Ushs'000	2011 Ushs'000	2012 Ushs'000
External Sales	44,738,631	51,437,740	7,471,774	10,025,121	9,203,496	8,976,357	405,729	671,899	61,819,630	71,111,117
Other Operating Income	-	-	-	-	-	-	415,301	433,643	415,301	433,643
Total Sales	44,738,631	51,437,740	7,471,774	10,025,121	9,203,496	8,976,357	821,030	1,105,542	62,234,931	71,544,761
Segment profit before taxation	7,194,602	6,563,649	(1,824,496)	(2,028,818)	(981,214)	(51,252)	296,967	1,009,143	4,685,859	5,492,722
Income tax expense	(2,582,794)	(1,174,539.42)	654,977	(228,915.58)	352,247	(204,967.90)	(106,608)	(25,244.16)	(1,682,178)	(1,633,667)
Profit after taxation	4,611,808	5,389,110	(1,169,519)	(2,257,734)	(628,967)	(256,220)	190,359	983,899	3,003,681	3,859,055
OTHER INFORMATION										
Segment Assets	41,443,540	46,308,600	6,612,222	9,025,461	6,243,429	8,081,275	6,129,022	995,302	60,428,213	64,410,639
Segment Liabilities	4,763,593	5,429,212	760,020	1,058,143	717,631	947,447	704,480	116,689	6,945,724	7,551,492
Capital Expenditure	2,687,412	944,385	1,589,067	2,298,244	70,115	418,081	1,219,787	1,515,680	5,566,381	5,176,390
Depreciation & amortisation expense	2,598,060	2,431,121	645,750	749,238	417,968	109,467	947,840	1,988,183	4,609,618	5,278,010

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 2012 (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 2012 (Continued)

6 FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

The amounts that represent the company's maximum exposure to credit at reporting period ends

	Total Ushs '000	Fully Performing Ushs '000	Past due not impaired Ushs '000	Impaired Ushs '000
As at 30 June 2012				
Financial assets				
Bank balances	3,146,363	3,146,363	-	-
Investments	321,616	321,616	-	-
Trade and other receivables (net of prepayments,staff advances, and related parties)	11,480,373	9,718,694	2,733,680	(972,001)
Due from related parties	153,204	153,204	-	-
Total	15,101,556	13,339,877	2,733,680	(972,001)
As at 30 June 2011				
Financial assets				
Bank balances	3,597,985	3,597,985	-	-
Investments	1,492,456	1,492,456	-	-
Trade and other receivables (net of prepayments,staff advances, and related parties)	7,470,764	5,903,802	2,247,111	(680,149)
Due from related parties	34,913	34,913	-	-
	12,596,118	11,029,156	2,247,111	(680,149)

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 2012 (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.

	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
As at 30 June 2012					
Financial assets					
Cash and bank balances	3,265,365	3,265,365	-	-	-
Investments	321,616	321,616	-	-	-
Trade and other receivables (net of prepayments)	13,859,149	13,859,149	-	-	-
Due from related parties	153,204	153,204	-	-	-
	17,599,334	17,599,334	-	-	-
Financial liabilities					
Trade and other payables	6,844,149	6,844,149	-	-	-
	6,844,149	6,844,149	-	-	-
Net undiscounted financial assets/(liabilities)	10,755,185	10,755,185	-	-	-
As at 30 June 2011					
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	-	-	-

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (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).

