ANNUAL REPORT
2018/2019

REINVENTING NEWS THROUGH DIGITAL

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 Securities 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

Annual Report For The Financial Year Ended June 30, 2019

Introduction

The purpose of this annual report is to provide information for shareholders that will enable them to assess how the directors have performed their duty to promote the success of the company.

This Annual Report contains forward looking statements within the meaning of disclosure of planned actions and the estimated economic benefits of the planned actions

All statements contained in this annual report other than statements of historical fact, including statements regarding our future results of operations, financial position, our business strategy and plans and our objectives for future operations are forward looking statements.

These forward looking statements are subject to a number of risks, uncertainties and assumptions, which may cause actual results to differ materially from those contained in any forward looking statements we may make. Given these risks and uncertainties for these forward looking statements, readers are cautioned not to place undue reliance on such statements.

NOTE: words such as "believe", "may", "will", "estimate", "continue", "anticipate", "intend", "expect" and any such similar expressions are intended to identify forward looking statements.

We have based on these forward looking statements largely due to our current expectations and projections about future events and trends we believe will affect our financial condition, results of operation, business strategy and business operations. Please note that we operate in a highly competitive and rapidly changing environment and new risks may keep emerging.

The Directors consider the annual report and accounts taken as a whole to be fair, balanced and understandable and the information provided is necessary for shareholders to assess the Company's performance.

Contents

List of Acronyms

AGM	Annual General Meeting
BARC	Board Audit and Risk Committee
Board	Board of New Vision Printing and Publishing Company Limited
CEO	Chief Executive Officer
CMA	Capital Markets Authority
Company	New Vision Printing and Publishing Company Limited
CSR	Corporate Social Responsibility
ERM	Enterprise Risk Management
EXCO	Executive Management Committee (Senior Management)
F.Y	Financial Year
GRI	Global Reporting Initiative
HR	Human Resource
IAS	International Accounting Standards
IESBA	International Ethics Standards Board for Accountants
IFRS	International Financial Reporting Standards
IIA	Institute of Internal Auditors
ISA	International Standards on Auditing
KPIs	Key Performance Indicators
NFA	National Forest Authority
NSSF	National Social Security Fund
PPDA	Public Procurement and Disposal of Public Assets Authority
PPE	Property, Plant and Equipment
Registrar	Deloitte Uganda Limited
SBU	Strategic Business Unit
Shs Bn	Shillings in Billions
Shs M	Shillings in Millions
TORs	Terms of References
UCC	Uganda Communications Commission
URA	Uganda Revenue Authority
USD	United States Dollars
USE	Uganda Securities Exchange
VAT	Value Added Tax
Vision Group	Trade name of the company

Financial Definitions

Earnings Per Share (EPS)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue
Dividend Per Share (DPS)	Total ordinary dividends declared per share in respect to the year
Return on Equity	Earnings as a percentage of average ordinary shareholder funds

Notice Of Annual General meeting

NOTICE IS HEREBY GIVEN that the 18th 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 21, 2019 at 3:00pm to conduct the following business:

Ordinary Business

1. To receive, consider and if approved, adopt the annual audited financial statements for the year ended June 30, 2019 together with the reports of the Directors and Auditors.
2. To approve a final dividend of shs. 25 per ordinary share as recommended by the Directors and declare it payable net of withholding tax on or about January 23, 2020 to shareholders on the register at the close of business on January 2, 2020.
3. To appoint directors;
   In accordance with Articles 67 and 69 of the Company's articles of association, Ayeko Ongodia be appointed a director.

   In accordance with Articles 67 and 69 of the Company's articles of association, Sarah Irene Walusimbi be appointed a director.
4. To rotate and re-elect Directors;
   Mr. Patrick Ayota retires by rotation in accordance with Articles 83-84 of the Company's articles of association, and being eligible, offers himself for re-election by virtue of Article 85.

   Ms. Robinah Kaitiritimba Kitungi retires by rotation in accordance with Articles 83-84 of the Company's articles of association, and being eligible, offers herself for re-election by virtue of Article 85.

   Mr. Moses Mwase was appointed during the financial year to fill a casual vacancy on the board. He retires in accordance with Article 69 of the Company's articles of association, and being eligible, offers himself for re-election.

   Mr. Peter Kawumi was appointed during the financial year to fill a casual vacancy on the board. He retires in accordance with Article 69 of the Company's articles of association, and being eligible, offers himself for re-election.
5. To approve fees payable to the Non-Executive Directors for the period until the next Annual General Meeting.
6. To note that the Auditor General is mandated to audit the Company by virtue of Section 17 of the PERD Act and authorize the Directors to negotiate and fix the remuneration of External Auditors delegated by the Auditor General in accordance with Sections 167-169 of the Companies Act 2012.
7. To conduct any other business that may be required at the AGM for which notice will have been duly received.

Dated this **November 1, 2019**

By Order of the Board

Gervase Ndyanabo
Company Secretary

Note:

- A shareholder is entitled to attend, speak and vote at the meeting. Articles 60, 61, 62 and 63 of the Company Articles provide for appointment of proxy if a shareholder is unable to attend a meeting.
- A "Tear out proxy card" is included in the Annual Report or may be downloaded from the company website at **http://visiongroup.co.ug/shareholders/**
- The proxy card should be delivered to the Company Secretary at the Company Head Office at Plot 19/21, 1st Street Industrial Area, P.O Box 9815 Kampala or faxed on +256 414 346 432 or emailed at Eshareholders@newvision.co.ug at least 48 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 sending an e-mail to Eshareholders@newvision.co.ug or by telephoning: **0414 337000.**

Corporate Information

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

Plot 19/21, First Street
Industrial Area
P.O. Box 9815
Kampala, Uganda

COMPANY SECRETARY

Ndyanabo Gervase
Plot 19/21, 1st 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

Ernst & Young
Ernst & Young House
Shimoni Office Village
18 Clement Hill Road
P.O. Box 7215
Kampala, Uganda

BANKERS

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

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

KCB Bank (Uganda) Limited
P.O. Box 7399
Kampala, Uganda

Equity Bank (Uganda) Limited
P.O. Box 10184,
Kampala, Uganda

LEGAL ADVISORS

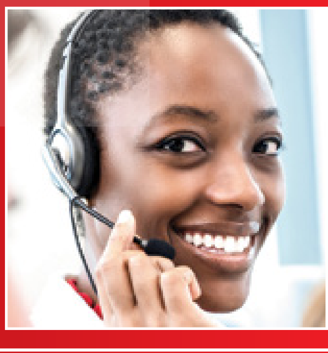
K&K Advocates (formerly Kiwanuka & Karugire Advocates)
SRK House
Plot 67, Lugogo By Pass
P.O. Box 6160
Kampala, Uganda

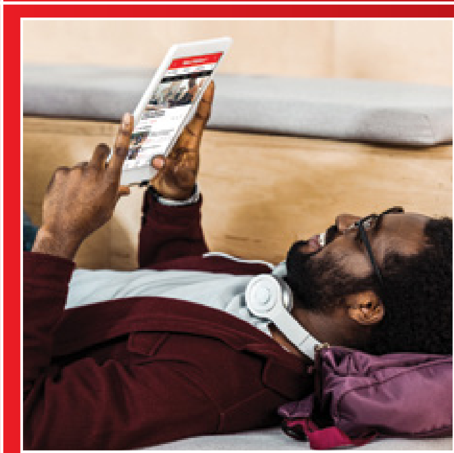
Birungyi, Barata & Associates
P.O. Box 21086
Kampala, Uganda

Sozi & Partners
P.O. Box 379
Kampala, Uganda

AF Mpanga Advocates
P.O. Box 1520
Kampala, Uganda

COMPANY PROFILE
2019





VISION GROUP®
NATIONAL PRIDE • GLOBAL EXCELLENCE

English Newspapers

Vision Group dominates the English newspaper market in Uganda with four newspapers.


YOUTH LOANS: GOVT EASES CONDITIONS P7
BODABODA MURDER GANG RAIDS KASESE P10
New Vision
UGANDA'S LEADING DAILY
A total of 30 generals have retired in one year, pages 4, 5
BYE, MUSEVENI TELLS 19 RETIRED GENERALS
Students held over school fire 10
7,000 defiled in 6 months – Police 9
Experts warn of HIV time bomb 8
HOIMA HOUSING SECTOR BOOMING, PRICES SOARING

THE NEW VISION

Is Uganda's leading English daily newspaper running from Monday to Friday.

With various sections making up the whole paper, a strong emphasis is placed on enhancing reader value through features including Pakasa, Mega Deals, Education, Jobs, Tenders, Her Vision, Health & Beauty, Harvest Money, Mwalimu, Business Vision and Entertainment.

The New Vision is dedicated to education and publishes advanced career/study guides and conducts direct school education through its "Newspapers in Education" programme. Toto magazine, released every Wednesday, is a favourite among primary school children.


Judiciary PS forced out, Bigirimana in
Tumukunde on Kampala mayoral seat
Saturday Vision
SEVEN DAYS, ONE PAPER
2021 POLLS: POLICE, ARMY TO VOTE EARLY
Tighter conditions set for independent candidates
Ministers clash over Umeme
Paulo Muwanga body faces exhumation
Government to register city residents
OPERATION TO GET KIDS OFF KAMPALA STREETS STARTS
NAGENDA'S THOUGHTS ON UK PREMIER BORIS JOHNSON

SATURDAY VISION

An English weekend entertainment newspaper aimed at leisure, entertainment and relaxation for all ages, Saturday Vision offers a variety of news features, sports, and commentary. It comes with magazines like GOAL, Homes and Construction and Intimate.


SSEMOGERERE: MUSEVENI IS A VICTIM OF CIRCUMSTANCES
MY 10 YEARS IN A CHINESE PRISON
Sunday VISION
BIG ON SUNDAY
NEW TWIST IN PS RESHUFFLE
Secretary to Treasury Keith Muhakanizi dragged to the IGG
2019 MISS UGANDA UNVEILED
74 NURSES FACE DISCIPLINARY ACTION
KAMPALA CAR ROBBERY GANG BUSTED
WHAT CAN UGANDA EXPECT FROM NEW UK PM?
PAKASA: FORMER SUPERMARKET ATTENDANT BUILDS SH1B BUSINESS EMPIRE

SUNDAY VISION

Provides reading for the whole family and comes with three magazines, Sunday Extra, Pearl of Africa and Secure Future. It comes with a variety of background news, 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
Silk Liquid turns into mobile kitchen
Uganda's biggest selling artistes
David Lutalo, Sheebah top list
Balaam, Abitex endorse Fresh Daddy
Politics eats into Bobi, Bebe fanbase
Ugandan women are trouble, says Diamond Platnumz
TUWANGYE: I'M JEALOUS OF JOSEPH OPIO

THE KAMPALA SUN

Is a weekly tabloid reflecting all aspects of the typical Kampala life. It captures the unpredictable rhythms and heartbeats of Kampala including politics, religion, sports, fashion, lifestyle, celebrity gossip and social events.

Vernacular Newspapers

Vernacular Newspapers focus on the everyday life and human interest side of the communities in Central, Western, Northern and Eastern Uganda.


AMATIKKIRA: Kabaka ayingidde Busiro-p6,8,9
TUJAGUZA EMYAKA 25 1994-2019 Bukedde
MULO ASIMATTUSE ABA BODA
Basazeeko kkooti gye bamututte p2,3
Omwana wange aba LDU bamusse p4
ERIGAMBO EDIWOOMERA AMATU GA MUNNO NGA MULI E NAMBOOLE

BUKEDDE

Is a Luganda daily, which 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 education, farming, crime investigations, business advice, relationship advice, leisure, traditional remedies, women and health, entertainment, art, to mention but a few.


BAMUBIKIDDE OMWANA GW'AZADDE NAYE N'AFA p6
25 Bukedde LWAMUKAAGA
MULO NE MUGISHA BAGASIMBAGANYE N'OMULAMUZI
Mutuwe ekibonerezo nalwo luggwe p2
Etteeka ly'ebyokulonda eppya lisibye abeebibiina enkalu p4

BUKEDDE LWAMUKAAGA

Published every Saturday, this covers fashion, homes and construction, analyses, in-depth sports analyses, and many other stories.


MUSEVENI AYISE ABAWAKANYA EKKOMO KU MYAKA- P5
Bukedde KU SSANDE
Eby'omukazi eyasibirwa mu maka biwanvuye
AMAGYE GALEMESEZZA POLIISI OKUMUNUNULA
Aba ISO bavuddeyo ku kusibira omukazi Mbabazi mu nnyumba - P4
AMERIKA ESSE OMUKAZI EYATEMULA BANNAKENYA - P6

BUKEDDE KU SSANDE

Rolls off the press every Sunday and has a variety of features that cover family, religious issues, literacy series for children, crime investigative follow-ups, political analyses, and Luganda language and culture lessons.


BEETINGI
Akadirisa
EBULA WIKI 2
Biibino ebituli bamaneja ba Top 6 bye basigazza

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.

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 including local and international news, politics, education, business, farming and sports, community news, gossip, relationships, wedding pictorials, and even herbal remedies.

RUPINY

Is published in Luo every Wednesday for the northern part of Uganda. Gulu and Lira are Rupiny's main circulation areas.

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

ETOP

Is released in Ateso every Thursday for circulation in north eastern Uganda mainly; Soroti, Katakwi and Kumi.

Etop gives its readers value for money with various features that include regional and international news, farming, sports, community news and gossip, business, pictorials and also relationship advice.

Website Publishing

www.newvision.co.ug
Our flagship website is one of the leading websites in Uganda with 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 73% of which are 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 favorite television shows and is popular with the audiences between 18 and 54 years 51% of which are male.

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

www.tvwest.co.ug
The website keeps fans updated with video footage of the news, politics and entertainment for the audience in Western Uganda.

www.radiowest.co.ug
The popular radio station 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 is kept entertained with interests ranging from Sports, News, Education, Employment to Arts & Entertainment.

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.

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 content including action movies, music mixes, and select soap operas. Bukedde TV2 is available through Zuku TV, Azam and Star Times around the country.

TV WEST

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

URBAN TV

Available on all Pay Tv providers, Urban is a primarily English entertainment TV station that also offers news and current affairs programs. Born out of a need to adequately capture the youth, the addition of Urban ensures that Vision Group covers issues affecting them is across different media platforms.

Radios

XFM

Targets 18-28 year old English speaking urban youth, Broadcasting on 94.8fm in Kampala, expect outstanding radio personalities and a blended mix of hit music.

BUKEDDE FM

Broadcasting in Luganda, Bukedde FM is the perfect 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. It is available on 100.5 FM in Kampala, 106.8 FM in Masaka and 96.6 FM in Mbarara.

RADIO WEST 100.2FM

Radio West is the giant of Western Uganda's radio stations, offering regional news, music & entertainment. It is available on the following frequencies in the respective areas:- 94.3 FM Kabale, 106.6 FM Masaka, 95.2 FM Kampala and 91.0FM Fort Portal.

RADIO RUPINY 95.7 FM

Radio Rupiny is based in Gulu for the people of the northern part of Uganda. It stretches from Lira, to Kitgum and Gulu, broadcasting in a mixture of Acholi and Luo with a fusion of politics, news, infotainment, local and international music.

ETOP RADIO 99.4 FM

Found in Soroti, Etop broadcasts in Ateso for eastern Uganda and is the number one station in the region covering Tororo, Mbale and Soroti. The radio offers a combination of politics, news, infotainment and music.

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.

Printing Services

VISION PRINTING

Vision Printing offers; Offset printing. Digital Printing. Large Format Printing.

We have equipment for all your finishing needs including Lamination, Varnishing, Foiling, Embossing, and a full-fledged creative design house team to bring your ideas to life!
Our range of products include; Books, Reports, Spiral-bound Diaries and Notebooks, Calendars (desk, wall, shipping & plano), Folders, Printed Stationery, Labels, Banners, Magazines, Newsletters, Greeting & invitation cards, Newspapers, cards, Marketing and Promotional Materials like Brochures, Fliers, Leaflets, Posters, Wobblers. Branding; Wall Branding, Car Branding and signage

BENEFITS:

- Timely delivery
- Competitive prices
- Innovation & Creativity
- Guaranteed quality
- Professionalism
- Security & Confidentiality
- After-sales services

Events

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

SMS Services

With a customer base of over 100,000 customers and growing, we have the right platform to get your messages to all potential clients.

Visual Central

Specializes in Film & Television Production; Documentaries, Film, TV Commercials, Broadcast Production & Design, multimedia design, and motion graphics.

Advertising Services

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

Advertising services include:-

- 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 ensure that our newspapers and magazines are sold and distributed daily to all major towns in Uganda and neighboring 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, Saturday 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.

Promotional Mobile Truck

Vision Group has a top of the range multipurpose promotional truck.
The truck can be used for promotional activity within the city and other towns.

With high quality sound and lighting with versatility for both day and night events, you can reach your potential target audiences across Uganda.

The truck can be used to:

- Drive sales and brand awareness for clients
- Create awareness about new products on the market
- Sample products with audiences
- Strengthen the brands' perceived image in their market segments

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

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

Business Review

Financial Highlights

Financial Performance Statistics 2015-2019

	2019	2018	2017	2016	2015
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
			Statement Of Comprehensive Income		
Turnover	90,156,920	90,592,698	86,061,181	92,662,627	86,839,978
Profit before tax	3,909,242	4,620,769	780,477	7,427,744	7,429,034
Profit after tax	2,128,773	2,393,753	14,685	4,927,793	5,254,170
Net Profit Margin	4.3%	5.1%	0.9%	8.0%	8.6%

Satement Of Financial Position

	2019	2018	2017	2016	2015
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Property ,Plant & Equipment	43,124,096	46,118,045	47,634,072	24,804,380	26,175,161
Total Assets	90,002,063	86,718,137	83,999,468	70,704,556	68,972,220
Shareholders funds	72,104,103	69,332,177	66,433,604	57,702,282	55,475,110

Financial Performance Ratios

	2019	2018	2017	2016	2015
Gross profit Margin	24.2%	25.2%	25.0%	25.9%	27.3%
Net Profit margin before tax	4.3%	5.1%	0.9%	8.0%	8.6%
Net profit margin (After Tax)	2.4%	2.6%	0.0%	5.3%	6.1%
Return on Capital employed	4.9%	6.1%	1.2%	12.9%	13.4%
Return on Total Assets	4.3%	5.3%	0.9%	10.5%	10.8%
Return on Non Current Assets (PPE)	9.1%	10.0%	1.6%	29.9%	28.4%
EPS	27.8	31.3	0.2	64	69
Share Statistics					
Earnings per share-basic & diluted	27.8	31.3	0.2	64	69
Dividends(proposed) per share	25	25	0	50	50

Sales Breakdown

	2019	2018	2017	2016	2015
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Circulation	20,819,863	21,347,283	19,683,064	21,539,321	23,231,228
Advertising	58,121,889	56,535,196	56,242,304	58,404,404	54,378,000
Commercial printing	9,910,340	11,552,020	9,369,157	12,074,377	8,663,571
Other sales	1,304,828	1,158,199	766,656	644,524	567,179
Total Turnover	**90,156,920**	**90,592,698**	**86,061,181**	**92,662,627**	**86,839,978**

Advertising Revenue Breakdown

	2019	2018	2017	2016	2015
Print	29,398,334,706	27,904,251,106	30,110,841,546	32,714,858,294	31,723,210,370
Radio	7,494,829,439	7,763,078,167	7,014,093,761	7,052,660,183	5,918,646,331
Television	17,127,038,785	17,371,360,816	16,101,225,813	16,006,724,506	13,808,228,443
Digital	1,902,678,051	1,628,522,211	1,728,866,540	1,748,982,341	1,797,986,633
	55,922,880,981	**54,667,212,300**	**54,955,027,660**	**57,523,225,324**	**53,248,071,777**

	2019	2018	2017	2016	2015
Print	52.6%	51.0%	54.8%	56.9%	59.6%
Radio	13.4%	14.2%	12.8%	12.3%	11.1%
Television	30.6%	31.8%	29.3%	27.8%	25.9%
Digital	3.4%	3.0%	3.1%	3.0%	3.4%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Total Revenue Stream Mix

Amounts in (Shs'000)										
	2019	% of total revenue	2018	% of total revenue	2017	% of total revenue	2016	% of total revenue	2015	% of total revenue
Circulation	20,819,863	23.1%	21,347,284	23.6%	19,683,064	22.9%	21,539,321	23.2%	23,231,228	26.8%
Print Advertising	29,398,335	32.6%	27,904,251	30.8%	30,110,840	35.0%	32,670,689	35.3%	31,723,210	36.5%
Radio & Events	9,693,838	10.8%	9,631,061	10.6%	8,301,370	9.6%	7,935,600	8.6%	7,048,574	8.1%
Television	17,127,039	19.0%	17,371,361	19.2%	16,101,226	18.7%	16,014,445	17.3%	13,808,228	15.9%
Digital	1,902,678	2.1%	1,628,522	1.8%	1,728,867	2.0%	1,783,669	1.9%	1,797,987	2.1%
Commercial printing	9,910,340	11.0%	11,552,020	12.8%	9,369,157	10.9%	12,074,377	13.0%	8,663,571	10.0%
Other sales	1,304,828	1.4%	1,158,199	1.3%	766,658	0.9%	644,525	0.7%	567,179	0.7%
	90,156,920	100.0%	**90,592,698**	100.0%	**86,061,181**	100.0%	**92,662,627**	100.0%	**86,839,978**	100%

Segmental Reporting

Year ended 30 June 2019	Print Media Ushs 000	Broadcast Media Ushs 000	Commercial Printing Ushs 000	Others Ushs 000	Total segments Ushs 000	Adjustments & eliminations Ushs 000	Consolidated Ushs 000
Revenue							
External customers	50,218,198	26,524,546	9,910,340	3,503,836	90,156,920	-	90,156,920
Inter Segment	418,432	338,493	516,927	-	1,273,852	(1,273,852)	-
Total revenue	**50,636,630**	**26,863,039**	**10,427,267**	**3,503,836**	**91,430,772**	**(1,273,852)**	**90,156,920**
Cost of sales	(37,630,184)	(20,048,916)	(8,066,429)	(2,582,506)	(68,328,035)	-	(68,328,035)
Distribution costs	(1,742,097)	-	-	-	(1,742,097)	-	(1,742,097)
Administrative expenses	(2,073,254)	(1,104,605)	(444,424)	(142,284)	(3,764,567)	-	(3,764,567)
Other operating expenses	(1,351,881)	(720,266)	(289,790)	(92,778)	(2,454,715)		(2,454,715)
Intersegmental costs	(555,563)	(319,842)	(398,447)	-	(1,273,852)	1,273,852	-
Segment profit	**7,283,651**	**4,669,410**	**1,228,177**	**686,268**	**13,867,506**	**-**	**13,867,506**
Total Assets	38,627,193	38,344,845	7,429,855	2,742,468	87,144,361	-	87,144,361
Total Liabilities	4,591,285	4,557,725	883,124	325,975	10,358,109	-	10,358,109
Other disclosures							
Capital expenditure	460,112	333,094	293,186	1,180,076	2,266,469	-	2,266,469
Depreciation	2,110,909	1,124,667	452,497	144,867	3,832,940		3,832,940

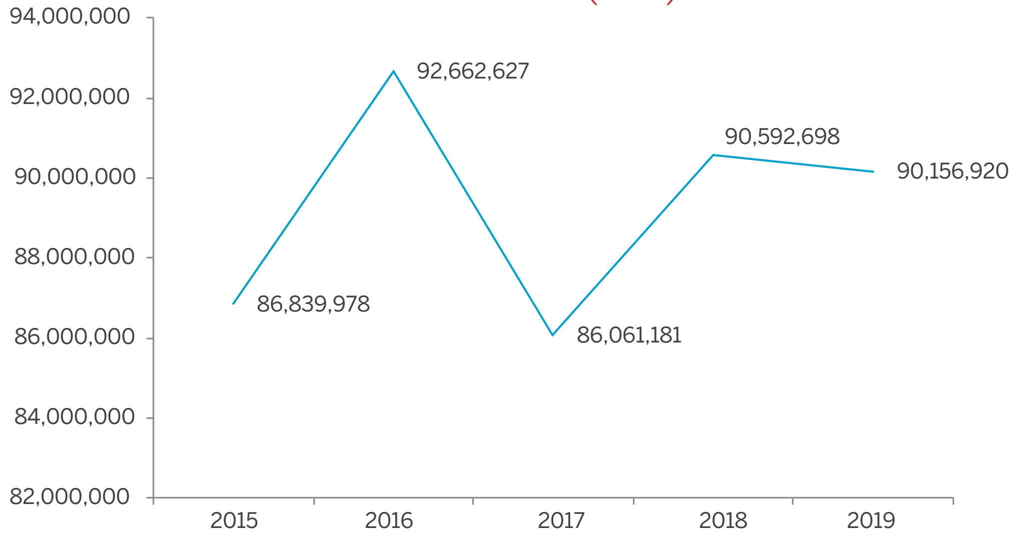
Year ended 30 June 2018	Print Media Ushs 000	Broadcast Media Ushs 000	Commercial Printing Ushs 000	Others Ushs 000	Total segments Ushs 000	Adjustments & eliminations Ushs 000	Consolidated Ushs 000
Revenue							
External customers	49,974,245	26,010,662	11,552,020	3,055,771	90,592,698	-	90,592,698
Inter Segment	582,721	163,860	660,079	-	1,406,660	(1,406,660)	-
Total revenue	**50,556,966**	**26,174,522**	**12,212,099**	**3,055,771**	**91,999,358**	**(1,406,660)**	**90,592,698**
Cost of sales	(37,403,785)	(19,467,972)	(8,646,239)	(2,2 87,126)	(67,805,123)	-	(67,805,123)
Distribution costs	(1,892,410)	-	-	-	(1,892,410)	-	(1,892,410)
Administrative expenses	(1,915,282)	(996,869)	(442,736)	(117,114)	(3,472,000)	-	(3,472,000)
Other operating expenses	(1,549,581)	(806,528)	(358,200)	(94,752)	(2,809,062)	-	(2,809,062)
Intersegmental costs	(552,965)	(255,689)	(598,006)		(1,406,660)	1,406,660	-
Segment profit	**7,242,943**	**4,647,464**	**2,166,918**	**556,779**	**14,614,103**	**-**	**14,614,103**
Total Assets	49,066,232	24,901,985	10,059,627	2,634,982	86,662,826	-	86,662,826
Total Liabilities	5,794,788	2,940,958	1,306,157	313,170	10,355,074	-	10,355,074
Other disclosures							
Capital expenditure	619,162	335,199	6,114	2,616,393	3,576,868	-	3,576,868
Depreciation	2,014,337	1,048,425	465,633	123,170	3,651,565		3,651,565

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

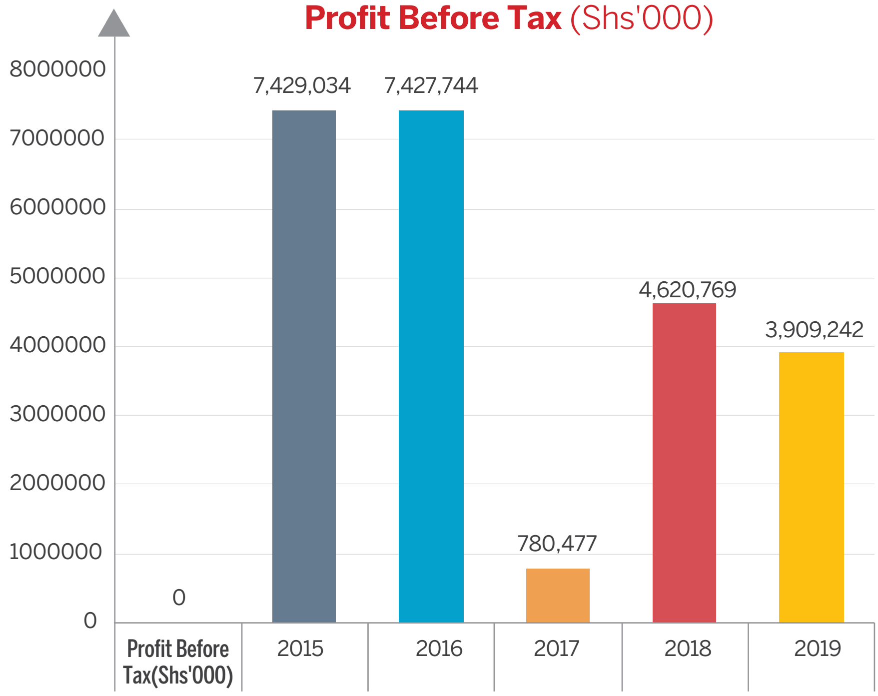
	2019 Ushs' 000	2018 Ushs' 000
Reconciliation of operating profit		
Reported segment profit before tax	13,867,505	14,614,103
Other income	1,521,543	872,196
Administrative staff costs	(9,414,548)	(9,058,155)
Other administrative costs	(1,584,088)	(1,497,480)
Impairment on financial assets	(481,170)	(309,895)
Profit before tax	**3,909,242**	**4,620,769**

Graphical presentation of the performance

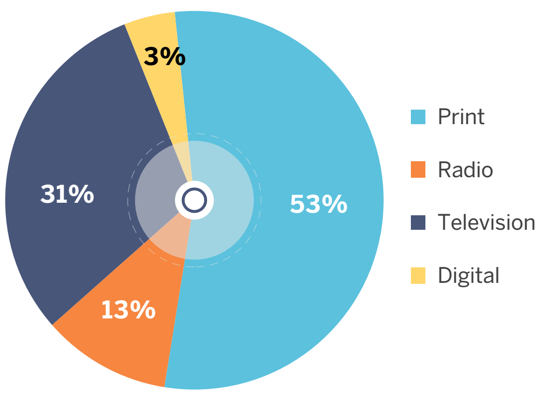
Turnover Trends ('000)



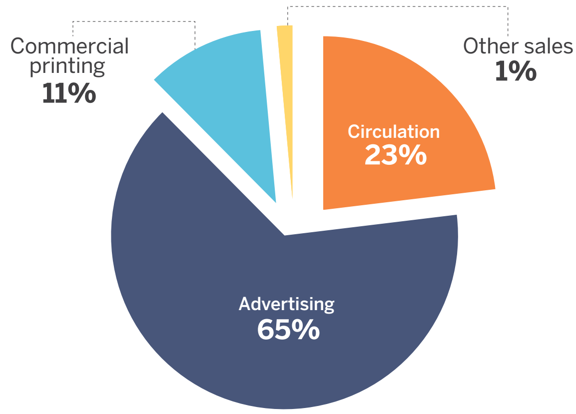
Profit Before Tax (Shs'000)



Advertising Revenue Mix 2019



Total Revenue Mix 2019



Management's view on performance

Management believes that the Company has fully recovered from the low profitability of F.Y 2016/17. The Company is now on a continuous progress and the profit growth rate is going to accelerate. New channels of media revenue including alternative ventures are to be undertaken.

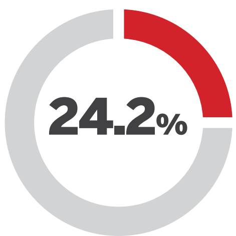
The profit after tax was **shs. 2.1bn** in the F.Y 2018/19 compared to shs.**2.4bn** in the F.Y 2017/18

In the F.Y 2017/18, dividends worth shs.**1.9bn** were declared which implied a retention of **only 20%** for investment

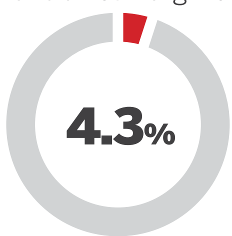
while for the F.Y 2018/19 total dividends worth shs.**1.9bn** has been proposed to shareholders for approval hence **10%** shall be retained to fund investments

These investments will ensure that there is sustenance of the earnings growth.

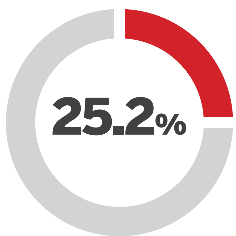
Profitability margin ratios for the F.Y 2018/19 were a gross margin of



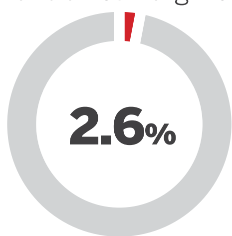
...and a net margin of



compared to FY 2017/18 which had a gross margin of



...and a net margin of



in the F.Y 2017/18

Return on Capital employed was 4.9% while Return on Total Assets was 4.3% in F.Y 2018/19 compared to a Return on Capital employed of 6.1% and Return on Total Assets of 5.3% in the F.Y 2017/18.

As a result, the shareholder's earnings have reduced to shs.**27.8** per share in F.Y 2018/19...

compared to Earnings per share of shs.**31.3** during the F.Y 2017/18

Financial Performance

Profit and earnings per share have dropped slightly compared to Financial Year 2017/18.

	2018/19	2017/18
	Ushs' 000	**Ushs, 000**
Revenue from contracts with customers	90,156,920	90,592,698
Cost of sales	(68,328,035)	(67,805,123)
Gross profit	**21,828,885**	**22,787,575**
Other income	1,521,543	883,347
Distribution costs	(1,742,097)	(1,892,410)
Impairment losses on financial assets	(481,170)	(309,895)
Administrative expenses	(14,763,198)	(14,027,635)
Other operating expenses	(2,454,721)	(2,820,213)
Profit before taxation	**3,909,242**	**4,620,769**
Income tax expense	(1,780,469)	(2,227,016)
Profit for the year	**2,128,773**	**2,393,753**
Other comprehensive income	-	-
Total comprehensive income for the year	**2,128,773**	**2,393,753**
Dividends		
Proposed dividends for the year	1,912,500	1,912,500
Earnings per share		
Basic and diluted (Ushs per share)	27.8	31.3

Inspite of the decline in the print media industry, the Company's net earnings have remained stable and this has helped deliver on the strategic objectives of maximizing returns to our shareholders and improving staff productivity.

Adequacy on capital structure and liquidity

Capital structure refers to the make-up of the 'equity and liabilities' section of a company's statement of financial position. Specifically, it is concerned with the balance between equity (shares and retained earnings) and non-current liabilities. The business strategy and the investment opportunities are the key determinants in defining the existing and future capital structure of the company. The Company is mindful of the fact that it needs to maintain an optimum mix of funding, bearing in mind the potential impact of the capital structure on the level of risk and the value of the business.

