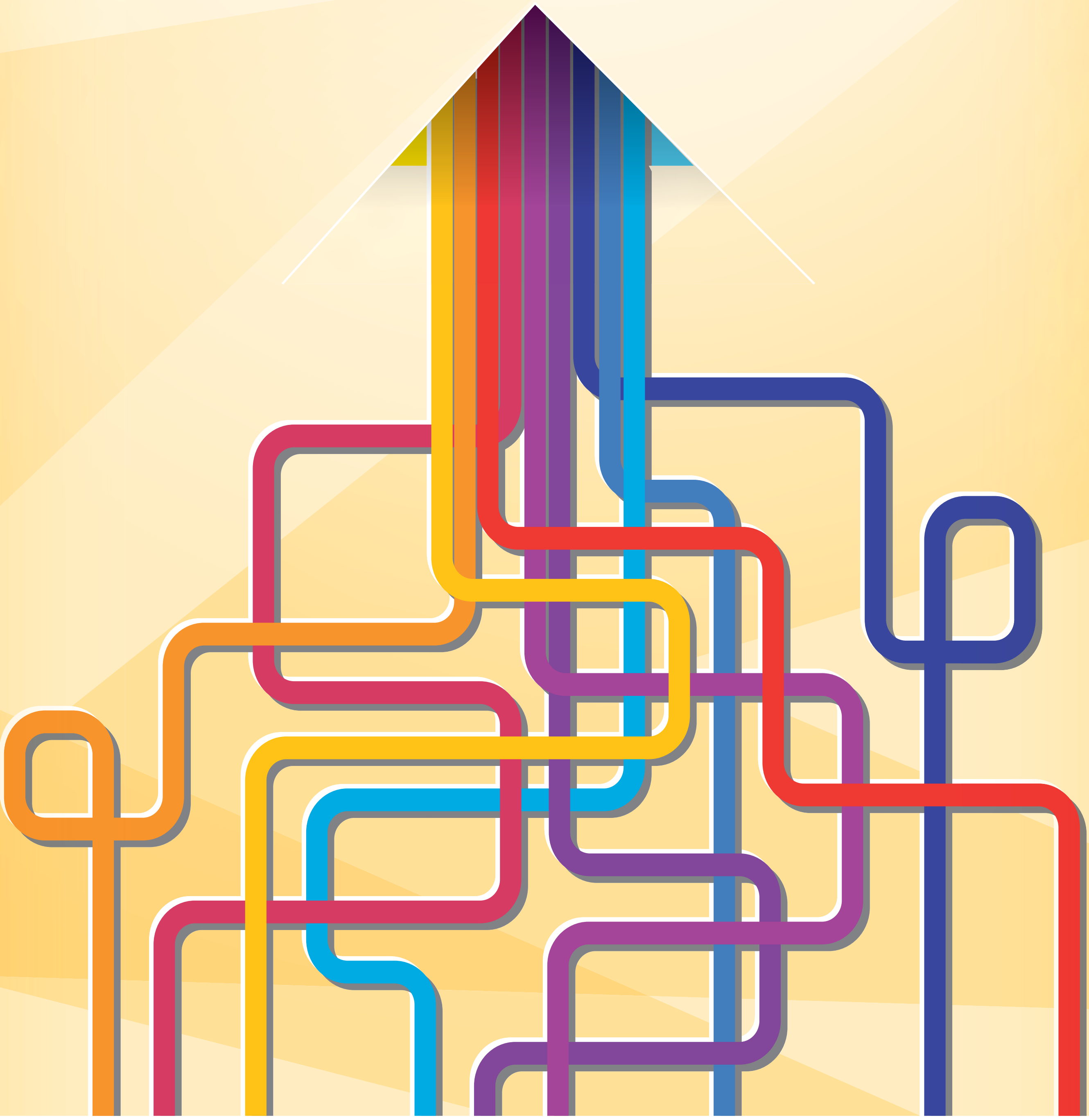
Vision Group®

NATIONAL PRIDE • GLOBAL EXCELLENCE

ANNUAL REPORT
2015

In the right direction




Bukedde
New Vision
New Vision

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 and financial efficiency

VALUES

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **14th 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, 19th November 2015 at 3:00pm to conduct the following business:

1. To receive, consider and if approved, adopt the annual financial statements for the year ended 30th June 2015, together with the report of the Auditors.

2. To approve and declare a final dividend of Ushs 50/= per share for the year ended 30th June 2015.

3. To rotate and elect directors.

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

4. To appoint External Auditors for the financial year 2015/2016 and authorize the Directors to negotiate and fix their remuneration in accordance with Sections 167-169 of the Companies Act 2012.

5. To approve the fees payable to the Non-Executive Directors for the financial year 2015/2016.

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

Dated this 21st day of October, 2015

By order of the Board

Gervase Ndyanabo

COMPANY SECRETARY

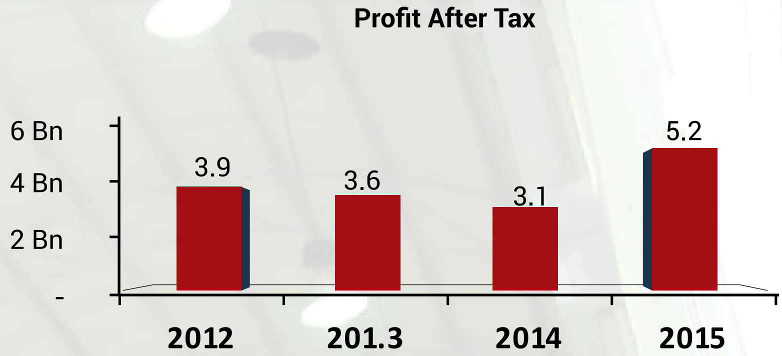
Note:

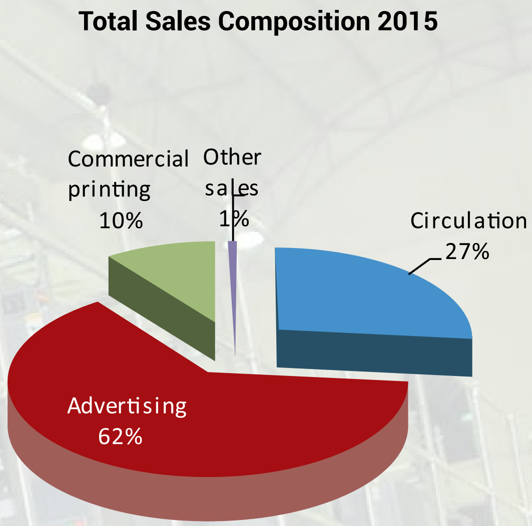
- Articles 60, 61, 62 and 63 provide for the appointment of a proxy if a shareholder is unable to attend. (Tear out the proxy card attached in the Annual Report).
- The proxy card should be delivered to the Company Secretary at the Company head office at Plot 19/21, 1st Street Industrial Area, P.O Box 9815 Kampala or faxed on +256 414 346 432 at least 24 hours before the scheduled time for the meeting. In default of this, it shall be treated as invalid.
- Shareholders must notify the Company Secretary in writing of any change in their addresses or bank account details.
- All shareholders who have not received past dividends should contact the Company Secretary.
- The Company Secretary can be contacted by e-mail: shareholder@newvision.co.ug or by phone: +256 (414) 337 000.
- Shareholders are encouraged to open SCD accounts. Please contact any registered stock broker for assistance.

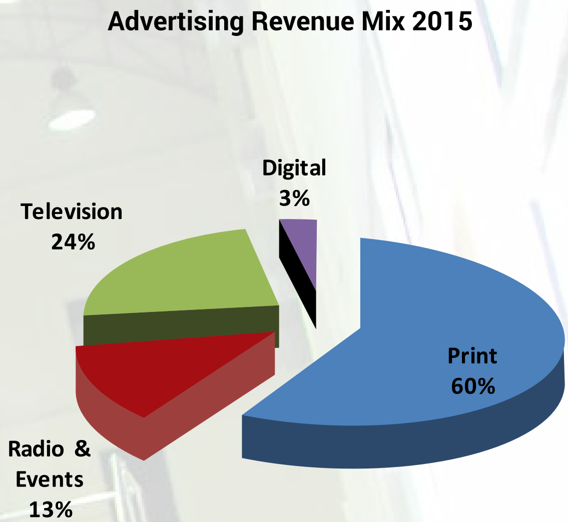

BUZZ
BUZZ
BTA 15
BUZZ TEENIEZ AWARDS
TEENIEZ TV STATION
BTA 15
BUZZ TEENIEZ AWARDS
TEENIEZ TV SHOW

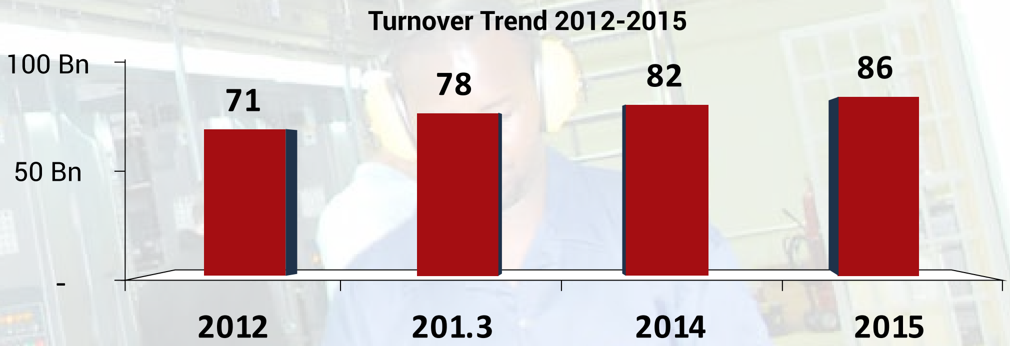
FINANCIAL HIGHLIGHTS

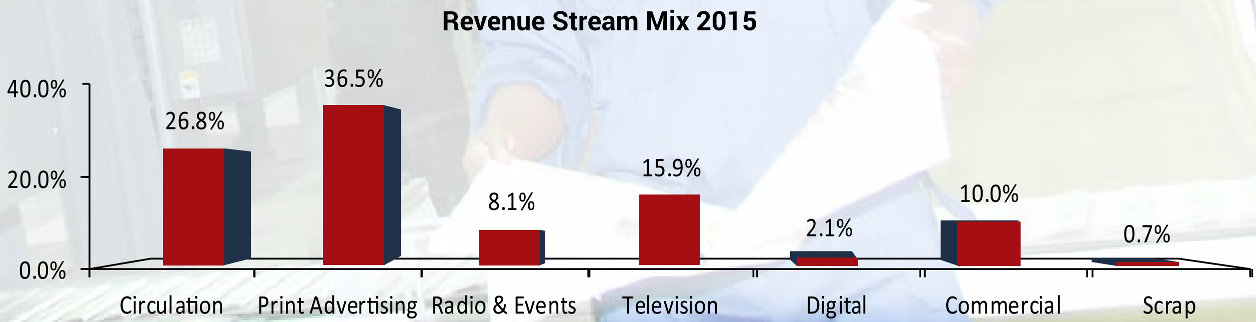
	2015 Ugx' 000	2014 Ugx' 000	2013 Ugx' 000	2012 Ugx' 000
STATEMENT OF COMPREHENSIVE INCOME				
Turnover	86,839,978	82,960,115	78,897,566	71,111,117
Profit before tax	7,429,034	4,377,500	4,819,528	4,685,859
Profit after tax	5,254,170	3,098,785	3,551,526	3,859,053
STATEMENT OF FINANCIAL POSITION				
Property, Plant & Equipment	28,303,126	31,932,364	33,898,649	33,639,844
Total Assets	68,972,220	66,971,707	66,382,476	64,410,639
Shareholders funds	55,475,110	52,898,440	52,477,155	51,603,129
FINANCIAL PERFORMANCE				
Gross profit margin	27.3%	24.6%	27.5%	29.2%
Net profit margin (after tax)	6.1%	3.7%	4.5%	5.4%
Return on capital employed	13.4%	8.3%	9.2%	9.1%
Return on total assets	10.8%	6.5%	7.3%	7.3%
Return on non-current assets(PPE)	26.2%	13.7%	14.2%	13.9%
SHARE STATISTICS				
Earnings per share - basic & diluted	69	41	46	50
Dividends (proposed) per share	50	35	35	35
SALES BREAKDOWN				
Circulation	23,231,228	21,774,060	20,316,232	19,273,083
Advertising	54,378,000	50,462,625	47,533,199	42,419,576
Commercial printing	8,663,571	10,133,207	10,505,402	8,976,357
Other sales	567,179	590,223	542,734	442,101
	86,839,978	82,960,115	78,897,567	71,111,117
ADVERTISING REVENUE BREAKDOWN				
	2015	2014	2013	2012
Print	59.9%	65.0%	72.8%	77%
Radio & events	12.5%	12.8%	11.8%	11%
Television	24.4%	18.2%	13.3%	10%
Digital	3.2%	4%	2.1%	2%
	100.0%	100.0%	100.0%	100.0%
REVENUE STREAM MIX				
	2015	**% of total revenue**	**2014**	**% of total revenue**
Circulation	23,231,227,679	26.8%	21,774,060,161	26.2%
Print advertising	31,723,210,370	36.5%	32,186,396,256	38.8%
Radio & events	7,048,574,289	8.1%	6,562,564,182	7.9%
Television	13,808,228,443	15.9%	9,709,834,887	11.7%
Digital	1,797,986,633	2.1%	2,003,829,475	2.4%
Commercial	8,663,571,021	10.0%	10,133,207,083	12.2%
Scrap	567,179,067	0.7%	590,223,009	0.7%
	86,839,977,503	100.0%	82,960,115,053	100.0%


Profit After Tax
6 Bn
4 Bn
2 Bn
-
3.9
3.6
3.1
5.2
2012
201.3
2014
2015


Total Sales Composition 2015
Commercial printing 10%
Other sales 1%
Circulation 27%
Advertising 62%


Advertising Revenue Mix 2015
Digital 3%
Television 24%
Print 60%
Radio & Events 13%


Turnover Trend 2012-2015
100 Bn
50 Bn
-
71
78
82
86
2012
201.3
2014
2015


Revenue Stream Mix 2015
40.0%
20.0%
0.0%
26.8%
36.5%
8.1%
15.9%
2.1%
10.0%
0.7%
Circulation
Print Advertising
Radio & Events
Television
Digital
Commercial
Scrap

BOARD OF DIRECTORS

Monica Chibita
Non Executive Director

Oode Obella
Non Executive Director

Gad Gasaatura
Non Executive Director

Orono Otweyo
Non Executive Director

Charles Tukacungurwa
Non Executive Director

Joseph Baliddawa
Member

Oode Obella
Committee Chairperson

Parity Twinomujuni
Member

AUDIT AND RISK COMMITTEE

Steven Bamwanga
Non Executive Director

Grace Dwonga
Non Executive Director

David Ssebabi
Board Chairman

Ketrah Tukuratiire
Non Executiver Director

Robert Kabushenga
Managing Director/
Chief Executive Officer

Susan Lubega
Member

Gervase Ndyanabo
Chief Operations Officer/
Company Secretary

CHAIRMAN'S STATEMENT

"Our focus on competitiveness placed us ahead of our competitors. Our products continued to command a bigger market share in their respective market segments"

I am pleased and honoured to present to you the Company's Annual Report and Financial Statements for the year ended 30th June, 2015.