	Level 1	Level 2	Level 3	Total
	Ushs. '000	Ushs. '000	Ushs. '000	Ushs. '000
As at 30 June, 2010				
Financial assets at FVTPL				
Investments with African Alliance	-	-	-	-
	-	-	-	-
Financial Liabilities at FVTPL	-	-	-	-
As at 30 June, 2011				
Financial assets at FVTPL				
Investments with African Alliance	-	492,456	-	492,456
	-	492,456	-	492,456
Financial Liabilities at FVTPL	-	-	-	-

(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.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

6 FINANCIAL RISK MANAGEMENT (Continued)

(i) Interest rate risk (Continued)

	Up to 1 year
	Ushs' 000
At 30 June 2012	
Financial assets	
Bank balances	3,265,365
Held to maturity investments	321,616
Total financial assets	3,586,981
Financial liabilities	
Borrowings	-
Total financial liabilities	-
Interest sensitivity gap	3,586,981
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

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 2012	Ushs' 000 Effect on profit 2011
- 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 2012 (Continued)

6 FINANCIAL RISK MANAGEMENT (Continued)

(i) Interest rate risk (Continued)

As at 30 June 2012	Weighted average effective	3 months to 1 year Ushs'000	1 to 5 years Ushs'000	Total Ushs'000
Varriable interest rate financial assets	17.00%	321,616	-	321,616
Variable interest rate financial liabilities	-	-	-	-

(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
2012				
Assets				
Bank balances	183,087	-	6,756	189,843
Trade receivables	121,172	-	-	121,172
Total assets	304,259	-	6,756	311,015
Liabilities				
Trade payables	6,047	13,246	11,704	30,997
Total liabilities	6,047	13,246	11,704	30,997
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

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (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.

	2012 Ushs' 000 Effect on profit	2011 Ushs' 000 Effect on profit
Currency - US Dollars		
+ 5% Ushs Movement	(14,632)	(34,328)
- 5% Ushs Movement	14,632	34,328
Currency - Euros		
+ 5% Ushs Movement	(1,802)	(25,309)
- 5% Ushs Movement	1,802	25,309
Currency - British pounds		
+ 5% Ushs Movement	(2,573)	(2,386)
- 5% Ushs Movement	2,573	2,386

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	2012 Ushs '000	2011 Ushs '000
Debt (includes short term borrowings)	-	286,410
Cash and bank balances	(3,265,365)	(4,023,778)
Net debt	(3,265,365)	(3,737,368)
Equity (includes all capital and reserves)	51,603,129	49,897,388
Net debt to equity ratio	-6%	-7%

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012	2011
	Ushs '000	Ushs '000
8 REVENUE		
Advertising revenue	42,419,576	36,501,193
Circulation sales	19,273,083	15,805,605
Commercial printing revenue	8,976,357	9,203,496
Scrap sales	442,101	309,336
	71,111,117	61,819,630
9 OTHER OPERATING INCOME		
Bad debts recovered	-	46,812
Interest income	132,366	148,070
Other income	181,677	50,216
Foreign exchange gains	119,580	170,203
	433,623	415,301
10 FINANCE COSTS		
Interest expense on finance leases	11,692	151,560
Finance lease charge	127,512	271,740
	139,204	423,300

11 PROFIT BEFORE TAXATION

(a) The profit before taxation is arrived at after charging/(crediting):

	2012	2011
Depreciation of property, plant and equipment	5,026,254	4,535,684
Amortisation of prepaid operating leases	70,148	73,933
Staff costs (Note 10 (b))	19,306,928	16,361,724
Provision for doubtful debts	636,611	298,384
Provision for obsolete inventories	33,207	115,895
Auditors' remuneration	62,477	62,914
Finance lease charge	127,512	271,740
Directors' fees	300,212	207,959
Gain on disposal of assets	(419,040)	(58,082)

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012 Ushs '000	2011 Ushs '000
11 PROFIT BEFORE TAXATION (Continued)		
(b) Staff costs		
Salaries and wages	15,413,842	13,143,987
Terminal benefits	57,142	25,472
National Social Security Fund contributions	1,520,349	1,231,793
Gratuity expenses - (note 29)	546,007	469,296
Other staff costs	1,769,588	1,491,176
	19,306,928	16,361,724
12 TAXATION		
(a) Taxation charge		
Current taxation	1,586,210	1,331,153
Deferred taxation (credit)/charge - note (d)	47,457	351,026
	1,633,667	1,682,179
(b) Reconciliation of taxation charge to expected tax based on accounting profit		
Profit before taxation	5,492,720	4,685,859
Tax at applicable rate of 30%	1,647,816	1,405,758
Tax effect of non-deductible expenses	(14,179)	276,421
	1,633,637	1,682,179
(c) Corporate tax recoverable		
At beginning of year	(1,564,022)	(2,881,298)
Charge / (credit) for the year - note (a)	1,586,210	1,331,153
Tax paid during the year	(69,379)	(13,877)
At end of year	(47,190)	(1,564,022)