Currently, the Company has no gearing as every investment and operation is undertaken by retained earnings funding. The Company has liquidity sufficient to meet short term obligations as they fall due.

Board of Directors

Monica B. Chibita
Board Chairperson
Non-Executive Director
D. Litt. Et Phil. (Communication), University of South Africa
M.A in Journalism, University of Iowa
B.A Education, Makerere University
Media Trainer
Age: 56 years
Appointed: 2010
Committee: Nominations & Governance

Jim Mugunga
Deputy Board Chairperson
Non-Executive Director
M.A Communications Studies, University of Leeds, United Kingdom
Media Practitioner, Public Private Partnerships and Advocacy Expert
Age: 55 years
Appointed: 2017
Committees: Editorial & Digital, Nominations & Governance

Robert Kabushenga
Executive Director/Managing Director
Bachelor of Laws, Makerere University
Post Graduate Diploma in Legal Practice, Law Development Centre, Kampala
Advocate of the High Court
Age: 51 years
Appointed: 2007
Committee: Finance & Investment, Human Resources & Remuneration

Oode Obella
Non-Executive Director
Bachelor of Commerce Degree (Banking option), Makerere University
Finance expert
Age: 69 years
Appointed: 2010
Committees: Audit & Risk, Human Resource & Remuneration

Patrick Ayota
Non-Executive Director
Master in Business Administration, University of South Carolina, USA
Bachelor of Science, Liberty University, Virginia
Certified Public Accountant and a Diplomate in Forensic Accounting.
Age: 59 years
Appointed: 2016
Committees: Finance & Investment, Editorial & Digital

Robinah Kaitiritimba Kitungi
Non-Executive Director
Bachelor of Arts (Sociology and Political Science), Makerere University
Master of Arts in Public Administration and Management, Makerere University
Consultancy support to local and international NGOs.
Age: 57 years
Appointed: 2016
Committees: Human Resources & Remuneration, Editorial & Digital

Charles Tukacungurwa
Non-Executive Director
Bachelor of Science in Botany & Zoology, Makerere University
Master Degree in Agricultural plant breeding (University of Aberdeen, Scotland)
Agricultural Policy Analyst, Consultant in Agriculture and natural resource management.
Age: 71 years
Appointed: 2011
Committees: Editorial & Digital, Nominations & Governance

Susan Lubega
Non-Executive Director
Bachelor of Chemistry, Makerere University
Master in Environmental Pollution Control, University of Leeds, UK
Quality Assurance and Management Consultant
Age: 44 years
Appointed: 2018
Committees: Nominations & Governance, Human Resources & Remuneration

Michael Nyago
Non-Executive Director
Bachelor of Science in Economics, Makerere University
Master in Development Economics, William College, Massachusetts, U.S.A
Fellow, Association of Chartered & Certified Accountants (UK), Certified Public Accountant, Certified Internal Auditor. Member, Association of Fraud Examiners (ACFE-USA) and Certified Governance IT (CGEIT).
Age: 52 years
Appointed: 2018
Committees: Audit & Risk, Finance & Investment

Moses Mwase
Non-Executive Director
Bachelor of Laws, Makerere University
Post Graduate Diploma in Legal Practice, Law Development Centre, Kampala
Master Degree in International Sports Law, ISDE Business Law School, Spain
Master Degree in Science, Finance & Financial Law, University of London
Advocate of the High Court
Age: 43 years
Appointed: 2019
Committee: Finance & Investment, Human Resources & Remuneration

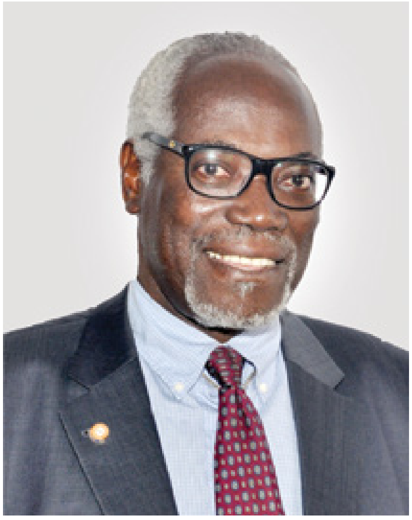
Peter Kawumi
Non-Executive Director
BSc (Hons) in Software Engineering, Kingston University
Master of Business Administration, Edinburgh Business School, UK.
Microsoft Certified Systems Engineer (MCSE)
Age: 37 years
Appointed: 2019
Committees: Nominations & Governance, Human Resources & Remuneration

Gervase Ndyanabo
Company Secretary
Bachelor Degree in Commerce (Accounting), Makerere University
Master of Business Administration, Edinburgh Business School, UK
Certified Public Accountant and Internal Auditor
Age: 55 years
Appointed: 2019

Board Audit and Risk Committee

Oode Obella
Committee Chairperson
Bachelor of Commerce Degree (Banking option), Makerere University
Finance expert
Appointed: 2010

Michael Nyago
Bachelor of Science in Economics, Makerere University
Master in Development Economics, William College, Massachusetts, U.S.A
Fellow, Association of Chartered & Certified Accountants (UK), Certified Public Accountant, Certified Internal Auditor. Member, Association of Fraud Examiners (ACFE-USA) and Certified Governance IT (CGEIT).
Appointed: 2019



Joseph Baliddawa
Post Graduate Diploma in Management
Fellow, Association of Chartered Certified Accountants (FCCA)
Certified Public Accountant
Founder Council Member of the Institute of Certified Public Accountants of Uganda (ICPAU)
Founder Council Member of Zambia Institute of Chartered Accountants (ZICA)
Appointed: 2017

Parity Twinomujuni
Bachelor of Commerce (Accounting), Makerere University
Master of Business Administration (Finance)
Certification in Risk Management Assurance, Certified Internal Auditor
Appointed: 2017

Patricia Ojangole
Master of Philosophy in Development Finance, University of Stellenbosch Business School
Master of Business Administration, Eastern and Southern Africa Management Institute (ESAMI)
Fellow of the Association of Certified Public Accountants
Certified Public Accountant and Internal Auditor.
Appointed: 2018

Chairperson's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors, I present to you the Company's Annual Report for the year ended June 30, 2019.

Performance Overview

The FY 2018/19 demonstrates our commitment to improved efficiency.

The turnover was shs **90.2bn** slightly less than shs **90.6bn** for the previous year, 2017/18

The profit before tax was lower than the previous year at shs **3.9bn** compared to shs **4.6bn**

Cost Management was our focus and Management will continue to pursue this strategy in a bid to reduce and manage costs effectively.

The net profit registered for this year was shs 2.1bn

The shareholders' funds for the year ended June 30, 2019 were **shs 72.1bn** comprising of share capital worth shs **1.5bn**

share premium of shs **27.2bn**

revaluation reserve of **shs 11.1bn** and retained earnings worth shs **30.4bn**

This reflected a growth of 4.0% from the past year's position which was shs 69.3bn. In the FY 2018/19 the return on capital employed was 4.9% down from 6.1% in 2017/18 and the Earning Per Share (EPS) shs 27.8 compared to shs 31.3 in 2018. The asset base has increased by 4% showing that the Company has strong manufacturing capacity/capital to sustain its production potential for the foreseeable future.

Governance

The Board

At Vision Group, we do not see good corporate governance as a set of bureaucratic processes, but rather as the foundation for good business. This offers us comparative advantage in an ever-competitive environment. We remain committed to the highest standards of governance and ethics.

The Company is headed by an effective board which is collectively responsible for ensuring the long term success of the Company. Our Board is the key decision-making body at Vision Group and remains accountable to shareholders on the company performance. The directors are mindful of their legal duties to the Company. They act diligently and in the best interest of the Company.

We continue to apply the core principles of good corporate governance (fairness, accountability, responsibility, transparency) in our business operations and dealings. This helps us attract investors and maintain goodwill from our key stakeholders, customers, audiences and the community at large and build public confidence in the company products.

The Board effectively performed its functions during the financial year. It provided entrepreneurial leadership to the company, set strategic objectives, reviewed management performance, set values and standards, ensured financial and human resources were in place to meet company objectives and made sure that shareholders' expectations were met.

Committees

The Board relies on the performance of committees to improve its effectiveness. There are five (5) standing committees of the Board namely; Audit and Risk Committee, Nominations and Governance Committee, Finance and Investment Committee, Human Resource and Remuneration Committee and the Editorial and Digital Committee. A detail on the performance of these committees is clearly disclosed in the "Corporate Governance Statement" in the annual report.

Evaluation

The Board undertook a formal and rigorous appraisal of its performance, those of its committees and individual directors. The methodologies used included; questionnaires for the Board and its committees and a peer review process for individual directors. An annual evaluation of our performance helps us to confirm the Board's effectiveness and whether individual directors continue to make quality contributions to the discussions and continue to demonstrate commitment to their director role.

The findings from the evaluation confirmed that the Board was, in all major respects, effective. However, there is need to improve the following areas; professional development programmes, overseeing the implementation of the new strategy, investor relation engagements, financial management and succession planning.

Rotation and appointment

Our Nominations and Governance Guidelines require periodical refreshment of the Board composition. In that regard, the Nominations & Governance Committee considered the Board rotation plans and in line with the practice of annual Director rotation, where at least one third of the Board retires at the AGM, recommended with Board approval, the retirement of four Independent Non-Executive Directors. These are Prof. Monica Chibita, Mr. Oode Obella, Mr. Patrick Ayota and Ms. Robinah Kaitiritimba K.

Dr. Monica Chibita and Mr. Oode Obella will formally retire from service having faithfully served the Board for nine (9) years. Best governance practice assumes that a director's independence is diminished over time. If he/she has served on the Board for over nine (9) years, it is believed that they are now too familiar with the Company and the executive colleagues.

On behalf of the Board, I would like to extend our sincere gratitude to Mr. Oode Obella for his dedicated service and invaluable contribution to the Company. Mr. Obella has also served as the Chair of the Audit and Risk Committee of the Board. He provided insightful leadership and constructive criticism to the Board and the committee. We wish him the best for the future.

Mr. Patrick Ayota and Ms. Robinah Kaitiritimba are eligible for re-election having served for only one term. The Nominations and Governance Committee undertook an annual formal performance evaluation of these directors on the Board including the quality of contributions made to matters discussed and from the results, the Board confirms to shareholders that their performance was satisfactory and effective. Mr. Ayota and Ms. Kaitiritimba remain committed to their director role. The Board, therefore, recommends for shareholder approval, the re-election of Mr. Patrick Ayota and Ms. Robinah Kaitiritimba as directors of the Company.

Mr. Ayota is a director representing the second largest shareholder of the Company, NSSF. He holds a Masters degree in Business Administration from the University of South Carolina, USA and Bachelor of Science degree from the Liberty University, Virginia. He is a Certified Public Accountant and a Diplomate in Forensic Accounting. He is currently the Deputy Managing Director at National Social Security Fund and previously worked at Barclays Bank Uganda as the Retail Risk Director and Director of Finance. He is a dynamic, competent and highly motivated professional offering 20 years of unique knowledge and experience in Auditing, Financial, Risk & Strategy management in fast-paced international and local environments. He has a proven record of developing and managing corporate strategies, and in developing and implementing financial and operational controls.

Ms. Kaitiritimba is a director representing the interests of individual shareholders of the Company. She is the Executive Director of Uganda National Health Consumers' Organisation (UNHCO), a seasoned expert on Health with over 18 years' experience, an authority on the rights-based approach (RBA) and social accountability. She currently provides consultancy support to local and international NGOs adapting social accountability approaches. She has worked in partnership with international bodies such as the World Health Organisation, DFID, World Bank Institute and the European Union. She developed a module for social accountability published by the World Bank Institute, currently being used globally as a resource material. Other positions held include the National Health Policy Advisory Committee, Institutional Review Board (IRB) of Makerere University School of Public Health and Uganda National Council for Science and Technology.

Two (2) director appointments were made during the year to fill casual vacancies. Mr. Moses Mwase was appointed to represent the interests of the majority shareholder on the Board, while Mr. Peter Kawumi filled the vacancy that had been reserved for a person under the youth bracket with digital experience. These appointments were made on merit, against objective criteria and with due regard for the benefits of diversity of age on the Board. In accordance with the provisions of Article 69 of the Company's Articles of Association, Mr. Mwase and Mr. Kawumi will retire at this year's Annual General Meeting of November 21, 2019 and will be eligible for re-election. The Board is also satisfied with the quality of their participation and recommends for shareholder approval of their re-election to continue serving on the Board.

Mr. Mwase holds a Masters' Degrees in International Sports Law and Science, Finance & Financial Law. He is an Advocate of the High Court and all subordinate courts thereto. He has over 15 years' experience in legal, administration and corporate governance and is currently the Director, Privatisation Unit, Ministry of Finance, Planning and Economic Development. He has previously held the following positions: Head Legal Services, Privatisation Unit, Ministry of Finance, Planning& Economic Development, Legal Counsel with the Civil Aviation Authority-Uganda and was an Associate with Ms. Nangwala, Rezida & Company Advocates.

Mr. Kawumi's career spans over a dozen years with roles in technology, business analysis and retail banking, including leading the Digital Finance departments in regional and local banks. He has extensive experience in developing and commercialising products, new customer acquisition, digital channel utilisation and scaling plans in consumer services. In his current role as the Country General Manager at Interswitch East Africa (U) Ltd, he is championing the use of technology to deliver responsive and responsible financial services to varied market segments including youth, women, refugees and small businesses. He is a Microsoft Certified Systems Engineer (MCSE), holds a BSc (Hons) in Software Engineering from Kingston University and a Master of Business Administration (with Distinction) from the Edinburgh Business School. He serves on the Boards of The Leadership Team as a Non-Executive Director and the Fintech Association of Uganda as the Chairman.

Following a recommendation from the Nominations and Governance Committee, the Board approved the appointment of Ms. Patricia Ojangole as an independent non-board member of the Board Audit and Risk Committee. Ms. Ojangole is a Fellow of the Association of Certified Public Accountants with demonstrable experience in strategy, finance, audit, risk management and governance. She is currently the Chief Executive Officer of Uganda Development Bank.

There are two (2) vacant positions on the Board following the retirement of Dr. Chibita and Mr. Obella. The Nominations and Governance Committee exercised its mandate of evaluating the right skill-set and experience on the board and recommended, with Board approval, the appointment of Ayeko Ongodia and Sarah Irene Walusimbi, who shall be presented at the AGM for shareholder consideration and approval.

Ayeko Ongodia holds a Bachelor of Science in Quantitative Economics from Makerere University. He holds a Master of Science in Mathematical Trading and Finance from Cass Business School, England and a Masters in Applied Mathematics and Statics from Stony Brook University, USA. He is a Chartered Financial Analyst. He is currently the Chief Executive Officer of XENO Investment Management.

Sarah Irene Walusimbi holds a Bachelor of Laws from Makerere University and a Master in Business Administration from Eastern and Southern Africa Institute of Management. She is an Advocate of the High Court of Uganda and all subordinate courts thereto. She has corporate governance experience having served on the Boards of the Capital Markets Authority, aBi Finance and aBi Development, National Social Security Fund, Housing Finance Bank, African Alliance Ltd, SOS Children's Village and Nic in the last 22 years.

The inclusion of these directors on the Board is a useful addition to the team and will bring independent thinking that greatly enhances the quality of discussions at board level for the benefit of the Company.

Strategic Framework

The Board has the mandate to constructively challenge and help develop proposals on strategy. During the FY 2018/19, the Board set the following strategic objectives for the Company: maximizing financial returns, becoming an effective communication platform and being a well governed company. These strategic objectives were intended to enable the Company to deliver an Earnings Per Share (EPS) of shs.77 to the shareholders in the financial year 2018/19. However, this target was not attained because the media industry revenue trends have not grown at the projected rates. Strategies are being employed to ensure all employees have profitability targets so that their contribution to the overall EPS of the Company can be effectively monitored.

At this year's strategy retreat held in February in Mbale, the Board reviewed and approved the new Company Vision, Mission and Values to guide the operations of the Company and its relationship with the various key stakeholders as follows:

	Former	Approved
Vision	A globally respected African Media powerhouse that advances society.	A trusted content hub of choice
Mission	To be a market focused, performance-driven organization, managed on global standards of operational and financial efficiency.	To generate and distribute content that is useful to and advances society.
Values	• Honesty • Innovation • Fairness • Courage • Excellence • Zero tolerance to corruption • Social responsibility	• Integrity • Innovation • Customer-centricity • Courage • Excellence • Zero tolerance to corruption • Social responsibility

The Board also approved a new strategic direction for the Company. This will help us harness new technologies that ensure business sustainability. A detailed report on implementation of the strategic objectives is included in the CEO's statement.

We have in the past pursued investment in the traditional media platforms. We are positioning ourselves as a Hub that harnesses technology to distribute content in various formats serving both local and international customers.

Risk

The Board established the Audit & Risk Committee (BARC) which is responsible for considering how the Company should apply the principles of corporate reporting, risk management and internal controls and maintain an appropriate relationship with the external auditors. The Committee is composed of two (2) Independent Non-Executive Directors (NEDs) and three independent non-board members who together are committed and provide strong leadership. The "Corporate Governance" section of this report contains a detailed report of how the BARC executed its responsibilities during the year.

Dividend

The Board is happy to inform shareholders that a net profit of shs 2.13bn was registered for the period ending June 30, 2019 and after full consideration that the payment of dividends would not damage the liquidity and solvency of the Company, a dividend of shs 25 per share has been recommended. A total of shs 1.91bn (90% of profit after taxation) shall this year be spent on dividend payment. The Directors, therefore, recommend for shareholder approval at this AGM, the payment of a dividend of shs 25 per share to shareholders. The Company recognizes the importance of paying a return to the owners of the Company, as it has the ability of increasing and maximizing their shareholder value.

Shareholder Engagement

The Company values regular and constructive dialogue with its shareholders. Engagement is necessary to manage shareholder expectations and align their interests with those of the Company. Investors expect Companies to effect decisions which will generate the best long term value for their investment and in order to meet this expectation, Boards should make time to hear shareholder concerns.

Engagement with shareholders is handled on a regular basis through formal and informal meetings, telephone discussions and email correspondences. Reference can be made to the "Shareholder Information section" in the annual report for more information.

Share Price

Increase in shareholder value remains a priority for the Board and the Board and Management are working tirelessly to deliver on this promise.

The share price performance, however, has been sub-optimal. The price fell from shs.450 on June 30, 2018 to shs. 330 on June 26, 2019. We are hopeful that the new strategic direction will enable the Company post better results in the future.

Our Role in Society

Vision Group is a corporate citizen and aspires to make positive contributions towards the societal environment in which it operates. We believe in creating long term value for the Company by creating value for others. In that regard, the Board considers and strives to balance the interests of all its key stakeholders. Continuous value addition to our key stakeholder is a key to long term success for any business.

Vision Group takes pride in the fact that we have a media platform which can be used to positively transform lives.

Sustainability is at the heart of value creation for Vision Group and the Board remains fully committed to building long term value for all its stakeholders. A detailed report on how we invested in sustainable wealth creation is included in the "Sustainability Report and Corporate Social Responsibility" section of the annual Report.

Media Industry Overview

The Ugandan media industry has become more fragmented than ever. There is reduced profitability mainly due to increased competition from new entrants, limited innovations in programming and as a result media rely on price as a value offering with heavy discounting to survive the cut-throat competition. Advertising rates are likely to continue falling as competition increases, so driving volumes must be the focus. Digital media is a threat to the Company business because it has revolutionised the demand and supply of information. Adapting to these changes will require heavy investment in digital infrastructure in order to remain competitive. Vision Group commands a dominant position in the industry, a robust distribution network and competitive skills. There is need to invest in technology and leverage multi-platforms, existing infrastructure and skill-set to remain competitive.

Performance Outlook For The FY 2019/2020

The Company's objectives for FY 2019/20 include; a decent return to shareholders, improved customer satisfaction, improved system automation, improved staff productivity, motivation and excellent governance.

The Company is projected to attain a turnover of shs. 93.9bn and a profit of shs. 6.7bn in the FY 2019/20. We therefore expect an improvement with the net profit margin and profit following an increased turnover.

Conclusion

I was appointed Chairperson of the Board at the Annual General Meeting (AGM) of November 23, 2017 and at this year's AGM, November 21, 2019 I will retire from the Board. It has been an incredible journey of experience as I have provided leadership to the Company these last two years.

I would like to thank my fellow directors and the non-director members of the Audit & Risk Committee for entrusting me with the mantle of Board Chairperson and supporting me during my tenure. Their support and team spirit made my journey so much more meaningful. I retire at a time when the Company is contemplating a new strategy shift and I am confident that the Board, working effectively with Management, will see the Company through.

In a special way, I would like to thank Management for the support rendered to me and the Board throughout the years. I leave behind a strong management team that I am confident will continue building the legacy of New Vision.

I would like to thank our stakeholders for their support and loyalty. We are confident that the new strategic direction will ensure business sustainability.

I would like to appreciate our shareholders for the confidence they continue to place in the business. We are committed to growing shareholder value and pledge to deliver an improved performance next year.

Prof. Monica Chibita
Board Chairperson

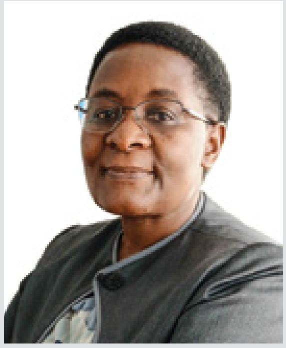
Date: October 31, 2019

Executive Committee

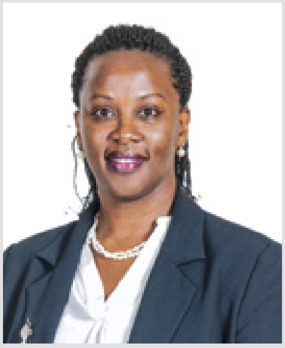
Robert Kabushenga
Chief Executive Officer
/Managing Director
Appointed: **2007**

Gervase Ndyanabo
Deputy Managing Director/
Company Secretary
Appointed: **1995**

Augustine Tamale
Chief Financial Officer
Appointed: **2019**



Barbara Kaija
Editor in Chief
Appointed: **2010**



Gloria Agira
Chief Human Resource Officer
Appointed: **2014**

Peace Z.kabatangare
Chief Internal Auditor
Appointed: **2018**

Bill Tibingana
Head of Strategy/Radios
Appointed: **2011**

Mark Walungama
Head of Television
Appointed: **2011**

David Semugga
Head of Operations
Appointed: **2016**

Umar Luyimbazi
Head of Printing
Appointed: **2018**

Hope Nuwagaba
Head of Sales
Appointed: **2012**

Dorothy Muttu
Head of Marketing &
Communications
Appointed: **2019**

CEO Statement

The industry continues to face significant challenges arising out of technology disruption and the cost of doing business. The effect is obvious in the flat financial performance. This is not unique to the Ugandan market but it has local ramifications that have impacted the business. The company would need a completely new approach if the business is to thrive in the media market of the future. A new strategic direction outlining possible ways to improve long term financial performance has been formulated and its implementation is pending Board approval.

Media Landscape

According to World Press Trends 2019, global print audiences have decreased by

02%

over five (5) years to 2019 with a further 1% decrease projected for 2020.

Digital on the other hand has increased by

208%

within the same period with a projected 13% increase for 2020.

China and Kenya were the top 2 performers in print circulation growth at

2.9% AND 2.5%

respectively

whereas digital growth was led by China and France at

44% AND 42.5%

respectively

The IPSOS Segmentation and Profiling study as at September 2019 reports preference of Radio and Television for 80% of Uganda's media audience. However, in the wake of the digital era, the media landscape has evolved and further fragmented audiences through more convenient access, personalized content and relevant formats. Globally, digital audiences are increasingly coming via mobile (56.4%), desktop (38.6%) and tablet (5.1%). Mobile dominance in digital news is greatest in two regions, Africa and Asia. In Asia 2 out of 3 digital news views come from mobile, while in Africa it is 3 out of every 4.

According to the Reuters Institute, Digital News Report 2019, 71% of consumers preferred to access news through 'side door access', including especially search, social media and mobile alerts. This disruption has further altered the dynamic of the print industry in Uganda placing online media usage at 16% ahead of print at 4%. The Q4 2019 ABC report reiterates the overall daily newspaper decline citing a 3% decrease in total Circulation across Africa against previous period Q3 2019 and a 9% decline compared to the similar period of 2018.

Two Vision Group brands, *New Vision* and *Bukedde* continue to lead the English and Luganda newspaper markets in revenue and circulation share. IPSOS September study places New Vision awareness ahead at 98%, while Daily Monitor is at 94% and Bukedde continues to dominate local language market at 88%.

In the advent of declining advertiser spend and growing reader revenue, the opportunity for growth lies in understanding how audiences engage with content in both traditional and digital platforms to evolve and blend a fit-for-purpose curation and distribution style. Total active internet users in Uganda according to the Digital 2019 Hootsuite report is nineteen (19) million, while Vision Groups online following is approximately six (6) million. Building social media communities around our brands through engagement and open participation in newsroom dialogue will provide a disproportionate base from which to recruit and converge loyal followers to Vision Group websites where advertiser and reader monetisation can be triggered.

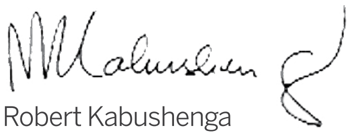
Business

In light of the above, the company continues to explore and innovate other ways in which the business can sustain a positive financial performance. This involves looking beyond the traditional media business and exploiting synergies with other sectors for additional income. This is an approach that management continues to pursue and take advantage of such opportunities to develop new revenue sources. It is obvious that the developments in the industry analysed above mean that a business in this sector must diversify revenue sources to remain competitive.

Governance

The company is a compliant citizen and the Board is diligent in its responsibilities to this effect. There is dynamic participation in social activities that uplift the circumstances of the audiences in which the media platforms operate. The company values the community relations beyond the immediate commercial objectives and for this reason actively engages in various social responsibility initiatives.

Vision Group continues to dominate the industry and remains the market leader. This means that the media properties enjoy significant brand equity that can be converted into future business opportunity. Despite the challenges articulated earlier, this firm foundation places it in a better position to take advantage of new possibilities. However, time is of the essence.



Robert Kabushenga
Chief Executive Officer

Date: October 31, 2019

During the reporting period, the Company was faced with a number of issues that had the potential to substantially affect, both positively and negatively, the Company's ability to create value and deliver on its strategy in the short and long-term. Taking into consideration the context of operation, the Company's top risks and opportunities and interests of key stakeholders, the following issues received Management attention and were prioritized given their potential impact on the business;

Issue	Strategic Impact	Management Response:
• Declining advertising revenues due to the change in government spending priorities and policy-the proposal to merge government agencies • Increased prices for our major input-imported newsprint due to the global scarcity of raw materials. • Inflation and unfavorable taxation policies affecting customer spending capacity	• Poor Company performance and reduced profitability • Decline in shareholder value and negative effect on the market valuation of the company • Undermines the company's ability to offer competitive rates to its clients	• Strategic partnerships that generate revenue • Special supplements and events to boost revenue generation • Efficient cost reduction strategies pursued
• Growing cost base that currently stands at 96% of turnover • High trade receivables and cost of sales	• Risk that the costs could outstrip the revenue and create a liquidity crisis • Undermines the sales effort and ability of the business to finance its obligations as and when they fall due	• Set cost reduction targets for each SBU • Undertake special revenue generation projects and strategic partnerships to grow revenue
• Disruptive technologies altering media consumption habits and the operation of the media market • Emergence of new platforms and technologies. This has facilitated content sharing and audience aggregation • Inadequate technology and cost of data: The current level of investment in technology does not provide efficiencies required by the Company to favorably compete	• Loss of market share and competitive strength • Loss of audiences to digital platforms and legacy media • Inability to respond to market opportunities and serve customers conveniently at an optimal cost	• Developed capacity to execute digital marketing • Re-aligned marketing function to focus on customer needs
• Complex political environment and greater regulatory and compliance requirements. There has been increased regulation and scrutiny from regulators like UCC, URA, KCCA and NSSF. Further, UCC is moving to introduce tighter controls on the internet-based media	• Fines and levies affect the bottom line. • Reputational damage • Increased cost of doing business in the electronic media segment	• Ensured strong regulatory and compliance practices in all aspects of the business and reliance on guidance from the three lines of defence
• Libel risk and exorbitant court awards arising from defamation suits	• Reputational risk • Effect on the bottom line	• Continuous legal training for editorial staff • Processes for vetting stories for libel • Prior review by Legal Function of contentious stories • Continuous training on the editorial policy

Our Strategic Outcomes

<table>
<tr><th>Strategic objective</th><th>Key achievement</th><th>F.Y 2017/18</th><th>F.Y 2018/2019</th></tr>
<tr><td>Maximize financial returns</td><td>Registered an EPS of shs. 27.8
Net profit of shs. 2.13bn, a 10.9% decline compared to the FY 2017/18
A 0.75% increase in the cost of sales compared to the F.Y 2017/18
A 0.1% growth in administrative costs compared to FY17/18</td><td>Turnover of shs. 90.59bn
Net profit of shs. 2.39bn
Cost of Sales of shs. 67.8bn
Administrative costs of shs. 14.03bn</td><td>Turnover of shs. 90.16bn
Net profit of shs. 2.13bn
Cost of Sales of shs. 68.3bn
Administrative costs of shs. 14.76bn</td></tr>
<tr><td>Become an effective communication platform</td><td>All platforms have undertaken audience growth initiatives
The Company maintained a dominant position in the market</td><td>Average annual circulation of 32,500 copies for Bukedde paper. This was a 55.7% growth from the previous year that had an average circulation of 20,870 copies
Average annual circulation of 27,427 copies for the New Vision
48% share of readership for the New Vision a 2.5% growth compared to the previous year
The New Vision e-paper had an average growth rate of 86.4%
Based on the NAMS report by IPSOS, all radio stations met their annual target reach. Bukedde Fama and XFM having a 58% and 44% growth in reach compared to the previous year
All television stations met their annual reach targets with Bukedde TV2 having a 40% growth compared to the previous year</td><td>New Vision met 94% of its annual circulation target while Sunday Vision and Saturday Vision met 89% and 91% of their annual circulation targets
All regional papers exceeded their annual circulation targets
Bukedde was 6% above the annual circulation target with a 2% growth compared to the previous year
Rupiny Newspaper was 16% above its annual circulation target with a 4% growth compared to the previous year. Orumuri was 10% above its annual circulation target with a 7% growth compared to the previous financial year and Etop was 2% above their annual circulation targets</td></tr>
<tr><td>Be a well governed company</td><td>A number of initiatives were undertaken to ensure the principles of transparency, disclosure, accountability, fairness, ethics, corporate citizenship and an appropriate internal control environment were met</td><td>Conducted in-house training for all staff members
Consideration of Management reports
Performance reviews and appraisals
Upgraded and streamlined SharePoint
Improved storage capacity</td><td>Automated business processes especially in revenue generation and TV operations
Improved the quality control function for printing. Quality control meetings are held twice a month and weekly and monthly reports shared. There has been significant impact as evidenced by reduction in mistakes and complaints from clients
Timely resolutions of all audit queries</td></tr>
</table>

For us to ensure sustainability of our strategy, the Board continues to review the relevance of the Management's duty of tracking progress on the strategy implemented and the following KPIs are usually considered;

a. Improved EPS
b. Growth in market share
c. Improved compliance based on reports from IPSOS
d. Improved customer acquisition and satisfaction levels
e. Improved net promoter scores

We have the following Key Performance Indicators (KPIs) based on the Company strategy that help monitor performance of the company;

Strategic objective	KPI	Measures
Maximizing financial returns	The level of profitability	• The gross profit margin has declined from 25.2% to 24.2% while the net profit margin has declined from 5.1% to 4.3%
Becoming an effective communication platform	Acquisition and retention of audiences/ customers	The findings of the IPSOS NAMS report, August 2018 revealed that the Company maintained its dominant position in the market. • Awareness levels of the media products ie New Vision at 79% • Readership levels e.g Bukedde enjoyed 51% while New Vision had 44% in 2018 • Share of listenership/viewership. All our regional radio stations maintained a 50% share in the market in their regions of operation. Bukedde TV1 dominated with 69% • According to the ABC reports Bukedde Newspaper circulation sales grew by 18% compared to the previous year
Being a well governed company	Compliance with best governance practices	These are measured on the following principles • Transparency • Disclosure • Accountability • Fairness • Ethics • corporate citizenship • Appropriate internal control environment

The macro-economic environments

The country closed the Fiscal Year 2018/19 with a core inflation of 4.9% and headline inflation of 3.4%. The foreign exchange rates had also stabilized and the dollar closed in on shs. 3,700 which is much lower than what it was for most of the year. The Central Bank and the exports are therefore ensuring stability in the monetary aspects of the economy and when this is coupled with the industrialization and increased hydroelectric power generation, the general price level to be contained at more or less the same level. These all benefit the market players and once various organizations and businesses are progressing, there will be need to communicate their products to the market. The only one-stop business communications solution center in Uganda is Vision Group and therefore this economic progress and stability only point at enhanced earnings for the company.

Corporate Governance Statement

New Vision Printing & Publishing Company Limited is listed on the Uganda Securities Exchange (U.S.E) and is committed to continual improvement in its corporate governance practices. Corporate governance is more than a box ticking exercise for us, it is embedded in our business and operations. The Company continues to apply the core principles of good corporate governance (fairness, accountability, responsibility and transparency) in all its dealings. This helps us attract investors, maintain goodwill from our key stakeholders and build public confidence in our products.

The Company adopts 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 is headed by an effective Board of Directors (Board) which is collectively responsible for the long-term success of the Company. The Board has the mandate to review and guide the corporate strategy, mission, vision and values; review and approve the effectiveness of the risk management systems and internal controls; approve policies, annual budgets and major capital expenditures, acquisitions and divestments; monitor the effectiveness of corporate governance; monitor financial performance and other financial reporting matters and approve financial statements; ensure compliance with legal, regulatory and listing requirements; recruit and determine the remuneration of key executives in line with the long term interests of the Company; monitor changes in capital structure and review the performance of Management.

