VISION GROUP®

NATIONAL PRIDE•GLOBAL EXCELLENCE

ANNUAL REPORT 2015-16

1986-2016

30 years of delivering results

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

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the **15th 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, **17th November 2016** 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 2016, together with the report of the Auditors.
2. To approve and declare a final dividend of Ushs 50/- for the year ended 30th June 2016.
3. To appoint Directors.
   In accordance with Articles 67 and 69 of the Company's Articles of Association, Mr. Patrick Ayota be appointed a director.
   In accordance with Article 67 of the Company's Articles of Association; Ms. Robinah Kaitiritimba Kitungi be appointed a director.
4. To rotate and re-appoint Directors.
   In accordance with Articles 83-87 of the Company's Articles of Association, Prof. Monica Chibita, Ms. Grace Dwonga, Mr. Oode Obella and Hon. Steven Bamwanga all retiring by rotation as directors of the Company and being eligible, offer themselves for re-appointment.
5. To confirm appointment of External Auditors for the financial year 2016/2017 and authorise the Directors to negotiate and fix their remuneration in accordance with Sections 167-169 of the Companies Act 2012.
6. To approve the fees payable to the Non-Executive Directors for the financial year 2016/2017.
7. To conduct any other business that may be required at the AGM for which notice will have been duly received.

Dated this 17th day of October, 2016
By order of the Board

Rita Kabatunzi
COMPANY SECRETARY

Note:

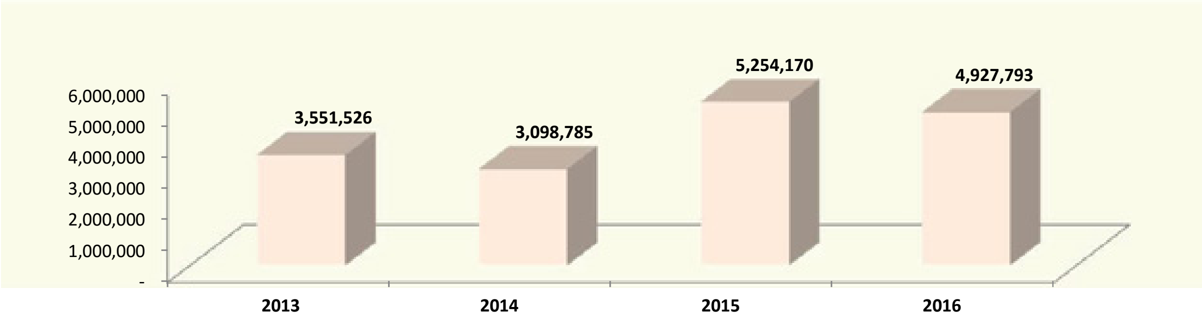
- Articles 60, 61, 62 and 63 provide for appointment of proxy if a shareholder is unable to attend. ("Tear out proxy card" is included in the Annual Report).
- The proxy should be delivered to the Company Secretary at the Company Head Office at Plot 19/21, 1st Street industrial Area, P.O. Box, 9815 Kampala 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 by e-mail: shareholder@newvision.co.ug or by phone: 0414 337000.
- Shareholders are encouraged to open SCD accounts. Please contact any registered stock broker for assistance.

Financial Performance Highlights 2013-2016

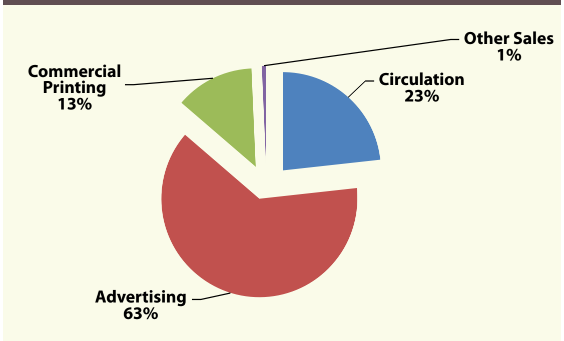
	2016	2015	2014	2013
	Ugx' 000	Ugx' 000	Ugx' 000	Ugx' 000
STATEMENT OF COMPREHENSIVE INCOME				
Turnover	92,662,627	86,839,978	82,960,115	78,897,566
Profit before tax	7,427,744	7,429,034	4,377,500	4,819,528
Profit after tax	4,927,793	5,254,170	3,098,785	3,551,526
STATEMENT OF FINANCIAL POSITION				
Property, Plant and Equipment	24,804,380	26,175,161	31,932,364	33,898,649
Total Assets	70,704,556	68,972,220	66,971,707	66,382,476
Shareholders funds	57,702,282	55,475,110	52,898,440	52,477,155
FINANCIAL PERFORMANCE				
Gross profit margin	25.9%	27.3%	24.6%	27.5%
Net profit margin (After Tax)	5.32%	6.1%	3.7%	4.5%
Return on capital employed	12.9%	13.4%	8.3%	9.2%
Return on total assets	10.5%	10.8%	6.5%	7.3%
Return on non current assets (PPE)	29.9%	28.4%	13.7%	14.2%
SHARE STATISTICS				
Earnings per share-basic and diluted	64	69	41	46
Dividends proposed per share	50	50	35	35
SALES BREAKDOWN				
	2016	**2015**	**2014**	**2013**
	Ugx' 000	**Ugx' 000**	**Ugx' 000**	**Ugx' 000**
Circulation	21,539,321	23,231,228	21,774,060	20,316,232
Advertising	58,404,404	54,378,000	50,462,625	47,533,199
Commercial printing	12,074,377	8,663,571	10,133,207	10,505,402
Other sales	644,524	567,179	590,223	542,734
	92,662,627	86,839,978	82,960,115	78,897,567
ADVERTISING REVENUE BREAKDOWN				
	2016	**2015**	**2014**	**2013**
Print	57.8%	59.9%	65.0%	72.8%
Radio and Events	13.0%	12.5%	12.8%	11.8%
Television	26.3%	24.4%	18.2%	13.3%
Digital	2.9%	3.2%	4%	2.1%
	100.0%	100.0%	100.0%	100.0%
REVENUE STREAM MIX				
	Ugx	**% of total revenue**	**2015**	**% of total revenue**
Circulation	21,539,321,380	23.2%	23,231,227,679	26.8%
Print Advertising	32,739,428,302	35.3%	31,723,210,370	36.5%
Radio and Events	7,972,321,725	8.6%	7,048,574,289	8.1%
Television	15,947,908,881	17.2%	13,808,228,443	15.9%
Digital	1,744,745,203	1.9%	1,797,986,633	2.1%
Commercial	12,074,377,468	13.0%	8,663,571,021	10.0%
Scrap	644,524,244	0.7%	567,179,067	0.7%
	92,662,627,204	**100.0%**	**86,839,977,502**	**100%**

Graphical Presentation Of Financial Performance 2013–2016

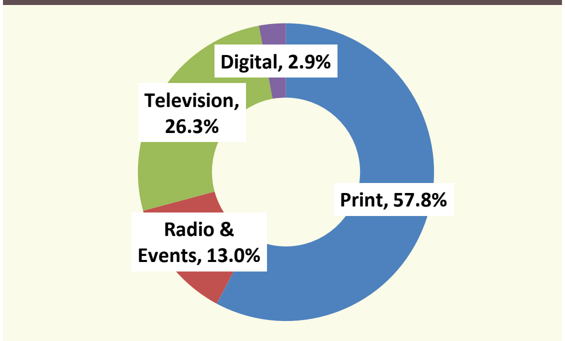
Profit After Tax (Ugx '000)



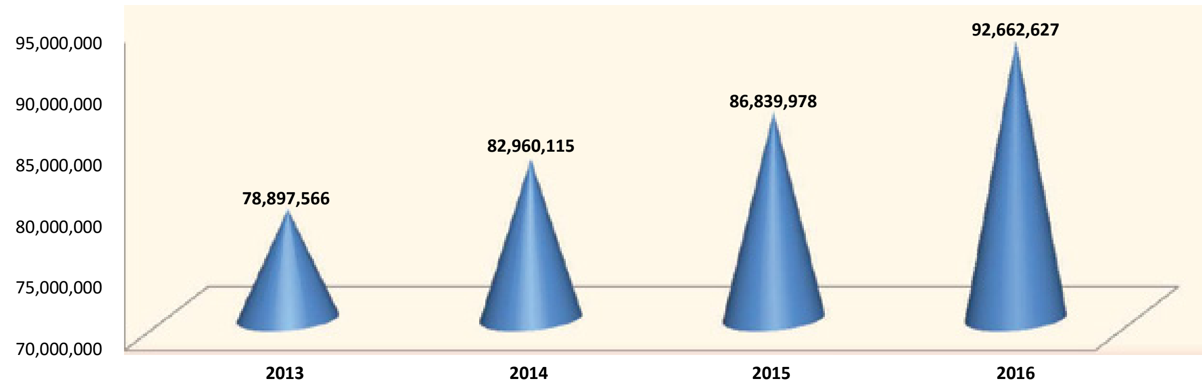
Sales Breakdown 2016



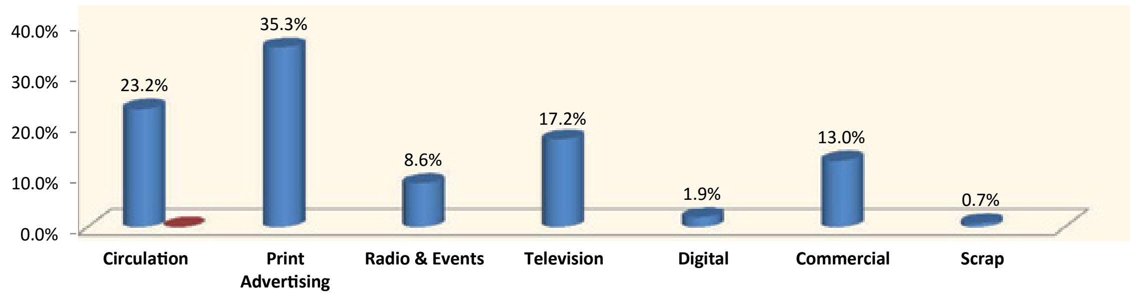
Advertising Revenue Mix 2016



Turnover Trend 2013 - 2016 (Ugx '000)

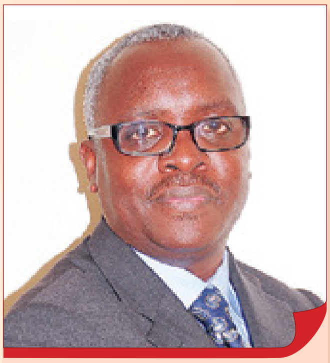


Revenue Stream Mix 2016

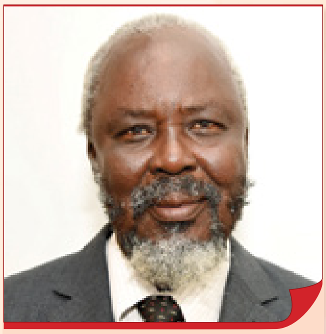


Board of Directors

David Ssebabi
Board Chairman



Robert Kabushenga
Managing Director / Chief Executive Officer



Oode Obella
Non-Executive Director

Monica Chibita
Non-Executive Director

Gad Gasaatura
Non-Executive Director

Charles Tukacungurwa
Non-Executive Director

Grace Dwonga
Non-Executive Director

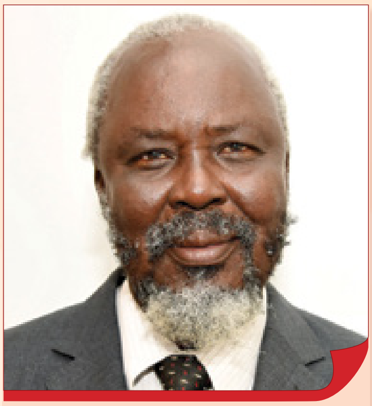
Steven Bamwanga
Non-Executive Director

Patrick Ayota
Non-Executive Director

Ketrah Tukuratiire
Non-Executive Director

Orono Otweyo
Non-Executive Director

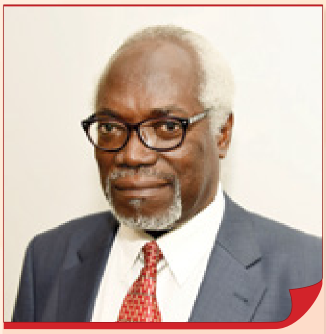
Audit and Risk Committee



Oode Obella
Non - Executive Director
Committee Chairperson

Parity Twinomujuni
Member

Susan Lubega
Member



Joseph Baliddawa
Member

Rita Kabatunzi
Company Secretary

Committee Chairpersons

Oode Obella	Chair, Audit and Risk Committee
Patrick Ayota	Chair, Investment Committee
Monica Chibita	Chair, Editorial Committee
Gad Gasaatura	Chair, Human Resource and Remuneration Committee
David Ssebabi	Chair, Nominations Committee

Chairman's Statement

It is with great pleasure that I present to you the Company's Annual Report and Financial Statements for the year ended 30th June, 2016.