FINANCIAL PERFORMANCE

In 2014/15, we delivered the promises we made to our shareholders to improve the Company's financial performance. Revenue grew to Ushs. 86.6bn from Ushs. 82.9bn the previous year. The Company recorded a gross profit of Ushs. 25.3bn which was a 15.2% growth from last year while profit after tax grew by 71% to Ushs. 5.3bn.

OPERATING ENVIRONMENT

The operating environment remained tight with the Uganda Shilling exchange rate depreciating to record levels against most foreign currencies, which affected and continues to be a threat to the cost of materials input, foreign news services and content denominated in foreign currencies. Most business partners also cut their spend on media, which affects our copy sales, advertising and printing business.

Despite the difficult operating environment, our strong operation performance and continued execution of our strategy led to a commendable performance.

We expect the current market situation to persist and we are confident that we have put in place a strong team capable of delivering sound results to our shareholders.

STRATEGY

Our focus on competitiveness placed us ahead of our competitors. Our products continued to command a bigger market share in their respective market segments. Our radio stations registered improvement in listenership and revenue. Bukedde TV is the most watched TV station in Uganda, while *New Vision* and *Bukedde* are the leading newspapers in Uganda. For a greater part of the year, *Bukedde* was the 2nd fastest growing newspaper in Africa, while Urban TV is the premiere growing TV station in Uganda. This is good because business growth in the market translates into revenue share increases.

With the current economic environment, we made a few adjustments to align our actions to the market and we are confident that it is those actions that enabled us deliver the improved financial performance.

We also focused on the society as a way of delivering informative and educative products. We were able to support our stakeholders by creating products that add value and at the same time enhance the profitability of the Company.

We are currently reviewing our strategy which shall be approved at the next Board retreat scheduled for February, 2016 and we are confident that the strategy we shall put in place shall be a driver for more growth.

DIVIDENDS

The Board continues to balance between maximising dividend pay-out and ensuring adequate funds are available for future investments. As a demonstration of confidence in the strength of the Company's growth achieved so far, the Board has recommended a dividend of 50 Ushs, which represents a 42.9% increase from the one paid out the previous year.

CORPORATE GOVERNANCE

Vision Group embraces best practice principles of corporate governance and strives to ensure compliance with the Companies Act, 2012 and USE Listing Rules. In the past financial year, the Board performed its oversight role to ensure proper functioning, transparency and accountability.

We also continued to appraise ourselves on training needs and induction to ensure the Board's effectiveness. During the year, the Board undertook specific training programmes the purpose of which was to boost the Board with knowledge and skills to enable it fulfill its mandate to provide strategic direction and effectively maintain oversight of the business to ensure delivery of shareholder value.

The past financial year saw the appointment of Mrs. Ketra Tukuratiire on the Board of Directors and I take this opportunity to welcome her to the Board of Directors. Mrs. Ketrah Tukuratiire is a lawyer who brings her experience in legal and corporate governance to the Board. She previously worked in the banking industry and as a Registrar General in the Ministry of Justice and has served on the board of the Capital Markets Authority and the Law Development Centre. On appointment, she undertook induction in January, 2015.

In line with the Company's Articles of Association and corporate governance best practice, the Company continues to ensure that the performance of directors

David Ssebabi, the Board Chairman, signs the Audited Accounts for the year ended June 2016 as the Chief Finance Officer – Zubair Musoke, looks on.

is up for review annually by the shareholders through rotation of directors who have served for three years. The directors who are eligible offer themselves to the Annual General Meeting for re-election and shareholders get to decide on their re-appoint.

The Board conducted a self-evaluation exercise in December 2014. The evaluation focused on the role and responsibility of the Board, structure, composition, functions and processes, information and meetings among other critical areas. The results of this evaluation were discussed by the Board in January 2015 and formed a basis for identification of areas of improvement and training needs. Furthermore, the Board undertook an evaluation of individual directors, including the chairman. This gave each member of the Board an opportunity to receive feedback from fellow directors on his/her performance and enabled them identify areas in need of improvement.

An evaluation of the Board, Board committees and individual directors shall be carried out towards the end of the year and the findings discussed at the Board retreat scheduled for February 2016. The Senior Management team shall also evaluate the Board on its performance to provide a third-party opinion to the Board.

OUTLOOK FOR 2015/16

While 2014/15 has been a good year, I believe we are in good shape to continue growing the Company and supporting our customers. We are very optimistic that the business will continue to grow and get better, despite the challenges that we may encounter in our business environment especially the effects of digital migration and the depreciation of the Uganda shilling againts major currencies. The switchover from analogue transmission to digital transmission has led to loss of audiences, which has influenced decisions of advertisers, some of whom are cutting back television advertising spend. The shilling has been continually depreciating against the dollar and other major currencies, resulting in an increase in Vision Group's cost of inputs thus affecting the expenditure and profitability outlook.

Delivering sustainable performance while advancing society shall remain our never ending objective and we shall continue to position our Company to seize emerging market opportunities and live by the basics of good corporate citizenship.

We plan to invest and diversify our commercial printing business and venture into TV content production to widen our revenue base. We shall continue to grow our electronic products and also ensure that our print products remain afloat and dominate their respective markets. We shall also continue to innovate and come up with new products suitable for our market.

We look forward to a more profitable year and we are focused on continuing to lay the foundation for growth in all areas of our business, exploit new opportunities as well as strengthen and diversify our existing product portfolio.

CONCLUSION

I wish to express my sincere appreciation to the various teams that have enabled us make the great stride.

My appreciation goes to my fellow members of the Board of Directors for their untiring effort, support and sacrifice that has ensured the Company continues to thrive. We shall continue to provide oversight, guidance and support to management to ensure the Company continues to grow.

To the management team and all staff, your exceptional performance and diligence is the reason behind the great results. I thank you all and urge you to continue making Vision Group a Company of preference. With your commitment, we shall continue to deliver value to our stakeholders.

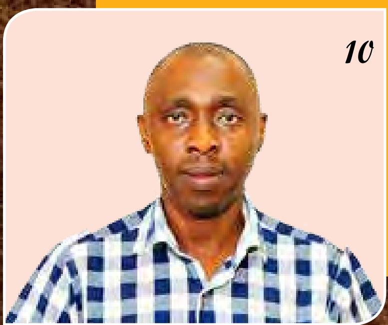
I would like to thank our customers and stakeholders for their support, loyalty and confidence. Our commitment to transforming lives remains strong and with our strategy in place, we are confident that we shall continue creating value for our customers and stakeholders.

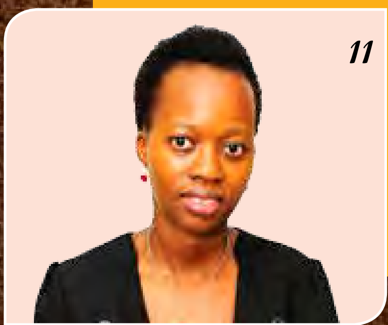
I thank the shareholders for trusting us to spearhead the Company and we are confident that with your continued support, we shall lead the Company to greater heights.

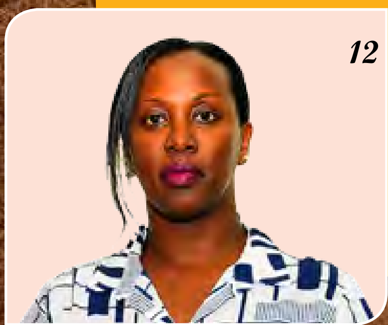
The Board Chairman- Mr. David Ssebabi responds to a question from a shareholder while the Company Secretary- Mr. Gervase Ndyanabo (far right) and other directors look on.

SENIOR MANAGEMENT

1. **Robert Kabushenga**
   Managing Director/CEO
2. **Zubair Musoke**
   Chief Finance Officer
3. **Gervase Ndyanabo**
   Chief Operations Officer/Company Secretary
4. **Barbara Kaija**
   Editor in Chief
5. **Susan Nsibirwa**
   Head of Marketing
6. **Hope Nuwagaba**
   Head of Sales
7. **Mark Walungama**
   Head of TV
8. **Bill Tibingana**
   Head of Radio
9. **Sam Kyagulanyi**
   Ag. Head of Printing
10. **Louis Jadwong'**
    Head of Digital
11. **Carol Lutalo**
    Chief Internal Auditor
12. **Gloria Agira**
    Chief Human Resource Officer







CEO'S STATEMENT

At the last Annual General Meeting, Management was specifically tasked to improve the financial performance of the business. I am glad to report that the foundations for an improved performance have been laid and there is now a basis for better financial results.

> "The improved performance will have to be sustained over a long period before it can impact the market share price."

PERFORMANCE

A profit of 5.25bn was registered this year up from 3.1bn last year. Revenue grew to 86.6bn from 82.9bn while profit before tax grew from 4.38bn last year to 7.4bn. A gross profit of 25.3bn was recorded, which was a 15.2% growth from last year.

Let me take this opportunity to explain that the past performance was mainly affected by related costs of implementing the investments at different times. This had the effect of increasing the costs of sales at a rate faster than revenue growth. Management is now conscious of these realities and is working to mitigate them. This has contributed to the improved performance of the company but is yet to be translated into an improved market valuation of the business. The improved performance will have to be sustained over a long period before it can impact on the market share price.

I have to sound a word of caution, the improvement in performance assumes a stable macroeconomic situation. However, there are some trends that must be taken into account in our expectations regarding future performance. For most of 2015, the shilling has been under pressure against foreign currencies and has experienced a major drop in its value. In addition, the interest rates have gone up quite significantly as has the cost of utilities. These developments have very serious implications on the continuing commercial success of the Company. They have the effect of driving up costs especially since the business earns in shillings but has some major costs denominated in dollars. Furthermore, this economic situations will likely force most of our business partners to scale back their expenditure which could negatively affect advertising revenue. Management is aware of these market conditions and is already responding to them.

There has also been a significant development in the television industry. The regulator has started enforcing the transition to digital broadcasting. This has affected the greater Kampala which has experienced a significant loss of signal for our audiences since people who used to receive television signals free of charge have been cut off. This means that management has to come up with interventions that will rebuild our audience sizes. Nevertheless, our television brands continue to grow and remain a favourite for advertisers. Management also continues to invest in improvements that should sustain this growth.

The decision to invest in transforming the Company into a multimedia business is beginning to bear fruits. Management can now leverage a complete media ecosystem for the benefit of our clients. It also means that the diversity of revenue streams can sustain the Company in difficult market conditions. In light of this, the Board has approved a management recommendation to invest in additional capacity for the commercial printing business. This should become available in the middle of the third quarter of this financial year. The purpose is to enable us enter new markets and improve the revenue performance of this line of business. The rest of the business lines continue to be stable and generate a decent return.

The other development in the media industry is the growth of new media. It is driven largely by changes in technology facilitating content delivery by digital means. This is disrupting existing media business models the world over. In Uganda, there is an increased use of social media for content delivery and consumption. Management is working on a model that should facilitate the leverage of the changes in digital technology and media consumption patterns to our competitive advantage.

CORPORATE CITIZENSHIP

Vision Group is particularly proud of its social responsibility. As you may recall, our vision is to be “a globally respected African media powerhouse that advances society”. We continue to be recognized as a leading media innovator in East Africa. We have continued to come up with editorial products whose ultimate objective is to improve the lives of our audiences. We have also participated directly in social programs for which we are generating a lot of goodwill. This is sound business practice because it translates into lucrative business partnerships.

FUTURE OUTLOOK

The future holds promise but needs to be approached differently. The Board is aware of this challenge and has tasked management to explore other opportunities where investment can be made to improve the cash generation. Hopefully there will be a clearer roadmap in this direction at the next Annual General Meeting.

Vision Group employees showcase their business initiatives at the 'Tutandike – Show and Tell Bazaar' at the Company's head office

Businessmen, Godfrey Kirumira and Sudhir Ruparelia participate in the selection of winners at the 'Bukedde Tugende Dubai' draw

Joel Kisakye, the winner of Rated Next 2015, is presented with a Ugshs. 50m cash prize by the Vision Group CEO, Robert Kabushenga (right), and the Century Bottling Managing Director, Norton Kingwill.

> "The Board is responsible for setting the Company's strategic direction and ensures that the strategy is aligned with the Company's vision, mission, values and objectives."

CORPORATE GOVERNANCE STATEMENT

THE Company was managed on principles of good corporate governance to ensure transparency, proper governance and accountability to its stakeholders. This is critical to sustaining the Company's performance and preserving shareholder value.

THE BOARD

The Board is comprised of 10 members with a mix of skills and experience required to enable effective board discourse and decision making. The skills mix includes business management, corporate governance, media, financial accounting and reporting.

To ensure the Board effectively discharges its mandate, the Board is governed by the Companies Act 2012, Uganda Securities Exchange (USE) Listing Rules 2003, the Company's Articles of Association, a Board manual and a charter.

The Company is headed by a unitary Board of Directors and the roles of Chairman and Chief Executive are separate and distinct.

Half of the Board is comprised of independent directors while the Managing Director/CEO is the only executive serving Board member. Out of the 10 directors, only one is an executive director. The mix of executive, non-executive and independent directors ensures a balance of power on the Board, so that no individual or group can dominate Board processes or decision making and ensures the appropriate level of challenge. The number and caliber of independent non-executive directors on the Board ensures that decision making is sufficiently informed by independent perspectives.

Members of the senior management team attend meetings on invitation.

