VISION GROUP®

NATIONAL PRIDE • GLOBAL EXCELLENCE

ANNUAL REPORT

Staying Ahead

2012-2013

Contents

Vision "A globally respected African media powerhouse that advances society"

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

Values Honesty ● Innovation ● Fairness ● Courage ● Excellence ● Zero tolerance to corruption ● Social Responsibiity

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 12th ANNUAL GENERAL MEETING (AGM) of New Vision Printing & Publishing Company Limited will be held at the Head Office of the Company, Plot 19/21 First Street Industrial Area, Kampala on Thursday, 21st November 2013 at 3:00pm to conduct the following business;

1. To receive, consider and adopt the annual financial statements for the year ended 30th June 2013, together with the report of the Auditors.
2. To approve and declare a final dividend of Ushs 35 for the year ended 30th June 2013.
3. To rotate and elect Directors.

   In accordance with Articles 83-87 of the Company's Articles of Association, Mr. Oode Obella, Ms. Grace Dwonga, Prof. Monica Chibita, and Hon. Steven Bamwanga retire by rotation as directors of the Company and being eligible offer themselves for re-election.
4. To approve fees payable to non-executive directors.
5. To appoint External Auditors for the financial year 2013/2014 and authorise the Directors to negotiate and fix their remuneration in accordance with sections 167-169 of the Companies Act 2012.

Any Other Business (A.O.B):
To conduct any other business that may be conducted at the AGM for which notice will have been duly received.

Dated this 23rd day of October, 2013

By order of the Board

Gervase Ndyanabo
COMPANY SECRETARY

Notes

- **Articles 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 card is to be physically delivered to the Company Secretary at the address stated above, faxed to +256 (0414) 346432 or emailed to shareholder@newvision.co.ug forty eight hours before the time fixed for holding the meeting and in default, the instrument proxy shall be treated as invalid.**
- **In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.**
- **If the form is returned without any indication as to how the proxy shall vote, the proxy will exercise his/her discretion as to how to vote.**
- **All shareholders who have not received past dividends should contact the Company Secretary.**
- **Shareholders are advised to notify the Company Secretary in writing of any change in their addresses or bank account details.**
- **Contact can be done by e-mail: shareholder@newvision.co.ug or by phone 0414 337000.**
- **Shareholders are encouraged to open Securities Central Depository accounts. Please contact any registered stock broker for assistance.**

Shareholders vote at last year's Annual General Meeting

At a Glance

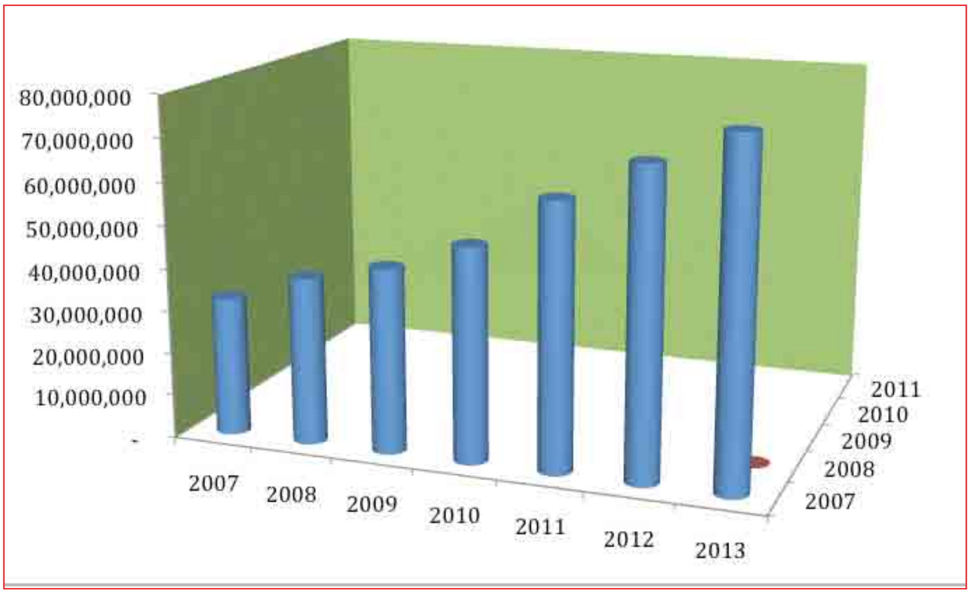
	2013	2012	2011	2010	%change 2012/2013
	UGX'000	UGX'000	UGX '000	UGX '000	
Statement of comprehensive Income (Income Statement)					
Turnover	78,897,566	71,111,117	61,819,630	49,953,106	11
Profit before tax	4,819,528	5,492,720	4,685,859	1,898,963	-12
Profit after tax	3,551,526	3,859,053	3,003,680	734,786	-8
Statement of Financial Position (Balance Sheet)					
Property y Plant & Equipment	31,630,387	33,639,844	34,866,599	34,144,551	-6
Total Assets	66,382,476	64,410,639	61,995,235	59,762,245	3
Shareholders funds	52,477,155	51,603,129	49,897,388	48,041,208	2
Financial Performance					
Gross Profit Margin %	27.5	29	29	29	-1.5
Net Profit Margin %	6	8	8	4	-2
Return on Capital Employed %	9	11	9	4	-2
Return on non current Assets %	15	16	13	5	-1
Share Statistics					
Earnings Per share-basic &diluted (shs)	46	50	39	10	-8
Dividends (Proposed) per share	35	35	30	15	0

11%

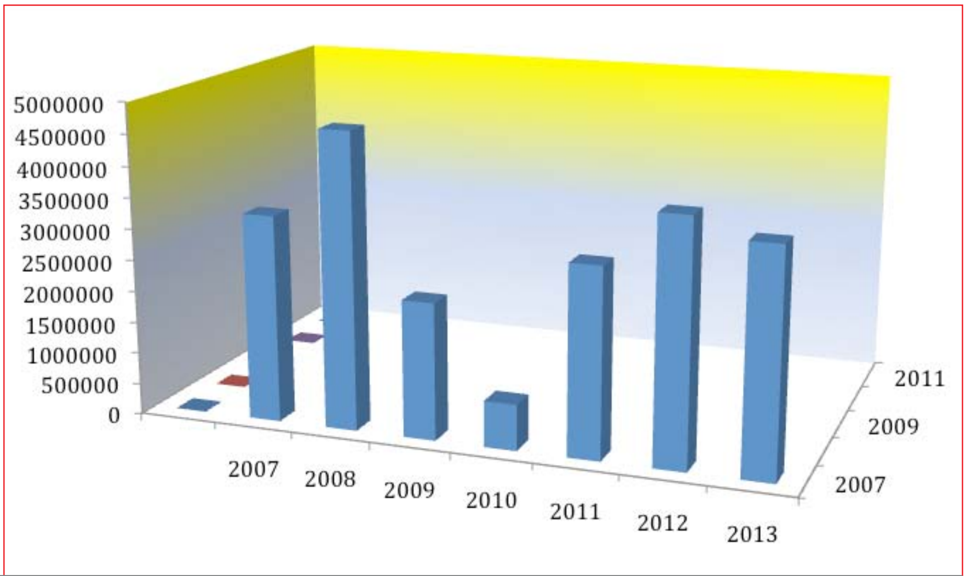
TURNOVER GROWTH

There was growth in overall turnover despite harsh economic conditions

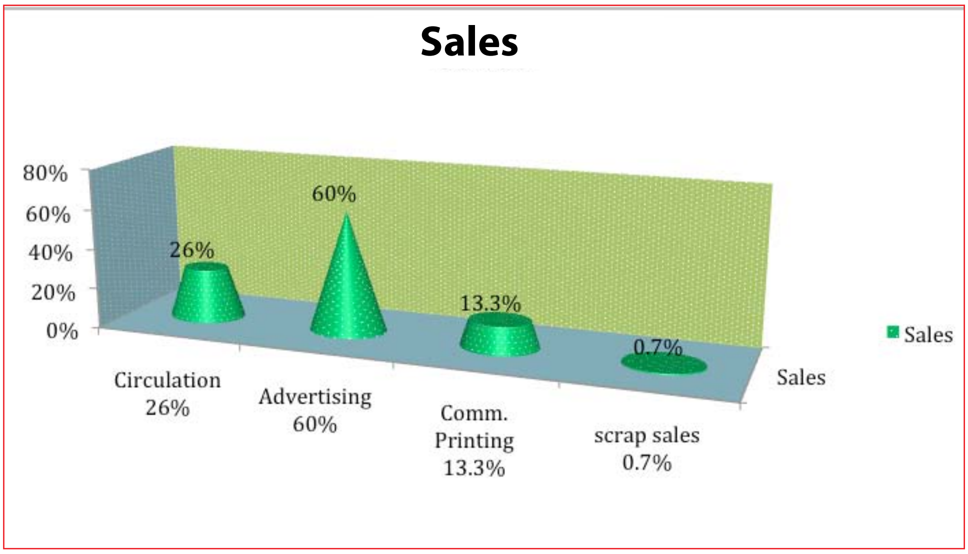
Turnover trends, UShs



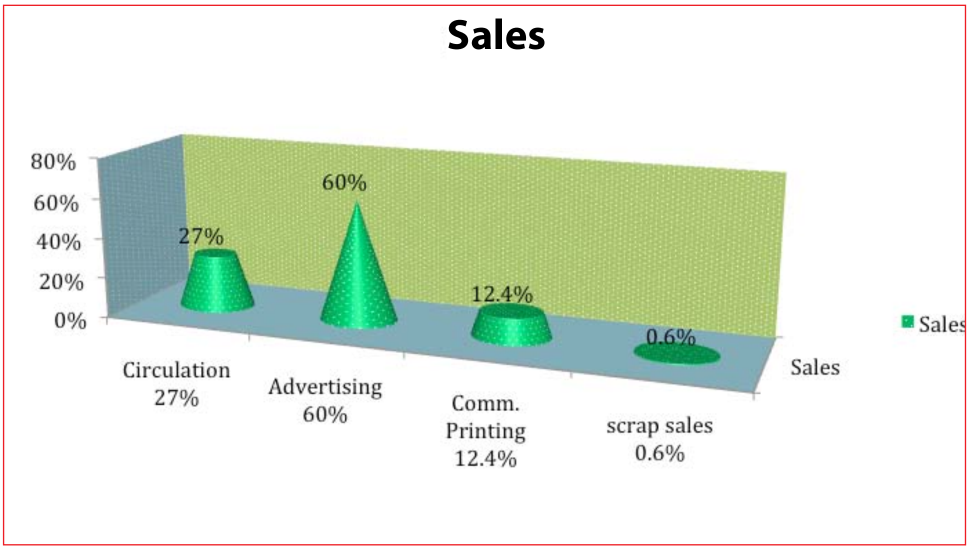
Profit After Tax Trends



Turnover breakdown 2013



Turnover breakdown 2012



-7.9%

PROFIT BEFORE TAX
Increased operating costs led to a decrease in profit before tax

3%

TOTAL ASSETS
There was growth in total assets

sh35

DIVIDEND
Recommended by directors for approval by shareholders at the AGM

Board of Directors

1. David Ssebabi, Board Chairman **2. Robert Kabushenga**, Managing Director/Chief Executive Officer
3. Monica Chibita, Non Executive Director **4. Oode Obella**, Non Executive Director
5. Charles Tukacungurwa, Non Executive Director **6. Grace Dwonga**, Non Executive Director
7. Orono Otweyo, Non Executive Director **8. Steven Bamwanga**, Non Executive Director
9. Gad Gasaatura, Non Executive Director **10. Gervase Ndyanabo**, Chief Operations Officer/Company Secretary

We will stay ahead

In the past financial year, Vision Group continued to operate in a disciplined and prudent manner

David Ssebabi, Board Chairman

On behalf of the Board, it is with pleasure that I present to you the Annual Report and Financial statements of Vision Group for the year ended 30th June 2013. In the past financial year, Vision Group continued to operate in a disciplined and prudent manner with a focus on driving product initiatives to give us a competitive advantage and deliver sustainable growth and improvements in business performance. We focused on the customer as a way of delivering informative and educative products and at the same time provide acceptable returns to the shareholders.

Financial Performance

In the past financial year, overall turnover grew by 10.9%. However, due to increased cost of sales and other operating costs, profit after tax reduced by 7.9%. Earnings per share reduced by 8%.

Strategy

In January 2013, the Board held its annual retreat to review the Company strategy. At the retreat, the strategy was redefined to focus on competitiveness. The retreat also focused on understanding the macroeconomic business environment and its effect on the Company's strategy. Corporate objectives for the year were redefined and strategic plans drafted in line with the competitive strategic effort and formed the basis of targets set for staff.