Financial Performance

In 2015/16, the company registered a good performance despite the continually challenging business environment. The company registered a growth of 6.7% in turnover from last financial year 2014-15. Commercial Printing revenue registered the highest growth by 39.4%, followed by Radios by 18.5%. Television grew by 15.8% and Print Advertising by 3.7%.

Cost of sales increased by 8.7% from last year, mainly on account of imported raw material inputs, electronic media content and other dollar denominated costs. These were adversely affected by the depreciation of the shilling against the dollar during the year. The dollar rate averaged at about Ushs 3,380 from Ushs 3,300 last year.

Despite high inflationary pressures in the economy and increased operational expenses, administrative expenses increased by 7.6%.

Governance

At Vision Group we remain committed to good governance and continually strive to improve compliance and implement good governance best practices to ensure that the company is managed sustainably and ethically with the highest standard of transparency and accountability. We endeavour to maximise the resources available to the company and to utilise our products platforms and brand to meet customer needs, serve audiences, advance society and ultimately create shareholder value.

While we strive for profitability, we are conscious that the company does not operate as a silo, and that our success is dependent on, and affects, our stakeholders. We, therefore, recognise that our responsibility extends beyond our obligation to shareholders and have adopted a stakeholder approach to business to ensure we advance society as a whole, operate sustainably and contribute to a better livelihood for our community.

The Board of Directors is the ultimate governing body for the company and is accountable for its performance.

It carries out its oversight role both through regular meetings and other informal interactions with Management and staff, which enables it provide guidance to Management and hold it accountable. This year, in line with recommended best practice, the Board increased focus on providing strategic direction to Management. At the annual Board/

“We endeavor to maximise the resources available to the company and to utilise our products platforms and brand to meet customer needs, serve audiences, advance society and ultimately create shareholder value.

Executive Management retreat in January 2016, the Board approved a fi ve-year strategy as a driver for growth. The strategy was communicated to Management and performance targets for all staff were derived from it. Implementation of agreed action plans is monitored on a quarterly basis at Board meetings.

Throughout the year, the Board works toward continuous professional development to ensure Board effectiveness. This year, Directors attended key training on "Insights in the Media Industry", "Opportunities in the Media Industry" and "A broker's view on Uganda's Securities Market". These provided insight into, and knowledge of, the business environment, media industry and the market and informed decisions on strategy and investment.

The Board conducted a self-evaluation exercise in December 2015 to determine the level of effectiveness as a whole, for its committees, Chair and individual directors. The results of this evaluation were discussed at the Board retreat, areas for improvement were noted and action plans agreed. The findings inform the Board's professional development plan.

In line with best practice recommendations, and to ensure continuous improvement, annual board evaluation for 2016 will be conducted by an independent external evaluator. The findings shall inform the training needs and programme for the 2017 board retreat.

A Board Investment Committee comprised of four Non-Executive Directors with relevant skills was formed to guide the Board on investment decisions.

In line with the company's Nominations Guidelines, Mr. Patrick Ayota was appointed a Non-Executive Director by casual vacancy to represent the National Social Security Fund, one of our largest shareholders. He serves as the Chief Finance Officer at the Fund and brings to the Board a wealth of skills, expertise in financial management and investments. He shall be presented to shareholders at the 15th Annual General Meeting, for consideration of appointment.

In accordance with the Company's Articles of Association and corporate governance best practice, the company continues, through rotation of directors, to conduct individual Director Performance reviews by the shareholders. Eligible directors interested in reappointment present themselves to the Annual General Meeting. This year, four directors shall present themselves to the AGM: Hon Steven Bamwanga, Prof. Monica Chibita, Ms. Grace Dwonga and Mr. Oode Obella.

Dividend

The Board continues to balance between maximising dividend pay-out and ensuring adequate funds are available for future investments and, therefore, will recommend to the AGM that a final dividend of Ushs 50 per share to ensure sufficient earnings are retained to finance its growth strategy and investment plans.

Dividend cover improved to 78% this financial year compared to 73% while

Dividend yield, that is profit attributable to shareholders, continued to steadily grow to 9% from 8.3% last year and 5.8% in 2014 to improve shareholder return.

Corporate Citizenship

As the leading media house in the country, we strongly believe that we have an important role to play in disseminating information that will transform lives, contribute to sustainable living and enhance the growth and development of our country. We have, therefore, continued to support and empower the communities around us as our sustainability report will show.

On behalf of the Board, I extend my immense gratitude to Mr. Zubair Musoke, the former Chief Finance Officer, who retired after 26 years of service to the company for his remarkable contribution to the success of this company, particularly in building strong financial systems and improving the financial management culture. We wish him the best in his future endeavours. Upon his departure, Mr. Gervase Ndyanabo, the former Company Secretary, was appointed Chief Finance Officer/Deputy Managing Director, while Ms. Rita Kabatunzi was appointed Company Secretary. Mr. David Ssemuga, former Chief Engineer, was appointed Head of Operations.

Performance Outlook 2016-17

The financial year 2015-16 was largely a good year despite the challenges faced, and we believe that the coming year will be much better in terms of operational financial performance. Management is highly optimistic and highly committed to propelling the company to greater heights despite the market challenges.

We shall continue to be guided by our vision 'to be a globally respected media powerhouse that advances society'. We are confident that the strategy we have put in place shall guide us in the right direction and facilitate creation of value for our shareholders while advancing society. Innovation and customer satisfaction are paramount and are the only ways to guarantee survival, compete, and grow market share. We shall, therefore, continue to come up with new products suitable for our market.

Digitisation is the future and shall continue to be an area of focus.

The board in the past financial year approved some investments which we are certain shall bring in new business and enhance the growth of the Company.

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

Conclusion

My appreciation goes to my fellow members of the Board of Directors for their insight, dedication and support that has ensured the profitability of the company. We shall continue to provide oversight, guidance and support to Management to ensure profitable growth for our company. To the management and all staff, thank you for your proactiveness and innovation which has ensured continuous delivery of value to our stakeholders.

I would like to thank our customers and stakeholders for their support and loyalty. We are confident that we have a strategy that will guide us to sustainably create more value. 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.

David Ssebabi
Board Chairman

Senior Management

1. **Robert Kabushenga Managing** Director/Chief Executive Officer
2. **Barbara Kaija** Editor in Chief
3. **Gervase Ndyanabo** **Deputy Managing Director/** Chief Finance Officer
4. **Gloria Agira** Chief Human Resource Officer
5. **David Semugga** Head of Operations
6. **Rita Kabatunzi** Company Secretary
7. **Hope Nuwagaba** Head of Sales
8. **Bill Tibingana** Head of Radio
9. **Carol Kyomuhendo Lutalo** Chief Internal Auditor
10. **Samuel Kyagulanyi** Head of Printing
11. **Susan Nsibirwa** Head of Marketing and Communications
12. **Mark Walungama** Head of Television

CEO's Statement

> ...the health of our brands is very strong. We continue to set the standard for other players in the industry.

We have completed yet another financial year. I am happy to report that the business has been able to post a profit despite the tough market circumstances that have prevailed during this period.

It is important to note from the outset that these conditions have hardly changed. Most of our clients are maintaining prudent spending patterns as they cope with macroeconomic pressures.

Demand has been depressed for most of the first quarter, only picking up in September. This has had an adverse effect on our advertising which is our major source of revenue.

Increases in taxation and other levies means that a significant portion of this effect has been passed on to consumers through higher prices. It, therefore, means that the cost of doing business has increased and is likely to affect the bottom line. These circumstances, however, affect everyone in the market. The difference is how individual businesses respond. Vision Group is aware of all these challenges and is undertaking initiatives to respond appropriately.

In January 2016, the Board of Directors set a new strategic direction for the company. In effect, management has been tasked to improve focus on three areas. These are improving financial performance by a specific margin over the next 5 years, implementing a performance management culture and digitization of the business.

These areas, if worked on diligently, will sustain current good performance and lead to future growth.

This initiative is also a response to the growing competition in the industry. There are new players who have entered the market as direct competitors while others offer substitute options to our clients. This imposes on us an obligation to engage in unique innovation and invest in skills. This is what will differentiate us from the rest.

Furthermore, Vision Group invests heavily in social capital as a way of ensuring that the market has a better appreciation of the social value of the business. This is why we invest in various social causes such as youth entrepreneurship, celebration of key social categories such as farmers and teachers, championing education, the environment and health. We also publicize the plight of those who need help and that way bring it to the attention of those with an altruistic disposition. This method of giving back to society helps to anchor the relevance of the company and it creates a competitive advantage.

Currently, the team is working on a transition to digital processes. This should enable us deliver to the customer in a much more convenient and faster manner. However, there is the bigger challenge of the cost of data. This makes it prohibitive to take full advantage of the advances in technology on this front. Nevertheless, we are setting up collaborations that we expect to mitigate the related costs. This is one area where we shall continue to make incremental investments to balance between the cost of the undertaking and the inestimable time it may take to get full commercial benefit of these investments.

On the business front, we plan to explore other areas that provide us with an opportunity to expand our revenue streams. This should enable us to generate the resources required to serve the customers effectively. In this regard, a significant investment has been made in improving the capacity to turn around good quality work by our Commercial Printing operations through the purchase of new equipment.

We are aggressively exploring other ways of making use of the web printing capacity that we are currently using for our newspaper printing side of the business. This is in part recognition that this is essential to the long-term survival of the business. In future, this should be a company part of whose business is media however, it should be in position to take advantage of other business opportunities.

I wish to report that the health of our brands is very strong. We continue to set the standard for other players in the industry. What is important is to leverage this for commercial benefit while maintaining business advantage in the market.

There continues to be full top-of-mind awareness in the public of who we are and what our products stand for. In fact, on many occasions we get feedback from the public that indicates market acceptance and ownership of these brands. Many of our content executions have been recognised by the public and have been nominated for numerous awards.

The other advantage we maintain in the market is a strong team that is decently remunerated. This is how to guarantee skills and the process of innovation. This also places us in a strong position in the market compared to other players with whom we compete for customers. A good number of our team has won professional awards.

For the rest, the business is sound and the fundamentals are good. Resource utilization is good but could be leveraged better. The main focus now is to prepare it for the opportunities of the future. Currently, we are undertaking a process of structured innovation to be able to prepare for this and institutionalise the process.

Robert Kabushenga
Managing Director / Chief Executive Officer

Corporate Governance **Statement**

Vision Group, listed on the Uganda Securities Exchange as **New Vision Printing and Publishing Company Limited**, is committed to adherence to best practices in corporate governance to ensure transparency, proper governance and accountability to its stakeholders. We recognise that corporate governance is good for business, key to sustainability and building shareholder value.

The Board

The Board is governed by the Companies Act 2012, Uganda Securities Exchange (USE) Listing Rules 2003 and the Articles of Association, Board Manual and Charter. The Board is the ultimate governing body of the company and is the driver for good corporate governance. It strives to set the tone for the rest of the company in the discharge of its duties and responsibilities in line with the governing and statutory framework. Vision Group is headed by a unitary board of directors and the roles of Chairman and Chief Executive are separate and distinct.

The Board is comprised of 11 directors. The size of the Board is necessitated by the diversity and size of company operations as well as the large shareholding. Out of the 11 directors, only one is an executive director, while 5 are independent Non-Executive Directors. The Managing Director, who also serves as the Chief Executive Officer (CEO), is the only Executive serving board member. The Audit and Risk Committee is comprised of 3 independent non - Board members in accordance with Table F, the Code of Corporate Governance, Companies Act, 2012.

The composition of the Board is diverse in a mix of skills and experience varying from media, business, management, corporate governance and finance to legal. This mix and quality of individuals enriches discussions and decision making. Members of the Board are highly qualified, respected professionals of integrity.

Classification of Directors

Name	Type	Independent	
David Ssebabi	Non-Executive Chairman	–	Shareholder representative
Robert Kabushenga	Managing Director / CEO	–	Employee
Monica Chibita	Non-Executive	✓	–
Orono Otweyo	Non-Executive	–	Shareholder representative
Oode Obella	Non-Executive	✓	–
Grace Dwonga	Non-Executive	✓	–
Gad Gasaatura	Non-Executive	✓	–
Steven Bamwanga	Non-Executive	✓	–
Charles Tukacungurwa	Non-Executive	–	Shareholder representative
Ketrah Tukuratiire	Non-Executive	–	Shareholder representative
Patrick Ayota	Non-Executive	–	Shareholder representative

The mix of executive, non-executive and independent directors ensures a balance of power on the Board and independent thinking.

