2016-17 ANNUAL REPORT

FACING THE CHALLENGES AHEAD

Vision Group®

NATIONAL PRIDE • GLOBAL EXCELLENCE

ABOUT US

New Vision Printing & Publishing Company Limited started business in March 1986. It is a multimedia business housing newspapers, magazines, internet publishing, televisions, radios, commercial printing, advertising and distribution services. The company is listed on the Uganda Stock Exchange.

Our 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**

INTRODUCTION

This is the New Vision Printing & Publishing Company Limited trading as Vision Group Annual Report for the period 1st July 2016 to 30th June 2017. This report includes financial and non-financial information. The report sets out our strategy, financial, operational, governance, social and environmental performance of the company. It also contains the risks and opportunities affecting the company.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **16th 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, November 23, 2017** 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 2017, together with the report of the Auditors.
2. To appoint directors.

   In accordance with Articles 67 and 69 of the company's Articles of Association,

   Mr. Jim Mugunga be appointed a director.
3. To rotate and re-appoint directors.

   In accordance with Articles 83-87 of the company's Articles of Association, Mr. Charles Tukacungurwa retiring by rotation as a director of the company and being eligible, offers himself for re-election.
4. To approve the fees payable to the non-executive directors for the period until the next Annual General Meeting.
5. To confirm the appointment of external auditors for the financial year 2017/2018 and authorize the Directors to negotiate and fix their remuneration in accordance with Sections 167-169 of the Companies Act 2012.
6. To conduct any other business that may be required at the AGM for which notice will have been duly received.

Dated this **23rd** day of **October, 2017**

By Order of the Board

Rita Kabatunzi
Company SECRETARY

Note:

- Articles 60, 61, 62 and 63 of the Company Articles of Association provide for appointment of a proxy if a shareholder is unable to attend. (The "Tear out proxy card" is included in the Annual Report).
- The Tear out proxy card should be delivered to the Company Secretary at the Company Head Office at Plot 19/21, First 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 can obtain a detailed version of the audited financial statements from the Company's registered office at Plot 19/21 First Street Industrial Area Kampala or access it on the website http://visiongroup.co.ug/shareholders/
- 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 required to open Securities Central Depository accounts. Please contact any registered Securities Central Depository Agent for assistance. The Uganda Securities Exchange has directed all shareholders of listed companies to immobilise their shares.
- All shareholders are advised to provide their email addresses and mobile phone numbers to the Company Share Registrars (Deloitte Uganda Limited) for ease of communication.

CONTENT

The acquisition of Pike House is a good addition to the assets of the Company

Vision Group®

NATIONAL PRIDE•GLOBAL EXCELLENCE

COMPANY PROFILE

2016/17

Newspapers

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

New Vision®
UGANDA'S LEADING DAILY


OVER 10 PAGES OF JOBS INSIDE
OFFERS IN UCU, NARO, USAID, UGANDA CLAYS, ETC...
New Vision
UGANDA'S LEADING DAILY
300 million tonnes so far confirmed p4
RARE MINERALS DISCOVERED IN UGANDA
2,700 GRADUATE AT NDEJJE UNIVERSITY

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®
SEVEN DAYS, ONE PAPER


THE BAMUGEMEREIRES' 25-YEAR ROMANCE
Police investigate their source of funds
BOU FREEZES NGO ACCOUNTS
NRM rebel MPs to face disciplinary committee
H&C
CROSSFIRE: WINNIE KIIZA VS BARYOMUNSI

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
BIG ON SUNDAYS! MISS IT, MISS OUT


PENSION FRAUD: EXPERTS VERIFY 4,000 DOCUMENTS
MENGO: KIBUULE'S LAND TITLES FAKE
I SUPPORT AGE BILL, SAYS MUSEVENI
NRM UNVEILS GRAND PLAN ON AGE LIMIT
EXPOSED! HOW POLICE OFFICERS HIRE OUT GUNS TO THUGS

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.

THE KAMPALA SUN®
you can't read it alone


CELEB DEATH MATCH: Allan Sewanyana in power struggle against Ronald Kibuule
THE KAMPALA SUN
Allan Ssekamatte beaten for encroaching on maid - Police
SSEKIKUBO STOLE MY WIFE-VILLAGER
He woed her by drilling her a well - husband
GOSSIP Judith Heard stuck in the US, resorts to hustling
Rugby players to face 10 years in jail - porn committee

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.

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.

AKADIRISA is a weekly Luganda sports betting paper that comes out every Thursday and is widely circulated across the country with core circulation in the central region. It provides the full betting package ranging from sports news, predictions, league tables and football fixtures to analytical reviews of the major league games. It is the number one sports paper in Uganda.

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.

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.

Digital

Website Publishing

www.newvision.co.ug - Our flagship website. It is a leading website in Uganda with approximately over 3.8 million page views and 720,000 users monthly.

www.bukedde.co.ug - Uganda's leading Luganda website keeping you informed with the current news. The website has approximately 1.3 million page views majorly from Uganda, United Kingdom, United States and United Arab Emirates.

www.kampalasun.co.ug - The new website reflects all aspects of life, politics, corporate, sports, gossip and social events. It has approximately 14,000 users with 73% of them accessing the website via mobile.

epaper.visiongroup.co.ug - You can now buy an electronic version of all our newspapers and magazines via our online platform. It's an easy and convenient way for readers to access their favourite publication wherever they are.

archives.visiongroup.co.ug - The website is a resourceful search engine with over 1 million pages of history from all our publications.

www.urbantv.co.ug - The website regularly posts videos from all your favourite television shows and is popular with the audience that is between 18 and 54 years of which 51% are male.

www.bukeddetv.co.ug - The fast-growing website is a reflection of the television's features with all your popular shows being shared daily.

www.tvwest.co.ug - The website in its unique nature keeps you updated with video footage of the news, politics and entertainment in western Uganda.

www.radiowest.co.ug - The very popular radio in western Uganda shares its news and programing schedule with its audiences via their website.

www.xfm.co.ug - You can tune into the station live via their website. Their audience interests are Sports, News, Education, Employment and Arts & Entertainment.

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. It broadcasts in Luo 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 TV 2 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 is 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 one 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, organising 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 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 customised communication packages.

Advertising services included:-

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

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 Vision Group

HEAD OFFICE
+256 (0)414 337 000
+256 (0)312 337 000

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

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

PRINTING
print@newvision.co.ug
+256 (0)414 337 000
+256 (0)312 337 000
P.O.Box 9815, Kampala

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

Offices

Kampala
Our head office is located on Plot 19/21,
First Street Industrial Area.

Sales and Marketing are situated at **Pike House**,
Plot 17 First Street, Industrial Area.

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

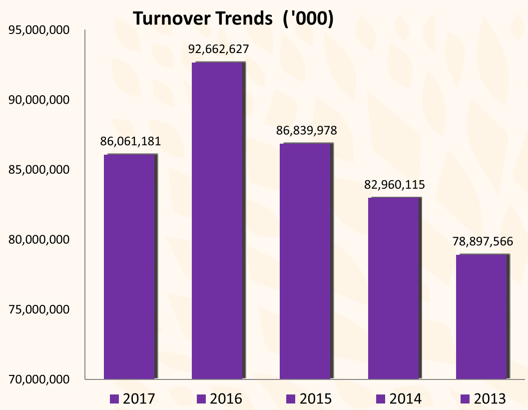
Nairobi
10th floor, South Wing Bruce House, Standard Street
P.O.Box 13450-00100
Tel: +254 20 22 135 67

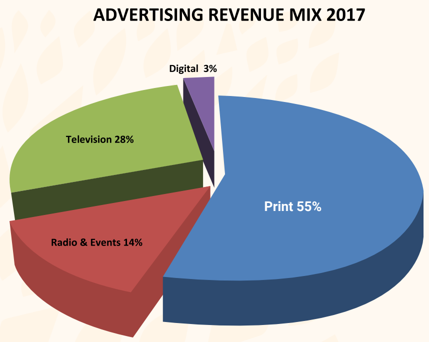
FINANCIAL PERFORMANCE STATISTICS 2013-2017

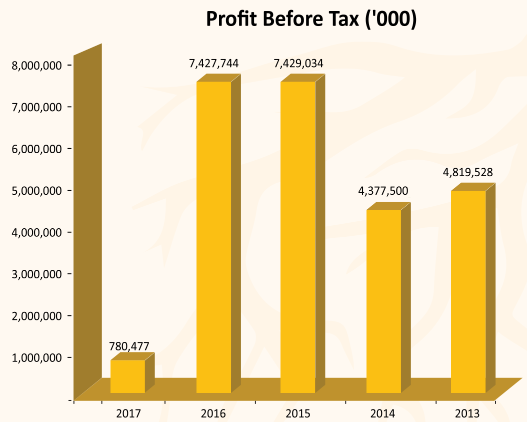
	2017 Ugx' 000	2016 Ugx' 000	2015 Ugx' 000	2014 Ugx' 000	2013 Ugx' 000
STATEMENT OF COMPREHENSIVE INCOME					
Turnover	86,061,181	92,662,627	86,839,978	82,960,115	78,897,566
Profit before tax	780,477	7,427,744	7,429,034	4,377,500	4,819,528
Profit after tax	14,685	4,927,793	5,254,170	3,098,785	3,551,526
NP Margin	0.02%	5.3%	6.1%	3.7%	4.5%
Property ,Plant & Equipment	49,345,165	24,804,380	26,175,161	31,932,364	33,898,649
Total Assets	85,845,267	70,704,556	68,972,220	66,971,707	66,382,476
Shareholders funds	67,766,075	57,702,282	55,475,110	52,898,440	52,477,155
FINANCIAL PERFORMANCE					
Gross profit Margin	25.0%	25.9%	27.3%	24.6%	27.5%
Net Profit margin before tax	0.9%	8.02%	8.6%	5.3%	6.1%
Net profit margin (After Tax)	0.02%	5.32%	6.1%	3.7%	4.5%
Return on Capital employed	1.2%	12.9%	13.4%	8.3%	9.2%
Return on Total Assets	0.02%	6.97%	7.6%	4.6%	5.4%
Return on Non Current Assets (PPE)	0.03%	19.9%	20.1%	9.7%	10.5%
SHARE STATISTICS					
Earnings per share-basic & diluted	0.2	64	69	41	46
SALES BREAKDOWN 2017					
	2017 Ugx' 000	**2016 Ugx' 000**	**2015 Ugx' 000**	**2014 Ugx' 000**	**2013 Ugx' 000**
Circulation	19,683,064	21,539,321	23,231,228	21,774,060	20,316,232
Advertising	56,242,304	58,404,404	54,378,000	50,462,625	47,533,199
Commercial printg	9,369,157	12,074,377	8,663,571	10,133,207	10,505,402
Other sales	766,656	644,524	567,179	590,223	542,734
Total Turnover	86,061,181	92,662,627	86,839,978	82,960,115	78,897,567
ADVERTISING REVENUE BREAKDOWN					
	2017	**2016**	**2015**	**2014**	**2013**
Advertising Revenue Mix 2017					
Print	55.0%	57.8%	59.9%	65.0%	72.8%
Radio & Events	14.3%	13.0%	12.5%	12.8%	11.8%
Television	27.7%	26.3%	24.4%	18.2%	13.3%
Digital	3.0%	2.9%	3.2%	4%	2.1%
	100.0%	100.0%	100.0%	100.0%	100.0%
REVENUE STREAM MIX					
	2017	**% of total revenue**	**2016**	**% of total revenue**	**2015**
Circulation	19,683,064,338	22.9%	21,539,321,380	23.2%	23,231,227,679
Print Advertising	30,110,839,527	35.0%	32,670,689,409	35.3%	31,723,210,370
Radio	8,301,369,777	9.6%	7,935,599,562	8.6%	7,048,574,289
Television	16,101,225,813	18.7%	16,014,444,709	17.3%	13,808,228,443
Digital	1,728,866,540	2.0%	1,783,669,227	1.9%	1,797,986,633
Commercial printing	9,369,156,864	10.9%	12,074,377,468	13.0%	8,663,571,021
Other sales	766,656,268	0.9%	644,525,244	0.7%	567,179,067
	86,061,181,145	100.0%	92,662,627,000	100.0%	86,839,977,502

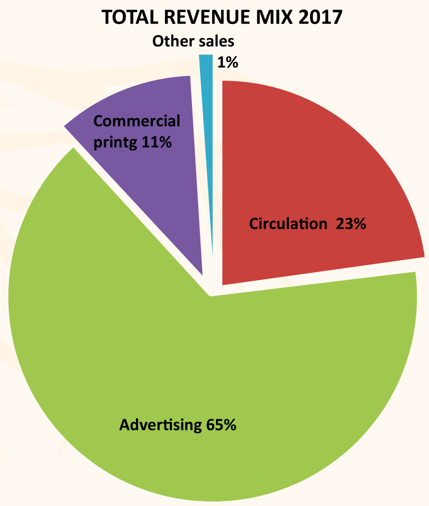
SEGMENTAL REPORTING 2017

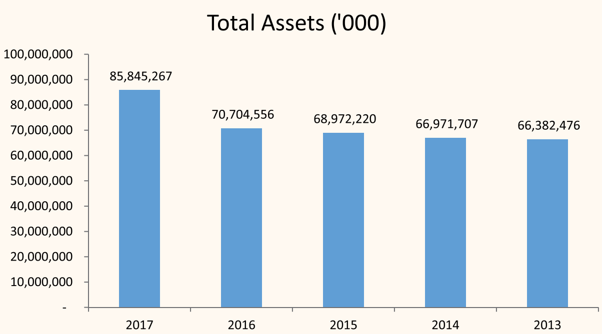
	NEWSPAPER	RADIO	TELEVISION	COMMERCIAL PRINTING	DIGITAL	MAGAZINES	OTHER SALES	TOTAL
Total turnover	49,802,208,305	7,014,093,761	16,101,225,813	9,369,156,864	1,728,866,540	758,353,847	1,287,275,716	86,061,180,847
Cost of Sales	35,010,653,880	5,570,554,336	12,978,072,972	9,065,846,703	1,289,433,639	673,296,308	(82,851,838)	64,505,006,000
Gross Profit	14,791,554,425	1,443,539,425	3,123,152,841	303,310,161	439,432,901	85,057,538	1,370,127,554	21,556,174,846
Gross Profit margin	29.70%	20.58%	19.40%	3.24%	25.42%	11.22%	106.44%	25.05%
less								
Operational costs	11,851,191,291	1,857,016,848	3,960,907,355	2,293,021,776	396,095,233	43,660,972	373,804,534	20,775,698,008
Net profit before tax	2,940,363,135	(413,477,423)	(837,754,513)	(1,989,711,614)	43,337,669	41,396,566	996,323,020	780,476,838
Net profit Margin	5.90%	-5.89%	-5.20%	-21.24%	2.51%	5.46%	77.40%	0.91%

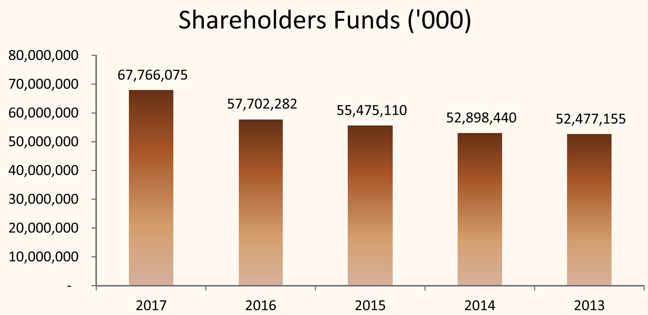












BOARD OF DIRECTORS

David Ssebabi
Board Chairman

Robert Kabushenga
Managing Director/ Chief Executive Officer

Oode Obella
Non-Executive Director

Gad Gasaatura
Non-Executive Director

Monica Chibita
Non-Executive Director

Patrick Ayota
Non-Executive Director

Robinah Kaitiritimba Kitungi
Non-Executive Director

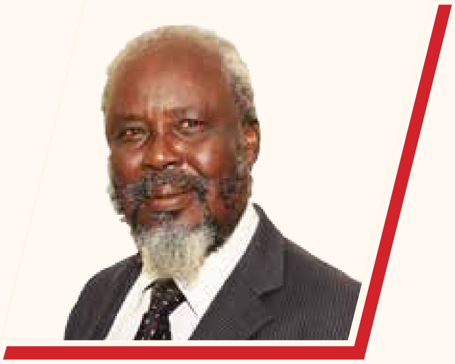
Steven Bamwanga
Non-Executive Director

Grace Dwonga Oredipe
Non-Executive Director

Charles Tukacungurwa
Non Executive Director

Jim Mugunga
Non-Executive Director

AUDIT AND RISK COMMITTEE



Oode Obella
Non-Executive Director/ Committee Chair

Joseph Baliddawa
Member

Susan Lubega
Member

Parity Twinomujuni
Member

Grace Dwonga Oredipe
Non-Executive Director / Member

Steven Bamwanga
Non-Executive Director / Member

Rita Kabatunzi
Company Secretary

BOARD COMMITTEE CHAIRPERSONS	
Mr. Oode Obella	Audit & Risk Committee
Capt. Gad Gasaatura	Human Resource & Remunerations Committee
Dr. Monica Chibita	Editorial Committee
Mr. David Ssebabi	Nominations & Governance Committee
Mr. Patrick Ayota	Finance & Investment Committee

EXECUTIVE MANAGEMENT

Robert Kabushenga
Managing Director/Chief Executive Officer

Gervase Ndyanabo
Deputy Managing Director / Chief Finance Officer

Rita Kabatunzi
Company Secretary

Barbara Kaija
Editor in Chief

David Semugga
Head of Technical Operations

Gloria Agira
Chief Human Resource Officer

Bill Tibingana
Head of Radio

Susan Nsibirwa
Head of Marketing & Communications

Mark Walungama
Head of Television

Carol Kyomuhendo Lutalo
Chief Internal Auditor

Samuel Kyagulanyi
Head of Printing

Hope Nuwagaba
Head of Sales

CHAIRMAN'S STATEMENT

Dear valued Shareholders

On behalf of the Board of Directors, allow me to present to you the company's Annual Report and Financial Statements for the year ended 30th June, 2017.