Corporate Governance

As a Company, we strive toward the highest standards of corporate governance governed by the Companies' Act, Capital Markets Authority guidelines, the Listing Rules and global best practice. In 2012/13, the Board continued to perform its oversight role to ensure proper functioning, transparency and accountability. The Board has also taken note of the Companies Act 2012, which has come into place and incorporated corporate governance requirements into law, and has introduced a Code of Governance that is mandatory for public companies. Measures are in progress to ensure compliance.

> In the past financial year, we reaffirmed our position as Uganda's leading media house and maintained our number one position in readership and viewership.

As a Board we continually appraise ourselves of training needs and induction to ensure Board effectiveness. Amongst the trainings conducted this year was training on implications of the Companies Act 2012 to the Company and its Board, and training on modern concepts of Good Corporate Governance.

In line with the Company's Articles of Association, directors who have served on the Board for three years are due for retirement and being eligible offer themselves to the Annual General Meeting for re-election. Names of directors due for retirement this year and who will offer themselves for re-election are in the Corporate Governance statement on page 16.

In line with corporate governance best practice, the Board conducted an evaluation exercise in December 2012 focusing on the role and responsibility of the Board, structure, composition, functions and processes, information and meetings amongst other critical areas.

The results of this evaluation were discussed by the Board at the Board retreat held in January 2013 and formed a basis for identification of areas of improvement, training needs and necessary appointments.

Another evaluation of the Board will be carried out towards the end of the year. Evaluation of board committees and individual directors will also be carried out and the findings discussed at the Board retreat scheduled for February 2014.

Vision Group takes pride in addressing social, economic and environmental issues that affect the community in which we operate. Our products and initiatives take into account the power of the media as a tool for change in society. As such, responsible reporting is core as well as responsibility for the society and community around us - 'Ubuntu'.

Dividends

The Board takes into cognisance the balance between maximising shareholder value and the need to plough back funds into the Company for future growth. The Company has consistently paid a dividend to shareholders and the Board is pleased to recommend a dividend of Ushs 35 per share for approval by shareholders at the Annual General Meeting (AGM).

Outlook for 2013

In the past financial year, we reaffirmed our position as Uganda's leading media house and maintained our number one position in readership and viewership. In the next financial year we plan to grow our electronic products to match the level of our print products and we are confident that we shall exceed expectations. We will stay ahead.

Conclusion

On behalf of the Board, I extend my sincere appreciation to our customers and stakeholders for their continued support and loyalty. My sincere gratitude to our shareholders for their commitment to the success of the Company and for trusting us to spearhead this Company.

My thanks go to my fellow members of the Board for their untiring effort, support and sacrifice towards driving this Company to greater heights. I wish to appreciate our staff for their effort and dedication, on which the Company relies on for its success. Let us all work together to make Vision Group a globally respected African media powerhouse.

Members of the Board in the boardroom

Senior Management

1. Robert Kabushenga, **Chief Executive Officer/Managing Director**
2. Gervase Ndyanabo, **Chief Operations Officer/Company Secretary** **3.** Barbara Kaija, **Editor in Chief**
4. Zubair Musoke, **Chief Finance Officer** **5.** Tony Glencross, **Chief Commercial Officer**
6. Kathy Turinawe, **Chief Human Resource Officer** **7.** Carol Lutalo, **Chief Internal Auditor**
8. Susan Nsibiwa, **Head of Marketing and Communication** **9.** Peter Taremwa, **Head of Printing**
10. Louis Jadwong, **Head of Digital** **11.** Mark Walungama, **Head of TV** **12.** Bill Tibingana, **Head of Radio**
13. Hope Nuwagaba, **Head of Sales**

Chief Executive Officer's Statement

The drive to lead industry innovation in every segment will continue as the main way of ensuring market leadership.

Robert Kabushenga, Chief Executive Officer

Enhancing competitiveness

The financial year 2012/13 ended in July this year. The details of the financial performance are laid out in the accounts. The Company is in a decent financial position and has achieved growth in both revenue and market share. However, there are concerns about the level of profit and the stagnated share price.

This, as the figures show, has come down to the fact that the business is run at a high cost which not only brings down the level of profit, but also gives the Company a low Price-Earnings (PE) ratio.

This set of circumstances depresses the share price and denies shareholders their capital gains. The challenge that faces the management team is how to grow the revenue faster than the rate at which costs are growing in order to deliver value to shareholders.

The Directors decided to maintain the current strategic focus with minor changes to the priorities. The purpose is to enhance the competitiveness of the Company in the market.

The First Lady, Mrs Janet Museveni and CEO Robert Kabushenga flip through one of Vision Group's innovations — the *Uganda, Building of a Nation* book — during its launch. Looking on is Barbara Kaija, the New Vision Editor in Chief

Effective Implementation of Performance Oriented HR Practices

In the last financial year, the pressure to grow the team was high considering the need for skills and fresh talent to deliver the new lines of business. This is in addition to the need to retain a team that can maintain the dominant market position of the existing lines of business where competition is increasingly stiff.

The priority here is in improving the level of employee productivity. The current ration of employee productivity is low compared to the market average. This means revisiting the exercise and process of performance management to make sure all employees are in a position to perform at the optimum.

It will involve constant review of the staff complement to establish optimum numbers for the size of the business as measured by revenue. This is one of the ways management is focused on in order to bring the growth rate of sales costs under control.

Achieve International Standards of Financial Efficiency

This has been largely achieved and management strives to maintain this level of operation. The one area that needs closer attention is to manage the costs of sales at industry standard. Management has adopted a practice of tracking and benchmarking with industry high achievers especially in other parts of the world.

This is a useful tool for management to employ in solving this challenge. The measures undertaken will have specific targets to make sure that the cost at which value is generated enables the business to capture even more value for the shareholders.

Achieve International Standards of Operation

The rationale for this aspiration was to task

Bukedde TV staff try out the new TV production unit aimed at enhancing growth and efficiency in content production. Far right is James Sserunkuma, the Head of Production - TV

management to ensure efficiency. Management was tasked to ensure that there is no leakage or wastage of resources. This has been largely achieved with the management of wastage and strict controls that minimise incidents of fraud. The main area of focus now is on cost as enumerated above. The ultimate objective is to ensure delivery of shareholder value through minimal cost and therefore increased returns.

Effective Marketing Function

The position of the different products in the market is strong which means that compared to the competition, the Company commands the biggest audiences and larger share of the industry revenue.

This has come as part of a deliberate drive to generate preference for and loyalty to our brands. This is the one unit in which significant resources have been invested. The idea is to ensure constant top of the mind awareness of our products which then should translate into consumption that is commercially beneficial.

This is the most reliable way in which we can continue to attract business and ensure revenue growth and can only happen either by taking the market share of the competition, opening new markets or both. It is the only sustainable way of ensuring that the business is consistently profitable, can keep growing this rate of profit and it remains an area of high priority for us.

Innovation for Growth and Efficiency

The Company continues to lead the industry in innovation particularly in the area of content.

As has become obvious in the industry, most of the innovations are now being imitated by competitors. Every new product innovation has been quickly adopted by others. That is the price of being a market leader. Nevertheless the efficient execution of these innovations has ensured that

The senior management team during one of their weekly meetings

the Company maintains the advantage of undertaking them. This drive to lead industry innovation in this market in every segment will continue as the main way of ensuring market leadership.

The other area of innovation has been the automation of the management processes which is essential for efficiency gains and better control. There will be further investment in this activity to ensure the constant flow of ideas and their conversion into commercial gain for the Company.

Future Outlook

The market performance in the first quarter indicates that this is going to be a tough year. The reason is that there is a tightening of expenditure all across the economy which is likely to necessitate expenditure cuts. In a challenging environment and tight market of this nature, the most innovative team commands the most revenue.

In response, this year management has changed the sales approach to increase revenue. The details of this remain a trade secret. But it is clear that the approach is having positive results.

In spite of the challenges, the Company remains the most competitive in the business and has the competence and ability to return value. These are challenges that management has faced before in the past and has proved perfectly capable of weathering them. I am confident that the team will excel in returning value to shareholders.

Rated Next winner Daniel Kaweesa receives his prize from Vision Group CEO Robert Kabushenga and Coca Cola CEO Norton Kingwill

Highlights

TV growth

A fully-fledged TV production unit with capacity for live transmission was set up. This will enable coverage of live events.

Circulation up

The circulation for New Vision, Sunday Vision and Bukedde grew by 4%, 2% and 3% respectively.

Continuity

We have embarked on a deliberate succession plan that will ensure that the skills are passed on through the talent pipeline.

The Board Audit Committee receives audited financial statements from PKF Auditors

Corporate Governance Statement

Governance is key

The composition of the Board puts into consideration the knowledge, skills and experience of the director

Board

Vision Group is headed by a board of directors appointed by shareholders at the Annual General Meeting and has powers and duties vested in it by the Companies' Act, Uganda Securities Exchange (USE) Listing Rules and the Company's Articles of Association. The Board's main responsibilities include guiding the Company with a view to ensuring long-term and sustainable returns for shareholders whilst delivering exceptional services to our customers and having regard to the interests of all other stakeholders and the communities in which the Company operates.

The Board is currently constituted of nine directors, eight of whom are Non-Executive members with a wide array of skills and experience to enable effective board discourse. The composition of the Board puts into consideration the knowledge, skills and experience of the director for effective

Board and senior management team during a workout session at their annual retreat

contribution to the Board and the business of the Company.

Appointments To The Board

Appointment of directors is done in accordance with the Company's Articles of Association. Nominations are made to the Board and after due consideration the Board presents the nominees to shareholders for approval at the AGM. In the past financial year, there were no appointments to the Board.

Directors who have served 3 years retire by rotation at AGMs and may offer themselves for re-election. This year, the directors retiring by rotation are:

i. Prof. Monica Chibita
ii. Ms. Grace Dwonga
iii. Mr. Oode Obella
iv. Hon. Steven Bamwanga

Mrs. Grace Guwatudde Kintu retired at the last AGM and did not seek re-election as a Board member.

Induction And Training

After appointment, directors undergo induction into the Company's business and operations. They are advised on their rights, duties as well as governance best practice, legal and regulatory requirements, and are continually updated on industry and regulatory requirements as they arise. Training of directors also remains a commitment. Directors are kept abreast of all applicable legislation and regulations, codes and any changes to applicable legislation. Notably training on the Companies Act 2012 with emphasis on the changes to the Act particularly the Code of Corporate Governance Table F was conducted to inform directors on the changes and their roles to ensure full compliance.

Directors also attended a workshop on "International Trends in Corporate Governance and Integrated Reporting" to expose them to recent developments in corporate governance and best practices. This training emphasized that a company must be integrated in its operations not just in the reporting and should take into account the 4Ps not just profit.

The Board also held its annual retreat in January 2013. The retreat focused on understanding the macroeconomic business environment and its effect on the company's strategy which led to a refinement of the 2011-2013 strategy to focus on competitiveness.

Meetings of the Board

The Board meets at least four times a year and the meetings are structured to allow open discussion. All substantive agenda items have comprehensive briefing papers which are circulated at least 7 days to the scheduled meeting. In addition to the regular quarterly Board meetings, other meetings to deal with specific matters are held.

In the past financial year, the Board met six times. Attendance of meetings continued to be excellent as it has been over the years as set out in the table below:

	September 27, 2012	November 15, 2012	January 23, 2013	April 25, 2013	June 27, 2013
David Ssebabi	✓	✓	✓	✓	✓
Robert Kabushenga	✓	✓	✓	✓	✓
Orono Otweyo	✓	✓	✓	-	✓
Grace Dwonga	✓	✓	✓	✓	✓
Oode Obella	✓	✓	✓	✓	✓
Monica Chibita	✓	✓	✓	✓	✓
Steven Bamwaga	✓	✓	✓	✓	✓
Gad Gasaatura	✓	✓	-	✓	✓
Charles Tukacungurwa	✓	✓	✓	✓	✓

Committees Of The Board

The Board monitors and evaluates the implementation of strategies, policies, management performance and business plans through Board committees.

The committees are provided with all necessary resources to enable them undertake their duties in an effective manner. The minutes of committee meetings are circulated to all directors and each committee reports to the Board.

Every committee is comprised of four Board members, and has access to information and advice as it deems necessary. The committees of the Vision Group Board are:

i. Audit and Risk Committee
ii. Human Resources and Remunerations Committee
iii. Finance and Operations Committee, and
iv. Editorial Committee

In the past financial year, the Audit and Risk Committee met five times, the Editorial Committee met four times, the Finance and Operations Committee met four times and the Human Resources and Remuneration Committee met six times.