Delegation of Authority

The Board delegates authority to Board Committees to improve its effectiveness in the discharge of its mandate but is accountable for the discharge of its responsibilities. The committees provide indepth focus on specific areas of responsibility as enumerated in the Terms of Reference and make recommendations to the Board for approval. The Terms of Reference contain guidelines on the conduct of committee business and are reviewed at least annually to ensure they remain relevant.

On a quarterly basis, committees meet to discuss reports from Executive Managers, review performance against agreed targets and action plans approved by the Board at the start of the year. Executive Managers are required to attend the discussion of their reports. The composition and frequency of attendance of meetings was as detailed in the tables as follows;

HR and Remuneration Committee

The philosophy of the Committee is governed by its Terms of Reference.

The committee reviews the company's remuneration policies, structures and practices. It considers employment terms for executive and senior management, including the Chief Executive Officer. It guides Management on the company's remuneration practices, policies and packages that ensure both attraction and retention of high caliber staff and alignment to shareholder interests. 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.

Remuneration offered by similar companies and the company's performance against financial objectives and individual performance is considered to determine the remuneration of employees. The terms and conditions of employment of all employees are guided by local legislation and the Human Resource policy. Employees are on permanent contracts, while the senior management team are employed on two year contracts.

Structure of Remuneration

Fixed pay: This is usually reviewed annually in June, at the end of the financial year, to consider adjustments to inflation.

Benefits: The company provides medical cover, insurance and death benefits for staff and dependants.

Variable pay: Incentives set basing on the company's overall performance are provided to ensure appropriate reward for good performance.

Employees whose performance exceeds expectations or is outstanding are rewarded with a performance bonus at the end of the financial year.

Member attendance for the year was as follows;

Name	27 July, 2015	26 Oct, 2015	16 Mar, 2016	26 Apr, 2016
Gad Gasaatura (Chair)	×	✓	✓	✓
Robert Kabushenga	✓	✓	✓	✓
Orono Otweyo	✓	✓	✓	✓
Grace Dwonga	✓	✓	✓	✓
Steven Bamwanga	×	✓	✓	✓
Ketrah Tukuratiire	N/A	✓	✓	✓

The company also 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, nature of responsibilities, level of experience and comparative remuneration by other 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)	739,000	616,000
Quarterly Fees (Ushs.) (net)	1,478,000	1,232,000

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. Save for the chairperson, the members are non-Board members appointed in line with the Code of Corporate Governance, Companies Act 2012 to ensure independence. Collectively, the members 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 also oversees management of all risks the company is exposed to.

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 for its terms of reference and guides its activities. The Internal Audit, Risk and Compliance reports are considered by the committee during the quarterly meetings.

Member attendance for the year was as follows;

Name	28 July, 2015	22 Sept, 2015	27 Oct, 2015	23 Feb, 2016	21 Apr, 2016
Oode Obella (Chair)	✓	✓	✓	✓	✓
Parity Twinomujuni	×	✓	✓	✓	✓
Joseph Baliddawa	✓	×	✓	✓	✓
Susan Lubega	✓	✓	✓	×	✓

Nominations Committee

This committee is charged with ensuring there is, at all times, a balanced mix of skills, experience and competence in various fields of expertise on the Board and identifying suitable candidates for board vacancies, as well as reviewing and determining the Board's remuneration.

The committee meets when there is business to be conducted and is governed by the Nomination Committee terms of reference. The committee is also responsible for evaluating of the board and ensuring the recommendations of the evaluation are implemented.

The Board Chairman is the chairman of the Nominations Committee. Member attendance for the year was as follows:

Name	28 October, 2015
David Ssebabi (Chair)	✓
Oode Obella	✓
Monica Chibita	×

Finance and Operations Committee

Member attendance for the year was as follows;

Name	28 July, 2015	27 Oct, 2015	26 Apr, 2016	28 June, 2016
David Ssebabi (Chair)	✓	✓	✓	✓
Robert Kabushenga	✓	✓	×	✓
Charles Tukacungurwa	✓	✓	×	✓
Steven Bamwanga	×	×	✓	✓
Ketrah Tukuratiire	✓	✓	✓	✓
Grace Dwonga	✓	✓	✓	✓

Editorial Committee

Member attendance for the year was as follows;

Name	27 July, 2015	27 Oct, 2015	25 Apr, 2016
Monica Chibita (Chair)	✓	×	✓
Gad Gasaatura	×	✓	✓
Orono Otweyo	✓	✓	✓
Charles Tukacungurwa	✓	✓	✓
Steven Bamwanga	N/A	_	_

Investment Committee

Its main role is to review any investment strategy, proposals and policies, and monitor performance of investment projects on behalf of the Board.

Key:
- ✓ Present
- × Absent
- _ Not Applicable

The Board also delegates authority to Management, through the Chief Executive Offi cer (CEO), for the day to day operations of the company. The CEO is accountable to the Board and is assisted by a senior management team in the discharge of this responsibility.

The Board reserves several matters for its own execution. These are not delegated to Management. Key among these is its role in providing strategic direction.

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 company is strategic plan is reviewed annually and considers any updates presented by management on the strategic direction. These presentations guide the Board in deciding whether to review, change or maintain the strategy. The Board held its annual strategic retreat in January 6-8, 2016. At the retreat, a 5-year strategic direction was set, which shall guide the company's initiatives and targets.

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

Appointments

The appointment of directors is provided for in the Board Charter and Board Nominations Guidelines. Upon appointment, a director receives a letter of appointment setting out the terms of engagement. Directors serve for a three - year term and thereafter are eligible for re-appointment, save for the Managing Director who is an employee. Directors are subject to rotation in accordance with the rotation policy.

The Board Nominations Committee, exercising its mandate as per the delegated authority from the Board, considers the matter of director appointments and makes recommendations to the Board for approval. In executing this duty, it considers the requisite knowledge, skills and experience to fill any gaps, as well as personal attributes that improve balance and composition of the Board.

The Board makes proposals for appointment to shareholders who exercise their right to appoint directors at general meetings. All directors, save for the Managing Director, who is an Executive Director, are appointed by shareholders.

At the AGM Ms. Robinah Kaitiritimba Kitungi shall be presented for consideration of appointment.

In order to ensure business continuity and effective oversight by the Board, the law and good governance principles recognise that it may be necessary to appoint a director in the period between general meetings and makes provision for casual vacancy appointment, which is confirmed at the next scheduled general meeting.

The Articles of Association of the Company make provision for casual vacancy appointment, which is reserved only for where circumstances dictate, for example, to fill a skills gap left by a departure or to fill a shareholder representative slot.

In the course of the year, the Board appointed Mr. Patrick Ayota, a representative of NSSF, a major shareholder, to fill a casual vacancy. Mr. Ayota shall be presented to the 15th AGM for appointment by shareholders.

In line with the rotation policy, the directors retiring by rotation who will present themselves to the AGM for re-appointment are; Prof. Monica Chibita, Hon. Steven Bamwanga, Ms. Grace Dwonga and Mr. Oode Obella.

Meetings of the Board

The Board and its committees, save for the Nominations Committee, meet at least quarterly. All substantive agenda items have comprehensive briefing papers which are circulated at least seven days to the scheduled meeting.

At every meeting of the Board or Committees, directors are required to disclose any potential conflict of interest arising from matters on the agenda for discussion. Any interests declared are minuted and a decision is made by the Board on the participation of the director.

Outside of the meetings, a register of declared interests is maintained by the office of the Company Secretary and entries made of interests declared. This year, no instances of conflict of interest were made.

In addition, all directors are required to disclose any existing conflict of interest at the commencement of any meeting which, if any, is minuted and a way forward is agreed on by the Board.

Director shareholding as at June 2016 was;

Name	Shares
David Ssebabi (jointly owned with his wife Harriet Ssebabi)	7,579
Ketra Tukuratiire	340,562
Ketra Tukuratiire (jointly owned with husband Joseph Tukuratiire)	1,313
Mrs. Susan Lubega (Member of the Audit Committee)	1,313
Total	**356,061**

In addition to the regular quarterly board meetings, other meetings to deal with specific matters are held. In the past financial year, a total of eight meetings were held. The meetings comprised of four quarterly meetings, a meeting to approve the financial budget, a meeting to approve the audited accounts and a Board retreat.

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

Name	31 July, 2015	23 Sept, 2015	29 Oct, 2015	6 - 8 Jan, 2016	1 Feb, 2016	25 Feb, 2016	28 Apr, 2016	30 Jun, 2016
David Ssebabi	✓	✓	✓	✓	✓	✓	✓	✓
Robert Kabushenga	×	✓	✓	✓	✓	✓	✓	✓
Orono Otweyo	✓	✓	✓	✓	✓	✓	✓	×
Grace Dwonga	✓	✓	✓	✓	✓	✓	×	✓
Oode Obella	✓	✓	✓	✓	✓	✓	✓	✓
Monica Chibita	✓	×	×	✓	✓	✓	✓	✓
Steven Bamwanga	✓	✓	✓	✓	✓	✓	✓	✓
Gad Gasaatura	✓	✓	✓	✓	✓	✓	✓	✓
Charles Tukacungurwa	✓	✓	✓	✓	✓	✓	✓	✓
Ketrah Tukuratiire	N/A	✓	✓	✓	✓	✓	✓	✓
Patrick Ayota	N/A	N/A	N/A	N/A	✓	✓	✓	✓

N/A stands for Not Applicable

Internal Audit

The company has an Internal Audit department whose primary role is to provide assurance to the Board and the Executive Management, on governance, risk management, and internal control processes by analysing, measuring and evaluating the effectiveness of systems of controls 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 2015/2016, 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 in conjunction 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

Vision Group is guided by the Board - approved Risk Management Framework and the COSO Integrated Framework for Enterprise Risk Management. The Risk Management Framework details the roles and responsibilities of the Board, Management and all staff towards risk management within the company.

The responsibilities of the Board are delegated to the Board Audit and Risk Committee, which handles risk matters in detail and makes recommendations to the Board.

The CEO is the officer ultimately responsible for risk. A Risk Officer is charged with monitoring risks in consultation with the various Heads of Units and Functions.

BARC assures itself of the robustness of the risk management system and internal controls and frequently reviews the same. On a quarterly basis it is provided with the key Risk Register and reviews the key risks. Key risks during the year were monitored to assess impact and appropriateness of responses by both Management and the Board.

The notable risks that affected the business were;

1. Digital Migration

The switchover from analogue to digital was implemented in June 2015 for Kampala and extended to the whole country in July 2016. The consequence was a significant part of the audience was unable to access Vision Group-owned television stations.

This loss of audiences has in the short - term inflfluenced the 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.

Vision Group TV signals are now being carried 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.

This risk is now managed by ensuring that all our stations are available on the distribution platforms that is terrestrial and satellite. We have signed agreements with signal distributors thus ensuring quality distribution on these platforms and a broader viewership. Secondly, we are members to the Uganda Communications Commission (UCC) Committee on Digital Migration thus providing an opportunity to influence decisions in our best interest.

2. Depreciation of the shilling against major foreign currencies

The shilling has been continually depreciating against the dollar and other major currencies, a trend observed throughout the year. The strong dollar exchange rate over the year has had an impact on our business partners as well as affecting cash flow and the overall level of business in the industry.

The risk has been managed through hedging, increasing dollar cash reserves and engaging partners for more favourable business terms.

The Board and Management continue to monitor and manage the emerging risks as they arise.

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 2015. Questionnaires were filled, results collated and feedback discussed. The results of this evaluation January 2016 and formed basis for identification of areas of improvement and training needs.

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 2016. Due to the need for continuous improvement, the Board agreed that the evaluation is conducted by an external consultant.

Financial Reporting and Disclosures

Financial performance is monitored through quarterly reports from management, and reviewed by the Board. The performance is formally reported to shareholders through half-year unaudited results and audited 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 International 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 Eshareholders@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 1st 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 the 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 email; Eshareholders@newvision.co.ug, SMS, post, telephone calls and announcements in the newspapers. Shareholders are, therefore, encouraged to ensure their details are updated and to notify the company 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 0414 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 a secretary to the board and its committees. The Company Secretary assists the Chairman in ensuring the effectiveness of the Board. This includes ensuring that all directors have full and timely access to all relevant information and that the correct board procedures and applicable laws are followed.

She serves as an advisor to, and communicator for, the Board. The Company Secretary also serves as the communicator to shareholders on behalf of the Board and manages shareholder matters.

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

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

In April 2016, following the retirement of the former Chief Finance Officer, Mr. Zubair Musoke, Mr. Gervase Ndyanabo, was appointed Chief Finance Officer/Deputy Managing Director while Ms. Rita Kabatunzi was appointed Company Secretary.