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012 Ushs '000	2011 Ushs '000

12 TAXATION (Continued)

(d) Deferred tax liability

The deferred income tax liability comprises;

	2012 Ushs '000	2011 Ushs '000
Accelerated capital allowances	5,679,071	5,490,646
Deferred tax on revaluation	142,497	114,785
Provisions	(537,958)	(498,200)
Unrealised exchange (gains)/losses	(27,592)	44,892
	5,256,018	5,152,123

Movement in dererred tax account

	2012 Ushs '000	2011 Ushs '000
At beginning of year	5,152,123	4,801,097
Charge profit or loss - note 12 (a)	47,457	351,026
Charge to comprehensive income	56,438	-
At end of year	5,256,018	5,152,123

13 (a) EARNINGS PER SHARE – BASIC & DILUTED

	2012	2011
Profit attributable to ordinary shareholders – Ushs'000	3,859,053	3,003,680
	Number	Number
Shares in issue during the year	76,500,000	76,500,000
	Ushs	Ushs
Basic earnings per share – Ushs	50	39

The basic and diluted earnings per share were the same as at 30 June 2012 and 30 June 2011 since there were no potentially dilutive shares.

b) DIVIDENDS PER SHARE

During the year, a dividend of Ushs 30 per share amounting to Ushs 2,295,000 was paid in respect of 2011 financial year (2011 – Ushs 15 amounting to Ushs 1,147,500,000 in respect of 2010 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 2012 (Continued)

14 PROPERTY, PLANT AND EQUIPMENT

a) For the year ended 30 June 2012

	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 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
Additions	-	-	667,160	651,303	236,211	457,175	1,080,934	67,404	64,781	392,061	295,975	67,308	3,980,312
Disposals	-	-	-	-	(3,586)	-	(65,852)	-	-	-	-	-	(69,438)
(Decrease)/increase on revaluation	10,000	(377,525)	188,126	-	-	-	-	-	-	-	-	-	(179,399)
Eliminated on revaluation	-	(1,647,671)	(6,479,561)										(8,127,232)
At 30 June 2012	37,000	9,204,999	18,467,200	1,693,283	2,387,045	1,548,207	5,533,612	429,266	203,176	1,883,458	1,196,362	819,393	43,403,001
At cost	27,000	9,582,524	18,279,074	1,693,283	2,387,045	1,548,207	5,533,612	429,266	203,176	1,883,458	1,196,362	819,393	43,403,098
At valuation - 2012	10,000	(377,525)	188,126	-	-	-	-	-	-	-	-	-	(179,399)
	37,000	9,204,999	18,467,200	1,693,283	2,387,045	1,548,207	5,533,612	429,266	203,176	1,883,458	1,196,362	819,393	43,223,699
DEPRECIATION													
At 1 July 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
Eliminated on disposal	-	-	-	-	(3,026)	-	(64,998)	-	-	-	-	-	(68,024)
Charge for the year	-	448,156	2,124,637	395,260	282,147	125,991	973,479	50,982	43,498	330,869	186,309	64,926	5,026,254
Eliminated on revaluation	-	(1,647,671)	(6,479,561)	-	-	-	-	-	-	-	-	-	(8,127,232)
At 30 June 2012	-	-	-	934,124	1,693,073	334,653	4,666,825	235,937	98,186	1,293,447	354,282	152,630	9,763,157
At cost	-	-	-	934,124	1,693,073	334,653	4,666,825	235,937	98,186	1,293,447	354,282	152,630	9,763,157
At valuation - 2012	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	934,124	1,693,073	334,653	4,666,825	235,937	98,186	1,293,447	354,282	152,630	9,763,157
NET BOOK VALUE													
At 30 June 2012	37,000	9,204,999	18,467,200	759,159	693,972	1,213,554	866,787	193,329	104,990	590,011	842,080	666,763	33,639,844
At cost	27,000	9,204,999	17,992,210	759,159	693,972	1,213,554	866,787	193,329	104,990	590,011	842,080	666,763	32,975,552
At valuation - 2012	10,000	-	474,990	-	-	-	-	-	-	-	-	-	484,990
	37,000	9,204,999	18,467,200	759,159	693,972	1,213,554	866,787	193,329	104,990	590,011	842,080	666,763	33,639,844