Membership and attendance of Board committee meetings in the past financial year was as set out in the tables below:

HR and Remunerations Committee				
	Sept 24, 2012	Oct 3, 2012	Nov 14, 2013	April 22, 2013
Gad Gasaatura	✓	✓	✓	✓
Orono Otweyo	✓	✓	✓	✓
Monica Chibita	✓	✓	✓	✓
Robert Kabushenga	-	✓	✓	✓

Finance and Operations Committee			
	Sept 25, 2012	April 23, 2013	June 25, 2013
David Ssebabi	✓	✓	✓
Robert Kabushenga	✓	✓	✓
Oode Obella	✓	✓	✓
Steven Bamwanga	-	✓	✓

Editorial Committee			
	Sept 24, 2012	Dec 12, 2013	April, 22 2013
Monica Chibita	✓	✓	✓
Gad Gasaatura	✓	✓	-
Steven Bamwanga	✓	✓	✓
Grace Dwonga	✓	✓	✓

Audit And Risk Committee

Membership of the committee consists of four Non-Executive Directors who have the ability and experience to understand financial statements. The Committee provides independent oversight of the Company's financial reporting by ensuring timely, transparent and objective disclosure of financial information. It also reviews the effectiveness of and adherence to internal control measures, findings of internal and external audits, and actions taken to address them.

The Board Audit Committee visits Vision Group's Mbarara office. Seated is Radio West's Robert Kakyebezi

The Committee is governed by the Audit Charter which provides for the terms and references of the committee. All activities of the committee are carried out in accordance with the charter.

The Chief Internal Auditor has unrestricted access to the Audit and Risk Committee and attends all committee meetings. The Committee also ensures effective communication with the internal auditors, external auditors, the Board and management. The Chief Internal Auditor reports to the Committee and provides assurance on the effectiveness of the Company's internal controls, risk management and governance processes.

Directors are kept abreast of all applicable legislation and regulations, codes and any changes to applicable legislation.

In order to fulfil its vital role as the eyes and ears of the Board, the BRAC meets frequently. A total of five meetings were held during the year.

The Committee has reviewed the company's system of internal control and is satisfied that the system is effective.

Shareholders tour the factory during last year's Annual General Meeting

Shareholders at the registration desk during the last Annual General Meeting

Membership of the Audit Committee and Attendance of meetings in the past financial year is as shown below:

	24 July, 2012	25 Sept, 2012	15 January, 2013	23 April, 2013
Orono Otweyo	✓	✓	✓	✓
Oode Obella	✓	✓	✓	✓
Grace Dwonga	✓	✓	✓	✓
Charles Tukacungurwa	✓	✓	✓	✓

The Audit and Risk Committee visited Vision Group's offices in Mbarara (Western Uganda) as part of familiarising with regional operations. More visits at the head office will be made to improve their understanding of the business and risk.

HR and Remuneration Committee

This committee is composed of four Non-Executive Directors. The committee ensures implementation and compliance with Human Resource Policies and makes recommendations to the Board for policy on executive and senior management remuneration so as to attract and retain high caliber staff and motivate them to implement the Company's strategy. The Committee also ensures that Board appointments maintain a good mix of skills, experience and competence in various fields of expertise.

It reviews the remuneration and incentives for the Board and Senior Management in line with the long term interests of the Company and its shareholders.

Remuneration philosophy

In determining the remuneration of Non-Executive Directors, the Board considers the extent and nature of their responsibilities, and reviews of comparative remuneration offered by similar Companies.

The Company aims at attracting and retaining high caliber directors to provide insight to management. A modest director allowance and retainer is paid.

The Remuneration Committee also reviews the companies' remuneration policies, structures and practices and among others agrees on the employment terms for executive management, including the Chief Executive Officer, taking into account the objectives of the company from which performance targets for the executive management are extracted.

Remuneration Of Directors

Non-Executive Directors are paid a quarterly fee and sitting allowance approved by shareholders at an AGM. The fees paid to directors in the past financial year are as scheduled below:

	CHAIRMAN	NON EXECUTIVE DIRECTORS
Sitting Allowance (Ushs)	672,000	560,000
Quarterly Fees (Ushs)	1,344,000	1,120,000

Board Evaluation

The Board conducts an annual evaluation exercise which focuses on the role and responsibility of the Board, structure, composition, functions and processes, information and meetings amongst other critical areas. The Board assessed its performance in December 2012, questionnaires were filled, results collated and feedback discussed. The results of this evaluation were discussed by the Board at the Board retreat held in January 2013 and formed a basis for identification of areas of improvement, training needs and necessary appointments.

Another evaluation of the Board will be carried out towards the end of the year. Evaluation of the Board committees and individual directors will also be carried out and the findings discussed at the Board retreat scheduled for February 2014.

Internal Audit

Internal audit's primary role is to provide assurance to the Board and the Executive management, on risk management, governance and internal control processes by analyzing, measuring and evaluating the effectiveness of systems of controls in achieving company objectives through a systematic and disciplined approach.

During the year, the Internal Audit department conducted risk-based audits of all strategic business units (Newspapers, Television, Radio, Printing and Digital) and support units (Operations, Sales, Human Resources and Marketing).

Copies of all audit reports were disseminated to the Board Audit and Risk Committee and quarterly updates on implementation of recommended remedial actions reported at the Committee's quarterly meetings.

To keep abreast with professional and business-related developments, Internal Audit staff

The Board has identified the need to develop and document a Business Continuity Plan to ensure continuity of business in the event of any disruption or disaster.

attended training activities and are certified/ pursuing professional audit-related certification.

Risk Management

The Company operates under an approved enterprise wide risk management framework following the COSO model.

The Board Audit & Risk Committee provides oversight of the Risk Management function. The committee considers a risk report prepared by the Risk Officer and discussed by management. The oversight roles involves ensuring that management has a process in place for identifying key risks and an approach to mitigate these risks to an acceptable level. The Executive Committee serves as the risk management committee and the company employs a full time risk officer

The quarterly report includes identified key risks, highlighting any changes and responses to each risk ranking as well as emerging risks.

The Company's key risks are profiled and monitored regularly for change in ranking and appropriateness of mitigation measures in place, as well identifying new risks.

Internal Audit evaluates and provides assurance on the effectiveness of the risk management process to the Board.

The Board has identified the need to develop and document a business continuity plan to ensure continuity of business in the event of any disruption or disaster.

The plan is being generated by the Risk Management Function. The primary focus is based on a business impact assessment that determined the critical areas during the year being;

- Succession planning for identified key staff
- IT disaster recovery
- Business Resumption

The plan shall include a roll out of specific business continuity planning for all units and critical operations of the company to ensure all operations are able to continue or recover in the shortest time possible in the event of a disruption or disaster. Over the next year, the plan will evolve to include other processes especially broadcast and transmission processes for Radio and Television.

Financial Reporting And Disclosures

The performance of the Company is reported to shareholders at the Annual General Meeting (AGM), in the form of audited financial statements an income statement and a statement of financial position reflecting a true and fair view of the Company's affairs.

The Company also prepares half year unaudited accounts that are published in the New Vision Newspaper and uploaded onto the company website.

All accounts are approved by the Board prior to presentation to the Uganda Securities Exchange before publication in fulfillment of the Listing Rules to minimize the risk of insider dealing.

Financial information on the Company's performance is prepared using appropriate accounting policies and standards, which are applied consistently. Financial statements are produced in accordance with International Financial Reporting Standards (IFRS) and the requirements of all the relevant statutes, rules and regulations.

Conflict Of Interest

Directors disclose any potential conflict of interest which may have arisen since their appointment as a Director of the Company and, if necessary are excluded from Board discussion on a particular agenda item.

A register for conflict of interest exists for record of existing or potential cases of conflict of interest.

Directors' shareholding as at September 30, 2013	
	No. of shares
David Ssebabi (in joint ownership with his wife)	7579

Left to right, Chief Operations Officer/Company Secretary, Gervase Ndyanabo; Board Chairman, David Ssebabi; CEO, Robert Kabushenga and Chief Finance Officer, Zubair Musoke address shareholders at the AGM

Engagement With Shareholders

Regular communication with shareholders is a responsibility of the Company in order to improve shareholder value and relationships. The Company is committed to ensuring that shareholders and the financial markets are provided with full, accurate and timely information about its performance. In addition to engagements facilitated by the office of the Company Secretary, the Board ensures that shareholders and the investing public are availed with full and timely information about its business performance through publication of half-year and full-year financial statements and circulation of Annual Reports.

Communication to shareholders is usually through emails (shareholder@newvision.co.ug), SMS, post, telephone calls and announcements in the newspapers.

Shareholders are therefore encouraged to ensure their details are updated and to notify the Company Secretary of any change in their postal or email addresses, phone numbers and bank account details.

The Annual Report is published each year on the Company's website (www.visiongroup.co.ug) together with the notice and resolutions of the AGM.

Shareholders are encouraged to attend the annual general meetings for more interaction.

Company Secretary

The Company Secretary acts as secretary to the Board and to the committees of the Board. The Company Secretary assists the Chairman in ensuring that all directors have full and timely access to all relevant information and is responsible for ensuring that the correct Board procedures and applicable laws are followed.

Compliance

Vision Group remains committed to conducting business in accordance with best business practices based on the principles of accountability and responsibility, compliance with relevant laws and regulations, risk management, appropriate checks and balances. Compliance checks were carried out for all strategic business units to boost compliance and identify areas that are lacking.

In the past financial year, the Company was managed on the basis of effective practice of standards of good corporate governance and will continue to uphold these standards. Measures are also being put in place to ensure full compliance with the Companies' Act 2012.

Going Concern

The Directors have sufficient reason to believe the Company has adequate resources to continue operating as a going concern.

Shareholder Information

SUMMARY OF SHAREHOLDERS			
INSTITUTIONAL	NO. OF SHAREHOLDERS	SHARES	%HOLDING
Ugandan	78	68,111,255	89.03
Foreign	2	124,500	0.16
INDIVIDUAL			
Ugandan	2,354	7,482,196	9.78
Foreign	106	782,049	1.02
Grand Total	2,540	760,500,000	100

TOP 10 SHAREHOLDERS AS AT 30th SEPTEMBER 2013

There were major changes in the top 10 shareholder list during the past financial year. Nomura Nominees a/c Samora Ltd, Nomura Nominees a/c Kerserco and Capt. Gad Gasaatura sold their shares. Joiners to the list were Bank of Uganda Staff Retirement Scheme – SIM, Tullow Uganda Staff Retirement Benefits Scheme and Makerere University RBS – Pinebridge.

	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	1,430, 857	2.70
4	BANK OF UGANDA STAFF RETIREMENT BENEFIT SCHEME - AIG	1,703,380	2.23
5	NATIONAL SOCIAL SECURITY FUND - SIMS	1,315, 857	1.87
6	NATIONAL SOCIAL SECURITY FUND - PINEBRIDGE	750,000	0.98
7	BANK OF UGANDA STAFF RETIREMENT SCHEME - SIM	650,000	0.85
8	MR. SAMUEL WAZUNULA MANGALI	510,000	0.67
9	TULLOW UGANDA STAFF RETIREMNT BENEFITS SCHEME	490,000	0.64
10	MAKERERE UNIVERSITY RBS - PINE-BRIDGE	475,000	0.62

Chief Operations Officer/Company Secretary Gervase Ndyanabo (right) leads the Katikkiro of Buganda, Charles Peter Mayiga (centre), around the Company premises after the launch of *Ekitiibwa kya Buganda*'a Luganda history book published by Vision Group

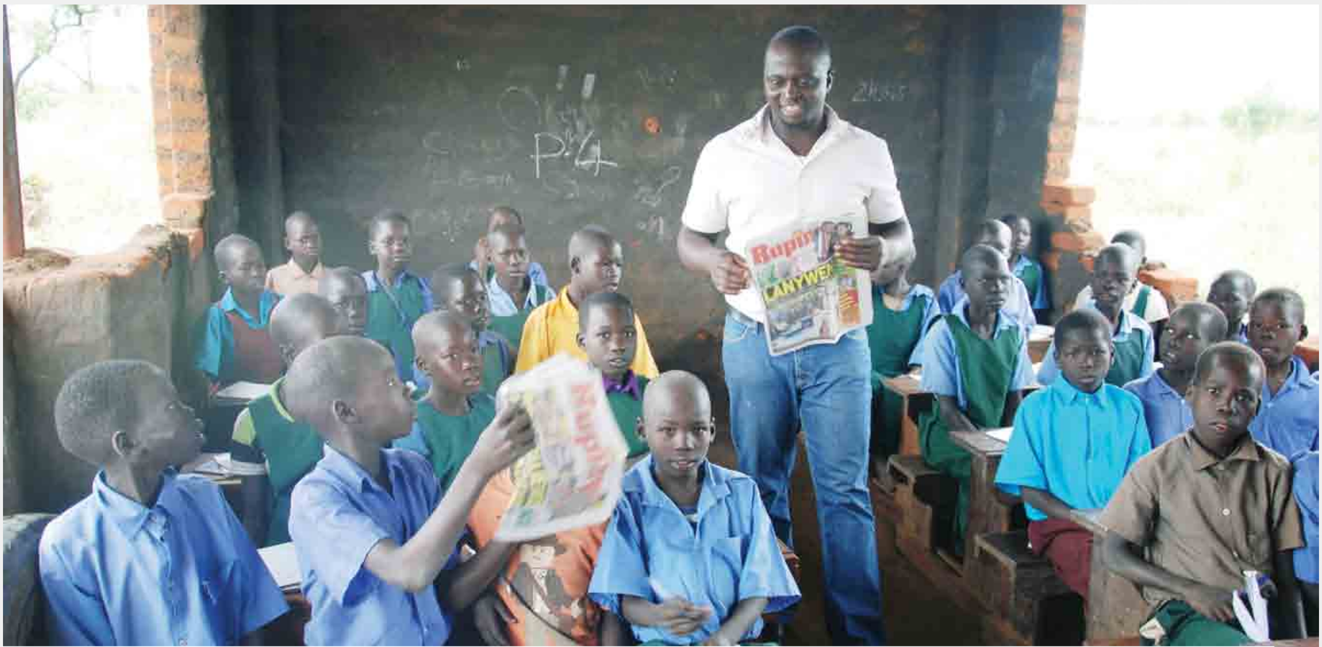
Ubuntu

Vision Group is a responsible citizen committed to undertaking initiatives that allow it to play a role in advancing the society in which it operates. During the year the company undertook the following ventures.