2016/17 was a very difficult year for the company. We faced challenges arising from the vagaries of a rather depressed economy which resulted in performance below our expectations as reflected in the Audited Financial Statements. Having forecasted a difficult year at the end of December 2016, the board realigned strategic focus towards ensuring survival and resilience during the hard times.

Economic growth was slowed with a dip in consumer demand. Our products, particularly the newspapers, are highly dependent on disposable income and is easily substituted by alternative media. Our efforts to diversify beyond print and electronic digital media continued, however the high cost of bandwidth which affects internet access, remains a challenge to our digitisation strategy. The increased dollar rate affected our business owing to our dollar-denominated transactions.

In line with our commitment to good corporate governance, on the advice of our External Auditors, we made provisions for our trade receivables worth UGX 4.4b resulting in a profit after tax of UGX 14.7m.

The market realities are such that overall in the economy business is slow and credit collections remain difficult as the industry as a whole has taken a hit with reduced media spending by the Government and advertising agencies which is the bulk of our business.

Despite the aforementioned challenges, I am confident that the fundamentals of the business are sound, prospects remain healthy and the company is positioned to take advantage of the opportunities in the market.

GOVERNANCE

At Vision Group we strive to espouse the principles of transparency, accountability, ethics and fairness to build shareholder wealth. However, we are cognisant that our stakeholders are a key component of our success particularly employees, suppliers, creditors and the community. While profitability remains the core objective to ensure maximisation of shareholder wealth, we adopt a stakeholder-inclusive approach to corporate governance, which we believe is key to long-erm success and sustainability. The stakeholder approach is especially important to our vision to be a media house that advances society. This is evident in the way our brands are leveraged to provide practical solutions to the ordinary man's needs and to encourage an entrepreneurial spirit which ultimately benefits society and community as a whole.

The Board of Directors effectively performed its role during the financial year providing strategic guidance, oversight and policy direction to ensure proper governance of the business. The board relies on five board committees as enumerated in the Governance Statement to ensure proper discharge of its responsibilities. Individual directors are continually mindful of their duties serving with diligence in the best interest of the company. The board retains collective responsibility for its role and remains answerable to shareholders.

The Board Audit & Risk Committee, comprised of both directors and independent non-board members, is instrumental in providing unbiased insight into the business strategy, operations and management. This committee also considers and makes recommendations on risk management, which has led to improved mitigation and control of risk.

The commitment to board improvement this year was restated by carrying out an External Board Evaluation resulting in recommendations which underscored and informed a restructured Board Committee set up for greater effectiveness. The approach adopted was one of a Strategic Board which could add value through entrepreneurial leadership.

A review of the five year strategy (2016-2021) implemented along three Wildly Important Goals of; improving financial performance, instilling an organisational performance culture and improving digitalisation was conducted. Management was tasked with considering performance of all Strategic Business Units and areas for improvement were agreed on. At the next annual retreat a detailed review shall be undertaken to further inform a way forward.

Mr. Mugunga joined the Board of Directors as a majority shareholder representative for the Minister of Finance to fill a casual vacancy resulting from the exit of Mr. Orono Otweyo. He carries a wealth of experience in communications, management of parastatals and governance. He is a useful addition to the team and will provide added value and insight to board discussions and decision-making.

The Nominations & Governance Committee considered the board rotation plan and in line with the practice of annual director Rotation recommended with board approval the rotation of two directors, Mr. David Ssebabi and Mr. Charles Tukacungurwa. Mr Tukacungurwa has offered himself for reappointment and shall be presented to the shareholders for consideration at the Annual General Meeting.

DIVIDEND

Until this year, the company has always paid a dividend. Vision Group has maintained a high dividend payout ratio compared to other listed companies. This year we do not recommend a dividend for the shareholders. The board however, is ever mindful of the need to return value to shareholders. Alongside this it is charged with the responsibility to act in the best interest of the company and to promote the success of the company. This at times calls for tough decisions. In this case, a long-term view to ensure sustainability growth necessitated the retention of earnings to finance growth and ultimately return better value through investment. It is a prudent decision, therefore, not to recommend payment of a final dividend.

CORPORATE CITIZENSHIP

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.

Part of good corporate citizenship is the payment of taxes and the company has continued to be compliant. However, the legal, regulatory framework increasingly presents a challenge which if not amicably resolved shall result in an unsustainable business model.

PERFORMANCE OUTLOOK 2017-18

A full recovery is expected in the year ahead. Performance will be turned around as we continue to seize opportunities to grow, diversify, and innovate while continually managing our costs. Management has been tasked with increaseing operational efficiencies, achieve integration and continue innovating. The greatest challenge for the company remains revenue growth in a largely stagnant economy with ever changing consumer tastes and demands but we are up to the task.

We shall continue to be guided by our vision 'to be a globally respected media powerhouse that advances society' both to achieve our business objectives while contributing to society. Continuous, deliberate strategy implementation review shall be undertaken by the board to ensure we are on the right track.

The benefits and advantages of several investments made in the past year are likely to materialise in the next financial year which we are certain shall bring in new business and enhance growth of the company.

We look forward to full recovery and better profitability.

CONCLUSION

My appreciation goes to my fellow members of the Board of Directors for their insight, dedication and support that ensured that the company innovated for survival and remaining resilient this year. We shall continue to provide oversight, guidance and support to management to ensure profitable growth for our company.

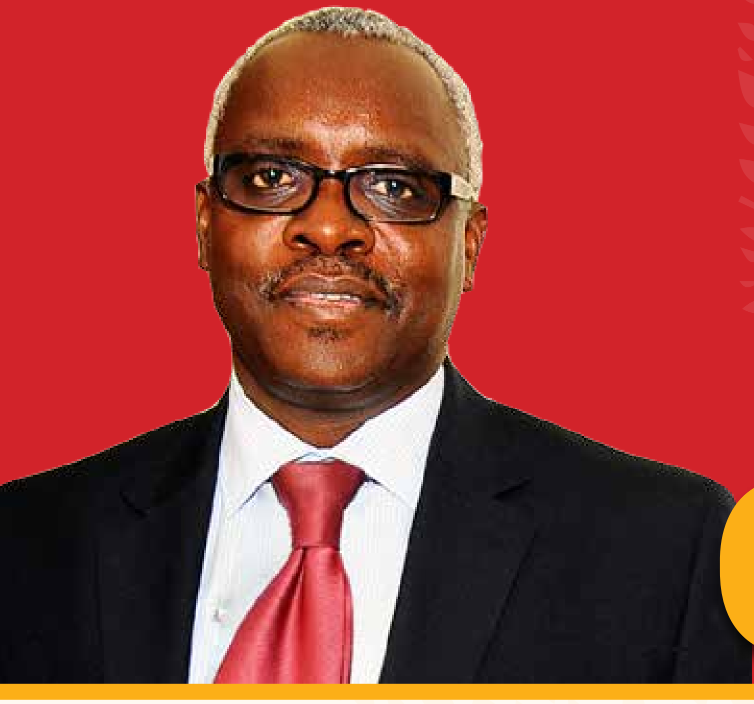
To the management and all staff, thank you for your pro-activity, innovation and resilience.

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

I implore shareholders to continue to place confidence in the business with the appreciation that setbacks are an opportunity to evaluate and refocus which we commit to do to ensure we are placed to conquer the challenges ahead.

DATE: November 1, 2017

David Ssebabi
Chairman



CEO'S STATEMENT

Dear valued Shareholder,

Industry overview:

The financial year 2016/2017 was a challenging one. There was a sharp drop in the economic growth which affected the spending patterns of our clients. Most of them had to make deep cuts in their budgets, especially in the area of marketing and publicity. This meant that advertising, purchase of newspapers and printing services were cut back.

We also noticed that there was a reduction in the purchasing power of the public which meant that our print products had to compete with other needs for this money. This situation was compounded by free substitute sources of information in electronic media. As a result there was a drop in company revenue from UGX 92.6bn last year to UGX 86bn and a profit after tax of UGX 14.7m. In this kind of market situation it is important to protect the bottom line of the company and for this reason it was considered prudent not to pay out a dividend.

The main cause of such a low profit figure was a provision for impairment of trade receivables that remained unpaid after a year. This was in compliance with an internal policy that required this kind of treatment for its receivables. Nevertheless the company is confident that the bulk of this debt is collectable in the short term. The company is also more diligent and aggressive in collecting trade receivables and some of the measures include taking legal action in court.

The challenge of generating revenue growth means we have to exercise a delicate balance between aggressive sales and adherence to our credit policy. The sustainable way to guarantee a good revenue performance is to continue the strategy of diversification. There is now a focus on additional opportunities in television, on social media and events to grow sales as part of this diversification. The future remains challenging and uncertain but has promise.

Vision Group still maintained a lead in market share through consistent strategic focus. It is the only media house that provides total communication solutions under one roof. This is possible because it is a multimedia business offering a diversity of media opportunities. This has been complemented by disciplined cost management.

Performance:

Newspapers

The New Vision and Bukedde remain the biggest newspapers in the country providing the main revenue stream for the company. Management is investing sufficient resources to sustain this position while preparing the product for audiences of the future.

Television

There are 28 television stations in the country and our channels are in the top 10. Bukedde TV 1 maintained its mass appeal, TV West dominated the western region, Bukedde TV 2 was the fastest growing station and Urban TV continued to establish its place in market.

There are opportunities in the television market to consolidate our presence and would require the right investment in appropriate technologies and training.

Radio

Radio closed the financial year with above-revenue targets and below-budget costs performance. In the month of June, Uganda Communications Commission agreed to quit implementation of the **2%** levy on broadcasters citing that the provision in the law allows optional execution.

Digital

Management is experimenting with numerous digital technologies. There is investment in content delivery capacity, content storage technologies, adoption of digital work processes and taking advantage of other ubiquitous digital platforms like social media to provide a superior service.

Investments

Investment in Pike House is a cost-saving measure that has freed the company from rental obligation of **$216,000** per annum and the cost of such an obligation in foreign currency. Furthermore, framework contracts have been executed with local suppliers for the delivery of various consumables. This has led to further savings on warehouse rentals. For the first time in our history of the company, we are not renting space in Kampala.

Another area of concern has been the cost of human resource. We have had to strike a balance between keeping human resource costs low and keeping talented skills for competitiveness. To control costs we have adopted an approach of attrition (non-replacement in the event of departures). A decent remuneration, payment of performance bonus and public acknowledgment is the combination we use to retain talent. This has also contributed to improvement in productivity of staff.

Notable challenges;

a. *Compliance*

The costs of compliance are likely to increase because of the enhanced regulatory oversight generally and of the industry in particular. This will impact the business performance of the company.

b. *Business Environment*

The budgeted performance for the financial year recently ended was based on the growth projections of the national economy at over 5%. However, the economy grew by 3.5% and in such circumstances; business is bound to be tough. This has affected many of our clients whose own performance has been below expectations. Our task now is to turn in an improved performance, even as we are confronted with a difficult macroeconomic context and challenging industry economics.

Conclusion:

The situation could have been even more challenging but the company managed to stay in the black. The asset value of the company has actually increased. The board of directors provided the right governance that enabled the company to navigate the difficult environment. The management and staff also put in the time and effort to make sure that the company remains commercially viable. I am grateful to them for enabling the company to be resilient.

DATE: November 1, 2017

Robert Kabushenga
Chief Executive Officer


PASS PLE
Ekiri
e Kenya - p5


Bumper sales expected
A lot to look forward to
New Vision
UGANDA'S LEADING DAILY
NEW VISION REFRESHED
Fresh Look
New Design
ADM-8448

Vision Group, listed on the Uganda Securities Exchange as New Vision Printing & Publishing Company Limited, is committed to continually improving and this extends to its corporate governance practices. We recognise that effective corporate governance is more than a box-ticking exercise and that its effectiveness requires that recommended practices are embedded into the way we operate and do business ultimately leading to better decision making, performance and ensuring sustainability of the business to build long-term value for the shareholder value. We adopt a stakeholder-inclusive approach to governance in recognition of the key role played by its stakeholders as explained further in the sustainability report.

THE BOARD

The company operates with a regulatory framework of the Companies Act 2012, the Capital Markets Authority laws, Uganda Securities Exchange (USE) Listing Rules 2003, and internally by its Articles of Association and board approved policies.

The Board of Directors is the ultimate governing body of the company and is the driver for good corporate governance guided by the board's Charter. The board is responsible for the management, general affairs, direction, performance and long-term success of the company. It provides leadership and entrepreneurial guidance in directing the company. It sets the tone for the rest of the company in the discharge of its duties and responsibilities in line with the governing and statutory framework. The board approves the strategy of the company and in line with this on an annual basis sets strategic objectives which form business objectives for the company.

The board also reserves certain matters for its own decision making key among these are; approval of budgets, within set thresholds approval of capital expenditure, approval of policies and frameworks for Management operations.

The board, led by the Board Chairman is comprised of 11 directors, a size necessitated by the size of the business and its inclusive structure of shareholder representatives (5). Five are independent Non-Executive Directors and the Managing Director who also serves as the Chief Executive Officer (CEO) is the only Executive Director. The mix of executive, non-executive and independent directors ensures a balance of power on the board, independent thinking and diversity of thought which enriches board decisions and guards against group think. The roles of Chairman and Chief Executive are separate and distinct.

The board remains cognisant of its stewardship role that in making decisions it must act in the best interests of the company considering both short and long-term consequences of its decisions. Directors are cognizant of their governance role and their statutory duty to act in a manner that promotes the success of the business of the company, duty to act in good faith in the interests of the company as a whole including duty to avoid conflict of interest and declare any interests in any transaction. A register of interests is maintained and interests declared at meetings are minuted for the record.

Board directors and non board members are highly qualified, respected professionals of integrity with a diverse array of skills, experience varying from media, business management, corporate governance, finance and legal, advocacy. The skills, experience and gender mix enrich debate and debate while nurturing constructive challenge and dynamism.

CLASSIFICATION OF DIRECTORS

NAME	TYPE	INDEPENDENT	
David Ssebabi	Non-Executive Board Chair	-	Shareholder representative
Robert Kabushenga	Managing Director/ CEO	-	Employee
Oode Obella	Non-Executive	✓	-
Monica Chibita	Non-Executive	✓	-
Gad Gasaatura	Non-Executive	✓	-
Grace Dwonga	Non-Executive	✓	-
Charles Tukacungurwa	Non-Executive	-	Shareholder representative
Steven Bamwanga	Non-Executive	✓	-
Patrick Ayota	Non-Executive	-	Shareholder representative
Robinah Kaitiritimba	Non-Executive	-	Shareholder representative
**Jim Mugunga	Non-Executive	-	Shareholder representative

** Mr Mugunga joined the board in the course of the year on a casual vacancy basis. More details under the Nominations Committee section.

The board delegates authority for day-to-day operations of the company to management headed by the Chief Executive Officer (CEO) who currently also serves as the Managing Director(MD) and is accountable to the board which continually monitors performance against set business objectives at board meetings. The CEO/MD is assisted by a Deputy Managing Director and a senior management team.

THE STRATEGIC BOARD

The board is responsible for the company's strategic direction and performance of company. In ensuring the achievement of this role it approves and reviews the strategy as well as monitoring implementation of agreed strategic plans. Strategy is considered at the board meetings and considered in depth at the annual strategic retreat. During the retreat this year the Board and Management team considered the strategic plans and agreed on the need for more effort towards diversification into non-traditional revenue streams as well the need to review the performance, contribution of all units.

MEETINGS OF THE BOARD

In the past financial year, a total of nine board meetings were held. The agendas for the meetings were approved by the board chair ahead of circulation and comprehensive briefing papers were circulated at least seven days to the scheduled meeting. At every meeting of the board or board committees, directors were required to disclose any potential conflict of interest arising from matters on the agenda. In the instances where interests are declared a director does not participate in the decision. The board chair retains authority to decide whether the director should be involved in the discussion if it is one in which the director's expertise is required.

Directors upheld the culture of excellent attendance of board meetings as highlighted in the table below. The number of meetings was higher than the usual average of six meetings owing to meetings required before making investment decisions.

Name of Director	28th July 2016	5th October 2016	27th October 2017	17th November 2016	19th January 2017	22nd February 2017	4th May 2017	9th May 2017	22nd June 2017
David Ssebabi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Robert Kabushenga	✓	✓	✓	✓	✓	✓	✓	✓	✓
Oode Obella	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gad Gasaatura	✓	✓	✓	✓	✓	✓	✓	✓	✓
Patrick Ayota	✓	✓	x	✓	✓	✓	✓	✓	✓
Charles Tukacungurwa	✓	✓	✓	✓	✓	✓	✓	✓	✓
Grace Dwonga Oredipe	✓	✓	✓	✓	✓	✓	✓	✓	✓
Steven Bamwanga	x	✓	✓	✓	✓	✓	✓	✓	✓
Robinah Kaitiritimba	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓
Jim Mugunga	N/A	✓	N/A	N/A	N/A	✓	✓	✓	✓
Monica Chibita	✓	✓	✓	✓	✓	✓	x	x	x
Ketrah Tukuratiire	✓	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Orono Otweyo	x	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Key: **(✓)** Present **(x)** Absent **(N/A)** Not Applicable

Non-Board members of the Audit Committee attended the meetings of October 5, 2016, February 2, 2017 and June 22, 2017 to discuss strategy, approve budget and approve Financial Accounts.