Buildings, plant and machinery were re-valued during the year ended 30 June 2012 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 related assets. There was a revaluation gain of 198,223,000 on land, plant and machinery and a revaluation loss of Ushs 377,525,000 on buildings. The revaluation loss on buildings has been charged to profit or loss in the statement of comprehensive income.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

14 PROPERTY, PLANT AND EQUIPMENT

b) 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 Ushs '000	Television transmission equipment Ushs '000	Capital work in progress 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	86088	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 re-valued during the year ended 30 June 2012 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 related assets. There was a revaluation gain of 198,223,000 on land, plant and machinery and a revaluation loss of Ushs 377,525,000 on buildings. The revaluation loss on buildings has been charged to profit or loss in the statement of comprehensive income.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (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 816 million (2011: Ushs 961 million).

	2012 Ushs '000	2011 Ushs '000
Cost - capitalised finance leases	1,554,543	1,941,345
Disposals	-	(386,802)
	1,554,543	1,554,543
Depreciation		
At beginning of year	593,422	769,959
Eliminated on disposal	-	(309,390)
Charge for the year	144,597	132,853
	738,019	593,422
Net Book Value	816,524	961,121

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

	Buildings 2012 Ushs '000	Buildings 2011 Ushs '000	Plant and machinery 2012 Ushs '000	Plant and machinery 2011 Ushs '000
Cost	11,230,195	9,582,524	24,758,635	23,231,210
Accumulated depreciation	(1,647,671)	(1,199,515)	(6,479,561)	(3,877,275)
Net Book Value	9,582,524	8,383,009	18,279,074	19,353,935

15 PREPAID OPERATING LEASE RENTALS

	2012 Ushs '000	2011 Ushs '000
COST		
At beginning of year	2,914,854	2,914,854
Disposals	(151,367)	-
At end of year	2,763,487	2,914,854
AMORTISATION		
At beginning of year	438,181	364,248
Charge for the year	70,148	73,933
Eliminated on disposal	(83,252)	-
At end of year	425,077	438,181
NET BOOK VALUE		
At end of year	2,338,410	2,476,673

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012 Ushs '000	2011 Ushs '000
16 INTANGIBLE ASSETS		
a) Computer software and websites		
COST		
At beginning and end of year	42,000	42,000
Additions	945,699	-
At end of year	987,699	42,000
AMORTISATION		
At beginning and end of year	42,000	42,000
Charge for the year	181,607	-
At end of year	223,607	42,000
NET BOOK VALUE		
At end of year	764,092	-
b) Goodwill		
At beginning of year	134,706	134,706
Additions	250,380	-
At end of year	385,086	134,706
TOTAL INTANGIBLE ASSETS	1,149,178	134,706
17 INVESTMENTS		
Short-term Investments		
Fair value through profit or loss: African Alliance Uganda Limited	-	492,456
Held to maturity: Standard Chartered Bank Uganda Limited	321,616	1,000,000
	321,616	1,492,456
Long-term Investments		
Fair value through profit or loss: African Alliance Uganda Limited	-	-
Total Investments	321,616	1,492,456

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 short term deposits held with Standard Chartered Bank. The effective interest rate of the term deposits is 17% (2011: 11.25%).