Education Projects

The Newspapers in Education (NIE) project, in partnership with various organisations, has continued to create awareness on major issues that affect children. As part of this project, the Company partnered with Water Aid to promote sanitation and hygiene amongst children in schools, reaching out to over 100 schools nationwide and with National Drugs Authority to promote drug awareness in primary schools a project that reached out to 15 schools nationwide. The NIE partnerships also involved Save the Children to sensitise

> "At Vision Group, we aim at addressing social, economic and environmental issues in society to improve its wellbeing and to build long-term shareholder value"
>
> **Lyndah Mabikke, CSR Officer**



Dixon Ampumuza, Vision Group's Advocacy Manager, Media in Education, chats with P4 pupils of Pacilo Gunya Primary School during monitoring and evaluation of a children's rights project at the school

CEO Robert Kabushenga hands over a certificate to Joyce Mutunda of Good Hope Nursery, Buikwe at a ceremony to honour teachers making a difference in society

children on their rights, reaching out to 56 schools nationwide and United Bank for Africa (UBA) to improve literacy in various communities with the objective of grooming children and youth into responsible citizens as the future leaders of nation.

NIE has, to date, reached over 284 schools spread across 19 districts: Kampala, Nwoya, Kanungu, Amuria, Iganga, Hoima, Mbarara, Lira, Jinja, Tororo, Soroti, Gulu, Moroto, Kotido, Kasese, Fort Portal, Ntoroko, Arua and Ngora, directly supporting them with New Vision Newspapers in Education (NIE) as supplementary teaching aids.

This tool has proven to be one of the best education tools and has contributed to promoting a teaching and reading culture. The objectives of the project also include equipping teachers to become trainers of fellow teachers and students to ensure sustainability of the project and equipping children to share knowledge with their peers, siblings and parents. The NiE programme has trained 834 teachers so far.

In September 2013, the World Association of Newspapers recognised the New Vision NiE project for engaging young readers in the Water, Sanitation and Hygiene Project (WASH).

Another education project spearheaded by the Company was 'Teachers making a difference'. The aim of the project was to recognise teachers who have gone beyond the call of duty to positively impact on the lives of their students and their communities. The winners were teachers who have contributed to the community and have had impact despite their limited resources. Three winners were selected in each of the four categories of pre-primary, primary, secondary and vocational institutions all over the country. It is expected that the project will motivate teachers into being change agents in society.

The Company also supported Makerere University by revamping the Department of Journalism and Communication computer laboratory by donating computers. This was done to elevate the quality of journalism and journalists in the country.

Adopt A School

Our regional newspapers — *Bukedde, Orumuri, Etop* and *Rupiny* — have for many years supported less privileged school pupils by offering them revision material in preparation for the Primary Leaving Examination (PLE). The Vision Group Pass PLE tests, which are set by experienced teachers, are an important contribution to educational standards because these pupils may not otherwise afford text books like their more privileged urban counterparts.

This year, each of our four regional newspapers adopted a UPE disadvantaged school and undertook several initiatives to improve standards of the schools. *Etop* adopted Osokotoit Primary

School in Serere district, *Orumuri* adopted Katebe in Mbarara, *Rupiny* adopted Punoloro in Kole district and *Bukedde* adopted Nyenga Boys Mixed School in Buikwe. The schools adopted have not had any PLE candidates passing in Division One in 10 years save for Nyenga Boys mixed School which had one first grade in 2011.

Vision Group also provides a free copy of the PLE tests to each candidate in the adopted schools and some scholastic materials such as exercise books and pens. The adopted schools are paired with the best performing schools in the regions and teachers of the best schools visit and teach children of the adopted schools.

Career Outreach

Vision Group, through its Chief Human Resource Officer and the Newspapers in Education (NiE) manager, partnered with Learnit Organisation to deliver a career guidance session for the youth in Kampala offering tips on career and personal development as part of a drive to improve the quality of job seekers and to equip the youth with a vision in pursuing their career goals.

Women Empowerment

The Company donates scrap paper to women self-help organisations used in making beads as a means of generating income to improve their livelihood. The beads made are used in making jewelry and ornaments sold both locally and internationally to earn them a living which enables them sustain their families. This year, the beneficiaries were Meeting Point International, Kinawataka, an organisation comprised of women who have suffered the multi-dimensional effects of the LRA war.

The Women Achievers awards carried out annually honours and rewards hardworking and determined women who have taken significant steps to be self-reliant to improve their livelihoods and those of their families.

Vision Group's Lyndah Mabikke and Doreen Pachuto hand over paper to Meeting Point International

The theme of the project this year was 'overcoming adversity to rebuild one's life and community'. The project recognised hardworking women who, through hard work, contributed to their welfare and that of their communities and also have plans of developing other women in future. The purpose of this project is to encourage women to become role models and a source of inspiration for many others by nurturing a hard work ethic, a desire for self-reliance.

The overall winner was Lydia Jemba who won sh5m, while the first runner-up, Jolly Grace Akot, and the second runner-up Alice Byangwa received sh2m and sh1m respectively.

Environmental Watch

Vision Group cares about the state of the environment and is committed to highlighting environmental issues as was the case this year with the Lake Victoria

Women from Meeting Point International display their products

campaign aimed at saving the Lake through increased awareness about its fast deteriorating state. The polluted, poor state of the lake was highlighted in *The New Vision* newspaper with calls for action for the preservation of the lake which resulted in an allocation of sh9.2 billion towards saving Lave Victoria in the 2013/14 national budget as well as commendation from President Museveni and Members of Parliament. The European Union has also set apart funds towards saving Lake Victoria. Some culprits who were exposed for polluting the lake responded by cleaning up.

Vision Group was recognised by NEMA for the initiative and received an award on World Environment Day.

Pakasa Project

Pakasa awards recognise and reward members of the community for excellent entrepreneurship. The project aims

Pollution in Lake Victoria - Save Lake Victoria campaign at tackling poverty and unemployment by encouraging innovation and entrepreneurship among the youth budding entrepreneurs as a means of empowerment. Success stories of the youth are published in the New Vision newspaper to inspire and provide role models to whom the youth can aspiring and learn from.

Health

Vision Group also partnered with United against Malaria in a photo exhibition that was held at the Parliament of Uganda lobby on the 12th – 16th August 2013 with the aim of creating awareness about malaria in children and to stimulate commitment to end malaria deaths by 2015. The Company's photos were used to demonstrate the effects the disease has had on the Country in a bid to sensitise Ugandans on fighting malaria the biggest killer amongst children below the age of 5.

On 5th July, Vision Group supported Captain Rukia Mulumba Sickle Cell conference with two talk shows on *Buuza Omusawo* and *Akabinkano* programmes on Bukedde TV aimed at promoting sickle cell awareness and encourage early detection and treatment of the disease as well as fight stigmatisation of people suffering from the disease. As a result, Bukedde received commendation at the Annual Uganda North American Association (UNAA) in Dallas for highlighting the plight of sickle cell patients in Uganda.

HIV/ AIDS

Vision Group partnered with Women at Work International (WAWI) in a campaign under the theme "Living a healthy life" to create awareness and sensitise the Isingiro communities about HIV-AIDS screening and fistula amongst women. The campaign run from 26th March to 4th April and comprised educative sessions about maternal health, fistula, family planning, HIV/ AIDS screening and free condom distribution. Vision Group offered the organisation Radio Announcements, DJ mentions and editorial coverage in Orumuri.

Child Protection

The Company continues to identify major issues that happen in the society and to use its platforms to highlight these issues and ways of

Vision Group's Corporate Social Responsibility Officer Lyndah Mabikke hands over donations from staff for victims of the Kilembe floods to Red Cross Uganda's Corporate Resource Mobilisation Manager

curbing them. The recent ones are highlights on the many cases of lost or misplaced children and theft of newborn children in several hospitals.

Saturday Vision dedicated prime space to highlight stories of lost children and 50% of these children have been either reunited with their parents or been resettled in homes. Some of the homes that took up stranded children are Good Samaritan Home, Amahoro Children Home, God's Grace Orphanage, Wakisa Ministries and Retrak Uganda. Natasha Museveni sponsored a defiled girl's operation at Mulago Hospital.

Vision Group donated 30 mattresses, clothes and other necessities to the children's home to instill hope and restore smiles on the faces of the children. God's Grace has over 120 hopeless, disadvantaged and rejected children in Kyebando and the surrounding suburbs.

Vision Group also donated reading materials to Literacy and Career Guidance Club, Makerere. The materials were intended for an estimated 2,000 learners in disadvantaged schools and orphanages around Kampala where the club conducts literacy and career guidance programs. The aim of the program is to develop children's abilities and life skills for their future careers.

A Voice

The Company also has a deliberate strategy to link persons in need with well-wishers by publishing their stories. Stories of persons suffering as a result of ailments or disabilities are published to highlight their plight and interested well-wishers are linked with the families of the children. The company uses its various platforms to inform and persuade readers, create awareness and to build linkages.

This year, *The New Vision* newspaper published a story about Eunice Atim, a 21-year-old girl, who is disabled and had to ride in a wheelbarrow to get to her destination. Eunice Atim dropped out of school because there was no one to push her to and from school on her wheelbarrow every day and her father could not afford to buy her a wheelchair. Members of the public contributed two wheelchairs which Vision Group had

Eunice Atim receives a modified wheelchair

Vision Group donates reading materials to Makerere Literacy Centre


Vision Group staff construct a house for Nyakato, an HIV positive widow

modified to fit her needs and these were delivered to her home in Amolatar district.

At the beginning of the year, The New Vision published a story about Jude Lulenzi, 34 and his wife, Margaret Tuliwangula. They are a visually impaired couple living in dire poverty but determined to make ends meet using skills including knitting.

Readers from the Diaspora embarked on a campaign to raise funds for the purchase of a knitting machine which was delivered to the couple at their residence in Jinja. It is expected that the knitting machine will be a source of income and will improve their livelihood.

Construction of a house for Nyakato, an HIV+ widow and mother of four came to a completion towards the close of 2012 and the house was handed over to Nyakato. In her own words, this was a case of a poor woman's dream come true because she had never dreamt of living in a decent house. The project was a result of joint efforts of Vision Group, Habitat for Humanity, DFCU Bank, TASO Masindi and an overwhelmingly good response from readers from Uganda and the diaspora that resulted in the raising of sh11m which Vision Group topped up with sh2m to build the house. Nyakato now lives in a decent house, thanks to New Vision readers.


Nyakato poses in front of her new house

In December 2012, Vision Group in its Bukedde newspaper and TV ran a story of Allan Ssekandi a young boy suffering from severe trismus (lock jaw) which was a consequence of an accident when he was young. The story touched many souls who contributed to the boy's journey to Miami, USA for treatment. Allan Ssekandi finally went to Miami where he underwent surgery and is now recovering in Boston.

The Company also seeks to make positive contributions to communities through material support and staff involvement. To support livelihoods and promote human dignity Vision Group Staff donated sacks of clothes and household items to survivors of Kilembe landslides on 14th June 2013.

Tumaini Initiative

The project recognises individuals, businesses, corporates and CBOs that have made tremendous contribution towards the promotion of child welfare and protection. This year, the project was under the theme 'eliminating harmful social and cultural practices affecting children'. The practices highlighted were Female Genital Mutilation, Early Marriages, Corporal Punishment (both at home and school), Child Labour, Domestic Violence.