The Board is cognizant of its stewardship role on behalf of shareholders. Our directors derive their powers from the Company's Articles of Association. Directors are also aware of their legal duties to the Company during any decision making process or Company activity, namely: duty to exercise reasonable care, skill and diligence; duty to exercise independent judgment; duty to act within powers; duty to promote the long term success of the company; duty to avoid conflicts of interest and declare any interests in any transaction; duty not to accept benefits from third parties and duty to act in the best interest of the Company.

Compliance with governance

The Company operates within a regulated environment by virtue of being listed. The following legislation helps us promote good corporate governance; the Companies Act, 2012, Capital Markets Authority (CMA) laws and USE Listing Rules. Established governance documents like Articles of Association, Board Charter and Manual, Terms of Reference (TORs) for the different committees and various policies continue to provide guidance to the Board in its operations and decision-making process. These documents are periodically reviewed to ensure appropriateness.

Directors recognize that good corporate governance is necessary for the sustainability of this business and ensures that corporate governance practices are embedded in the operations of the company.

The Company undertook a self-assessment of its compliance levels to the CMA Corporate Governance guidelines using a reporting template developed by CMA and from the assessment, the Company had to a large extent complied with the requirements stipulated in the guidelines. Listed companies have been urged to periodically undertake governance audits.

Delegation of Authority

The Board is the ultimate decision-making body of the Company and remains accountable to shareholders for its performance. The Company Secretary maintains a schedule of matters reserved for the Board's decision. These matters are not delegated to any committee or management, they include: approval of strategy and strategic objectives for the period; approval of annual budgets and capital expenditures; approval of the annual report and accounts; approval of policies; approval of major contracts and investments; recommendation of final dividend; formal communication with shareholders; approval of changes made to the capital structure; review of management performance; compliance with legal and regulatory environment; approval of the risk appetite and review of the effectiveness of risk management systems and internal control systems.

The Board has delegated authority for day-to-day operations of the Company to Management, which is headed by the Chief Executive Officer (CEO), who also serves as the Managing Director(MD). He is accountable to the Board.

Size and Composition

The effectiveness of a board of any organization depends on its size and composition. The Vision Group Board is of sufficient size able to manage the affairs of the Company. There are 11 directors. The Board is comprised of a Chairperson, Deputy Chairperson, Chief Executive Officer/Managing Director and Non-executive directors. The Board has 1 Executive Director and 10 Non-Executive Directors (NEDs) and of these 5 are considered independent. This composition ensures a balance of power on our Board, independent thinking, and diversity of thought, such that no single individual or group of individuals can dominate the decision-making process.

Directors who represent shareholder interests on the Board are not considered independent.

Table 1: Classification of directors

Name	Type	Independent	Status
Monica Chibita	Non-Executive	✓	-
Jim Mugunga	Non-Executive	-	Shareholder representative
Robert Kabushenga	Managing Director/ CEO	-	Employee
Oode Obella	Non-Executive	✓	-
Patrick Ayota	Non-Executive	-	Shareholder representative
Robinah Kaitiritimba K.	Non-Executive	-	Shareholder representative
Charles Tukacungurwa	Non-Executive	-	Shareholder representative
Susan Lubega	Non-Executive	✓	-
Michael Nyago	Non-Executive	✓	-
Moses Mwase	Non-Executive	-	Shareholder representative
Peter Kawumi	Non-Executive	✓	-

Our Board has an appropriate balance of skills, experience, independence and knowledge necessary to discharge its duties effectively. With this mix, there is constructive debate and independent thinking during discussions. The Nominations and Governance Guidelines provide for the following skills set on the Board:

Table 2: Skill-set on the Board

Skill/experience/knowledge	Director/s
Media	• Prof. Monica Chibita • Mr. Jim Mugunga
Law	• Mr. Robert Kabushenga • Mr. Moses Mwase
Finance and Accounting	• Mr. Oode Obella • Mr. Patrick Ayota • Mr. Michael Nyago
Digital	• Mr. Peter Kawumi
Other technical skills	• Mrs. Susan Lubega- Quality Assurance and Management Consultancy • Mr. Charles Tukacungurwa- Agricultural Policy analyst • Ms. Robinah Kaitiritimba K.- Health expert

Director shareholding as at June 30, 2019 was:

Table 3: Director Shareholding

Name	Shares	Percentage
Ms. Robinah Kitungi Kaitiritimba	42,992	0.0562%
Ms. Susan Lubega	1,313	0.0017%
Total	**44,305**	**0.0579%**

Separation of roles

There is a clear division of responsibilities at the Company between the management of the Board and the executive responsibility for running the business. The roles of Chairperson and Chief Executive Officer are separate and distinct. The Chairperson, Prof. Monica Chibita, manages the Board and ensures the Board functions effectively, while Mr. Robert Kabushenga, the CEO, leads the executive team and remains answerable to the Board for the performance of the company.

During the period, the Board Chairperson provided effective leadership to the Board and Management, ensured discussions at strategic level and that adequate time was given for discussion of agenda items. Her leadership style promoted a culture of openness, constructive debate and accountability. She encouraged the active participation by all directors during meetings. Chairpersons of all committees were held accountable for the discharge of the mandate of their respective committees. The Chair upholds the highest standards of integrity.

Strategy

The Board has the mandate to constructively challenge and help develop proposals on strategy. During the FY 2018/19, the Board set the following strategic objectives for the Company: maximizing financial returns, becoming an effective communication platform and being a well governed company. The Board also approved a new strategic direction for the Company that will harness new technologies to ensure business sustainability as elaborated in the CEO statement.

At this year's strategy retreat held in February in Mbale, the Board reviewed and approved the new Company Vision, Mission and Values to guide the operations of the Company and its relationship with the various key stakeholders as follows:

Table 4: Vision, Mission and Values

	Former	Approved
Vision	A globally respected African Media powerhouse that advances society.	A trusted content hub of choice
Mission	To be a market focused, performance-driven organisation, managed on global standards of operational and financial efficiency.	To generate and distribute content that is useful to and advances society.
Values	• Honesty • Innovation • Fairness • Courage • Excellence • Zero tolerance to corruption • Social responsibility	• Integrity • Innovation • Customer-centricity • Courage • Excellence • Zero tolerance to corruption • Social responsibility

Board and Management at the Strategy Retreat

Meetings

The Board accords sufficient time to carry out its functions. Board calendars and meeting schedules are circulated to directors before the commencement of the new calendar year to enable directors reserve dates to attend meetings and company activities.

In the past financial year, a total of nine (9) board meetings were held as included in table 5 below. The agendas for the meetings were approved by the Board Chair and Board committee chairs ahead of circulation. Comprehensive briefing papers were circulated at least seven days to the scheduled meeting.

Directors are required to declare and register any interest to an agenda item, whether potential or actual, with the Company Secretary. Declared interests are minuted and included in a register of interests. In instances where interests are declared, a director does not participate in the discussion and decision. In accordance with the conflict of interest policy, the Board Chair determines materiality of the interest and potential impact on the independence of a director to guide the decision. The adopted practice of the Company is that directors will not participate in the discussion of, or decision on a matter in which they are conflicted unless their expertise is required to enrich a discussion. Annual director declaration of all interests was conducted and forms were filled and filed.

Table 5: Director Attendance

Name of Director	15th Aug 2018	4th Oct 2018	1st Nov 2019	22nd Nov 2019	24th Jan 2019	20th-22nd Feb 2019	28th March 2019	2nd May 2019	27th June 2019
Prof. Monica Chibita	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Jim Mugunga	✓	✓	✓	X	✓	✓	✓	✓	✓
Mr. Robert Kabushenga	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Patrick Ayota	X	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Charles Tukacungurwa	✓	✓	✓	✓	✓	✓	✓	✓	X
Ms. Robinah K. Kitungi	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Oode Obella	✓	✓	✓	✓	✓	✓	✓	✓	✓
Capt. Gad Gasaatura	✓	✓	✓	✓	N/A				
Ms. Grace Dwonga	✓	X	✓	✓	N/A				
Hon. Steven Bamwanga	X	✓	✓	✓	N/A				
Mr. Michael Nyago	N/A**				✓	✓	✓	✓	✓
Ms. Susan Lubega	N/A**					✓	✓	✓	✓
Mr. Moses Mwase	N/A**					✓	✓	✓	✓
Mr. Peter Kawumi	N/A**					✓	✓	✓	✓

Key:

✓	Present
X	Absent
N/A	Not Applicable
N/A**	Not yet appointed

Board Committees

The Board relies on its committees to effectively discharge its mandate but remains ultimately accountable for its responsibilities. The Board appoints members to the committees and chairpersons to those different committees. All committees have established Terms of References (TORs) that are annually reviewed to ensure appropriateness. These TORs contain guidelines on the conduct of committee business. Each committee will, therefore, consider matters in line with their TORs and make recommendations to the Board for approval. The Company Secretary is the secretary and provides secretarial services to all committees.

On a quarterly basis, the committees consider management reports which contain information relating to strategy, policy review, compliance, financial performance, procurement, audit findings, recruitments among others.

Board Audit And Risk Committee (BARC)

It is my pleasure to present the Committee's report for the year ended June 30, 2019.

The Audit and Risk Committee is mandated to assist the Board of Directors in fulfilling its oversight responsibilities for governance, financial reporting, audit and risk management in accordance with the applicable laws, regulations and the principles of good corporate governance. The BARC was fully constituted during the year following the appointments of Ms. Patricia Ojangole and Mr. Micheal Nyago, based on recommendations of the Nominations and Governance Committee of the Board. Reports were periodically given to the full Board on the activities of the BARC, as well as how it discharged its responsibilities.

During the year, the BARC focused its activities and resources towards reviewing and monitoring the risk management activities of the Company including the coordination of the efforts of the various assurance providers such as: legal and compliance; strategy and risk management; and internal and external audit. The BARC provided assurance to the Board regarding the quality and effectiveness of the financial reporting, regulatory, compliance and internal audit matters, thereby protecting the interests of shareholders.

Following the conclusion of the contract of the prior period's external auditors in 2018, the BARC received progress reports on the transition to the newly-appointed external auditors Ernst & Young (EY) including confirmations that they had met the mandatory independence requirements. The BARC participated in negotiations to determine the remuneration of the external auditors and reviewed the auditor's effectiveness during the external audit exercise for the period ended June 2019.

The BARC actively provided oversight to ensure the integrity of published financial information by discussing and challenging the judgements made by Management including the assumptions and estimates on which they were based. Of particular note were the significant changes in the operations of new models and methodologies and consequently, in the presentation and estimates of the financial statements that resulted from the adoption of changes in IFRS 9 and IFRS 15. Other significant matters and risks considered during the financial year ended June 30, 2019 included; expected credit losses on financial assets under IFRS 9, revenue recognition and disclosures under IFRS 15, taxation of agents, accounting for goodwill, accounting for property, plant and equipment, accounting for commission expenses and the impact of changes in technology and customer media consumption patterns on the business. The BARC also monitored the intergrity of internal controls, compliance, financial reporting and risk management systems and the appropriateness and implementation of the Company's strategic initiatives.

Based on the activities of the Committee during the year, we believe the processes put in place to manage risk, internal control and governance are adequate and effective to meet the needs of the Company.

I would like to express my heartfelt appreciation to my solid team of BARC which dedicated their time to perform their work in accordance with the committees' TOR.

I would like to appreciate the internal Audit Department who did their work to the satisfaction of the committee.

I would also like to thank Management for the strong appreciation of the value addition of internal Audit to the wellbeing of the Company.

Last but not least, I would like to thank the Board for taking the committee's reports very seriously.

May I, at this point, assure the shareholders that from the committee point of view, your Company stands on very strong grounds to meet the emerging challenges in the media industry.

Mr. Oode Obella
Chair, Audit and Risk Committee

Committee Report

The role of the Audit and Risk Committee is to provide oversight and direct how the Company has applied the principles of corporate governance and reporting, risk management and internal controls and maintained an appropriate relationship with the external auditors.

During the period, BARC executed its mandate as follows: it monitored the integrity of the financial statements and reviewed significant financial reporting issues, challenged the application of significant accounting policies and methods used to account for significant/ unusual transactions, reviewed the effectiveness of the internal controls systems and risk management systems in the Company, reviewed the effectiveness of the Internal Audit Function, reviewed and monitored the external auditor's independence and objectivity, and the effectiveness of the audit process, reviewed arrangements by which staff could, in confidence, raise concerns about improprieties like fraud and any crimes and reviewed the effectiveness of the Company's compliance levels with relevant laws and regulation.

BARC periodically reported to the full Board on its activities and how it discharged its responsibilities.

Early this year, the BARC was reconstituted following the appointment of Ms. Susan Lubega as a director of the Company. Ms. Patricia Ojangole also joined the committee. Her appointment was made by the Board on the recommendation of the Nominations and Governance Committee, in consultation with the BARC chairperson. Ms. Ojangole is a Fellow of the Association of Certified Public Accountants with demonstrable experience in strategy, finance, audit, risk management and governance. She currently serves as the Chief Executive Officer of Uganda Development Bank.

The Committee, therefore, has 5 members (2 independent non-executive directors and 3 independent non-Board members). Mr. Oode Obella is the Chairperson of the BARC. The non-board members are appointed to serve for a term of three (3) years renewable at the discretion of the Board.

The Committee composition is made up of experts who are skilled in all audit matters, governance, economics, finance, accounting, risk management, quality control and business management. Members have recent and relevant financial experience.

During the reporting period, BARC met the external and internal auditors without the presence of Management and discussed matters relating to their responsibilities and issues that arose from the audit process.

Member attendance for the year was as follows;

Table 6: Attendance - BARC

Name of Director	7th Aug 2018	25th Sept 2018	23rd Oct 2018	8th Feb 2019	24th April 2019	27th June 2019
Mr. Oode Obella	✓	✓	✓	✓	✓	✓
Mr. Joseph Baliddawa	✓	✓	✓	X	✓	✓
Mr. Parity Twinomujuni	✓	X	✓	✓	✓	✓
Mrs. Susan Lubega	X	✓	✓	✓	N/A	
Ms. Grace Dwonga	✓	✓	✓	N/A		
Hon. Steven Bamwanga	✓	✓	✓	N/A		
Ms. Patricia Ojangole	N/A**				✓	X ✓
Mr. Nyago Michael	N/A**				✓	✓ ✓

Key:

✓	Present
X	Absent
N/A	Not Applicable
**	Not yet appointed

Reporting Managers include; The Chief Internal Auditor, Risk Manager, Legal Manager and Compliance Manager. They are not members of the committee but only attend meetings following an invite.

Financial Reporting and Disclosures

Management prepares complete and accurate financial statements which are submitted to the BARC for review of any significant financial reporting issues. BARC considers the accounting policies used to prepare the statements, any appropriate estimates and judgments, the external auditor's views on the statements and whether there is complete disclosure of all matters in the financial statements.

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.

During the FY 2018/19, BARC considered the unaudited interim results for the period ended December 31, 2018 and the audited final results for the period ended June 30, 2019 and accordingly made recommendations to the Board, who approved the same for publication and distribution to shareholders.

The Company strives to ensure that timely information is provided to shareholders and the market. The Company ensured that the annual and interim financial statements were submitted to the Uganda Securities Exchange (USE) and later to the public, within the timelines set out in the USE Listing Rules.

The summary accounts for both the audited and interim results are published in the New Vision Newspaper and uploaded onto the Company website at the address http://www.visiongroup.co.ug/financialreports.php. They are also sent to shareholders via email via the address Eshareholder@newvision.co.ug. Annual reports are also distributed to shareholders through email, website and at the AGM. Shareholders who prefer a hard copy have the option of requesting for one and these are availed at the Company's head office.

The Company held an Investor briefing with Market analysts and Fund Managers to discuss last year's audited accounts at the USE offices. Another briefing shall be held prior to the AGM to discuss the audited accounts for the period ended June 30, 2019.

The audited accounts shall be presented to and considered for adoption by shareholders at the Annual General Meeting of November 21, 2019.

Information provided in the annual report and accounts is important information for shareholders to determine and assess how well the directors have governed and managed the Company.

Internal Audit

The Board Audit and Risk Committee (The BARC) is charged with the responsibility of ensuring that robust mechanisms of enterprise risk management, internal controls, governance and fraud prevention to the extent that they impact on financial reporting, compliance and overall organisational sustainability, are maintained.

Internal Audit is mandated by the Board and assists it to discharge its governance responsibilities, protect shareholder value as well as the Organisation's assets, reputation and going concern. As the Organisation's third line of defense, the Internal Audit function provides independent and objective assurance and advisory services designed to add value and improve the organisation's operations. In order to protect and ensure the Activity's independence, the Chief Internal Auditor reports functionally to the BARC and administratively to the Company Chief Executive Officer.

Annually, The BARC reviews and approves the Department's annual audit plan ensuring appropriate assessments and considerations are given to all pertinent risks. The Internal Audit Department, generally conforms to the International Standards for the Professional Practice of Internal Auditing (IIA), Code of Ethics and leading audit practices. An internal self-assessment is completed annually and an external assessment conducted at least once every three (3) to five (5) years. The last external assessment was conducted in July 2017 and the Department was found to be generally conforming to the IIA Standards, Code of Ethics and leading practices.

During the period, Internal Audit applied a systematic risk-based audit approach to focus its resources on the areas of greatest risk in order to fully discharge its mandate and responsibilities. The BARC approved the annual audit plan for the FY July 2018 to June 2019 and the plan was achieved to its full extent (100%). The department maintained its independence and the issues raised in various audit engagements were discussed with both Management for resolution and the Board Audit and Risk Committee for oversight. A monitoring system is in place to ensure that action plans to resolve all issues identified during the audit process are tracked to conclusion.

Given the intimate nature of the audit reports, circulation of audit findings remains confidential. However, The BARC ably executed its mandate by discussing audit findings and addressing pertinent issues as a matter of priority. The risk rankings of The BARC did not differ from those of Management, thus providing additional assurance to shareholders that all risks are well-managed and mitigated.

The BARC continued to review the impact of technology on the business including the risks associated with digitization and cyber security. Key issues also addressed during the period included: the impact of changing media consumption patterns on the business; the integrity of internal control, compliance, financial reporting and risk management systems; the application of new and updated financial reporting standards and the appropriateness and implementation of the Company's strategic initiatives.

Internal Audit coordinated combined risk assurance efforts across the business, ensuring that the activities of the Risk, Legal and Compliance functions were aligned to provide appropriate assurance cover in the most efficient manner.

External Audit

The Company's External Auditor is the Auditor General, as determined by law. The Auditor General delegated the year's external audit to Ernest and Young Certified Public Accountants. The BARC oversees the relationship between the External Auditor and the rest of the Company including its reporting to the Board. The BARC reviews the External Auditor's engagement letter, assesses the External Auditor's independence and participates with the Auditor General in setting their remuneration. The BARC reviews the External Auditors' proposed audit strategy; scope and approach and approves its audit plan, including coordination of audit effort with Internal Audit. The External Auditor's report is presented to The BARC for review and endorsement of Management action plans and for oversight. The BARC requires Senior Management to regularly provide an account of actions being taken to address the issues raised in the Management letter. The BARC discusses the post audit report and post audit risk assessment with the External Auditor. The BARC meets separately with the External Auditors to discuss any matters that The BARC or Auditors believe should be discussed privately. No such matters arose during the year.

During the period, the External Auditor assessed the following as key audit considerations: appropriate application of financial reporting standards during the period (new and updated standards), appropriate estimation and accounting for taxes, commission expenses, provisions for libel risk, revaluation surplus on fixed assets and the Company's accounting for goodwill. The External Auditors satisfied themselves with the Company's treatment of these key risks and audit considerations.

Risk Management

The Board of Directors recognises that risk management is essential to ensure sustainable performance of the Company. The BARC exercises oversight over the Company's enterprise risk management system on behalf of the Board and provides assurance that the Company's mechanisms for identifying, evaluating and managing risks are operating effectively. The Risk function is responsible for the effective management of risk within the Company and reports to the BARC. The Risk function ensures that the Company's risk management framework is effectively communicated and implemented across the Company and that it remains relevant and appropriate to business activities.

The Company embarked on a number of initiatives during the period to increase awareness of its enterprise risk management strategies and embed these in all aspects of the Company's operations. These initiatives included: group-wide campaigns to drive awareness on risk management, expected behavior and alignment of activities with the overall organisational strategy, including regular communication of risk incidents and outcomes, reinforcement of the second line of defense functions, deliberate efforts to operationalise the combined risk assurance model across the Company and increased visibility of risk management at all levels of operation.

The Company's risk profile was continuously reviewed and monitored during the period and risk reports covering a wide range of metrics were presented to the BARC on a quarterly basis. The BARC assessed the steps taken by Management to identify risks and their implications and determined strategies to mitigate these, as well as the mechanisms employed to stay abreast with its risk environment.

The five risks (including emerging risks) that the Company considered high priority during the period were:

1. Digital and Technological Risk

Digital and Technological risk is the potential for loss and or negative impact on the business due to the Company's inability to leverage on digital and technology assets to ensure sustainability. Following from the previous period, media consumption patterns and audience preferences continued to evolve. The Company initiated an evaluation of its capabilities to keep up with the changing customer needs and consumption patterns and determined that it needed to leverage heavily on its digital and technology assets to deliver the desired customer experiences. This risk was managed by utilising legacy assets to obtain key insights on customer needs and preferences and optimising the digital platforms and existing technology to meet these needs. This presented an even greater opportunity to grow audiences and generate revenue.

2. Credit Risk

Credit risk is the potential for loss due to the failure of a third party to meet its obligations to pay the Company. The nature of the Company's business is such that it operates with a high level of its sales on credit terms. Credit is granted to clients on specific terms and after a thorough process of vetting, including securing of credit guarantees. The Company consistently subjected credit sales to the terms of its Credit Policy and explored all feasible options to manage this risk to acceptable levels. The Board continued to monitor the debt portfolio and evaluated the impact of changes arising from the adoption of the IFRS 9 expected credit loss model. Details of the accounting treatments under IFRS 9 and its impact on the financial statements are set out in the Financial Statements and accompanying notes in this annual report.

3. Compliance risk

Compliance risk is the risk of legal or regulatory sanction that may occur as a result of the Company's failure to comply with laws, regulations and other applicable standards. This may result in financial loss or damage to the Company's reputation. Regulators continued to place heavy scrutiny on the Company's operations and several reviews were conducted, including audits by URA, CMA, NSSF and PPDA during the period. Whereas the Uganda Communications Commission did not carry out any formal reviews of the Company's operations, the regulator continued to monitor the Company's activities, periodically issuing directives and opinions on how the operations were conducted. The Company remained cognizant of the regulatory scrutiny and responsive to the regulators proactively managing compliance risk through its first line and second line of defense functions. The Legal and Compliance function supported the various business units to proactively address potential incidents of non-compliance and through various engagements with the different regulators, kept compliance risk at an acceptable level of exposure.

4. Libel risk

Libel risk is the potential for loss from subjection to litigation as a result of a libelous act. By virtue of the nature of the business, the Company was involved in a number of litigations, mainly libel cases during the period. Management continually monitors all potential, threatened and actual litigation cases and assesses the exposure to the Company, if any. Management is confident that any exposure to the Company is adequately covered and those considered as contingent are assessed as not likely to crystallize. The risk is being managed through continuous training of the editorial team to equip them with skills to mitigate the occurrence of libel suits. The Company also has a robust Editorial Policy, which draws from the best local and international practices to ensure that our journalists practice professional, responsible and ethical journalism. The editorial team works closely with the in-house legal counsel to ensure balanced reporting and evidence availability to further reduce the risk of libel. The in-house legal team is supported by external law firms in matters of libel litigation. Management is amenable to amicable settlements on a case by case basis, to limit the extent of compensation damages and legal costs.

5. Information and Cyber Security Risk

Information and Cyber Security Risk is the potential for loss and disruption from a breach of the integrity and security of the Company's information systems and assets through cyber-attack, insider activity and error or control failure. The BARC discussed submissions from Management on the efforts to secure its systems and the requirement for increased vigilance and stress testing. Internal Audit coverage over ICT infrastructure was enhanced in line with the assessment of this emerging risk and insights obtained on the state of the Company's systems.

We recognise the need to take up business opportunities despite the risks involved and as such our response to risk has been acceptance and mitigation through insurance and outsourcing.

Nominations And Governance Committee

I present to you the report of the Nominations and Governance Committee of the Board for the FY 2018/19.

Discussions of a new strategic direction have dominated the agenda since the Board Retreat in February 2019 and the Board is committed to working with Management to ensure a smooth and sustainable transition.

There has been a deliberate effort to recruit Directors with a deep understanding of the changing media business landscape, to help oversee the transition to a new strategic direction.

The Board has further put in place an ad-hoc Strategy Committee consisting of all Committee Chairs and several co-opted members. The CEO sits on this Committee. The Committee's main duty is to maintain effective oversight on the direction and implementation of the Company's 5-year Strategy roll out and report progress to the Board regularly.

The Board is confident that the Company's new strategic direction will optimize the Company's potential, address current industry realities and greatly enhance shareholder value, while continuing to grow the Company brand.

Prof. Monica Chibita
Chair, Nominations and Governance Committee

Committee Report

The Committee is headed by the Board Chairperson, Prof. Monica Chibita. Following a reconstitution of the Committee in February 2019, there are 4 non-executive directors including the Board Chairperson, Mr. Jim Mugunga, Ms. Susan Lubega and Mr. Charles Tukacungurwa. There are two independent, Non-Executive Directors on the committee.

There is an appropriate balance of skills, experience, independence and knowledge on the committee. Members have skills in media, policy analysis, governance, quality control and management consultancy.

The Committee effectively undertook its mandate. It evaluated the balance of skills, experience, independence and knowledge on the board, reviewed the board structure, size and composition, discussed succession plans for directors and senior management, nominated candidates to fill board vacancies and vacancies for senior management, considered and advised on proposals for rotation of directors, determined training needs for directors, considered governance needs and gaps in the Company and advised the Board.

The table below indicates the attendance of members during the period ended June 30, 2019;

Table 7: Attendance-Nominations and Governance Committee

Name of Director	Aug 2, 2018	Sept 20, 2018	Nov 22, 2018	Jan 17, 2019
Prof. Monica Chibita	x			
Mr. Jim Mugunga	✓ *	N/A	N/A	N/A
Mr. Robert Kabushenga				
Mr. Charles Tukacungurwa	N/A	N/A		
Ms. Robinah K. Kaitiritimba		x	✓ *	N/A
Ms. Grace Dwonga	N/A		x	N/A
Capt. Gad Gasaatura	N/A	✓ *	✓ *	N/A

Key:

✓	Present
✓ *	Co-opted/invitation
x	Absent
N/A	Not Applicable

The Nominations & Governance Committee periodically reported to the full Board on its activities and how it discharged its responsibilities.

Director Rotation and appointments

The Chairperson has the responsibility for ensuring that the board composition is appropriate, of sufficient size, balanced in terms of skills, experience, independence and knowledge and works closely with the Nominations and Governance Committee. The Chairperson is also responsible for ensuring that there is succession planning for board positions.

The Nominations & Governance Committee considered the Board rotation plans and in line with the practice of annual director rotation where at least one third of the board must retire at the general meeting, recommended with Board approval, the retirement of four Independent Non-Executive Directors. These are Prof. Monica Chibita, Mr. Oode Obella, Mr. Patrick Ayota and Ms. Robinah K. Kaitiritimba.

Prof. Monica Chibita and Mr. Oode Obella retire after serving the Board for nine (9) years. Best governance practice assumes that a director's independence is diminished if he/she has served on the Board for over nine (9) years. Directors run the risk of becoming too familiar with the Company and the executive colleagues. The Company appreciates the retiring directors for their distinguished service on the Board.

Mr. Patrick Ayota and Ms. Robinah Kaitiritimba are eligible for re-election, having served for only one term. The Nominations and Governance Committee undertook an annual formal performance evaluation of these directors on the Board including the quality of contributions made to matters discussed and from the results, the Board confirms to shareholders that their performance was satisfactory and they remain committed to their director role. The Board, therefore, recommends for shareholder approval at this year's AGM, the re-election of Mr. Patrick Ayota and Ms. Robinah Kaitiritimba as directors of the Company.

Mr. Ayota is a director representing the second largest shareholder of the Company, NSSF. He holds a Master in Business Administration from the University of South Carolina, USA and Bachelor of Science from the Liberty University, Virginia. He is a Certified Public Accountant and a Diplomate in Forensic Accounting. He is currently the Deputy Managing Director at the National Social Security Fund.

Ms. Kaitiritimba is a director representing the interests of individual shareholders of the Company. She is the Executive Director of Uganda National Health Consumers' Organisation (UNHCO), a seasoned expert on health with over 18 years' experience, an authority on the Rights-Based Approach (RBA) and Social Accountability. She currently provides consultancy support to local and international NGOs adapting social accountability approaches.

Two (2) director appointments were made during the year to fill casual vacancies. Mr. Moses Mwase was appointed to represent the interests of the majority shareholder on the board, while Mr. Peter Kawumi filled the vacancy that had been reserved for a person under the younger age bracket, with digital experience. These appointments were made on merit, against objective criteria and with due regard for the benefits of diversity of age on the board.

In accordance with the provisions of Article 69 of the Company's articles of association, Mr. Mwase and Mr. Kawumi will retire at this year's Annual General Meeting of November 21, 2019 and are be eligible for re-election. The Board is also satisfied with the quality of their participation and recommends for shareholder approval, their re-election to continue serving on the Board.

Mr. Mwase holds a Masters' Degrees in International Sports Law, and, Science, Finance & Financial Law. He is an Advocate of the High Court and all subordinate courts thereto. He has over 15 years' experience in legal, administration and corporate governance skills and is currently the Director, Privatisation Unit, Ministry of Finance, Planning and Economic Development.

Mr. Kawumi's career spans over a dozen years with roles in technology, business analysis and retail banking, including leading the Digital Finance departments in regional and local banks. He has extensive experience in developing and commercializing products, new customer acquisition, digital channel utilisation and scaling plans in consumer services. In his current role as the Country General Manager at Interswitch East Africa (U) Ltd, he is championing the use of technology to deliver responsive and responsible financial services to varied market segments including youth, women, refugees and small businesses. He is a Microsoft Certified Systems Engineer (MCSE), holds a BSc (Hons) in Software Engineering from Kingston University and a Master of Business Administration (with Distinction) from the Edinburgh Business School.

There are two (2) vacant positions on the board following the retirement of Prof. Chibita and Mr. Obella. The Nominations & Governance Committee moved to ensure that the vacancies are filled, by first assessing the balance of skills and experience on the board. This was meant to identify skills gaps and close them. From the assessment, it was established that there were skills gapsin the areas of human resources and media and digital/IT. The committee then considered director candidates who were sourced through a rigorous merit-based reference verification process and recommended, with Board approval, the appointment of Ayeko Ongodia and Sarah Irene Walusimbi, who shall be presented at the AGM for shareholder consideration and approval.

Ayeko Ongodia holds a Bachelor of Science in Quantitative Economics from Makerere University. He holds a Master of Science in Mathematical Trading and Finance from Cass Business School, England and Masters in Applied Mathematics and Statics from Stony Brook University, USA. He is a Chartered Financial Analyst. He is currently the Chief Executive Officer of XENO Investment Management.

Sarah Irene Walusimbi holds a Bachelor of Laws from Makerere University and a Master in Business Administration from Eastern and Southern Africa Institute of Management. She is an Advocate of the High Court of Uganda and all subordinate courts thereto. She has corporate governance experience having served on the Boards Capital Markets Authority, aBi Finance and aBi Development, National Social Security Fund, Housing Finance Bank, African Alliance Ltd, SOS Children's Village and Nic, across the last 22 years.

Board Evaluation

The Board undertook a formal and rigorous appraisal of its performance, those of its committees, individual directors, the Chief Executive Officer and Company Secretary. The process was internally facilitated with the support of the Company Secretary and the methodologies used included questionnaires and a peer-review process for individual directors. The findings of the evaluation were disscussed by the Nominations and Governance Committee who made recommendations for discussion at Board level. The evaluation determined the effectiveness of the Board in carrying out its mandate and also determined whether individual directors continued to make quality contributions to the discussions and continued to demonstrate commitment to their director role.

The findings confirmed that the Board was effective, and further that there was a balance of skills, experience, independence and knowledge on the board. The following were identified as areas for improvement; Board development programmes, oversight on the implementation of the new strategy, effective investor relations engagements, improved financial performance and succession planning.

The Chairperson acted on the results of the performance evaluation, recognising the strengths and weaknesses of the Board. She also met individual directors separatley to discuss their performance and training needs.

Induction

Induction is formally included as a programme in the annual Board Calendar. The purpose of an induction is to provide new directors with information so that they become effective contributors to any discussion and decision making process. An induction pack containing relevant information like minutes, annual report, audit reports, strategy documents, the Board's governance documents and the applicable legislation is usually shared with new directors ahead of the session.

All the newly-appointed directors and the non-board members of the BARC received a formal and tailored induction of the Company's business. The Board Chair, Company Secretary and CEO were present to interface with the new directors. The directors and non-board member were also taken around the Company premises where each EXCO head welcomed them into their department and explained very briefly how the department operates.

During induction, the directors were reminded of their common law and statutory legal duties to the Company and their powers.

The Chair, with support from the Company Secretary and CEO, facilitates the induction programmes.

Development

Creating an effective board requires a deep understanding of the roles and responsibilities played by the Board, committees and individual directors; into the company business and any new development likely to affect the Company. Directors need to, therefore, keep their knowledge up-to-date so that they can remain effective and make valuable contributions.

The Board Chair has the responsibility to assess the training/professional development needs of all directors. Training was budgeted for at a cost of shs. 100m in the FY 2019/2020. The Company Secretary, in consultation with the Chairperson, organised and sent Director Susan Lubega to Johannesburg, S.A to participate in a Digital Media Conference organised by World Association of Newspapers and News Publishers (WANIFRA) in September 2019. Director Peter Kawumi attended the Digital Content Expo in Berlin in October 2019. Agha Khan University Graduate School of Media and Communications, Kenya is organising a board governance and new media training that will be attended by all directors.

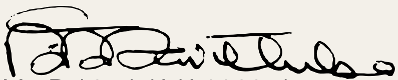
Human Resources And Remuneration Committee

Vision Group is an equal opportunity employer and we strive to attract and retain the most relevant skills and competences within the industry. The Human Resource and Remuneration Committee has over the year met regularly to ensure quality deliberations and recommendations to the Board.