CLASSIFICATION OF DIRECTORS

NAME OF DIRECTOR		INDEPENDENT
David Ssebabi	Non-Executive/Chairman	-
Robert Kabushenga	Managing Director/CEO	-
Monica Chibita	Non-Executive	✓
Orono Otweyo	Non-Executive	-
Oode Obella	Non-Executive	✓
Grace Dwonga	Non-Executive	✓
Gad Gasaatura	Non-Executive	✓
Steven Bamwanga	Non-Executive	✓
Charles Tukacungurwa	Non-Executive	-
Ketrah Tukuratiire	Non-Executive	-

APPOINTMENTS

The process of appointment begins with the nominations committee. The appointment of directors is governed by the Company's articles of association. The Articles of Associations of the Company allow for appointment of directors to fill in a casual vacancy.

These appointments are then confirmed at the AGM. Upon appointment, the director receives a letter of appointment setting out the terms of engagement.

The nominations committee takes into account the requisite knowledge, skills and experience of directors, as well as other necessary attributes to enable them perform their roles. Appointments, therefore, take into consideration the knowledge, skills and experience of prospective directors and need for gender presentation balance.

At last year's AGM, Ketra Tukuratiire was presented to the shareholders for appointment to the Board. The appointment was approved by shareholders on 14th November, 2014.

There were no casual vacancy appointments to the Board during the past financial year.

In the previous AGM, directors who retired by rotation and were reappointed are David Ssebabi, Orono Otweyo and Charles Tukacungurwa.

INDUCTION AND TRAINING

The Company Secretary is responsible for the induction of new directors. After appointment, new directors undergo induction into the Company's business and operations. They are advised on their rights, duties, legal and regulatory requirements, as well as governance best practice. Mrs. Ketra Tukuratiire's induction took place in January, 2015 following her appointment at last year's AGM.

Ongoing Board education remains a focus. All existing directors are continually trained in corporate governance, applicable legislation and regulations, codes and any changes to legislation which impact the Company. Directors are also invited for Company events which give them an opportunity to interact with employees and to learn more about the Company. In the past financial year, the directors were also invited to Company functions like "Yiiya Sente", "Pakasa" and "Tutandiike".

During the Board retreat that was held from 18th to 20th February, 2015, directors received training on the '7 Habits of Highly Effective People by Stephen Covey.' The training was undertaken to provide the directors with more skills to enhance their leadership skills, thus leading to the efficiency of the Board. The directors were able to get hands-on experience in applying timeless principles that yield greater productivity, improved communication and strengthened relationships.

MEETINGS OF THE BOARD

The Board meets quarterly and the meetings are structured to allow open discussion. In addition to the regular quarterly Board meetings, other meetings to deal with specific matters are held. Other meetings are scheduled as required.

All substantive agenda items have comprehensive briefing papers which are circulated at least 7 days to the scheduled meeting.

Ketrah Tukuratiire, Non Executive Director, tours the Vision Group factory and TV Studio after her induction to the Board in the company of Gervase Ndyanabo, Company Secretary

To facilitate efficient decision making, senior management and third party professionals may be in attendance on a need basis.

Before commencement of a meeting, directors are required to disclose any potential conflict of interest. Directors also disclose any potential conflict of interest which may arise from time to time during their directorship.

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

Directors' shareholding as at June 2015 was:

		No. of shares
1.	David Ssebabi (in joint ownership with wife Harriet Ssebabi)	7,579
2.	Ketrah Tukuratiire	340,562
3.	Ketrah Tukuratiire (in joint ownership with her husband Joseph Tukuratiire)	6,607
4.	Mrs. Susan Lubega (Member of the Audit Committee)	1,313

In the past financial year, a total of 7 meetings were held. The meetings comprised of 4 quarterly meetings, a meeting to approve the financial budget and meeting to approve half year and annual accounts.

Directors upheld the culture of excellent attendance of board meetings as highlighted in the table below:

	31 Jul, 2015	25 Sept 2015	30 Oct, 2014	13 Nov, 2014	19 Feb, 2015	30 Apr, 2015	26 Jun, 2015
David Ssebabi	✓	✓	✓	✓	✓	✓	✓
Robert Kabushenga	x	✓	✓	✓	✓	x	✓
Orono Otweyo	✓	✓	✓	✓	✓	✓	✓
Grace Dwonga	✓	✓	✓	✓	✓	✓	✓
Oode Obella	✓	✓	✓	✓	✓	✓	✓
Monica Chibita	✓	✓	✓	X	✓	X	✓
Steven Bamwanga	✓	✓	X	✓	✓	✓	✓
Gad Gasaatura	✓	✓	✓	✓	✓	✓	✓
Charles Tukacungurwa	✓	✓	✓	✓	✓	✓	✓
Ketrah Tukuratiire	n/a	n/a	n/a	✓	✓	✓	✓

Key:

✓ - Present
x - Absent
n/a - Not Applicable

DELEGATION OF AUTHORITY

The Board monitors and evaluates the implementation of strategies, policies, management performance and business plans through Board committees which improve its effectiveness. The committees facilitate discharge of the Board's responsibilities by providing in-depth focus on specific areas of responsibility. The committees each have terms of reference which detail the roles of the committees and how these committees operate. The terms of references are constantly reviewed to ensure they remain relevant.

Each committee has access to information and is provided with all necessary resources to enable them undertake their responsibilities in an effective manner. Decisions of the committees are subject to Board approval.

The Board also delegates authority to the Chief Executive Officer and senior management team to manage the business and affairs of the Company. The senior management team assists the Chief Executive Officer in the implementation of Board decisions.

COMMITTEES OF THE BOARD

There are 5 committees of the Board. The committees are comprised of at least four members and each committee has a chairperson appointed by the Board.

In the past financial year, the frequency and attendance of meetings was as in the tables below.

• ***HR and Remunerations Committee***

	27 Oct, 2014	27 April, 2015	27 July, 2015
Capt. Gad Gasaatura	✓	X	X
Orono Otweyo	✓	✓	✓
Prof. Monica Chibita	✓	✓	✓
Robert Kabushenga	✓	✓	✓
Grace Dwonga	✓	✓	✓
Steven Bamwanga	x	✓	x
Ketrah Tukuratiire	n/a	✓	✓

• ***Finance and Operations Committee***

	28 Oct, 2015	28 April, 2015	23 June, 2015	28 July, 2015
David Ssebabi	✓	✓	✓	✓
Robert Kabushenga	✓	✓	x	✓
Charles Tukacungurwa	✓	✓	✓	✓
Steven Bamwanga	✓	✓	✓	x
Ketrah Tukuratiire	n/a	✓	✓	✓
Grace Dwonga	✓	✓	✓	✓

Robert Kabushega, CEO, responds to a question at the Financial Analyst briefing held at Uganda Securities Exchange (USE) offices. Looking on are Susan Nsibirwa, Head of Marketing, Gervase Ndyanabo, Company Secretary, Zubair Musoke, Chief Finance Officer and Paul Bwiso, CEO (USE).

• ***Editorial Committee***

	27 Oct, 2014	27 April, 2015	27 Jul, 2015
Prof. Monica Chibita	✓	x	✓
Capt. Gad Gasaatura	✓	x	X
Orono Otweyo	X	✓	✓
Charles Tukacungurwa	✓	✓	✓

• ***Nominations Committee***

	23 Sept, 2014	30 Oct, 2014	30 Apr, 2015
David Ssebabi	✓	✓	✓
Oode Obella	✓	✓	✓
Monica Chibita	✓	✓	X
Robert Kabushenga	✓	✓	X

• ***Audit and Risk Committee***

	23 Sep, 2014	28 Oct, 2014	16 Feb, 2015	28 April, 2015	28 Jul, 2015
Mr. Oode Obella	✓	✓	✓	✓	✓
Mr. Parity Twinomujuni	✓	✓	✓	✓	x
Mr. Joseph Baliddawa	✓	✓	✓	✓	✓
Ms. Susan Lubega	✓	✓	✓	x	✓

Key:
✓ - Present
x - Absent
n/a - Not Applicable

BOARD AUDIT AND RISK COMMITTEE (BARC)

The Audit and Risk Committee is comprised of 4 members, 3 of whom are not directors while 1, the chairperson, is an independent non-executive director. The members collectively are experts in corporate governance, financial reporting, risk management, and internal and external audit.

The committee assists the Board in fulfilling its oversight responsibilities for prudential risk management and effective corporate governance. It reviews the financial reporting process, the system of internal control and management of financial and legal risks, the effectiveness of internal audit activities, and the Company's process for monitoring compliance with laws and regulations.

The committee provides independent oversight of the Company's financial reporting. It monitors the integrity of the Company's financial statements and considers the significant accounting policies used for preparation. It ensures timely, transparent and objective disclosure of financial information. It considers and makes recommendations to the Board on the half year and annual audited accounts.

It provides oversight of the Risk Management and Internal Audit function to ensure that appropriate systems are in place to identify, evaluate and manage significant risks faced by the Company. It ensures sound, effective risk management and internal control systems are maintained.

The committee is governed by an Audit Committee Charter which provides its terms of reference and guides its activities. The Internal Audit, Risk and Compliance reports are considered by the committee during the quarterly meetings.

- **INTERNAL AUDIT**

The Company has an internal audit department whose primary role is to provide assurance to the Board and executive management on governance, risk management, and internal control processes by analyzing, measuring and evaluating the effectiveness of systems of control in achieving Company objectives through a systematic and disciplined approach.

The department reports functionally to the Board Audit and Risk Committee and employs the Risk Based Internal Audit methodology (RBIA) which enables them to provide assurance to the Board and Executive Management that risk management processes are effective in relation to the Company's risk appetite.

During the year 2014/2015, 100% coverage of the approved annual audit plan, covering all the company's Strategic Business Units and Support Units, was achieved.

Audit reports were discussed with Management. Action plans to address identified areas of improvement were agreed and implementation dates set. Thereafter, progress on agreed action plans was reviewed together with Departmental Heads and risk owners. These updates were then discussed at the quarterly Board Audit and Risk Committee (BARC) meetings.

The Chief Internal Auditor has unrestricted access to the Board Audit and Risk Committee.

- **RISK MANAGEMENT**

Risk Management in Vision Group is practiced in accordance with the approved Risk Management Framework.

The BARC considers a quarterly 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 (EXCO) serves as the Risk Management Committee and the Company employs a full time Risk Officer.

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

The focus of the risk function during the year was on monitoring the risks identified in previous periods and reporting on them to management and the Board. There was regular update of the key risk register involving identification and assessment of the effect of risks within Vision Group.

A review of the risk management framework was done during the period

The top emerging risks affecting Vision Group during the period were:

1. Digital Migration

The switchover from analogue transmission to digital transmission by in accordance with the International Telecommunications Union agreement was implemented by Uganda Communications Commission in June for Kampala and surrounding areas. The consequence has been that a significant number of the audience is unable to access Vision Group Kampala-based television stations like Bukedde TV and Urban TV.

This loss of audiences has influenced decisions of advertisers, some of whom are cutting back television advertising spend. A number of other clients are reluctant to sign onto the televisions while those willing to sign on are requesting for heavily discounted packages.

The Vision Group TV stations are available on pay television platforms; although the limitation in the distribution and the cost of pay television decoders means that some sections of the audiences still cannot access the stations.

It should be noted that the digital switch over shall be rolled out beyond Kampala to upcountry areas and this shall impact TV West, and further affect Bukedde and Urban TVs in the respective regions.

Management still continues to engage Signet; the signal distributor, and Uganda Communications Commission to find a solution that benefits all players in the industry with minimal risk to business.

2. Depreciation of the shilling against major foreign currencies

The shilling has been continually depreciating against the dollar and other major currencies. This trend will result in an increase in Vision Group's cost of inputs and has affected the expenditure and profitability outlook.

NOMINATIONS COMMITTEE

The committee is charged with ensuring there is, at all times, a balanced mix of skills, experience and competence in various fields of expertise in the Board and identifying suitable candidates for Board vacancies.

The Committee meets when there is business to be conducted and is governed by its terms of reference (TORs). The committee is also responsible for evaluation of the Board and ensuring the recommendations of the evaluation are implemented.

The Board Chairman, is in accordance with the Companies' Act, the chairman of the Nominations Committee.

In the past financial year, the Nominations Committee held 3 meetings as in the table on page 23.

HR AND REMUNERATION COMMITTEE

This committee is composed of 7 members 6 of whom are NEDs and is governed by it's terms of reference. The committee reviews the Company's remuneration policies, structures and practices and among others agrees the employment terms for executive and senior management, including the Chief Executive Officer, taking into account the objectives of the company from which performance targets for the executive management are extracted.

This is done to ensure the Company's remuneration practices attract, retain and motivate staff needed to run the business successfully.

The committee also considers quarterly reports of the Chief Human Resources Officer and oversees compliance and implementation of Human Resource Policies.

• REMUNERATION PHILOSOPHY

The Company aims at attracting and retaining high caliber directors to provide oversight and guidance to management. 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.

In the past financial year, Non-Executive Directors were paid a quarterly fee and sitting allowance approved by shareholders at the last AGM as follows:

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

Setting of remuneration for employees is guided by the need to maintain a caliber of human resource that is capable of ensuring the Company continues to thrive. In this regard, remuneration offered by similar companies and the Company's performance against financial objectives and individual performance is considered.

The terms and conditions of employment of all employees are guided by local legislation and the Human Resource Policy. Employees are appointed either on contract or permanent basis.

In addition to salaries offered, Incentives set basing on the Company's overall performance are provided to ensure appropriate reward for good performance. Employees who excel are rewarded for their performance.

STRATEGY

The Board is responsible for setting the Company's strategic direction and ensures that the strategy is aligned with the Company's vision, mission, values and objectives. It guides the Company with a view to ensuring long-term and sustainable returns for shareholders, while delivering exceptional services to our customers, having regard to the interests of stakeholders and the communities in which the Company operates.

The Board also monitors performance against these objectives on an annual basis through quarterly reports from management.

The Board reviews the strategy objectives during the Board retreat that is held in January/February of every year.

BOARD EVALUATION

The Board is committed to continued improvements to its effectiveness and performance. 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 among other critical areas. The objective of these evaluations is to assist the Board and committees to constantly improve their effectiveness by addressing areas needing improvement and providing directors with the necessary training.

The Board carried out a self-evaluation to assess its performance, that of its committees, the chairman and individual directors in December 2014. Questionnaires were filled, results collated and feedback discussed. The results of this evaluation were discussed by the Board at the retreat held in February 2015 and formed a basis for identification of areas of improvement, training needs and necessary appointments.