The goal of the project was to increase public and community awareness of children's rights issues; recognise and honor those who do extraordinary work with and for children; and to inspire others to work harder to improve the lives of children in Uganda. It is expected that the project will protect children who have for a long time suffered as a result of our cultural norms and practices.

Conclusion

Vision Group will continue to work closely with Ugandans towards being a respected and empowering Company, by playing an integral role in the uplifting of communities. We thank all companies and individuals that partnered with us in the past financial year.

We look forward to more partnerships aimed at making Uganda a better place.

A Vision Group reporter hands over knitting wool, a knitting machine and cash to Jude Lulenzi and his wife

Accolades

Minister Charles Bakkabulindi hands over an award to Vision Groups's Chief Finance Officer during the NSSF Employer Awards

● Brand Recognition

Vision Group was recognised by Superbrands and Private Sector Foundation Uganda as one of the best brands in Uganda.

● Best Employer Award

Vision Group was 1st runner-up in this year's NSSF best employer awards

● Financial Reporting Recognition

The Company was recognised for exemplary performance in financial reporting in the public sector category at the FiRe Awards organised by Uganda Securities Exchange, Capital Markets authority and the Institute of Certified Public Accountants Uganda (ICPAU).

● Journalist Awards

Barbara Kaija (Editor-in-Chief) received the national Jubilee Award during the Labour Day celebrations for her contribution to journalism in the country.

Joshua Kato (Editor, Harvest Money) received the national Jubilee Award during Labour Day celebrations for his contribution toward the development of the agricultural sector. He was also recognised by Uganda National Farmers Federation (UNFFE) for his contribution to the agriculture sector.

One of the Company's senior writers, Patrick Jaramogi Oketch, was recognised for his role in reporting on tax, while Innocent Tegusulwa of Bukedde FM and Shariffa Mutawe of Bukedde TV won awards at the Radio and TV Academy Awards.

Gladys Kalibbala displays her Tumaini award

Barbara Kaija receives an award from the President on Labour Day

Patrick Jaramogi Oketch received an award for business reporting

Innocent Tegusulwa was honoured at the Radio and TV Academy Awards

Gladys Kalibbala, a New Vision writer, won the Tumaini Media Award for her contribution to child protection by reporting on negative social and cultural practices.

Gerald Tenywa received an award from African Centre for Media Excellence and Revenue Watch Institute for best reporting on oil and gas in Uganda in the print category.

The New Vision Newspapers in Education (NiE) project won an award from the World Association of Newspapers for its sanitation project involving primary school children across the country

Vision Group was recognised by the National Environmental Management Authority (NEMA) for its campaign to save Lake Victoria under the Lake Victoria Drive.

IT manager Paul Ikaza receives a certificate for innovation excellence from the director of African Edevelopment Resource Centre, Harry Hare

Shariffa Mutawe was a winner at the Radio and TV Academy Awards

Water and Environment minister Ephraim Kamuntu hands over an award to Vision Group Reporter Anne Mugisa for the newspaper's efforts in protecting the environment

Gervase Ndyanabo (left) the Chief Operations Officer/Company Secretary receives the company's Super Brand Award from Jawar Jaffer, Project Director Super Brands East Africa

Sports writer Johnson Were won Best Rugby Reporter at the Rugby Awards

UGANDA'S AWARD WINNING DAILY

KACITA QUALITY AWARDS 2012 :
Best Newspaper Services

EAST AFRICAN SUPERBRAND 2012-2014

PSFU UGANDA @ 50:
Top 50 Brands

New Vision

UGANDA'S LEADING DAILY

The New Vision is proud to lead the way everyday.
We thank all our readers and advertisers for without you,
this achievement would not be possible.

PROUDLY UGANDAN

www.newvision.co.ug

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" programme.

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

BUKEDDE is the only daily paper published in Luganda. It is the fastest growing newspaper in Uganda and is an integral part of the average working Ugandan's day. It has a variety of features including farming, business advice, *Yiiya Ssente*, relationship advice, leisure, traditional remedies, shocking eye-openers, women and health, entertainment, art, people, what's on and sports.

SUNDAY VISION comes with a free magazine, "Sunday Extra," and offers a good read for the whole family.

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

10 **Newspapers** three of which lead on the Ugandan market and six in their respective regions	**6** **Radio stations** which are spread out in all the regions of Uganda and are performing well.	**4** **TV stations** broadcasting in English, Luganda and Runyankore dialects.

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.

RUPINY is published in Luo every Wednesday. The northern part of Uganda, Gulu and Lira are Rupiny's main circulation area. Rupiny has a variety of features such as local and international news, politics, relationship advice, sports, community news & gossip, business, leisure, crazy crazy country, pictorials and readers' letters and opinions.

ORUMURI is published in Runyankore/Rukiga every Monday. The main circulation area is the western part of Uganda, from Masaka to Kabale, including Toro, Kasese and Bunyoro. Orumuri offers a variety to its readers which includes local and international news, gossip, relationship education, politics, community news, wedding pictorial, business, herbal remedies, farming, weekly news round-up and sports.

ETOP is published in Ateso 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 and opinions.

MAGAZINES

Our magazines deliver a niche to reach people in the associated target market.

BRIDE & GROOM is the perfect wedding planner's 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 and 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 and 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 customised offerings.

BROADCASTING

BUKEDDE TV Uganda's first Luganda TV station, Bukedde TV is the leading station in the Central region. Reaching a 100km 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. Bukedde TV 2 is doing favourably well and is expected to grow in the next financial year.

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

URBAN TV is set to be Kampala's leading English TV station targeting 15 to 28-year-olds living and working in Kampala. Urban is primarily an entertainment station, but also offers news and current affairs programmes. By complementing XFM, New Vision and Kampala Sun, Urban ensures that Vision Group's coverage of issues that affect the youth are adequately addressed.

RADIO

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

BUKEDDE FM broadcasts in Luganda, offering its listeners a blend of entertainment and information. The radio station shares a close and beneficial relationship with the readership of the Bukedde newspaper and is a prominent station in the central region and Kampala on 100.5FM. It is also available on 106.8FM in Masaka.

RADIO WEST is western Uganda's dominant radio station, offering regional news, music and 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 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, which is based in Soroti, broadcasts in Ateso for Eastern Uganda from Tororo, Mbale and Soroti. The radio offers a mixture similar to its 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 was established as a commercial radio n 2002 and was acquired by Vision Group in February 2012. It is one of the leading multilingual stations in the West Nile Region. The station broadcasts mainly in 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.

PRINTING SERVICES

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 and piano), folders, printed stationery, labels, magazines, newsletters, newspapers, marketing and promotional materials like brochures, flyers, leaflets, posters, wobblers among others in quantities from one piece to millions.

We also provide digital colour 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 online ordering, job ticketing and payment and direct interaction with variable data printing applications.

BENEFITS

- Speedy delivery
- Competitive prices
- GuaranteedQuality
- After-sales service

ADVERTISING SERVICES

We partner with advertisers in order to offer them the best opportunities to reach their target market. We offer a unique combination of print design, radio and television advert production and other customised communication packages.

Advertising services include:

- Notices and announcements
- Special reviews
- Insertions
- Television adverts
- Display and classified adverts
- Job adverts
- Website adverts
- Supplements
- Tenders
- Radio 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

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

Above, Chief Operations Officer Gervase Ndyanabo, presents the Bukedde FM Song of the Year award to Jose Chameleone at the Embuutu y'embuutikizi concert at Nakivubo Stadium. Below, Willy Mukaabya entertains revellers at the concert

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended 30 June 2013

COMPANY INFORMATION

BOARD OF 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

** Retired 15th November 2012

BOARD AUDIT COMMITTEE

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

COMPANY SECRETARY

Mr. Gervase Ndyanabo
Plot 19/21, First 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 AUDITOR

PKF Uganda
Plot 1B, Kiira Road
P.O Box 24544
Kampala, Uganda

PRINCIPAL BANKERS

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

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

COMPANY INFORMATION (continued)

LEGAL ADVISORS	Lex Uganda Advocates and Solicitors P.O.Box 22490 Kampala, Uganda
	Kiwanuka and Karugire Advocates and 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

REPORT OF THE DIRECTORS

The directors submit their report and the audited financial statements for the year ended 30 June 2013 which disclose the state of affairs of New Vision Printing and Publishing Company Limited ("the company").

PRINCIPAL ACTIVITY

The principal activities of the company include printing and publishing, radio, television and online broadcasting.

RESULTS AND DIVIDEND

	2013 Shs '000	2012 Shs '000
Profit before tax	4,819,528	5,492,720
Tax	(1,268,002)	(1,633,667)
Profit for the year	3,551,526	3,859,053

SHARE CAPITAL

The total authorised, issued and paid up share capital is Shs. 1,503,990,000 (2012: Shs 1,503,990,000) representing 76,500,000 (2012: 76,500,000) ordinary shares of Shs.19.66 per share.

DIVIDEND

The directors recommend the payment of a final dividend of Ushs 35 per share amounting to Ushs 2,677,500,000 (2012: Ushs 35 per share amounting to Ushs 2,677,500,000).

DELEGATED AUDITOR

In accordance with section 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 provision of the National Audit Act, PKF Uganda were appointed by the Auditor General during the year to act on his behalf and continue in accordance with Section 159(2) of the Companies Act (Cap, 110).

BY ORDER OF THE BOARD

SECRETARY

KAMPALA

2013

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act (Cap 110) requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the operating results for that year. It also requires the directors to ensure that the company maintains proper accounting records which disclose with reasonable accuracy the financial position of the company. The directors are also responsible for safeguarding the assets of the company.

The directors accept the responsibility for the financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates consistent with previous years, and in conformity with the International Financial Reporting Standards and the requirements of the Companies Act (Cap 110). 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 as at 30 June 2013 and of its operating results for the year then ended. The directors further confirm the accuracy and completeness of the accounting records maintained by the company which have been relied upon in the preparation of the financial statements, as well as on the adequacy of the systems of internal financial controls.

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.

Approved by the board of directors on October 3, 2013 and signed on its behalf by:

Director

Director

REPORT AND OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2013

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 the year ended 30th June 2013, as set out on pages 49 to 81 appended to this report. These financial statements, comprise of the Statement of Financial Position as at 30th June 2013, 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 Companies Act (Cap 110). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
My responsibility is to express an opinion on the Financial Statements, based on my audit. I conducted the audit in accordance with International Standards on Auditing. Those standards require that the audit is planned and performed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimate made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence obtained was sufficient and appropriate to provide a basis for my opinion.

Opinion
In my opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the company as at 30th June, 2013 and of its profit and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Uganda 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 purposes of the audit was obtained,
ii. proper books of account have been kept by the Company, so far as appears from my examination of those books, and
iii. the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

John F.S. Muwanga
AUDITOR GENERAL
KAMPALA
3rd October, 2013

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	2013 Shs '000	2012 Shs '000
Revenue	1	78,897,566	71,111,117
Cost of sales		(57,213,342)	(50,317,010)
Gross profit		21,684,224	20,794,107
Other operating income	2	265,165	433,623
Distribution costs		(1,540,458)	(1,532,918)
Administrative expenses		(15,608,244)	(14,104,403)
Gain on disposal of assets		18,841	419,040
Revaluation loss on buildings		-	(377,525)
Net finance costs	5	-	(139,204)
Profit before tax		4,819,528	5,492,720
Tax	6	(1,268,002)	(1,633,667)
Profit for the year from ordinary activities		3,551,526	3,859,053
Other comprehensive income			
Gain on revaluation of Property and machinery		-	198,126
Tax effect on revaluation gain of property		-	(56,438)
Other comprehensive income net of tax		-	141,688
Total comprehensive income for the year		**3,551,526**	**4,000,741**
Earnings per share for profit attributed to equity holders of the company			
-basic and diluted (Shs per share)	7	46	50

The note on pages 53 to 81 form an integral part of these financial statements.
Report of the Auditor General - page 48

STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2013 Shs '000	2012 Shs '000
ASSETS			
Non-current assets			
Property, plant and equipment	10	31,630,387	33,639,844
Prepaid operating lease rentals	11	2,268,262	2,338,410
Intangible assets	12	974,214	1,149,178
		34,872,863	37,127,432
Current assets			
Inventories	15	12,564,780	8,903,879
Trade and other receivables	16	14,223,772	14,745,157
Investments	14	314,877	321,616
Tax recoverable		149,258	47,190
Cash and cash equivalents	17	4,256,926	3,265,365
		31,509,613	27,283,207
Total assets		66,382,476	64,410,639
EQUITY AND LIABILITIES			
Capital and resrves			
Share capital	8	1,503,990	1,503,990
Share premium		27,158,864	27,158,864
Revaluation reserve		253,722	342,492
Retained earnings		23,560,579	22,597,783
Shareholders' funds		52,477,155	51,603,129
Non-current liabilities			
Deferred tax	9	4,979,890	5,256,018
		4,979,890	5,256,018
Current liabilities			
Trade and other payables	19	7,767,913	6,844,149
Dividends payable	20	1,157,518	707,343
Total current liabilities		8,925,431	7,551,492
Total equity and liabilities		66,382,476	64,410,639

The financial statements on pages 49 to 81 were authorised for issue by the Board of Directors on October 3, 2013 and were signed on its behalf by:

Director

Director

The note on pages 53 to 81 form an integral part of these financial statements.
Report of the Auditor General - page 48

STATEMENT OF CHANGES IN EQUITY

	Share capital Shs '000	Share premium Shs '000	Revaluation Reserve Shs '000	Retained earnings Shs '000	Total Shs '000
Year ended 30 June 2012					
At start of year	1,503,990	27,158,864	267,830	20,966,704	49,897,388
Transfer of excess depreciation	-	-	(95,752)	95,752	-
Deferred tax on depreciation transfer	-	-	28,726	(28,726)	-
Dividend declared for the year 2011	-	-	-	(2,295,000)	(2,295,000)
Total comprehensive income	-	-	141,688	3,859,053	4,000,741
At end of year	1,503,990	27,158,864	342,492	22,597,783	51,603,129
Year ended 30 June 2013					
At start of year	1,503,990	27,158,864	342,492	22,597,783	51,603,129
Transfer of excess depreciation	-	-	(126,814)	126,814	-
Deferred tax on depreciation transfer	-	-	38,044	(38,044)	-
Dividends declared for the year 2012	-	-	-	(2,677,500)	(2,677,500)
Total comprehensive income	-	-	-	3,551,526	3,551,526
At end of year	1,503,990	27,158,864	253,722	23,560,579	52,477,155

The revaluation reserve represents solely the surplus on the revaluation of buildings, plant and machinery net of deferred tax and is not distributable.