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012 Ushs '000	2011 Ushs '000
18 INVENTORIES		
News print	5,460,700	4,698,066
Consumables	440,690	1,259,587
Work in progress	419,569	225,291
Printing ink and chemicals	1,680,093	929,550
Films and plates	1,025,151	625,202
Provision for obsolescence	(122,324)	(103,160)
	8,903,879	7,634,536

	2012 Ushs '000	2011 Ushs '000
19 TRADE AND OTHER RECEIVABLES		
Trade receivables- Government (Note 20 (b))	2,018,838	1,588,154
Trade receivables- Others	12,019,502	8,012,155
Less: provision for impairment	(972,001)	(680,149)
Net trade receivables	13,066,339	8,920,160
Prepayments	732,804	289,774
Staff advances	359,938	383,019
Other receivables	432,872	113,058
Other receivables from related parties (Note 20 (b))	153,204	96,454
	14,745,157	9,802,465

20 RELATED PARTY BALANCES AND TRANSACTIONS

(a) Related parties include:

-The Government of Uganda
- National Social Security Fund
- National Insurance Corporation
- The Eye Magazine
- The Print House Limited

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 and The print House Limited are owned by a key management personnel.

	2012 Ushs '000	2011 Ushs '000
(b) Due from related parties		
Government of Uganda- Note 19	2,018,838	1,588,154
Other related parties		
The Eye Magazine	49,212	34,913
The Print House Limited	36,448	-
National Social Security Fund	60,721	23,568
National Insurance Corporation	6,823	37,973
Total due from related parties - Note 19	2,172,042	1,684,608

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012	2011
	Ushs '000	Ushs '000
20 RELATED PARTY BALANCES AND TRANSACTIONS (Continued)		
(c) Transactions with related parties		
(i) Sales of goods and services		
Advertisements in newspapers Government	5,143,635	5,595,582
Circulation sales Government	436,468	436,468
Advertisements in newspapers Print House Limited	121,228	-
Commercial printing work with The Eye Magazine	246,077	229,521
Commercial printing work with The Print House	48,177	-
Advertisements in newspapers National Social Security Fund	161,844	208,153
Advertisements in newspapers National Insurance Corporation	33,167	55,344
	6,190,596	6,525,068

	2012	2011
(d) Compensation to key management personnel	Ushs '000	Ushs '000
Salaries and other short term benefits	1,361,902	890,545
Gratuity	546,007	258,585
	1,907,909	1,149,130
(e) Directors' remuneration		
- Executive Directors	211,473	280,680
- Non Executive Directors - fees and other expenses	300,212	207,959
	511,685	488,639
21 CASH AND BANK BALANCES		
Cash on hand	119,002	425,793
Cash at bank	3,146,363	3,597,985
	3,265,365	4,023,778

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

		2012	2011
		Ushs '000	Ushs '000
22	SHARE CAPITAL		
	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 less costs of Ushs 389,806,000.

		2012	2011
		Ushs '000	Ushs '000
24	BORROWINGS		
	Short-term finance leases	-	286,410
	Long-term finance leases	-	-
		-	286,410
	Finance lease liabilities - minimum lease payments		
	Due within 1 year	-	367,990
	Due after 1 year but within 5 years	-	-
		-	367,990
	Future finance charges	-	(81,580)
		-	286,410

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% (2011: 15.57%). The lease was fully paid in the period under review.