The Company is focused on people as the critical resource that responds to the changing needs of the market in a very competitive and dynamic industry. The Committee has worked to support the Human Resource Function to strengthen resilience and delivery of results in the midst of difficult times within the industry.

The priority is to have the caliber of people, both individuals and teams, that deliver the best possible return on investment for the shareholder and sustain the Company as a market leader.

Overall, the targets for the year were achieved and we look forward to a fruitful year ahead.



Ms. Robinah K. Kaitiritimba
Chair, Human Resources and Remuneration Committee

Committee Report

The Committee is comprised of five members of whom majority are non-executive directors. There are two independent non-executive directors. The Committee Chairperson is Ms. Robinah K. Kaitiritimba. There is a diversity of skills, experience, knowledge and independence on the committee with expertise in quality assurance, media, law, audit and policy advisory and management.

The Committee effectively carried out its mandate. It reviewed the appropriateness of the remuneration policy and packages for the Board and Senior Management with clear recommendations to the Board, reviewed the performance of Senior Management and considered terms of appointment and renewal, guided the Board on matters related to best HR practice, reviewed the existent skills for appropriateness and advised on staff development to address identified gaps, reviewed performance-related incentives to ensure alignment to both long and short-term strategic objectives and considered performance of the HR function on a quarterly basis. They also considered the implications of the new strategic direction for the Human Resource needs of the Company.

The Company aims at attracting and retaining individuals of a suitable caliber and will ensure that the remuneration to these individuals is adequate. The Company is also mindful that such remuneration is aligned with the interests of shareholder, does not adversely affect delivery of shareholder value and promotes the long-term success of the Company.

Non-executive directors receive a fee for their services for attending board, committee and general meetings. Shareholders have the responsibility of determining the remuneration of the directors. In the F.Y 2018/19, Non-Executive Directors were paid a quarterly fee and sitting allowance approved by shareholders at the last AGM of November 22, 2018 as follows:

Table 8: Director fees

	Chairperson	Non-Executive Directors
Sitting Allowance (shs.) (net)	813,120	677,600
Quarterly Fees (shs.) (net)	1,626,240	1,355,200

In determining the remuneration of the Executive director and other members of senior management, the Human Resources and Remuneration Committee benchmarks the remuneration terms against similar companies in the industry. The committee ensures that the Executive Director has performance targets that are relevant and promote the success of the company.

The terms and conditions of employment of all employees are guided by national legislation and the company's Human Resource policy. The bulk of employees are currently employed on permanent terms while the senior management team, broadcast employees and newly recruited employees have two-year contracts that may be renewed at management's discretion.

Employees are formally appraised twice a year; at half year and end of financial year to assess their contribution to the corporate performance and business objectives. As part of the company's performance incentive structure, a bonus system supported by this rigorous appraisal system is in place to reward outstanding and exceptional performance. The reward and recognition system also comprises a non-financial reward such as recognition, commendation and gift vouchers.

Structure of remuneration

- **Fixed pay:** This is the remuneration a director, executive or employee will get at the end of a specified period.
- **Variable pay:** This is the remuneration received after meeting set performance targets. Employees whose performance exceed expectations or are outstanding are rewarded with a performance bonus at the end of the financial year.
- **Benefits:** The company provides medical cover, insurance and death benefits for staff and dependents.
- **Shares/options:** The company has 35 employee shareholders several of whom are long-term investors who bought shares at the Initial Public Offering in 2004 and the Rights Issue in 2008. No share options are currently in place.
- **Gratuity:** Senior Management employment terms include payment of gratuity that is fixed at a percentage payable on the completion of their contract. Gratuity is forfeited in case of premature termination except for limited circumstances beyond staff control such as prolonged illness or retrenchment by the company.

Member attendance during the period ended June 30, 2019 was as follows;

Table 9: Attendance – Human Resources and Remuneration Committee

Name of Director	Aug 6, 2018	Oct 22, 2018	Dec 18, 2018	Jan 17, 2019	April 23, 2019
Capt. Gad Gasaatura	✓	✓	N/A		
Dr. Monica Chibita	✓	x	N/A		
Mr. Oode Obella	✓	✓	✓	✓	✓
Ms. Robinah K. Kitungi	N/A**	✓	✓	✓	✓
Ms. Susan Lubega	N/A**			✓	✓
Mr. Robert Kabushenga	✓	✓	✓	✓	✓
Mr. Moses Mwase	N/A**				✓

Key:

✓	Present
x	Absent
N/A	Not Applicable
N/A**	Not yet appointed

Reporting Manager is the Chief Human Resource Officer.

The Human Resources and Remuneration Committee periodically reported to the full Board on its assigned roles and made recommendations for board consideration and approval.

Finance And Investment Committee

The resilience of Vision Group has again been displayed. It continues to grow and dominate the sector in spite of the rapid changes that are taking place within the media industry.

The Finance and Investment Committee continues to review and monitor the performance of the Company. However, the main focus will be on the future and how the Company can create value from the opportunities created by that future.

The industry's traditional methods of delivering news: Print, TV and Radio are witnessing shrinking audiences and readership. To ensure that it remains the leading media house in the country, the Company, through the Finance and Investment Committee, is championing changes that must be made to take advantage of the trends within the industry.

Some of the changes require a drastic rethink of the delivery model for news and information, and will result in new roles for some staff, and deployment of new technologies.

At the end of the change, we expect that the Company will be a more agile and a more relevant information provider to an expanded and appreciative base of readership and audience. The future is bright and exciting.

Mr. Patrick Ayota
Chair, Finance and Investment Committee

Committee Report

The Committee is composed of 5 directors (4 non-executive and 1 executive). Mr. Patrick Ayota is the chairperson of the committee and he provides leadership to the committee.

There is an appropriate balance of skills, experience, independence and knowledge on the committee to ensure constructive debate on issues. Members on the Committee have the following areas of professional practice: finance, accounting, strategy formulation and implementation, audit, digital and technology and law.

The Committee effectively monitored and reviewed the Company's financial performance, financial management strategy against strategic objectives, considered the budget, ensured alignment with strategic plans and reviewed performance against budget on a quarterly basis, reviewed the strategic investment objectives, investment proposals and the investment risk policy and reviewed the performance of investment projects.

Member attendance during the period ended June 30, 2019 was as follows;

Table 10: Attendance-Finance and Investment Committee

Name of Director	Aug 8, 2018	Oct 24, 2018	Nov 7, 2018	April 25, 2019
Mr. Patrick Ayota	✓	✓	✓	✓
Mr. Robert Kabushenga	✓	✓	✓	✓
Mr. Charles Tukacungurwa	✓	✓	✓	N/A
Ms. Robinah K. Kitungi	✓	✓	✓	N/A
Capt. Gad Gasaatura	✓	✓	✓	N/A
Mr. Jim Mugunga	X	✓	✓	N/A
Mr. Peter Kawumi	N/A**			✓
Mr. Moses Mwase	N/A**			✓
Mr. Michael Nyago	N/A**			✓

Key:

✓	Present
x	Absent
N/A	Not Applicable
N/A**	Not yet appointed

Reporting Managers include: Chief Finance Officer and Heads of Sales, Printing and Operations.

The Finance and Investment Committee periodically reported to the full Board on its activities and how it discharged its responsibilities.

Editorial And Digital Committee

Despite the challenges of continuing pressures, regulatory changes, increased litigation, Vision Group has largely maintained its independence and we are determined to continue doing so.

Editorially, it is a transitional period with one foot in legacy media and the other in new media. It is an exciting time with many more exciting avenues to serve our audiences. 33 years of strength in the legacy media now lend to an even stronger era in digital media.

The sector continues to meet unpredictable broader changes/challenges and opportunities that editorial practice and policy face. These are compounded by unprecedented shift in media practice and related tools plus aggressive digital, social media and citizen journalism among others.

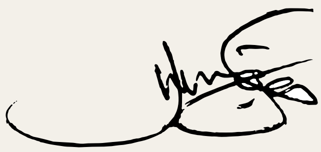
There is need to increasingly temper our outreach in order to guarantee safety and security of media practitioners and equipment. Going forward, editorially we aim to enhance our training, and practice of convergence as we multi-skill our human resource so that they deliver on their mandate.

We shall remain pace setters. With our new media products, we shall find our audiences where they are, serve them better and at their convenience. As we embark on the journey, it is a much younger and restless audience and the life-span of the editorial products is getting shorter and shorter. This calls for reskilling the teams for constant innovation.

The single biggest challenge going forward will be to reposition current editorial resources and support systems to deliver on the new business direction and strategy. We foresee increased need in financing and acquisition of technical equipment and support infrastructure. In the interim, staff orientation and preparation to adapt is ongoing. A full-scale job description and analysis is planned for the forthcoming financial year. An appropriate assessment will be done and timely intervention made to avoid any potential editorial disruptions.

Looking forward, editorially we plan to increase our readiness to manage the tempo and stay ahead of the forthcoming election period and related expectations. We commit to retain our time-tested autonomy to deliver comprehensive reports and coverage.

The editorial practice, which does not erode our independence but supports the business and contributes to a return for the shareholders, will be encouraged. We shall continue to encourage innovations, coverage and special projects and reports that contribute in this direction.



Mr. Jim Mugunga
Chair, Editorial and Digital Committee

Committee Report

The committee is of sufficient size and has 5 non-executive directors. Mr. Jim Mugunga is the chairperson of the Committee and provides leadership to the committee.

The composition has an appropriate balance of skills, experience, independence and knowledge to effectively discharge its duties. Members bring a wealth of knowledge in the following fields: digital and technology, media, and financial management.

The Committee executed its mandate as follows: it reviewed the adequacy of the Editorial policy and received briefings on adherence from the Editor-in-Chief; regularly considered the performance of content platforms and guided the editorial team to ensure accurate, fair, balanced and objective reporting and presentation of content. The committee also reviewed the performance of the different media platforms and made recommendations to the Board.

Member attendance during the period ended June 30, 2019 was as follows;

Table 11: Attendance-Editorial and Digital Committee

Name of Director	Aug 6, 2018	Oct 22, 2018	April 23, 2019
Dr. Monica Chibita	N/A		
Mr. Patrick Ayota	✓	✓	✓
Mr. Charles Tukacungurwa	✓	✓	✓
Ms. Robinah K. Kitungi	✓	✓	✓
Mr. Jim Mugunga	✓	✓	✓
Mr. Peter Kawumi	N/A**		✓

Key:

✓	Present
x	Absent
N/A	Not Applicable
N/A**	Not yet appointed

Reporting Managers include Editor-in-Chief, Heads of Newspapers, Television, Radio and Marketing.

The Editorial and Digital Committee periodically reported to the full Board on its activities and how it discharged its responsibilities.

Compliance

We agree with the principles stated in the King IV Report, that there is always a link between good governance and compliance with the law, and good governance cannot exist separately from the law and it is entirely inappropriate to unhinge governance from the law. The Company is committed to conducting its business in accordance with relevant laws and regulations. Compliance provides assurance to our stakeholders that the existing systems and processes in place are secure. Enhancing compliance can help increase revenue, build reputation, provide competitive advantage in the market and avoid compliance breaches.

The Board and Management are committed to ensuring the company complies with all applicable legislation. The Board is charged with ensuring appropriate systems and controls are in place to monitor compliance with the legal and regulatory framework. This role was delegated to the BARC who regularly monitors the compliance levels of the Company.

The Company Secretary remains responsible for ensuring compliance with all statutory and regulatory requirements. He ensured proper disclosures of all material information to the stock market, namely changes in management/directorship, financial reports, and dividend payments. The Company met its Continuing Listing Obligations under the USE Listing Rules during the reporting period. The Company Secretary also kept under review all legal and regulatory developments that would likely affect the operations of the Company and always briefed the directors. For example, the proposed amended USE Listing Rules, implications of the UCC licensing regime, the Data Protection Act, KCCA Trade licensing framework, VAT withholding amendments, labour laws and employment cases, URA tax among others.

The Company has also put in place several policies to guide its operations of the business and the conduct by employees. These policies are periodically reviewed to ensure their relevance and practicability. The following policies were reviewed during the period: credit policy, fraud prevention and management policy, whistleblowing policy, corporate communications policy, customer service policy, and policies included in the HR Manual.

During the past financial year, compliance audits and reviews were undertaken for the Human Resource SBU, Television SBU and the Radio SBU to confirm the legal health of these units, including compliance of their operations with established legal and regulatory requirements and identify areas for improvement.

During the year, legal and regulatory risk remained well managed despite an increasingly challenging operating environment. On a day-to-day basis, the Company has a robust in-house legal and compliance function which supports the various business units and departments. The in-house team is boosted by external legal counsel handling select matters.

Libel continues to be a risk because of the inherent nature of the business which is mainly publication of content. It constituted approximately 70% of the company's entire caseload during the year. Libel risk is managed through continued training of editorial teams on current libel trends and joint consultation between the legal functions and editorial functions on potentially libelous stories. The Company also continues to engage complainants in libel matters to amicably resolve matters thereby reducing the company's exposure.

During the year, the tax body, the Uganda Revenue Authority re-characterized sales executives as company employees for purposes of Pay as You Earn (PAYE) and assessed Income tax of shs. 8.5bn against the Company. The Company challenged the assessment at the Tax Appeals Tribunal and is confident that there are above-average chances of success.

Dealing In Securities

The Company restricts dealing in securities by directors and employees during closed periods in line with its Insider Trading Policy. The Company Secretary ensures communication is sent out to directors and employees who are considered to be insiders with access to price-sensitive information to notify them of the closed periods, which are from July 1 of any year to the date of publication of final results, and from January 1 of any year to the date of publication of Interim results so that they cannot deal in securities. We strive to ensure a fair market where all parties, including the public have equal access to information so that decisions on whether to enter or exit a market are properly guided.

The Company Secretary maintains a lists of insiders that is a register of persons considered insiders, who have access to price-sensitive information. The register is regularly reviewed and updated.

Engagement With Shareholders

The Company maintains regular communication with its shareholders in a bid to improve shareholder value and relationships. The Board recognizes its responsibility of establishing dialogue with shareholders and using meetings to communicate with them.

A detailed report of our engagement with various stakeholders, including shareholders is provided in the "Shareholder information" section of the annual report.

The Company ensures shareholders and the stock market are provided with full, accurate and timely information about its performance.

Communication to shareholders is usually done through emails at the address; Eshareholders@newvision.co.ug, SMS, post, telephone calls and announcements in the newspapers. Shareholders are, therefore, encouraged to provide up-to-date information and to notify the Company of any change in their postal or email addresses, phone numbers and bank account details.

The Company maintains an up-to-date shareholder page on its website which contains important information including 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 (http://visiongroup.co.ug/shareholders/) together with the notice and resolutions of the Annual General Meeting which are also reported to the USE as part of its continuing listing obligations.

Shareholders are encouraged to attend the Annual General Meetings to exercise their rights as well as to engage with the Board and Management.

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 337763.

Company Secretary

The Company Secretary is the conscience of the Company and ensures that all the principles of good corporate governance are applied in the operations of the business. He is appointed by the Board of Directors, serves as Secretary to the Board and its committees. While on the Board, he advises the Board on matters of governance, legal, statutory and regulatory frameworks. The Legal, Compliance and Governance functions provide support to the Company Secretary.

The Company Secretary assists the chairperson to ensure the Board remains effective at all times. He provides support in the following areas: scheduling meetings and ensuring proper conduct of these meetings, provision of quality and timely information as well as induction and professional development of the directors, including other administrative matters.

All directors have unlimited access to the advice and services of the Company Secretary. The Company Secretary acts as a communicator of the Board for a cycle of announcements like publications of financial reports, decisions on dividends, changes in board composition and other material information and communications to shareholders and other key stakeholders.

The Company Secretary ensures the Board keeps in touch with shareholder opinions and manages relationships with all shareholders. The Investor Relations function provides support to the Secretary, and continuously engages the external share registrar, Ms. Deloitte Uganda, to maintain the register of members, update shareholder information, monitor shareholder movements, address and resolve shareholder queries within 24 hours and ensure dividend payment.

Code of Ethics

The Company is committed to ensuring the business is run in an ethical manner. The Policy on Business Ethics and Conduct operationalizes this commitment, the compliance with the provisions is mandatory and applies to all staff and all key stakeholders by virtue of any engagement. We have a duty to maintain the good reputation of this Company and we continuously demand that staff ensure all dealings with our customers, agents and that the public at large are fair and morally conducted and practice undertaken does not violate the provisions of any legal and regulatory framework. We therefore strive to ensure that business is carried out impartially and fairly. Any personal conflict of interest that has the potential of affecting the interest of the Company has to be disclosed within the Human Resource Function and managed properly. The Chief Human Resource Officer educates and trains all employees on the relevance of this policy. Any employee found in breach of the terms in the policy faces disciplinary action.

Going Concern

The directors, on the basis of the current financial projections and facilities available, have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, at least for the next twelve (12) months. The directors accordingly continue to adopt the going concern basis in the preparation of the Company's financial statements. The External Auditors have confirmed this opinion.

Gervase Ndyanabo
Company Secretary

Date: October 31, 2019

Shareholder Information

The Company aims at delivery strong financial returns and consistent performance with a view of enhancing shareholder value.

Market Information

New Vision Printing and Publishing Company is listed on the Ugandan Stock Exchange, the Uganda Securities Exchange (U.S.E). The Company first listed its securities in November 2004. A successful Rights Issue was undertaken in September 2008 following approval from shareholders and the regulators.

Share capital of the Company was increased from Ushs. **1,002,660,000**

Ushs. **1,503,990,000**

The shareholding was, therefore, increased from **51,000,000** ordinary shares

76,500,000 ordinary shares of Ushs. **19.66** each

The Company uses the symbol NVL on the exchange for identification purposes.

Holders of shares

The company currently has 2,510 shareholders and the shareholding is distributed out as follows:

Description	No. of Investors	No. Of Shares Held	Percentage Holding
Between 1 and 1,000 Shares	1,689	604,979	0.79%
Between 1,001 and 5,000 Shares	548	1,363,709	1.78%
Between 5,001 and 10,000 Shares	124	961,892	1.26%
Between 10,001 and 1,000,000 Shares	143	11,812,011	15.44%
Above 1,000,001 Shares	6	61,757,409	80.73%
Total	**2,510**	**76,500,000**	**100.00%**

Nationality	Category	No. of Members	No. of Shares	Percentage Holding
East African	Corporate	83	28,381,360	37.10%
	Individual	2,342	47,140,526	61.62%
		2,425	75,521,886	98.72%
Foreign	Corporate	3	48,660	0.06%
	Individual		48,660	
		82	929,454	1.21%
		85	978,114	1.28%
	Grand Totals:	**2,510**	**76,500,000**	**100.00%**

Top Ten shareholders

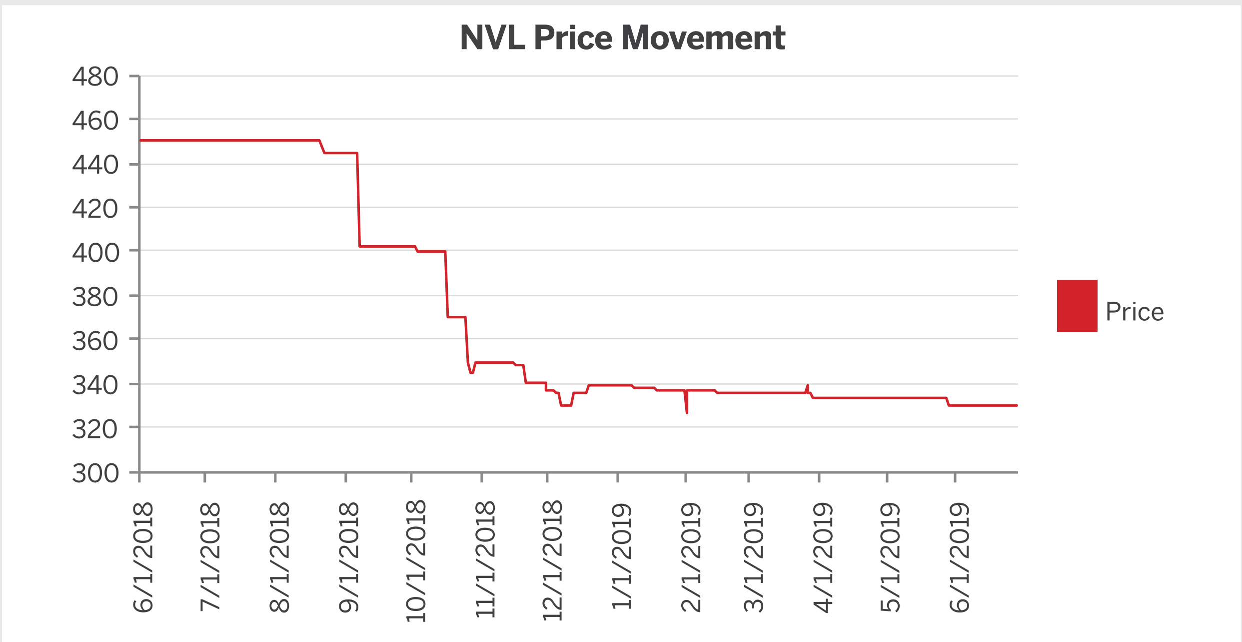
Investor Name	Shares Held	Percentage
Minister Of Finance, Planning And Economic Development	20,400,000	26.67
Minister Of State For Finance (Privatisation)	20,400,000	26.67
National Social Security Funds	15,000,000	19.61
National Social Security Fund-Pinebridge	2,185,857	2.86
National Insurance Corporation Ltd	2,068,172	2.70
Bank Of Uganda Staff Retirement Benefit Scheme Aig	1,703,380	2.23
Bank Of Uganda Staff Retirement Benefit Sch-Sim	979,399	1.28
Insurance Company Of East Africa Uganda Limited	563,286	0.74
Wazunula Samuel Mangaali	510,000	0.67
Tullow Uganda Staff Retirement Benefits Scheme	445,800	0.58
Total number of shares	**64,255,894**	**84.01%**

Share price performance

As at September 16, 2019, the share price on the market is Ushs 325

the market capitalization of the company is therefore Ushs 24.86bn

There has been a gradual decline in the performance of the share price over the reporting period as indicated below;



The stock price performance of the above graph is not necessarily indicative of future stock price performance. The poor performance of the share price on the stock market continues to remain a concern for the Board and Management, who are strategically and steadfastly handling the challenging business environment in which the Company operates and is optimistic that positive results will be yielded in the future to grow the share price.

Dividend policy

The amount of dividends paid to ordinary shareholders is a matter of Company policy to be decided by the Board of Directors and ratified by the shareholders. The essence of corporate dividend policy is the choice between whether to pay dividends now or to invest funds to generate capital gains. Shareholders usually prefer a cash dividend now which is certain to a future capital gain or future dividends. Immediate dividends are valued more highly than future dividends because of the perceived higher risk attached to the future dividends.

The Company recognizes the importance of dividend payments as it enhances shareholder wealth. It is also very mindful that there must be sufficient distributable profits from which to make a dividend payment, in that regard, Management will ensure that the payment of dividends will not damage the liquidity and solvency of the Company.

A cash dividend is income to shareholders and is, therefore, subject to income tax. The Company will therefore withhold 15% tax for Companies and 10% tax for Individuals before payment to a shareholder.

Our policy requires that the level of profits determines the level of dividends which is a range of 50% to 75% for the shareholder and 25% to 50% profit retention for the Company and this amount of money can only be paid out of realized profits.

Shareholder Engagement

The Board recognises that their legal duties are to the company and the shareholders and has an obligation to keep shareholders well informed about what the company is doing and determine whether the company is able to meet their expectations. It is expected that a high quality of engagement with investors will help improve the performance of the Company.
We strive to maintain an open dialogue with our esteemed shareholders. Not only does good corporate governance demand of it but this engagement helps shareholders better understand the performance and financial position of the Company.

The Company recognises that dialogue is an ongoing process through increased use of telephone, emails and face-to-face meetings like general meetings and investor briefings. It further recognizes that the Board should keep in touch with shareholder opinions in the most practical and efficient ways.

We continue to encourage shareholders to attend the Annual General Meetings (AGMs) and fully participate, offering constructive criticism and feedback for improvement. The Company intends to carry out a survey on shareholder satisfaction and the findings of the survey shall be discussed with the Board and Management.

The Board Chairperson ensures that all directors are aware of the issues and concerns of its shareholders.

The following directors on the Board represent the various shareholder interests listed below;

a. Mr. Jim Mugunga – Government of Uganda (majority shareholder)

b. Mr. Moses Mwase – Government of Uganda (majority shareholder)

c. Ms. Robinah K. Kaitiritimba – Minority shareholders

d. Mr. Patrick Ayota – National Social Security Fund (institutional shareholder)

e. Mr. Charles Tucakungurwa – National Insurance Company (institutional shareholder)

The Board is well balanced. The Company strives to ensure equitable treatment of all its shareholders and there is no possibility of a majority shareholder influencing the decision-making process. Directors are mindful of the longer-term interests of the Company and its investors during decision making.

Investor Briefings

As part of our Investors relations strategy to being more accountable and transparent to our esteemed shareholders, the Company during the period held an investor briefing and with the Regulator, Uganda Securities Exchange (USE), Stock Brokers and Market Analysts to discuss the performance of the company following publication of the accounts. The briefing was held on November 8, 2018 to discuss the full audited accounts. Representatives from the Board and Management were present to explain the performance of the company to different stakeholders and answer to queries raised.

The notable issues discussed included;

a. A net profit of shs. 2.4bn for the financial year ended June 30, 2018 had been registered.

b. High trade receivables. The Company provided clarity that the amount owed to the company, especially from government agencies had been provided for by the Company, and had been paid.

c. Despite the improvement in the Company's overall financial performance, its share price had dipped from highs of shs. 515 to shs. 402 per share during the year. The CEO explained that the share price is poised to improve with the company's stellar results, and that the share price is merely a reflection of elements outside its control, especially insufficient market liquidity.

d. Management informed the market that a new business model that would extend the Company's winning streak was under consideration in light of the prevailing market conditions. Further that a strategic direction was being discussed with the Board and would be disclosed to shareholders at the AGM.

e. The Company was also set to save $456,000 (about sh1.7b) after it acquired new premises and outsourced the purchase of newsprint.

f. Special attention was being given to the commercial printing business, and to grow market share from the current 10%. The 20% increase in the price of newsprint and the expensive dollar had edged up operational costs.

g. The Company's diversified media segments in print, radio, digital, and television have created a self-reinforcing eco system that is boosting sales.

The Board Chairperson pointed out that everyone at the Company was walking a tight rope, balancing between keeping costs down and improving revenues. She reassured shareholders that the Board is diligently playing its oversight role over Management.

The CEO of the Uganda Securities Exchange urged the Company shareholders who still held paper certificates to submit them to the exchange and receive electronic accounts which would enable them trade their shares more easily on the new electronic trading system. He further pointed out that there was more interest now in government bonds that are risk free due to the high yields offered than in equities and there was need for more to be done to ensure that the stock exchange which is central to the economy actually plays its role.

Shareholders were informed of the foregoing through email, SMS and the published article detailing what transpired at the briefing.

L-R: Ndyanabo, Bwiso, Chibita and Kabushenga after addressing investors on the facts behind Vision Group's good performance.

Engagement With Regulators

The Company continued to engage with the Uganda Securities Exchange and the Capital Markets Authority. The Company attended the Annual Issuer Forum organized by the Uganda Securities Exchange on September 14, 2018 where various listed companies attended. The forum acts as a platform for interaction, discussion of insights and solutions common to all listed companies with the aim of growing and developing the market. Issuers discussed the proposed changes to the current listing framework. USE was advised to consider developing the Bond Market and create regulations that best suit their operation.

In that regard, the Company made contributions to the amended Listing Rules as follows:

a. The definition of closed periods adopts that stated in Table F of the Companies Act, 2012 which provides that a closed period is the period between the end of an accounting period and the date on which the results are published.

b. Clarification on whether the publication of a cautionary statement would apply to the interim results

c. Clarification on what amounts to a substantial lawsuit, the likely consequences of dismissals, appeals and settlements of these disputes, including the need to always consider the subjudice rule and overall potential impact on investors. The scope of disclosure of material information has been widened to include disclosure to the Exchange and the market on any substantial lawsuit filed against or by an Issuer.

d. Implication of publication of the final accounts within three (3) months from the end of the financial year.

During the reporting report, Financial Sector Deepening Uganda (FSDU) in partnership with Bank of Uganda contracted a consultancy firm (Horrizon Business Solutions Limited (HBS) to undertake the comprehensive assessment/audit of unclaimed financial assets in Uganda. The assessment sought to investigate and determine the nature, volume and sectorial distribution of unclaimed financial assets in the country. The Company participated in this survey and discussed the following: the amount of unclaimed dividends yet to be paid, the number of shareholders that need to be paid and initiatives undertaken to reach out to shareholders to claim their dividends. We urge our shareholders who have unclaimed dividends to contact the Company Secretary to claim their dividends.

Dealing In Securities

The Company restricts dealing in securities by directors and employees during closed periods which are from July 1 of any year to the publication of final results, and from January 1 of any year to the publication of the interim results. According to the amended CMA Act and USE Insider Trading Rules, directors, members of senior management and employees of the Finance Department who usually have access to price-sensitive information by virtue of their office and profession are prohibited from trading or dealing, directly or indirectly, in the shares of the Company during this period. It is an offence to sell or buy shares based on receipt of this information and if found guilty, the Uganda Securities Exchange has power to halt any trade, freeze the securities and issue a fine commensurate with the amount obtained from dealing in the shares.

The Company maintains an Insider Trading Policy that ensures directors and 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. The policy requires that notifications of the restriction of dealing in securities during closed periods be communicated to all the relevant stakeholders and this was done during the FY 2018/19.

The Company Secretary monitors and maintains an updated Insider List of all persons likely to have price-sensitive information and the List is shared with the regulator on request.

Compliance With The Listing Requirements

Company business is operated in compliance with the legal regime. The company continued to comply with the continuing listing obligations as stipulated in the Listing Rules. We recognize the importance of these continuing obligations that are designed to ensure a fair market with equal access to information by all parties and easy entry and exit from the market. The Company Secretary has a detailed knowledge of the Listing regime and advises the Board appropriately.

During the period, timely disclosures and releases of material information were made to the regulator, USE, shareholders and various stakeholders.

For any enquiries please contact the Company Secretary or the Investor Relations Office at

Pike House, 2nd Floor,

Plot 19/21 First Street Industrial Area Kampala.

Company Share Registrars;

Deloitte Uganda Ltd
Rwenzori House
1 Lumumba Avenue
P. O. Box 10314
Kampala

Sustainability Report

The Company strives to ensure that all its operations are handled in a sustainable manner that does not put at risk its ability to continue into the foreseeable future. The Board and Management are committed to sustainability. We are constantly thinking about the externalities that are likely to affect the business and the future challenges it may face.

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 and strives to balance the interests of all these interests in its decision-making process. The Company intends to remain a profitable business and give a decent return to its shareholders but is also mindful that consideration should be made to the various economic, social and environmental issues affecting the Company.

The Board has the responsibility to approve, review and monitor the effectiveness of policies on matters such as health and safety, CSR and environment to ensure their relevance as well as to monitor the effectiveness of these policies. This role was regularly fulfilled during the period.

The Sustainability Report is guided by the G4 Global Reporting Initiative guidelines. In line with the Company's long-term objectives, the company continually invests in creating value along the six capitals model recommended by the International Integrated Reporting Council. The capitals include; human, natural, social, financial, intellectual property and manufactured capital. Below is a description of how the Company added value along the six capitals.

Snapshot of our engagement with the various stakeholders

Stakeholders	Mode of engagement	Our focal point (matters discussed)	Our role in value addition
Shareholders	• Formal meetings • Email exchange • Newspaper publications • Website forum • SMS	• Increase in shareholder value; ✓ Share price growth ✓ Dividend growth • Company performance ✓ Financial performance ✓ Financial position ✓ Going concern of the business • Sustainable strategies	• Improved financial performance • The business is a going concern • Consistent payment of reasonable dividends • Increased asset base • Solid governance structures • Strategic business ventures • Enhanced investor relations; i. Market/Investor briefings ii. Successful AGMS iii. Dedicated Investor Relations Function iv. Dedicated shareholder website v. Timely resolution of shareholder queries vi. Effective share registrar services vii. Effective and convenient dividend payments viii. Informative annual reports ix. Effective dialogue through phone calls and email correspondences
Employees	• Staff engagement activities like; ✓ staff meetings ✓ in-house training & development ✓ quarterly CEO interactions ✓ coaching one on one sessions ✓ appraisals ✓ surveys • Weekly staff newsletter • Activities such as; ✓ interdepartmental soccer and board games ✓ once a month meet-and-greet yard party ✓ sharing of tips on improving standards of living through the Tutandike programme every quarter.	• Business performance updates • Strategy development and review • Training and development • Needs assessment for further development • Performance reviews and feedback • Policy development and review • Team building • Company culture	• Opportunity to learn new skills and acquire knowledge • Improve current skills • Understand the linkage between staff contribution and overall achievement of company goals • Learn to do more outside of the formal workplace e.g. farming • Opportunity to interact with other members of staff and have an inclusive culture • Sustainable plan for retirement
Customers	• Customer surveys • Customer forums	• Improving customer satisfaction levels • Services provided offer value for money • Quality of services provided • Enhanced customer experience	• Widened customer base. • Improved customer satisfaction
Government representatives	• Policy discussions • Formal meetings	• Amount of taxes payable • Regulatory and compliance matters • Consultative engagements on statutory and policy matters • Budget and fiscal implications • Investment briefs	• We are a recognized Large Taxpayer • Prompt payment of taxes • Employment of the formal and informal sector • Partner in promoting all government initiatives through our various products
Suppliers	• Formal meetings • Bid invitation meetings	• Contract execution and implementation • Nature and quality of goods and services to be supplied.	• Enhanced business relationship • Honour payment obligations in a timely manner • Ensure business continuity • Enhanced reputation
Community	• CSR activities • Newspaper publications • Radio and TV platforms • Website forum	• Societal needs as evidenced in the CSR report • Product/brand relevance • Corporate leadership	Our activities have effectively achieved social interventions

Human Capital

Our Staff

The Company is a knowledge and skills-based business that is heavily reliant on human capital. Employees are our most valuable asset and this recognition gives us a competitive edge in the market. We have created a diverse and inclusive culture with shared values and a common purpose. These are a driving force for our business to succeed in the industry, it helps the Company attract and retain the best talent available.