Outside of the meetings, a Register of Declared Interests is maintained by the office of the Company Secretary and entries made of the 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 2017 was:

Name	Shares
David Ssebabi (jointly owned with his wife Harriet Ssebabi)	7,579
Robinah Kitungi Kaitiritimba	42,992
Mrs. Susan Lubega (Member of the Audit Committee)	1,313
Total	**51,884**

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)	813,120	677,600
Quarterly Fees (Ushs.) (net)	1,626,240	1,355,200

BOARD COMMITTEES

The board relies on board committees to effectively discharge its mandate but remains accountable for the discharge of its responsibilities. The committees consider matters in line with their terms of reference and make recommendations to the board for approval. The terms of references contain guidelines on the conduct of Committee business and are reviewed at least annually to ensure relevance.

On a quarterly basis, discuss reports from executive managers which include updates against set strategic targets, policy and compliance mattersand as part of ensuring accountability executive managers are required to attend the discussion of their reports.

BOARD AUDIT AND RISK COMMITTEE (BARC)

The Audit and Risk Committee for the period was comprised of four members, three of whom are non-board members while the chairperson, is an independent non-executive director. This continues to provide greater independence to decision making and unbiased insights. Collectively, the members are experts in corporate governance, finance and accounting, risk management, business management, quality control management and internal and external audit.

The board relies alot the BARC which on its behalf monitors the integrity of the financial statements, including those for its annual audited and half-year unaudited accounts in accordance with the required accounting standards, appropriate estimates and judgements. It reports to the board on significant financial reporting issues and judgements and makes necessary recommendations.

The BARC reviewed all material information presented with the financial statements, including the narrative report.

The BARC reviews the company effectiveness of the internal controls and risk management systems to ensure robustness and appropriateness.

Member attendance for the year was as follows:

Name of Director	26th July 2016	28th August 2016	4th October 2016	10th October 2016	25th October 2016	15th February 2017	25th April 2017
Oode Obella	✓	✓	✓	✓	✓	✓	✓
Joseph Baliddawa	x	x	✓	✓	✓	✓	✓
Parity Twinomujuni	✓	✓	✓	✓	✓	✓	✓
Susan Lubega	✓	✓	✓	✓	✓	✓	✓

Reporting managers include: The Chief Internal Auditor, Risk and Compliance Managers.

INTERNAL AUDIT

The BARC reviews and approves the role and mandate of internal audit, monitors and reviews the effectiveness of its work and approves the internal audit charter ensuring it is appropriate for the needs of the company. It also reviews and approves the annual internal audit plan and ensures it is aligned to the key risks of the business.

The Board Audit and Risk committee concurs with management in the appointment, remuneration and removal of the Chief Internal Auditor. The Chief Internal Auditor regularly reports on work carried out and on a quarterly basis reports at BARC meetings. The Chief Internal Auditor has unrestricted access at all times.

Internal Audit assists the company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the company's governance processes, risk management and control. A risk-based audit approach has been adopted. Material or significant control weaknesses and planned management remedial actions are reported to management and Board Audit & Risk Committee. These issues are tracked to ensure that agreed remedial actions have been implemented. Overdue issues are reported to the Board Audit Committee on a quarterly basis.

During the year 2016/17, 100% coverage of the approved annual audit plan, covering all the company's Strategic Business Units and Support Units was achieved. The findings were reported in detail to the BARC and were discussed. Internal Audit tracks and reports on implementation of its recommendations to the BARC which makes recommendations to the board on the appropriateness of actions. As a result the BARC recommended and it was adopted that measurement of performance for executive management would include appraisal on implementation of Internal Audit's recommendations.

The Internal Audit function underwent an Independent External Quality Assessment during June 2017 - July 2017, in accordance with the Institute of Internal Auditors' recommended frequency of at least once every 5 years. The department was found to be generally conforming to the IIA Standards, Code of Ethics and Leading practices. The Internal Audit function was found to be independent.

EXTERNAL AUDIT

The BARC makes recommendations to the board, in relation to the appointment, re-appointment and removal of the company's external auditor as well as their independence. It also oversees and advises on the relationship with the external auditor. It holds pre-entry and exit meetings with the External Auditors. It is involved in the review of the Engagement Letter for the external auditors and in the setting of their remuneration. Prior to appointment of the current external auditors, Grant Thornton, by the Auditor General, the BARC met with the Office of the Auditor General to discuss ways of involving the company in the External Auditor appointment process. It was a successful meeting where it was agreed that the company would be consulted ahead of the procurement and appointment.

The Internal Audit, Risk and Compliance reports are considered by the committee during the quarterly meetings. This quarter these functions were tasked with working more collaboratively which will better provide assurance to the company.

RISK MANAGEMENT

Vision Group is guided by a 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 (BARC) which makes recommendations to the Board on risk. BARC assures itself of the robustness of the risk management system and internal controls and frequently reviews the same. The CEO bears the ultimate responsibility for risk management and is assisted by a Risk Manager who is charged with the responsibility of monitoring risks in consultation with the various heads of units and functions on a day-to-day basis.

Focus is on strategic risk, and the Board Audit Committee which also performance the Board Risk Committee laid emphasis on risk. The Risk Manager reports to the committee on a quarterly basis.

The discussion of risks at board level throughout the year allowed for some level of preparedness which ensured the business, risks are discussed by various board committees and at management level at the point of consideration of the business. Risks were considered as part of investment proposals following the introduction of a revised board decision template which has focused board discussions.

Vision Group recognises the value of a robust Enterprise Risk Management (ERM) to the business and took on the challenge from the BARC to work toward risk maturity and avoid a box-ticking approach. Continuous effort is made to embed risk management into business practice and strategic decisions as well as into operations.

As part of the company's half-year financial reporting the BARC considered a risk analysis of the performance along with the report of the Internal Audit department and made recommendations to the board. As part of this process it was noted that there was a risk of failure to meet set objectives owing to financial performance below expectation and this risk materialised.

On a quarterly basis it is provided with the Key Risk Register and reviews the key risks which are largely strategic risks such as business risk, technology-related risks and also key operational risks. Focus was laid on the effectiveness of the risk management framework in identifying key risks, including emerging risks. Management was tasked with improving the responses to risk and management of risk was added as a performance target for members of the Executive Committee.

The risk profile as indicated below was updated from last year to reflect this. Amendment of the Enterprise Risk Management framework commenced and shall be completed by the meeting of the AGM.

The Risk profile is a snapshot of the key threats to which Vision Group is exposed. Risks are ranked based on likelihood and impact then rated for adequacy of the risk responses in place. During the year focus was laid on strategic risk particularly business risk, credit risk as well as cyber, digital and technology-related risk. The top five risks identified for most of the period were:

1. The risk of failure to meet strategic objectives. Economic uncertainties have a significant impact on the company's ability to meet its strategic business objectives. The business environment was wrought with stiff competition among industry players, diminishing corporate and retail expenditure and increasingly high operating costs. These challenges negated the company's efforts to grow revenue and improve profit margins and the risk materialised. It is an ongoing risk and is being managed through prudent cost management. Target setting and regular performance reviews were conducted by the Executive Management team, complete with corrective response strategies for performance deviations identified.

2. The disruptive effect of technology owing to media consumer preferences for creation and distribution of content being reshaped by technological developments and social media. Younger audiences are more reliant on digital and social media for information and entertainment which reduced uptake of our traditional media brands and as a result Newspapers, Television and Radio have been experiencing a decline. This loss of audiences influenced the decisions of advertisers, some of whom are cutting back on advertising expenditure. This risk is ongoing and being managed by leveraging online and social media platforms to engage audiences and provide content for the various brands of the company. In order to retain audiences and build brand loyalty target-centred pull-outs for education, agriculture, business, relationships, health and children are being utilised.

   The company continues to pursue a diversification strategy by venturing into events organization and this year events such as: Bride & Groom Expo, Kampala Twins Festival, Farmers' Expo and Toto's Festival were held successfully.

3. Libel suits: The risk of libel suits brought against the company as a result of news articles published remains inherent in the business arising from publications and broadcasts. A number of libel cases were filed against the company, with varying degrees of success. The courts set a precedent where an unprecedented award of ushs 425m was given against a media house. The highest award the previous year was ushs 120m. This increases the likelihood of higher awards. Previously, the average awards for high-profile persons were ushs 50m with only the occasional award of over ushs 100m. The average award for the ordinary plaintiff has risen to over ushs 30m.

   The risk is being managed through continuous training of the editorial team to equip them with skills to avoid libel and raise awareness. The in-house legal team is supported by externally sourced law firms in matters of libel litigation.

   Management continues to engage plaintiffs in libel cases in pursuit of amicable settlements to limit the extent of compensation damages and legal costs.

4. Regulatory related risk

   Compliance requirements are increasingly on the rise as regulators seek to exercise their powers. The company, therefore, faces the possibility of substantial fines and penalties with a high impact on the business and financial performance.

   The risk is being managed through continuous engagement with the respective regulators. Tax consultants have been engaged to provide tax advice. There is a possibility that legal redress will have to be sought if we fail to agree.

5. Trade debtors failing to comply with credit terms. This is a continuous risk will materialises several times through the year. By nature of the business, a significant portion of the company's sales is made on credit terms. Credit is granted to customers on specific repayment terms. Several violate payment terms. All efforts including legal process are taken. However, sometimes the recovery takes long. This is a key reason for the impairment in this year's financials which led to a less favourable performance. Large amounts of outstanding trade credit also impacts on the company's liquidity position. The company must live with the risk to some extent. However, it is managed by implementing a board-approved Credit Control Policy that guides approval and recovery procedures.

The Credit Control team also employs externally-sourced debt recovery experts.

In recognising that managing risk is not about saying no to the business opportunities rather ensuring risk taking is sensible, our management responses range from acceptance, mitigation through insurance and outsourcing.

NOMINATIONS COMMITTEE

The Nominations Committee is led by the Board Chairman and was comprised for the period of two independent non-executive directors.

Member attendance for the year was as follows;

Name of Director	11th October 2016	17th November 2016
David Ssebabi	✓	✓
Oode Obella	✓	✓
Monica Chibita	✓	X

This committee was reconstituted into the Nominations and Governance Committee mandated to handle governance matters and make recommendations to the board. It was reconstituted to include only independent non-executive directors. It reviewed its mandate and made changes to the Nominations Guidelines most notably limiting the tenure for directors to no more than nine years subject to rotation in line with the rotation policy. This, along with the practice of annual rotation of directors, allows for the periodic refreshing of the board in line with the responsibility of ensuring diversity and appropriate mix of skills, experience and competence on the board.

DIRECTOR APPOINTMENTS

The Board Nominations Committee, exercising its mandate handles director selection. When a board vacancy arises, the committee is tasked with considering director nominees and makes recommendations for appointment. In doing so it takes into account requisite knowledge, skills and experience as well as personal attributes necessary to achieve balance and fill any notable gaps. The company aims to attract and retain high caliber directors when determining the remuneration of non-executive directors. It considers the extent, nature of responsibilities, level of experience and comparative remuneration from similar companies as well as best practice.

The committee also considers rotation of directors and makes recommendations to the board. The board considers the recommendations, and if in agreement makes further recommendations 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 and are subject to rotation. In line with the rotation policy Mr. David Ssebabi and Mr. Charles Tukacungurwa are due for rotation at the AGM and Mr Tukacungurwa has offered himself for re-appointment.

The Articles of Association recognise that it may be necessary to appoint a director in the period between general meetings and makes a provision for casual vacancy appointment which is confirmed at the next scheduled general meeting. This is reserved for circumstances where it is necessary to immediately to fill a skills gap left by a departure or to fill a shareholder representative slot.

In the course of the year, Mr Mugunga joined the board in the course of the year on a casual vacancy basis to represent the majority shareholder following the resignation of Mr Orono Otweyo subject to appointment by the shareholders at the 16th AGM of November 23, 2017. He is an accomplished Public Private Partnerships and Advocacy Expert with a wide range of experience of over 25 years in the communications field ranging from journalism, public relations, and advocacy and brings to the board a wealth of skill, expertise in the media industry. He also has corporate governance experience and has so far contributed to the dynamism on the board.

BOARD EVALUATION

The board is committed to continuous improvement and as standard practice, undertakes formal assessment of performance annually for the board as a whole, board committees, individual directors through peer evaluation, the Board Chairman, the Chief Executive Officer and the Company Secretary.

The Nominations Committee provided oversight of the evaluation process which this year was facilitated by an independent external consultant in line with best practice. The focus was both on people and structures. Detailed questionnaires were filled, interviews were conducted and the consultant presented findings and recommendations at the annual Board & Management Strategic retreat which were discussed and also carried out refresher corporate governance training which including updating the board on developments and trends.

Areas for improvement were discussed and actions were taken as follows:

a. A sample board decision template was introduced which requires management to justify the request with emphasis on strategy implications, financial implications, risk analysis, corporate governance and compliance implications and the executive manager responsible for execution of the decision. This tool has greatly improved the flow of information and led to more informed board decisions linked to the key factors mentioned.

b. A board agenda template that focuses discussion on strategy and performance was introduced and has led to more effective meetings where the bulk of time and priority is given to areas that allow the board to operate as a strategic board.

c. Board committees were restructured and reconstituted to as reported in the committee section notably the Finance & Operations committee was refocused away from operations to strategy and performance, two independent directors were added to the Board Audit and Risk Committee to ensure continuity in leadership and the board chair only chairs one committee, the Board Nominations & Governance committee.

d. Board Committee Meetings and main board meetings are scheduled one week apart to allow time for proper committee reporting. Previously, meetings were held a day after the committee meetings.

e. Declaration of interests previously declared at the start of the meeting are now declared through forms circulated ahead of the meeting along with the agenda. Disclosure is to the Company Secretary who informs the Chair ahead of the meeting. The Chair considers the declaration and makes a decision ahead of the meeting.

Induction was carried out for new directors to ensure they were aware of their duties and responsibilities and were able to contribute effectively.

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 company's remuneration practices, policies and packages taking into consideration the need to balance attraction and retention of high caliber staff against alignment with shareholder interests in return.

Setting of remuneration for executive managers is guided by the need to maintain a caliber of human resource capable of driving the company towards competitiveness and success. The committee is guided, not restricted by, market benchmarks and a key consideration is individual performance.

The terms and conditions of employment of all employees are guided by local legislation and the Human Resource Policy. The bulk of employees are currently employed on permanent contracts while the senior management team is employed on two-year contracts. Management was tasked with reviewing the employment arrangements in light of the ever-growing wage bill, the regulatory risks as mentioned in the sustainability report where the labour model is being questioned by the URA and NSSF which has increased regulatory risk.

Employees are formally appraised on a half-year and full-year basis to track performance against set targets which are cascaded throughout different levels based on the set business objectives. This ensures alignment of individual and corporate targets to ensure all staff contribute. The staff who exceed expectations and those who are outstanding received a bonus as is the practice. The performance bonus is a set percentage agreed with the board at the time of budgeting and is strictly managed by the HR department to ensure only the eligible receive it. The bonus is one way of retention of talent and hard workers, and is employed along with other performance incentives to ensure that remuneration is aligned with good performance for example in terms of commissions, wage-related pay for freelancers paid per story or contribution.

The board interacted with star performers twice in the year, to recognise award winners who continue to build brand equity for the business and at the strategic retreat.

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 dependents.

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 are outstanding are rewarded with a performance bonus at the end of the financial year.

Shares/options: Thirty-Five (35) employees own shares some of whom have held these shares since the Initial Public Offering in 2004 and the Rights Issue in 2008. While management encourages share ownership to align employee interests to those of shareholders no share options performance-related incentive is in place.

Gratuity: Senior management employment terms include payment of gratuity that is fixed at a percentage payable at the completion of the two-year term. Gratuity is forfeited in case of premature termination except for limited circumstances beyond staff control such as prolonged illness or retrenchment by the company for reasons other than dismissal.

In addition, employees who have served the company for over 10 years, 15 years receive rewards.

Member attendance for the year was as follows;

Name of Director	25th July 2016	24th October 2016	24th April 2017
Gad Gasaatura	✓	X	✓
Grace Dwonga	✓	✓	✓
Robert Kabushenga	✓	✓	X
Ketrah Tukuratiire	✓	N/A	N/A
Gervase Ndyanabo	N/A	N/A	✓ as alternate director for MD

Reporting Manager is the Chief Human Resource Officer.

The committee was reconstituted to include only independent non-executive directors because it performs the Board Remuneration Committee role.

FINANCE AND OPERATIONS COMMITTEE

This committee focused on financial performance, including performance on the stock market. It also considered management proposals for procurement and made recommendations to the board.

Member attendance for the year was as follows:

Name of Director	26th July 2016	25th October 2017	April 2017	20th June 2017
David Ssebabi	✓	✓	✓	✓
Robert Kabushenga	✓	✓	X	✓
Charles Tukacungurwa	✓	✓	✓	✓
Grace Dwonga	✓	✓	✓	✓
Steven Bamwanga	X	✓	✓	x
Gervase Ndyanabo	N/A	N/A	✓ As alternate director for MD	N/A

Reporting managers include: The CEO, Chief Finance Officer, Heads of; Sales, Marketing, Printing, Operations and Investor Relations.