Performance of individual directors was evaluated by the directors and the Board chairman discussed the peer review results with each director.

The next evaluation shall be carried out in December 2015.

FINANCIAL REPORTING AND DISCLOSURES

Financial performance is monitored through quarterly reports from management, and governance and risks are monitored by the relevant risk committees, and reviewed by the Board. The performance is formally reported to shareholders through half-year unaudited results and audited annual financial statements. The audited accounts are presented to, and considered by shareholders at the Annual General Meeting.

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 Interna-

Shareholders ask questions at the 2014 Annual General Meeting (AGM)

tional Financial Reporting Standards (IFRS) and the requirements of all the relevant statutes, rules and regulations.

All accounts are approved by the Board and presented to the Uganda Securities Exchange before publication in fulfillment of the Listing Rules.

The accounts are published in the *New Vision* newspaper and uploaded onto the Company website. They are also sent to shareholders via email (eshareholder@newvision.co.ug) and are uploaded on the website (http://www.visiongroup.co.ug/financialreports.php). Annual reports are also distributed to shareholders through email, website and at the AGM. Shareholders are also advised to pick hard copies of the annual reports at the Company's head office or upcountry stations.

DEALING IN SECURITIES

The Company restricts dealing in securities by directors and employees during closed periods. Communication is sent out to employees and directors to notify them of the closed periods, which are from 1 July to the publication of final results, and from 1st January to the publication of interim results.

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

The Company has also put in place a shareholder page on its website which contains important information like all past annual reports, audited and unaudited financial statements, list of approved brokers, frequently asked questions etc. The page can be accessed directly at http://www.visiongroup.co.ug/shareholder-information.php.

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

Shareholders are encouraged to attend the annual general meetings to exercise their rights and for more interaction.

The Company has put in place an investor relations function to ensure shareholder engagement. The officer in charge of investor relations can be reached on +256 (0) 414 337333.

COMPANY SECRETARY

The role of the Company Secretary is to ensure the Board remains cognisant of its duties and responsibilities.

The Company Secretary acts as secretary to the Board and its committees. 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. He, therefore, advises the Board as and when need arises.

The Company Secretary also keeps the Board abreast of relevant changes in legislation and governance best practices. He oversees the induction of new directors as well as the ongoing education of directors.

All directors have access to the services of the Company Secretary.

COMPLIANCE

Vision Group remains committed to conducting business in accordance with relevant laws and regulations and the Board regularly monitors compliance. In the past financial year, compliance checks were carried out for all strategic business units to identify areas lacking and to boost compliance.

Compliance with the Companies Act 2012 was also observed. Annual returns were filed while Board and shareholder resolutions were registered on time.

The Company has also put in place policies like the Fraud Policy, Human Resource Policy, ICT Policy, Whistleblowers Policy etc. that are aimed at setting ethical practices and to guide the conduct of employees. These policies are aligned with laws and regulations.

The Company has put in place a hotline through which cases are reported and investigated before action is taken.

GOING CONCERN

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.

SHAREHOLDER INFORMATION

SUMMARY OF SHAREHOLDING

	Category	No. of Members	No. of Shares	Percent Holding
East African	Corporate	72	27,791,550	36.33%
	Individual	2,349	48,157,887	62.95%
Foreign	Corporate	2	75,500	0.10%
	Individual	70	475,063	0.62%
	Grand Total:	**2,493**	**76,500,000**	**100.00%**

TOP 10 SHAREHOLDERS

	SHAREHOLDER	SHARES	PERCENTAGE
1	GOVERNMENT OF UGANDA	40,800,000	53.34
2	NATIONAL SOCIAL SECURITY FUND	15,000,000	19.61
3	NATIONAL INSURANCE CORPORATION LTD	2,068,172	2.70
4	BANK OF UGANDA STAFF RETIREMENT BENEFIT SCHEME AIG	1,703,380	2.23
5	NATIONAL SOCIAL SECURITY FUND-SIMS	1,435,857	1.88
6	BANK OF UGANDA STAFF RETIREMENT BENEFIT SCH-SIM	754,559	0.99
7	NATIONAL SOCIAL SECURITY FUND -PINEBRIDGE	750,000	0.98
8	INSURANCE COMPANY OF EAST AFRICA UGANDA LIMITED	553,286	0.72
9	MR. WAZUNULA SAMUEL MANGAALI	510,000	0.67
10	TULLOW UGANDA STAFF RETIREMENT BENEFITS SCHEME	499,800	0.65

BANK OF UGANDA
BANK OF UGANDA
2015
FINANCIAL STABILITY: AN ENGINE FOR ECONOMIC GROWTH
Child Africa
2014
UGANDA OPEN GOLF
KAMPALA
Pride Smart Savings Account
PRIDE MICROFINANCE LIMITED (MDI)
JULY
AUGUST

"We aim to create a sustainable business in which our clients can have confidence in, our communities can trust and our other stakeholders can take pride."

SUSTAINABILITY REPORT

At Vision Group, we believe that our most important contribution to sustainable development is operating an effective and profitable company. Our commitment goes beyond creating value for our shareholders, but also other stakeholders like customers and the communities by making a lasting, positive difference in their lives. We are, therefore, continuously seeking to better integrate our sustainability efforts into our business activities.

We aim to create a sustainable business in which our clients can have confidence in, our communities can trust and our other stakeholders can take pride. Our continuing success in this endeavor depends in part, on our ability to identify and address environmental, social and ethical factors affecting the society in which we operate.

ENVIRONMENT

Vision Group is committed to adhering to environmental best practice and to conserve the environment. We acknowledge that our biggest input is paper, and ink, which all have an effect on the environment thus the need to ensure usage is monitored and controlled.

Paper dust is by use of a vacuum collected in bags/ containers for disposal by an outsourcing company authroised to dispose of waste. Inks are used up to completion while chemicals especially from CTP machines are drained into a dilution tank constructed by the contractors. The dilution ratio is 1litre of chemicals to 250 litres of water.

All machines are environmentally friendly and certificates of conformity are provided by an independent company.

Like paper dust, paper, our main waste, is sold to a waste disposal company authorised by NEMA, while our chemical waste is collected into a dilution tank before disposal to ensure that by the time of disposal all harmful chemicals have been neutralized to a level approved by NEMA.

In the past financial year, an environmental audit was conducted with the aim of assessing the effectiveness of environmental management systems, practices and procedures and to determine the degree and scope of necessary improvement or remedial works in case of non- compliance. We are pleased to report that all our systems were found to be in compliance with environmental laws, including our waste disposal procedures.

PEOPLE

We remain committed to attracting, developing and retaining talented staff to deliver the right results. We are mindful of the roles employees play in ensuring the Company remains profitable and sustainable. Employees' satisfaction surveys are undertaken and feedback from employees taken into consideration during HR related decision making.

Our goal is to develop performance oriented HR practices by managing employees based on how they deliver tasks that are clearly defined for them. Employees undergo annual performance reviews where their performance is evaluated against targets given to them. Rewards are set basing on employees and are given to those whose performance is exceptional. This motivates employees and ensures they remain productive. Training of supervisors on performance management is carried out to empower them to effectively manage the process. General staff meetings are held quarterly during the year where staff is updated on the Company performance and any other developments. Staff also get an opportunity to ask questions and receive feedback from management.

Our recruitment and selection process emphasizes equal opportunity for all. We are an equal opportunity employer and work towards gender diversity of our staff. Vacancies are filled mainly through internal appointments based on competence and ability to deliver company goals. Through the numerous career opportunities in the organisation, internal staff is given opportunity to assume higher responsibility and advance their careers.

CULTURE

Our values are honesty, innovation, fairness, courage, excellence, zero tolerance to corruption and social responsibility. Interventions are in place to ensure our values are upheld. Tough action is taken against employees whose actions are against our values and as a result, these values have become part of the Company's culture.

The Company has also put in place policies like the Fraud Policy, Human Resource Policy, ICT Policy, Whistleblowers Policy etc. that are aimed at setting ethical practices and to guide the conduct of employees.

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees at work is key and measures have been put in place to ensure the workplace is safe for all. Employees at the factory are provided with protective wear to guard them from any accidents, injuries or infections that may be caused by exposure to machines and chemicals.

The Company has also put in place a health and safety policy that provides guidelines on the conduct of employees while at the Company to ensure that employees work in a safe and hygienic environment and that their health is taken care of.

Health and safety trainings are undertaken for employees to sensitise them on the need to abide by the health and safety guidelines. In addition, there exists fire marshals in every department who are trained on fire fighting to enable them prevent or fight fires should they break out. Fire drills are also undertaken regularly.

STAKEHOLDER ENGAGEMENT

Vision Group takes proactive measures for engaging with its stakeholders, as we believe that our stakeholders play a significant role in the growth and development of the Company and the economy. We build and maintain strategic relationships with the stakeholders, to enable proactive engagement, manage social expectations, minimise reputational risk and influence the business environment. We also gather stakeholder feedback to ensure cleint satisfction and that we remain relevant.

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 are provided with full, accurate and timely information through emails (shareholder@newvision.co.ug), SMS, post, telephone calls and announcements in the newspapers.

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.

Provision of quality products and services that satisfy the needs of our clients is key. We engage our stakeholders by email, on our website, on phone and physically during one-on-one interactions and workshops. Annually, our advertisers and distributors are hosted at workshops where we interact and discuss ideas on improving our business.

We acknowledge the roles our customers play in ensuring sustainability of our business and are, therefore, committed to providing the best customer care. We do more than just sell products and services, but also build relationships with our clients. We not only provide answers but also teach them how to do more with our products. This interaction is done through phone, email, one on ones and social communications, and it happens all the time (before, during, and after a sale). We solicit for customer feedback to identify ways through which we can improve our services and products.

CORPORATE SOCIAL INVESTMENT (CSI)

Our CSI policy is built on the principle that business has a responsibility beyond its basic responsibility to its shareholders; a responsibility that includes its key stakeholders and the society. We take into consideration the factors that affect stability and growth of the society we operate in, the economy and in turn our business.

All decisions are guided by our mission, which is to be a respected African media house that advances society. In this regard, the Company uses its resources to highlight various societal challenges such as unemployment, food insecurity, access to health care and access to information. By providing informative news and educative reading materials, we educate individuals and enable them improve their quality of life. We partner with national and county governments, the Civil Society Sector, including Non-Governmental Organisations (NGOs), Community-Based Organisations (CBOs), corporates and communities to improve the quality of life of the society in which we operate.

We take advantage of the fact that we are by far the biggest media house in Uganda with the widest reach to highlight issues and undertake activities that have an impact on the society. Some of the issues we have highlighted in the past are child sacrifice, HIV/AIDS, corruption, environmental degradation and crime.

The main projects undertaken the past financial year were:

The Netherlands Ambassador to Uganda, the DFCU Bank Chief of Business and the CEO Vision Group at the launch of the Harvest Money book

1 The Best Farmers Competition.



Winners of the Best Farmers competition visiting farms in the Netherlands



Some of the Best Farmers Competition winners receive their prizes

Organized under *Harvest Money*, a weekly farming pullout in the *New Vision*, and supported by other Vision Group farming programmes like *Enkumbi terimba* and *Omulimisa* in *Bukedde*, the contest attracted over 1,800 farmers and drew attention to agriculture to help Ugandans take advantage of it to address the issue of unemployment, food insecurity and commercial farming. The purpose of the project was to re-awaken farmers in the country and create the awareness that agriculture provides enormous commercial opportunities.

The project highlighted the underlying challenges to farming in Uganda, which included poor extension services, low technology, poor marketing and storage of produce and other products, low access to finance, and the mutual distrust between financial institutions and farmers, among many other challenges.

The project made farming attractive by showcasing the best farmers for all to see and emulate. This was aimed at inspiring millions of other Ugandans to take to farming which is the backbone of our economy. Seminars for farmers were organised where various topics of concern were addressed. Teams of successful farmers participated in agricultural shows and shared information and experiences. The project also highlighted urban farming and as a result urban dwellers have begun putting their small pieces of land to optimal use by growing vegetables and rearing animals.

Indeed, both private and public stakeholders agree that the competition and other farming media coverage in Vision Group has helped spur agriculture growth from 2% just three years ago to around 3% at the moment. Thousands of corporate Ugandans, who hitherto said farming was a backdrop for ‘failures’, have now gone back to the farm.

The competition ended with the selection of the 10 best farmers who won a trip to the Netherlands. Cash prizes of Ushs 50 million, Ushs 30 million and Ushs 20 million were awarded to the first, second and third winners respectively to finance acquisition of farm equipment like tractors, milk coolers, irrigation systems to enhance their farming. The remaining seven received an award of Ushs 7 million each.

2 Pakasa, Yiiya Sente, Omwekambi

One of the panelists, James Mworia the CEO Centum Investments Company Limited, addresses participants at the Pakasa Youth Forum.

These are fora that offer the youth an opportunity to interact with successful businessmen and receive tips on entrepreneurship. "Pakasa' is conducted in the English language, "Yiiya Sente" is conducted in Luganda whereas "Omwekambi" is conducted in Runyankore. Attendance is free and open to any person.

These are aimed at tackling poverty and unemployment by encouraging innovation and entrepreneurship among the youth. Success stories are shared and published to inspire and provide role models whom the youth can emulate and learn from.

Weekly Pakasa pullouts were published in the Friday *New Vision* newspaper. The pullout featured stories and experiences of successful entrepreneurs who have beaten the odds by starting and growing their businesses from scratch. Its purpose was to educate and inform readers on how to acquire and use their entrepreneurial skills and meager income to start up or grow businesses for the long term.

In the year 2014/14, two Pakasa fora that offered a platform for discourse with successful and aspiring entrepreneurs from all walks of life were held. The entrepreneurs shared tips and experiences and proceedings were telecast live on Urban TV. The 2nd Pakasa Forum featured youths from East Africa who have innovated and have stood out in various fields thus enabling them to start up and manage business despite their youthful age.

Yiiya Ssente was held at Kololo Airstip and was a platform for sharing entrepreneurial advice in a local language - Luganda. The panelists included HE, The President of the Republic of Uganda and Mrs. Maggie Kigozi - Former Executive Director of Uganda Investment Authority.

The 1st Omwekambi, the Runyankore version of Pakasa, was held in Mbarara. Like Yiiya Sente, the purpose of the event was to offer a platform for sharing entrepreneurial advice in a local language - Runyankore.