As an organization, we strive to be purposeful in supporting our staff members become the best version of themselves. We, therefore, expect all our employees to reach their full potential and play their part in the success of the business.

Today, media skills and talent are in highest demand yet also in shortest supply. We continue to value every individual and their contribution to the business knowing that staff commitment ultimately leads to improved performance.

Achievement on key KPIs for the period FY 2018/19

1. Leadership training undertaken for middle management across the organization.
2. Reviewed and updated the HR manual on a number of policies.
3. Managed the wage bill within approved budget.
4. Recruitment and selection of competent staff.
5. Maintained a robust performance management system.
6. Ensured the following staff engagement activities;

- **Tutandike project;** which supports staff initiatives in carrying out small business enterprises mainly in farming, decoration, bakeries, selling ladies and gents clothes and crafts

- **Friday Yard Party;** staff engagement activity carried out monthly where staff across departments meet and socialize.

- **Aerobics;** an exercise programme which was launched in October last year at no cost to staff and is now carried out three times a week.

- **Teambuilding events.**

- **Interdepartmental games including soccer, table tennis, chess to mention but a few.**

Recruitment and Selection

Our recruitment and selection processes ensure meritocracy. The majority of the vacancies are advertised on our different media platforms and it's always the best performing candidates that are selected. The recruitments follow a thorough process of shortlisting, interviews and reference checks.

Vacancies are also filled through internal promotions allowing for growth of staff members that have worked with the organisation and understand the business.

For the Executive Management team, the Board of Directors ensures the recruitment and selection process follows the recruitment policy guidelines. It is rigorous, transparent and on merit.

Before recruitment across the organization, there is a continuous review of the existent skills for appropriateness to address any identified skills gaps. We aim at ensuring a sustainable workforce through a competitive recruitment and selection process, motivating and retaining critical teams and providing fair rewards for a guaranteed performance.

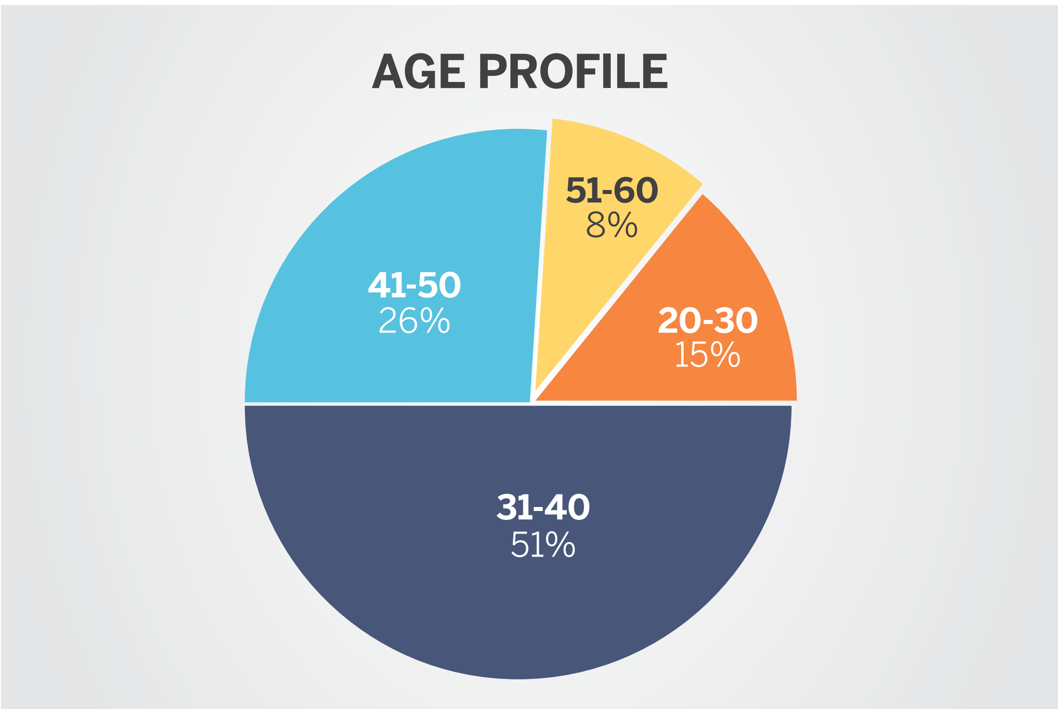
The company currently employs
646
people on permanent basis

222
Females

424
Males

826
Executives and Feelancers on an Independent Contractual basis

The employee age profile is indicated below;



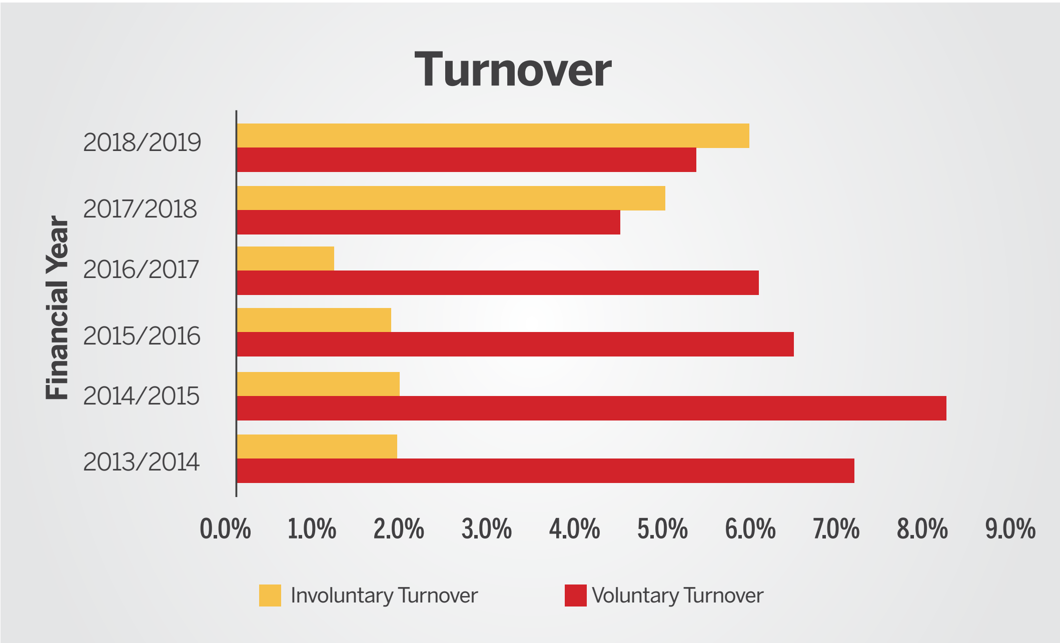
Staff turnover

From the data below, our annual turnover is at an average of 6% which is within acceptable industry standards. Voluntary turnover includes resignations and retirements while involuntary turnover indicates departures implemented by the organisation either as a result of summary dismissals due to misconduct, non-renewal of contracts and terminations for business considerations. With voluntary turnover, we risk losing valuable/key and critical skills.

In order to manage this risk, the Company is currently reviewing its business model and strategy and inevitably, the current reward structure will be reviewed through an effective job evaluation and salary survey, 2019 while considering the market rates to ensure we maintain a competitive reward scheme for our employees.

From the exit interviews, the voluntary turnover has been attributed to opportunities for better pay and benefits.

Trend of Turnover for the last 6 years



Training and Development

Today we live and move at an accelerated pace and the same holds true for business. In order for us to meet the demands of business, the 21st century workplace must be innovative and competitive. Our business being knowledge intensive, it's critical we focus on continuous learning and development of our teams so that we continue delivering cutting-edge products/services. Nurturing and retaining talent is a key objective of the HR strategy.

The Company considers an employee's career needs and strives to ensure that the available opportunities meet those needs.

During the financial year 2018/19, a total of

shs. **198,970,379**

(Uganda shillings one hundred ninety-eight million nine hundred seventy thousand three hundred seventy-nine only)

was spent on training and development of over

600

staff members compared to last year's expenditure **193,828,646** (Ugandan shillings one hundred ninety-three thousand eight hundred twenty-eight thousand six hundred forty-six)

The programs included but were not limited to the following;

a) Leading for Success workshop for all managers and supervisors. The training provided support and practical skills to proactively manage the performance of their respective teams, turn goals into practical plans, effectively monitor progress and take appropriate action based on the results.

Participant receives a certificate of attendance for the Leadership training

b) ACCA-continuing, ACCA-CPD seminars and CIPS-continuing for the professionals in the Finance and Procurement functions. Our professionals received continuous development to keep them refreshed regarding the developing trends in the market. This also ensures business is conducted in accordance with the acceptable standards.

c) Business Language & Report Writing, Editorial Policy (refresher) and WAN-IFRA workshops for the editorial teams. The following matters were discussed: improved report writing and interpretation skills, ethical standards for journalists, professional responsibility, core values and how best to explore new digital revenue models.

d) ITIL Foundation and Network Security Expert for the ICT teams. This enhanced ICT service delivery and provided network security.

e) Social Media training, reporters' training, research techniques, the art of TV storytelling, presentation skills, voice projection, commentating, interview techniques, Social Media and Fundamental Principles of Journalism, Enterprise Journalism, story angling, creative writing and events reporting for the entire broadcast team. This ensured better TV reporting skills, mitigated libel risk and enhanced reporting skills.

f) Infographic design training for the Graphics Designers (Sales/Newspapers/TV). The training created infographics by analyzing data and trends including 3D to fit with the new and revolving market trends.

g) Microsoft SharePoint server core solutions for IT staff. The training enhanced efficiency and easy system accessibility and user manipulation in the workflows following an upgrade to the SharePoint 2013.

h) Detecting Libel, Investigative Writing, financial flows and tax justice reporting training for reporters and writers across all platforms. This helped the Company maintain credibility and offer accurate news and informative reading to its audiences. Our audiences depend on our news platforms and we offer them accurate content.

These programs ensured employees stayed abreast of best practice and guided the operations of the business.

The professional bodies to which staff are affiliated to include: ACCA for the Finance team, CIPS for the Procurement 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 and Media Council for the Journalists.

Coaching and mentorship remains an ingrained practice within the organization as a means of closely developing skills, ensuring succession planning, motivating and retaining staff. Coaching and mentorship is conducted on both formal basis as a set performance target for supervisors and an informal basis during one-on-one sessions.

Staff Performance & Rewards

As is the culture and the running cycles, performance reviews were conducted. Exceptional performers that exceeded their set targets are rewarded, poor performers are given an opportunity to perform better and urgent support is provided. However, those who still fail to meet the minimum requirements and are indisciplined face sanctions indicated in the Human Resource Manual.

Besides the performance bonus given to excellent performers, we do incentivize our teams through the following ways:

a) Recognition of the best employee per department. A certificate and shopping voucher are given to employees.
b) Long-serving awards. A certificate and shopping voucher are given to employees.
c) Departmental celebrations for outstanding performances.
d) Promotion of deserving employees.
e) End of year gift hampers.

Procedures on staff appraisals on set targets
Individual employee targets are set once the Board has approved the annual objects/targets of the Company in a given financial year. This allows employees to align their productivity with the Company's strategy to deliver and maximize shareholder value. Discussions/one-on-one meetings on progress of set targets, measures and ratings are done on a biannual basis. There is a quality check done by a Human Resource personnel, internal audit and the Performance Management Committee and a final report submitted to Management.

Employees who exceeded expectation pose for a photo

Staff Welfare & Wellness

The Company provides a safe environment for all operations by maintaining a clean risk-free environment, ensuring first aid kits are provided in each department and providing training to first aiders and fire marshals in case of fire.

The HR Function has implemented a number of initiatives to help staff members remain a healthy workforce. These include: sponsored weekly aerobics classes, quarterly health camps organised in conjunction with our medical insurance providers and competitive interdepartmental games (board games, swimming, volleyball, tennis, soccer and basketball).

Sport	Soccer	Basketball	Volleyball	Table tennis	Pool table	Chess	Badminton	Draughts
Number of engagements	80	25	30	10	10	10	10	10

These activities also ensure team building amongst the employees which promotes team-work, a necessity for any business to survive.

In April 2019, 50 staff members interfaced with Dr P. Kasenene, a wellness practitioner and speaker. The purpose of the engagement was to educate and empower employees to make well-informed choices on nutrition and adopt a healthy lifestyle change. The session was sponsored by the organization. A comprehensive health checkup was also carried out and about 80 staff members undertook the health tests.

In today's high demanding and stressful environment, we have had a number of staff affected by stress and we do ensure appropriate support through counselling services from a third party professional counsellor partner is provided on a regular basis.

All of these initiatives aim to ensure a healthy, productive and sustainable workforce.

In the partnership with our medical insurance provider, IAA we carry out biannual health camps for staff members. A number of services are offered at these camps including key medical checks like blood pressure, BMI, HIV testing, cancer screening, eye checks and general health consultation. About 250-300 staff members attended the health camps. Specialists are usually invited to speak on topical issues.

Health and Safety

In the conduct of its operations, the Company aims at ensuring a safe and heathy working environment for all its employees. The Company has an existing Health and Safety Policy that guides the safety and health of our employees while on duty. The Ministry of Gender, Labour and Social Development (Occupational Safety and Health Department)issued the Company with a Certificate of Registration for all its workplaces for a period of three (3) years. Our premises were duly registered in accordance with Section 41 (1) of the Occupational Safety and Health Act, 2006.

Two (2) fire drills were conducted across the office premises and 40 firefighters were trained during the period. Fire extinguishers are located at identifiable strategic positions. Factory staff members are provided with safety wear and continually educated on the importance of the wearing protective gear to prevent them from suffering occupational injuries and diseases.

This year we trained 35 first aiders with a concentration on the printing business unit which has the highest risk index. So far, we have had a noticeable impact, the first aid team have responded to at least eight emergencies, including external clients.

The Health and Safety Committee conducts First Aid training

Through our weekly in-house communication platform, a staff newsletter, HR continues to share key healthy and safety tips with staff. These messages range from sanitation to road safety. Our campaign is to champion safety awareness at a subsidized cost to all staff.

We not only provide safety at work but also psychological safety so that our employees can offer the very best at work. A great working environment coupled with good leadership and opportunities for growth are considered conducive enough to enable talent thrive, in the long run, the business shall be successful.

HIV/AIDS

The Company recognises the seriousness and the implications of HIV/AIDS for any employee and has in place a documented policy aimed at protecting the rights of HIV+ employees. We are committed to addressing HIV/AIDS in a positive, supportive and non-discriminatory manner with the support and co-operation of all employees. Employees and their beneficiaries attend health educational programs arranged by the Company. The health and HIV status of these persons is kept confidential. Where an employee has participated in a voluntary testing intervention, anonymity is preserved at all times.

The Company also ensures that employees who may work under increased risk of infection are informed of specific precautionary measures to take and are provided with appropriate protective devices.

Counselling services are provided for all employees living with HIV and their registered dependants at designated medical health centres under the Company's medical scheme. Where this is not physically or practically possible the employee is encouraged to participate in counselling services provided by external organisations. The Company ensures that all employees receive educational informational briefings on HIV/AIDS permitted by the Ministry of Health.

Vision Group is committed to fair, sound and non-discriminatory employment practices. Compulsory HIV testing as a recruitment criterion is not administered.

Managing Conflict of interest

We are committed to good governance practice and ensuring that the business is run in an ethical manner. The organization has a conflict of interest policy which provides for mechanisms to identify and manage conflict of interests. The policy strives to ensure business is conducted in a fair, impartial and transparent manner, manage economic risks and protect the reputation of the Company, guide decision-making in cases where employees' personal interests affect or are likely to affect the interests of the Company.

Directors and all staff members are required to regularly disclose any conflict of interest, if any, so that it is appropriately managed. We understand that conflicts of interests are a normal and unavoidable part of any decision-making process but we are mindful of the fact that public trust and confidence in the organization needs to be maintained. In a bid to ensure the sustainability of the Company, we demand that all employees including our customers, suppliers and contractors conduct business with integrity and in an ethical manner. Our reputation is a great asset that will see this company exist for the foreseeable future.

Innovations Hub

The Company operates in a very dynamic market and innovation is a necessity for the survival of any business. The Company runs an Innovations Hub where employees share ideas on a regular basis on technological trends, knowledge, and industry practice with the Innovations Committee. The ideas are considered and those aligned with the Company strategy and have a direct impact on the bottom line are implemented. There is a reward and recognition system to keep participating staff motivated. During the reporting period, a total of 120 ideas were generated and of these 24 were implemented. We believe this constant engagement gives our staff members an opportunity to shape the strategic direction of the Company and enhances their sense of ownership in the Company which leads to better performance.

Natural Capital

The Company considers environmental conservation a critical aspect that needs to be maintained in the course of business operations and also supports environmental conservation initiatives around the Country. The culture requires that all systems of operations including any projects/activities to be undertaken do not adversely affect the environment and meet the test of environmental friendliness. To this end, deliberate efforts are made to establish measures that directly or indirectly conserve the environment.

The Company averagely consumes 350,215.5 kWh of power per month, a figure that has greatly reduced from 376,851 kWh in the previous years due to a power-saving culture among employees by ensuring lights and machines are switched off when not in productive use.

1,357m^3 amounting to 1,375,000 liters of water is consumed per month. This consumption is usually checked and kept at the lowest volumes possible. In a bid to save costs and ensure sustainable use of resources, plans are underway to harvest water in order to cut down on direct water consumption from National Water and also reduce on the current erosion whenever it rains heavily.

Furthermore, the idea of establishing a phased solar power installation still stands, though dependent on the availability of funds. For the initial phase which will start with Arua One office known for the highest power disruptions, an estimated cost of shs. 185 million should get the project started, excluding air conditioning with a payback period of 5 years.

The Company generates about one (1) tonne of waste paper on a daily basis which is sold at a subsidized rate to Ms. Milum International (U) Ltd, a waste collecting company that usually recycles the paper and makes boxes, egg trays and card boards. Sale of waste is an alternative to burning waste and releasing carbon emissions into the air.

The Company ensures that 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 also sold at subsidized rates as a raw material, which promotes entrepreneurship for the purchasers.

Fuel Monitoring Systems are installed on the majority of the Company's automobiles and generators (that is 73% and 71% respectively). This system ensures effective use of all fuel input and avoids any wastage, including fuel siphoning.

Various Air Conditioning Units installed keep vital equipment like IT Servers, computers, PABX equipment cool thus increasing their level of operational efficiency. This in turn reduces energy consumption due to excessive heat loses.

Management through the office of the Administration Manager, Head of Operations and the Legal Function strives to ensure sustainable development is maintained. Relevant operational policies are put in place and implemented.

ICT Environmental considerations

Our digitization strategy has continued to pursue environmentally conscious options. We have taken the position to increasingly deploy cloud-based services, going forward, to foster mobility and enhance our Disaster Recovery plans. Such a deliberate move takes away the requirement to grow server hardware on premises and, consequently, reduces the carbon footprint. We are currently approximately 30% cloud-based.

The Company outsources about 20% of its printing services and this shifts the responsibility to players that have a bigger footprint and more robust policies in as far as environmental awareness is concerned. They consolidate this process on our behalf. We shall continue reviewing the cost-benefit analysis in this area. We have also come up with a policy on outsourcing to guide our processes.

We have continued to increase the penetration of automation, thus reducing reliance on paper. We estimate a 30% penetration and the coming year should see this grow significantly.

Printing considerations

The Company recently installed the HP Latex 570 large-format printer, an environmentally friendly machine that is free from the UV fumes and from UV solvents ink. The use of water-based inks eliminates exposure to inks with hazard warning labels and high-solvent concentrations, and simplifies ventilation, storage and transportation requirements. The machine is energy efficient and is certified by reknown organisations such as:

i. **UL ECOLOGO®1** – A prominent, voluntary certification issued by UL Environment and recognized worldwide. ECOLOGO® Certification to UL 2801 demonstrates that an ink meets a range of multi-attribute, lifecycle-based criteria related to human health and environmental considerations. The standard criteria include testing for heavy metals content and solvents, requirements for low VOC content levels, as well as product recyclability. HP is the only large-format digital printing manufacturer to earn ECOLOGO® Certification for latex printing as of January 2016.

ii. **Japan Eco Mark2Products** – certified by the Eco Mark Office of Japan Environment Association. As compared to similar products, demonstrates reduced environmental impacts. HP Latex Inks do not require any hazardous classification according to the European Regulation (EC) 1272/2008. HP Latex Inks are non-flammable and non-combustible, nickel-free and contain no HAPs. No special ventilation is required and there are no special transport or storage requirements.

iii. **ENERGY STAR®** - a voluntary United States (US) Environmental Protection Agency (EPA) program that certifies products for superior energy efficiency. The mark is broadly recognized, and furthermore, products sold to governments in the US, Taiwan, the EU, Australia/New Zealand, and Japan must be ENERGY STAR® certified. Select HP Latex printers are ENERGY STAR® certified.

iv. **EPEAT Bronze** – The Electronic Product Environmental Assessment Tool (EPEAT) is a voluntary certification that provides a comprehensive environmental rating that helps identify "greener" electronic components. Qualified products meet rigorous criteria across the complete product lifecycle from materials restriction to packaging and air quality in addition to the latest ENERGY STAR® standard. EPEAT registered where applicable and/or supported. Select HP Latex printers are EPEAT Bronze registered.

v. **Recyclable prints** – The overall attribute of recyclability is a function of many factors that vary in relevance depending on the printed application (including media substrate) and the typical recycling process. HP Latex Inks have been designed with recyclability in mind, by avoiding heavy metals or other toxic components in the inks and HP large-format substrates. This requirement has been met for all HP Latex Inks and for specific HP large format printing materials.

Social Capital

The Company values key stakeholder relations. To that end different initiatives were carried out over the period to support the community in which the business operates. This has helped the company remain relevant to societal needs and built brand equity necessary for survival in the future. These initiatives have continued to attract partners who provide resources and expertise to support the cause.

Best Farmers' Project

The best farmer's project, was successfully held for the 5th year running on December 7th 2018. The project is managed by Vision Group, with support from the Netherlands Embassy, dfcu Bank, KLM Airlines and Koudjis Nutrition BV.

It is a prized project running as a competition with awards handed over at the end. Winners share shs. 150m and are also given a fully paid trip to the Netherlands to visit commercial farmers and to learn modern farming practices.

The overall aim of the Best Farmers' Project is to provide a national platform for identifying and showcasing Ugandans engaged in commercial farming to arouse interest in money-making agriculture.

Specifically, the project:

- Recognises successful farmers so as to encourage them to develop even further.
- Showcase best agricultural practices for replication.
- To encourage Ugandans to take up faming as a business.
- To promote commercial farming.
- Get the elite to consider faming as an expertise that can generate income and create employment.

All these have largely been achieved as several Ugandans are paying attention to the project, following profiles of the farmers on our radios, televisions and in newspapers. Farmers have gained new knowledge and improved; some people have been inspired to start farming and those picked as the Best Farmers have improved and expanded their farms.

The strategy adopted is leveraging Vision Group competencies as multimedia platforms to reach all Ugandans. This is achieved by publishing and broadcasting inspiring profiles of successful farmers. One different farmer is profiled every week on each of the nine media platforms for 9 months. The platforms are:

a. **Newspapers** – New Vision, Bukedde, Orumuri, Etop and Rupiny
b. **Radios** – Bukedde FM, Arua One, Rupiny Radio, Radio West and Etop FM
c. **TVs** – TV West and Bukedde TV

To give it national coverage the country is divided into 10 regions:

- South West (Ankole and Kigezi sub-regions)
- West (Bunyoro and Toro sub-regions)
- Central (Buganda region minus Greater Kampala)
- East (Busoga sub-region)
- Mid-East (Busia, Tororo, Pallisa and Budaka districts plus Sebei and Bugisu sub-regions)
- West Nile
- Northern (Acholi sub-region)
- Mid-Northern (Lango sub-region)
- Kampala (Kampala plus Wakiso and Mukono districts)

Each region produces a winner and there are an additional three picked under a special category. The 2018 special category was farmers involved in value-addition.

Vision Group got partners to successfully implement the Best Farmers' project. Each of the partners makes a significant contribution.

The Embassy of the Netherlands contributes to transporting farmers to the Netherlands and hosting them while there for seven (7) days. KLM airlines flies the farmers to and from the Netherlands, dfcu Bank provides the prize-money, Koudjis Nutrition BV pays for the masterclasses where framers are trained and Vision Group provides space in the print and airtime on the electronic media to publish and broadcast successful farmers respectively.

The project is one of the most popular and impactful across the country, largely because winners are regionalized. We have also received positive feedback from our readers.

"This is one of the most successful media initiatives ever carried out by a Ugandan media house," Joseph Male, a farmer in Gayaza.

"I was inspired by the stories you are running in Harvest Money to start my farm. I am sure that I am not alone," Christine Namwanje, farmer-Naluvule, Wakiso.

"The best farmers' competition has shown us that if you carry out farming as a business, it is a job that anybody can do," Moses Okino, Lira.

Impact of these activities on Society

The winners have continued operating as model farmers within the regions they come from.

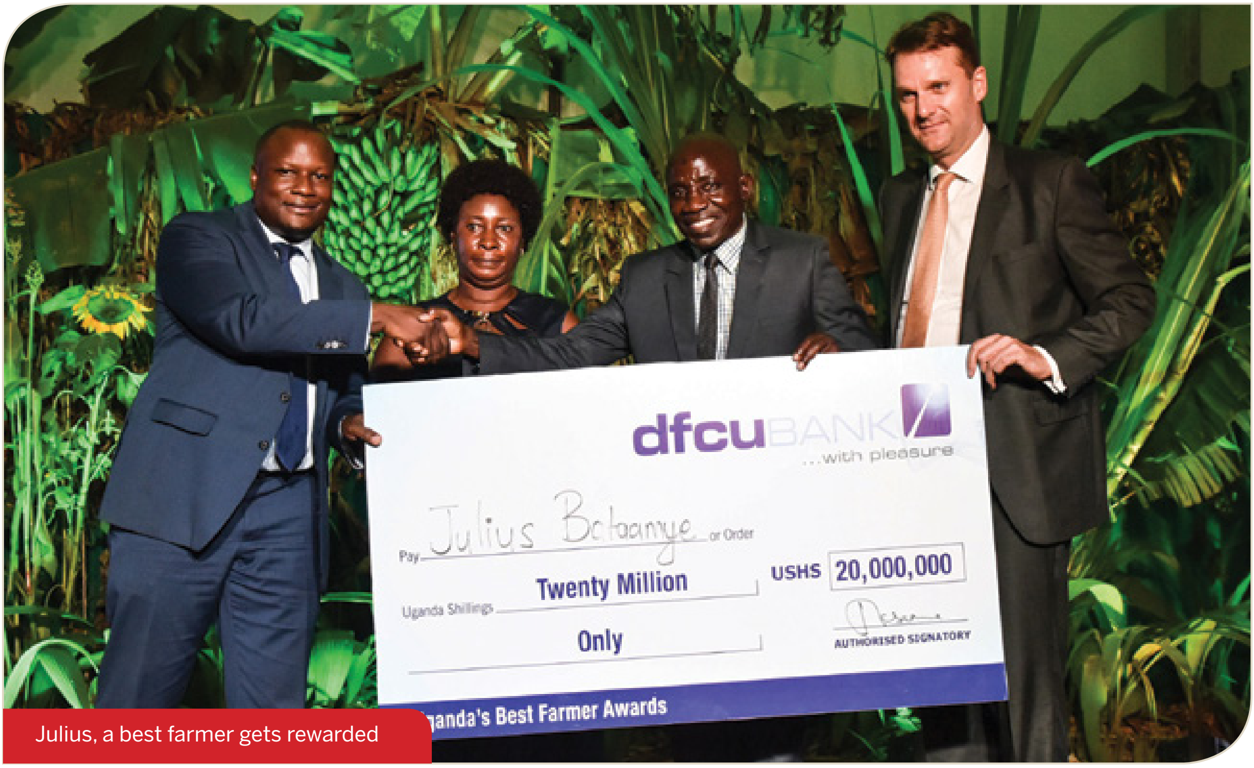
1. Julius Bigabwa from Kabarole, who travelled in 2018 has been visited by a recorded 1,500 farmers from Uganda and other parts of the world.
2. Joseph Batwawula, from Kamuli, who travelled in 2017 has set up a cooperative society and a seed bank in Kamuli, with a membership of over 200 farmers. He learnt the importance of farming under cooperatives during the visit.
3. Johnson Basangwa who travelled in 2016 turned his farm into a training centre for both piggery and poultry. He is also helping other farmers access good poultry breeds from the Netherlands.
4. Thanks to Nicholas Matsiko, a 2015 winner from Mbarara, there is an increase in use of good pastures in the Ankole cattle corridor.
5. In Soroti, Teddy Wabomba a winner in 2016, has trained over 1,500 farmers ever since she travelled to the Netherlands in 2017.
6. In Gulu, 2015 overall winner, Tony Kidega, a dairy farmer is helping other farmers set up better zero grazing units. He has added a milk processing unit to the farm, which now supplies the Acholi region with milk.

Livestock master classes

As part of the Best Farmers' project, Vision Group and Koudjis Nutrition BV conducted master classes on improving farm productivity. The one-day master classes were held in the following areas:

Area	Trainee
Wakiso	Dr Emma Naluyima
Kamuli	Johnson Basangwa
Mbarara	Nicholas Matsiko
Masaka/Kalungu	Bashir Mayiga

The masterclasses have helped over 1,500 farmers receive export in poultry, piggery, dairy cattle and fish farming. The trained farmers left the venues in praise of Vision Group for starting such initiatives. The classes gave farmers best practices in piggery, poultry, fish and zero grazing.



Julius, a best farmer gets rewarded

Harvest Money Expo

In February 2019, Vision Group organized a three-day expo at Mandela National Stadium, Namboole which was attended by a total of 33,000 people compared to 25,000 in 2018. Out of these, over 17,000 attended the special training sessions. The sessions focused on the day-to-day management of 20 selected enterprises including piggery, coffee growing, poultry, bananas growing, vegetables, urban farming, fish farming and livestock keeping. The number of exhibitors also increased by 14% from last year, there were 250 exhibitors.

VP Edward Sekandi (c) and Robert Kabushenga, listen to fish farmer at the Harvest Money EXPO

Newspapers In Education (NiE)

New Vision has implemented the NiE since 2003. It is a project that encourages the use of newspapers in the classroom to innovatively deliver the curriculum and to make learning fun. The project offered a platform for children to voice their concerns and contribute to policy debate. Voices and views of over 500 children on children's rights and other topical issues that affect them were published in the weekly NiE pullout.

The NiE project is not only a CSR activity but has become a major revenue and circulation driver. Although New Vision implemented NiE single-handedly at the beginning, the project has of recent attracted partners with Save the Children International being the longest and biggest sponsor. During the reporting period, FY 2018/2019, Save the Children renewed their partnership and provided a sponsorship package worth shs. 250m for teacher training, monitoring and evaluation and newspaper supply to the 104 schools it supports in Karamoja and Acholi sub-regions. The sponsorship value increased by 17% from the previous FY 2017/2018.

The other major corporate sponsor during the period was Private Education Development Network (PEDN) who provided a total annual package of shs. 39m for newspaper supply to the 54 schools located in central and eastern Uganda. In the second and third terms however, PEDN scaled down the number of schools to 38. The reduction was because some schools were phased out and new ones brought on board by PEDN.

The National Environment Management Authority (NEMA) also executed a contract worth shs.20m to supply newspapers to 20 schools in Kampala on a pilot basis. Their contract ended in December last year.

During the period under review, the NiE project was able to access 212 schools directly benefiting over 60,000 pupils. Over 400 teachers and other stakeholders were trained In the effective use and importance of NiE in improving learning outcomes. The distribution of the stakeholders trained were as follows:

136 teachers and head teachers from Acholi sub-region districts of Gulu, Omoro, Amuru and Nwoya

119 teachers, head teachers and ABEK monitoring assistants/teachers from the Karamoja districts of Napak, Nakapiripirit, Moroto and Kotido. ABEK is Alternative Basic Education for Karamoja

80 head teachers from Kalungu district

111 District and Municipal Education Officers sensitized on the importance of NiE

A total of **128,212** sponsored copies of New Vision & **26,000** copies of Rupiny newspapers were supplied to schools under the project.

Over 30 individual schools, especially around Kampala have started subscribing to their own copies of the newspaper.

In terms of revenue, the NiE project generated over shs. 320m in sponsorship packages from its partners, Save the Children, PEDN, NEMA and semester sponsors who provided shs. 20m.

Adopt a School project

Under this project, Vision Group regional titles support one of the most disadvantaged schools in their localities with NiE materials. Analysis of PLE results show that the performance of these schools in the national examinations is on an upward trend, an indication of the positive impact of NiE.

The adopted schools include:

School	Newspaper title
Nyenga Boys in Buikwe District	Bukedde
Katebe in Mbarara District	Orumuri
Punoluru in Lira District	Rupiny
Osokotoit in Serere District	Etop

In appreciation of their improved performance, Punoluru pupils early this year visited the Company premises in Kampala to express their appreciation for the support.

Since most NGOs depend on project funding which may not be guaranteed in following years, individual school subscriptions are encouraged. Through aggressive marketing, 30 schools have already subscribed to buy their own copies of the newspapers. Local governments and local philanthropists are also encouraged to support the NiE project in schools of their localities.

Feedback from stakeholders generally indicate that the NiE project is well appreciated as demonstrated by the following quotations:

"The district has been grappling with bad grades because teachers were not exposed to other means of delivering the curriculum, among other challenges. However, after the NiE training, I expect the performance in schools is going to improve drastically. All those who have attended the training should take it seriously because these are rare opportunities that other schools would dream of getting," said David Adonga, the Omoro District Secretary for Education, while officially opening the NiE training workshop for Omoro at the District Council Hall on March 28, 2019.

"This is a very good innovation. Try it out in your schools. I believe they will work wonders. I believe in the coming years Nwoya will be competing with other schools in the national exams," George Butele Ayiba, the DEO Nwoya, said while closing the NiE training workshop for his district at the district teachers resource centre on March 29, 2019.