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 and make recommendations to the board. Member attendance for the year was as follows:

Member attendance for the year was as follows;

Name of Director	26th July 2016	25th August 2016	5th May 2017
Patrick Ayota	✓	✓	✓
Gad Gasaatura	✓	✓	✓
Steven Bamwanga	x	✓	✓
Robinah Kaitiritimba	N/A	N/A	✓
Jim Mugunga	N/A	N/A	✓
Orono Otweyo	x	x	N/A
Ketrah Tukuratiire	✓	x	N/A

Key:

✓ - Present x - Absent N/A - Not Applicable

The Board Investment Committee met on a need to basis. However, it was reconstituted and merged with the Board Finance Committee into the Finance & Investment Committee as part of improving strategic focus at the board level.

EDITORIAL COMMITTEE

This committee is central to advising the board on strategy particularly as is unique to the media business. All the various media platforms report to this committee which considers strategic, performance and policy issues.

Member attendance for the year was as follows:

Name of Director	25th July 2016	25th October 2016	April 24th, 2017
Monica Chibita	✓	✓	✓
Charles Tukacungurwa	✓	✓	✓
Steven Bamwanga	x	✓	✓
Orono Otweyo	x	N/A	N/A

Reporting Managers include: Editor in Chief, Heads of; Newspapers, Television and Radio.

FINANCIAL REPORTING AND DISCLOSURES

Financial performance is monitored through quarterly reports from management while governance and risk are monitored by the relevant risk committees and reviewed by the board. The performance is formally reported to shareholders through half-year unaudited results and annual audited financial statements and publication is required by the Uganda Securities Exchange which pre-approves any publications. Half-year and annual accounts are considered in detail by the BARC which makes recommendations to the board before presentation to the Uganda Securities Exchange. The audited accounts are presented to, and considered by shareholders during the Annual General Meeting. The company held an Investor briefing to discuss half-year financial performance and shall hold one to discuss annual audited accounts prior to the AGM.

Financial information on the company's performance is prepared in accordance with 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.

The accounts are published in the New Vision newspaper and uploaded onto the company website. They are also sent to shareholders via email (Eshareholder@newvision.co.ug) and are uploaded onto the website (http://www.visiongroup.co.ug/financialreports.php). Annual reports are also distributed to shareholders via email, the 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 July 1 to the publication of final results, and from January 1 to the publication of interim results. In accordance with the Capital Markets Authority Act as amended and the Uganda Securities Exchange Insider Trading Rules 2008 an Insider Trading Policy was developed pending board approval to ensure that directors, employees who are privy to price-sensitive information do not make use of such information to the detriment of other investors before it is published. Shareholders may refer to the Uganda Securities Exchange leaflet in the Annual Report.

ENGAGEMENT WITH SHAREHOLDERS

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

Communication to shareholders is usually through emails (Eshareholder@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 337 333.

COMPANY SECRETARY

The Company Secretary serves as an advisor to the board on matters of governance and acts as Secretary to the board and its committees. The Company Secretary assists the chairman in ensuring effectiveness of the board which includes ensuring timely, complete information, proper conduct of meetings, professional development and induction of the directors.

The Company Secretary also acts as communicator for the board and shareholders and is assisted by the Board Affairs team in performing this role.

The Company Secretary serves as Head of Legal advising the board and company on the legal, regulatory framework assisted by the legal team headed by a Legal Manager.

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

COMPLIANCE

Vision Group remains committed to conducting business in accordance with relevant laws and regulations and the board through its Board Audit & Risk Committee regularly monitors compliance.

The company ensures that it meets its Continuing Listing Obligations based on the USE Listing Rules.

In the past financial year, compliance checks were carried out for all strategic business units to identify areas lacking and to boost compliance. The company is compliant with the laws and regulations within its legal, statutory and regulatory framework.

A key development is that the company commenced operation under the Public Procurement & Disposal of Assets (PPDA) Act. The company already operated under a policy and manual that was structured along the PPDA Act. However, PPDA took a more active role in procurement oversight.

The company has also put in place several policies to guide its operations and to guide the conduct of employees. The company has in place a code of conduct, fraud policy, conflict of interest policy as well as whistleblowing policy as part of staff regulations and these are publicised by the Human Resource department. The company has also put in place a hotline to encourage whistleblowing and regularly publishes this internally and in its newspapers. Cases reported are investigated and disciplinary action is taken.

GOING CONCERN

As reported by the external auditors, 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 statement.

SHAREHOLDER INFORMATION

Summary of Shareholder Distribution

Nationality	Category	No. of Members	No. of Shares	Percent Holding
East African	Corporate	72	28,322,129	37.02%
	Individual	2,335	47,178,833	61.67%
		2,407	**75,500,962**	**98.69%**
Foreign	Corporate	2	75,500	0.10%
	Individual	83	923,538	1.21%
		85	**999,038**	**1.31%**
Grand Totals:		**2,492**	**76,500,000**	**100.00%**

Top Ten Shareholders

	INVESTOR NAME	SHARES HELD	PERCENTAGE HOLDING
1	MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT	20,400,000	26.67
2	MINISTER OF STATE FOR FINANCE (PRIVATISATION)	20,400,000	26.67
3	NATIONAL SOCIAL SECURITY FUND	15,000,000	19.61
4	NATIONAL SOCIAL SECURITY FUND-PINEBRIDGE	2,185,857	2.86
5	NATIONAL INSURANCE CORPORATION LTD	2,068,172	2.70
6	BANK OF UGANDA STAFF RETIREMENT BENEFIT SCHEME AIG	1,703,380	2.23
7	BANK OF UGANDA STAFF RETIREMENT BENEFIT SCHEME	979,399	1.28
8	INSURANCE COMPANY OF EAST AFRICA UGANDA LIMITED	563,286	0.74
9	WAZUNULA SAMUEL MANGAALI	510,000	0.67
10	MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME- MU	475,000	0.62
	TOTAL	**64,285,094**	**84.03%**
	AND 2,482 SHAREHOLDERS	**12,214,906**	**15.97%**
	TOTAL	**76,500,000**	**100%**

Appreciation to the board

Conan Businge (*L*) and Gerald Tenywa (*R*)
CNN MultiChoice African Journalists Awards of the Year Awards Runner-up 2016

By Conan Businge

Last year, I travelled with Gerald Tenywa, a fellow staff member, to South Africa after being shortlisted out of 1,600 entries for the coveted CNN Multichoice African Journalist Awards.

It was a great recognition of the quality of journalism and a moment of great pride for the company and the nation to participate at a global event filled with thousands of respected media house owners, media managers, communication experts from all over the world.

I thank the shareholders for their investment and the Board of Directors for its committment to the company's vision. and I am proud to be associated with the company. We will continue lifting the company's flag and my prediction is that one day we will bring home the CNN MultiChoice most coveted prize of the African Journalist of the Year.

ACCOLADES

ACME AWARDS

Stephen Ssenkaaba	Art & culture reporting	Winner	2017
Conan Businge	Education reporting	Winner	2017
John Masaba	Environment	Winner	2017
Gerald Tenywa	Environment	Runner-up	2017
Ronald Mugabe	Environment	Honourable mention	2017
Andante Okanya	Explanatory	Runner-up	2017
Edward Anyoli	Explanatory	Runner-up	2017
Paul Busharizi	Explanatory	Runner-up	2017
Andrew Masinde	Health	Winner	2017
Lillian Namusoke	Health	Runner-up	2017
Gloria Nakajubi	Health	Honourable mention	2017
John Semakula	Justice,Law & order	Honourable mention	2017
Charles Etukuri	Investigations	Honourable mention	2017
Daniel Edyegu	Local reporting	Winner	2017
Hope Mafaranga	Local reporting	Honourable mention	2017
Stephen Ssenkaaba	Multi-media	Winner	2017
Betty Amamukiror	Multi-media	Runner-up	2017
Billy Rwothungyeyo	Sports	Winner	2017

PIKE
HOUSE
OPENING

Fountain High School, Lira growing onions. (Inset) S2 students of Lira Integration School raring rabbits.

Safaricom CEO with Vision Group Directors and Management

Lira Progressive School planting trees.

Sustainability Report

Vision Group strives to achieve sustainable development by operating in a manner that does not put at risk its ability to continue into the foreseeable future. The company adopts a stakeholder-inclusive approach to corporate governance in recognition of the key role played by its stakeholders especially employees, the community and the country at large.

The company's vision is to be a globally respected African media powerhouse that advances society and is guided by business principles that aim to enshrine integrity, fairness, accountability, transparency and responsibility.

The board has the responsibility for the formulation and review of policies to ensure relevance as well as to monitor effectiveness of these policies. It regularly fulfills this role.

This report is guided by the G4 Global Reporting Initiative guidelines.

In line with its long-term objectives, the company continually invests in creating value along the six capitals model recommended by the International Integrated Reporting Council. These are: human, natural, social, financial, intellectual property and manufactured capital. It aims to continue as a profit-making venture to return on shareholder investment but in doing so considers economic, social and environmental issues.

a. Human Capital

We recognise that a healthy, motivated and skilled workforce creates more value and, therefore, continually invest in employing and retaining our people in the Company. The company requires diverse skills from writing and editing in the newsroom, video editing and producing in television, programming and presentation on radio, printing papers and books who serve the business units. These are supported by sales, marketing, ICT, audit, legal, human resource and engineering teams.

The company is currently employing 682 people on a permanent basis as indicated below:

Worker Demographics

Age	22-26	27-31	32-36	37-41	42-46	47-51	52-55	56-61	62-66
Total number of staff	30	167	174	139	83	67	20	1	1

Two experienced workers over 55 years have been retained on a short-term contract for business continuity owing to their wealth of experience and skills.

Employee Category	Gender	Total	Grand Total	Percentage	Youth Numbers (20—35)	Grand Youth Total	Youth %age
Overall Employees	Female	234	**682**	34%	121	**339*** **	36%
	Male	448		65%	218		64%
Senior Management	Female	6	**12**	50%	0	**0**	0%
	Male	6		50%	0		0%
Middle Level Management	Female	36	**92**	39%	8	**18**	44%
	Male	56		61%	10		56%

*** The Grand Youth total only takes into account ages of 20-35years.

At least one third of our employees are female. At least half of senior management is female with 40% of the middle-level managers being female. The company recognises the strengths of diversity and has greatly benefited from this composition.

At least half of the workforce is youth; a contribution to both the future generation and the individuals that we are proud of.

Equal opportunities are provided at recruitment and promotion stage irrespective of gender or age. In doing so the company is unique for its balanced, diverse workforce that benefits both from experience and new-age thinking as well as male and female perspective.

The total workforce of over 1,200 people is diverse and made up of skilled, unskilled workers, professionals, specialists as well as creatives. The factory processes for printing, sorting, inserting and packaging utilise unskilled and semi-skilled labour while the content platforms and the support units largely employ the skilled professionals, specialists and creatives.

This workforce model comprised of employees and independent contractors such as freelancers, sales executives and casual workers is an optimal, cost-effective model for the company. However, as indicated in the statement of the Chief Executive Officer it comes with a host of challenges, especially increasing questions from Uganda Revenue Authority and National Social Security Fund regarding their taxes and contributions.

Staff Engagement

There is a commitment to engage our employees through quarterly meetings with the CEO, who communicates the expectations of the Board of Directors in terms of cultures, values and governance and shares the business performance of the quarter. This is also an opportunity to answer all questions from staff members on any number of issues.

Staff Performance

We recognise exceptional performance through our Performance Management Policy by paying a performance bonus at the end of every financial year following a review of achievement of set targets which are both quantitative and qualitative. Performance-based incentives such as bonus and commission are utilised to drive productivity among permanent employees, sales executives and wage-based payment for freelancers and contributors. Non-monetary rewards such as recognition, commendations, flexi-hours, career advancement opportunities such as networking opportunities, cross-platform tasks are also utilised to boost performance and align personal goals to corporate goals.

Training & Development

Over the period, the company continued to invest in training to build organisational skills, capabilities and competences.

The organisation sponsors professional certification for the audit, finance, risk, engineering and legal teams as well as professional body membership for several professionals. This membership includes: ACCA for the finance team, HR Managers Association of Uganda for the human resource team, Uganda and East African Law Society for the legal team, ICSA for the corporate secretarial team, Media Council for the journalists and the National Broadcast Association of Uganda for the television team. These professionals continually share knowledge, benchmark standards and best practice. This allows the company to keep abreast with trends and informs improvements in processes.

In the last quarter of the financial year, over 170 supervisors/managers underwent a Leadership skills training seven habits of highly effective people based on the book) which offered practical tips that evidently improved teamwork, productivity and is expected to improve delivery on strategic objectives even further.

Other training programmes included: use of social media in journalism, business reporting, court reporting, multimedia journalism, digital photography and radio training, competence based training and the Hay Guide for human resource staff. Training was also provided in TV production, scripting, camera-work, interviewing skills and Adobe Suite.

Coaching and mentorship is an engrained practice in the organisation. It ensures continuity of the business but also improves individual skills and provides motivation and retention. It is conducted both on a formal basis as a set performance target for supervisors and informally. It is also an integral part of our approach to succession planning that new staff learn from experienced staff and this guarantees a cultural fit.

The company operates two cycles of internship namely January intake for students from Uganda Christian University, Mukono and the July intake for students from Makerere University, Makerere University Business School and Uganda Martyrs University, Nkozi. Internship placements are covered across all functional departments to create opportunities for students to familiarise themselves with the working environment and gain practical skills. Interns are offered the opportunity to work with someone that can become a mentor not only in the internship, but throughout their career. Internship presents an opportunity for the company to identify potential employees with the right fit for the tasks and to employ the best minds and skills available from a young productive age.

The internship programme has positively impacted not just the life of the intern but also that of their families and societies at large. Several of our best employees were recruited through the internship programmes.

Wellness

The company strives to provide good working conditions. A clean, safe, healthy environment, risk-free environment is maintained for the workforce. First aid kits are provided in each department, fire marshals are trained and are available to support employees in preventing or fighting a fire. Fire drills are periodically conducted. Factory staff are provided with safety wear and continually educated on the importance of the wearing the gear to prevent them from suffering 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.

The company provides medical cover for its staff and their dependants giving them access to good healthcare through selected clinics/hospitals. Despite the difficult economic times in this period, the company continued to offer this benefit. There are quarterly health camps organised as a way of creating health awareness and carrying out health checks.

Sporting and exercise activities are arranged for staff to encourage fitness and good health. For example, aerobics, corporate league with other entities, interdepartmental games and participation in charity runs/walks like the Rotary Cancer Runs, Kabaka Run and MTN Marathon among others. These sporting activities are also meant to encourage and build teamwork.

A personal development project called Tutandike was introduced over a year ago to assist staff make more informed decisions when spending, saving and investing. This is done through activities such as the quarterly Show & Tell Bazaar where staffs showcase their personal business/investments and share ideas to encourage invest.

Staff members show casing their business products.

Financial consultants and motivational speakers are also regularly invited to interact with the staff to increase their financial literacy and awareness of the personal development possibilities that surround them.

A team of 15 staff were trained as peer counsellors and their mandate is to support fellow staff members manage stress effectively, improve communication and interpersonal skills, support staff achieve greater self-acceptance and self-esteem and help employees manage their emotions, including anger.

The company has a policy on HIV and doesn't discriminate according to HIV status. Counselling is availed and regular campaigns are conducted. HIV-positive employees and their registered dependants receive 100% medical cover.

b. Natural capital

Waste

Currently 80% of our waste is in paper form and is sold at a subsidised rate to Ms. Milum International (U) Ltd, a waste collecting company that recycles the paper to make boxes, egg trays and card boards. This measure is a better alternative to burning waste and releasing carbon emissions into the air.

The waste water comprised of used developer/ replenisher fluid and water from washing developed plates from our Pre-press operations, goes through a dilution tank which separates the chemicals from the water and ensures non-pollution before release into the National Water drainage lines.

To avoid dumping, used printing plates (metallic plates on which the paper is imprinted) are sold to scrap buyers who recycle the plates into metallic suitcases, chicken feeders, temporary shelters and saucepans. These plates are sold at a subsidised rate as raw material which also promotes entrepreneurship.

Fuel management and emissions

Fuel Monitoring Systems are installed in most of the company's motorvehicles and generators (that is 73% and 71% respectively) which system ensures effective use of all fuel input and avoids any wastage, fuel siphoning which has been a real threat in our regional areas of operation such as Kabale and Gulu and is harmful both to a person and the environment. Our generators are located at the different transmission sites including Gulu-Moro hill, Arua Transmition- Dokomit, Kabale-Kihumuro, Mbarara Mwizi, Masaka – Bwala and Kyenjojo – Oruha. Devices have been installed on all these generators save for that of Mwizi. With this system, the company is able to detect fuel siphoning easily and properly monitor the usage of its fuel and in other cases hold people accountable for any misuse. Secondly, drivers of these vehicles avoid harsh driving such as skidding and raising dust and fumes which would affect the environment and also prevent accidents.

Various Air Conditioning Units have been installed to help keep vital equipment like IT Servers, computers, PABX Equipment cool thus increasing their operational efficiency. This in turn reduces energy consumption due to excessive heat losses.