Mr. Gervase Ndyanabo previously served as the Company Secretary and Ms. Rita Kabatunzi formerly served as Manager, Legal and Compliance a position she held since 2005. She is a qualified Chartered 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 the Board and shareholder resolutions were registered on time.

The company has also put in place policies aimed at setting ethical practices and to guide the conduct of employees.

In addition, the company has established a hotline through which cases are reported and investigated before action is taken. These policies are aligned with the laws and regulations.

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 12 months from the date of this report.

Shareholder Information

Summary of Shareholder Distribution

Nationality	Category	No. of Members	No. of Shares	Percent Holding
Ugandan	Corporate	74	69,195,872	90.45%
	Individual	2,309	6,458,669	8.44%
		2,383	**75,654,541**	**98.89%**
Foreign	Corporate	0	0	0.00%
	Individual	98	845,459	1.11%
		98	**845,459**	**1.11%**
Grand Totals		**2,481**	**76,500,000**	**100.00%**

Summary of Shareholder Distribution

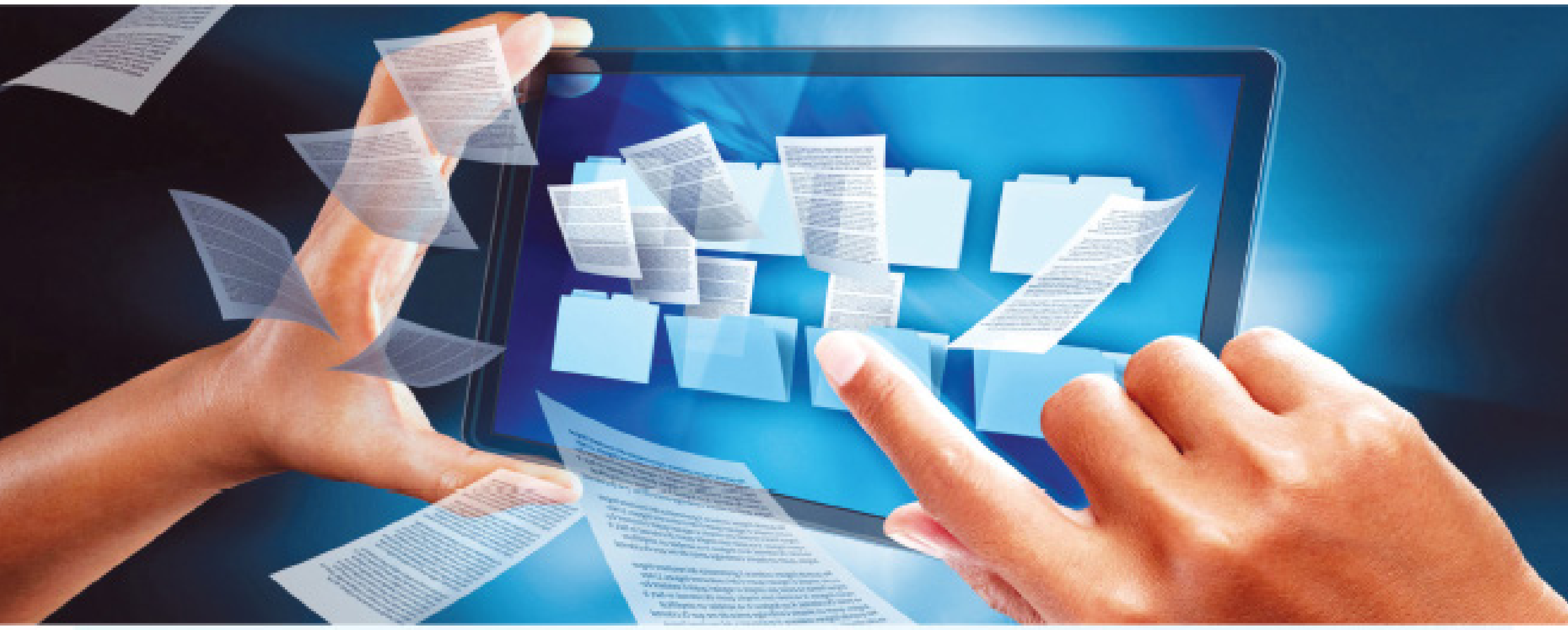
Nationality	No. of Shares	Percent Holding
Government Of Uganda	40,800,000	53.34
National Social Security Fund	15,000,000	19.61
National Social Security Fund - Pinebridge	2,185,857	2.86
National Insurance Corporation Ltd	2,068,172	2.70
Bank Of Uganda Staff Retirement Benefit Scheme - Aig	1,703,380	2.23
Bank Of Uganda Staff Retirement Benefit Scheme - Sim	979,399	1.28
Insurance Company Of East Africa Uganda Limited	563,286	0.74
Wazunula Samuel Mangaali	510,000	0.67
Makerere University Retirement Benefits Scheme	475,000	0.62
Tullow Uganda Staff Retirement Benefits Scheme	445,800	0.58
Total		**84.63%**

UGANDA SECURITIES EXCHANGE

Building your investment portfolio

UGANDA SECURITIES EXCHANGE DEMATERIALIZATION PROCESS

Safer, Faster, Reliable



Introduction

The Uganda Securities Exchange, has to-date, operated a system where share certificates are issued to investors as evidence of their investment in listed companies.

The system of issuing share certificates has posed a myriad of problems such as delays in issuance and dispatch of certificates, delays in verification of share certificates, loss, theft and forgeries of certificates.

With a view to addressing the above problems, the Uganda Securities Exchange, in collaboration with the key stakeholders, resolved to implement the dematerialization of share certificates.

What is dematerialization?

Dematerialization refers to the conversion of share certificates (physical paper- form/ certificates or documents of title representing ownership of securities) to an electronic form which is domiciled directly with the Securities Central Depository

What is Securities Central Depository.

SCD System is one in which securities belonging to a particular investor are deposited in the custody of an electronic central depository such that transactions or transfers concerning such securities are executed in book entry form

With the growth of the Uganda Securities Exchange, it is necessary that all share certificates are dematerialized. This is to improve the customers experience within the capital market, improve the velocity of trading, improve security of shareholding (avoid loss of paper based certificates) and better turnaround timelines for settlement between the purchase and sale of securities.

Common issues affecting physical shares verification that will be avoided

- Irregular signature by shareholder
- Incomplete shareholder bank details
- Incorrect/incomplete details on certificate Benefits of Dematerialization:
- Eradication of risk of loss of share certificate either by misplacement, mutilation, theft, etc.
- Reduction in the occurrence of forging of share certificates which would lead to loss of investment.
- Removal of delays and costs associated with dispatch of share certificates.
- Facilitation of increased trading in shares.

Please Turn Over

Benefits of Dematerialization:

- Eradication of risk of loss of share certificate either by misplacement, mutilation, theft, etc.
- Reduction in the occurrence of forging of share certificates which would lead to loss of investment.
- Removal of delays and costs associated with dispatch of share certificates.
- Facilitation of increased trading in shares.
- It provides more acceptability and liquidity of securities in the capital market there by building confidence in the capital market and attracting foreign investors.
- It provides a safe, convenient and efficient way to hold securities.
- Enables faster transfer of stocks from one account to another.
- Efficiency in the settlement of trades making the whole process of buying and selling more transparent.
- It ensures faster payment on sale of shares and allows for a shorter transaction cycle.
- Provides a foundation for the achievement of e-dividend and e-bonus.
- Positioning the Uganda Securities Exchange as internationally competitive and transparent.

How does a Shareholder dematerialize their shares?

The dematerialization process necessitates an investor to open an account in the depository through a stockbroker or custodian. This will be done after the shareholder has fulfilled the Know Your Client (KYC) requirements of the stockbroker/custodial firm. Thereafter, the shareholder can submit their share certificates to the stockbroker/custodian for dematerialization.

1. Typically, the shareholder will be required to submit a verified/share transfer form which is then forwarded with the certificates alongside other operational documents to the Registrar for verification.
2. Upon certification that the details and signature provided by the share holder are correct, the share certificates are verified by the Registrar.
3. The share certificates verified by the Registrar are then sent to the depository for electronic capture.
4. The depository updates the shareholder's account with the corresponding securities and is thus available for trading.
5. Shareholders can request for a statement of account detailing the shareholding position held although the depository provides statements every six months Regulation on dematerialization.

Regulation on dematerialization

Prescription of dematerialized securities under Section 26 of the Securities Central Depository Act 2009.

The following process is to be followed in prescribing a security listed on the Exchange as a dematerialized security.

- The SCD may after consultation with an issuer prescribe an immobilized security, or class of securities, as a dematerialized security.
- Upon being notified by the SCD of the prescription, an issuer of a dematerialized security shall give notice to the public that the security shall on the dematerialization date, become a dematerialized security
- The notice shall identify the security to be dematerialized and shall specify a dematerialization date, not being less than one month after the date of publication of the notice, on or before which that security shall become dematerialized.
- An issuer shall do all things necessary to amend its deed of establishment, trust deed, constitution or articles of association as the case may be, to give effect and comply with the Act and SCD Rules within one hundred and twenty days after the notice.

Issuers' obligations post prescribed dematerialization date under Section 27 of the SCD Act 2009

- After the dematerialization date, every issuer of a security prescribed as a dematerialized security shall surrender the physical register of members or debenture holders, as the case may be, to the depository.
- The issuer will be required to provide information to the depository of any member or debenture holder who appears in the appropriate register as a holder of a certificate not already immobilized by the depository.
- The official record should include the name and particulars of—

  i) Every depositor with an immobilized security credited to a securities account held by that depositor; and

  ii) Where the prescribed security is issued by a listed company, every member or holder whose name would, appear in the appropriate register of members of that company.
- An issuer shall not, after the dematerialization date issue a certificate in respect of a dematerialized security.

FOR MORE INFORMATION PLEASE CONTACT;

UGANDA SECURITIES EXCHANGE UAP NAKAWA BUSINESS PARK,
PLOT 3 – 5, NEW PORT BELL ROAD, BLOCK A, 4TH FLOOR
P. O. Box 23552, KAMPALA. Tel: +256 -312- 370-815, 370-817, 370-818
Email: info@use.or.ug | Website: www.use.or.ug
Contact: jbushara@use.or.ug or anamuli@use.or.ug

UGANDA SECURITIES EXCHANGE

Corporate Social Responsibility **Report**

Vision Group is mindful of the critical role it plays as a corporate citizen and, therefore, strives across its nationwide operations to use its resources, products and platforms to educate and advance society in line with its vision. This year, our well respected and recognised brand enabled us to enter partnerships with Government, the Civil Society Sector including Non Governmental Organisations (NGOs), Community - Based Organisations (CBOs), corporates and communities.

At Vision Group, we remain committed to responsible, ethical conduct of business in line with our core values and business principles.

We believe in Corporate Social Investment (CSI). Our CSR policy is built on the recognition of our responsibility, both to shareholders and stakeholders.

Environment

We appreciate the impact of our operations on the environment and make every effort to eliminate negative consequences. Waste is treated and disposed of in a manner acceptable by NEMA standards. Scrap paper is recycled and where available in bulk, donated to local entrepreneurs as raw material.

We believe in preserving the environment. Conservation efforts are a key part of our sustainability mission. We continue to expose environmental degradation, pollution of water bodies to create social awareness, educate the public and champion change.

We actively partner with local communities across the region as part of our social responsibility. This year, we partnered with National Forestry Authority (NFA) in a Community Tree Planting drive aimed at restoration of degraded natural forests in the country. This is a continuous project whose objective is to plant trees in several gasetted areas in various parts of the country. Over 200,000 seedlings of indigenous species were planted in Arua district in Laura Central Forest Reserve by our Arua One FM staff, NFA and the community of Ulepi sub-county.

State Minister for Internal Affairs Hon. James Baba in the center Joins Arua One FM and NFA In Laura Central Forest Reserve to Plant a Tree seedling.

Several projects were undertaken in the past fi nancial year, most notably:

1. The Best Farmers Competition 2015

Through this competition, organised under our Harvest Money brand, the weekly farming pullout in the New Vision, farmers who have excelled in agriculture are recognised and publicised to serve as inspiration and role models to inspire subsistence farmers to adopt commercial farming. This is informed by the fact that a significant part of the Ugandan population still carry on subsistence farming for, among other reasons, lack of information. The platform also aimed to build public awareness on the relationship between farming and the environment using benchmark case studies to serve as role models to other farmers through their success stories. A total of 1,300 farmers were nominated and 689 were profiled on all the company's media platforms under the theme 'Environment, Innovation and Youth in Agriculture' targeting the youth who constitute over 70% of the Ugandan population.