The CEO – Robert Kabushenga and Susan Nsibirwa – Head of Marketing, receive H.E Yoweri Kaguta Museveni at the Yiita Sente forum.

H.E Yoweri Museveni and Maggie Kigozi - Former Executive Director of Uganda Investment Authority -at the Yiiya Sente forum

Participants at the Yiiya Sente forum showcase their business initiatives

Participants take notes at the 2015 Pakasa Forum

Participants at the Yiiya Sente forum showcase their business initia-tives

A participant asks a question at the 2015 Pakasa Forum

Panellists at the Omwekambi forum held in Mbarara

3 Newspapers in Education

Dixon Ampumuza, Vision Group's Media in Education Advocacy Manager, distributes free copies of newspapers to students under the NIE project

A 'training of trainers' workshop is carried out to empower teachers in promoting financial literacy and a reading culture

The Newspapers in Education (NIE) project, in partnership with various organisations, has continued to create awareness on major issues that affect children and their communities.

The Company partnered with United Bank for Africa (UBA), Citi Bank, Save the Children and Education Local Expertise Centre Uganda (ELECU) to promote financial literacy and a reading culture. A total of Ushs 371,520,000 was invested in the project where more than 9,100 copies of the newspapers were distributed weekly to various schools across the country over a period of 32 weeks. The project not only boosted support for financial literacy but also enhanced the students' reading culture.

Over 50 schools all over the country benefited from this project. These schools include Nakasero Primary School and Lohana Academy in Kampala,; Wanyange Primary School and Teso Primary School in the easter region; Arua Demonstration School and Eleze Primary School in West Nile; Pajule Primary School and Genmeri Primary School in the northern region; Ntungamo Primary School and Ishaka Primary School in the western region, Kihihi Primary School and Burema Primary School in Kigezi, and Nakasongola Parents Primary School and Kyabutiaka Primary School in the central region.

4 Environmental Watch

Vision Group employees at Etop offices plant trees in Bukedea district in partnership with the National Forestry Authority

Vision Group employees at Radio West and TV West offices plant trees in Mbarara district in partnership with the National Forestry Authority

Vision Group partnered with National Forestry Authority in a Community Tree Planting Programme with the aim of restoring natural degraded forests in Uganda. This is a continuous project and the Company intends to plant trees in several gazetted areas in various parts of the country. In the past financial year, Vision Group staff together with those of National Forestry Authority planted seedlings of indigenous species on land in Mbarara and Bukedea Districts. Thousands of seedlings were planted. Local leaders took part in the event.

5 Community Outreach

Susan Nsibirwa – Head of Marketing (second left) and Maj. Rubaramira Ruranga (Second Right) display red ribbons distributed to *New Vision* and *Bukedde* newspapers readers to commemorate the HIV AIDS day

Vision Group, in partnership with Orient Bank, gives out 1,000 Maama Kits to women at Kawaala Health Centre in Kasubi. Free antenatal services were also offered.

Vision Group aims through all its products, at remaining relevant in the society in which it operates. The various regional offices participated in community outreach programmes as follows:

Vision Group partnered with Orient Bank in an Open Antenatal Day where free antenatal services and advice were provided to women at Kaawala Health Centre in Kasubi. A total of 1,000 Maama Kits were given out free of charge.

Vision Group partnered with Communication for Healthy Communities - USAID, Uganda AIDS Commission, Ministry of Health and Philly Lutaaya Cares to distribute 85,000 ribbons to the *New Vision* and *Bukedde* readers. This initiative was to kickstart the efforts aimed at revitalizing the collective responsibility in the fight against HIV/AIDS. In addition, the Company offered a platform to sensitize the public about HIV/AIDS on all its 6 radio stations in different parts of the country.

Arua One, in partnership with Baylor Uganda and Communication for Health Communities (CHC) held an event where HIV counselling and testing, safe male circumcision, TB testing and cervical screening services were offered to the public free of charge. The main objective of this was to empower the public in the fight against HIV/AIDS and to sensitise them on TB prevention and cure, and cervical cancer. The event was held in Arua and attracted over 1,000 people.

HIV /AIDS tips were run on all Vision Group radio stations over the period June 2014 – June 2015. The tips provided information on the most important things people with HIV need to know about managing their health and wellbeing.

Etop partnered with Terrewode Women Group to empower women with entreprenuer skills like weaving and making straws, hats and bags. The purpose of the event was to empower women on improving their livelihoods and creating a source of income for themselves.

5 The Voice


Sudhir Ruparelia, his wife Meera Ruparelia and the Vision Group CEO, Robert Kabushenga, with Gloria Kyakuwa and her father before surgery to remove an orbital mass. (Right)-Kyakuwa gives a thumps-up thanks after the surgery.

Alice Amuron at her parents home after undergoing a breasts reconstruction surgery

The Company also has a deliberate strategy to link persons in need with well-wishers by publishing their stories. Plights of persons in need are highlighted and interested well-wishers are linked with the families of children and the individuals.

In the past financial year, beneficiaries of the initiative were Samuel Otobi (a PLE student from Soroti), who was in need of school fees; Alice Amuron (from Pallisa), who was in need of a breast reconstruction surgery and Gloria Kyakuwa, who had an orbital mass.

New Vision readers contributed money to support Samuel Otobi and he is now in secondary school. The Joy Kategekwa Education Fund pledged to meet Otobi's tuition for 4 yrs. Alice Amuroni underwent a successful breast reconstruction surgery, while Gloria Kyakuwa underwent a successful surgery to recive the orbital mass at CORSU Hospital Entebbe and both have recovered.

ACCOLADES

The Company received the 2nd runner up corporate governance reporting and the Communications Awards at the 2014 Financial Reporting (FiRe) Awards ceremony

Susan Nsibirwa the Head of Marketing (2nd right) receives the Company's Super Brand Award from Jawar Jaffer the Project Director of Super Brands East Africa (2nd left)

Vision Group journalists receive awards in various categories of reporting at the 2015 Uganda National Journalism Awards


New Vision
Bukedde TV
Every Wednesday in New Vision
Money

COMPANY PROFILE

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, Harvest Money, Mwalimu, 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 and relaxation for all ages. It offers a variety of news features, sports, commentary and entertainment.

THE SUNDAY VISION comes with Motoring, Totos, Auntie Money and Innovation. A good read for the whole family.

BUKEDDE, published daily in Uganda, is the highest selling newspaper in the country and is an integral part of the average working Ugandan's day.

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

KAMPALA SUN is a weekly paper capturing the unpredictable rhythms and heartbeat of Kampala. Reflecting all aspects of life, politics, corporate, religon, sports, fashion, lifestyle, celebrity gossip and social events. We focus on young adults (male and female) aged 18 – 35 years and promise to offer editorial content that is appealing and gives the advertiser an ideal opportunity to accurately target this audience.

REGIONAL NEWSPAPERS

Regional newspapers are published weekly and focus on the everyday life and human interest side of the communities in western, northern and eastern Uganda.

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, relationships, education, politics, community news, wedding pictorial, business, herbal remedies, farming, weekly news round up and sports.

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 farming, local and international news, politics, relationship advice, sports, community news and gossip, business, leisure, crazy news, pictorials and readers' letters and opinions.

ETOP is published in Ateso every Thursday. The main circulation area covers north eastern Uganda, Soroti, Katakwi 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 magazine content reaches people directly in the associated target market.
Magazines are published quarterly.

BRIDE & GROOM is the ultimate wedding planning companion with advice on service providers, relationships, fashion, budgeting, decor and real life testimonies from readers and celebrities alike.

FLAIR FOR HER is designed for the working woman, covering all aspects of life: health and fitness, balancing work and home, family, parenting, relationships and fashion**.**

DIGITAL

WEBSITES PUBLISHING

www.newvision.co.ug - Our flagship website. It is a leading website in East Africa with approximately 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 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 – This is a comprehensive jobs site offering listing jobs and candidates.

VISION MOBILE

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

8338 SMS Info in yo hands

BROADCASTING

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

RADIOS

XFM

Targeting 18-28 year old English speaking urban youth, Xfm broadcasts on 94.8fm in Kampala and 96.6fm in Mbarara. The station delivers a blended mix of hit music and outstanding radio personalities.

BUKEDDE FM

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 100.5 FM. It is also available on 106.8 FM in Masaka.

RADIO WEST 100.2FM

Radio West is western Uganda's dominant radio station, offering regional news, music & entertainment.

It is also available on the following frequencies in the respective areas:-

94.3 FM Kabale, 106.6 FM Masaka, 95.2 FM Kampala, 91.0FM Fort Portal.

RADIO RUPINY 95.7 FM

Radio Rupiny is based in Gulu for the people of the northern part of Uganda, stretching from Lira, to Kitgum and Gulu. Broadcasting in a mixture of Acholi and Luo with a mixture of politics, news, infotainment, local and international music, it is the radio of choice for the people of the north.

ETOP RADIO 99.4 FM

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

Etop Radio is the number one station in the region.

ARUA ONE 88.7 FM

Arua One FM is one of the leading multi-lingual stations in the West Nile region. The station broadcasts in mainly Lugbara, Swahili and English. Arua One FM's signals reach an extensive area including the districts of Arua, Nebbi, Yumbe, Moyo, Adjumani, Packwach, Koboko, parts of the Democratic Republic of Congo and Southern Sudan.

TELEVISION

BUKEDDE TV

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

TV WEST

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

URBAN TV

Urban is Kampala's fastest growing English TV station, targeting 15-28 year olds living and working in Kampala. Urban is primarily an entertainment station but also offers news and current affairs 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 across different media platforms.

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 & piano), folders, printed stationery, labels, magazines, newsletters, newspapers, marketing & promotional materials like brochures, flyers, leaflets, posters, wobblers, among others in quantities from 1 piece to millions.

We also provide digital 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 on-line ordering, job ticketing and payment, and direct integration with variable data printing applications.

BENEFITS:

- Speedy delivery
- Competitive prices
- Guaranteed quality
- After-sales services

MARKET RESEARCH UNIT

The Market Research Unit is a full-service, professional research unit offering market, social and media research, as well as opinion polling. We have extensive experience in both qualitative and quantitative research with an exceptionally well-trained and supervised team to ensure that the data collected is accurate and effective.

CREATIVE UNIT

An integral part of the marketing function, it is a full-service unit offering creative concepts for projects, brands, events and awareness campaigns across all media platforms both internally and externally. The unit, made up of a dynamic, talented team of radio professionals and producers, and with a vast database of voices and production capabilities at its disposal, is tasked with creating concepts, copy, audio and TVC production.

EVENTS

A fully-fledged events management unit, organizing events that achieve the client's objectives of strengthening brand image, driving sales and awareness, and reaching out and suitably influencing the sharply-defined target audience, provides a complete experience and avenue for the two-way interaction.

ADVERTISING SERVICES

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

Advertising services included:-

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

Please refer to the attached advertising rate card.

CIRCULATION DISTRIBUTION SERVICES

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

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

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

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

CONTACT NEW VISION:

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

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

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

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

P.O.Box 9815, Kampala

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

OFFICES:

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

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

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

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

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

tvWest

NOW AVAILABLE IN KAMPALA

Enjoy the best news and entertainment the West has to offer on:

azamtv **Channel 148**

zuku TV **Channel 31**

GOtv **Channel 96**

To advertise, please call 0414 337 000
or email: advertising@newvision.co.ug

FINANCIAL STATEMENTS

COMPANY INFORMATION

BOARD OF DIRECTORS	: David Ssebabi	- Chairman
	: Robert Kabushenga	- Managing Director / CEO
	: Monica Chibita	- Non Executive Director
	: Oode Obella	- Non Executive Director
	: Charles Tukacungurwa	- Non Executive Director
	: Orono Otweyo	- Non Executive Director
	: Steven Bamwanga	- Non Executive Director
	: Grace Dwonga	- Non Executive Director
	: Gad Gasaatura	- Non Executive Director
	: Ketra Tukuratiire	- Non Executive Director (appointed on 13 Nov. 2014)

BOARD AUDIT COMMITTEE	: Oode Obella - Chairman
	: Joseph Baliddawa - member
	: Parity Twinomujuni - member
	: Susan Lubega - member
COMPANY SECRETARY	: Gervase Ndyanabo
	: Plot 19/21, 1st Street
	: Industrial Area
	: P. O. Box 9815
	: Kampala, Uganda
REGISTERED OFFICE	: Plot 19/21, First Street
	: Industrial Area
	: P.O. Box 9815
	: Kampala, Uganda
STATUTORY AUDITOR	: Auditor General
	: Audit House
	: Plot 2/12, Appollo Kagwa Road
	: P.O. Box 7983
	: Kampala, Uganda
DELEGATED AUDITOR	: PKF Uganda
	: Certified Public Accountants
	: 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
	: KCB Bank (Uganda) Limited
	: P.O Box 7399
	: Kampala, Uganda

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended 30 June 2015

COMPANY INFORMATION (CONTINUED)

LEGAL ADVISORS	: Lex Uganda Advocates and Solicitors
	: P. O. Box 22490
	: Kampala, Uganda
	: Kiwanuka and Karugire Advocates & Solicitors
	: P. O. Box 6160
	: Kampala, Uganda
	: Sozi & Partners
	: P. O. Box 379
	: Kampala, Uganda
	: Okae, Basalirwa, Kakerewe and Company Advocates
	: P. O. Box 1876
	: Lira, Uganda

REPORT OF THE DIRECTORS

The directors submit their report along with the audited financial statements for the year ended 30 June 2015, which disclose the state of affairs of the company.

PRINCIPAL ACTIVITIES

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

FINANCIAL RESULTS	2015 Shs' 000	2014 Shs '000
Profit before tax	7,429,034	4,377,500
Tax	(2,174,864)	(1,278,715)
Profit for the year	5,254,170	3,098,785

DIVIDEND

The directors propose a final dividend of Shs 50 per share amounting to Shs 3,825,000,000 for the year (2014: Shs 35 per share amounting to Shs 2,677,500,000).

DIRECTORS

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

Mr. David Ssebabi, Mr. Orono Otweyo and Mr.Charles Tukacungurwa are the directors who retired by rotation in accordance with the Company's Articles of Association and being eligible, offered themselves for re-election.

DELEGATED AUDITOR

The delegated auditor, PKF Uganda, will be rotating out of office and the incoming auditor shall be appointed by the Auditor General and approved at the Annual General Meeting.