Our digitisation strategy extends beyond commercial to environmental objectives with a deliberate move to employ Green IT methods such as reduction of paper processes and conversion to electronic format to minimise waste. Several aspects of our internal processes have been converted such as use of SharePoint software for cash approvals, leave management, HR communication, digitization of newspaper archives in the Resource centre is ongoing and a print management solution that monitors use of paper and unnecessary print work is in use.

Virtualisation of hardware is ongoing to increase servers per hardware to an average of five each, and reduce the number of physical servers which curbs emissions. So far 85% has been achieved for the Data Centre and the new Disaster Recovery Solution is 100% virtualised and outsourced which eliminates replicated setup.

Future plans to improve our processes include exploring possibilities of waste-generated electricity and harvesting rainwater to conserve the environment through environmentally friendly operations and in doing so save on costs.

c. Social capital

The company adopts a deliberate approach to identifying its stakeholders and incorporating their needs into its strategy in recognition of the importance of stakeholder relations. Social initiatives continue to lend the brand relevance and build brand equity which continues to attract sponsors and partners to provide resources and expertise. In turn this cements the loyalty to our products which has enabled us to thrive at the best of times and survive in tough times as mentioned in the board chairman's statement.

In February 2017, Vision Group had three agriculture-related activities namely: the Best Farmers' Award ceremony, Irrigation Master Classes and the Agriculture Expo.

Best Farmers Awards

The Best Farmers Awards, a cross-media platform campaign grew from 1,300 nominee farmers in 2015 to 1,459 in 2016 and drew interest from all regions. This year, under the theme "Climate Smart

Agriculture and Mechanisation", 13 (thirteen) entrants were recognised for exemplary practices and awarded ush 7.12m each in asset financing. The top three winners **(Abdallah Mangalji**, **Teddy Wanzunula Wabomba** and **Bashir Mayiga)** received ushs 50m, ushs 30m and ushs 20m respectively. Farm equipment and materials such as irrigation systems, HP tractor, loading trailer, grain miller, biogas stove and building materials were given as awards to improve their processes. All the winners were provided with a once in a lifetime opportunity to travel to the Netherlands to tour world-class farms and benchmark farm practices with the expectation that their farms would turn into learning centres and inspire other farmers to develop farming in Uganda.

The project was sponsored by the dfcu Bank, the Netherlands Embassy and KLM Airlines and their stories were featured on our media platforms to provide a learning opportunity for readers and viewers several of whom developed interest in farming and farmers who used the information to improve their farms in the absence of agriculture extension services in the country. This caused a ripple effect of change in local communities which will last for years to come.

Irrigation Master Classes

This was an initiative in partnership with the Embassy of the Netherlands to promote irrigation in Uganda in February in response to the long drought the country experienced. The embassy provided requisite resources to conduct the master classes, including international expertise while Vision Group identified farmers to attend the irrigation classes which were conducted at four farms in Kapchorwa, Bukedea, Luwero and Wakiso. Stories about the classes were published and broadcast for wider audiences and were well received.

Irrigation master class in Bukedea

Irrigation master class in Kapchorwa

Agriculture Expo

The three-day Harvest Money Expo which took place in February 2017 was a meeting point for all agriculture stakeholders who included farmers, agro-processors, financial institutions, researchers, national and international agencies, business people, agro-machinery/equipment dealers, seeds outlets and packaging enterprises.

The best farmers visiting the Tomato World in Netherlands

2016 Best Farmers Awards

The expo provided opportunities for exhibition and training sessions across various agricultural initiatives from passion fruit growing, coffee growing, piggery, matooke growing and farm management relating to crop and animal husbandry.

Harvest Money Expo: Bashir Bayiga gives lessons on passion fruit growing

Harvest Money Expo: the public being trained

Fountain High School, Lira growing onions in sacks.

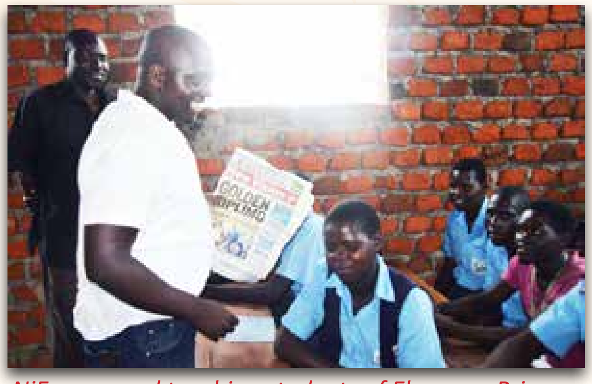
The expo was a tremendous success. It attracted 134 exhibitors and an estimated 15,000 people, including school children who were specifically catered for to interest them in farming and entrepreneurship in future. Key relationships were forged with participants that will serve the company well for years to come. The sponsors, Embassy of the Netherlands and dfcu Bank, were impressed. According to the dfcu Bank marketing manager **Jude Kansiime, *the bank had many people opening accounts. This, he says, was the highest number of accounts opened at ago in a space of three days ever recorded.***

Newspapers in Education

The project is premised on credible research that the use of newspapers in classroom teaching greatly improves the level of academic achievement of students and creates awareness on educational issues and is intended to use our product to support education through innovative ways to learn.

The project has improved children's literacy by providing exciting quality reading materials that boost reading, improve communication skills and widen vocabulary. It also provides teachers with alternative teaching methods and tools and covers the instructional material deficit in schools. Some schools set up reading clubs whose members spearhead reading activities, participate in reading competitions and word games as well as answering exercises in the weekly NiE pull out.

The NIE club of Bright Jr School Kyebando



NiE personnel teaching students of Ebenezar Primary School regarding the use of newspapers

A total of 236 teachers have been trained in the use of newspapers for classroom teaching and over the same period up to 173,520 copies of *New Vision* newspaper were distributed to 848 schools (285 primary & 563 secondary) located in most regions of the country with support from five partners namely: Save the Children, National Drug Authority, Private Education Development Network, Resilient Africa Network and Educate!

Toto Editor training teachers of Victoria Primary School in the use of Newspapers to teach students

This project has turned round the fortunes of schools that had for decades never fielded a single candidate in Division One. Osokotoit Primary School in Serere District was established in 1987 and had never produced a candidate in Division I. They started receiving NiE support in 2013 and four pupils were in Division II. For the first time in 2014, they got pupil out of 19 in Division I and seven in Division II. In 2015 they still had one pupil in Division I but nine in Division II. In 2016, they had two pupils in Division I and twelve in Division II thereby emerging the best performing school in the district. With this performance the total school enrolment has risen; the number of pupils in 2013 was 335, in 2014 it was 401, in 2015 it was 501 and in 2016 it increased to 533. Newspapers were supplied to four (4) remote primary schools namely Nyenga Boys PS in Buikwe District, Katebe PS in Mbarara, Punoluru PS in Lira and Osokotoit PS in Serere district who improved their performance in the national examinations.

Teachers Making a Difference Project

Awards given to teachers who made a difference

As a brand whose vision is to thrive through advancing society, social initiatives built on education of children and the youth are very important. This especially because this is an investment in the future generation is an investment in the future of the business. Children are tomorrow's leaders and readers.

This project recognises teachers who improved the quality of education in Universal Primary Education (UPE) schools across the country by employing innovative ways to boost education in the face of challenges and resource constraints. Over 100 nominations were received, 40 were considered by an independent jury made up of eminent personalities and the best eight received a cash prize of sh1m at a function presided by The First Lady and Education Minister, Mrs. Janet Museveni. In partnership with the Irish Embassy, Simba Travelcare and Trocaire, the top five teachers will travel all-expenses paid trip to Dublin in February next year.

Some notable activities that were rewarded included: setting up a school garden that produces food for the pupils, gathering sanitary towels from donors for the girl child, organising counselling sessions for pupils with a hearing impairment, using ICT as a method of teaching, constructing staff quarters to improve the level of accommodation and constructing a nursery bed to grow vegetables.

This is intended to recognise and inspire thousands of teachers all over the country to devotion to their profession.

Investment in children

The long-term strategy of the company includes building new readers, improving literacy levels which in turn would lead to increased revenue from loyal supporters. We believe that brand equity is a contributing factor in brands and companies that have spun decades and is even more assured if a consumer is devoted to the product from a young age. This informs our focus on children through children-friendly sections and pull-outs specific to their needs.

Toto magazine, a bi-weekly magazine published in the *New Vision* newspaper and in the *Sunday Vision*, is a magazine for children with stories written by the children themselves.

Pupils of Victorious Education Services in Mengo displaying Toto Fliers

The content is intended to interest them to read and has grown in popularity across the country inspiring a Toto and twin festival that leverages on the brand. Following determination that the product was widely popular in Mbarara as well, this year the annual Toto festival was extended from Kampala and Mbarara and attracted young readers between the ages of 7 and 14 years. It was a widely successful event that confirmed that the investment in children to grow readership and grow with them as customers was on the right track. The event attracted a sponsor; Save the Children is currently sponsoring this initiative.

Toto Editor distributing gifts to the children who attended the first ever Toto Festival in western Uganda.

Pakasa

The PAKASA brand is intended to nurture the entrepreneurial spirit, especially among the youth with the recognition that the contribution to purchasing power coupled with the loyalty to the brand will translate in the mid to long term in growth in revenue. According to the Programme Manager at Enterprise Uganda, "an estimated 400,000 young people get on the job market every year to compete for a little over 9,000 jobs created every year".

In December 2016, Pakasa, in association with The Korean Embassy in Uganda held a youth forum at Sheraton Kampala Hotel to explore ideas on the ease of doing business in Uganda. The forum, which was attended by a cross-section of young entrepreneurs, addressed the challenges of creating an enabling environment for start-up businesses in Uganda with practical tips on how young entrepreneurs could survive in a harsh business environment. The main speakers were Dr. Eria Hisali, the principal, COBAM, Makerere University and Martin Fowler, USAID, a senior agricultural economist with USAID.

The Korean Ambassador to Uganda attending the Young Leadership Forum at Sheraton Hotel.

a. *Pakasa Pullout*

The pullout features stories on opportunities for skills development, funding and general enterprise development (that emphasizes best practices in business) for young entrepreneurs and shared experiences for improvement and growth.

The pullout is a one-stop centre for expert advice on various business issues, information on funding opportunities in the form of grants/ business support, marketing for skills in demand and knowledge sharing from successful CEOs.

The pullout has birthed *Yiiya Ssente* (*Bukedde*), *Omwekambi* (*Orumuri*) and *Acamkwoka* (*Rupiny*) and *Toli Mwavu* which has evolved into a flagship product for Bukedde TV attracting its own sponsors which is a revenue source. These types of sponsorships and partnerships are intended as alternative revenue sources for the future.

Ssebidde speaking to children and teachers at Green Hill Secondary School, Lira. He provided financial literacy and entrepreneurship clubs were formed in the school.

b. Pakasa Forum

This is an open forum held on a quarterly basis for all entrepreneurs – budding and established alike which has also created similar regional events like *Omwekambi* and *Yiiya Ssente* in the western and central regions respectively.

The Eight Pakasa Forum held in August 2016 featured world famous keynote speaker and respected CEO of Safaricom, Bob Collymore. This was unique because two sessions for the corporate community of managers and directors and a public session for youth on success, business and strategy were held. The ability to partner with such high-profile persons has set the company apart and resulted in goodwill towards the brand. This goodwill is continually exploited for business advantage such as sponsorship, advertising business and continued partnerships.

CEO of Safaricom addressing youth at the Pakasa Forum at Kampala Parents School

c. *Pakasa Youth Awards*

A country-wide search for exemplary young entrepreneurs culminated in the award and recognition of 10 (ten) winners who were selected travelled to South Korea and received a total cash prize of ushs 10m.

Pakas Youth Awards 2016 winners at the award-giving ceremony at Kabira Country Club in Kampala

Corporate Citizenship

In commemoration of International Women's Day, the company through its Pillar Women Empowerment programme distributed 10 (ten) sewing machines to a women's group, "We Can Development Group" in Lubya-Rubaga division, Kampala. These were nominated by the public for making a difference in their communities.

Bukedde Platform donates 10 sewing machines to We Can Development Group

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

A health camp was held in September at Kumi Hospital Training school in partnership with Kumi Hospital Ongino (private) with a turnout of residents of Kumi, Bukedea, Pallisa, Katakwi, Ngora and Soroti districts who were predominantly women. Free Hepatitis B testing was offered and 196 people were vaccinated. Two hundred sixty-seven people received free HIV/AIDS testing and counseling conducted by medical personnel. Seventy-five units of blood were collected by the Uganda Blood Transfusion Services-Soroti and maternal healthcare was also provided for expectant mothers.

People lining up for Hepatitis B testing at Kumi Hospital Ongino Training School premises

Man receiving Hepatitis B Vaccine

In support of disadvantaged UPE schools, Rupiny Radio donated over 100 A' Level text-books to Koro Senior Secondary School, Omoro district in October and in partnership with Rotary Clubs of Naguru, Bukoto and Gulu organised a Family and Child Health event in April 2017 at Koch Koo Primary School in Omoro District.

Books donated to Koro SS in Omoro District

Over 2000 participated and received ENT, dental care and antenatal care medical services. Children were immunised against the killer diseases while adults were vaccinated against Hepatitis B and Tetanus and tested for HIV. Free insecticide treated mosquito nets and beddings were also distributed.

Community members lining up to receive medical services.

TV West partnered with Bridge of Hope Foundation, Uganda Red Cross, Mbarara Regional Referral Hospital and Rotary Club of Mbarara to raise awareness of safe motherhood through health centre visits to Mbarara Regional Hospital, Itojo Hospital, Kagongo Hospital, Kiruhura Health Centre and Mbarara Municipal Health Centre. Three hundred mama kits were distributed to expectant mothers, maternity wards were cleaned and blood donation exercises were conducted. Safe motherhood programmes were broadcast and general health awareness was also carried out by the health personnel. A marathon organised in aid of Mbarara Municipal Council health Centre IV attracted over 1000 people and collections of Ushs. 8m were used to purchase equipment, drugs, maternity health kits and beds for the maternity ward.

Kiruhura Health Centre 4, TV West staff and Bridge of Hope members

Expectant mothers receiving mama kits at Kagango hospital in Ibanda

TV West staff cleaned Itojo Hospital

Toto magazine continued to play a key role in promoting literacy levels in children and region wide visits by the editor Jovita Ajuna along with the NIE Manager promoted the magazine as a teaching aid.

Toto Christmas festival at Kampala Quality Primary School Kanyanya

The Toto magazine distribution and training classes were extended to rural hard-to-reach areas like Loletekia ABEK Centre in Moroto district, Lopama II ABEK Centre in Kotido district, Lokodiokodioi ABEK Centre in Nakapiripirit and Patiko Prison Primary School in Gulu district among others who have scheduled weekly reading classes. It was well received and cemented the brand in the minds of these schools, communities and children for many of whom it is the only story-book they own.

NiE Manager speaking to students of Rhapa Girls

By spreading reach to all parts of Uganda, the Vision Group brand grows and the loyalty extends to all the platforms which cements its presence, grows number of readers and listeners which increases market share and ultimately improves business. The innovative ways of achieving these social goals which achieve both financial and stakeholder goals mean this is done at an affordable cost which is an investment for the future.

d. Intellectual Capital

This is the value that is accumulated from the organisation's intellectual property such as copyrights, patents, brand values and accumulated knowledge. The company owns the copyright for its publications as it is a term of engagement for contributors. This is a recognised asset that improves the financial position of the company and can be leveraged for business. International media agencies regularly enter copyright agreements with the company which has furthered our goals to establish a presence and interest in the media offering. This is expected to facilitate growth of markets in several Ugandan communities in the diaspora and increase online consumption of products because of interest in the quality product and need to associate with the leading brand.

The company aggressively protects the use of its intellectual property, as any leading media house will do in order to ensure exclusivity or economic advantage from the investment in producing the same. The company owns copyrights of stories, productions, videos, documentaries, music, performances and televised programmes. In entering partnerships and contracts this intellectual property is protected and every effort is made to own exclusively any creative work arising from our investment in any venture. This increases the asset base which can be utilised for gain.

The company currently has a total of 56 registered trademarks for which we have the exclusive right to use, reproduce and license. The company has continued to leverage its brands for competitive advantage, for example the licensing of its products at no cost to drive its strategy for market penetration, diversification and growth particularly the television channels.

e. Financial Capital

The company continued to avoid debt financing which is important to avoid the trap of high interest rates which directly impact financial performance. While the role of debt is recognised in financing growth strategies, the board and management continue to consider on a case by case basis any options to borrow to determine the best interests of the company. The level of gearing is constantly reviewed and it is appreciated and remains an option. The liquidity position of the company improved from ushs. 5b as at June 30, 2016 to ushs 6.7b as at June 30, 2017.

The Board of Directors are not proposing any dividend payout for the year 2016/17 because of low profitability registered during the year. The company, however, has healthy reserves which are the most important source of investment funds for the business. This avoids expenses associated with new equity issues, besides these new equity issues can lead to a dilution of the control exercised by the existing shareholders. Interest payment costs related to borrowing are also avoided. The earnings will be used for new investments and this we hope will lead to a rise in the share price which is more desirable for shareholders.

The shareholders' funds for the year ended June 30, 2017 comprised of share capital worth ushs. 1.5b; share premium of ushs. 27.2b; revaluation reserve of Ushs. 14.7bn and retained earnings worth ushs. 24.4bn.

f. Manufactured Capital

The Company spent ushs. 12,560,182,399 acquiring buildings, computers, cameras, furniture and office equipment, software, land, plant and machinery, pre-press equipment, radio and television transmission equipment and motor vehicles during the period thus increasing the manufactured capital from ushs. 2,101,539,754/= in 2015/2016.