Thirteen of the best farmers were selected to travel to the Netherlands where they had an opportunity to tour world class farms, benchmark best practices and showcase their ideas. Cash prises of Ushs 50 Million, Ushs 30 Million and Ushs 20 Million were awarded to the first, second and third winners respectively to fi nance acquisition of farm equipment like tractors, milk coolers and irrigation systems to enhance their farming. The remaining seven received an award of Ushs 7 Million each as capital for their projects.

2. Inaugural Pakasa Youth Awards

This year, in addition to the ever popular annual Pakasa forum, the inaugural Pakasa Youth Awards were held to identify and provide a platform for young enterprising Ugandans inspiring youth into entrepreneurship as part of contributing to a solution for unemployment. 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.

The Pakasa competition showcased successful entrepreneurs and featured stories and experiences of successful entrepreneurs who had beaten the odds by starting and growing their businesses from scratch to serve as an inspiration. Profiles of successful entrepreneurs were published and broadcast across Vision Group print and electronic media platforms.

Ten winners were selected and received Ushs 10 Million each. In addition, the winners received an opportunity to visit leading multinational corporations and factories in South Korea.

Pakasa Youth Awards 2016 winners during a visit to Doosan Heavy Industries in Chongwon City, South Korea in September 2016.

3. Newspapers in Education

The Newspapers in Education (NIE) project continued to create awareness on education issues.

The company partnered with Save the Children, National Drug Authority and Private Education Development Network (PEDN) to reach a total of 340 schools nation wide. Our regional newspapers continued to support disadvantaged UPE schools in their respective regions with educational material for PLE. The schools supported were: Osokotoit Primary School in Serere supported by Etop newspaper, Katebe Primary School in Mbarara supported by Orumuri newspaper, Punoloro Primary School in Lira supported by Rupiny newspaper and Nyenga Primary School in Buikwe supported by Bukedde newspaper.

Community Outreach

Our various regional offices participated in community outreach programmes as follows:

A health camp was held at Bardege Health Centre in Gulu District in a partnership with Flama Uganda. Maternal health care was provided to over 100 expectant mothers. Free health care services like cervical cancer screening, deworming and family planning services were offered. Over 100 Mama Kits were distributed to women.

Radio Rupiny partnered with TASO to sensitise the community in Gulu district on HIV/AIDS prevention promoting safe male circumcision, use of condoms and other recommended methods.

Etop in partnership with Church Of Uganda Soroti Diocese, held a campaign against child commercial sex, early marriages and street life. The activity targeted three primary schools: Madera School for the Blind in Soroti district, Aturigalin in Kaberamaido district and Agwara Port primary school in Serere district. Over 350 girls between the ages of 11 and 16 years benefited from the drive.

Staff at Radio West, Orumuri and TV West partnered with Safe Roads Uganda, Mbarara Moslem Supreme Council Hospital, Koyinawo Waste Management and

Coca Cola to sensitise the youth in Mbarara aged between 10 and 25 on behavioural change. The focus this year was on waste disposal. Lectures were conducted in selected schools and public lectures were held in designated areas every first Saturday of the month for three months. The teams also partnered in cleaning up Mbarara town.

The company partnered with IMG/IMF in an HIV/TB awareness drive for the youth through a sports gala at St. Baptist Church play ground, in Kabalagala. The main objective was to provide high quality disease prevention approaches with a major focus on Tuberculosis and HIV. A number of free medical services were offered. They included HIV counseling and testing, breast cancer screening, health education,TB screening and provision of treatment for some diseases. Over 500 youth benefited from the drive.

Free HIV/AIDS testing and counseling services and a blood donating drive were conducted in partnership with Arua Regional Referral Hospital and Red Cross Arua. The community was sensitised on the dangers and facts about HIV/ AIDS. Over 100 youth benefi ted from this drive.

Vision Group continued its practice of donating scrap paper to self-help women groups as a means of economic and social empowerment. The paper was used to make beads that are sold to generate income to support their families. Scrap paper was donated to Meeting Point International – Kinawataka, an organisation for victims of war and domestic abuse. Another beneficiary of this initiative was Kitovu Hospital, which received paper to support women suffering from fi stula to boost their initiative in hand crafts, weaving, and necklace making.

People

Employees are an important resource for the company and their role. 'Tutandike' is an initiative whose primary objective is to encourage entrepreneurship, inspire staff, showcase successful case studies, improve personal finance and build financial resilience. Activities like exhibitions, talks and visits are conducted where staff share and encourage each other on how to be self-reliant and how to start up income generating activities.

Staff are encouraged to participate in giving back to society through blood donations, participation in campaigns to fight societal ills such as crime, violence, engage in community clean - up drives and tree planting.

Employee wellness programmes are run throughout the year, focused on improving the health and wellness of staff. In partnership with various stakeholders, staff are educated on health and fitness, counseled and taught financial management. Our health providers offer a wide range of fitness sessions
and screenings.

A clean, safe, healthy environment for employees is a priority. The premises are kept clean to ensure staff operate in a good and risk - free environment. First aid kits are provided in each department and we have trained fire marshals to support employees in preventing or fighting a fire. Fire drills are conducted regularly. Factory staff are provided with safety wear and continually educated on the importance of the gear to protect them from occupational injuries and diseases. A Management Health and Safety Committee continually reviews the status of health and safety interventions in the company and their impact.

New Vision
UGANDA'S LEADING DAILY
1986-2016

Celebrating 30 years of Excellence

AN ACHIEVEMENT IN PUBLICATION & INNOVATION

The New Vision @thenewvisionwire www.newvision.co.ug

Accolades

Vision Group staff and Justice James Ogoola posing for a group with their ACME Awards 2016.

The Company received the 1st Runner up Award for Parastatals and Government Business Entities at the 2015 Fire Reporting (FiRe) Awards ceremony on 19th November 2015

• Uganda Film Festival-Best TV Series-The Coffee shop-Urban TV, Best actor in TV Drama-Coffee Shop and Best Actress in TV Drama-Coffee Shop.
• Uganda Entertainment Awards-Best TV station - Bukedde TV, and Best Female TV presenter-Flavia Namulindwa.

Buzz Teenz Awards - Teeniez Best TV Station- Urban TV, Teeniez Best TV show - Teen City- Urban TV

VISION GROUP®

NATIONAL PRIDE • GLOBAL EXCELLENCE

COMPANY PROFILE

Newspapers

Vision Group dominates the newspaper market in Uganda with six newspapers.

New Vision


New Vision

DISTRICTS STUCK WITH FAULTY X-RAY MACHINES

Special Series

THE DAY ISRAELI COMMANDOS RAIDED ENTEBBE

THE NEW VISION is the leading English daily newspaper with 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. A Wednesday favourite is Toto magazine for primary school children.

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


Dog suckles piglet

Coup plotters targeted President's jet, says Kayihura

Saturday Vision

SEVEN DAYS, ONE PAPER

TOP OFFICIALS SELL GOVT DRUGS TO CONGO, SUDAN

Nairobi cancer deal flops as patients die

The forgotten Israelis who died in the Entebbe raid

State drops charges against Besigye

SATURDAY VISION is an English weekend entertainment newspaper aimed at leisure, entertainment and relaxation for all ages, offering a variety of news features, sports, and commentary. The magazines include GOAL, Homes and Construction and Intimate.

Sunday Vision


INTERVIEW: RAILA ODINGA SPEAKS OUT ON BESIGYE, MUSEVENI

Sunday VISION

BIG ON SUNDAYS! MISS IT, MISS OUT

ARMY PROBES POLICE OVER COCAINE THEFT

80kg stolen from Aviation Police stores in Entebbe, p3

INDEPENDENCE: 65-PAGE SPECIAL

SUNDAY VISION is reading for the whole family and comes with two magazines i.e. Sunday Extra and Pearl of Africa offering a variety of background news, features, sports, lifestyle, political commentary and entertainment. Sunday Vision also carries several features including Crime, Suspense and Intrigue, and another edition of Toto magazine.

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

Rupiny covers both local and international news and offers a variety of features such as farming, relationship advice, sports, community news and gossip, business, leisure, and pictorials.

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, and pictorials.

Magazines

Our 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.

BUKEDDE, published daily in Luganda, is an integral part of the average working Ugandan's day with both local and international news.

It has a variety of features which include farming, business advice, relationship advice, leisure, traditional remedies, women and health, entertainment, art, etc.

BUKEDDE KU SSANDE, published every Sunday. It has a variety of features that cover family and religious issues.

KAMPALA SUN is a weekly tabloid capturing the unpredictable rhythms and heartbeat of Kampala. Reflecting all aspects of life, politics, corporate, religion, sports, fashion, lifestyle, celebrity gossip and social events.

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 and sports.

Digital

WEBSITE PUBLISHING

www.newvision.co.ug - Our flagship website. It is a leading website in East Africa with approximately **1.5** million monthly visitors and **10.4** million page views.

www.bukedde.co.ug - Is very popular with Ugandans living in the diaspora with approximately **572,000** monthly visitors and **7.54** million page views.

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.

Radios

XFM

Targeting 18-28 year old English speaking urban youth, Xfm broadcasts on 94.8fm in Kampala.

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 Bukedde newspaper and Bukedde TV 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 and 96.6 FM in Mbarara.

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.

ETOP RADIO 99.4 FM

Based in Soroti, Etop broadcasts in Ateso for eastern Uganda from Tororo, Mbale and Soroti. The radio offers a combination of politics, news, infotainment and music and 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 1

Uganda's first Luganda TV station, Bukedde TV is the leading station in Uganda. The station enjoys a strong symbiotic relationship with Bukedde newspaper and Bukedde FM and is available on DStv, GOtv, Zuku, Azam, Startimes and Signet.

BUKEDDE TV 2

Bukedde TV 2 is a Luganda station targeting the male adult aged 18-35 from the middle and lower social class. It airs a wide selection of uninterrupted programming 70% of which is local programming. This content includes action movies, music mixes, and select soap operas.

Bukedde TV2 is available through Zuku TV, Azam and Star Times around the country.

TV WEST

TV West is stationed in Mbarara in western Uganda and is the leading regional station and reaches audiences in Lyantonde. It is available on Zuku, GOtv, Startimes and Azam pay TV options.

URBAN TV

Urban is primarily an English entertainment TV station but also offers news and current affairs programmes. Urban ensures that Vision Group's coverage of issues affecting the youth are adequately addressed across different media platforms. It is available on pay TV channels.

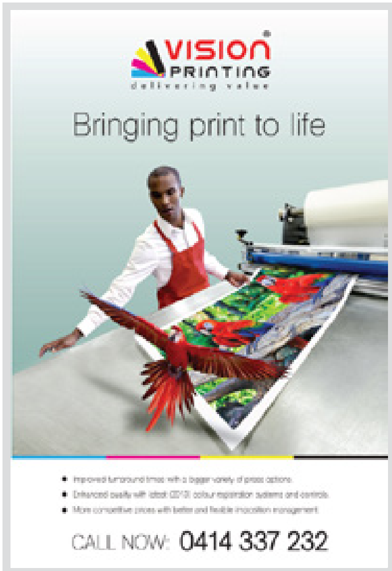
Printing Services

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

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 and promotional materials like brochures, flyers, leaflets, posters, wobblers, among others in quantities from 1 piece to millions.

BENEFITS:

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



Marketing 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 Agency

It is a full-service unit offering creative concepts for projects, brands, events and awareness campaigns across all media platforms.

Event Management

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 opportunities 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 & classified adverts
- Supplements
- Special reviews
- Job adverts
- Tenders
- Insertions
- Website adverts
- Radio adverts
- Television adverts

Circulation Distribution Services

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

Circulation services 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
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+256 (0)312 337 000

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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

Financial Statements

For the year ended June 30, 2016

COMPANY INFORMATION

BOARD OF DIRECTORS	: David Ssebabi	- Chairman
	: Robert Kabushenga	- Managing Director / CEO
	: Gervase Ndyanabo	- Deputy Managing Director - Appointed April 1, 2016 as Alternate Director
	: 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 - Resigned August 28, 2016
	: Patrick Ayota	- Non Executive Director - Appointed January 11, 2016

BOARD AUDIT COMMITTEE
: Oode Obella - Chairman
: Joseph Baliddawa - Member
: Parity Twinomujuni - Member
: Susan Lubega - Member

COMPANY SECRETARY
: Kabatunzi Rita
: 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
: Grant Thornton
: Certified Public Accountants
: P.O. Box 7158
: 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

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 June 30, 2016, 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. The Company also engages in commercial printing, television and radio broadcasting, and digital online production.

FINANCIAL RESULTS	2016 Shs' 000	2015 Shs '000
Profit before tax	7,427,744	7,429,034
Tax	(2,499,951)	(2,174,864)
Profit for the year	4,927,793	5,254,170

DIVIDEND

The Directors propose a final dividend of Shs 50 per share amounting to Shs 3,825,000,000 for the year (2015: Shs 50 per share amounting to Shs 3,825,000,000).