BY ORDER OF THE BOARD

DIRECTOR

KAMPALA

23rd September **2015**

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended 30 June 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ugandan Companies Act, 2012 requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that year. It also requires the directors to ensure that the company maintains proper accounting records that 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 responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

i) Designing, implementing and maintaining such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

ii) Selecting and applying appropriate accounting policies;

iii) Making accounting estimates and judgements that are reasonable in the circumstances;

The Directors are of the opinion that the financial statements give a true and fair view of the financial position of the company as at 30 June 2015 and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Ugandan Companies Act, 2012.

Approved by the board of directors on 23rd September 2015 and signed on its behalf by:

DIRECTOR

DIRECTOR

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

REPORT AND OPINION OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2015

THE RT. HON. SPEAKER OF PARLIAMENT

By Article 163 (3) of the Constitution of the Republic of Uganda (as amended), 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 2015, as set out on pages 7 to 34 appended to this report. These financial statements, comprise of the Statement of Financial Position as at 30th June 2015, the Statement of Profit and Loss, 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 Standards on Auditing and the requirements of the Companies Act, 2012. 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 financial position of New Vision Printing and Publishing Company Limited as at 30th June 2015 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act, 2012 (Section 170).

Report on other Legal Requirements

As required by the Companies Act, 2012, 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

28th September, 2015

STATEMENT OF PROFIT OR LOSS

	Notes	2015 Shs '000	2014 Shs '000
Revenue	2	86,839,978	82,960,115
Cost of sales		(63,144,833)	(62,564,955)
Gross profit		23,695,145	20,395,160
Other operating income	3	324,556	320,844
Distribution costs		(1,723,664)	(1,589,045)
Administrative expenses		(12,391,518)	(12,293,003)
Other operating expenses		(2,475,485)	(2,456,455)
Profit before tax		7,429,034	4,377,500
Tax	6	(2,174,864)	(1,278,715)
Profit for the year		5,254,170	3,098,785
Dividends			
Proposed dividends for the year - Final	7(a)	3,825,000	2,677,500
Earnings per share			
- basic and diluted (Shs per share)	7(b)	69	41

The notes on pages 11 to 32 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended 30 June 2015

STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2015 Shs '000	2014 Shs '000
ASSETS			
Non-current assets			
Property, plant and equipment	10	28,303,126	31,932,364
Intangible assets	11	334,430	537,345
		28,637,556	32,469,709
Current assets			
Inventories	14	10,993,040	13,608,402
Trade and other receivables	15	18,607,951	16,883,432
Corporate tax recoverable		-	764
Cash and cash equivalents	16	10,733,673	4,009,400
		40,334,664	34,501,998
Total assets		68,972,220	66,971,707
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	8	1,503,990	1,503,990
Share premium	8	27,158,864	27,158,864
Revaluation reserve		141,708	180,658
Retained earnings		26,670,548	24,054,928
Shareholders' funds		55,475,110	52,898,440
Non-current liabilities			
Deferred tax liability	9	3,454,945	4,417,730
Current liabilities			
Trade and other payables	17	8,741,170	8,609,475
Current tax payable		419,530	-
Dividends payable	12	881,465	1,046,062
		10,042,165	9,655,537
Total equity and liabilities		68,972,220	66,971,707

The financial statements on pages 7 to 32 were authorised and approved by the board of directors on 23rd September 2015 and were signed on its behalf by:

DIRECTOR **DIRECTOR**

The notes on pages 11 to 32 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

STATEMENT OF CHANGES IN EQUITY

Year ended 30 June 2014	Share capital Shs '000	Share premium Shs '000	Revaluation reserve Shs '000	Retained earnings Shs '000	Total Shs '000
At start of year	1,503,990	27,158,864	253,722	23,560,579	52,477,155
Profit for the year	-	-	-	3,098,785	3,098,785
Transfer of excess depreciation	-	-	(104,377)	104,377	-
Deferred tax on depreciation transfer	-	-	31,313	(31,313)	-
Transaction with owners:					
Dividends:					
- Final for 2013 (declared)	-	-	-	(2,677,500)	(2,677,500)
At end of year	1,503,990	27,158,864	180,658	24,054,928	52,898,440
Year ended 30 June 2015					
At start of year	1,503,990	27,158,864	180,658	24,054,928	52,898,440
Profit for the year	-	-	-	5,254,170	5,254,170
Transfer of excess depreciation	-	-	(55,643)	55,643	-
Deferred tax on depreciation transfer	-	-	16,693	(16,693)	-
Transaction with owners					
Dividends:					
- Final for 2014 (declared)	-	-	-	(2,677,500)	(2,677,500)
At end of year	1,503,990	27,158,864	141,708	26,670,548	55,475,110

The notes on pages 11 to 32 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended 30 June 2015

STATEMENT OF CASH FLOWS

	Notes	2015 Shs '000	2014 Shs '000
Cash flows from operating activities			
Cash from operations	18	14,177,923	7,058,732
Interest received	3	134,541	23,732
Tax paid		(2,717,357)	(1,692,382)
Net cash from operating activities		11,595,107	5,390,082
Cash flows used in investing activities			
Cash paid for purchase of property, plant and equipment	10	(2,151,761)	(3,156,309)
Cash paid for purchase of intangible assets	11	-	(13,755)
Proceeds from disposal of property, plant and equipment		123,024	6,535
Net cash used in investing activities		(2,028,737)	(3,163,529)
Cash flows used in financing activities			
Dividends paid	12	(2,842,097)	(2,788,956)
Net cash used in financing activities		(2,842,097)	(2,788,956)
Increase/(decrease) in cash and cash equivalents		6,724,273	(562,403)
Cash and cash equivalents at beginning of year		4,009,400	4,571,803
Increase/(decrease) in cash and cash equivalents		6,724,273	(562,403)
Cash and cash equivalents at end of year	16	10,733,673	4,009,400

The notes on pages 11 to 32 form an integral part of these financial statements.

Report of the independent auditor - pages 5 and 6.

NOTES

1. **SIGNIFICANT ACCOUNTING POLICIES**

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). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

The financial performance of the company is set out in the Director's report and in the statement of profit or loss. The financial position of the company is set out in the statement of financial position. Disclosures in respect of risk and capital management are set out in notes 23 and 24 respectively.

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

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

New and amended standards adopted by the company

The following new and revised Standards and Interpretations have been adopted in the current year. Unless otherwise disclosed, their adoption has had no material impact on the amounts reported in these financial statements:

- Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities clarifying the meaning of current legal enforceable right of set off and simultaneous realisation and settlement.

- Amendments to IAS 36 in respect of recoverable amount disclosures for non financial assets.

New standards, amendments and interpretations issued but not effective

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

- IFRS 7 in respect of guidance on service contracts representing continuing involvement in a transferred asset which will be effective for the accounting periods beginning on or after 1 July 2016

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended 30 June 2015

NOTES (CONTINUED)

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

a) **Basis of preparation (continued)**

- IFRS 9 in respect of Financial Instruments which will be effective for the accounting periods beginning on or after 1 January 2018.

- IFRS 15 in respect of Revenue from Contracts with Customers which will be effective for accounting periods beginning on or after 1 January 2017.

- Amendments to IAS 16 and IAS 38 in respect of Clarification of Acceptable Methods of Depreciation nd Amortisation which will be effective for accounting periods beginning on or after 1 January 2016.

- Annual improvements to IFRS's which are effective for accounting periods beginning on or after 1 July 2014 as follows:

  - IFRS 8 - Aggregation of operating segments and reconciliation of total reportable segment assets to entity's assets
  - IFRS 13 - Carrying of short term receivables and payables at invoiced amounts
  - IAS 16 and IAS 38 - Proportionate restatement of depreciation/amortisation accumulated on revaluation.

The directors expect that the future adoption of IFRS 9, IFRS 15 may have a material impact on the amounts reported. However, it is not practicable to provide a reliable estimate of the effects of the above until a detailed review has been completed. The directors do not expect that adoption of the other Standards and Interpretations will have a material impact on the financial statements in future periods. The entity plans to apply the changes above from their effective dates noted above.

b) **Key sources of estimation uncertainty**

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

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

- Impairment of trade receivables - the company reviews their portfolio of trade receivables on an annual basis. In determining whether receivables are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cashflows expected.

- Impairment of goodwill - the company tests annually whether goodwill has suffered any impairment, in accordance with accounting policy stated in Note f(ii). The recoverable amounts of cash - generating units have been determined based on value-in-use calculations. The carrying amount of the goodwill and the key assumptions made are set out in Note 13.

- Useful lives of property, plant and equipment - Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

- **Impairment of property, plant and equipment** - At each reporting date, the company reviews the carrying amounts of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is established in order to determine the extent of the impairment loss. Where its not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

NOTES (CONTINUED)

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

b) **Key sources of estimation uncertainity (continued)**

- **Contigent liabilities** - As discussed in Note 22 to these financial statements, the company is exposed to various contigent liabilities in the normal course of business including a number of legal cases.

The Directors' evaluate the status of these exposures on a regular basis to assess the probability of the company incurring related liabilities. However, provisions are only made in the financial statements where, based on the Directors' evaluation, a present obligation has been established.

c) **Significant judgements made by management in applying the company's accounting policies**

Directors have made the following judgements that are considered to have the most significant effect on the amounts recognised in the financial statements:

- Revenue recognition - In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of goods and services set out in IAS 18 and, in particular, whether the entity had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the entity's liability in respect of rectification work, and the agreed limitation on the customers ability to require further work or to require the replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of an appropriate provision for the recitication costs.

- Held to maturity financial assets - The directors have reviewed the company's held to maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the company's positive intention and ability to hold those assets to maturity.

d) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sale of goods/performance of services, in the ordinary course of business and is stated net of Value Added Tax (VAT) and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria have been met for each of the company's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The company bases its estimates on historical results, taking into consideration the type of customer, type of transaction and specifics of each arrangement.

Revenue is recognised as follows:

i. Advertising revenue is recognised when advertisements are published or aired on television or radio
ii. Circulation revenue is recognised at the time of sale.
iii. Printing revenue is recognised when the service is provided. Digital revenue is recognised over the period of the online campaign.
iv. Other revenue including sale of scrap and events revenue is recognised at the time of sale or provision of service.
v. Interest income is accrued by reference to time in relation to the principal outstanding and the effective interest rate applicable.

e) **Translation of foreign currencies**

Transactions in foreign currencies during the year are converted into Uganda Shilling (the functional currency), at rates ruling at the transaction dates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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NOTES (CONTINUED)

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

f) **Property, plant and equipment**

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

Land, 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 branch and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

Leasehold land is depreciated over the remaining period of the lease.
Freehold land is not depreciated.

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

	Rate %
Buildings	4.0
Plant and machinery	8.0
Furniture and office equipment	12.5
Motor vehicles and motor cycles	25.0
Computers and digital cameras	40.0
Pre-press equipment	25.0
Radio transmission and studio equipment	12.5
Radio electronic equipment	20.0
Television transmission equipment	12.5
Television studio equipment	20.0

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds to their carrying amounts and are taken into account in determining operating profit. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of

g) **Intangible Assets**

i) Computer software

Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 2.5 years. Computer software development costs recognised as assets are amortised over their estimated useful lives which are estimated to be 2.5 years.
Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

NOTES (CONTINUED)

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

g) **Intangible Assets (continued)**

ii) Goodwill

Goodwill represents the excess of cost of an acquisition over the fair value of company's share of the net identifiable assets of the acquired at the date of acquisition. This goodwill is included under intangible assets. Impairment tests are carried out on goodwill annually and the carrying amount in the statement of financial position is reduced by any impairment losses. Impairment losses on goodwill charged to profit or loss are not reversed. Gains and losses on the disposal of the asset include the carrying amount of goodwill relating to the asset sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

h) **Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks net of bank overdrafts and advances from related parties, which are specifically used to fund working capital requirements.

In the statement of financial position, bank overdrafts and advances from related parties, which are specifically used to fund working capital requirements are included within borrowings in current liabilities.

i) **Dividends**

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

Dividends are recognised as liabilities in the period in which they are approved by the company's shareholders in the Annual General Meeting.

j) **Financial instruments**

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

- Financial assets

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss.

The company's financial assets fall into the following categories:

Held to maturity financial assets - The directors have reviewed the company's held to maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the company's positive intention and ability to hold those assets to maturity.

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. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method. Changes in the carrying amount are recognised in profit or loss.

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.

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

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. Impairment of financial assets is recognised in the statement of profit or loss under administrative expenses when there is objective evidence that the company will not be able to collect all amounts due per the original terms of the contract. Significant financial difficulties of the issuer, probability that the issuer will enter bankruptcy or financial reorganisation, default in payments and a prolonged decline in fair value of the asset are considered indicators that the asset is impaired.

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

j) **Financial instruments (continued)**

- Financial assets

The amount of the impairment loss is calculated as the difference between the assets carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairment losses are recognised in profit or loss. For available for sale assets cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

Subsequent recoveries of amounts previously written off/impaired are credited to profit or loss and for available for sale assets in other comprehensive income in the year in which they occur.

- Financial liabilities

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

Financial liabilities measured at amortised cost : These include trade and other payables. These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

All financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled or expired.

- 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.

k) **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss.

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.

l) **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.

m) **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the Weighted average cost method. The cost of raw and packing materials, consumables, work-in-progress and finished goods comprises raw materials, direct labour, other direct costs and related production overheads, attributable to bringing the inventory to its present location and condition but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

NOTES (CONTINUED)

1. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

n) **Employee entitlements**

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

o) **Retirement benefit obligations**

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

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

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

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.

p) Segment reporting

Operating segments are identified on the basis of internal reports about components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess their performance. The company's reportable segments under IFRS 8 are therefore; publishing, broadcasting, commercial printing and others.