Previously, the company would spend $21,000 per month renting the JR office block and the recent expenditure resulting from the purchase of the Pike House Building will go a long way in freeing up rental fees for other investments and facilitating operational costs.

The company has also executed framework contracts with suppliers for the delivery of various consumables including ink, plates and paper.

The warehouse rental expenses for stocking these consumables have been scrapped since these orders are ordered on a call-off basis.

The company has invested in property at Namanve Industrial Business Park which will be utilised to support the various strategies in future and save on operation costs. This is a strategic move in recognition of the value of such property to the business.

...Youth Awards:
winners speak out

Martin Kibirige, 35, CEO, Maritini Interior Construct Limited, Bweyogere, Wakiso

Being in the construction and interior designing business, I have always wanted to make my own paint because I spend a lot on buying paint for my clients' work. With the business support money that we won from the Pakasa Youth Awards last year, I bought a paint-making machine which I have already installed in my factory in Kyaliwajjala. The name of the brand, which is already registered, is Oceanic Paints.

This project will provide paint for my business while I will be able to sell the rest.

From the publicity and exposure that the awards afforded me away, I have been able to get big clients from as far as Zimbabwe, Norway and the UK.

Locally, I got a big contract to handle the interior design of the new offices of RTI, a USAID-funded project on Lumumba Avenue.

Lastly, my trip to South Korea broadened my thinking in business. I noticed that all the Korean businesses we visited had a high level of organisation and good corporate governance. That and a few other lessons influenced the way I do business now.

Hazel Namuwaya, 29, CEO, Ambrosia Foods, Ttula, Kampala

Before the awards, I had challenges distributing my juice. However, with the business support money of sh10m I got after winning in the Pakasa Youth Awards last year, I was able to purchase a tricycle.

This has proved to be a more efficient and cost-effective means of distributing my product. This has in effect helped increase market share as well as lower my production costs.

I invested the rest of the money in production and operations. Although I had acquired the equipment, I did not have enough capital to inject in the production and operations; things like buying raw materials, workers' wages, marketing and the like. That money helped me boost this process a lot. I used to produce about 120 litres of juice daily. Today, I have doubled my production.

I also benefitted a lot from the exposure and publicity that the entire process accorded me. Not only is my product known to many more, I have also become a consultant to fellow young entrepreneurs. This has given me chance to make a difference.

Lastly, the Korean trip truly inspired me with their "can do" attitude. From individual entrepreneurs to political leaders, their level of self-belief and determination is out of this world. I also noticed that Koreans are very goal-oriented people. That inspired me to change a lot of things about the way I was doing business.

Moses Kibirige, 24, proprietor, Chain of Hope gym, Gulu

As you know, I am a former street kid. Before I took part in the awards, I operated a less than standard gym with locally fabricated equipment in a makeshift place on land donated to me by my pastor in Layibi, Gulu municipality.

Although I am still in the same place, with the money I got from the awards, I purchased an 80X60 piece of land in Kolo sub-county, to where I intend to transfer the gym. I am also in advanced stages of setting up a youth community centre through which I hope to assist unemployed youth.

I used the rest of the money to buy more standard gym equipment like weights and aerobics. Now I can attract more high-profile clients to the gym which has greatly improved my earnings.

The publicity and media spotlight that came with the awards process have greatly benefitted my earnings. My clientele has more than tripled today so have my earnings.

Because of this, I am now able to save enough to join another business: cattle trade. My ultimate goal is to set up a butchery.

One of the most important benefits is the fact that I am now able to be a change agent in my community because I am a role model for fellow youth.

Ambrose Angulo, 30, CEO, Ambrosoli Wonders Photography and Branding

With the sh10m I won in business support, I was able to aquire modern equipment for my printing and branding business. I acquired the state-of-the art Nikon D& 100 camera which does superior videos and still photography. This has greatly improved the quality of our photography.

I also acquired a commercial sewing machine which handles heavy duty straight stitching. With this machine, we could bid for and have been able to win several contracts from big organisations like Lira University for whom we are making undergraduate gowns. Our garments sections has grown and increased our overall earnings.

We also acquired a thermal laminator. Now we can lament documents and books and have greatly cut back on the money we have spending in lamination.

Besides the equipment, we benefitted greatly from the publicity that surrounded the awards. This is how most of the big organisations we are working with today found out about us.

I am now looked at as a role model in my community. Many organisations give us business not just because we are good at we do but also as a way to support us so other youths can be inspired by our prosperity.

In fact, I have been preselected/nominated among the young entrepreneurs of the year by the International Labour Organisation (ILO) for the Uganda Young Employers Awards. As a result, we have been automatically registered under the Federation of Uganda Employers.

Past winners praise teachers awards

Over the years, a number of teachers have been recognised by New Vision for their innovation and outstanding contribution towards improving education in Uganda. As a new lot of teachers are recognised today, Andrew Masinde talked to some of the past winners on the impact the awards have had on them

Teachers Making a Difference is part of the Ugandans Making a Difference project initiated by *New Vision* in April 2008. The project aims at recognising and rewarding those individuals who have exceptionally used limited resources to create a positive impact on their communities. This year's project is being implemented in partnership with the Embassy of Ireland, Simba Travel Care and Trocaire.

■ MUSA KISIBO
Morukatipe Primary School, Tororo (winner 2016)

"I really appreciate *New Vision* for the award because it improved my curriculum vitae and my image. The school performance has improved compared to the previous years. I have also done my best to ensure the projects survive," Kisibo says.

He notes that without the success of his projects, it would be a shame if anyone visited the school and he had nothing to show for his award.

Kisibo was awarded for his innovations that have enabled his pupils to get lunch at school through gardening, something that is not common in most UPE schools.

■ WILSON BUKAYI
Headteacher Kamuli Girls SS (winner 2016)

"After winning the award, all radio stations in Kamuli were praising me for the recognition. I greatly appreciate *New Vision* because it opened a new world for me. I am respected in Kamuli because of the award. I am always working hard to defend it," Bukayi says.

Bukayi was awarded because he houses and transports Kamuli girls to school.

He has also helped raise the enrolment of pupils at Kamuli Girls Boarding Primary School.

■ SUSAN SSERUNKUUMA
Headteacher Mukono Boarding Primary School (2016 winner)

Sserunkuma lauds *New Vision*, saying the award raised her profile, giving her the opportunity to become a role model and consultant for the surrounding schools.

"The award opened so many doors for me to know and support other teachers in my community," she says.

The first-born to famous musician Elly Wamala and wife Rebecca of Mugongo, Wakiso district, Sserunkuuma was recognised for her ability to build a good team of teachers, instilling discipline in both the teachers and pupils, curbing absenteeism and improving academic performance in this Universal Primary Education (UPE) school.

"To some people, the award might look minor. But it was a turning point in my career. Many head teachers have since frequented my school just to find out how I do my work," Sserunkuuma stated, a broad smile of satisfaction beaming across her face.

■ DANIEL WANINDA
Nagongera Girls' School (2016 winner)

"The Teachers Making a Difference Award exposed me to the extent that today I am sought after by many schools as an ICT consultant. From the prize money, I was able to buy a new laptop which I am using to promote the use of ICT in schools," Waninda says.

"The award also won me confidence of my bosses who bought 15 computers for the school."

Waninda, the director of studies, was recognised for discipline, interpersonal relations with colleagues, pupils, the communities around the school and for promoting co-curricular activities and the use of ICT in the school. About 70 schools from within and the surrounding districts have now registered with him for ICT training and support services.

■ ANNA TWONGEIRWE
Nyakibale Lower Primary School (2016 winner)

"The award has greatly motivated me to step up my project for children with hearing impairment. The enrolment of pupils with hearing problems has increased in the school. Because of the exposure, I introduced life skills for students with a hearing impairment such as knitting, weaving baskets and gardening."

Twongeirwe was recognised for her dedication to supporting children with hearing impairment at the UPE school over the last 10 years. "It has been a tough call in a school that not only lacks facilities to support inclusive education, but also where attitudes towards children with disabilities remains largely negative," she says.

■ ERIC MASEREKA
Headteacher Railways Primary School, Kasese (2016 winner)

"I am now used as an example to motivate other teachers in my community and all this was after winning the Teachers Making a Difference award by *New Vision*. Schools now visit my school and I give them motivational talks," Masereka says.

Having been a teacher for the last 23 years, Masereka is considered a "grandfather of UPE". It is this selfless dedication to supporting teachers, parents and pupils and for his innovations that he earned the best teachers award.

He was also recognised for his motivation to start working on the re-usable sanitary pads basically to help improve on the retention of girls in school.

FINANCIAL STATEMENTS

Vision Group
NATIONAL PRIDE • GLOBAL EXCELLENCE

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

CONTENTS **PAGES**

COMPANY INFORMATION

BOARD OF DIRECTORS	: David Ssebabi	- Chairman
	: Robert Kabushenga	- Managing Director / CEO
	: Gervase Ndyanabo	- Deputy Managing Director / CFO
	: Monica Chibita	- Non Executive Director
	: Oode Obella	- Non Executive Director
	: Charles Tukacungurwa	- Non Executive Director
	: Steven Bamwanga	- Non Executive Director
	: Grace Dwonga	- Non Executive Director
	: Gad Gasaatura	- Non Executive Director
	: Patrick Ayota	- Non Executive Director
	: Robinah Kaitiritimba Kitungi	- Non Executive Director
	: Jim Mugunga	- Non Executive Director - Appointed November 17, 2016
BOARD AUDIT AND RISK COMMITTEE	: Oode Obella	- Chairman
	: Joseph Baliddawa	- Member
	: Parity Twinomujuni	- Member
	: Susan Lubega	- Member
	: Steven Bamwanga	- Member - Appointed August 3, 2017
	: Grace Dwonga	- Member - Appointed August 3, 2017
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	
INDEPENDENT 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

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended June 30, 2017

REPORT OF THE DIRECTORS

The Directors submit their report along with the audited financial statements for the year ended June 30, 2017, 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 television and radio broadcasting, and digital online production.

There have been no material changes to the nature of the company's business from the prior year.

FINANCIAL RESULTS

The financial statements have been prepared in accordance with International Financial Reporting Standards and in a manner required by the Companies Act, 2012. The accounting policies have been applied consistently to all the periods presented in the accompanying financial statements. Summary of financial highlights are as under:

	2017 Shs' 000	2016 Shs '000
Profit before tax	780,477	7,427,744
Tax	(765,792)	(2,499,951)
Profit for the year	14,685	4,927,793

DIVIDEND

The Directors do not recommend payment of a dividend for the year ended June 30, 2017 (2016: 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 63.

Ms. Monica Chibita, Ms. Grace Dwonga, Mr.Oode Obella and Mr. Steven Bamwanga are the Directors who retired by rotation in accordance with the Company's Articles of Association and being eligible, offered themselves for reappointment.

The financial statements set out on pages 74 to 106, which have been prepared on the going concern basis, were approved by the board on October 4, 2017, and were signed on its behalf by:

BY ORDER OF THE BOARD

Company Secretary

October 4, 2017
Kampala, Uganda

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 financial statements and related financial information included in this report. It is their responsibility to ensure that the 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 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 endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behavior 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 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, 2018 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

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

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 74 to 106, which have been prepared on the going concern basis, were approved by the board on October 4, 2017 and were signed on their behalf by:

DIRECTOR **DIRECTOR**

Kampala, Uganda

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED FOR THE YEAR ENDED 30th JUNE 2017

THE RT. HON. SPEAKER OF PARLIAMENT

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of New Vision Printing and Publishing Company Limited, set out on pages 74 to 106 which comprise the statement of financial position as at June 30, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of New Vision Printing and Publishing Company Limited as at June 30, 2017 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the financial statements section of my report. I am independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to my audit of the financial statements in Uganda, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements taken as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters;

- **Trade Receivables impairments**

The Company has diverse customer base ranging from Government Departments, Ministries and Agencies, Corporate bodies, Non-Government Organizations, International Development Partners and the General public. As at June 30, 2017 gross trade receivables were Shs.16.2 billion and cumulative provision for impairment of trade receivables as at June 30, 2017 is UGX.4.4 billion. See Note 17 - Trade and other receivables in the financial statements.

The impairment is dependent on the subjective judgments and company policy. Due to the subjectivity involved and significance of amount of trade receivables in the financial statements, trade receivables impairments have been considered as a focus area of this audit.

I obtained and checked the Company's credit policy in relation to impairment provisions. I tested the effectiveness of key controls over credit processes by performing walkthroughs and sampling controls over approval of credit limits and approval of impairment provisioning. I obtained ageing analysis of trade receivables and recalculated the allowance for provisions in line with the Company policy.

I assessed the judgments made by the management in respect of not-making provisions for trade receivables in excess of normal credit period and also inquired for the actions taken by the management to collect the overdue amounts. I selected a sample of trade receivables using statistical sampling tools and sent a request for direct confirmations to the trade receivables and compared the confirmed balances to the amount reported in the financial statements. For those customers who did not respond, I performed alternative audit procedures by testing evidence of subsequent receipts relating to the balances or transactions in question and inquired from management about the accuracy of balances.

Based on the procedures performed, I noted no significant issues in the provision of impairment of trade receivables.

- **Commission expenses**

The Company incurred significant amount of UGX.6.8 billion towards commission to generate business from customers in relations to Advertisements, Commercial Printing and Newspaper Sales. See Note 4 - Cost of sales in the financial statements.

While payment of commission is an important element of business to generate revenue, considering the significance of commission paid during the year, the conditions which are required to be met before the payments, non-automation of the process and chances of frauds and errors, the same is considered as one of key focus area in this audit.

I tested payment of commission expenses with supporting evidences to confirm correctness of the same transactions. - On a sample basis, I checked the commission structure approved by the management with actual computation of commission paid to agents. I tested the control over approval of commission payments. On a sample basis, I traced the commission agent sales collections to bank statements.

Based on the procedures performed, I noted no significant issues in recognizing the commission expenditure.

- **Revaluation of Property Plant and Equipment**

The Company in accordance with finance and accounts manual, revalued its Property, plant and equipment resulting in the revaluation gain of UGX.19.8 billion, with use of valuation expert and management estimates. See Note 13- Property, plant and equipment in the financial statements. I focused on this area because in revaluation of Property, plant and equipment, the management and valuers make number of estimates, judgments and assumptions. These estimates and judgments relate to the estimates of "Replacement Cost New", physical wear and tear, functional obsolescence, and economic obsolescence and also the estimation of the remaining useful life of the assets.

I assessed the qualifications, experience and work of valuation expert. I tested appropriateness of the methods, assumptions, estimates made by management and independent valuation expert and also the research done by them to arrive at the revalued amounts of items of Property, plant and equipment.

I tested the reasonableness of the inputs of any non-accounting data provided to the expert. I checked that all assets in the class of land and building and plant and, machinery were revalued. I assessed whether appropriate accounting treatment is given for gain/loss on fair valuation and whether fair value considered as defined by IFRS 13.

I inquired from the management of the procedures they performed before making any changes to the valuation provided by an independent valuer. Based on the procedures performed, I noted no significant issues in assumptions, estimates made by the Independent Valuers and judgments made by the management in arriving at the revaluation captured in the financial statements.

Other information

The Directors are responsible for the other information. The other information comprises the Annual Report. The other information does not include the financial statements and my auditors' report thereon. My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012, and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's

ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with him/her all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Directors, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory 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

KAMPALA

4th October, 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHESNIVE INCOME

	Note(s)	2017 Shs '000	2016 Shs '000
Revenue	3	86,061,181	92,662,627
Cost of sales	4	(64,505,006)	(68,643,227)
Gross profit		21,556,175	24,019,400
Other operating income	5	121,554	989,810
Distribution costs	6	(1,778,686)	(1,732,409)
Administrative expenses	7	(12,909,196)	(12,866,589)
Other operating expenses	8	(6,209,370)	(2,982,468)
Profit before taxation		780,477	7,427,744
Taxation	11	(765,792)	(2,499,951)
Profit for the year		14,685	4,927,793
Other comprehensive income:			
Gain on revaluation of property plant and equipment	13	19,821,011	1,606,255
Deferred tax on gain on revaluation of property, plant and equipment	21	(5,946,903)	(481,877)
Total other comprehensive income		13,874,108	1,124,379
Total comprehensive income for the year		13,888,793	6,052,172
Dividends			
Proposed dividends for the year	12(a)	-	3,825,000
Earnings per share			
- basic and diluted (Shs per share)	12(b)	0.2	64

The notes set out on pages 78 to 106 form an integral part of these financial statements.