"I have seen schools that use newspapers excel and if you also do the same, Gulu and Amuru will be competing favourably with the rest of the country," said David Oboc, the Gulu District inspector of schools while opening the NiE training workshop for Gulu and Amuru teachers at Well Springs Hotel, Gulu on March 30, 2019.

"When children use newspapers, they learn important words used daily in newspapers which improves their vocabulary. Also the use of newspapers involves working in groups which helps children develop socialization skills, teamwork and confidence which are important in today's world," said Santina Auma, the headmistress of Nakoreto Primary School, Kotido District.

"Through the use of newspapers we are always up-to-date with what is happening in the country. The newspapers have amazing range of pictures that the community can relate to, which makes teaching easy," said Joyce Namoe, a facilitator from Namekwi B ABEK centre".

Sensitization of the NiE project

PAKASA

Pakasa is a one-stop center for functional information on entrepreneurship and take-home value for entrepreneurs and intending entrepreneurs. The Company's strategy has been to promote entrepreneurship as a viable means of livelihood by telling real stories of business people, their struggles and how these struggles were overcome. We strive to inspire the youth to learn from the proven wisdom and real-life experiences and understand that success is not an event, but a process in attaining sustainable businesses.

Pakasa stories highlight, among others, the hurdles entrepreneurs overcame to get to where they are today in the hope that aspiring, budding and even successful entrepreneurs will draw lessons from their struggles, mistakes and counsel. Expert advice on the various aspects of business operations, market intelligence/trends are usually given. The pullout features stories on opportunities for skills development, funding and general enterprise development. There is a section dubbed My Retirement which provides tips on securing a future through a planned retirement at an early age.

Pakasa Youth Awards

Vision Group in partnership with the Chinese Embassy in Uganda launched the Pakasa Youth Awards in July 2018. The awards were boosted with a sponsorship package of $30,000 from the embassy. The awards took place on October 29, 2018 at Golden Tulip Hotel in Kampala. The top five winners were sponsored by the embassy for a one-week all-expenses paid trip to China. The winners included;

i. Maxima Musimenta aged 31 years
ii. Stephen Ssembuya aged 34 years
iii. Victor Kalenzi aged 35 years
iv. Ashar Cheptoris aged 35 years
v. Fred Nsubuga Bakka aged 34 years

The winners were exposed to hands on experience and many of them are currently implementing the lessons learned to promote entrepreneurship. Interest in the awards by the public was also impressive. Over 400 nominees were received on the different platforms and of these 30 were profiled in the New Vision paper and an independent jury selected the five winners for recognition.

The Federation of Small and Medium sized Enterprises also partnered with Pakasa in promoting digital literacy among SMEs in Uganda. The campaign sought to help SMEs harness the opportunity that ICT offers their business through improving skills and capabilities in basic ICT functionalities.

Stephen Sebuuma, owner of Sterac Technologies Limited,receives his certificate from Minister for Youth and Children Affairs, Florence Nakiwala Kiyingi

Pakasa Forum

The Pakasa Forum is a quarterly hall meeting created with a mission to inspire and encourage youth create their dream job through entrepreneurship. It is a platform geared towards inspiring university students, recent graduates and those in secondary schools, into thinking of creative means of earning a living.

In partnership with Makerere University, the Company organized the 9th Pakasa Forum themed "Unlocking Students Potential" on October 11, 2018 which attracted over 1,500 students. The event was held in the College of Business and Management Sciences Auditorium in Makerere University. The Pakasa Forum Panelists shared tips on best business practices.

Panelist	Achievement	Impact
Ms. Grace Nalugwa, winner of the 2016 Pakasa Entrepreneurship awards	Founding member and General Secretary of Nurture Entrepreneurship Uganda (umbrella body for all Pakasa Awardees).	She was able to diversify from just owning a primary school to a briquettes making company called Gracela Ventures SMC Ltd. From just 80 students, her school, Kagoma Standard Primary School, now has enrollment of 500 pupils. She employs over 20 people in her business and school.
Ms. Ruth Namara, student at Makerere University	Started a micro-business known as Friends Confectionery which she has since expanded through social media marketing.	She has been able to pay her hostel fees and provide school requirements for her siblings through this micro-business.
Mr. Ezra Kirigwajjo, student at Makerere University	He is a jack of all trades and has been able to use his experience from a family-owned butchery to start up several micro-businesses.	The businesses employs 4 staff members and range from a poultry farm with over 1,000 birds, a gaming center, a video library to a restaurant.

The forum was followed by the 3rd Annual Entrepreneurship expo on October 12, 2018 at Makerere University where over 1,500 students showcased innovative ideas grouped under 200 businesses. The expo enhanced students' learning and application of knowledge.

On June 14, 2019, Pakasa in partnership with Innoculous Uganda organized the first annual Youth in Business Symposium at the Innovation Village Ntinda. Under the theme "patient capital for youth innovation and incubation", the symposium met the objective of promoting entrepreneurship as a viable source of livelihood. Over 200 youth including former winners of Pakasa youth awards were in attendance. The symposium equipped youth with skills on job creation. The symposium brought together a cross-section of youth and experts to brain-storm entrepreneurship opportunities and how the youth can take advantage of them. The guest of honour was First Deputy Premier and Minister for East African Affairs, Kirunda Kivejinja.

The Company also published the Youth at Work story series between mid-January 2019 to end of February 2019. The stories focused on the impact of the youth groups that received cash donations either as start-up or to expand their enterprises from President Yoweri Museveni. The series were published daily from Monday to Friday. The series established that the President's intervention had empowered several youths to become financially independent. And in some areas like Kampala several youths said they had abandoned engaging in crime after forming youth groups dealing in handson skills like carpentry after getting modern machinery and capital from the President.

Pakasa Vocational Guide

The guide is strategically published after both senior four and senior six Uganda National Examinations Board (UNEB) exam results are released to offer varied career choices to the students and their parents. The 2019 edition was published on March 24, 2019. The guide also targets students who choose not to join universities or who have not amassed enough points to gain admission to university.

The guide highlighted sectors or areas that are ripe with opportunities for vocational skills, namely; auto-tech and mechanics, computer user support, electrical installation and electronics, hospitality and tourism, architecture and construction, cosmetology and welding fabrication, among others.

It further included a comprehensive list of all accredited private and public Business Technical Vocational Education Training (BTVET) institutions throughout the country and the programs offered.

The 12-page guide also analysed the opportunities available and the vocational skills one needs to get into Uganda's nascent but promising oil and gas sector. The publication generated positive feedback. The Commissioner for Business, Technical and Vocational Education Training (BTVET) in the Ministry of Education, Hajjat Safinah Musene, commended New Vision for the guide which was in line with promoting hands-on skills and entrepreneurship as an alternative to seeking jobs. "The guide emphasized the importance of vocational skills in addressing the problem of unemployment in the country".

Teachers Making a Difference

Teachers Making a Difference (TMD) is part of the Ugandans Making a Difference (UMD) project initiated by New Vision in April 2008. The greater goal of the TDM project is the creation of a critical mass of resilient and innovative teachers able to provide solutions to challenges that come with delivering the curriculum amidst resource constrains. Individuals who positively impact the communities in which they operate are, therefore, recognized and rewarded. New Vision implements this project in partnership with others that share similar objectives.

For a nominee to be considered, he/she must have met the following selection criteria: be a Ugandan professional teacher in a school in Uganda teaching at either a primary, secondary or technical and vocational training institution, mobilized the communities to take their children to school, demonstrated innovation using limited resources to deliver quality education, promotes vocational and life skills education; actively participated in co-curricular activities, is a person of impeccable integrity, goes beyond their call of duty to deliver the curriculum or support education outcomes.

The public nominates the best teachers and New Vision journalists are dispatched to verify all information about the nominees and those who qualify are profiled in the various media platforms. An independent jury of eminent personalities then meets to select the final 12 winners from those profiled. The winners are invited to an awards gala in Kampala where they each receive a certificate and a cash prize of shs. 1,500,000. In addition, the 6 most outstanding teachers go for an all-expenses-paid trip to Ireland.

Since its launch, at least 132 teachers have been recognized by this initiative. And for the past two years, New Vision was privileged to implement the project in partnership with the Embassy of Ireland in Kampala, Trócaire an Irish charity and Simba Travelcare, a tour and travel management company.

As a result of this partnership, at least 10 teachers were sponsored for a week-long all-expenses-paid study tour to Ireland. The winners usually travel to Ireland between January 26 and February 2 in the following year, the 2018 travelled in 2019.

Since joining the partnership in 2017, the Irish Embassy has contributed a total of €120,000 (€30,000 in 2017, €40,000 in 2018 and this year upped their funding to €50,000). This year, the number of teachers travelling to Ireland has also increased from five to six. The partners raised the number to six because of the overwhelming success and public interest in the project.

Simba Travelcare raised its sponsorship from five return air tickets in 2017 to six tickets in 2018 and seven in 2019. Trocaire has for both years, been responsible for the entire itinerary and logistics of the visit to Ireland and has committed to doing the same this year. As a result of increased funding from the Irish Embassy in 2018, the schools that produced the winning teachers also received prizes (in addition to the winning teachers themselves). The prizes were determined according to needs expressed by the schools. This year's initiative will also see the teachers travel to Ireland in May 2020.

The project has generated lots of public interest. The number of nominations has increased from about 600 in 2017 and 2018 to over 1,000 in 2019. Reports from the teachers indicate that the trip to Ireland is very informative and beneficial to both their schools and their own professional development. Some of the winning teachers have become TMD ambassadors and make presentations at several workshops. Through workshops, the winners share their experiences and winning formula as a strategy to inspire their colleagues come up with practical options to the challenges they face in their schools and communities.

To ensure continuity and experience sharing, the Irish Embassy has made strengthening alumni networking and engagement a key part of the project. The first alumni networking workshop was held at Vision Group's head offices on September 4, 2019. Teachers shared their experiences and the progress each of them had made since winning the awards. Challenges faced in uplifting education in the different localities were also discussed, including possible recommendations. These networks act as a monitoring tool to inspire the winning teachers remain above par.

The Ministry of Education and Sports has taken keen interest in the TMD alumni. At the first national teachers conference in September last year which was attended by 3,000 primary school teachers and head teachers, the 2017 overall winner, Godfrey Arims, the head teacher of Lemusui Primary School in Nakapiripirit, was invited to share his experiences. At this year's National Teachers conference, the ministry invited all the 2017 and 2018 winners who facilitated the workshop and shared inspirational experiences hence receiving admiration from the audience. Over 4,000 teachers and head teachers attended the conference at the London School of St. Lawrence, Maya.

Because of the success of the TMD project, the Ministry resolved to adopt a similar program. This is not only a vote of confidence in Vision Group, but a recognition by the Government that the company's innovations can be replicated across the country.

Like in 2017, a total of 12 of the most outstanding teachers were selected for recognition in 2018. The selection took into account gender and regional balance with special consideration to teachers handling children with special learning needs and teachers from marginalised areas like Karamoja and refugee host communities.

Teachers who made a difference pose for a photo

Toto Magazine

Toto is a children's platform that is made up of educative and entertaining child-friendly content. The brand comprises the Toto magazine which is a pullout on Wednesday and Toto on Sunday, which is a comic. This fun magazine captivates a child's interest without a parent having to worry about what their child is reading. It is a platform that allows for a child to learn while having fun. Vision Group has ensured publication of children-friendly sections and pull-outs specific to their needs.

Toto has become a popular brand to children living in Uganda and those in the diaspora. It is a magazine that encourages children to participate in the production of the magazine by generating content. Children have had an opportunity to meet and interview some of the influential persons in society. This not only improves their journalistic skills, but also builds their confidence and self-esteem. Children are free to write about anything; from travel stories to school and home experiences.

Children in the diaspora have become regular contributors to the magazine. Some examples of these are: Joshua Wavamuno from Australia who narrates his holiday experience back in Uganda. He talks about the food, his travels and how he feels to be back in the country. His story attracts a lot of positive feedback from readers. Eight-year-old Isabella Menezor who lives in Nigeria also writes an interesting article for the magazine. She says when she visited Uganda, her cousin gave her a pile of magazines, some of which she carried back to Nigeria. That is how she became interested in the magazine and even started writing for it. Joanna and Janela Massa are also regular Ugandan contributors living in Germany.

Toto offers a wide range of learning experiences to its readers so it can be a great teaching tool. Schools, especially the ones upcountry, use the magazine in the classroom setting to teach reading and writing. With the high quality of reading series written by reputable authors, Toto builds a reading culture among children. The series provide entertaining reads that the children follow over long periods of time, thus building their comprehension skills and imparting life lessons. Edrin Zziwa, a P5 pupil at Namilyango Boys School, is a talented artist. He says he drew his inspiration from the Bobi and Babi comic series that was published in Toto on Sunday.

The magazine further contributes to the company's revenue. On Wednesdays, Toto contributes to the sale of 1,000-2,000 copies of newspapers over and above the average daily circulation. This has also contributed to the subscription of bulk sales from some schools when their events feature in the Wednesday newspaper pullout.

The Toto brand has continued to grow and its brand equity has enabled the organising of sponsored events such as the Toto festivals. These generate revenue and also allow for interactions and positive influence over children across the country. The Kampala Toto festival that takes place during third term holidays has become a popular annual event that attracts over 20,000 children. The Toto Mbarara event has also become a crowd puller in western Uganda. The events also contribute to copy sales through the promotions that require one to get a coupon from the day's paper in order to take part in contests such as the talent search and the cash machine.

Children at the Kampala Toto festival

Toto Magazine has for the last two (2) years supported the UPDF children's party at Bombo Barracks and Kakiri Barracks. The children in the barracks are unable to attend scheduled festivals due to the lack of funds. These festivals give back to the forgotten sector of security officers who sacrifice their family time for the country.

For the schools upcountry that cannot afford reading material, Toto copies are sent to the regional offices that eventually deliver the reading materials to the respective schools.

Also, during school tours of the company, children are keen on finding out how Toto magazine is produced. Thus Toto provides not only for revenue of the company, but also a wide learning experience for children.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is an essential part of our culture at Vision Group. We ensure that we add measurable socioeconomic and environmental impact to enrich the lives of host communities where we have a presence across Uganda.

Vision Group through its various platforms and community engagement activities noted that the country continues to grapple with the following issues:

1. Continued prevalence of HIV/AIDS due to competing interventions
2. High drop-out rates for the school going girl-child
3. High maternal mortality rates attributed to limited resources in public health facilities
4. Insufficient blood in blood banks and hospitals
5. Low financial literacy among women
6. Change in climate attributed to environmental degradation (Decline in forest cover)

Vision Group FY 2018/2019 CSR Goals:

It is against this background that our aim in the FY 2018/2019 was to improve the livelihoods of underserved/ underprivileged communities in which we do business, with a major focus on pooling resources to narrow the gap informed by four (4) millennium development goals (MDGs):

01 HIV/AIDs Prevention

Prevent HIV/AIDS through media sensitization and partnerships to provide free access to testing and counselling services

02 Women Enpowerment

Promote gender equality and empower women through skills enhancement and provision of sanitary hygiene facilities

03 Maternal Health

Improve maternal health by providing safe delivery kits to expectant mothers

04 Tree Planting

Support environmental sustainability by undertaking tree planting programs

05 Blood Donation

Improve availability of blood in banks by rallying stakeholder support for blood donation initiatives

How we made a difference in two years:

Below is a summary of the CSR activities carried out in the financial years indicating impact.

Activity	Outcome FY 2017/2018	Outcome FY 2018/2019
Free health camps	• **4,052** persons received medical aid	• **180** women screened for breast cancer • **807** people received HIV/AIDS counseling and testing • **260** kilos of dry ratios availed to improve HIV nutrition at Upper Luzira Prison
Women empowerment	N/A	• **185** women equipped with handicraft skills to generate income
Universal primary education	• Scholastic supplies provided to equip Watoto Laminadera library in Gulu district	• **134** sanitary pads donated to improve school attendance for the girl child
Youth empowerment	• **10** solar panels donated to support youth start-ups	N/A
Maternal health	N/A	• **150** safe delivery kits and **40** mattresses donated to Ntenjeru Health Centre III
Environmental protection	• **4,052** trees planted	• **1,000** eucalyptus trees re-planted
Blood donation drives	• **1,096** units collected countrywide	• **1,219** units collected countrywide

The Company spent a total of about shs.70m on CSR activities in the FY 2018/19.

a. Free Health Camps and HIV/AIDs awareness interventions

The national HIV program has made considerable progress in responding to the HIV epidemic through numerous initiatives including: pre and post exposure prophylaxis, diagnose and treat, self-testing and prevention. In 2017, UNAIDS reported that 1.3 million Ugandans were living with HIV and approximately 50,000 were getting infected with the virus. The growing risk of new infections justified Vision Group's deliberate media investment in HIV/AIDS prevention communication to sustain the productivity of our largely young population through platforms such as New Vision Health/Beauty-pull out on Mondays and Buuza Omusawo on Bukedde TV1. We further leveraged relevant stakeholder partnerships with Uganda Cares and Uganda Woman's Cancer Support Organization (UWOCASO) to provide HIV/AIDS counselling and testing services to Vision Group event attendees. The Twins Festival at Namboole Stadium on August 20, 2018 attracted approximately 4,500 people for whom voluntary HIV/AIDS testing/counselling services, free condom provision, free male circumcision and other services where provided.

In commemoration of the World Aids day on December 1, 2018, Vision Group dedicated the month of November to empowering Ugandans to know their HIV Status under "Know your status, get tested today" campaign. The campaign ran in the western, northern and eastern regions supported by newspaper, social media, radio and TV advertisements with the aim of increasing sensitization and awareness of HIV/ AIDS and encouraging HIV/AIDS testing.

b. ‘Keep-A-Girl in School’ Campaign

New Vision, Uganda Red Cross Society (URCS), Ministry of Education and Sports and other stakeholders launched a national campaign dubbed “Keep a Girl in School”. It aims to improve menstrual health management among primary and secondary school going adolescent girls by creating awareness about sexual reproductive health to scale back on teenage pregnancy and school dropout rates. The initiative provides appropriate infrastructure and facilities for menstrual health and management. Vision Group committed media support valued at shs. 54,500,000 to sensitize the public and rally donations towards the cause.

Hon. Seninde Rosemary receiving a cheque from Vision Group representatives in support of the campaign

c. Financial literacy campaigns for women

Vision Group organized a two-day financial literacy training in partnership with Y-Save Cooperative Savings and Credit Society Ltd to empower 2,800 under privileged and HIV/AIDS affected women under Meeting Point International NGO (MPI) project in four slums situated in Kampala. The training aimed at empowering the women with financial and entrepreneurship skills to enable them improve their livelihoods. The project attracted a total of 185 women who are now able to craft intricate jewellery that they sell locally and internationally to earn an income and sustain their families.

Y-Save conducting financial literacy training

d. Maternal Health

Uganda’s Maternal Mortality Rate (MMR) is one of the highest in the world with 440 deaths per 100,000 live births, according to UDHS 2018. This implies one woman in every 49 will die of a maternity complication at pregnancy or delivery. Vision Group through its Bukedde Bulungi Bwansi activation in partnership with Prestige Margarine and Ssenga Kulannama visited Ntenjeru Health Centre III in Kayunga district and availed 125 safe delivery kits and other maternal commodities to expectant mothers in the maternal ward.


A staff member hands over mama kits to a mother

e. Environmental Protection

Uganda's forest cover has seen a steady decline from 24% coverage in 1990 to 9% coverage in 2019 attributed to factors like population increase with subsequent effects on demand for timber fuel and farm land among others. The decrease in forest cover has led to negative erratic changes in climate. In a bid address the aforementioned effects, Mbarara Municipality is in the process of restoring the Rwemitongore forest reserve which has since suffered deforestation. It is for this reason that the Company in conjunction with NFA planted 1,000 eucalyptus trees on 3 hectares in the forest reserve.


Tree planting exercise to restore Rwemitongore Forest

In a bid to save River Rwizi, Orumuri published three feature stories about the river and how various activities undertaken had affected the river bank. After publication, the RDC and other authorities arrested over 80 encroachers found within the river catchment area. Culprits included brick layers, farmers and those that had built houses. The houses were also razed.


Razed houses along River Rwizi

f. Blood donation drives

The World Health Organisation standards require countries to raise at least 1% blood equivalent of its total population to have sufficient blood every year. Uganda needs approximately 360,000 units of blood to cover its annual need of which 240,000 units are collected. Vision Group continues to partner with Uganda Blood Transfusion Service to close this gap by supporting blood drives through experiential activations, events and stakeholder engagements to rally the public to donate blood. In 2019, four (4) blood donation campaigns were carried out in Kampala, Serere, Soroti and Gulu where a total of 1,219 units of blood were collected. Blood drives where conducted at Serere Health Centre IV and Olio Primary School in Serere, Twins Festival in Kampala, Etop rig truck activations at (Adipala Juba, Kasilo, Kanyum, Arapai and Ocorimongin) markets in Soroti, Rupiny rig truck activations (Mitachwo, Labuje, Barryo, Anaka/Alero and Opit) in Gulu markets.

Customer Engagement

Vision Group customer service focus for the FY 2018/2019 was centred on engaging and delighting customers with the aim of converting them into advocates for the company's brands. The business has approximately 5,000 active customers for whom interaction was eased through multiple channels of customer preference like email, phone, website and instant online chats to provide quick and effective two-way communication on support and open the door to product development input.

The business undertook key initiatives to delight customers, enhance satisfaction and consequently grow revenue. These included key account management strategies for the Top 100 advertising accounts such as B2B high level engagements to revive dormant accounts, acquire new business and leverage platform synergies to up-sell and cross-sell competitive offers to existing accounts.

Key Account Management Execution

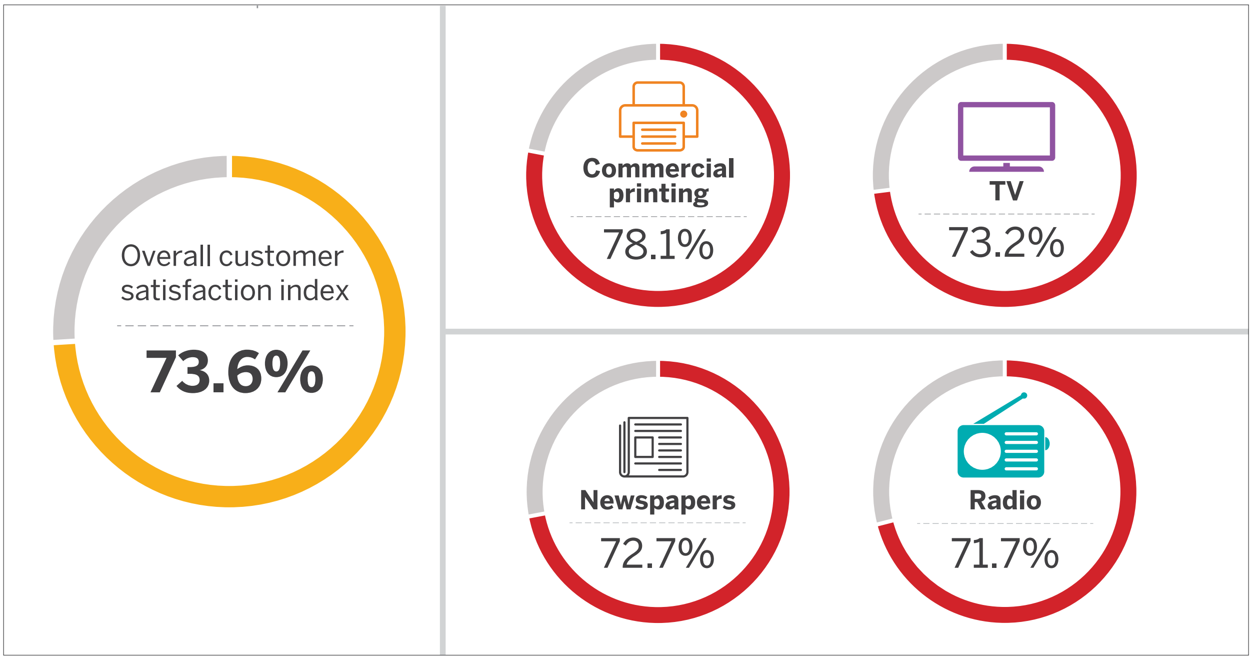
Customer Categorisation	**Platinum**	**Gold**	**Silver**
Rationale	Contribute 52% advertising revenue	Contribute 17% adverting revenue	Contribute 31% advertising revenue
Number of customers	20	30	50
B2B Visitation Schedule	Once a quarter	Bi-annual	Annual
Strategy	Defend revenue share	Grow revenue share	Grow revenue share

How Vision Group Customers Perceive Our Service Provision

A customer satisfaction survey was commissioned in June 2019 to:

1. Assess the quality of service against customer expectations for television, radio, print and commercial printing
2. Identify key opportunities for improvement and set standards against which to track satisfaction over time

FY 2018/2019 Customer Ratings by Service Category



Results revealed an overall customer satisfaction index of 73.6%. There were commendable performance improvements across the board with commercial printing in the lead. Commercial printing focused on getting the brilliant basics right including standardization of quality control measures for production, competitive pricing, quick turnaround costing time and general improvements in customer lead times. This resulted in repeat business and word-of-mouth referrals. After-sales service training for customer facing teams is ongoing to improve service provision.

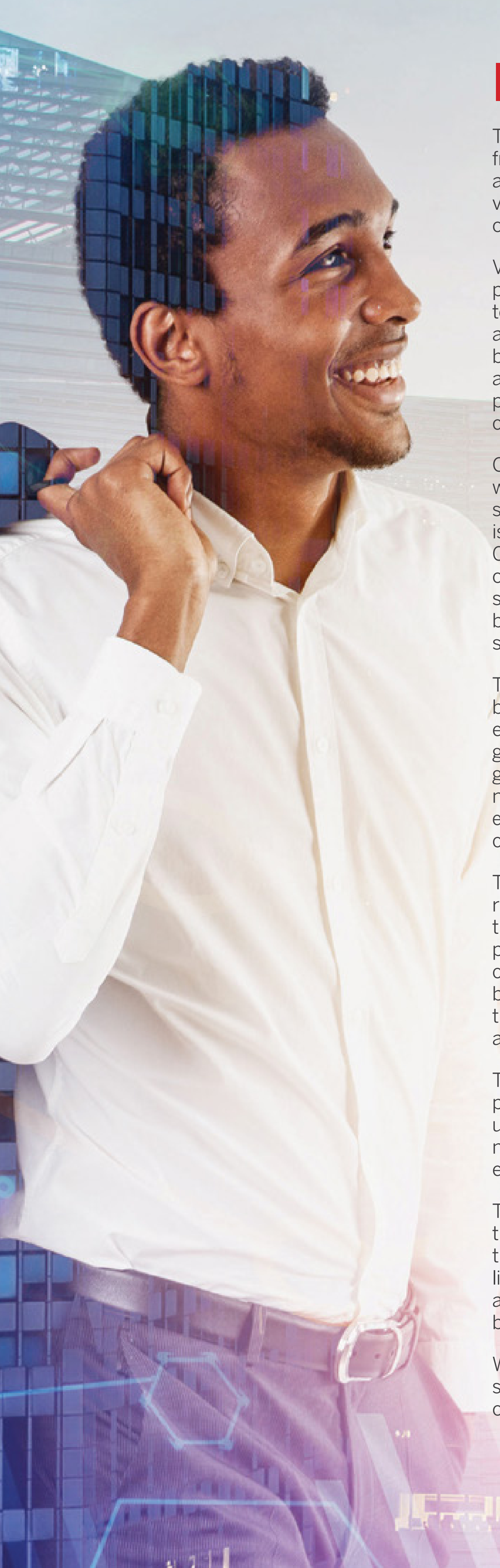
The customer service function has prioritized their support efforts to reinforce retention in the growingly competitive advertising market. This implies high revenue generating clients receive preferential and priority support to drive business sustainability. The sales function has been re-organized to improve line of sight across key sectors and enhance value to our offering. This approach has created access to new opportunities as custom solutions are tailored to meet specific business/sector needs. The initiatives called out have supported the business to deliver disproportionate share of advertiser spend.

FY 2018/2019 Customer Satisfaction Ranking by Key Attribute

Key	Attribute	Importance	Satisfaction	Satisfaction gap
A	The Sales Managers are proactive	8.5	7.6	0.9
B	The team is knowledgeable about services	8.6	7.6	1.0
C	**The company provides solutions that meets my needs**	**8.4**	**7.3**	**1.1**
D	Customers receive relevant information to ease media buying	7.7	6.8	0.9
E	**I receive value for money through competitive pricing and quality service**	**8.4**	**7.1**	**1.3**
F	I am happy with the quality of adverts, order handling and execution	8.7	7.8	0.9

FY 2018/2019 Customer Satisfaction Survey Recommendations and Plan

GOALS	OBJECTIVES	STRATEGIC TASKS	STATUS
Enhance customer satisfaction by improving the two high importance/low satisfaction attributes (as ranked by customers)	**01** **Grow value for money score from 72.5% to 75%**	• Improve after sales service delivery through frequent refresher trainings	**Effected**
		• Share media performance trends with potential and existing customers to rationalise value	**Effected**
	02 **Improve solutions that meet your needs score from 73.3% to 75%**	• Develop customised offerings by sector	**Effected**



Intellectual Capital

This is the intangible value of the business that is accumulated from the Company's intellectual property assets and rights such as copyrights, trademarks, business names, patents and brand values. It is a recognized asset that improves the financial position of the company and can be leveraged for business.

Vision group owns copyright for all its publications including stories, productions, videos, documentaries, music performances and televised programs. It also has rights and licenses arising from agreements executed with not only local content proprietors but international media agencies, this has given the Company an opportunity to further its goals and establish an international presence, widen the market in several diaspora and increase online consumption of its products and services.

Our intellectual capital has over the years created brand exclusivity which distinguishes our services from what competitors offer. This sharp and yet imperfectly imitable and non-substitutable distinction is what gives our products and services market leadership. The Company expects to continue harnessing the competitive advantage of its brand for a minimum of 50 years for Copyright and 10 years subject to renewal for Trademarks. The Company has utilized re-branding as a way of repositioning its products to claim a greater share of the local and regional market.

The organisation creates sustainable value for its intellectual capital by ensuring timely renewal of its intellectual property rights, legal enforcement against those who infringe on the exclusive rights granted by the intellectual property rights, adherence to the guidelines set by Uganda Communications Commission on media management which secures operating licenses and monitoring of equity trends through research to improve performance and enhance customer value.

The Company diligently protects use of its intellectual property rights and enjoys exclusivity or economic advantage deriving from the investment. This also puts the Company in a better bargaining position when negotiating contracts which raises the company's competitive edge in the market and increases the value of the business. The Company currently has a total of 39 registered trademarks for which it enjoys exclusive rights to use, reproduce, and license.

The brands protected under the Vision Group Intellectual property portfolio derive relevance from the day-to-day society needs which underpin the core mandate of the Company which is being a leading media house that advances society providing practical solutions to existing problems.

The social footprint of these brands has a direct impact between the consumer needs and end products/services the Company sells through brand awareness strategies. Some of our leading brands like NiE, Harvest Money and others continue to grow by statistics as a result our deliberate strategic marketing and the relevance and benefit the consumers relate to these brands.

With research and innovation particularly the digitization of our service delivery, we expect tremendous improvement in the turnover of our products and services due to online brand presence.

Financial Capital

Gearing

The company has adopted a nil gearing ratio. The role of debt as a means of financing for growth strategies is appreciated and the Board of Directors as well as Management decide on financing options on a case by case basis, guided by the responsibility to act in the best interests of the company given the high interest rates and impact on profitability. The level of gearing is constantly reviewed and considered for investments whose return can sustain the market debt financing costs. The liquid cash and cash equivalents of the company reduced from shs 5.9bn as at June 30, 2018 to shs 4.4bn as at June 30, 2019. This was mainly due to the payments for recently stocked inventory and growth in receivables. In spite of this drop, the liquidity ratios have improved for the period because the funds are still within the current assets. The current ratio grew from 3.6:1 to 4.2:1 while the acid ratio grew from 3.2:1 to 3.5:1, this implies that the Company is able to meet its obligations as they fall due and funds are available for investments to enhance income and profitability.

However, the new strategic direction of the Company will involve investment in land and buildings for expansion of operations and set up of new income avenues. These huge amounts of funding will require some level of gearing after the next financial year.

Dividends

The Board has proposed dividends of shs 1.9bn for the period ending June 30, 2019. The company registered an EPS of shs 27.8 in 2018-19 compared to an EPS of shs 31.3 in 2017-18 and is projecting to achieve an EPS of shs 61.5 in the year 2019-20. There are healthy reserves and these are an important source of investment funds for any business.

The shareholders' funds for the year ended June 30, 2019 were shs 72.1bn comprised of share capital worth shs 1.5bn, share premium of shs 27.2bn, revaluation reserve of shs 11.1bn, proposed dividends of shs. 1.9bn and retained earnings worth shs 30.4bn. This reflected a growth of 4% from last year's position which was shs 69.3bn.

Shareholder value

The shareholders of the Company hardly trade their equity and, therefore, market forces on the stock exchange have little bearing on the Company's share price. Our focus on maximizing shareholder wealth is, therefore to grow the Earnings Per Share (EPS) and the shareholders' funds. This year the EPS was shs 27.8 compared to shs. 31.3 in the previous year while the shareholders' funds have grew from shs. 69.3bn to shs. 72.1bn. The dividend payable has been set at shs 25 similar to the same amount as the previous year. Dividends act as a signal from the directors to investors of the future prospects of the business with the continuous declaration and payment of dividends reflecting their opinion of future growth expectations.

Shareholder funds in shs. Billions

	2015	2016	2017	2018	2019
Shareholder funds	55.5	55.7	66.4	69.3	72.1

Credit Risk Management

Credit risk, or default risk, is the risk that a financial loss will be incurred if a counterparty to a transaction does not fulfil its financial obligations. It arises from cash and short-term investments and trade and other receivables.

The Company makes a majority of its sales on credit to a broad spectrum of customers. This exposes the Company to significant risk. The company has credit policies in place that ensure that credit is advanced to customers with an appropriate credit quality.

To mitigate credit risk, the Credit Control Manager assesses the credit worthiness of each customer based on the customer's financial position, payment history and past experience. All customers are allocated credit limits and days within which to pay.