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated in head office. Income and expenses associated with each segments are included in determining business segment performance.

q) Impairment of non-financial assets and intangible assets other than goodwill

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

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

An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

r) Share capital

Ordinary shares are classified as equity.

s) Comparatives

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

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NOTES (CONTINUED)

	2015 Shs '000	2014 Shs '000
2. **Revenue**		
Advertising revenue	54,378,000	50,462,625
Circulation sales	23,231,228	21,774,060
Commercial printing revenue	8,663,571	10,133,207
Scrap sales	567,179	590,223
	86,839,978	82,960,115

3. **Other operating income**

Bad debts recovered	-	112,705
Interest income	134,541	23,732
Other income	158,939	142,657
Profit on disposal of property, plant and equipment	88,670	-
Net foreign exchange (loss)/gains	(57,594)	41,750
	324,556	320,844

4. **Operating profit**

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

Depreciation of property, plant and equipment (Note 10)	4,651,289	5,018,728
Amortisation of Intangible assets (Note 11)	202,915	200,245
Trade receivable - impairment (Note 15)	548,929	533,021
Impairment of goodwill	-	250,380
Impairment of property, plant and equipment	1,095,358	-
Auditors’ remuneration		
- current year	65,000	63,000
Rent and rates	1,331,701	1,212,068
Directors' expenses	245,589	183,302
Gain/(loss) on disposal of assets	88,670	(97,330)
Staff costs (Note 5)	25,410,975	25,775,000

5. **Staff costs**

Salaries and wages	20,781,124	21,040,174
Terminal benefits	-	1,427
National Social Security Fund contributions	2,153,270	2,094,352
Gratuity expenses	933,869	972,011
Other staff costs	1,542,712	1,667,036
	25,410,975	25,775,000

NOTES (CONTINUED)

6. Tax

	2015 Shs '000	2014 Shs '000
Current tax	3,137,652	1,840,875
Deferred tax (Note 9)	(962,785)	(562,160)
	2,174,864	1,278,715

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic rate as follows:

	2015 Shs '000	2014 Shs '000
Profit before tax	7,429,034	4,377,500
Tax calculated at a tax rate of 30% (2014: 30%)	2,228,710	1,313,250
Tax effect of:		
- expenses not deductible for tax purposes	45,152	38,640
- income not subject to tax	(93,596)	(50,674)
- Over provision of prior deferred tax	(5,402)	(22,501)
	2,174,864	1,278,715
Effective rate of tax	30%	30%

7. Dividends and earnings per share

a) Dividends per share

During the year, a dividend of Shs 50 per share amounting to Shs 3,825,000,000 was proposed.

A dividend of Shs. 35 per share amounting to Shs. 2,677,500,000 was paid in respect of 2014 financial year. Payments of dividends is subject to witholding tax at a rate of 15% for non individuals and 10% for individuals.

b) Earnings per share

Basic earnings per share are calculated on the profit attributable to shareholders of Shs. 5,254 million (2014: 3,099 million) and on the weighted average number of ordinary shares outstanding during the year.

	2015 Shs '000	2014 Shs '000
Profit attributable to ordinary shareholders	5,254,170	3,098,785
Shares in issue during the year	76,500	76,500
Basic earnings per share	69	41

8. Share capital

Authorised, issued and fully paid 76,500,000 Ordinary shares of Shs 19.66 each	1,503,990	1,503,990

Share premium

The share premium comprises 25,500,000 ordinary shares of Shs 19.66 each which were issued at a premium of Shs 1,080.34 per share less costs of Shs. 389,806,000.	27,158,864	27,158,864

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NOTES (CONTINUED)

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% (2014: 30%). The movement on the deferred tax account is as follows:

	2015 Shs '000	2014 Shs'000
At start of year	4,417,730	4,979,890
Credit to statement of profit or loss	(962,785)	(562,160)
At end of year	3,454,945	4,417,730

Deferred tax liability/asset and deferred tax charge/(credit) to profit or loss are attributable to the following items:

	At start of year Shs '000	Credit to statement of profit or loss Shs '000	At end of year Shs '000
Deferred tax liabilities			
Property, plant and equipment			
- accelerated tax depreciation	5,083,712	(873,683)	4,210,029
- revaluation	73,140	(16,693)	56,447
Unrealised exchange gain	47,558	80,899	128,457
	5,204,410	(809,477)	4,394,933
Deferred tax (assets)			
Unrealised exchange loss	(24,014)	(2,839)	(26,853)
Provisions	(762,666)	(150,469)	(913,135)
	(786,680)	(153,308)	(939,988)
Net deferred tax liability	4,417,730	(962,785)	3,454,945

NOTES (CONTINUED)

10. **Property, plant and equipment**

For the year ended 30 June 2015

	Prepaid Operating lease rentals Shs '000	Freehold land Shs '000	Buildings Shs '000	Plant and machinery Shs '000	Motor vehicles Shs '000	Furniture and equipment Shs '000	Radio transmission 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 Shs '000	Television transmission equipment Shs '000	Total Shs '000
Cost and Valuation														
At start of year	2,763,488	37,000	9,224,257	19,764,185	1,984,988	2,563,510	1,857,873	6,157,922	531,997	203,120	3,075,303	2,274,702	1,569,842	52,008,186
Additions	-	-	198,025	303,774	308,693	176,474	15,411	679,559	61,162	-	68,452	241,082	99,129	2,151,761
Disposals	-	-	-	(3,300)	(126,809)	(19,570)	-	(91,876)	(1,860)	-	-	(78,675)	-	(322,090)
Impairment	-	-	-	-	-	-	-	-	-	-	-	-	(1,576,435)	(1,576,435)
At end of year	2,763,488	37,000	9,422,282	20,064,659	2,166,872	2,720,414	1,873,284	6,745,605	591,299	203,120	3,143,755	2,437,109	92,536	52,261,422
						-								
Comprising														
At cost	2,763,488	37,000	11,428,221	23,531,684	2,166,872	2,720,414	1,873,284	6,745,605	591,299	203,120	3,143,755	2,437,109	92,536	54,970,899
At valuation	-	-	(2,005,939)	(3,467,025)	-	-	-	-	-	-	-	-	-	(5,472,964)
	2,763,488	37,000	9,422,282	20,064,659	2,166,872	2,720,414	1,873,284	6,745,605	591,299	203,120	3,143,755	2,437,109	92,536	52,261,422
Depreciation														
At start of year	565,375	-	866,524	4,354,969	1,582,213	2,046,111	658,419	5,830,176	361,827	159,070	2,374,255	902,226	374,658	20,075,823
Eliminated on disposal	-	-	-	(3,300)	(126,793)	(15,716)	-	(90,978)	(400.00)	-	-	(50,552)	-	(287,739)
Eliminated on impairme	-	-	-	-	-	-	-	-	-	-	-	-	(481,077)	(481,077)
Charge for the year	70,148	-	442,174	2,167,875	281,007	163,606	174,384	491,524	71,202	21,869	288,364	345,146	133,990	4,651,289
At end of year	635,523	-	1,308,698	6,519,544	1,736,427	2,194,001	832,803	6,230,722	432,629	180,939	2,662,619	1,196,820	27,571	23,958,296
Net book value	2,127,965	37,000	8,113,584	13,545,115	430,445	526,413	1,040,481	514,883	158,670	22,181	481,136	1,240,289	64,965	28,303,126

All the additions made during the year were made through cash payments.

At end of the year, all analog television transmission equipment were reviewed for impairment and recorded at lower of their recoverable amount and carrying amount. This was in response to the communication from Uganda Communications Commision to switch from analog to Ditigal TV (Ditigal Migration).

Impairment losses amounting to Shs. 1,095,358,000 (2013: NIL) have been recognised in profit or loss under direct costs.

10. **Property, plant and equipment**

For the year ended 30 June 2014

	Prepaid operating lease rentals Shs '000	Freehold land Shs '000	Buildings Shs '000	Plant and machinery Shs '000	Motor vehicles Shs '000	Furniture and equipment Shs '000	Radio transmission 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 Shs '000	Television transmission equipment Shs '000	Total Shs '000
Cost and Valuation														
At start of year	2,763,488	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	49,104,200
Additions	-	-	19,258	804,250	301,511	128,498	152,944	398,246	36,783	-	106,253	898,269	310,298	3,156,309
Disposals	-	-	-	(64,372)	-	(96,641)	-	(76,131)	-	(15,179)	-	-	-	(252,323)
At end of year	2,763,488	37,000	9,224,257	19,764,185	1,984,988	2,563,510	1,857,873	6,157,922	531,997	203,120	3,075,303	2,274,702	1,569,842	52,008,186
Comprising														
At cost	2,763,488	37,000	11,230,195	23,231,210	1,984,988	2,563,510	1,857,873	6,157,922	531,997	203,120	3,075,303	2,274,702	1,569,842	54,717,662
At valuation - 2007	-	-	(2,005,939)	(3,467,025)	-	-	-	-	-	-	-	-	-	(5,472,964)
	2,763,488	37,000	9,224,257	19,764,185	1,984,988	2,563,510	1,857,873	6,157,922	531,997	203,120	3,075,303	2,274,702	1,569,842	52,008,186
Depreciation														
At start of year	495,226	-	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
Eliminated on disposa	-	-	-	(31,439)	-	(32,134)	-	(75,913)	-	(8,971)	-	-	-	(148,457)
Charge for the year	70,149	-	433,074	2,207,651	342,913	173,923	169,432	527,111	64,403	30,737	547,584	329,518	122,233	5,018,728
At end of year	565,375	-	866,524	4,354,969	1,582,213	2,046,111	658,419	5,830,176	361,827	159,070	2,374,255	902,226	374,658	20,075,822
Net book value	2,198,113	37,000	8,357,732	15,409,216	402,776	517,399	1,199,454	327,746	170,170	44,051	701,047	1,372,476	1,195,183	31,932,364

Buildings, plant and machinery were last 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 amounts and the resultant surplus on plant and machinery net of deferred income tax credited to the revaluation reserve in shareholders' equity. The revaluation reserve is non-distributable and is released to retained earnings through use of the asset. There was a revaluation gain of Shs. 198,223,000 on land, plant and machinery and a revaluation loss of Shs. 377,525,000 on buildings. The revaluation loss on buildings was charged to profit or loss and other comprehensive income.

NOTES (CONTINUED)

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

Included in property, plant and equipment are the following assets where the company was a lessee under a finance lease, however these assets have been acquired by the company at the end of the lease period.

	2015 Shs '000	2014 Shs '000
Cost - capitalised finance leases	877,641	877,641
Depreciation		
At beginning of year	322,409	199,024
Charge for the year	123,385	123,385
	445,794	322,409
Net book value	431,847	555,232

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

	Buildings Shs '000	Plant and machinery Shs '000	Total Shs '000
Year ended 30 June 2015			
Cost	11,447,478	26,356,095	37,803,573
Accumulated depreciation	(2,987,979)	(12,931,215)	(15,919,194)
Net book value	8,459,499	13,424,880	21,884,379
Year ended 30 June 2014			
Cost	11,249,453	26,055,621	37,305,074
Accumulated depreciation	(2,545,805)	(10,766,640)	(13,312,445)
Net book value	8,703,648	15,288,981	23,992,629

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NOTES (CONTINUED)

	2015	2014
11. **Intangible assets**	**Shs '000**	**Shs '000**
a) Computer software and websites		
Cost		
At start of year	1,025,786	1,012,031
Additions	-	13,755
At end of year	1,025,786	1,025,786
Amortisation		
At start of year	623,147	422,903
Charge for the year	202,915	200,244
At end of year	826,062	623,147
Net book value		
At end of year	199,724	402,639
b) Goodwill		
At start of year	134,706	385,086
Impairment	-	(250,380)
At end of year	134,706	134,706
Total intangible assets	334,430	537,345

Impairment test for goodwill

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment of goodwill identified in 2015 (2014: Shs 250 million).

Goodwill is allocated to the company's cash-generating units (CGUs) identified according to the operating segment. A discounted cash flow model was used to value Arua One in 2014 to assess that the goodwill is impaired. Management has assessed the goodwill based on the performance of the segment.

12. **Dividends payable**	**2015**	**2014**
	Shs '000	**Shs '000**
At start of year	1,046,062	1,157,518
Dividends declared in the year	2,677,500	2,677,500
Dividends paid in the year	(2,842,097)	(2,788,956)
At end of year	881,465	1,046,062

	PRINT MEDIA		ELECTRONIC MEDIA		COMMERCIAL PRINTING		OTHERS		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Shs`000	Shs`000	Shs`000	Shs`000	Shs`000	Shs`000	Shs`000	Shs`000	Shs`000	Shs`000
External sales	55,521,617	54,550,679	21,524,861	16,823,268	8,663,571	10,133,207	1,129,928	1,452,961	86,839,978	82,960,115
Other operating income	-	-	-	-	-	-	324,556	320,844	324,556	320,844
Total sales	55,521,617	54,550,679	21,524,861	16,823,268	8,663,571	10,133,207	1,454,484	1,773,805	87,164,534	83,280,959
Segment profit/(loss) before tax	10,446,443	8,523,740	(1,942,758)	(4,377,018)	(2,044,700)	(715,850)	970,047	946,628	7,429,034	4,377,500
Income tax expense	(1,385,334)	(837,584)	(537,072)	(258,308)	(216,167)	(155,588)	(36,291)	(27,235)	(2,174,864)	(1,278,715)
Profit after tax	9,061,109	7,686,156	(2,479,830)	(4,635,326)	(2,260,866)	(871,438)	933,755	919,393	5,254,170	3,098,785
OTHER INFORMATION										
Segment Assets	43,933,571	43,867,796	17,032,357	13,528,698	6,855,377	8,148,780	1,150,915	1,426,433	68,972,220	66,971,707
Segment Liabilities	6,368,782	6,636,954	2,469,077	1,599,661	993,782	1,281,354	210,523	137,569	10,042,165	9,655,537
Capital Expenditure	262,411	432,691	880,924	1,811,254	187,454	603,389	820,972	308,975	2,151,761	3,156,309
Depreciation & amortisation exper	2,776,677	3,002,880	1,001,529	916,276	277,929	278,246	798,070	1,021,571	4,854,205	5,218,973

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

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NOTES (CONTINUED)

	2015	2014
	Shs '000	**Shs '000**
14. Inventories		
News print	7,901,645	9,724,754
Consumables	1,250,193	1,247,438
Work in progress	250,519	248,179
Printing ink	852,318	1,245,213
Films and plates	1,204,970	1,179,209
Provision for obsolescence	(466,605)	(36,392)
	10,993,040	13,608,402
15. Trade and other receivables		
Trade receivables	15,380,951	14,218,718
Less: impairment provsion	(1,368,430)	(1,067,838)
Net trade receivables	14,012,521	13,150,881
Prepayments	879,594	1,221,412
Staff advances	751,357	680,574
Other receivables	338,862	320,988
Receivables from related parties (Note 20(b))	2,625,617	1,509,578
	18,607,951	16,883,432
Movement in impairment provision		
At start of year	1,067,838	677,922
Additions	548,929	533,021
Write offs	(248,337)	(143,105)
	1,368,430	1,067,838
16. Cash and cash equivalents		
Cash on hand	403,605	375,045
Cash at bank	7,880,068	3,184,355
Short term bank deposits	2,450,000	450,000
	10,733,673	4,009,400

For the purposes of the statement of cash flows, cash and cash equivalents comprise the above.