New Vision Printing and Publishing Company Limited
Annual report and financial statements
As at June,30 2017

STATEMENT OF FINANCIAL POSITION

	Note(s)	As at June 30 2017 Shs '000	2016 Shs '000
ASSETS			
Non-current assets			
Property, plant and equipment	13	49,345,165	24,804,380
Prepaid operating lease rentals	14	3,360,972	2,057,817
Intangible assets	15	300,646	327,950
		53,006,783	27,190,147
Current assets			
Inventories	16	8,465,945	13,472,417
Trade and other receivables	17	17,606,823	24,991,379
Cash and cash equivalents	18	6,748,369	5,050,613
Current tax recoverable	25	17,347	-
		32,838,484	43,514,409
Total assets		85,845,267	70,704,556
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	19	1,503,990	1,503,990
Share premium	19	27,158,864	27,158,864
Revaluation reserve	20	14,672,829	1,248,469
Retained earnings		24,430,392	27,790,959
Shareholders' funds		67,766,075	57,702,282
Non-current liabilities			
Deferred tax liability	21	7,644,793	3,253,732
Current liabilities			
Trade and other payables	22	9,333,770	8,012,893
Dividends payable	23	1,100,629	1,394,610
Current tax payable	25	-	341,039
		10,434,399	9,748,542
Total equity and liabilities		85,845,267	70,704,556

The annual financial statements and notes on pages 74 to 106 were approved by the board on 4th October 2017 and were signed on its behalf by:

DIRECTOR **DIRECTOR**

The notes set out on pages 78 to 106 form an integral part of these 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, 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 on revalued assets net of deferred tax	-	-	(17,618)	17,618	-
Gain on revaluation surplus on property plant and equipment net of deferred tax	-	-	1,124,379	-	1,124,379
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
Year ended June 30, 2017					
At start of year	1,503,990	27,158,864	1,248,469	27,790,959	57,702,282
Profit for the year	-	-	-	14,685	14,685
Transfer of excess depreciation on revalued assets net of deferred tax	-	-	(449,748)	449,748	-
Gain on revaluation on property plant and equipment net of deferred tax	-	-	13,874,108	-	13,874,108
Transaction with owners					
Dividends:					
- Final for 2016 (declared)	-	-	-	(3,825,000)	(3,825,000)
At end of year	1,503,990	27,158,864	14,672,829	24,430,392	67,766,075
Note	**19**	**19**	**20**		

The notes set out on pages 78 to 106 form an integral part of these financial statements.

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended June 30, 2017

STATEMENT OF CASH FLOWS

	Note(s)	2017 Shs '000	2016 Shs '000
Cash flows from operating activities			
Cash from operations	26	20,892,310	2,552,104
Interest received	5	28,909	82,342
Tax paid	25	(2,680,020)	(3,261,532)
Net cash in (out) flow from operating activities		18,241,199	(627,086)
Cash flows used in investing activities			
Purchase of property, plant and equipment	13	(11,019,297)	(1,813,796)
Purchase of prepaid operating lease rentals	14	(1,402,872)	-
Purchase of intangible assets	15	(138,012)	-
Proceeds from disposal of property, plant and equipment	13	135,719	69,677
Net cash used in investing activities		(12,424,462)	(1,744,119)
Cash flows used in financing activities			
Dividends paid	23	(4,118,981)	(3,311,855)
Net cash used in financing activities		(4,118,981)	(3,311,855)
Increase/(decrease) in cash and cash equivalents		1,697,756	(5,683,060)
Cash and cash equivalents at beginning of year		5,050,613	10,733,673
Increase/(decrease) in cash and cash equivalents		1,697,756	(5,683,060)
Cash and cash equivalents at end of year	18	6,748,369	5,050,613

The notes set out on pages 78 to 106 form an integral part of these financial statements.

NOTES

Corporate Information

New Vision Printing and Publishing Company Limited ("The Company") is a public limited liability Company incorporated and domiciled in Uganda. The Company was incorporated in June 2002.

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

The registered office of the Company is

Plot 19/21, 1st Street, Industrial Area

Kampala, Uganda.

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:

- **Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project**
  The amendment provides additional guidance regarding transfers with continuing involvement. Specifically, it provides that cash flows excludes cash collected which must be remitted to a transferee. It also provides that when an entity transfers a financial asset but retains the right to service the asset for a fee, that the entity should apply the existing guidance to consider whether it has continuing involvement in the asset.

  The effective date of the company is for years beginning on or after January 01, 2016.
  The company has adopted the amendment for the first time in the 2017 financial statements.
  The impact of the amendment is not material.

- **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation.**

  The amendment clarifies that a depreciation or amortisation method that is based on revenue that is generated by an activity that includes the use of the asset is not an appropriate method. This requirement can be rebutted for intangible assets in very specific circumstances as set out in the amendments to IAS 38.

  The effective date of the amendment is for years beginning on or after January 01, 2016.
  The company has adopted the amendment for the first time in the 2017 financial statements.
  The impact of the amendment is not material.

- **Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements**
  The amendment provides new requirements when an entity presents subtotals in addition to those required by IAS 1 in its financial statements. It also provides amended guidance concerning the order of presentation of the notes in the financial statements, as well as guidance for identifying which accounting policies should be included. It further clarifies that an entity's share of comprehensive income of an associate or joint venture under the equity method shall be presented separately into its share of items that a) will not be reclassified subsequently to profit or loss and b) that will be reclassified subsequently to profit or loss.

  The effective date of the company is for years beginning on or after January 01, 2016.
  The company has adopted the amendment for the first time in the 2017 financial statements.
  The impact of the amendment is not material.

- **Amendment to IAS 19: Employee Benefits: Annual Improvements project**
  The amendment clarifies that when a discount rate is determined for currencies where there is no deep market in high quality corporate bonds, then market yields on government bonds in that currency should be used.

  The effective date of the company is for years beginning on or after January 01, 2016.
  The company has adopted the amendment for the first time in the 2017 financial statements.
  The impact of the amendment is not material.

NOTES

1.2 **New standards, amendments and interpretations issued but not effective**

At the date of approval 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:

Standards and interpretations	Effective date: Years beginning on or after	Expected impact
• IFRS 9 Financial Instruments	January 1, 2018	Unlikely there will be a material impact
• IFRS 15 Revenue from Contracts with Customers	January 1, 2018	Unlikely there will be a material impact
• IFRS 16 Leases	January 1, 2019	Unlikely there will be a material impact
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	January 1, 2018	Unlikely there will be a material impact
• Amendments to IAS 7: Disclosure initiative	January 1, 2017	Unlikely there will be a material impact
• Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	January 1, 2017	Unlikely there will be a material impact

2. 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.

The financial statements are presented in Uganda shillings, which is Company`s functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

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 30(d).

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.

2. 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, the management makes judgment 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 15.

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

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

- Contingent liabilities - As discussed in Note 29 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.

- Provision for impairment of inventories -The Company reviews its inventory to assess loss on account of slow moving, damaged and obsolescence on a regular basis. The Company makes judgments as to whether there is any observable data indicating that there is any future saleability/Usability of the product and the net realisable value of such product.

- Income tax and Deferred tax - Judgment is required in determining the Company’s provision for income taxes. The effective tax rate for the year ended June 30, 2017 was 30% (2016: 30%). This rate is consistent with the statutory rate of 30%.

- Revaluation of property plant and equipment - Land, buildings and plant and machinery are subsequently shown at market value, based on periodic valuations by external independent valuers, less subsequent depreciation.

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Significant judgments made by management in applying the Company's accounting policies

Directors have made the following judgments 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.

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended June 30, 2017

NOTES (CONTINUED)

2 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 on a straight line basis. 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)

2. **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 and has indefinite useful life. 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)

2. **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 as 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. The effective tax rate for the year ended June 30, 2017 was 30% (2016: 30%). This rate is consistent with statutory rate of 30%.

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)

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

i) **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

m) **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.

n) **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.

The Company reviews its inventory to assess loss on account of slow moving, damaged and obsolescence on a regular basis. The Company makes judgment as to whether there is any observable data indicating that there is any future saleability of the product and the net realisable value of such product

o) **Employee entitlements**

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

p) **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)

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

q) **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.

r) **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).

s) **Share capital**

Ordinary shares are classified as equity.

NOTES (CONTINUED)

		2017 Shs '000	2016 Shs '000
3	**Revenue**		
	Advertising	56,242,304	58,404,404
	Circulation	19,683,064	21,539,321
	Commercial printing	9,369,157	12,074,377
	Scrap	766,656	644,525
	Total revenue	86,061,181	92,662,627
4	**Cost of sales**		
	Cost of raw materials	13,816,922	15,030,789
	Direct costs	43,484,820	45,549,247
	Sales commission	6,828,934	7,940,171
	Provision for stock obsolescence	374,329	123,020
	Total cost of sales	64,505,006	68,643,227
5	**Other operating income**		
	Interest income	28,909	82,342
	Other income	848,958	1,040,501
	(Loss)/Profit on disposal of property, plant and equipment	(716,438)	41,061
	Net foreign exchange loss	(39,874)	(174,094)
	Total operating income	121,554	989,810
6	**Distribution costs**		
	Transportation of Newspapers	1,778,686	1,732,409
	Total distribution costs	1,778,686	1,732,409
7	**Administrative expenses**		
	Staff cost		
	Salaries and wages	5,119,015	5,348,116
	National Social Security Fund contributions	739,876	543,336
	Other staff costs	616,684	472,396
	Gratuity	953,303	934,780
	Medical expenses	927,981	901,321
	Staff training	119,494	466,461
	Total staff cost	8,476,353	8,666,410

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended June 30, 2017

SCHEDULE OF OTHER OPERATING INCOME AND EXPENDITURE

		2017 Shs '000	2016 Shs '000
7	**Administrative expenses (continue)**		
	Other administrative expenses		
	Repairs and maintenance	1,565,396	1,365,315
	Printing and Stationery	495,830	539,136
	Other operating expenses	482,432	442,100
	Motor vehicle running costs	509,854	541,646
	Professional fees	253,155	169,313
	Travel and accommodation	122,517	110,385
	Entertainment	108,758	166,126
	Communication costs	98,310	92,901
	Bank charges and commission	120,624	110,951
	Listing expenses	111,588	79,731
	Audit fees	79,551	79,078
	Directors’ expenses	440,224	416,639
	Grants and donations	44,605	86,858
	Total other administrative expenses	4,432,843	4,200,179
	Total administrative expenses	12,909,196	12,866,589
8	**Other operating expenses**		
	Establishment:		
	Rent and rates	884,655	869,800
	General insurance	147,197	154,917
	Electricity and water	380,439	295,673
	Security expenses	327,287	337,704
	Bad debts provision	3,082,847	462,595
	Depreciation and amortisation	1,386,944	861,779
	Total other operating expenses	6,209,370	2,982,468

9 **Profit before taxation**

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

	2017 Shs '000	2016 Shs '000
Depreciation of property, plant and equipment (Note 13)	5,447,366	4,351,797
Amortisation of pre-paid operating lease rentals (Note 14)	99,717	70,148
Amortisation of intangible assets (Note 15)	165,316	416,902
Trade receivable - impairment (Note 17)	3,082,847	462,595
Auditors’ remuneration	79,551	79,078
Rent and rates	1,691,388	1,680,280
Directors' expenses	440,224	416,639
(Loss)/Profit on disposal of property, plant and equipment	(716,438)	41,061
Operating lease rentals equipment	54,373	-
Staff costs (Note 10)	27,218,208	26,735,980

NOTES (CONTINUED)

		2017 Shs '000	2016 Shs '000
10	**Staff costs**		
	Salaries and wages	21,905,120	21,760,953
	National Social Security Fund contributions	2,480,707	2,175,144
	Gratuity expenses	953,303	934,780
	Other staff costs	1,879,078	1,865,103
	Total Staff Cost	27,218,208	26,735,980
11	**Taxation**		
	Current tax	1,912,448	3,055,668
	Tax recognised in current year for prior period	409,186	127,373
	Deferred tax (Note 21)	(1,555,842)	(683,090)
	Total tax expenses	765,792	2,499,951

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

	2017 Shs '000	2016 Shs '000
Profit before tax	780,477	7,427,744
Tax calculated at a tax rate of 30% (2016: 30%)	234,143	2,228,323
Tax effect of:		
- Expenses not deductible for tax purposes	278,397	133,336
- Income not subject to tax	36,816	18,470
- Tax on excess depreciation of revalued assets	(192,749)	(7,551)
- Tax recognised in current year for prior period	409,186	127,373
	765,792	2,499,951
	30%	30%

12 **Dividends and earnings per share**

a) Dividends per share

During the year, Directors do not recommend payment of a dividend.

A dividend of Shs. 50 per share amounting to Shs. 3,825,000,000 was paid in respect of 2016 financial year.

b) Earnings per share

Basic earnings per share are calculated on the profit attributable to shareholders of Shs. 14.6 million (2016: Shs. 4,927 million) and on the weighted average number of ordinary shares outstanding at year end.

	2017 Shs '000	2016 Shs '000
Profit attributable to ordinary shareholders	14,685	4,927,793
Shares in issue during the year	76,500	76,500
Basic and diluted earnings per share	0.2	64

NOTES (CONTINUED)

13 **Property, plant and equipment**

For the year ended June 30, 2017

	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	9,432,745	20,509,891	2,426,574	2,984,911	1,902,022	6,493,952	803,066	203,120	3,619,615	2,682,979	219,980	51,315,855
Revaluation / re-assessment	(2,000)	3,975,910	14,923,654	243,098	123,056	21,760	154,243	39,581	26,153	255,737	59,819	-	19,821,011
Historical cost of reassessed assets	-	-	(875,907)	(1,482,526)	(1,332,231)	(54,400)	(2,638,108)	(292,783)	(130,764)	(2,786,592)	(491,400)	-	(10,084,712)
Additions	-	3,139,619	6,035,719	498,334	127,579	194,119	487,272	9,809	-	164,528	177,831	184,487	11,019,297
Disposals	-	-	(743,949)	(196,559)	(272,744)	(257,633)	(2,019,909)	(139,031)	(51,075)	(371,436)	(545,962)	-	(4,598,299)
At end of year	35,000	16,548,274	39,849,408	1,488,921	1,630,571	1,805,868	2,477,450	420,643	47,434	881,851	1,883,267	404,467	67,473,152
Depreciation													
At start of year	-	1,751,477	8,673,319	1,721,939	2,329,719	1,012,481	5,775,686	501,153	201,378	3,031,746	1,467,469	45,108	26,511,475
Eliminated on disposal	-	-	(334,909)	(191,559)	(222,170)	(149,500)	(1,942,593)	(119,761)	(56,783)	(353,379)	(375,487)	-	(3,746,142)
Acc. depreciation eliminated on revaluation/re-assessment	-	-	(875,907)	(1,482,526)	(1,332,231)	(54,400)	(2,638,108)	(292,783)	(130,764)	(2,786,592)	(491,400)	-	(10,084,712)
Charge for the year	-	566,703	2,603,253	511,028	209,496	157,976	624,133	58,093	7,164	418,813	258,411	32,296	5,447,366
At end of year	-	2,318,180	10,065,756	558,882	984,814	966,557	1,819,117	146,702	20,995	310,588	858,993	77,404	18,127,987
Net book value	35,000	14,230,094	29,783,652	930,039	645,757	839,311	658,332	273,941	26,439	571,264	1,024,274	327,063	49,345,165

NOTES (CONTINUED)

13 **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	12,572,364	25,801,661	2,728,349	2,839,869	1,838,508	4,961,315	673,844	152,045	3,412,707	2,314,849	404,467	57,736,977
Accumulated depreciation	-	2,318,180	10,941,663	2,041,408	2,317,045	1,020,957	4,457,227	439,485	151,759	3,097,180	1,350,393	77,404	28,212,700
Net book value	**37,000**	**10,254,184**	**14,859,998**	**686,941**	**522,824**	**817,551**	**504,089**	**234,360**	**286**	**315,527**	**964,456**	**327,063**	**29,524,277**
At revaluation	37,000	12,572,364	24,925,754	1,245,822	1,507,516	1,784,108	2,323,207	381,061	21,280	626,114	1,823,449	404,467	47,652,143
Revaluation increase	(2,000)	3,975,910	14,923,654	243,098	123,056	21,760	154,243	39,581	26,153	255,737	59,819	-	19,821,011
Accumulated depreciation	-	(2,318,180)	(10,065,756)	(558,882)	(984,814)	(966,557)	(1,819,118)	(146,702)	(20,995)	(310,588)	(858,993)	(77,404)	(18,127,988)
Net book value	**35,000**	**14,230,094**	**29,783,652**	**930,039**	**645,758**	**839,311**	**658,331**	**273,941**	**26,438**	**571,264**	**1,024,275**	**327,063**	**49,345,165**

Land, Buildings and plant and machinery were re-valued during the year ended June 30, 2017, by Adriko and Associates, independent valuers. Valuations (i.e. 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) were made on the basis of the open market value. Level 2 fair values of land and buildings, plant and machinery were determined directly by reference to observable prices in the open market. The book values of the revalued assets were adjusted to revalued amounts and the resultant surplus (Shs.18.8billion) 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/disposal of the asset.

	Freehold land Shs '000	Buildings Shs '000	Plant and machinery Shs '000	Total Shs '000
Valuation				
Revaluation at year end	(2,000)	3,975,910	14,923,654	**18,897,564**

At the end of June 30, 2017, management of the Company also, reassessed the useful life of the fully depreciated assets and revalued with the amount of Shs. 923million. 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/disposal of the asset.

	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
Valuation										
Revaluation at year end	243,098	123,056	21,760	154,243	39,581	26,153	255,737	59,819	-	**923,446**

NOTES (CONTINUED)

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

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	47,572	-	1,606,255
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	2,682,979	219,980	51,315,855
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	19,510,448
Eliminated on disposal	-	-	-	(212,265)	(15,357)	-	(13,007)	-	-	-	(47,438)	-	(288,067)
Transfer to intangible assets	-	-	-	-	-	-	(875,028)	-	-	-	-	-	(875,028)
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	5,775,686	501,153	201,378	3,031,746	1,467,469	45,108	26,511,475
Net book value	37,000	7,681,268	11,836,572	704,635	655,192	889,541	718,266	301,913	1,742	587,869	1,215,510	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 Shs. 11.8 billion and revalued with the amount of Shs. 1.6billion. 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/disposal of the asset.