The note on pages 53 to 81 form an integral part of these financial statements.
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STATEMENT OF CASH FLOW

	Notes	2013 Shs '000	2012 Shs '000
Operating activities			
Cash from operations	24	7,880,988	5,022,956
Interest paid		-	(11,675)
Interest received		34,606	132,366
Tax paid		(1,646,196)	(69,379)
Net cash from operating activities		6,269,398	5,074,269
Investing activities			
Cash paid for the purchase of property, plant and equipment (internally financed)	10	(3,064,294)	(3,980,312)
Purchase of prepaid lease rentals		-	(945,699)
Purchase of goodwill		-	(250,380)
Proceeds on liquidation of investments		6,738	170,840
Proceeds from disposal of property, plant and equipment		31,376	488,566
Intangible assets (computer software)		(24,332)	-
Net cash (used in) investing activities		(3,050,512)	(4,516,985)
Financing activities			
Finance lease principal repayments		-	(286,410)
Dividends paid		(2,227,325)	(2,029,287)
Net cash (used in) financing activities		(2,227,325)	(2,315,697)
Increase/(decrease) in cash and cash equivalents		991,561	(1,758,413)
Movement in cash and cash equivalents			
At start of year	17	3,265,365	5,023,778
Increase/(decrease)		991,561	(1,758,413)
At end of year	17	4,256,926	3,265,365

The note on pages 53 to 81 form an integral part of these financial statements.
Report of the Auditor General - page 48

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

a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS).

(i) New and amended standards adopted by the company

The company has applied the amendments to IAS 1 presentation of items of other comprehensive income in advance of the effective date. The amendments introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed the 'statement of profit or loss and other comprehensive income' and the 'income statement is renamed the statement of profit or loss'. The effective date is for annual periods beginning on or after 1 July 2012.

The company has applied the amendments to IFRS 7 Disclosures – Transfers of financial assets in the current year. The amendments improves the disclosure requirements for transactions involving the transfer of financial assets.

(ii) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2012 and not adopted in advance of the effective date.

International Financial Reporting Standard 13 (IFRS 13) on 'Fair Value Measurement' - The Standard aims to improve consistency and reduce complexity by providing a more precise definition and a single source of measurement and disclosure requirements. Adoption is mandatory from 1 January 2013 although early adoption is permissible.

The company has not assessed the potential impact of IFRS 13 on its financial statements.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 requires financial assets to be classified into two principal measurement categories: those measured as at fair value and those measured at amortised cost. The company is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2013.

Amendments to IFRS 7 and IAS 32: The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of 'currently has a legally enforeceable right of set-off and simultaneous realization and settlement.

The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements for financial instruments under an enforeceable master netting agreement or similar arrangement.

The amendments to IFRS 7 are effective for annual periods beginning on or after 1 January 2013 retrospective disclosures for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Critical accounting estimates and judgements

In the process of applying the company'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 delt with below:

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

The company makes estimates and assumptions concerning the future. The resulting accouting estimates will, by defination, seldom equal the related actual results**.**
The estimates and assumption 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 traded in an active market (for example, investment held for trading) is determined by using valuation techniques. The company uses its judgement to select a veriety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting date.

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 asignificant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next fiancial 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 esimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs

c) **Revenue recognition**

Revenue from the sale of newspapers, magazines, scrap and commercial printing is recognised upon delivery of products to customers or when titlle has passed to customers. Revenue from advertising is recognised when advertisements are published in the newspapers or aired on radio or television. The net revenue excludes discounts and value added tax (VAT).

Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.

Other income is recognised on an accrual basis.

d) Translation of foreign currencies

Transactions in foreign currencies during the year are converted into Uganda Shillings (functional currency) at rates ruling at the transaction dates. Assets and liabilities at the statement of financial position date, which are expressed in foreign currencies are translated into Uganda Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the statement of profit or loss and other comprehensive income in the year in which they arise.

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) **Property, plant and equipment**

All property, plant and equipment is stated at historical cost less depreciation. Buildings, plant and machinery are subsequently shown at market value, based on valuations by external independent valuers, less subsequent depreciation.

Buildings and plant and machinery are subsequently shown at market value, based on periodic valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

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

Increases in the carrying amount arising on revaluation are credited to 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. Decreases that offset previous increases of the same asset are charged to other comprehensive income; all other decreases are charged to profit or loss. Each year the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to profit or loss) and depreciation based on the asset's original cost is transferred from the retained earnings to revaluation reserve.

Leasehold land is amortised over the remaining period of the lease.

Depreciation 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 as follows:

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%

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining operating profit/loss.On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

f) **Intangible assets**

(i) Computer software

Costs associated with developing or maintaining intangible assets are recognised as an expense as incurred in profit or loss. Costs that are directly associated with the purchase of identifiable software products cotrolled by the company, that will probably generate economic benefits exceeding beyond one year, are recognised as 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

(ii) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of assets acquired at the date of acquisition. Goodwill is recognised as an intangible asset in the first year and subsequently tested for impairment on an annual basis.

g) **Inventories**

Inventories are stated 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, but excludes interest expense. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

h) **Segement reporting**

Operating segments are identified on the basis of internal reports about components of the company that are regulary reviewed by the chief operating decision maker in order to allocate resources to the segement 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 cluster) see note 13.

i) **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.

j) **Taxation**

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

Current Tax

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

Deferred tax

Deferred tax is provided using the liability method for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary timing differences can be utilised.

k) **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 of the obligation can be made. where the company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

l) **Retirement benefit obligations**

The company and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the National Social Security Fund Act. The company's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

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

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

m) **Dividends**

Dividends on ordinary shares are charged to equity in the year in which they are declared at the Annual General Meeting.

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

n) **Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Management determines all classification of financial assets at initial recognition

(i) Financial assets

The company's financial assets which include cash and bank balances, trade and other receivables and tax recoverable fall into the following category:

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 short term or if so designated by management.

Loans and receivables: financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date. All assets with maturities greater than 12 months after the reporting date are classified as non-current assets. Such assets are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in the profit or loss.

Held to maturity investments: 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: financial assets that are not financial assets at fair value through profit or loss, loans, advances and receivables, or financial assets held to maturity.

Amortised cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Purchases and sales of financial assets are recognised on the trade date i.e. the date on which the company commits to purchase or sell the asset.

NOTES: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Financial instruments (continued)

The company assesses at each reporting date whether there is objective evidence that a financial asset is impaired. If any such evidence exists, an impairment loss is recognised. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. In the case of loans and receivables, the recoverable amount is the present value of the expected future cash flows, discounted using the asset's effective interest rate.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the company has transferred substantially all risks and rewards of ownership.

Receivables not collectible are written off against the impairment. Subsequent recoveries of amounts previously written off are credited to profit or loss under administrative expenses in the year of their recovery.

(ii) Financial liabilities

The company's financial liabilities which include borrowings, and trade and other payables fall into the following category:

Financial liabilities measured at amortised cost: These are initially measured at fair value and subsquently measured at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged or cancelled or expires.

Borrowings are initially recognised at fair value, net of transactional costs incurred and are subsquently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in profit or loss under finance costs.

Fees associated with the acquisition of borrowing facilities are recognised as transaction costs of the borrowing to the extent that it is probable that some or all of the facilities will be acquired. In this case the fees are deferred until the drawn down occurs. If it is not probable that some or all of the facilities will be acquired the fees are accounted for as prepayments under trade and other receivables and amortised over the period of the facility.

Trade and other payables and current tax are initially recognised at fair value and are subsquently stated at amortised cost.

(iii) Offsetting financial instruments

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

o) **Comparatives**

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

NOTES

		2013 Shs '000	2012 Shs '000
1.	**Revenue**		
	News paper sales	20,316,231	19,273,083
	Advertising sales	47,533,199	42,419,576
	Commercial printing	10,505,402	8,976,357
	Scrap sales	542,734	442,101
		78,897,566	71,111,117
2.	**Other operating income**		
	Bad debts recovered	13,855	29,507
	Other income	134,664	152,170
	Interest income	34,606	132,366
	Foreign exchange gain	82,040	119,580
	Total other operating income	265,165	433,623

3. **Operating profit**

The following items have been charged in arriving at operating profit :

	2013 Shs '000	2012 Shs '000
Depreciation on property, plant and equipment (Note 10)	5,061,216	5,026,254
Amortisation of prepaid operating lease rentals (Note 11)	70,148	70,148
Amortisation of intangible assets	199,296	181,607
Loss on revaluation of property, plant and equipment	-	377,525
Auditors' remuneration	71,568	62,477
Directors' emoluments	255,500	300,212
Receivables - provision for bad debts	397,757	636,611
Inventories -provision for obsolescence	44,315	33,207
Repairs and maintenance on property,plant and equipment	282,515	415,497
Staff costs (Note 4)	23,467,309	19,306,928

4. **Staff costs**

	2013 Shs '000	2012 Shs '000
Salaries and wages	18,932,603	15,413,842
Retirement benefits costs:		
Terminal benefits	14,959	57,142
National Social Security Fund contributions	1,868,282	1,520,349
Gratuity expenses	783,525	546,007
Other staff costs	1,867,940	1,769,588
	23,467,309	19,306,928

5. **Net finance costs**

	2013 Shs '000	2012 Shs '000
- Interest expense on finance lease	-	11,692
- Finance lease charge	-	127,512
	-	139,204

		2013 Shs '000	2012 Shs '000
6.	**Tax**		
	Current tax	1,544,130	1,586,210
	Deferred tax (credit)/charge (Note 9)	(276,128)	47,457
		1,268,002	1,633,667
	The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic rate as follows:		
	Profit before tax	4,819,528	5,492,720
	Tax calculated at a tax rate of 30% (2012: 30%)	1,445,858	1,647,816
	Tax effect of:		
	Non - deductible expenses	94,492	(14,149)
	Effect of unrecognised items on deferred tax	(272,348)	-
	Tax	1,268,002	1,633,667

7. Dividends and earnings per share- Basic & Diluted

Dividends per share

During the year, a dividend of Ushs 35 per share amounting to Ushs 2,677,500,000 was declared and paid in respect of 2012 financial year (2012 - Ushs 30 amounting to 2,295,000,000 in respect of 2011 financial year). Payments of dividends is subject to withholding tax at a rate of 15% for non individuals and 10% for individuals.

Earnings per share

Basic earnings per share are calculated on the profit attributable to shareholders of Shs 3,552 million (2012: Shs 3,859 million) and on the weighted average number of ordinary shares outstanding during the year.