DIRECTORS

The Directors who held office during the year and to the date of this report are shown on page 7.

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 reappointment.

BY ORDER OF THE BOARD

Company Secretary

Kampala, Uganda

5th October 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required in terms of the Companies Act, 2012 to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Company and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the company's cash flow forecast for the year to June 30, 2017 and, in the light of this review and the current financial position, they are satisfied that the Company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 50 to 81, which have been prepared on the going concern basis, were approved by the board on 5th October 2016 and were signed on its behalf by:

DIRECTOR
Kampala, Uganda

DIRECTOR

Report Of The Auditor General On The Financial Statements Of The New Vision Printing and Publishing Company Limited For The Year Ended 30th June 2016

The Rt. Hon. Speaker of Parliament

By Article 163 (3) of the Constitution of the Republic of Uganda, 1995 (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 2016. The financial statements which are set out on pages 50 to 81 in Appendix 1 comprise of;

- Statement of financial position
- Statement of profit and loss
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements including a summary of significant accounting policies used

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 2016 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

6th October, 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHESNIVE INCOME

	Note(s)	2016 Shs '000	2015 Shs '000
Revenue	2	92,662,627	86,839,978
Cost of sales	3	(68,643,227)	(63,144,833)
Gross profit		24,019,400	23,695,145
Other operating income	4	989,810	324,556
Distribution costs	5	(1,732,409)	(1,723,664)
Administrative expenses	6	(13,329,184)	(12,391,518)
Other operating expenses	7	(2,519,873)	(2,475,485)
Profit before taxation		7,427,744	7,429,034
Taxation	10	(2,499,951)	(2,174,864)
Profit for the year		4,927,793	5,254,170
Other comprehensive income:			
Revaluation surplus on property plant and equipment	12	1,606,256	-
Deferred tax in respect of revalued surplus	19	(481,877)	-
Total comprehensive income for the year		6,052,172	5,254,170
Dividends			
Proposed dividends for the year	11(a)	3,825,000	3,825,000
Earnings per share			
- basic and diluted (Shs per share)	11(b)	64	69

The accounting policies on pages 54 to 62 and the notes on pages 63 to 80 form an integral part of the annual financial statements.

STATEMENT OF FINANCIAL POSITION

		As at June 30	
		2016	2015
	Note(s)	Shs '000	Shs '000
ASSETS			
Non-current assets			
Property, plant and equipment	12	24,804,380	26,175,161
Prepaid operating lease rentals	13	2,057,817	2,127,965
Intangible assets	14	327,950	334,430
		27,190,147	28,637,556
Current assets			
Inventories	15	13,472,417	10,993,040
Trade and other receivables	16	24,991,379	18,607,951
Cash and cash equivalents	17	5,050,613	10,733,673
		43,514,409	40,334,664
Total assets		70,704,556	68,972,220
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	18	1,503,990	1,503,990
Share premium	18	27,158,864	27,158,864
Revaluation reserve		1,248,469	141,708
Retained earnings		27,790,959	26,670,548
Shareholders' funds		57,702,282	55,475,110
Non-current liabilities			
Deferred tax liability	19	3,253,732	3,454,945
Current liabilities			
Trade and other payables	20	8,012,893	8,741,170
Dividends payable	21	1,394,610	881,465
Current tax payable	23	341,039	419,530
		9,748,542	10,042,165
Total equity and liabilities		70,704,556	68,972,220

The annual financial statements and notes on pages 50 to 81 were approved by the board on 5th October 2016 and were signed on its behalf by:

DIRECTOR

DIRECTOR

The accounting policies on pages 54 to 62 and the notes on pages 63 to 80 form an integral part of the annual financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital Shs '000	Share premium Shs '000	Revaluation reserve Shs '000	Retained earnings Shs '000	Total Shs '000
Year ended June 30, 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
Year ended June 30, 2016					
At start of year	1,503,990	27,158,864	141,708	26,670,548	55,475,110
Profit for the year	-	-	-	4,927,793	4,927,793
Transfer of excess depreciation	-	-	(25,169)	25,169	-
Deferred tax on depreciation transfer	-	-	7,551	(7,551)	-
Revaluation surplus on property plant and equipment	-	-	1,606,256	-	1,606,256
Deferred tax in respect of revalued surplus	-	-	(481,877)	-	(481,877)
Transaction with owners					
Dividends:					
- Final for 2015 (declared)	-	-	-	(3,825,000)	(3,825,000)
At end of year	1,503,990	27,158,864	1,248,469	27,790,959	57,702,282

The accounting policies on pages 54 to 62 and the notes on pages 63 to 80 form an integral part of the annual financial statements.

STATEMENT OF CASH FLOWS

	Note(s)	2016 Shs '000	2015 Shs '000
Cash flows from operating activities			
Cash from operations	24	2,552,104	14,177,923
Interest received	4	82,342	134,541
Tax paid		(3,261,532)	(2,717,357)
Net cash in (out) flow from operating activities		(627,086)	11,595,107
Cash flows used in investing activities			
Cash paid for purchase of property, plant and equipment	12	(1,813,796)	(2,151,761)
Proceeds from disposal of property, plant and equipment		69,677	123,024
Net cash used in investing activities		(1,744,119)	(2,028,737)
Cash flows used in financing activities			
Dividends paid	21	(3,311,855)	(2,842,097)
Net cash used in financing activities		(3,311,855)	(2,842,097)
Increase/(decrease) in cash and cash equivalents		(5,683,060)	6,724,273
Cash and cash equivalents at beginning of year		10,733,673	4,009,400
Increase/(decrease) in cash and cash equivalents		(5,683,060)	6,724,273
Cash and cash equivalents at end of year	17	5,050,613	10,733,673

The accounting policies on pages 54 to 62 and the notes on pages 63 to 80 form an integral part of the annual financial statements.

NOTES AND SIGNIFICANT ACCOUNTING POLICIES

1 NEW STANDARDS AND INTERPRETATIONS

1.1 Standards and interpretations effective and adopted in the current year:

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:

- Annual improvements to IFRS's which are effective for accounting periods beginning on or after July 01, 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

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:

1.2 Standards and interpretations	Effective date: Years beginning on or after	Expected impact
• IFRS 9 Financial Instruments	January 01, 2018	Unlikely there will be a material impact
• IFRS 15 Revenue from Contracts with Customers	January 01, 2017	Unlikely there will be a material impact
• Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	January 01, 2016	Unlikely there will be a material impact
• Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	January 01, 2016	Unlikely there will be a material impact
• Amendment to IAS 19: Employee Benefits: Annual Improvements project	January 01, 2016	Unlikely there will be a material impact
• Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	January 01, 2016	Unlikely there will be a material impact
• Amendment to IAS 34: Interim Financial Reporting. Annual Improvements project	January 01, 2016	Unlikely there will be a material impact

NOTES (CONTINUED)

1.3 **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 Directors' 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 note 28.

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

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.

1.3 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(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 assumptions are based on historical expenses and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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

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

- Impairment of goodwill - the Company tests annually whether goodwill has suffered any impairment, in accordance with accounting policy stated in Note g(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 14.

- 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 it's 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.

- Contingent liabilities - As discussed in Note 27 to these financial statements, the Company is exposed to various contingent 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.

NOTES (CONTINUED)

1.3 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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:

- 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.

NOTES (CONTINUED)

1.3 **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 Company and the cost can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial 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 assets 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:

Nature of assets	% of depreciation
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 changes in equity.

g) **Intangible Assets**

i) Computer software

Computer software licenses 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)

1.3 **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.

NOTES (CONTINUED)

1.3 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

j) **Financial instruments (continued)**

- Financial assets

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.

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 and other comprehensive income.

Current tax

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Uganda Income Tax Act.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

NOTES (CONTINUED)

1.3 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

l) **Trade and other receivables**

Trade receivables are measured at initial recognition at cost, and are subsequently measured at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

m) **Trade and other payables**

Trade payables are initially measured at cost, and are subsequently measured at fair value.

n) **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.

o) **Leases**

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Leasehold land is recognised as an operating lease. Any upfront lease payments are recognised as prepaid lease rentals and recorded under non-current assets and are amortised over the remaining period of the lease on a straight line basis.

p) **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.

q) **Employee entitlements**

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

r) **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.

NOTES (CONTINUED)

1.3 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

s) 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.

t) 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.

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).

u) Share capital

Ordinary shares are classified as equity.

v) Comparatives

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

NOTES (CONTINUED)

	2016 Shs '000	2015 Shs '000
2 Revenue		
Advertising revenue	58,404,404	54,378,000
Circulation sales	21,539,321	23,231,228
Commercial printing revenue	12,074,377	8,663,571
Scrap sales	644,525	567,179
Total revenue	92,662,627	86,839,978
3 Cost of sales		
Cost of raw materials	15,030,789	13,400,813
Direct costs	53,612,438	49,744,020
Total cost of sales	68,643,227	63,144,833
4 Other operating income		
Interest income	82,344	134,541
Other income	1,040,499	158,939
Profit on disposal of property, plant and equipment	41,061	88,670
Net foreign exchange loss	(174,094)	(57,594)
Total operating income	989,810	324,556
5 Distribution costs		
Transportation of Newspapers	1,732,409	1,723,664
Total distribution costs	1,732,409	1,723,664
6 Administrative expenses		
Staff cost		
Salaries and wages	5,348,116	4,833,913
NSSF Company contribution	543,336	523,692
Other staff costs	472,396	436,479
Medical expenses	901,321	870,747
Staff training	466,461	372,062
Total staff cost	7,731,630	7,036,893

SCHEDULE OF OTHER OPERATING INCOME AND EXPENDITURE

	2016	2015
	Shs '000	**Shs '000**
6 Administrative expenses (continue)		
Other administrative expenses		
Repairs and maintenance	1,365,315	1,150,197
Bad debts provision	462,595	548,929
Printing and Stationery	539,136	434,364
Gratuity	934,780	933,869
Other operating expenses	442,100	360,771
Motor vehicle running costs	541,646	601,253
Professional fees	169,313	43,891
Travel and accommodation	110,385	305,506
Entertainment	166,126	142,856
Communication costs	92,901	110,441
Bank charges and commission	110,951	117,003
Shareholders' expenses	79,731	87,304
Audit fees		
- current year	79,078	65,000
Directors’ expenses	416,639	386,272
Grants and donations	86,858	66,969
Total other administrative expenses	5,597,554	5,354,625
Total administrative expenses	13,329,184	12,391,518
7 Other operating expenses		
Establishment:		
Rent and rates	869,800	701,427
General Insurance	154,917	147,628
Electricity and water	295,673	316,185
Security expenses	337,704	353,311
Depreciation and amortisation	861,779	956,934
Total other operating expenses	2,519,873	2,475,485

8 Profit before taxation

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

	2016	2015
Depreciation of property, plant and equipment (Note 12)	4,351,797	4,581,141
Amortisation of Intangible assets (Note 14)	416,902	202,915
Trade receivable - impairment (Note 16)	462,595	548,929
Auditors’ remuneration	79,078	65,000
Rent and rates	1,680,280	1,331,701
Directors' expenses	275,285	245,589
Gain/(loss) on disposal of assets	41,061	88,670
Staff costs (Note 9)	26,735,980	25,410,975

NOTES (CONTINUED)

		2016	2015
		Shs '000	**Shs '000**
9	**Staff costs**		
	Salaries and wages	21,760,953	20,781,124
	National Social Security Fund contributions	2,175,144	2,153,270
	Gratuity expenses	934,780	933,869
	Other staff costs	1,865,103	1,542,712
	Total Staff Cost	26,735,980	25,410,975
10	**Tax**		
	Current tax	3,055,668	3,137,649
	Tax recongnised in current year for prior period	127,373	-
	Deferred tax (Note 19)	(683,090)	(962,785)
	Total tax expenses	2,499,951	2,174,864

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

	2016	2015
Profit before tax	7,427,744	7,429,034
Tax calculated at a tax rate of 30% (2015: 30%)	2,228,323	2,228,710
Tax effect of:		
- expenses not deductible for tax purposes	133,336	45,152
- income not subject to tax	18,470	(93,596)
- Tax on excess depreciation of revalued assets	(7,551)	-
- Tax recongnised in current year for prior period	127,373	(5,402)
	2,499,951	2,174,864
Effective rate of tax	30%	30%

11 **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. 50 per share amounting to Shs. 3,825,000,000 was paid in respect of 2015 financial year. Payments

of dividends is subject to withholding 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. 4,927 million (2015: Shs. 5,254 million) and on the weighted average number of ordinary shares outstanding during the year.