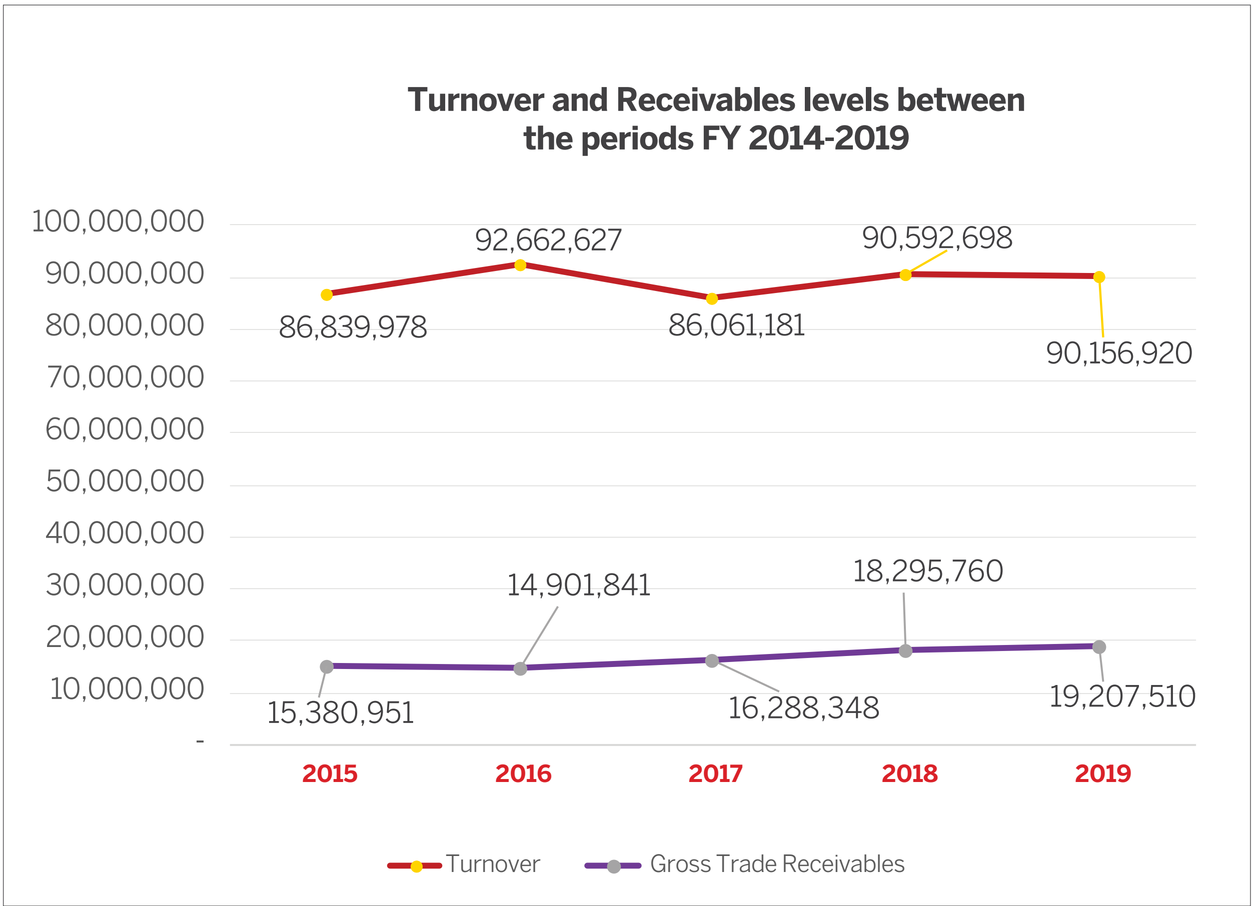
The Company has an aggressive debt collection unit whose main task is to followup debtors for payment on a daily basis. Clients who fail to settle their outstanding obligations are escalated to external collection agencies and courts of law for recovery.

The gross trade receivables of shs 19.2bn for the year ended June 30, 2019 were 5% higher than those in June 30, 2018 ie shs 18.3bn. However, due to the aggressive collection policies in place, most of the old debts were recovered leaving a majority of the debt at 66% falling within 0-3 months old. Newer debts are easily collectible compared to older ones where the risk of default is higher.

As at June 30, 2019	Total	0 to 3 months	3 to 12 months	Over 12 months
Gross trade receivables Shs'000	19,207,510	12,613,879	4,856,774	1,736,857
		66%	25%	9%
Receivable Days		Vision Group		Other Media Houses (December 2018 Figures)
		78 Days		183 Days

The Company collects its debts within 90 days. In the FY 2018/19, the collection period was 78 days due to slow payment by government ministries and agencies. This period is still more favourable compared to the industry average of 183 days (according to December 2018 figures). This means that the Company collects its receivables two times faster than other players in the industry.

	2019 Shs'000	2018 Shs'000	2017 Shs'000	2016 Shs'000	2015 Shs'000
Turnover	90,156,920	90,592,698	86,061,181	92,662,627	86,839,978
Gross trade receivables	19,207,510	18,295,760	16,288,348	14,901,841	15,380,951
Receivable days	78 Days	74 Days	70 Days	59 Days	65 Days



Market Place Practices

Sustainable Procurement

Our procurement processes were migrated to the processes provided in the Public Procurement and Disposal of Public Assets Act (PPDA) and Regulations, 2014 as amended with effect from the financial year 2017/18 mainly because Government owns the majority of the shareholding in the Company. However, the Company received partial accreditation (exemptions from full compliance with the law) from the Authority to take advantage of opportunities within the shortest time possible. This was made possible because of the competitive nature of the business and the operations in the current market. The procurement and disposal processes are guided by the internal procurement Manual developed in line with the Act and approved by PPDA and the relevant sections of the PPDA laws.

The Company subscribes to the following principles in procurement of goods, works and services; transparency, accountability, integrity and fairness. All procurements and disposals are conducted in a manner that maximises competition and achieves value for money, are in compliance with the relevant laws and regulations in the country and best practices and respect confidentiality of information.

Our internal policies and procedures have made company business more competitive. Compliance with existing and relevant legislation has increased stakeholder confidence in the Company. Vision Group continues to maintain a high level of integrity while conducting business with its various stakeholders.

The Company has a nil record of cases against her reported to the PPDA Authority arising from bid processes. The Company has employed skilled personnel at all levels of the procurement and disposal process to ensure compliance during the process, eliminate process flaws and make effective decisions in a timely manner that protect the interests of the Company.

We have achieved more efficiency and effectiveness in service delivery through quality assurance hence satisfying the needs of our user departments.

We offer competitive bidding to all intending suppliers. Even in instances where the pre-qualified suppliers go unreasonably above the market rates, we have opened up to the other players thereby safeguarding the shareholders' funds with proper Value for Money transactions.

Vision Group boasts a large base of local providers. The annual prequalification list has over 200 suppliers and of these 90% are local providers. Some of these local providers have been awarded contracts to supply critical items in our business line such as printing inks, newsprint and machine spare parts in form of framework and lump-sum agreements. The purpose of this is to build local capacity of our providers to sustain internal needs and demand. In turn we can cut costs and reduce lead times of imported solutions.

The local suppliers handled 87% of the procurement spend in FY 2018/19.

Summary of procurement spend

Item	2018/2019	2017/2018	2016/2017
Total procurement spend	Shs 47.5bn	shs 47bn	shs 49bn
Amount spent on local suppliers	Shs 41.4bn	Shs 42bn	Shs 35bn
Amount spent on foreign suppliers	Shs 6.1bn	Shs 5bn	Shs 12bn
Percentage spent on local suppliers	87%	90%	74%
Percentage spent on foreign suppliers	13%	10%	25%

One of the biggest challenges to long-term sustainability is the increased price for our major input, imported newsprint. From July 2017 to June 2018, the prices of newsprint have increased by 19%. The prices have also been affected by the dollar rate fluctuating from shs. 3,595/= in July 2017 to shs. 3,885/= in June 2018, which is an increment of 8%. The increasing prices and the rising dollar rate have generally led to the overall increase in the newsprint cost. We have, however, got relief by the price drop on the international market from $1,166 to $920 per metric tonne and the dollar stabilization at shs. 3,700.

Taxes

The company understands the importance of paying taxes to Government which will help finance public expenditure and ensure developmental objectives are met. All tax due was paid in a timely manner. In the FY 2018-19 a total of shs 21.01bn was paid to Uganda Revenue Authority for the following tax heads: VAT worth shs. 10.4bn, Income Tax, Corporation Tax worth shs. 1.9bn, WHT at shs 1.5bn and PAYE at shs 6.7bn. Customs duties worth shs. 507m which are embedded in our raw material and imported assets landed value were also paid during the reporting period. Compliance with the tax regime is good corporate citizenship and recognizes the need to contribute to the business environment and ultimately to social development. Such a contribution ensures a healthy business environment for the Company to operate for the foreseeable future.

Regulators

A key pillar supporting our sustainability is compliance with the existing legal and regulatory framework. Compliance with all regulations was adhered to during the year including, meeting statutory filing deadlines and making payments as they fell due to enable provision of quality regulatory activities and compliance with the law generally. Various regulators in the market were aggressively enforcing their mandate as provided for in the law and every effort has been employed to ensure that compliance breaches that would greatly affect the Company are avoided.

Thanks to guidance from the Board through the Audit and Risk Committee, the Company remained resilient while operating in a heavily regulated environment with intensified demands from industry regulators and increased license fees and charges. The Company continued to streamline all its operations in accordance with the law and industry practice.

The Company's business model of using Sales Executives to obtain business came under threat in the last financial year when the tax authority, URA reclassified these executives as employees and accordingly assessed outstanding income tax of about shs. 8.5bn against the Company. The move by URA has been challenged by filing a petition in the Tax Appeals Tribunal. The petition has high chances of success.

The Company is also at the cutting edge of promoting government policy issues through participation in different consultative meetings in Parliament. During the period, discussions on the Data Protection and Privacy law were held and our concerns were taken into consideration while passing the current law.

We continue to pursue regular engagement with our regulators in a bid to resolve any challenges. Engagements were also held with URA, NSSF, UCC, KCCA, PPDA, CMA and USE.

Manufactured Capital

The Non-Current Assets reduced in value from shs. 49.4bn to shs. 46.4bn. This was due to depreciation of the assets yet the major acquisitions are set for the year 2019/20 as per the Company's strategy implementation plan.

On the other hand, the Current Assets increased tremendously because the inventory holding went up by 70% and the receivables by 38%. The inventory holding was escalated by the anticipated business for which we had to stock raw materials, including delayed deliveries of paper arising from scarcity on the International market. We procured from the East African Suppliers and the earlier placed orders arrived as the year was closing. Stocking in the year 2019/20 will, therefore, be reduced since the opening stock is high. There were also a number of sales orders coming through in the fourth quarter of the FY 2018/19 and this increased the level of gross trade receivables (including amounts due from related parties) by shs.1.8bn. These occurrences reduced the cash and cash equivalents by 25%, but the overall Current Assets value increased as shown in the table below:

	2019	2018
	Shs '000	**Shs '000**
ASSETS		
Non-current assets	46,373,670	49,425,024
Current assets	43,628,393	37,293,113
Total assets	**90,002,063**	**86,718,137**

AWARDS

The following journalists were awarded study fellowships in recognition of their journalistic skills:

Stephen Ssenkaaba received the Knight-Wallace Fellowship for Journalism at the University of Michigan, USA.

The Knight-Wallace Fellowship recognizes accomplished journalists. Each year, 20 Fellows from all facets of journalism are selected to the competition and accepted into the University of Michigan to undertake research for one year on the topic, "Inclusive Online strategies for emerging Newsmarkets". Over 200 candidates from all over the world applied for the fellowships and only 19 were selected after a rigorous evaluation process.

Value addition to me

"The Fellowship equipped me with new journalistic skills, especially in connection with my research topic on inclusive online strategies. I learnt a lot from leading media experts, professors and newsrooms on how newsrooms around the world are coping with digital disruption. The Fellowship also provided much needed time for me to reflect on my career and personal growth."

Value addition to the Company

"I am heading a project to initiate podcasting as an avenue for audience engagement for our online audiences. I also support young colleagues in shaping story ideas and writing."

Advice to other employees

"The best reward New Vision can ever give you in exchange for your work, is the PLATFORM to shine. It may not be a fat salary or a promotion. It is the PLATFORM – the newspaper, website, television and radio where your articles and productions appear. Use this platform well, the rest will follow at the right time.."

Samuel Sanya attended the program at Booth School of Business Stigler Center-Journalism, University of Chicago, USA.

The Stigler Center Journalists in Residence program is a highly selective opportunity for the best business journalists in the world to receive the very best training in contemporary aspects of business at the University of Chicago's Booth School of Business. Samuel Sanya was selected as one of only 8 journalists out of 200 applications for the highly selective program which lasted 3 months. The quality of his articles, understanding of business journalism and exceptional performance in interviews made him get the honor to be the first African to be selected for the program since its inception in 2015.

Value addition to the Company

> I am better equipped to articulate business issues and create more compelling stories and journalism. This will improve the value of Vision Group's news and lead to greater sales and profit. This is also recognition of the high quality of New Vision's journalism.

Advice to other employees

> There is a market for journalism that articulates the aspirations of ordinary people.

Linda Niwenyesiga received the Irish Aid Fellowship in Public advocacy and activism and is currently undertaking the study.

Our employees continue to get recognition for their outstanding performance.

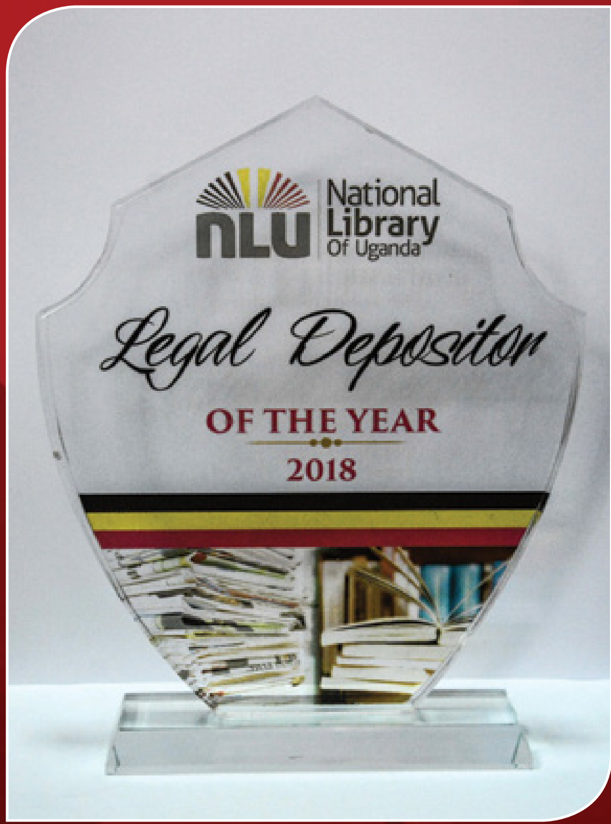
Faridah Kulabako and Samuel Sanya were recognized as the "Financial journalists of the year, 2018" at the Uganda Bankers Association annual dinner.

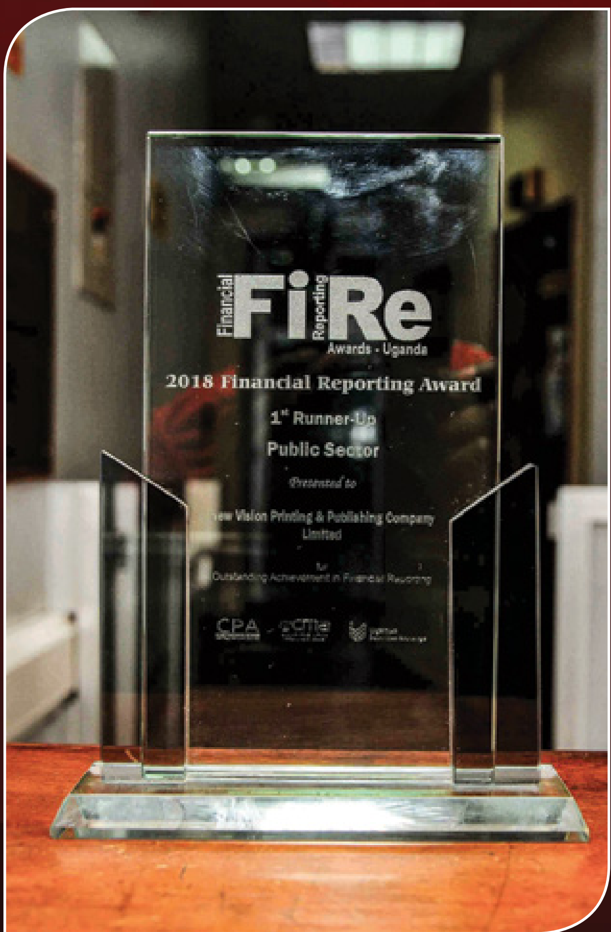
This award is for the journalists who, more than any other, deserve recognition for their outstanding individual performance over the year in articulating banking issues in a balanced way. The judges look for work which shows journalistic skill and rigour, is revelatory and which serves the public interest.

Samuel Sanya was the first runner up for the award of Best Re/Insurance Online Article (English) held in Mauritius

The Pan-African Re/Insurance Journalism awards were launched in April 2015 and are an extension of Continental Reinsurance's continued commitment to the advancement of excellence in the industry. Business journalists are invited from all over Africa to submit entries. Through these awards, recognition and honor are given to journalists who have made outstanding contributions in reporting and writing about the insurance sector in African media.


2019
In recognition of your commitment to African Child well-being
New Vision
Champion for ICHAD and SMART Africa Center Award
ichad
Brown School
SMART Africa Center
Brown School
Washington
University in St Louis


NLU
National Library Of Uganda
Legal Depositor
OF THE YEAR
2018


Financial FiRe Reporting
Awards - Uganda
2018 Financial Reporting Award
1st Runner-Up
Public Sector
Presented to
Vision Printing & Publishing Company
Limited
for
Outstanding Achievement in Financial Reporting
CPA


THE MEDIA CHALLENGE AWARDS
Organized by
MEDIA HOUSE WITH BEST INTERNSHIP PROGRAM AWARD

Financial Statements

The Directors submit their report together with the audited financial statements for the year ended 30 June 2019 which disclose the state of affairs of New Vision Printing and Publishing Company Limited (the Company).

1. PRINCIPAL ACTIVITIES

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

2. RESULTS

The results for the year are set out on page 113.

3. DIVIDENDS

The Directors recommend payment of a dividend of Ushs 25 per share amounting to Ushs 1,912 million for the year ended 30 June 2019 (2018: Ushs 1,912 million).

4. RESERVES

The reserves of the Company are set out on page 115.

5. DIRECTORS

The Directors who held office during the year and to the date of this report were:

Name	Role
Monica Chibita	Board Chairperson
Jim Mugunga	Deputy Board Chairperson
Robert Kabushenga	Managing Director/CEO
Gervase Ndyanabo	Deputy Managing Director/Company Secretary (Alternate Director for CEO)
Oode Obella	Non Executive Director
Charles Tukacungurwa	Non Executive Director
Patrick Ayota	Non- Executive Director
Robinah Kaitiritimba Kitungi	Non Executive Director
Michael Nyago	Non Executive Director- Appointed on 22 November 2018
Susan Lubega	Non Executive Director- Appointed on 22 November 2018
Peter Kawumi	Non Executive Director - Appointed on 24 January 2019
Moses Mwase	Non Executive Director - Appointed on 24 January 2019
Gad Gasaatura	Non Executive Director - Retired on 22 November 2018
Steven Bamwanga	Non Executive Director - Retired on 22 November 2018

All Directors are Ugandans.

Members of the Board Audit and Risk Committee

Name	Role
Oode Obella	Chairman
Joseph Baliddawa	Member
Parity Twinomujuni	Member
Patricia Adongo Ojangole	Member - Appointed on 22 November 2018
Michael Nyago	Member - Appointed on 22 November 2018
Susan Lubega	Member -Served until 22 November 2018

6. GOING CONCERN

The financial statements set out on pages 113 to 183, which have been prepared on the going concern basis, were approved by the Board of Directors on October 15, 2019.
By order of the Board

…………………………………………………

Company Secretary

The Companies Act of Uganda, 2012 requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of financial affairs of the Company as at the end of the financial year and of its operating results for that year. It also requires the Directors to ensure the Company keeps proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

The Directors are ultimately responsible for the internal control of the Company. The Directors delegate responsibility for the internal control to management. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the Company's assets. Appropriate accounting policies supported by reasonable and prudent judgements and estimates, are applied on a consistent and using the going concern basis. These systems and controls include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgement and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Companies Act of Uganda, 2012. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its operating results. The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

The financial statements were approved by the Board of Directors on October 15, 2019 and signed on its behalf by:

....

Director

....

Director

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED FOR THE YEAR ENDED 30th JUNE 2019

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the financial statements of the New Vision Printing and Publishing Company Limited set out on pages 113 to 183, which comprise the statement of financial position as at 30th June 2019, 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 accompanying financial statements present fairly, in all material respects the financial position of New Vision Printing and Publishing Company Limited as at 30th June 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of Uganda, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants (IFAC code) and other independent requirements applicable to performing audits in Uganda. I have fulfilled my other ethical responsibilities in accordance with IFAC Code, and in accordance other ethical requirements applicable to performing the audit of New Vision Printing and Publishing Company Limited. 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 as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provided the basis for my audit opinion on the accompanying financial statements.

Key Audit Matter	How my audit addressed the key audit matter
Expected Credit losses on financial assets under IFRS 9	
On 1st July 2018, the Company adopted IFRS 9 Financial Instruments. The standard requires the Company to recognise an allowance for expected credit losses (ECL) on its financial assets measured at amortised cost. IFRS 9 is a complex standard that introduces a new model for impairment of financial assets that is based on forward looking factors. Determination of expected credit losses is a subjective area due to the level of judgement applied by management in determining the provisions. I focused on the measurement of the expected credit losses, including the assessment of whether the expected credit loss model applied by the Company was in accordance with IFRS 9. As disclosed in Note 3 (r) to the financial statements, judgement is applied in determining the appropriate parameters and assumptions used to calculate expected credit losses. This includes the determination of probabilities of default, loss given default, and the expected future cash flows. The Company also considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. I considered this a key audit matter since the estimation of the expected credit losses involves significant judgment and assumptions. The impact of adoption of IFRS 9 is disclosed in note 3 (s). The maximum exposure to credit risk and the resultant expected credit losses computed in accordance with IFRS 9 as at 30th June 2019 are disclosed in note 29 (c) The accounting policies for impairment of financial assets are disclosed in note 3 (g).	My audit procedures included but were not limited to: • Evaluating the Company's expected credit loss model against the IFRS requirements. • Comparing the Company's inputs into the expected credit loss model to industry, financial and economic data and our own assessment. As part of this, I assessed the Company's inputs used including the consistency of judgement applied in the classification of financial assets and determination of probabilities of default. • Testing that the reported expected credit losses were determined in accordance with the Company's expected credit loss model. • Evaluating the completeness of the disclosures on expected credit losses on the financial assets. • Obtained management representations for any adjustments made in the Company's financial statements in respect to the expected credit losses.

Key Audit Matter	How my audit addressed the key audit matter
Revenue recognition and disclosures under IFRS 15	
The Company adopted IFRS 15 "Revenue from Contracts with Customers" with effect from 1st July 2018. The adoption of the new standard involved the exercise of a number of key judgements and estimates around the determination of the transaction price as a result of variable consideration included therein. The standard also provides for more extensive disclosures for the Company's revenue transactions such as disaggregation of revenue. Certain contracts mainly circulation sales provide a customer with a right to return the goods within a specified period. Management uses the most likely amount method based on historical, current and forecast information to estimate the uncertainty on the amount of variable consideration and creates refund liabilities. Management also exercised judgement in establishing sufficiency of information that will enable users of financial statements to understand the relationship between the disclosure of disaggregated revenue and revenue information that is disclosed for each reportable segment. I considered this as a key audit matter since the estimation of the variable consideration involves significant judgement and estimates in determining the amounts. The determination of the appropriate disaggregation of revenue also involves considerable judgement in assessing the relevance and reliability to the users of the financial statements. The impact of adoption of IFRS 15 is disclosed in note 3 (s). Refer to notes 3 (a) and 4 to the financial statements for accounting policies and the relevant detailed disclosures respectively.	My audit procedures included but were not limited to: • Testing relevant controls established by management to ensure appropriate recognition of revenue. • Assessing the appropriateness of the method, assumptions and judgements used by management to estimate the variable considerations. • Checking the accuracy and completeness of underlying data used in the model and the arithmetical accuracy of the computation of refund liabilities. • Evaluating the adequacy of the Company's disclosures included in the financial statements in relation to the implementation of the new accounting standard. • Obtaining management representations for any adjustments made in the Company's financial statements in respect to the revenue recognition.

Other Information

The Directors are responsible for the other information. The other information comprises the Company information, the Directors' Report as required by the Companies Act, 2012 of Uganda and the Statement of Directors' Responsibilities, (but does not include the financial statements and my auditor's report thereon), which I obtained prior to the date of the auditor's report and the Annual Report, which is expected to be made available to us after that date.

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 the 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 of Uganda, 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 are aware of any intention to either 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.

Auditor's 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 ISAs 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 scepticism 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 my 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of Director'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 Company'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 Company 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 Requirements

As required by the Companies Act, 2012 of Uganda, I report based on my audit that;

(i) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;

(ii) In my opinion, 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 profit or loss and other comprehensive income are in agreement with the books of account.

John F.S. Muwanga
AUDITOR GENERAL

23rd October, 2019

New Vision Printing and Publishing Company Limited
Financial Statements
For the period ended 30 June, 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE

	Note	2019	2018
			*Restated
		Ushs'000	Ushs'000
Revenue from contracts with customers	4.1	90,156,920	90,592,698
Cost of sales	5	(68,328,035)	(67,805,123)
Gross profit		**21,828,885**	**22,787,575**
Other income	6	1,521,543	883,347
Distribution costs	7	(1,742,097)	(1,892,410)
Impairment losses on financial assets	8	(481,170)	(309,895)
Administrative expenses	9	(14,763,198)	(14,027,635)
Other operating expenses	10	(2,454,721)	(2,820,213)
Profit before taxation	11	**3,909,242**	**4,620,769**
Income tax expense	12	(1,780,469)	(2,227,016)
Profit for the year		**2,128,773**	**2,393,753**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,128,773**	**2,393,753**
Basic and diluted earnings per share	13(b)	27.8	31.3

*Certain amounts shown here do not correspond to the 2018 audited financial statements and reflect adjustments included in Note 32.

New Vision Printing and Publishing Company Limited
Financial Statements
As at 30 June, 2019

STATEMENT OF FINANCIAL POSITION

	Note	2019	2018	2017
			*Restated	*Restated
		Ushs'000	Ushs'000	Ushs'000
ASSETS				
Non-current assets				
Property, plant and equipment	14	43,124,096	46,118,045	47,634,072
Prepaid operating lease rentals	15	3,163,257	3,262,213	3,360,972
Intangible assets	16	86,317	44,766	165,940
		46,373,670	**49,425,024**	**51,160,984**
Current assets				
Inventories	17	7,670,613	4,513,066	8,465,945
Trade and other receivables	18	23,727,935	17,103,790	17,606,823
Right of return asset	4.3	31,929	-	-
Deposits with commercial banks	19	4,938,649	9,724,488	450,000
Cash and cash equivalents	20	4,401,565	5,896,458	6,298,369
Tax deposit recoverable	21	2,569,777	-	-
Current tax recoverable	12 (a)	287,925	55,311	17,347
		43,628,393	**37,293,113**	**32,838,484**
Total Assets		**90,002,063**	**86,718,137**	**83,999,468**
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	22 (a)	1,503,990	1,503,990	1,503,990
Share premium	22 (b)	27,158,864	27,158,864	27,158,864
Revaluation reserve		11,122,624	12,297,149	13,475,064
Proposed dividends	13 (a)	1,912,500	1,912,500	-
Retained earnings		30,406,125	26,459,674	24,295,686
Total equity		**72,104,103**	**69,332,177**	**66,433,604**
Non-current liabilities				
Deferred tax liability	12 (d)	7,539,853	7,030,886	7,131,465
Current liabilities				
Trade and other payables	23	5,659,067	5,891,913	6,602,799
Refund liability	4.3	42,573	-	-
Provision for litigations	24	896,500	714,521	331,000
Dividends payable	25	2,041,432	999,591	1,100,629
Grant liability	26	149,854	-	-
Contract liabilities	4.2	1,568,681	2,749,049	2,399,971
		10,358,107	**10,355,074**	**10,434,399**
Total Equity and Liabilities		**90,002,063**	**86,718,137**	**83,999,468**

*Certain amounts shown here do not correspond to the 2018 and 2017 audited financial statements and reflect adjustments included in Note 32.

The financial statements were approved by the Board on October 15, 2019 and signed on its behalf by:

Director **Director**

New Vision Printing and Publishing Company Limited
Financial Statements
For the year ended 30 June 2019

STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Proposed dividend	Revaluation Reserve*	Retained earnings	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
	Note 22 (a)	Note 22 (b)	Note 13 (a)			
At 1 July 2017 (as previously stated)	1,503,990	27,158,864	-	14,672,829	24,430,392	67,766,075
Prior year adjustment (note 32)	-	-	-	(1,197,765)	(134,706)	(1,332,471)
Restated opening balance	**1,503,990**	**27,158,864**	**-**	**13,475,064**	**24,295,686**	**66,433,604**
Profit for the year	-	-	-	-	2,393,753	2,393,753
Transfer of realised revaluation surplus to retained earnings (restated)	-	-	-	(1,177,915)	1,177,915	-
Deferred tax effect of transfer	-	-	-	-	504,820	504,820
Final dividend proposed for 2018 (note 13(a))	-	-	1,912,500	-	(1,912,500)	-
At 30 June 2018	**1,503,990**	**27,158,864**	**1,912,500**	**12,297,149**	**26,459,674**	**69,332,177**
At 1 July 2018	1,503,990	27,158,864	1,912,500	12,297,149	26,459,674	69,332,177
Effect of adoption of IFRS 9, net of tax (Note 3(s))	-	-	-	-	2,059,626	2,059,626
Effect of adoption of IFRS 15, net of tax (Note 3(s))	-	-	-	-	(7,341)	(7,341)
Restated opening balance	**1,503,990**	**27,158,864**	**1,912,500**	**12,297,149**	**28,511,959**	**71,384,462**
Profit for the year	-	-	-	-	2,128,773	2,128,773
Transfer of realised revaluation surplus to retained earnings	-	-	-	(1,174,525)	1,174,525	-
Deferred tax effect of transfer	-	-	-	-	503,368	503,368
Proposed dividends(note 13(a))			1,912,500		(1,912,500)	
Dividends declared (note 25)	-	-	(1,912,500)	-	-	(1,912,500)
At 30 June 2019	**1,503,990**	**27,158,864**	**1,912,500**	**11,122,624**	**30,406,125**	**72,104,103**

***Revaluation reserve**

The revaluation reserve arose on revaluation of land and buildings and plant and machinery in 2017. The fair value of the property, plant and equipment was determined as at 30 June 2017 by Adriko & Associates (East Africa) Chartered Consulting Engineers, a Ugandan engineering professional services consulting firm, an accredited and independent valuer. The amounts were incorporated in the Company's books of account on 30 June 2017.The revaluation reserve is not distributable to shareholders.

New Vision Printing and Publishing Company Limited
Financial Statements
For the year ended 30 June, 2019

STATEMENT OF CASH FLOWS

		2019	2018
			*Restated
	Note	Ushs'000	Ushs'000
Net cash flows (used in)/ generated from operating activities	27	**(4,171,231)**	**12,337,586**
Cash flows generated from / (used in) investing activities			
Purchase of property, plant and equipment	14	(2,204,835)	(3,540,701)
Purchase of intangible assets	16	(61,635)	(36,168)
Placements of deposits with commercial banks	19	(10,200,000)	(18,000,000)
Maturities of deposits with commercial banks	19	15,200,000	8,750,000
Interest received from commercial bank deposits	19	617,310	163,640
Proceeds from disposal of property, plant and equipment		46,303	24,770
Net cash generated from/(used in) investing activities		**3,397,143**	**(12,638,458)**
Cash flows used in financing activities			
Dividends paid	25	(870,659)	(101,038)
Net cash used in financing activities		**(870,659)**	**(101,038)**
Net decrease in cash and cash equivalents		**(1,644,747)**	**(401,911)**
Cash and cash equivalents at beginning of year		5,896,458	6,298,369
Cash and cash equivalents at end of year	20	**4,251,711**	**5,896,458**

*Certain amounts shown here do not correspond to the 2018 audited financial statements and reflect adjustments included in Note 32.

1. 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 on June 17, 2002. The principal activities of the Company are publishing, printing and distribution of newspapers and magazines. The Company also engages in television and radio broadcasting, and digital online production. The Company was listed on the Uganda Securities Exchange in November 2004.

The registered office of the Company is at Plot 19/21, 1st Street, Industrial Area, PO Box 9815, Kampala, Uganda.

The financial statements of the Company for the year ended 30 June 2019 were authorized for issue in accordance with a resolution of the Board of Directors on October 15, 2019.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and the requirements of The Companies Act, 2012 of Uganda.

The financial statements have been prepared on a historical cost basis, except where otherwise stated and are presented in Uganda Shillings ('Ushs'), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in the financial statements. An additional statement of financial position as at 1 July 2017 is presented in the financial statements due to retrospective restatement as indicated in note 32.

2.2 Statement of compliance

The financial statements of the Company have been prepared in accordance with and comply with International Financial Reporting Standards ('IFRS') and the requirements of the Companies Act, 2012 of Uganda.

For purposes of reporting under the Companies Act, 2012 of Uganda, the balance sheet in these financial statements is represented by the statement of financial position and the profit and loss account is represented by the statement of profit or loss and comprehensive income.

2.3 Going concern

The Company's Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Revenue from contracts with customers

Revenue (For the year ending 30 June 2019)
The Company is a media enterprise in the business of selling print products, advertising in print and broadcast and printing services. The Company has also entered into the business of events and experiential marketing.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3 (r).