NOTES (CONTINUED)

14 **Prepaid operating lease rentals**

	2017 Shs '000	2016 Shs'000
Cost		
Opening balances	2,763,488	2,763,488
Additions	1,402,872	-
	4,166,360	**2,763,488**
Accumulated amortisation		
Opening balance	(705,671)	(635,523)
Amortisation	(99,717)	(70,148)
	(805,388)	**(705,671)**
Carrying value		
Opening balance	2,763,488	2,763,488
Additions	1,402,872	-
Amortisations	(805,388)	(705,671)
Net book value	**3,360,972**	**2,057,817**

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 Area, Kampala	519,867	519,867
(vi) Namanve land	1,402,872	-
Total prepaid operating leased properties	**4,166,360**	**2,763,488**

15 **Intangible assets**

a) Computer software and websites

Cost		
At start of year	2,311,235	1,012,031
Additions	138,012	-
Transfer from PPE	-	1,299,204
Disposals	(372,038)	-
At end of year	2,077,209	2,311,235
Amortisation		
At start of year	(2,117,991)	(826,062)
Charge for the year	(165,316)	(416,902)
Transfer from property plant & equipment	-	(875,027)
Reversal of Acc. amortisation on disposal	372,038	-
At end of year	(1,911,269)	(2,117,991)
Net book value		
At end of year	165,940	193,244

b) Goodwill

At start of year	134,706	134,706
Impairment	-	-
At end of year	134,706	134,706
Total intangible assets	300,646	327,950

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 2017 (2016: Nil).

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended June 30, 2017

NOTES (CONTINUED)

		2017 Shs '000	2016 Shs '000
16	**Inventories**		
	Commercial paper	4,027,046	3,970,123
	Newsprint	2,651,685	6,538,575
	Machine consumables	918,987	871,196
	Plates and chemicals	804,944	1,243,451
	Films, inks and materials	389,196	511,744
	Computer stationery	195,720	403,841
	Work in progress	266,687	453,821
	Provision for stock obsolescence	(788,320)	(520,334)
	Total inventories	8,465,945	13,472,417

		2017 Shs '000	2016 Shs '000
17	**Trade and other receivables**		
	Trade receivables	16,288,348	14,901,841
	Less: impairment provision	(4,412,859)	(1,554,698)
	Net trade receivables	11,875,489	13,347,143
	Prepayments	2,159,742	7,603,720
	Staff advances	1,014,886	886,329
	Advances paid to suppliers	137,933	831,710
	Other receivables	186,736	274,720
	Receivables from related parties (Note 27(b))	2,232,037	2,047,757
	Total trade and other receivables	17,606,823	24,991,379
	Movement in impairment provision		
	At start of year	1,554,698	1,368,430
	Additions	3,082,847	462,595
	Write offs	(224,686)	(276,327)
		4,412,859	1,554,698

		2017 Shs '000	2016 Shs '000
18	**Cash and cash equivalents**		
	Cash on hand	274,061	277,583
	Cash at bank	6,024,307	4,323,030
	Short term bank deposits	450,000	450,000
	Total cash and cash equivalents	6,748,369	5,050,613

NOTES (CONTINUED)

18 **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:

	2017 Shs '000	2016 Shs '000
Uganda Shillings	5,638,421	4,058,298
Kenya Shillings	115,325	122,407
Euro	36,376	129,480
US Dollar	958,245	740,428
	6,748,369	5,050,613

The weighted average effective interest rate on short-term bank deposits at year-end was 11.8% (2016: 14%).

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

19 **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

20 **Revaluation Reserve**

At July 1	1,248,468	141,708
Movement:		
- Land and Buildings	3,973,910	-
- Plant and machinery	14,923,654	257,000
- Other equipment	923,447	1,349,255
- Deferred tax in repect of revaluation surplus	(5,946,903)	(481,877)
- Transfer of excess depreciation on revalued assets net of deferred tax	(449,748)	(17,618)
Closing as on June 30, 2017	14,672,828	1,248,468

NOTES (CONTINUED)

21 **Deferred tax**

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2016: 30%). The movement on the deferred tax account is as follows:

	2017 Shs '000	2016 Shs '000
At start of year	3,253,732	3,454,945
Credit to statement of profit or loss	(1,555,842)	(683,090)
Charged to other comprehensive income	5,946,903	481,877
At end of year	7,644,793	3,253,732

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

June 30, 2017	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	3,687,634	(435,525)	-	3,252,109
- revaluation	530,773	(192,749)	5,946,903	6,284,927
Unrealised exchange gain	283,271	(246,455)	-	36,816
	4,501,678	(874,729)	5,946,903	9,573,852
Deferred tax (assets)				
Unrealised exchange loss	(270,464)	259,992	-	(10,472)
Provisions	(977,482)	(941,106)	-	(1,918,588)
	(1,247,946)	(681,113)	-	(1,929,059)
Net deferred tax liability	3,253,732	(1,555,842)	5,946,903	7,644,793

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

NOTES (CONTINUED)

22 **Trade and other payables**	**2017 Shs '000**	**2016 Shs '000**
Trade payables	1,933,379	805,566
Accruals	862,449	781,971
Advances received from customers	2,816,306	2,360,569
VAT	983,450	816,728
Other payables	2,738,186	3,248,059
Total trade and other payables	9,333,770	8,012,893

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

Uganda Shillings	8,794,323	7,495,626
US Dollar	536,094	517,267
Ksh	3,353	-
	9,333,770	8,012,893

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, 2017	**0 to 3 months Shs '000**	**4 to 12 months Shs '000**	**Total Shs '000**
Trade payables	1,485,259	448,120	1,933,379
Advance received from customers	2,816,306	-	2,816,306
Accruals	862,449	-	862,449
VAT	983,450	-	983,450
Other payables	1,544,072	1,194,114	2,738,186
	7,691,536	1,642,234	9,333,770

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

23 **Dividends payable**		
At start of year	1,394,610	881,465
Dividends declared in the year	3,825,000	3,825,000
Dividends paid in the year	(4,118,981)	(3,311,855)
At end of year	1,100,629	1,394,610

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended June 30, 2017

NOTES (CONTINUED)

24 **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:

	2017 Shs '000	2016 Shs '000
Opening balance	934,243	889,617
Current year charge	953,303	934,780
Paid during the year	(1,024,432)	(890,154)
Closing balance	863,114	934,243

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.

25 Current tax (recovrable)/ payable

At the beginning of the year	341,039	419,530
Charge for the year	2,321,634	3,183,041
Paid during the year	(2,680,020)	(3,261,532)
At the end of the year	(17,347)	341,039

26 **Cash from operating activities**

Profit before tax	780,477	7,427,744
Adjustments for:		
Depreciation of property, plant and equipment (Note 13)	5,447,366	4,351,797
Amortisation of prepaid operating leasehold land (Note 14)	99,717	70,148
Amortisation of intangible assets (Note 15)	165,316	416,902
(Gain)/loss on disposal of property, plant and equipment	716,438	(41,061)
Interest received	(28,909)	(82,342)
Working capital changes:		
(Increase)/Decrease in inventories	5,006,472	(2,479,377)
(Increase)in trade and other receivables	7,384,556	(6,383,428)
(Decrease)/Increase in trade and other payables	1,320,876	(728,279)
Cash from operations	20,892,310	2,552,104

NOTES (CONTINUED)

27 **Related party transactions**

The following transactions were carried out with related parties:

(a) **Transactions with related parties**

Sales of goods and services	**2017 Shs '000**	**2016 Shs '000**
Advertisements in Newspapers/Magazines/Radio and Television		
Government of Uganda	9,863,776	10,649,934
National Insurance Corporation Limited	40,351	60,995
National Social Security Fund	448,418	514,025
Total transactions with related parties	10,352,545	11,224,955

(b) **Due from related parties**

Government of Uganda	2,016,149	1,723,300
National Social Security Fund	141,822	270,797
National Insurance Corporation Limited	74,066	53,660
Total due from related parties	2,232,037	2,047,757

(c) **Key members of management:**

(i) Managing Director: Mr. Kabushenga Robert
(ii) Deputy Managing Director: Mr. Ndyanabo Gervase

(d) **Key management personnel remuneration**

- Executive Directors	884,471	464,808
- Gratuity	215,387	116,202
- NSSF	109,986	58,101
Total remuneration	1,209,844	639,111

28 **Capital commitments**

Authorised and contracted for	1,858,371	4,864,188
Authorised but not contracted for	-	5,000,000
Total commitments	1,858,371	9,864,188

NOTES (CONTINUED)

29 **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 1,769 million (2016: Shs 1,547 million). However, based on legal advice, the Directors have evaluated the pending cases and determined that no material financial liability is likely to crystallise.

30 **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, 2017	**Total Shs '000**	**Fully performing Shs '000**	**Past due not impaired Shs '000**	**Impaired Shs '000**
Financial assets				
Bank balances	6,024,307	6,024,307	-	-
Short term fixed deposits	450,000	450,000	-	-
Trade and other receivables (net of prepayments)	15,648,848	18,273,910	1,787,797	(4,412,859)
Due from related parties	2,232,037	2,232,037	-	-
	24,355,192	26,980,254	1,787,797	(4,412,859)

NOTES (CONTINUED)

30 **Financial risk management (continued)**

(a) Credit risk (continued)

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	-	-
Fixed deposits	450,000	450,000	-	-
Trade and other receivables (net of prepayments)	15,617,485	13,070,741	4,101,442	(1,554,698)
Due from related parties	2,047,757	2,047,757	-	-
	22,438,272	19,891,528	4,101,442	(1,554,698)

The customers under the fully performing category are paying their debts as they continue trading.
The debtors that are impaired relate to amounts that have been outstanding for more than 1 yeas and have been fully provided for.

No collateral is held for any of the above assets. 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 maintains flexibility in funding by maintaining availability of under committed credit lines.

Note 22 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, 2017	**Total Shs '000**	**Less than 1 year Shs '000**	**Between 1 and 5 years Shs '000**
Financial assets			
Cash & bank balances	6,748,369	6,748,369	-
Trade and other receivables	15,374,786	19,787,645	(4,412,859)
Due from related parties	2,232,037	2,232,037	-
	24,355,192	28,768,051	(4,412,859)
Trade and other payables	9,333,770	9,333,770	-
Net liquidity position	15,021,422	19,434,281	(4,412,859)

New Vision Printing and Publishing Company Limited
Annual report and financial statements
For the year ended June 30, 2017

NOTES (CONTINUED)

30 **Financial risk management (continued)**

(b) Liquidity risk management (continued)

As at June 30, 2016	Total	Less than 1 year	Between 1 and 5 years
	Shs '000	Shs '000	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)

(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.

	2017	2016
	Shs '000	Shs '000
	43,289	47,001

Year ended June 30, 2017	US $	Euro	Kshs	Total
	Shs '000	Shs '000	Shs '000	Shs '000
Trade and other receivables	47,903	-	-	47,903
Trade and other payables	(536,040)	-	(3,397)	(539,437)
Cash and cash equivalents	958,245	36,376	115,325	1,109,947
Net exposure	470,108	36,376	111,928	618,413
The exchange rate used for conversion of foreign items were:	3,595.90	4,108.32	34.64	

	US $	Euro	Kshs	Total
Year ended June 30, 2016	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
The exchange rate used for conversion of foreign items were:	3,400.00	3,780.00	33.70	

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)

30 **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. However, currently the Company does not have any debt.

The gearing ratios at June 30, 2017 and 2016 were as follows:

	2017 Shs '000	2016 Shs '000
Share capital	1,503,990	1,503,990
Share premium	27,158,864	27,158,864
Revaluation reserves	14,672,829	1,248,469
Retained earnings	24,430,392	27,790,959
Total equity	67,766,075	57,702,282
Total borrowings	-	-
Less: Bank and cash balances	(6,748,369)	(5,050,613)
Net debt	(6,748,369)	(5,050,613)
Total capital	61,017,707	52,651,669
Gearing	N/A	N/A

NOTES (CONTINUED)

31 Fair value measurement

Non-financial assets measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

The following table shows the levels of non financial assets measured at fair value at 30.06.2017 and 30.06.2016

30.06.2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Property, plant & equipment				
Milo land	-	35,000	-	35,000
Buildings	-	14,230,094	-	14,230,094
Plant and machinery	-	29,783,652	-	29,783,652
Equipment	-	5,296,419	-	5,296,419
Total	**-**	**49,345,165**	**-**	**49,345,165**

30.06.2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Property, plant & equipment				
Milo land	-	37,000	-	37,000
Buildings	-	7,681,268	-	7,681,268
Plant and machinery	-	11,836,572	-	11,836,572
Equipment	-	5,249,540	-	5,249,540
Total	**-**	**24,804,380**	**-**	**24,804,380**

Reconciliation of carrying amounts of non financial assets as at 30.06.2017

	Plant & Equipment	**Mailo land**	**Buildings**
30.06.2016	17,086,112	37,000	7,681,268
Revaluation surplus 2017	17,993,959	(2,000)	6,548,826
Balance at 30.06.2017	**35,080,071**	**35,000**	**14,230,094**

Fair value of the Company`s main assets (Land & Building and Plant & Machinery) is estimated based on appraisal performed by independent, professionally qualified valuers. The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by audit committee and the board of directors at each reporting date.

32 Comparatives

For better presentation and correct classification, provision for bad debts have been transferred from administrative expenses to other operating expenses.

33 Post reporting date events

No adjusting and significant non adjusting events that have occurred between 30 June, 2017 the reporting date and the date of approval of this report.

NOTES (CONTINUED)

34 SEGMENT REPORTING

	PRINT MEDIA		ELECTRONIC MEDIA		COMMERCIAL PRINTING		OTHERS		TOTAL	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
External sales	54,898,705	50,560,562	24,808,367	24,844,186	12,074,377	9,369,157	881,178	1,287,276	92,662,627	86,061,181
Other operating income	-	-	-	-	-	-	989,810	121,554	989,810	121,554
Total Sales	54,898,705	50,560,562	24,808,367	24,844,186	12,074,377	9,369,157	1,870,988	1,408,830	93,652,437	86,182,736
Segment profit before taxation	7,642,841	2,981,760	(1,442,586)	(1,207,894)	(1,304,473)	(1,989,712)	2,531,961	996,323	7,427,742	780,476
Income tax expense	(1,465,462)	(449,264)	(662,233)	(220,758)	(322,312)	(83,251)	(49,944)	(12,518)	(2,499,951)	(765,791)
Profit after taxation	6,177,379	2,532,496	(2,104,819)	(1,428,652)	(1,626,786)	(2,072,963)	2,482,017	983,805	4,927,791	14,685
OTHER INFORMATION										
Segment assets	41,446,744	50,362,581	18,729,513	24,746,903	9,115,763	9,332,470	1,412,535	1,403,314	70,704,556	85,845,267
Segment liabilities	5,714,559	6,121,517	2,582,372	3,007,959	1,256,855	1,134,352	194,756	170,571	9,748,542	10,434,399
Capital expenditure	561,863	288,945	1,050,174	799,296	5,105	5,379,160	196,652	6,092,781	1,813,794	12,560,182
Depreciation & amortisation expense	2,915,700	2,538,218	991,519	1,042,623	260,971	756,470	670,655	1,375,088	4,838,845	5,712,399

Management currently identifies the Company`s three service lines as its operating segments. These operating segments are monitored by the Company`s Chief operations officer and strategic decisions are made on the basis of adjusted segment operating results

In addition, other operating segments are combined under others. The main source of revenue for this segment is the other income, events, sale and disposal of non current assets and interest income.
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.

The totals presented for the Company`s operating segments reconcile to the key financial figures as presented in its financial statements above.

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.

USE
UGANDA SECURITIES EXCHANGE

PROXY

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

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 16th Annual General Meeting of the Company to be held on the **23rd** day of **November, 2017** at 3:00pm and at any adjournment thereof.

Signature; ……………………………

Dated this ……………. day of ………………………., 2017

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 2017, together with the report of the Auditors.				
2.	To appoint directors in accordance with Articles 67 and 69 of the Company's Articles of Association; Mr. Jim Mugunga be appointed a director.				
3.	To rotate and re-appoint Directors in accordance with Articles 83-87 of the Company's Articles of Association; Mr. Charles Tukacungurwa retiring by rotation as a director of the Company and being eligible, offers himself for re-election.				
4.	To approve the fees payable to the Non-Executive Directors for the period until the next Annual General Meeting.				
5.	To confirm the appointment of External Auditors for the financial year 2017/2018 and authorize the Directors to negotiate and fix their remuneration in accordance with Sections 167-169 of the Companies Act 2012.				

Notes:

1. This proxy card is to be physically delivered to the Company Secretary at the 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 authorized in that behalf.


EtopRadioAicaNaAteker
@EtopRadioFm
Acia na Ateker
Kodum akiro kaitalakario aparan kere!
ETOP Radio 99.4 FM
AICA NA ATEKER
To advertise please call +256 414/312 337 000

FFE BANNO DDALA!
Amawulire g'abantu ba bulijjo
Bukedde FM
Embuutikizi
• 100.5FM KAMPALA • 106.8FM MASAKA • 96.6FM MBARARA
Bukedde FaMa
Bukedde
bukedde.ug
@bukeddeonline
Bukedde TV
facebook.com/BukeddeTV
@bukeddetv

VISION GROUP®

NATIONAL PRIDE•GLOBAL EXCELLENCE

2016-17 ANNUAL REPORT

FACING THE CHALLENGES AHEAD

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