	2016	2015
	Shs '000	**Shs '000**
Profit attributable to ordinary shareholders	4,927,793	5,254,170
Shares in issue during the year	76,500	76,500
Basic earnings per share	64	69

NOTES (CONTINUED)

12 **Property, plant and equipment**

For the year ended June 30, 2016

	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	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	49,497,935
Revaluation	-	-	257,000	442,000	215,086	-	415,037	29,560	-	200,000	47,573	-	1,606,256
Additions	-	10,463	191,527	41,274	68,756	28,738	641,791	182,207	-	275,860	245,736	127,444	1,813,796
Disposals	-	-	(3,295)	(223,572)	(19,345)	-	(23,032)	-	-	-	(47,438)	-	(316,682)
Transfer to intangible assets	-	-	-	-	-	-	(1,285,449)	-	-	-	-	-	(1,285,449)
At end of year	37,000	9,432,745	20,509,891	2,426,574	2,984,911	1,902,022	6,493,952	803,066	203,120	3,619,615	2,682,980	219,980	51,315,856
Depreciation													
At start of year	-	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	23,322,773
Eliminated on disposal	-	-	-	(212,265)	(15,357)	-	(13,007)	-	-	-	(47,438)	-	(288,067)
Transfer to intangible assets	-	-	-	-	-	-	(875,027)	-	-	-	-	-	(875,027)
Charge for the year	-	442,779	2,153,775	197,777	151,075	179,678	432,999	68,524	20,439	369,127	318,087	17,537	4,351,797
At end of year	-	1,751,477	8,673,319	1,721,939	2,329,719	1,012,481	5,775,687	501,153	201,378	3,031,746	1,467,469	45,108	26,511,476
Net book value	37,000	7,681,268	11,836,572	704,635	655,192	889,541	718,265	301,913	1,742	587,869	1,215,511	174,872	24,804,380

NOTES (CONTINUED)

12 **Property, plant and equipment *(Continued)***

Revaluation

	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 cost	37,000	10,369,028	20,314,116	1,984,574	2,769,825	1,902,022	6,078,915	773,506	203,120	3,419,615	2,635,407	219,980	50,707,108
Accumulated depreciation	-	(1,751,477)	(8,673,319)	(1,721,939)	(2,329,719)	(1,012,481)	(5,775,687)	(501,153)	(201,378)	(3,031,746)	(1,467,469)	(45,108)	(26,511,476)
Net book value	**37,000**	**8,617,551**	**11,640,797**	**262,635**	**440,106**	**889,541**	**303,228**	**272,353**	**1,742**	**387,869**	**1,167,938**	**174,872**	**24,195,632**
At revaluation	37,000	9,432,745	20,256,188	262,635	440,106	889,541	303,228	272,353	1,742	387,869	1,167,938	174,872	33,626,217
Revaluation increase	-	-	257,000	442,000	215,086	-	415,037	29,560	-	200,000	47,573	-	1,606,256
Accumulated depreciation	-	(1,751,477)	(8,676,616)	-	-	-	-	-	-	-	-	-	(10,428,093)
Net book value	**37,000**	**7,681,268**	**11,836,572**	**704,635**	**655,192**	**889,541**	**718,265**	**301,913**	**1,742**	**587,869**	**1,215,511**	**174,872**	**24,804,380**

Buildings, plant and machinery were re-valued during the year ended June 30, 2012, by Bageine and Company, independent valuers. Valuations (i.e. level 2 inputs are inputs other than quoted prices included within level 1that are observable for the asset or liability, either directly or indirectly) were made on the basis of the open market value. Level 2 fair values of land and buildings were determined directly by reference to observable prices in the open market. Valuations were made on the basis of open market value. The book values of the revalued assets were adjusted to revaluations and the resultant surplus net of deferred income tax was credited to the revaluation reserve in shareholders' equity. The revaluation reserve is non-distributable and is released to retained earnings through use of the asset.

At the end of June 30, 2016, management of the Company has reassessed the useful life of the fully depreciated assets amounting to Ush 11.8 billion (approx.) and revalued with the amount of Ush 1.6 billion (approx.). Valuations were made on the basis of replacement value of the assets. The book values of the revalued assets were adjusted to revaluations and the resultant surplus net of deferred income tax was credited to the revaluation reserve in shareholders' equity. The revaluation reserve is non-distributable and is released to retained earnings through use of the asset.

NOTES (CONTINUED)

12 **Property, plant and equipment *(Continued)***

For the year ended June 30, 2015

	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	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	49,244,698
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	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	49,497,934
Depreciation													
At start of year	-	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	19,510,448
Eliminated on disposal	-	-	(3,300)	(126,793)	(15,716)	-	(90,978)	(400.00)	-	-	(50,552)	-	(287,739)
Eliminated on impairment	-	-	-	-	-	-	-	-	-	-	-	(481,077)	(481,077)
Charge for the year	-	442,174	2,167,875	281,007	163,606	174,384	491,524	71,202	21,869	288,364	345,146	133,990	4,581,141
At end of year	-	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	23,322,773
Net book value	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	26,175,161

Buildings, plant and machinery were re-valued during the year ended June 30, 2012, by Bageine and Company, independent valuers. Valuations (i.e. level 2 inputs are inputs other than quoted prices included within level 1that are observable for the asset or liability, either directly or indirectly) were made on the basis of the open market value. Level 2 fair values of land and buildings were determined directly by reference to observable prices in the open market. Valuations were made on the basis of open market value. The book values of the revalued assets were adjusted to revaluations and the resultant surplus net of deferred income tax was credited to the revaluation reserve in shareholders' equity. The revaluation reserve is non-distributable and is released to retained earnings through use of the asset.

NOTES (CONTINUED)

13 Prepaid operating lease rentals

	2016 Shs '000	2015 Shs'000
Cost		
Opening balances	2,763,488	2,763,488
Additions	-	-
	2,763,488	**2,763,488**
Accumulated amortisation		
Opening balance	(635,523)	(565,375)
Amortisation	(70,148)	(70,148)
	(705,671)	**(635,523)**
Carrying value		
Opening balance	2,763,488	2,763,488
Additions	-	-
Amortisations	(705,671)	(635,523)
Net book value	**2,057,817**	**2,127,965**

Details of prepaid operating leased properties:

(i) LRV 2418 Folio15, Mbarara	196,000	196,000
(ii) Plot 19, Industrial Area, Kampala	141,788	141,788
(iii) Plot 2, Industrial Area, Kampala	223,029	223,029
(iv) Plot 2, Picfare, Kampala	1,682,804	1,682,804
(v) Plot 4, Industrial Ares, Kampala	519,867	519,867
Total prepaid operating leased properties	**2,763,488**	**2,763,488**

14 Intangible assets

a) Computer software and websites

Cost		
At start of year	1,025,786	1,012,031
Additions	-	13,755
Transfer from PPE	1,285,449	-
At end of year	2,311,235	1,025,786
Amortisation		
At start of year	(826,062)	(623,147)
Charge for the year	(416,902)	(202,915)
Transfer from PPE	(875,027)	-
At end of year	(2,117,991)	(826,062)
Net book value		
At end of year	193,244	199,724

b) Goodwill

At start of year	134,706	134,706
Impairment	-	-
At end of year	134,706	134,706
Total intangible assets	327,950	334,430

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 2016 (2015: Nil).

NOTES (CONTINUED)

		2016 Shs '000	2015 Shs '000
15	**Inventories**		
	News print	10,508,699	7,901,645
	Consumables	1,275,037	1,250,193
	Work in progress	453,820	250,519
	Printing ink	511,744	852,318
	Films and plates	1,243,451	1,204,970
	Provision for obsolescence	(520,334)	(466,605)
	Total inventories	13,472,417	10,993,040
16	**Trade and other receivables**		
	Trade receivables	14,901,841	13,252,707
	Less: impairment provision	(1,554,698)	(1,368,430)
	Net trade receivables	13,347,143	11,884,277
	Prepayments	7,603,720	879,594
	Staff advances	886,329	751,357
	Advances paid to suppliers	831,710	2,128,244
	Other receivables	274,720	338,861
	Receivables from related parties (Note 25(b))	2,047,757	2,625,618
	Total trade and other receivables	24,991,379	18,607,951
	Movement in impairment provision		
	At start of year	1,368,430	1,067,837
	Additions	462,595	548,929
	Write offs	(276,327)	(248,337)
		1,554,698	1,368,430
17	**Cash and cash equivalents**		
	Cash on hand	277,583	403,605
	Cash at bank	4,323,030	7,880,068
	Short term bank deposits	450,000	2,450,000
	Total cash & cash equivalents	5,050,613	10,733,673

17 Cash and cash equivalents (continued)

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:

	2016 Shs '000	2015 Shs '000
Uganda Shilling	4,058,298	8,676,713
Kenya Shillings	122,407	535,309
Euro	129,480	118,793
US Dollar	740,428	1,402,858
	5,050,613	10,733,673

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 14% (2015: 12%).

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

18 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
Reconciliation of number of shares issued:		
Reported as at July, 1	76,500	76,500
Issue of shares - ordinary shares	-	-
Balance as on June 30	76,500	76,500
Issued		
Ordinary shares	1,503,990	1,503,990

19 **Deferred tax**

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2015: 30%). The movement on the deferred tax account is as follows:

	2016 Shs '000	2015 Shs '000
At start of year	3,454,945	4,417,730
Credit to statement of profit or loss	(683,090)	(962,785)
Tax effect of revaluation of assets	481,877	-
At end of year	3,253,732	3,454,945

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

June 30, 2016	At start of year Shs '000	Credit to statement of profit or loss Shs '000	Charged to other Comprehensive Income Shs '000	At end of year Shs '000
Deferred tax liabilities				
Property, plant and equipment				
- accelerated tax depreciation	4,210,029	(522,395)	-	3,687,634
- revaluation	56,447	(7,551)	481,877	530,773
Unrealised exchange gain	128,457	154,814	-	283,271
	4,394,933	(375,132)	481,877	4,501,678
Deferred tax (assets)				
Unrealised exchange loss	(26,853)	(243,611)	-	(270,464)
Provisions	(913,135)	(64,347)	-	(977,482)
	(939,988)	(307,958)	-	(1,247,946)
Net deferred tax liability	3,454,945	(683,090)	481,877	3,253,732

June 30, 2015	At start of year Shs '000	Credit to statement of profit or loss Shs '000	Charged to other Comprehensive Income 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)

20		2016	2015
	Trade and other payables	**Shs '000**	**Shs '000**
	Trade payables	805,566	1,350,973
	Accruals	781,971	740,076
	Advances received from customers	2,360,569	2,964,089
	VAT	816,728	834,389
	Other payables	3,248,059	2,851,643
	Total trade and other payables	8,012,893	8,741,170

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

	2016	2015
Uganda Shillings	7,495,626	6,935,578
US Dollar	517,267	1,778,088
Euro	-	27,504
	8,012,893	8,741,170

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 June 30, 2016	**0 to 3 months Shs '000**	**4 to 12 months Shs '000**	**Total Shs '000**
Trade payables	572,980	232,586	805,566
Advance received from customers	2,360,569	-	2,360,569
Accruals	781,971	-	781,971
VAT	816,728	-	816,728
Other payables	2,064,815	1,183,244	3,248,059
	6,597,063	1,415,830	8,012,893

As at June 30, 2015	**0 to 3 months Shs '000**	**4 to 12 months Shs '000**	**Total Shs '000**
Trade payables	1,284,802	66,171	1,350,973
Advance received from customers	2,964,089	-	2,964,089
Accruals	740,076	-	740,076
VAT	834,389	-	834,389
Other payables	1,963,353	888,291	2,851,644
	7,786,709	954,462	8,741,171

21 Dividends payable

	2016	2015
At start of year	881,465	1,046,062
Dividends declared in the year	3,825,000	2,677,500
Dividends paid in the year	(3,311,855)	(2,842,097)
At end of year	1,394,610	881,465

NOTES (CONTINUED)

22 **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.

The movement in the gratuity provision is as follows:

	2016 Shs '000	2015 Shs '000
Opening balance	889,617	980,998
Current year charge	934,780	933,869
Paid during the year	(890,154)	(1,025,250)
Closing balance	934,243	889,617

During the year, the Company incurred as gratuity for managers employed on contract terms. The amount has been charged to the statement of profit or loss and other comprehensive income.