	2013	2012
Profit attributable to ordinary shareholders (Ushs'000)	3,551,526	3,859,053
Number of shares in issue during the year	76,500,000	76,500,000
Basic earnings per share (Ushs)	46	50

8. Share capital

	2013	2012
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
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

9. Deferred tax

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2012: 30%). The movement on the deferred tax account is as follows:

	2013 Shs '000	2012 Shs '000
At start of year	5,256,018	5,152,123
Statement of profit or loss (credit)/charge	(276,128)	47,457
Charge to equity	-	56,438
At end of year	4,979,890	5,256,018

Deferred tax liabilities and (assets), deferred tax (credit)/charge in the statement of profit or loss and other comprehensive income is attributable to the following items:

	At 01 July Shs'000	(Credited) to P/L Shs'000	At 30 June Shs'000
Deferred tax liabilities			
Property, plant and equipment			
-historical cost	5,679,071	(293,283)	5,385,788
-revaluation	142,497	(38,044)	104,453
Unrealised exchange diffirences	-	44,790	44,790
	5,821,568	(286,537)	5,535,031
Deferred tax assets			
Unrealised exchange differences	(27,592)	27,592	-
Provisions	(537,958)	(17,183)	(555,141)
	(565,550)	10,409	(555,141)
Net deferred tax liability	5,256,018	(276,128)	4,979,890

NOTES (CONTINUED)

10. Property, plant and equipment

For the year ended 30 June 2013

	Freehold Land Shs '000	Buildings Shs '000	Plant and machinery Shs '000	Motor vehicles Shs '000	Furniture and equipment Shs '000	Radio Trans Equipment Shs '000	Computers Shs '000	Radio Studio Equipment Shs '000	Radio Studio Electronics Shs '000	Cameras and pre-press Shs '000	Television studio equipment & electronics Shs '000	Television trans equipment Shs '000	Total Shs '000
Cost and valuation													
At start of year	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
Additions	-	-	557,107	2,753	146,358	156,722	409,077	65,948	15,123	1,090,984	180,071	440,151	3,064,294
Disposals	-	-	-	(12,559)	(1,750)	-	(106,882)	-	-	(5,392)	-	-	(126,583)
At end of year	37,000	9,204,999	19,024,307	1,683,477	2,531,653	1,704,929	5,835,807	495,214	218,299	2,969,050	1,376,433	1,259,544	46,340,712
Comprising													
Cost	27,000	9,582,524	18,836,181	1,683,477	2,531,653	1,704,929	5,835,807	495,214	218,299	2,969,050	1,376,433	1,259,544	46,520,111
Valuation	10,000	(377,525)	188,126	-	-	-	-	-	-	-	-	-	(179,399)
	37,000	9,204,999	19,024,307	1,683,477	2,531,653	1,704,929	5,835,807	495,214	218,299	2,969,050	1,376,433	1,259,544	46,340,712
Depreciation													
At start of year	-	-	-	934,124	1,693,073	334,653	4,666,825	235,937	98,186	1,293,447	354,282	152,630	9,763,157
Disposals	-	-	-	(10,156)	(875)	-	(100,860)	-	-	(2,157)	-	-	(114,048)
Charge for the year	-	433,450	2,178,757	315,331	212,123	154,334	813,013	61,487	39,118	535,382	218,426	99,795	5,061,216
At end of year	-	433,450	2,178,757	1,239,299	1,904,321	488,987	5,378,978	297,424	137,304	1,826,672	572,708	252,425	14,710,325
Net book value													
At end of year	37,000	8,771,549	16,845,550	444,178	627,332	1,215,942	456,829	197,790	80,995	1,142,378	803,725	1,007,119	31,630,387

NOTES (CONTINUED)

10. Property plant and equipment (continued)

For the year ended 30 June 2012

	Freehold land Shs'000	Buildings Shs'000	Plant and machinery Shs'000	Motor vehicles Shs'000	Furniture and equipment Shs'000	Radio Trans Equipment Shs'000	Computers Shs'000	Radio Studio Equipment Shs'000	Radio Studio Electronics Shs'000	Cameras and pre-press Shs'000	Television studio equipment & electronics Shs'000	Television trans equipment pre-press Shs'000	Total Shs'000
Cost and valuation													
At start of year	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)
Loss/Surplus on revaluation	10,000	(377,525)	188,126	-	-	-	-	-	-	-	-	-	(179,399)
Eliminated on revaluation	-	(1,647,671)	(6,479,561)	-	-	-	-	-	-	-	-	-	(8,127,232)
At end of year	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
Comprising													
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	43,582,400
At revaluation	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	1,883,458	1,883,458	1,196,362	819,393	43,403,001
Depreciation													
At start of year	-	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
Disposals	-	-	-	-	(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
Elimination on revaluation	-	(1,647,671)	(6,479,561)	-	-	-	-	-	-	-	-	-	(8,127,232)
At end of year	-	-	-	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 end of year	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 revalued amount and the resultant surplus on plant and machinery 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 Ushs 198,223,000 on land, plant and machinery and a revaluation loss of Ushs 377,525,000 on buildings. The revaluation loss on buildings was charged to profit or loss in the statement of comprehensive income.

NOTES (CONTINUED)

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 amounts to Ushs 678,617 (2012 : Ushs 802,001)

	2013 Shs '000	2012 Shs '000
Cost - capitalised finance leases	877,641	1,524,358
Decrease on revaluation	-	(13,176)
Elimination on revaluation	-	(633,541)
	877,641	877,641
Depreciation		
At start of year	75,640	583,495
Charge for the year	123,384	125,686
Elimination on revaluation	-	(633,541)
	199,024	75,640
Net book Value	678,617	802,001

In the opinion of the directors, there is no impairment of property, plant and equipment.

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

	Land 2013 Shs '000	Buildings 2012 Shs '000	Plant and machinery 2013 Shs '000	Plant and machinery 2012 Shs '000
Cost	11,230,195	11,230,195	25,315,743	24,758,635
Accumulated depreciation	(2,095,827)	(1,647,671)	(8,682,190)	(6,479,561)
Net book value	9,134,368	9,582,524	16,633,553	18,279,074

11. **Prepaid operating lease rentals**

The movement of prepaid operating rentals is as follows:

	2013 Shs '000	2012 Shs '000
Cost		
At start of year	2,763,487	2,914,854
Disposals	-	(151,367)
At end of year	2,763,487	2,763,487
Amortisation		
At start of year	425,077	438,181
Elimination on disposal	-	(83,252)
Charge for the year	70,148	70,148
At end of year	495,225	425,077
Net book value	2,268,262	2,338,410

NOTES (CONTINUED)

12. Intangible assets

	2013 Shs '000	2012 Shs '000
Cost		
At start of year	987,699	42,000
Additions	24,332	945,699
At end of year	1,012,031	987,699
Amortisation		
At start of year	223,607	42,000
Charge for the year	199,296	181,607
At end of year	422,903	223,607
Net book value	589,128	764,092
(b) Goodwill		
At start of year	385,086	134,706
Additions	-	250,380
At end of year	385,086	385,086
Total intangible assets	974,214	1,149,178

The company acquired Radio West located in Mbarara paying goodwill of Shs. 134.7 million and Arua one Radio located in Arua paying goodwill of Shs.250.3 million. Nothing has come to attention of directors to indicate that goodwill may be impaired.

NOTES (CONTINUED)

13. Segment reporting

a) Adoption of IFRS 8 Operating Segment.

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 internal reports about components of the Company that are regulary 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	
	2013 Shs '000	2012 Shs '000	2013 Shs '000	2012 Shs '000	2013 Shs '000	2012 Shs '000	2013 Shs '000	2012 Shs '000	2013 Shs '000	2012 Shs '000
External sales	54,414,208	51,437,740	13,115,097	10,025,121	10,505,402	8,976,357	862,859	671,899	78,897,566	71,111,117
Other operating income	-	-	-	-	-	-	265,165	433,623	265,165	433,623
Total sales	54,414,208	51,437,740	13,115,097	10,025,121	10,505,402	8,976,357	1,128,024	1,105,522	79,162,731	71,544,740
Segment profit before tax	7,282,205	6,563,649	(2,990,776)	(2,990,776)	(128,152)	(51,252)	656,251	1,009,143	4,819,528	5,492,722
Income tax expense	(871,604)	(1,174,539)	(210,077)	(228,916)	(168,275)	(204,968)	(18,046)	(25,248)	(1,268,002)	(1,633,667)
Profit after taxation	6,410,601	5,389,110	(3,200,853)	(3,219,692)	(296,427)	(256,220)	638,205	983,895	3,551,526	3,859,055
OTHER INFORMATION										
Segment Assets	45,629,410	46,274,669	10,997,756	9,018,848	8,809,378	8,075,354	945,912	994,573	66,382,456	64,363,444
Segment Liabiliies	6,135,087	5,429,212	1,478,700	1,058,143	1,184,462	947,447	127,182	116,689	8,925,431	7,551,492
Capital expenditure	1,437,754	944,385	1,406,573	2,298,244	49,822	418,081	194,478	1,515,680	3,088,627	5,176,390
Depreciation & amortisation expense	2,856,474	2,431,121	1,443,564	749,238	69,718	109,467	960,904	1,988,183	5,330,660	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 applicable reportable segments.
- 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.

	2013 Shs '000	2012 Shs '000
14. Investments		
Short term investments:		
Held to maturity: Standard Chartered Bank Uganda Limited	314,877	321,616
Total investment	314,877	321,616

Held to maturity investments are short term deposits held with Standard Chartered Bank Uganda Limited. The effective interest rate of the term deposits is 17% (2012: 17%).

	2013 Shs '000	2012 Shs '000
15. Inventories		
News print	8,809,334	5,460,700
Consumables	1,421,623	440,690
Work in progress	336,251	419,569
Printing ink	903,276	1,680,093
Films and plates	1,130,688	1,025,151
Provision for obsolete stocks	(36,392)	(122,324)
	12,564,780	8,903,879
16. Trade and other receivables		
Trade receivables	11,967,821	12,019,502
Less: provision for bad debts	(677,922)	(972,001)
Net trade receivables	11,289,899	11,047,501
Prepayments	722,159	732,804
Staff advances	540,351	359,938
Other receivables	373,596	432,872
Receivables from related parties (Note 25)	1,297,767	2,172,042
	14,223,772	14,745,157

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

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

	2013 Shs '000	2012 Shs '000
US Dollar	695,431	121,172
Euros	31,442	-
Uganda Shs	13,378,739	14,623,985
	14,223,772	14,745,157

Trade receivables amounting to Shs. 320 million (2012: Shs. 535 million) that are more than 12 months past due are not considered impaired. These relate to Government debts whose recoverability is highly probable.

16 Trade and other receivable (continued)

Individually impaired receivables mainly relate to customers, who are in unexpectedly difficult economic situations.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

	2013 Shs '000	2012 Shs '000
17 Cash and cash equivalents		
Cash on hand	354,346	119,002
Cash at bank	3,902,580	3,146,363
	4,256,926	3,265,365

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the above.

The company is not exposed to credit risk on cash and bank balances as these are held with sound financial institutions

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

	2013	2012
Uganda Shillings	3,648,607	3,075,522
US Dollars	567,961	183,087
Euros	40,358	6,756
	4,256,926	3,265,365

18. Retirement benefits obligations

During the year, the Company incurred Ushs 783.5 million (2012: Shs 546.0 million) as gratuity for managers employed on contract terms.The amount has been charged to statement of comprehensive income.

	2013 Shs '000	2012 Shs '000
19. Trade and other payables		
Trade payables	3,662,424	3,098,833
Accruals	674,158	603,618
Other payables	3,431,331	3,141,698
	7,767,913	6,844,149

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

	2013 Shs '000	2012 Shs '000
Uganda Shillings	7,269,446	6,813,152
US Dollars	380,307	6,047
Euro	1,837	11,704
GBP	-	6,756
	7,767,913	6,844,149

The maturity analysis of trade and other payables is as follows:

As at 30 June 2013

	0 to 4 months Shs'000	4 to 12 months Shs'000	Total Shs'000
Trade payables	-	3,662,424	3,662,424
Accruals	674,158	-	674,158
Other payables	2,995,400	435,931	3,431,331
	3,669,558	4,098,355	7,767,913

As at 30 June 2012

	0 to 4 months Shs'000	4 to 12 months Shs'000	Total Shs'000
Trade payables	-	3,098,833	3,098,833
Accruals	603,618	-	603,618
Other payables	2,921,000	220,698	3,141,698
Payables to related parties	-	-	-
	3,524,618	3,319,531	6,844,149

The above analysis represents the earliest contractual date that payment can be demanded. The date of actual payments may well be different.

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

NOTES (CONTINUED)

	2013 Shs '000	2012 Shs '000
20. Dividends payable		
At start of year	707,343	441,630
Dividends declared in the year	2,677,500	2,295,000
Dividend paid in the year	(2,227,325)	(2,029,287)
At end of year	1,157,518	707,343

21. **Capital commitments**

Capital expenditure approved at the statement of financial position date but not yet recognised in the financial statements is as follows:

	2013 Shs '000	2012 Shs '000
Authorised and contracted for	599,263	1,037,433
Authorised but not contracted for	-	-
At end of year	599,263	1,037,433

22. **Operating lease rentals**

Minimum lease repayments under operating lease recognised in the income for the year.	-	127,512

23. **Contingencies**

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 contigent liabilities arising from these cases amounts to Ushs 1,351 million (2012: Ushs.783 million).