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

	2015	2014
	Shs '000	**Shs '000**
Uganda Shilling	8,676,713	3,147,348
Kenya Shillings	535,309	351,902.00
Euro	118,793	57,462
US Dollar	1,402,858	452,688
	10,733,673	4,009,400

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

The weighted average effective interest rate on short-term bank deposits at year-end was 12% (2014: 11.5%).

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

NOTES (CONTINUED)

17. Trade and other payables

	2015 Shs '000	2014 Shs '000
Trade payables	5,149,451	4,628,039
Accruals	740,076	751,392
Other payables	2,851,643	3,223,026
Payables to related parties (Note 20(b))	-	7,018
	8,741,170	8,609,475

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

	2015 Shs '000	2014 Shs '000
Uganda Shillings	6,935,578	8,255,889
US Dollar	1,778,088	324,522
Euro	27,504	29,064
	8,741,170	8,609,475

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

The maturity analysis of trade and other payables is as follows

As at 30 June 2015	**0 to 3 months Shs '000**	**4 to 12 months Shs '000**	**Total Shs '000**
Trade payables	4,129,223	1,020,228	5,149,451
Accruals	740,076	-	740,076
Other payables	1,875,208	976,435	2,851,643
	6,744,507	1,996,663	8,741,170

As at 30 June 2014	**0 to 3 months Shs '000**	**4 to 12 months Shs '000**	**Total Shs '000**
Trade payables	4,561,868	66,171	4,628,039
Accruals	751,392	-	751,392
Other payables	2,334,735	888,291	3,223,026
Payables to related parties	7,018	-	7,018
	7,655,013	954,462	8,609,475

18. Cash from operating activities

	2015 Shs '000	2014 Shs '000
Profit before tax	7,429,034	4,377,500
Adjustments for:		
Depreciation of property, plant and equipment (Note 10)	4,651,289	5,018,728
Impairment of goodwill (Note 10)	-	250,380
Impairment loss of television transmission	1,095,358	-
Amortisation of Intangible assets (Note 11)	202,915	200,245
(Gain)/loss on disposal of property, plant and equipment	(88,670)	97,330
Interest received	(134,541)	(23,732)
Working capital changes:		
Increase/(decrease) in inventories	2,615,362	(1,043,622)
Decrease in trade and other receivables	(1,724,519)	(2,659,660)
Increase in trade and other payables	131,695	841,562
Cash from operations	14,177,923	7,058,732

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NOTES (CONTINUED)

19. **Retirement benefit obligation**

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

During the year, the Company incurred Shs 934 million (2014: Shs 972 million) as gratuity for managers employed on contract terms. The amount has been charged to the statement of profit or loss and other comprehensive income.

20. **Related party transactions**

The following transactions were carried out with related parties:

(a) **Transactions with related parties**

(i) Sales of goods and services	**2015 Shs '000**	**2014 Shs '000**
Advertisements in Newspapers/Magazines/Radio and Television		
Government of Uganda	7,868,144	6,294,859
National Insurance Corporation Limited	81,019	95,298
National Social Security Fund	433,327	281,143
Print house	-	5,344
Bageine & Company Limited	7,585	5,640
Eye Magazine	-	230,204
	8,390,075	6,912,488

(b) **Due from related parties**

Government of Uganda	2,277,626	1,480,530
National Social Security Fund	317,025	24,093
National Insurance Corporation Limited	25,803	-
Print House	-	2,134
Bageine and Company Limited	5,163	2,820
	2,625,617	1,509,578

Due to related parties

National Insurance Corporation Limited	-	7,018

(c) **Key management personnel compesation**

Salaries and other short term benefits	2,508,801	2,835,143
Long term benefits (Gratuity)	933,869	972,011
	3,442,670	3,807,154

(d) **Directors' remuneration**

- Executive Directors	448,008	448,008
- Non Executive Directors	245,589	183,302
	693,597	631,310

21. **Capital commitments**

There were no capital expenditure approved at the statement of financial position date.

NOTES (CONTINUED)

22. **Contingent liabilities**

The company is involved in a number of legal and court cases which were yet to be concluded upon by the date of authorisation of these financial statements. The contingent liabilities arising from these cases amount to Shs 2,060 million (2014: Shs 1,552 million). However, based on legal advice, the directors have evaluated the pending cases and determined that no material financial liability is likely to crystallise.

23. **Risk management policies and objectives**

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

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

The financial management objectives and policies are as outlined below:

(a) Credit risk

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

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

Individual limits are set based on internal or external information in accordance with limits set by the management. The utilisation of credit limits is regularly monitored. No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties.

None of the financial assets that are fully performing has been renegotiated in the last year.

Exposure to this risk has been quantified in each financial asset note in the financial statements along with any concentration of risk.

The maximum exposure of the company to credit risk as at the reporting date is as follows:

As at 30 June 2015	**Total**	**Fully Performing**	**Past due not impaired**	**Impaired**
	Shs '000	**Shs '000**	**Shs '000**	**Shs '000**
Financial assets				
Bank balances	8,283,675	8,283,675	-	-
Fixed deposits	2,450,000	2,450,000	-	-
Trade and other receivables (net of prepayments)	15,102,740	13,075,792	3,395,378	(1,368,430)
Due from related parties	2,625,617	2,625,617	-	-
Total	28,462,032	26,435,084	3,395,378	(1,368,430)

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NOTES (CONTINUED)

23. **Financial risk management (continued)**

(a) Credit risk (continued)

As at 30 June 2014	Total Shs '000	Fully Performing Shs '000	Past due not impaired Shs '000	Impaired Shs '000
Financial assets				
Bank balances	3,184,355	3,184,355	-	-
Fixed deposits	450,000	450,000	-	-
Trade and other receivables (net of prepayments)	14,152,442	12,339,282	2,880,998	(1,067,838)
Due from related parties	1,509,578	1,509,578	-	-
	19,296,375	17,483,215	2,880,998	(1,067,838)

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 2 years and have been fully provided for.

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

(b) Liquidity risk

Cash flow forecasting is performed by the finance department of the company by monitoring the company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the finance department ntains flexibility in funding by maintaining availability of under committed credit lines.

Note 17 discloses the maturity analysis of trade and other payables.

The table below disclose the undiscounted maturity profile of the company`s financial assets and liabilities:

As at 30 June 2015	Total Shs '000	less than 1 year Shs '000	Between 1 and 2 years Shs '000
Financial assets			
Cash & Bank balances	10,733,673	10,733,673	-
Trade and other receivables	15,982,334	17,350,764	(1,368,430)
Due from related parties	2,625,617	2,625,617	-
	29,341,624	30,710,054	(1,368,430)
Financial liabilities			
Trade and other payables	8,741,170	8,741,170	-
Net liquidity position	20,600,454	21,968,884	(1,368,430)

NOTES (CONTINUED)

23. **Financial risk management (continued)**

(b) Liquidity risk management (continued)

As at 30 June 2014	**Total**	**Less than 1 year**	**Between 1 and 2 years**
	Shs '000	**Shs '000**	**Shs '000**
Financial assets			
Cash & Bank balances	4,009,400	4,009,400	-
Trade and other receivables	15,373,854	16,441,692	(1,067,838)
Due from related parties	1,509,578	1,509,578	-
	20,892,832	21,960,670	(1,067,838)
Financial liabilities			
Trade and other payables	8,609,475	8,609,475	-
Net liquidity position	12,283,357	13,351,195	(1,067,838)

(c) Market risk

Market risk exists wherever the company has taken trading, banking and investment positions. This risk is categorised into interest rate risk and foreign currency risk.

i) Foreign currency risk

The company is exposed to foreign exchange risk arising from various currency exposures primarily within 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 date.

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

	2015	**2014**
	Shs '000	**Shs '000**
Effect on profit - increase	110,675	65,444

Year ended 30 June 2015	**US $**	**Euro**	**Kshs**	**Total**
	Shs '000	**Shs '000**	**Shs '000**	**Shs '000**
Trade and other receivables	1,326,729	2,984	-	1,329,713
Trade and other payables	(1,778,088)	(27,504)	-	(1,805,592)
Cash and cash equivalents	1,402,858	118,793	535,309	2,056,960
Net exposure	951,499	94,273	535,309	1,581,081

	US $	**Euro**	**Kshs**	**Total**
Year ended 30 June 2014	**Shs '000**	**Shs '000**	**Shs '000**	**Shs '000**
Trade and other receivables	483,678	8,722	39,106	531,506
Trade and other payables	(396,671)	(29,065)	(6,273)	(432,009)
Cash and cash equivalents	452,688	30,821	351,902	835,411
Net exposure	539,695	10,478	384,735	934,908

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

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NOTES (CONTINUED)

24. **Capital risk management**

Internally imposed capital requirements

The company's objectives when managing capital are:

- to provide an adequate return to shareholders by pricing products commensurately with the level of risk;
- 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 maintain a strong asset base to support the development of business; and
- to maintain an optimal capital structure to reduce the cost of capital.

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

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

The gearing ratios at 30 June 2015 and 2014 were as follows:

	2015	**2014**
	Shs '000	**Shs '000**
Total borrowings	-	-
Less: Bank and cash balances	(10,733,673)	(4,009,400)
Net debt	(10,733,673)	(4,009,400)
Total Capital	44,741,437	48,889,040
Gearing	N/A	N/A

The gearing ratio is not applicable because the company has no borrowings.

DIRECT COSTS

		2015	2014
		Shs '000	Shs '000
1.0	**Cost of sales**		
	Cost of raw materials (1.1)	13,400,813	14,330,598
	Direct costs (1.2)	49,744,020	48,234,357
		63,144,833	62,564,955
1.1	**Cost of raw materials**		
	Material cost	13,400,813	14,330,598
1.2	**Direct costs**		
	Production salaries	15,947,211	15,813,775
	NSSF company contribution	1,629,578	1,572,184
	Advertising commission	7,355,035	6,747,781
	Depreciation on property, plant and equipment	3,897,270	4,198,973
	Promotional expenses	1,623,998	1,960,207
	Contributors' payments	2,540,896	2,823,593
	Other staff costs	1,106,233	1,241,064
	Utilities	1,139,241	1,206,588
	Other production costs	3,690,696	2,839,357
	Repairs and maintenance	1,707,313	1,364,280
	Communication costs	441,764	529,687
	Impairment of goodwill	-	250,380
	Impairment of TV analogue transmission equipment	1,095,358	-
	TV content	3,374,065	3,378,869
	Rent and rates	630,274	549,081
	News services & licenses	609,684	618,733
	Motor vehicle running costs	901,879	903,889
	Professional fees	95,627	646,509
	Insurance	467,376	521,094
	Editorial content	374,609	-
	Provision for stock	448,573	-
	Meetings	28,866	25,536
	Events	638,474	1,042,780
		49,744,020	48,234,357
1.3	**Distribution costs**		
	Transportation of Newspapers	1,723,664	1,589,045

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SCHEDULE OF OTHER OPERATING INCOME AND EXPENDITURE

	2015	2014
	Shs '000	**Shs '000**
1. Other operating income		
Bad debts recovered	-	112,705
Interest income	134,541	23,732
Other income	158,939	142,657
Profit on disposal of property, plant and equipment	88,670	-
Net foreign exchange (loss)/ gains	(57,594)	41,750
	324,556	320,844
2. Administrative expenses		
Salaries and wages	4,833,913	5,226,399
NSSF company contribution	523,692	522,167
Other staff costs	436,479	425,972
Medical expenses	870,747	746,667
Staff training	372,062	337,654
Total employment costs	7,036,893	7,258,859
Other administrative expenses		
Repairs and maintenance	1,150,197	921,365
Bad debts provision	548,929	533,021
Printing and Stationery	434,364	476,270
Gratuity	933,869	972,011
Other operating expenses	360,771	307,622
Motor vehicle running costs	601,253	602,593
Professional fees	43,891	33,408
Loss on disposal	-	97,330
Travel and accommodation	305,506	323,754
Entertainment	142,856	58,869
Communication costs	110,441	132,422
Bank charges and commission	117,003	116,756
Shareholders' expenses	87,304	92,144
Audit fees		
- current year	65,000	63,000
Directors' expenses	386,272	230,790
Grants and donations	66,969	72,789
Total other administrative expenses	5,354,625	5,034,144
Total administrative expenses	12,391,518	12,293,003
3. Other operating expenses		
Establishment:		
Rent and rates	701,427	662,987
General Insurance	147,628	140,817
Electricity and water	316,185	273,075
Security expenses	353,311	359,577
Depreciation and amortisation	956,934	1,020,000
Total other operating expenses	2,475,485	2,456,455

PROXY

For the attention of:
The Company Secretary
New Vision Printing & Publishing Co. Ltd
Plot 19/21 First Street Industrial Area
P.O Box 9815
Kampala

I/We…………………….......................………, of ……………………...................………………, being a shareholder/s of the above mentioned Company, hereby appoint …………………….......................………, of ……………………...........……………(address), as my/our proxy to vote for me/us on my/our behalf at the 14th Annual General Meeting of the Company to be held on the 19th day of November, 2015 at 3:00pm and at any adjournment thereof.

Signature; …………………….......................………

Dated this ……………………….. day of ……………………….., **2015**

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
To receive, consider and if approved adopt the annual financial statements for the year ended 30th June 2015, together with the report of the Auditors.				
To approve and declare a final dividend of Ushs 50/= per share for the year ended 30th June 2015.				
To rotate and elect directors.				
To appoint External Auditors for the financial year 2015/2016 and authorize the Directors to negotiate and fix their remuneration in accordance with Sections 167-169 of the Companies Act 2012.				
To approve the fees payable to the Non-Executive Directors for the financial year 2015/2016.				

Notes

1. This proxy card is to be physically delivered to the Company Secretary at the physical address stated above, faxed to +256 (0414 346 432) or emailed to shareholder@newvision.co.ug at least 48 (forty eight) hours before the time fixed for the meeting.
2. In case of joint holders, the signature of any one holder will be sufficient, but the names of all 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.
4. If the appointer is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized in that behalf.


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