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

		2012 Ushs '000	2011 Ushs '000
25	TRADE AND OTHER PAYABLES		
	Trade payables	3,098,833	3,353,587
	VAT payable	707,291	373,170
	Accruals	603,617	434,964
	Gratuity payable	634,550	547,353
	Other payables	1,799,858	1,508,610
		6,844,149	6,217,684
26	DIVIDENDS PAYABLE		
	At beginning of year	441,630	647,677
	Dividends declared in the year	2,295,000	1,147,500
	Dividends paid in the year	(2,029,287)	(1,353,547)
	At end of year	707,343	441,630

DIVIDENDS PER SHARE

In 2011, a dividend of Ushs 30 per share amounting to Ushs 2,295,000 was paid in respect of 2011 financial year (2011 – Ushs 15 amounting to Ushs 1,147,500,000 in respect of 2010 financial year). Payment of dividends is subject to withholding tax at a rate of 15% for non individuals and 10% for individuals.

		2012 Ushs '000	2011 Ushs '000
27	CASH GENERATED FROM OPERATIONS		
	Profit before taxation	5,492,720	4,685,859
	Adjustments for:		
	Depreciation	5,026,254	4,535,684
	Amortisation of operating lease prepayments	70,148	73,933
	Amortisation of intangible assets	181,607	-
	(Gain)/Loss on disposal of property, plant and equipment	(419,037)	(58,082)
	Interest expenses	11,692	151,560
	Interest received	(132,366)	(148,070)
	Loss on revaluation	377,525	-
	Operating profit before working capital changes	10,608,543	9,240,884
	Increase in inventories	(1,269,343)	(3,412,437)
	Increase in trade and other receivables	(4,942,692)	(717,910)
	Increase in trade and other payables	626,465	1,606,051
	Cash generated from operations	5,022,973	6,716,588

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

28 CASH AND CASH EQUIVALENTS

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

	2012	2011
	Ushs '000	Ushs '000
Cash on hand (note 21)	119,002	425,793
Cash at bank (note 21)	3,146,363	3,597,985
Held to maturity investments (note 17)	-	1,000,000
	3,265,365	5,023,778

29 RETIREMENT BENEFIT OBLIGATIONS

During the year, the Company incurred Ushs 546.0 million (2011: Ushs 469.2 million) as gratuity for managers employed on contract terms. The amount has been charged to the statement of comprehensive income.

	2012	2011
	Ushs '000	Ushs '000
30 CAPITAL COMMITMENTS		
Authorised and contracted for	1,037,433	1,630,023
Authorised but not contracted for	-	-
	1,037,433	1,630,023

31 OPERATING LEASE RENTALS

Minimum lease payments under operating lease recognised in income for the year.	127,512	271,740

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 783,721,592 (2011: Ushs 872,498,392).

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 the 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 2012

	Notes	2012 Ushs '000	2011 Ushs '000
Revenue		71,111,117	61,819,630
Direct costs	Appendix II	(50,317,010)	(43,670,234)
Gross Profit		20,794,107	18,149,396
Other operating income		433,623	415,301
Distribution costs	Appendix II	(1,532,918)	(1,254,442)
Administrative expenses	Appendix III	(14,104,403)	(12,225,114)
Gain/(loss) on disposal of assets		419,040	58,082
Revaluation Loss on buildings		(377,525)	-
Fair value loss on investments		-	(34,064)
Finance costs		(139,204)	(423,300)
Profit before taxation		5,492,720	4,685,859

APPENDIX II

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

DETAILED STATEMENT OF INCOME
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012	2011
	Ushs '000	Ushs '000
Direct costs		
Material cost	14,275,632	12,818,476
Production salaries and wages	11,473,373	9,995,501
Advertising commission	5,155,954	5,518,544
Depreciation	4,078,581	3,494,291
Promotional expenses	2,622,818	1,880,336
Contributors' payments	2,355,952	1,877,785
TV content	1,599,020	1,508,082
Other staff costs	1,355,644	1,169,713
Repairs and maintenance	1,508,398	1,183,680
Other production costs	1,803,728	882,294
Utilities	994,072	756,882
Professional fees	636,826	566,386
Motor vehicle running costs	718,465	489,006
Communication costs	513,416	452,799
News services & licenses	610,981	379,820
Insurance	365,551	273,533
Rent and rates	165,865	210,626
Provision for obsolescence	33,208	115,895
Election expenses	600	95,776
Meeting Expense	48,926	809
	50,317,010	43,670,234
Distribution costs		
Transportation of newspapers	1,532,918	1,254,442