23 **Current tax payable**

At the beginning of the year	419,530	(764)
Charge for the year	3,183,041	3,137,651
Paid during the year	(3,261,532)	(2,717,358)
At the end of the year	341,039	419,530

24 **Cash from operating activities**

Profit before tax	7,427,744	7,429,034
Adjustments for:		
Depreciation of property, plant and equipment (Note 12)	4,351,797	4,581,141
Amortisation of prepaid operating leasehold land (Note 13)	70,148	70,148
Impairment loss of television transmission	-	1,095,358
Amortisation of intangible assets (Note 14)	416,902	202,915
(Gain)/loss on disposal of property, plant and equipment	(41,061)	(88,670)
Interest received	(82,344)	(134,541)
Working capital changes:		
(Increase)/Decrease in inventories	(2,479,377)	2,615,362
(Increase) in trade and other receivables	(6,383,428)	(1,724,519)
(Decrease)/Increase in trade and other payables	(728,277)	131,695
Cash from operations	2,552,104	14,177,923

25 **Related party transactions**

The following transactions were carried out with related parties:

(a) **Transactions with related parties**

Sales of goods and services	**2016 Shs '000**	**2015 Shs '000**
Advertisements in Newspapers/Magazines/Radio and Television		
Government of Uganda	10,649,934	7,868,144
National Insurance Corporation Limited	60,995	81,019
National Social Security Fund	514,025	433,327
Bageine & Company Limited	-	7,585
Total transactions with related parties	11,224,954	8,390,075

(b) **Due from related parties**

Government of Uganda	1,723,300	2,277,627
National Social Security Fund	270,797	317,025
National Insurance Corporation Limited	53,660	25,803
Bageine and Company Limited	-	5,163
Total due from related parties	2,047,757	2,625,618

(c) **Key management personnel compensation**

Salaries and other short term benefits	2,604,487	2,508,801
Long term benefits (gratuity)	934,780	933,869
	3,539,267	3,442,670

(d) **Directors' remuneration**

- Executive Directors	464,808	448,008
- Non Executive Directors	275,285	245,589
	740,093	693,597

26 **Capital commitments**

Authorised and contracted for	4,864,188	-
Authorised but not contracted for	5,000,000	-
	9,864,188	-

NOTES (CONTINUED)

27 **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 1,547 million (2015: Shs 2,060 million). However, based on legal advice, the Directors have evaluated the pending cases and determined that no material financial liability is likely to crystallise.

Based on legal advice, the Company has considered Ush 905 million relating to the 2% gross annual levy as per the Uganda Communications Act 2013 for the financial years ended June 2013, 2014 and 2015. The Directors have evaluated the liability in consideration of the legal opinion and determined that no material financial liability is likely to crystallise.

28 **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 June 30, 2016	**Total Shs '000**	**Fully performing Shs '000**	**Past due not impaired Shs '000**	**Impaired Shs '000**
Financial assets				
Bank balances	4,323,030	4,323,030	-	-
Short term fixed deposits	450,000	450,000	-	-
Trade and other receivables (net of prepayments)	15,339,902	12,793,158	4,101,442	(1,554,698)
Due from related parties	2,047,757	2,047,757	-	-
Total	22,160,689	19,613,945	4,101,442	(1,554,698)

NOTES (CONTINUED)

28 **Financial risk management (continued)**

(a) Credit risk (continued)

As at June 30, 2015	**Total Shs '000**	**Fully performing Shs '000**	**Past due not impaired Shs '000**	**Impaired 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	-	-
	28,462,032	26,435,084	3,395,378	(1,368,430)

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 20 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 June 30, 2016	**Total Shs '000**	**Less than 1 year Shs '000**	**Between 2 and 5 years Shs '000**
Financial assets			
Cash & bank balances	5,050,613	5,050,613	-
Trade and other receivables	22,943,622	24,498,320	(1,554,698)
Due from related parties	2,047,757	2,047,757	-
	30,041,992	31,596,690	(1,554,698)
Financial liabilities			
Trade and other payables	8,012,893	8,012,893	-
Net liquidity position	22,029,099	23,583,797	(1,554,698)

NOTES (CONTINUED)

28 **Financial risk management (continued)**

(b) Liquidity risk management (continued)

As at June 30, 2015	**Total**	**Less than 1 year**	**Between 2 and 5 years**
	Shs '000	**Shs '000**	**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)

(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) Interest rate risk

The Company has no interest bearing assets and as a result its cash flows are substantially independent of changes in market interest rates.

ii) Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures primarily within respect to the US Dollar, Euro and the Kenya Shilling. 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.

	2016	**2015**
	Shs '000	**Shs '000**
Effect on profit - increase	47,001	110,675

Year ended June 30, 2016	**US $**	**Euro**	**Kshs**	**Total**
	Shs '000	**Shs '000**	**Shs '000**	**Shs '000**
Trade and other receivables	196,392	-	-	196,392
Trade and other payables	(517,267)	-	-	(517,267)
Cash and cash equivalents	740,428	129,480	122,407	992,315
Net exposure	419,553	129,480	122,407	671,440

	US $	**Euro**	**Kshs**	**Total**
Year ended June 30, 2015	**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

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

NOTES (CONTINUED)

28 **Financial risk management (continued)**

(d) 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 June 30, 2016 and 2015 were as follows:

	2016 Shs '000	2015 Shs '000
Total borrowings	-	-
Less: Bank and cash balances	(5,050,613)	(10,733,673)
Net debt	(5,050,613)	(10,733,673)
Total capital	52,651,669	44,741,438
Gearing	N/A	N/A

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

28 SEGMENT REPORTING

	PRINT MEDIA		ELECTRONIC MEDIA		COMMERCIAL PRINTING		OTHERS		TOTAL	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
External sales	55,521,617	54,898,705	21,524,861	24,808,367	8,663,571	12,074,377	1,129,928	881,178	86,839,977	92,662,627
Other operating income	-	-	-	-	-	-	324,556	989,810	324,556	989,810
Total Sales	55,521,617	54,898,705	21,524,861	24,808,367	8,663,571	12,074,377	1,454,484	1,870,988	87,164,533	93,652,437
Segment profit before taxation	10,446,443	7,642,842	(1,942,758)	(1,442,585)	(2,044,700)	(1,304,473)	970,047	2,531,962	7,429,032	7,427,745
Income tax expense	(1,385,334)	(1,465,462)	(537,072)	(662,233)	(216,167)	(322,312)	(36,291)	(49,944)	(2,174,864)	(2,499,951)
Profit after taxation	9,061,109	6,177,380	(2,479,830)	(2,104,818)	(2,260,867)	(1,626,786)	933,756	2,482,018	5,254,168	4,927,793
OTHER INFORMATION										
Segment assets	43,933,570	41,446,740	17,032,357	18,729,512	6,855,377	9,115,763	1,150,915	1,380,445	68,972,219	70,672,460
Segment liabilities	6,396,607	5,717,152	2,479,864	2,583,544	998,124	1,257,426	167,570	190,418	10,042,165	9,748,541
Capital expenditure	262,411	561,863	880,924	1,050,174	187,454	5,105	820,972	196,652	2,151,761	1,813,794
Depreciation & amortisation expense	2,776,677	2,915,700	1,001,529	991,519	277,929	260,971	798,070	670,655	4,854,205	4,838,845

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

- Income tax expense is allocated to reportable segments based on their share of profit before tax.

DIRECT COSTS

		2016 Shs '000	2015 Shs '000
1.1	**Cost of raw materials**		
	Material cost	15,030,789	13,400,813
1.2	**Direct costs**		
	Production salaries	16,412,837	15,947,211
	NSSF Company contribution	1,631,808	1,629,578
	Advertising commission	7,940,171	7,355,035
	Depreciation on property, plant and equipment	3,977,068	3,897,270
	Promotional expenses	2,086,867	1,623,998
	Contributors' payments	2,736,271	2,540,896
	Other staff costs	1,392,707	1,106,233
	Utilities	1,303,579	1,139,241
	Other production costs	4,369,947	3,690,696
	Repairs and maintenance	2,412,602	1,707,313
	Communication costs	371,606	441,764
	Impairment of TV analogue transmission equipment	-	1,095,358
	TV content	3,725,543	3,374,065
	Rent and rates	810,480	630,274
	News services & licenses	1,176,691	609,684
	Motor vehicle running costs	812,468	901,879
	Professional fees	497,282	95,627
	Insurance	418,083	467,376
	Editorial content	428,583	374,609
	Provision for stock	123,020	448,573
	Meetings	28,991	28,866
	Events	955,834	638,474
		53,612,438	49,744,020

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

PROXY CARD

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 15th Annual General Meeting of the Company to be held on the 17th day of November, 2016 at 3:00pm and at any adjournment thereof.

Signature; .... Dated this .... day of ...., 2016

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

	Resolution	For	Against	Vote Withheld	At Discretion
1.	To receive, consider and if approved adopt the annual financial statements for the year ended 30th June 2016, together with the report of the Auditors.				
2.	To approve and declare a final dividend of Ushs 50/- for the year ended 30th June 2016.				
3.	To appoint Directors in accordance with Articles 67 and 69 of the Company's Articles of Association; **a.** Mr. Patrick Ayota be appointed a director.				
	b. Ms. Robinah Kaitiritimba Kitungi be appointed a director.				
4. a.	To rotate and re-appoint Directors in accordance with Articles 83-87 of the Company's Articles of Association; Prof. Monica Chibita				
b.	Ms. Grace Dwonga				
c.	Mr. Oode Obella				
d.	Hon. Steven Bamwanga				
5.	To confirm appointment of External Auditors for the financial year 2016/2017 and authorise the Directors to negotiate and fix their remuneration in accordance with Sections 167-169 of the Companies Act 2012.				
6.	To approve the fees payable to the Non-Executive Directors for the financial year 2016/2017.				

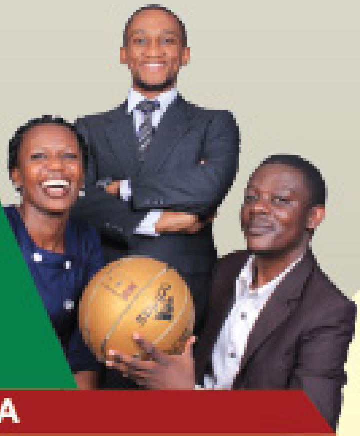
Notes:

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 some officer or attorney duly authorised in that behalf.

Notes

Notes

tvwest.nehinda @tvwestUG www.tvwest.co.ug



Yetebekanisize gye eizooba ryawe orikuhikibwaho amakuru, ebyashohora omu mpapura z'amakuru, obuhabuzi omu by'obushuubuzi, eby'amagara n'emizaano.

SISIMUKA

Orwokubanza - Orwakataano - 9:30AM

Otafeerwa kusheka n'abazaani baawe ba TWAGI abarikukizayo kushemeza abantu omuri burengyerwa-izoo ba bwa Uganda.

TWAGI

Orwokubanza - Orwakashatu - 7:30PM

Otafeerwa kuhurira kandi okareeba abantu n'ebi barabirmu kuhika ahi bari hati, harimu okukora n'amaani, okugumisiriza hamwe n'okubikira nyentsya barikukuha obuhabuzi kandi barikukutamu omuhimbo.

REEBA AHINDUGIRE

Orwamukaaga - 9:30PM

Ebyeshongoro ebirungi kandi bisya ebi abantu bakizire kukunda aha Tv West.

CIZZ 32

Orwokubanza - Orwamukaaga - 6:00PM

Tunga okumanyisibwa kwa burizooba aha birikufa omu kyanga kyawe hamwe n'ensi yoona omu muringo gw'omutaaano.

AGACENCWIRE

Buriizooba - 8:00PM

Obuhabuzi hamwe n'okwegyesa ebirikukwata aha buhingi n'oburiisa kuruga aha bahangu hamwe n'abahingi n'abariisa.

OBUHINGI N'OBURIISA

Orwakabiri - 9:30PM

TV WEST
NEHINDA

OKWEZI OKU AHA TV WEST

Otafeerwa puroguraamu ezi hamwe n'ezindi nungi aha TV West

REEBERA TV WEST AHA KYANO EZI: [AHAIFO]

DStv	StarTimes	azamtv	GOtv	zuku TV
Channel 289	Channel 117	Channel 148	Channel 96	Channel 31

Okuranga n'okushashurira puroguraamu tuhikirire aha simu 0414 337000 Plot 4, Stanley Road, Mbarara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of delivering results

VISION GROUP®
NATIONAL PRIDE • GLOBAL EXCELLENCE

New Vision Printing & Publishing Company Limited

Plot 19/21 First Street Industrial Area. P. O. Box 9815 Kampala - UGANDA
General Line: 0414-337 000, **Fax**: 0414-235 843, **Advertising Tel**: 0414-337 000

Incorporating: The New Vision, Saturday Vision, Sunday Vision, Kampala Sun, Bukedde, Bukedde ku Sande, Orumuri, Rupiny, Etop, www.newvision.co.ug
Radios: Xfm, Bukedde FaMa, Radio West, Etop Radio, Radio Rupiny, Arua One
TV: Urban TV, Bukedde TV, TV West, Magazines: Bride & Groom, Flair, Vision Printing