However based on the 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.

	2013 Shs '000	2012 Shs '000
24. Cash from operating activities		
Reconciliation of Profit before tax to cash from operations		
Profit before tax	4,819,528	5,492,720
Adjustments for:		
Depreciation on property plant and equipment (Note 10)	5,061,216	5,026,254
Amortisation of intagible asset (Note12)	199,296	181,607
Amortisation of operating lease rentals (Note 11)	70,148	70,148
Loss on revaluation	-	377,525
Loss Gain on disposals of property, plant and equipment	(18,841)	(419,037)
Net interest expense (Note 5)	-	11,675
Interest received	(34,606)	(132,366)
Changes in working capital		
Trade and other receivables	521,385	(4,942,692)
Inventories	(3,660,901)	(1,269,343)
Trade and other payables	923,763	626,465
Cash from operations	7,880,988	5,022,956

NOTES (CONTINUED)

25. **Related party transactions**

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 (privatisation). 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.

The following transactions were carried out with related parties:

	2013 Shs '000	**2012 Shs '000**
i) **Sales of goods and services**		
Advertisements in Newspapers Government	6,155,060	5,143,635
Circulation sales Government	266,594	436,468
Advertisements in newspapers The Print House Limited	134,923	121,228
Commercial printing work with The Eye Magazine	200,611	246,077
Commercial printing work with The Print House	25,372	48,177
Advertisements in newspapers NSSF	352,375	163,534
Advertisements in newspapers NIC	12,690	33,167
Advertisement from Bageine and Company	11,900	15,759
	7,159,525	6,208,045
ii) **Outstanding balances arising from purchase/sale of goods/services**		
Government of Uganda	1,143,912	2,018,838
The Eye Magazine	11,196	49,212
The Print House Limited	6,951	36,448
National Social Security Fund	127,287	60,721
National Insurance Corporation	5,189	6,823
Bagaine and Company	3,232	2,570
Total due from related parties (Note 16)	1,297,767	2,174,612

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

NOTES (CONTINUED)

25. Related party transactions (continued)

	2013 Shs '000	2012 Shs '000
iii) **Compensation to key management personnel**		
Salaries and other short term benefits	1,688,801	1,361,902
Gratuity	783,525	546,007
	2,472,326	1,907,909

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

	2013 Shs '000	2012 Shs '000
iv) **Directors' remuneration**		
-Executives Directors	407,280	211,473
-Non Executive Directors - fees and other expenses	175,805	300,212
	583,085	511,685

NOTES (CONTINUED)

26. **Financial risk management objectives and policies**

Financial risk management

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

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

Risk management is carried out by the management under policies approved by the board of directors. Management identifies, evaluates and hedges financial risks in close co-operation with various departmental heads. 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 and credit risk, use of derivative and non-derivative financial instruments and investment of 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) **Market Risk**

- Foreign exchange risk

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

The company's foreign currency dominated financial assets and liabilities are predominately 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:

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

	2013 Shs '000	2012 Shs '000
Effect on profit (decrease)/increase	66,842	34,328

	US $ Shs'000	EURO Shs '000	GBP Shs'000	Total Shs'000
Year ended 30 June 2013				
Trade and other receivables	695,431	31,442	-	726,873
Trade and other payables	(380,307)	(1,838)	-	(382,145)
Cash and cash equivalents	567,961	40,358	-	608,319
Net exposure	883,085	69,962	-	953,047
Year ended 30 June 2012				
Trade and other receivables	121,172			121,172
Trade and other payables	(6,047)	(11,704)	(13,246)	(30,997)
Cash and cash equivalents	183,087	6,756	-	189,843
Net exposure	298,212	(4,948)	(13,246)	280,018

NOTES (CONTINUED)

26 **Financial risk management objectives and policies (continued)**

- Interest rate risk

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

	2013	2012
	Shs '000	Shs '000
Financial asset	**Up to 1 year**	**Up to 1 year**
Cash and bank balances	4,256,926	3,265,365
Held to maturity investments	314,877	321,616
Total financial assets	4,571,803	3,586,981
Financial liabilities		
Borrowings	-	-
Total financial liabilities	-	-
Interest sensitivity gap	4,571,803	3,586,981

NOTES (CONTINUED)

26 Financial risk management objectives and policies (continued)

b) **Credit risk**

The company's credit risk arises from cash and cash equivalent, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables.

Risk management is carried out by the finance department under the guidelines approved by the management finance committee. The finance committee provides principles for the overall risk management including foreign exchange risk, interest risk, credit risk, use of and investing excess liquidity.

The Company has a fully- fledged credit control unit to ensure that sales are made to customers with appropriate credit history and follow up of payments from debtors.

30 June 2013	Fully performing Shs' 000	Past due but not impaired Shs' 000	Impaired Shs' 000	Total Shs' 000
Financial assets				
Trade and other receivables	10,550,577	2,331,171	(677,922)	12,203,827
Bank balances	3,902,580	-	-	3,902,580
Investments	314,877	-	-	314,877
Due to related parties	1,297,767	-	-	1,297,767
Gross financial assets	16,065,801	2,331,171	(677,922)	17,719,051
30 June 2012				
Financial assets				
Trade and other receivables	9,718,694	2,733,680	(972,001)	11,480,373
Cash at bank and in hand	3,146,363	-	-	3,146,363
Investments	321,616	-	-	321,616
Due to related parties	153,204	-	-	153,204
Gross financial assets	13,339,877	2,733,680	(972,001)	15,101,556

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

NOTES (CONTINUED)

26 Financial risk management objectives and policies (continued)

c) Liquidity risk

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

Note 19 discloses the maturity analysis trade and other payables.

The table below analyses assets and liabilities into relevant maturity groupings based on the remaining period at 30 June 2013 to the contractual maturity date.

	less than year Shs'000	1 - 2 years Shs'000	2 - 5 years Shs'000	Over 5 years Shs'000	Total Shs'000
Financial assets					
Cash and bank balances	4,256,926	-	-	-	4,256,926
Investments	314,877	-	-	-	314,877
Trade and other receivables	10,550,577	-	-	-	10,550,577
Due from related parties	1,297,767	-	-	-	1,297,767
	15,122,380	-	-	-	15,122,380
Financial liabilities	-	-	-	-	-
Trade and other payables	7,767,913	-	-	-	7,767,913
Net undiscounted financials assets/liabilities	7,354,467	-	-	-	7,354,467
Financial assets					
Cash and bank balances	3,265,365	-	-	-	3,265,365
Investments	321,616	-	-	-	321,616
Trade and other receivables	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 undisclosed finacial assets	10,755,185	-	-	-	10,755,185

27. **Capital management**

Internally imposed capital requirements

The company's objectives when managing capital are:

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

The company sets the amount of capital in proportion to risk. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The debt-to-capital ratio at 30 June 2013 were as follows:

	2013 Shs '000	**2012 Shs '000**
Total borrowings	-	-
Less cash and cash equivalents (Note 17)	(4,256,926)	(3,265,365)
Net debt	(4,256,926)	(3,265,365)
Total equity	52,477,155	51,603,129
Gearing ratio	N/A	N/A

28. **Events after the reporting date**

There are no material events to date which require to be disclosed.

29. **Country of incorporation**

The New Vision Printing and Publishing Company Limited is incorporated in Uganda under the Companies Act and resident in Uganda.

30. **Currency**

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

DIRECT COSTS

	2013 Shs '000	2012 Shs '000
1. DIRECT COSTS		
Cost of raw and packing materials consumed	14,890,738	14,275,632
Production costs	42,322,604	36,041,374
	57,213,342	50,317,010
4.1. COST OF RAW MATERIALS CONSUMED		
Purchases	14,890,738	14,275,632
	14,890,738	14,275,632
4.2. DIRECT COSTS		
Salaries and wages	14,005,333	11,473,373
Staff other costs	1,441,310	1,355,644
Factory rent	260,221	165,862
Electricity and water	1,342,444	994,072
Proffessional fees	299,176	636,826
Advertising commission	6,424,998	5,155,954
Contributers payments	2,881,743	2,355,952
Promotional expenses	2,348,584	2,622,818
Insurance	398,820	365,551
TV contents	2,120,292	1,599,020
Other production costs	2,294,115	1,803,728
Depreciation	4,299,608	4,078,581
New services and licences	546,847	610,981
Repairs and maintainance	1,333,982	1,508,398
Provision for stock loss	44,315	33,207
Meetings and conferences	61,937	48,926
Editorial content expenses	42,086	600
Telephone, fax and postage	557,141	513,416
Motor vehicle running costs	852,199	718,465
Events	767,453	-
	42,322,604	36,041,374

SCHEDULE OF OTHER OPERATING INCOME AND EXPENDITURE

		2013 Shs '000	2012 Shs '000
1.	**OTHER OPERATING INCOME**		
	Bad debts recovered	13,855	29,507
	Other income	134,664	152,170
	Interest income	34,606	132,366
	Foreign exchange gain	82,040	119,580
	Total other operating income	265,165	433,623
2.	**SELLING AND DISTRIBUTION EXPENSES**		
	Staff travelling and entertainment	1,540,458	1,532,918
	Total Distribution costs	1,540,458	1,532,918
3.	**ADMINISTRATIVE EXPENSES**		
	Salaries and wages	4,927,270	3,940,469
	Staff medical expenses	682,211	467,922
	Staff training costs	297,637	344,354
	Other staff costs	426,630	413,944
	Company Nssf contribution	1,868,282	1,520,349
	Total employment costs	8,202,030	6,687,038
	Other administration expenses:		
	Directors renumeration	225,500	300,212
	Postages and telephones	139,285	128,354
	Repairs and maintanance	943,056	1,032,932
	Travelling	380,251	268,318
	Printing and stationery	554,732	479,543
	Motor vehicle expenses	568,133	478,976
	Audit fees	71,568	62,477
	Legal and professional fees	90,437	212,995
	Bank charges and commissions	122,809	206,341
	Bad debts	397,757	636,611
	Shareholders expenses	86,521	48,104
	Donations	97,416	40,707
	Meetings and conferences	61,423	76,061
	Entertainment	179,436	156,746
	Gratuity	783,525	546,007
	Cash shortage	120	20
	Metronet charges	278,169	339,425
	Total other administrative expenses	4,980,138	5,013,829
	Total administrative expenses	13,182,168	11,700,867

SCHEDULE OF OTHER OPERATING INCOME AND EXPENDITURE (CONTINUED)

		2013 Shs '000	2012 Shs '000
4.	**OTHER OPERATING EXPENSES**		
	Establishment:		
	Rent and rates	635,672	571,600
	Electricity and water	282,366	279,407
	Insurance	136,692	100,862
	Security expenses	340,293	252,238
	Depreciation property, plant and equipment	1,031,053	1,199,429
	Total other operating expenses	2,426,076	2,403,536
5.	**NET FINANCE COSTS**		
	Finance lease interest	-	11,692
	Operating lease rentals	-	127,512
	Total Net finance costs	-	139,204

NOTES

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

PROXY CARD

I/We……………………………., of …………………………………, being a shareholder/s of the above-named company, hereby appoint ………………………………….. of ……………………………(address) as my/our proxy to vote for me/us on my/our behalf at the 12th Annual General Meeting of the Company to be held on the 21st day of November 2013 at 3:00pm and at any adjournment thereof.

Signature; ……………………………

Dated this ……………. day of ………………………., 2013

Please indicate with an X for each resolution below how you wish your votes to be cast. The 'vote withheld' option below is provided to enable you abstain on any particular resolution. However, it should be noted that a 'vote withheld' is not a vote and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.

Resolution	For	Against	Vote Withheld	At Discretion
1. To receive, consider and adopt the annual financial statements for the year ended 30th June 2013, including the reports of the Directors and External Auditors.				
2. To approve and declare a final dividend for the year ended 30th June 2013.				
3. Re-election of Directors				
a) Mr. Oode Obella				
b) Ms. Grace Dwonga				
c) Prof. Monica Chibita				
d) Hon. Steven Bamwanga				
4. To approve the fees payable to the non-Executive Directors for the financial year 2013/2014.				
5. To appoint External Auditors for the financial year 2013/2014 and authorize the Directors to fix their remuneration in accordance with sections 167-169 of the Companies Act 2012.				

Notes:

1. This proxy card is to be physically delivered to the Company Secretary at the address stated above, faxed to +256 (0414) 346432 or emailed to *shareholder@newvision.co.ug* forty eight hours before the time fixed for holding the meeting and in default, the instrument of proxy shall be treated as invalid.
2. In the case of joint holders, the signature of any one holder will be sufficient, but the names of all the joint holders should be stated.
3. If this form is returned without any indication as to how the proxy shall vote, the proxy will exercise his discretion as to how to vote.

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