APPENDIX III

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

DETAILED STATEMENT OF INCOME
FOR THE YEAR ENDED 30 JUNE 2012 (Continued)

	2012	2011
	Ushs '000	Ushs '000
Administrative expenses		
Other salaries and wages	3,940,469	3,148,486
NSSF Contribution	1,520,349	1,231,793
Depreciation charge	1,199,429	1,115,326
Repairs and maintenance	1,032,932	981,105
Printing and Stationery	479,543	542,254
Rent and office expenses	571,600	521,116
Gratuity	546,007	469,296
Bad debts provision	636,611	298,384
Other operating expenses	415,507	632,778
Staff training	344,354	391,720
Medical expenses	467,922	386,057
Motor vehicle running costs	478,976	326,004
Other staff costs	413,944	321,463
Electricity and water	279,407	304,699
Security	252,238	280,225
Travel and accommodation	268,318	234,314
Directors' expenses	300,212	207,959
Professional fees	212,995	203,712
Entertainment	87,377	140,702
Communication costs	128,354	113,200
General Insurance	100,862	107,077
Bank charges and commission	206,341	104,027
Shareholders' expenses	48,104	65,949
Audit fees	62,477	62,914
Team building	69,368	24,777
Grants and donations	40,707	9,777
	14,104,403	12,225,114

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

11th ANNUAL GENERAL MEETING

VISION GROUP

NATIONAL PRIDE•GLOBAL EXCELLENCE

PROXY CARD

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

hereby appoint .... of

(address)...

as my/our proxy to attend and vote on my/our behalf at the 11th Annual General Meeting of the company to be held on 15th day of November 2012 at 3.00pm or at any adjournment thereof.

Signed this .... day of .... 2012.

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.

The CEO, Mr. Robert Kabushenga receives the Olympics marathon winner Stephen Kiprotich at the Vision Group offices

Micheal Ssebowa, a Bukedde Fama presenter in the studio.

An urban TV presenter in the studio

Gloria Mukibi and Barbara Kakai, members of the printing team at the Commercial Printing offices

A graphics designer at the New Vision Online station

NOTES:

Date:...

Ref:..

People will always turn to trusted, reliable sources of news & information.
New Vision
UGANDA'S LEADING DAILY
REVIEW ALL CHARGES, MUSEVENI TELLS BANKS
Chinese hand over new President's office
Out of 5.8Million newspaper readers,
43% said
they thumbed through the New Vision and read most stories in the past 7 days
64% said
they read the New Vision in the past 7 days.
© Dec 2011 Uganda All Media & Products Survey (UAMPS) by Ipsos/Synovate
New Vision
UGANDA'S LEADING DAILY

New Vision
UGANDA'S LEADING DAILY

Saturday Vision
– 7 days one paper –

Sunday Vision

Bukedde

Bukedde
LWAMUKAAGA

Bukedde
KU SSANDE

ETOP

ORUMURI

Rupiny

THE KAMPALA SUN
you can't read it alone

BRIDE & GROOM

Flair
FOR HER

Urban
...It starts here.

tvWest

Bukedde TV

X FM
u know u want to...

Bukedde FM 100.5
Embuutikizi

100.2FM
Radio West

ETOP 99.4 FM Radio
AICA NA ATEKER

RADIO RUPINY
95.7 FM, Lira-98.1 FM

ARUA ONE 88.7 FM
Sema Yote

VISION MOBILE
Info in your hands

VISION PRINTING
delivering value

P.O.Box 9815 Kampala Uganda Plot 19/21 First Street, Industrial Area Tel: +256 414/312 337 000