Sale of goods and advertising

Revenue from sale of goods and advertising is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods or airing/publishing of the adverts. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(i) *Variable consideration*

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The rights of return and volume rebates give rise to variable consideration. The Company's contracts for circulation sales include a right to return. However, the standard contracts and sales arrangements do not provide for volume rebates.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the most likely amount method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

(ii) *Significant financing component*

Generally, the Company receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a) Revenue from contracts with customers (Continued)

(iii) *Non-cash consideration*

The Company generally agrees all its contracts settlements to be in cash.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in note 3 (g) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

Cost to obtain a contract

The Company pays sales commission for each contract that they obtain for circulation and advertising sales. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commissions (included under cost of sales) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue (For the year ending 30 June 2018)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, and other sales taxes or duty.

Sale of goods and advertising

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Other income

Interest income on bank deposits is recognised as interest accrues using the effective interest rate method. Other revenues earned by the Company are recognised as they are earned.

b) Current versus non-current classification=

- The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

  Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

  Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Property, plant & equipment (Continued)

Land, buildings and plant and machinery are measured at fair value less accumulated depreciation and impairment losses recognised after the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

An annual transfer from the asset revaluation surplus to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follow;

Nature of assets	Percentage of depreciation
Plant and machinery	8%
Furniture and office equipment	12.5%
Motor vehicles and motor cycles	25%
Computers and digital cameras	40%
Pre-press equipment	25%
Transmission and studio equipment (TV & Radio)	12.5%-20%
Radio electronic equipment	20%
Television transmission equipment	12.5%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Intangible Assets (Continued)

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

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 15 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 15 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.

e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank, cash on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, cash at bank, and any short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Uganda, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. The approved dividends are recognised as liabilities until when paid. Interim dividends are charged to equity when paid.

g) Financial Instruments

Financial Instruments (For the year ended 30 June 2019)

Financial instruments-Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in note 3(a) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (For the year ended 30 June 2019) (Continued)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;

  And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include trade and other receivables, and deposits with banks.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling;

  And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company did not have debt instruments at fair value through OCI during the year ended 30 June 2019.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company did not have equity instruments at fair value through OCI during the year ended 30 June 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (For the year ended 30 June 2019) (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss. This category includes derivative instruments and listed equity investments. Dividends on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

The Company did not have Financial assets at fair value through profit or loss during the year ended 30 June 2019.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired;

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (For the year ended 30 June 2019) (Continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Disclosures for significant assumptions	Note 3 (r)
Trade and other receivables	Note 29 (c)
Bank balances	Note 29 (c)

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. In simplified approach, an entity does not have to determine the stage of a financial asset because the impairment loss is measured at lifetime ECL for all assets. The Company is applying a single loss-rate approach to receivables or groups of receivables as might be appropriate based on its average historical loss rate.

Depending on the data, the Company applies either of two ways of computing the loss rate per period. A loss rate may be computed as the ratio of outstanding invoice amounts beyond the default period and raised invoices at the beginning of each period.

In the case where payments are available, the recovery rate may be computed as a ratio of payments made on bills raised per time period before the default date. The loss rate is then obtained as 1 – Recovery rate. A common approximation is to cap recovery rates at 100% where payments exceed invoice amounts. The single loss rate is adjusted for forward-looking factors specific to the debtors and the economic environment. The single loss rate estimates are applied to each category of gross receivables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (For the year ended 30 June 2019) (Continued)

The Company considers whether ECLs should be estimated individually for any period-end receivables, e.g. because specific information is available about those debtors.

The Company considers a financial asset in default when contractual payments are 150 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and dividends payable.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings. The Company did not hold any loans and borrowings as at 30 June 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (For the year ended 30 June 2019) (Continued)

Trade and other payables

After initial recognition, trade payables are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The amortisation is included in profit or loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial Instruments (For the year ended 30 June 2018)

Financial instruments-Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The Company's financial assets include cash and bank balances, trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (For the year ended 30 June 2018) (Continued)

Due from banks and trade and other receivables

'Due from banks' and trade receivables are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as 'Financial assets held for trading', designated as 'Financial Investments-available-for-sale' or Financial assets designated at fair value through profit or loss'. After initial measurement, amounts due from banks and trade receivables are subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment. Amortisation is calculated by taking into account any discount or premium on acquisition fees and costs that are an integral part of the effective interest rate. The amortisation is included in 'other income' in profit or loss. The losses arising from impairment are recognised in profit or loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the assets but has transferred control of the asset.

Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial re-organisation and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Due from banks and trade receivables

For amounts due from banks and trade receivables carried at amortised cost, the Company first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

For amounts due from banks and trade receivables carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (For the year ended 30 June 2018) (Continued)

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income (recorded as finance income in profit or loss continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Company.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortized cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The amortization is included in profit or loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (For the year ended 30 June 2018) (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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(h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and any other available fair value indicators.

Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For all assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

h) Impairment of non-financial assets (Continued)

Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(i) Taxation

The income tax expense for the year comprises current and deferred income tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or equity, in which case the income tax expense is also recognised in other comprehensive income or equity, respectively.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Taxation (Continued)

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to Uganda Revenue Authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in Uganda. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Taxation (Continued)

Deferred income tax relating to items recognised outside profit or loss is recognised in other comprehensive income. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on a purchase of goods and services is not recoverable from Uganda Revenue Authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense for the item as applicable; and
- Receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

j) Foreign currency transactions and balances

The financial statements are presented in Ugandan Shillings (Ushs), which is also the Company's functional currency. Transactions during the year are converted into Uganda Shillings at rates ruling at the transactions dates. Monetary assets and liabilities at the reporting date, which are expressed in foreign currencies, are translated into Uganda Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

k) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of 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. The expense relating to a provision is presented in profit or loss net of any reimbursement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Provisions (Continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

l) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Expired and/or damaged stocks are expensed in the year they are determined.

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.

n) Employee benefits

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.

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.

The entity operates a defined contribution plan with Stanlib Uganda, for all qualifying employees. The entity contributes on behalf of each employee a set amount of the gross income on a monthly basis and is recorded as an administrative expense under 'Staff Costs' in profit or loss. There are no unpaid contributions by the end of the reported date.

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.

The Company contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently 10% of the employees' gross salary. The Company's contributions are charged to profit or loss in the period to which they relate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

p) Fair value

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.

The Company's fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as property, plant and machinery.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Fair Value (Continued)

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Company's Committee in charge of Valuation determines the policies and procedures for both recurring fair value measurement, and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. External valuers are involved for valuation of significant assets, such as Land and buildings and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined every time the Company's premises are to be revalued by the Valuation Committee after discussion with and approval by the Board of Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Valuers assessed and prequalified every 3 years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

a) Disclosures for valuation methods, significant estimates and assumptions Note 30
b) Quantitative disclosures of fair value measurement hierarchy Note 30
c) Property, plant and equipment under revaluation model Note 30

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; print media, electronic media, 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 on consolidation. Income and expenses associated with each segment are included in determining business segment performance. Refer to note 31 for segment reporting.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Significant accounting judgments estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management Note 29
- Financial instruments risk management and policies Note 29
- Sensitivity analyses disclosures Note 29.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

The Company concluded that it transfers control over its services (i.e., advertisement), at a point in time, upon airing or publishing of the adverts in print and audio and or visual media, because this is when the customer benefits from the Company's advertisement service.

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of newspapers and magazines include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the sale of newspapers and magazines with rights of return, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Provisions and contingencies

A provision is recognized if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Management has made judgements in determining the provisions presented in Note 24.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Significant accounting judgments estimates and assumptions (CONTINUED)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Revaluation of property, plant and equipment

The Company measures the land and buildings and plant and machinery at revalued amounts, with changes in fair value being recognised in OCI. The land and buildings and plant and machinery were valued by reference to transactions involving properties of a similar nature, location and condition. The Company engaged an independent valuation specialist to assess fair values as at 30 June 2017.

The key assumptions used to determine the fair value of the land and buildings and plant and machinery and sensitivity analyses are provided in Note 30.

Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The carrying amounts of the non-financial assets held by the Company as at 30 June 2019 are as indicated in notes 14 and 16.

Impairment of financial assets

For the year ended 30 June 2019

Provision for expected credit losses of financial assets

The Company applies a single loss-rate approach to receivables or groups of receivables as might be appropriate based on its average historical loss rate. Depending on the data, the Company applies either of two ways of computing the loss rate per period. A loss rate may be computed as the ratio of outstanding invoice amounts beyond the default period and raised invoices at the beginning of each period.

In the case where payments are available, the recovery rate may be computed as a ratio of payments made on bills raised per time period before the default date. The loss rate is then obtained as 1 – Recovery rate. A common approximation is to cap recovery rates at 100% where payments exceed invoice amounts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r) Significant accounting judgments estimates and assumptions (Continued)

The single loss rate is adjusted for forward-looking factors specific to the debtors and the economic environment. The single loss rate estimates are applied to each category of gross receivables.

The Company considers whether ECLs should be estimated individually for any period-end.

The information about the ECLs on the Company's trade and other receivables is disclosed in notes 18 and 29 (c).

For the year ended 30 June 2018

Impairment - The Company regularly reviews its assets and makes judgements in determining whether an impairment loss should be recognized in respect of observable data that may impact on future estimated cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. Further information on impairment and carrying amounts of the related assets are disclosed in notes 29 (c) and 18 respectively.

Estimating variable consideration for returns

The Company estimates variable considerations to be included in the transaction price for the sale of newspapers and magazines with rights of return.

The Company developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Company.

Details on the right of return assets and refund liability recognised in the financial statements are included in note 4.3.

Current income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Company and the tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing. As the Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no provision has been recognized. Details on the current income tax amounts recognised in the financial statements are disclosed in note 12.

Property, plant and equipment

Critical estimates are made by the management in determining the useful lives and residual values to property, plant and equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates. Details of the Company's property, plant and equipment are disclosed in note 14.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards

New and amended standards and interpretations

The Company applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 July 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard to all contracts as at 1 July 2018.

The cumulative effect of initially applying IFRS 15 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings . Therefore, the comparative information was not restated and continues to be reported under IAS 11, IAS 18 and related Interpretations.

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue'. However, the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Company has adopted the terminology used in IFRS 15 to describe such balances. The Company has contract liabilities as at year end related to advance payments by customers.

The Company's accounting policies for its revenue streams are disclosed in detail in note 3 (a) above.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

The effect of adopting IFRS 15 as at 1 July 2018 was as follows:

	Reference	Amount
		Ushs'000
Assets		
Right of return assets	(i)	31,978
Total assets		**31,978**
Liabilities		
Refund liabilities	(i)	42,465
Deferred tax	(i)	(3,146)
Total liabilities		**39,319**
Equity		
Retained earnings	(i)	(7,341)
		(7,341)

Set out below, are the amounts by which each financial statement line item is affected as at and for the year ended 30 June 2019 as a result of the adoption of IFRS 15. The adoption of IFRS 15 did not have a material impact on OCI or the Company's operating, investing and financing cash flows.

The first column shows amounts prepared under IFRS 15 and the second column shows what the amounts would have been had IFRS 15 not been adopted:

Statement of profit or loss and other comprehensive income for the year ended 30 June 2019

	Reference	IFRS 15	Previous IFRS	Increase/ (Decrease)
		Ushs'000	**Ushs'000**	**Ushs'000**
Revenue from contracts with customers				
Sale of goods	(ii)	22,124,692	22,124,799	(107)
Rendering of services		68,032,228	68,032,228	-
		90,156,920	**90,157,027**	**(107)**
Cost of sales	(ii)	(68,328,035)	(68,327,986)	(48)
Gross Profit		**21,828,885**	**21,829,041**	**(156)**
Operating profit		3,909,242	3,909,086	(156)
Profit before tax		3,909,242	3,909,086	(156)
Income Tax expense	(ii)	(1,780,469)	(1,780,422)	47
Profit for the year		**2,128,780**	**2,128,671**	**109**
Earnings per share				
Basic/ Diluted		**27.8**	**27.8**	**-**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

Statement of financial position as at 30 June 2019

	Reference	IFRS 15	Previous IFRS	Increase/ (Decrease)
Assets		Ushs'000	Ushs'000	Ushs'000
Right of return assets	(ii)	31,929	-	31,929
Total current assets		**43,628,393**	**43,596,464**	**31,929**
Total assets		**90,002,063**	**89,970,134**	**31,929**
Equity				
Retained earnings	(ii)	32,318,625	32,318,734	(109)
Total Equity		**72,104,103**	**72,104,212**	**(109)**
Liabilities				
Deferred tax liabilities	(ii)	7,539,853	7,543,046	(3,193)
Total non-current liabilities		**7,539,853**	**7,543,046**	**(3,193)**
Refund liabilities	(ii)	42,573	-	42,573
Total current liabilities		**10,358,107**	**10,315,534**	**42,573**
Total Liabilities		**17,897,960**	**17,858,580**	**39,380**
Total Equity and Liabilities		**90,002,063**	**89,962,792**	**39,271**

The nature of the adjustments as at 1 July 2018 and the reasons for the significant changes in the statement of financial position as at 30 June 2019 and the statement of profit or loss and other comprehensive income for the year ended 30 June 2019 are described below:

Sale of newspapers and magazines with variable consideration

Some contracts for the sale of newspapers and magazines provide customers with a right of return. Before adopting IFRS 15, the Company recognised revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns. If revenue could not be reliably measured, the Company deferred recognition of revenue until the uncertainty was resolved. Under IFRS 15, rights of return give rise to variable consideration.

Rights of return

When a contract provides a customer with a right to return the goods within a specified period, the Company previously estimated expected returns using a probability-weighted average amount approach similar to the expected value method under IFRS 15. Before the adoption of IFRS 15, the Company considered the returns to be insignificant and therefore recognised credit notes as and when the returns happened. This implied that the Company's revenue was not adjusted for any expected returns. The effects of any returns therefore are included in the retained earnings.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

(i) Under IFRS 15, the consideration received from the customer is variable because the contract allows the customer to return the products. The Company used the most likely method to estimate the goods that will not be returned. For goods expected to be returned, the Company presented a refund liability and an asset for the right to recover products from a customer separately in the statement of financial position. Upon adoption of IFRS 15, the Company debited retained earnings with the value of the refund liabilities worth Ushs 42 million and credited the retained earnings with the value of the right of return assets as at 1 July 2018 worth Ushs 32 million. The estimates created temporary differences and as a result the deferred tax effect was an asset of Ushs 3 million. Consequently, the retained earnings had a net reduction of Ushs 7 million.

(ii) As at 30 June 2019, IFRS 15 increased Right of return assets and Refund liabilities by Ushs 19 million and Ushs 26 million, respectively. The increases in the right of return asset and refund liability were after consideration of the actual returns during the period which led to the reduction in the estimates by Ushs 19.47 million and Ushs 25.95 million respectively. Consequently, in comparison with the treatment in previous IFRS, IFRS 15 decreased revenue from contracts with customers and cost of sales by Ushs 107,865 and Ushs 48,069 respectively for the year ended 30 June 2019. Refer to detail of movement in the refund liability and right of return assets in note 4.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company applied IFRS 9 prospectively, with an initial application date of 1 July 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.

(a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Company's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

The following are the changes in the classification of the Company's financial assets:

- Trade receivables and other financial assets (i.e., deposits with commercial banks, other receivables, cash and bank balances) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 July 2018.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of IFRS 9, the Company had the following classifications as at 1 July 2018.

		IFRS 9 measurement category		
IAS 39 measurement category		**Fair value through profit or loss**	**Amortised Cost**	**Fair value through OCI**
	Ushs'000	**Ushs'000**	**Ushs'000**	**Ushs'000**
Loans and receivables				
Cash and bank balances	5,896,458	-	5,896,458	-
Deposits with commercial banks	9,724,488	-	9,724,488	-
Trade and other receivables*	15,510,299	-	18,452,621	-
	31,131,245		**34,073,567**	-

* The change in carrying amount is a result of reduction in impairment allowance. See the discussion on impairment below.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon adoption of IFRS 9 the Company recognised a reduction in impairment on the Company's Trade and other receivables by Ushs 2,942 million, which resulted in an increase in retained earnings of Ushs 2,059 million and an increase in deferred tax liabilities of Ushs 883 million as at 1 July 2018.

The effect of adopting IFRS 9 as at 1 July 2018 was as follows:

	1 July 2018 Ushs'000
Assets	
Trade receivables	2,942,322
Total Assets	**2,942,322**
Liabilities	
Deferred tax liabilities	(882,697)
Total Liabilities	**(882,697)**
Total adjustment on equity	
Retained earnings	(2,059,625)
	(2,059,625)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

Set out below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9:

	Allowance for impairment under IAS 39 as at 30 June 2018 Ushs'000	Remeasurement Ushs'000	ECL under IFRS 9 as at 1 July 2018 Ushs'000
Loans and receivables under IAS 39/Financial assets at amortised cost under IFRS 9 and contract assets	3,695,633	(2,942,322)	753,311
	3,695,633	**(2,942,322)**	**753,311**

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

IFRIC 22 is effective for annual reporting periods beginning on or after 1 January 2018.The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

Amendments to IAS 40 Transfers of Investment Property

The amendments are effective for periods beginning on or after 1 January 2018.The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments are effective for periods beginning on or after 1 January 2018.The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Company has no share-based payments. Therefore, these amendments do not have any impact on the Company's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments are effective for periods beginning on or after 1 January 2018. The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. These amendments are not relevant to the Company.

Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments are effective for periods beginning on or after 1 January 2018.The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Company's financial statements.

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

Transition to IFRS 16

The Company plans to adopt IFRS 16 applying the modified retrospective approach and will not restate comparative figures. Instead, the Company will recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of accumulated surplus at the date of initial application.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The Company is in the process of performing a detailed impact assessment of IFRS 16 and expects that due to the adoption of IFRS 16, the Company's surplus from operations will improve, while its interest expense will increase. This is due to the change in the accounting for expenses of leases that were classified as operating leases under IAS 17.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances.

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. Since the Company operates in a complex retirement benefits management tax environment, applying the Interpretation may affect its financial statements. In addition, the Company may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted. These amendments have no impact on the financial statements of the Company.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. These amendments have no impact on the financial statements of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted. Since the Company does not have such long-term interests in associates and or join ventures, the amendments will not have an impact on its financial statements.

Annual Improvements 2015-2017 Cycle (issued in December 2017)
These improvements include:

(i) **IFRS 3 Business Combinations**
The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

s) Changes in accounting standards (Continued)

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. Since the Company does not have any business combinations, the amendments will not have an impact on its financial statements.

(ii) IFRS 11 Joint Arrangements

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019, with early application permitted. These amendments are currently not applicable to the Company but may apply to future transactions.

(iii) IAS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application is permitted. When an entity first applies those amendments, it applies them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

(iv) IAS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 January 2019, with early application permitted. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

Other amendments and new standards which have been issued but are not yet effective, which the Company does not expect to have an impact on the financial statements, are listed below:

- Definition of Material – Amendments to IAS 1 and IAS 8-effective annual periods after 1 January 2020
- Definition of a Business- Amendments to IFRS 3- effective annual periods after 1 January 2020
- The Conceptual Framework for Financial Reporting-effective annual periods after 1 January 2020

4 REVENUE FROM CONTRACTS WITH CUSTOMERS

4.1 Disaggregated revenue information

The Company presents disaggregated revenue based on the type of goods/services provided to customers, the nature of customer, nature of supply i.e. good or service and the timing of transfer of goods/services.

Set out below is the disaggregation of the Company's revenue from contracts with customers:

SEGMENTS	2019	2018
(a.) Types of goods and services	**Ushs'000**	**Ushs'000**
Print Media		
Advertising	29,284,005	28,550,286
Design House	114,330	76,675
Circulation	20,819,863	21,347,283
Sub total	**50,218,198**	**49,974,244**
Electronic media		
Advertising	24,578,070	24,346,999
TV production	43,798	66,095
Digital	1,902,678	1,597,569
Sub total	**26,524,546**	**26,010,663**
Commercial Printing	**9,910,340**	**11,552,020**
Others		
Events	2,199,008	1,897,572
Scrap sales	1,304,828	1,158,199
Sub total	**3,503,836**	**3,055,771**
Total Revenue from contracts with customers	**90,156,920**	**90,592,698**
(b.) Nature of Customer		
Companies	34,786,383	37,949,086
Government departments	11,458,460	8,661,972
Advertising Agencies	11,433,033	12,641,959
Schools and Universities	3,652,857	3,691,253
Other customers*	28,826,187	27,648,428
Total Revenue from contracts with customers	**90,156,920**	**90,592,698**

*Other customers include newspaper/ radio agents and individuals with walk in/adhoc sales.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

4.1 Disaggregated revenue information (Continued)

(c) Nature of supply	2019	2018
	Ushs'000	Ushs'000
Sale of goods	22,124,692	22,505,482
Rendering of services	68,032,228	68,087,216
Revenue	**90,156,920**	**90,592,698**

Sale of goods include circulation and scrap sales. The rest of the offerings are sale of services.

(d) Timing of revenue recognition

The Company's revenue is entirely made up of sale of goods and services transferred at a point in time and, therefore, it does not have any revenue that is recognised over time.

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 31)

Year ended 30 June 2019	Print media Ushs'000	Electronic media Ushs'000	Commercial printing Ushs'000	Others Ushs'000	Total Ushs'000
Revenue					
External customer	50,218,198	26,524,546	9,910,340	3,503,836	**90,156,920**
Inter - segment	418,432	338,493	516,927	-	**1,273,852**
	50,636,630	**26,863,039**	**10,427,267**	**3,503,836**	**91,430,772**
Inter-segment adjustments and eliminations	(418,432)	(338,493)	(516,928)	-	(1,273,853)
Total revenue from contracts with customers	**50,218,198**	**26,524,546**	**9,910,340**	**3,503,836**	**90,156,920**

Year ended 30 June 2018	Print media Ushs'000	Electronic media Ushs'000	Commercial printing Ushs'000	Others Ushs'000	Total
Revenue					
External customer	49,974,245	26,010,662	11,552,020	3,055,771	**90,592,698**
Inter - segment	582,721	163,860	660,079	-	**1,406,660**
	50,556,966	**26,174,522**	**12,212,099**	**3,055,771**	**91,999,358**
Inter-segment adjustments and eliminations	(582,721)	(163,860)	(660,079)	-	(1,406,660)
Total revenue from contracts with customers	**49,974,245**	**26,010,662**	**11,552,020**	**3,055,771**	**90,592,698**

4.2 Contract balances

	2019	2018
	Ushs'000	Ushs'000
Trade receivables	**19,207,510**	**14,600,127**

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days.

4 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

4.2 Contract balances (Continued)

	2019	2018
	Ushs'000	Ushs'000
Contract liabilities	**1,568,681**	**2,749,049**

Contract liabilities include short-term advances received to deliver adverts after the reporting date, security deposits by newspaper agents and any other advance payments by customers which are generally short term in nature.

The composition of the contract liabilities at reporting date is analysed as below;

	2019	2018
	Ushs'000	Ushs'000
Advances for advertisements	889,985	2,124,666
Special deposits and other advances from customers	678,696	624,383
	1,568,681	**2,749,049**

The amount of revenue recognised from contract liabilities during the year is indicated in reconciliation of movement in the contract liabilities during the year below;

	2019	2018
	Ushs'000	Ushs'000
At the beginning of the year	**2,749,049**	**2,399,971**
Additions	3,211,697	2,654,051
Revenue recognised during the year	(4,392,065)	(2,304,973)
At 30 June	**1,568,681**	**2,749,049**

4.3 Right of return assets and refund liabilities

	2019	2018
	Ushs'000	Ushs'000
Right of return assets	**31,929**	-

Below is a reconciliation of the movement in the right of return assets during the year;

	2019	2018
	Ushs'000	Ushs'000
At the beginning of the year	-	-
Impact of initial application of IFRS 15	31,978	-
Actual returns in current year relating to prior year sales	(19,466)	-
Increase in expected returns	19,417	-
At 30 June	**31,929**	**-**

	2019	2018
	Ushs'000	Ushs'000
Refund liabilities	**42,573**	**-**

4 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONTINUED)

4.3 Right of return assets and refund liabilities (Continued)

Below is a reconciliation of the movement in the refund liabilities during the year;

	2019	2018
	Ushs'000	Ushs'000
At the beginning of the year	-	-
Impact of initial application of IFRS 15	42,465	-
Actual returns in current year relating to prior year sales	(25,953)	-
Increase in expected returns	26,061	-
At 30 June	**42,573**	**-**

All right of return assets and refund liabilities arise from rights of return of newspapers and magazines.

5. COST OF SALES

	2019	2018
	Ushs'000	Ushs'000
Cost of materials consumed		
Opening stock	5,267,139	9,254,265
Purchases during the year	20,735,711	12,798,143
Closing stock	(8,616,917)	(5,267,139)
	17,385,933	**16,785,269**
Direct costs*	43,669,892	43,817,282
Sales commission	7,028,833	6,885,665
Increase in provision for stock obsolescence	243,377	316,907
	68,328,035	**67,805,123**

*Direct costs are analysed further as indicated below:

	2019	2018
	Ushs'000	Ushs'000
Direct costs		
Production staff salaries	16,455,984	16,948,398
NSSF Company contribution -production staff	1,709,662	1,756,477
Other production staff costs	1,031,359	1,140,884
Depreciation on property, plant and equipment	3,832,940	3,651,565
Content contributors' payments	4,079,813	4,162,239
Utilities	1,113,172	1,070,525
Other production costs	3,095,923	3,402,461
Repairs and maintenance	1,943,147	1,477,773
TV content	3,438,015	3,404,956
News services & licenses	909,856	440,883
Motor vehicle running costs	893,219	732,760
Insurance	491,741	506,861
Editorial content	190,432	430,752
Event costs	1,233,062	997,835
Other direct costs	3,251,567	3,692,913
	43,669,892	**43,817,282**

6. OTHER INCOME

	2019	2018
	Ushs'000	Ushs'000
Interest income	831,471	188,128
Gain on disposal of property, plant and equipment	41,695	8,353
Write back of provision for litigations (note 24)	62,500	
Other miscellaneous income	585,877	686,866
	1,521,543	**883,347**

7. DISTRIBUTION COSTS

Transportation of newspapers	**1,742,097**	**1,892,410**

8. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Trade receivables	427,937	309,895
Staff advances	53,233	-
	481,170	**309,895**

9. ADMINISTRATIVE EXPENSES

		2019	2018
		Ushs'000	Ushs'000
(a)	**Staff costs**		
	Salaries and wages	5,566,597	5,346,323
	National Social Security Fund employer contributions	621,712	638,654
	Other staff costs	668,834	719,165
	Gratuity	708,031	1,015,986
	Medical expenses	1,131,106	1,063,603
	Staff training and team building	384,380	274,424
	Company contribution to staff provident fund	333,888	-
		9,414,548	**9,058,155**
(b)	**Other Administrative expenses**		
	Repairs and maintenance	1,420,896	1,488,059
	Printing and Stationery	283,879	261,265
	Internet and network costs	815,750	577,437
	Motor vehicle running costs	595,480	488,507
	Provision for litigation	590,043	458,521
	Communication costs	99,348	97,344
	Bank charges and commission	123,523	119,712
	Listing expenses	94,475	82,846
	Audit fees	93,246	85,251
	Directors' expenses	536,891	541,934
	Fines and penalties	-	359,332
	Other administrative costs	695,119	409,272
		5,348,650	**4,969,480**
		14,763,198	**14,027,635**

		2019	2018
		Ushs'000	Ushs'000
10.	**OTHER OPERATING EXPENSES**		
	Rent and rates	164,174	57,409
	General insurance	134,489	164,020
	Electricity and water	440,138	464,809
	Security expenses	348,779	354,026
	Depreciation and amortisation	1,361,236	1,661,651
	Net foreign exchange loss.	5,905	118,298
		2,454,721	**2,820,213**

Future minimum rentals payable under non-cancellable operating leases are as follows:

As at 30 June 2019			
	Up to 1 year Ushs' 000	1 to 5 years Ushs' 000	Over 5 years Ushs' 000
Upcountry office bureaus & mast rentals	163,755	327,510	-

As at 30 June 2018			
	Up to 1 year Ushs' 000	1 to 5 years Ushs' 000	Over 5 years Ushs' 000
Upcountry office bureaus & mast rentals	162,209	324,419	-

Operating leases relate to leases of office space for different upcountry office bureaus and broadcasting masts across the country with lease terms averaging 3 years which are renewable. There are no operating lease contracts bearing terms for contingent rent payments. The Company does not have an option to purchase the leased office space at the expiry of the lease periods and neither does it have restrictions imposed by any lease arrangements.

11. PROFIT BEFORE TAXATION

The following items have been charged/(credited) in arriving at the profit before taxation:

Depreciation on property, plant and equipment	5,194,174	5,074,038
Amortisation of pre-paid operating lease rentals	98,957	98,759
Amortisation of intangible assets	20,083	157,342
Impairment losses on financial assets	481,170	309,895
Provision for litigations	590,043	458,521
Auditors' remuneration	93,246	85,251
Gain on disposal of property, plant and equipment	(41,695)	(8,353)

12. TAXATION

	2019	2018
	Ushs'000	Ushs'000
a) **Current income tax recoverable**		
At the beginning of the year	55,311	17,347
Charge for the year	(1,647,686)	(1,822,775)
Tax paid during the year	1,880,300	1,860,739
At 30 June	**287,925**	**55,311**

12. TAXATION (CONTINUED)

b) Income tax expense

Current tax	1,647,686	1,822,775
Deferred tax	132,783	404,241
Total tax charge	**1,780,469**	**2,227,016**

c) Reconciliation of accounting tax charge

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

Accounting profit for the year	3,909,242	4,620,769
Tax at applicable rate of 30% (2018: 30%)	1,172,773	1,386,231
Expenses and income not deductible	607,696	335,965
Prior year adjustment	-	504,820
	1,780,469	**2,227,016**

(d) Deferred tax

Deferred income taxes are calculated on all temporary differences using the liability method at the prevailing corporation tax rate of 30% (2018: 30%) The net deferred income tax liability is attributed to the following

	As at 1 July 2018	Charge/ (Credit) to Equity	Charge to Profit or Loss	As at 30 June 2019
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Accelerated depreciation	3,485,865	-	108,510	3,594,375
Capital gains/revaluations	5,266,779	(503,369)	-	4,763,410
Unrealised foreign exchange losses	(28,883)	-	28,883	-
Unrealised foreign exchange gains	66,523	-	(66,523)	-
Provision for litigations	(214,356)	-	(54,594)	(268,950)
Provision for impairment loss	(1,108,690)	882,699	(34,663)	(260,654)
Gratuity provision	(210,130)	-	208,886	(1,244)
Provision for slow moving inventory	(226,222)	-	(57,669)	(283,891)
Refund Liability	-	(12,740)	(32)	(12,772)
Return Asset	-	9,594	(15)	9,579
	7,030,886	**376,184**	**132,783**	**7,539,853**

12. TAXATION (CONTINUED)

(d) Deferred tax (Continued)

	As at 1 July 2018	Charge/ (Credit) to Equity	Charge to Profit or Loss	As at 30 June 2019
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Accelerated depreciation	3,252,111	-	233,754	3,485,865
Capital gains/revaluations	5,771,599	(504,820)		5,266,779
Unrealised foreign exchange losses	(10,474)	-	(18,409)	(28,883)
Unrealised foreign exchange gains	36,816	-	29,707	66,523
Provision for litigations	(99,300)	-	(115,056)	(214,356)
Provision for impairment loss	(1,323,857)	-	215,167	(1,108,690)
Gratuity provision	(258,934)	-	48,804	(210,130)
Provision for slow moving inventory	(236,496)	-	10,274	(226,222)
	7,131,465	**(504,820)**	**404,241**	**7,030,886**

	As at 1 July 2016	Charge to Equity	Charge/ (Credit) to Profit or loss	As at 30 June 2017
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Accelerated depreciation	3,687,635	-	(435,524)	3,252,111
Capital gains/revaluations	530,772	5,240,827	-	5,771,599
Unrealised foreign exchanges losses	(284,557)	-	274,083	(10,474)
Unrealised foreign exchanges gains	128,457	-	(91,641)	36,816
Provision for litigations	(74,700)	-	(24,600)	(99,300)
Provision for impairment loss	(466,409)	-	(857,448)	(1,323,857)
Gratuity provision	(280,273)	-	21,339	(258,934)
Provision for slow moving inventory	12,806	-	(249,302)	(236,496)
	3,253,731	**5,240,827**	**(1,363,093)**	**7,131,465**

13. DIVIDENDS AND EARNINGS PER SHARE

a. Dividends per share

The Directors recommended payment of a dividend of Ushs 25 per share amounting to Ushs 1,912,500,000 (2018: Ushs 1,912,500,000).

	2019	2018
Dividend proposed (**Ushs'000)**	1,912,500	1,912,500
Number of ordinary shares	76,500,000	76,500,000
DPS (Ushs)	**25.00**	**25.00**

b. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2019	2018
Profit attributable to ordinary equity holders (**Ushs'000)**	2,128,773	2,393,753
Weighted average number of ordinary shares for basic EPS	76,500,000	76,500,000
EPS (Ushs)	**27.80**	**31.30**
There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.		

14. PROPERTY, PLANT & EQUIPMENT

	Land & Buildings	Plant and Machinery	Motor Vehicles & Motor Cycles	Furniture and Equipment	TV and Radio Transmission, Studio Equipment & Electronics	Computers	Cameras & Pre-press equipment	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
COST & VALUATION								
At 1 July 2016	9,469,745	20,252,892	1,984,574	2,769,825	5,734,035	6,078,915	3,419,615	49,709,601
Additions in the year	3,139,619	6,035,719	498,334	127,579	566,246	487,272	164,528	11,019,297
Revaluation/ reassessment	3,973,910	14,923,654	243,098	123,056	147,313	154,243	255,737	19,821,011
Prior year adjustment	-	250,000	(243,098)	(123,056)	(147,313)	(154,243)	(255,737)	(673,447)
Revised Revaluation	**3,973,910**	**15,173,654**	**-**	**-**	**-**	**-**	**-**	**19,147,564**
Accumulated depreciation eliminated on disposal	(2,318,180)	(10,928,694)	-	-	-	-	-	(13,246,874)
Disposals	-	(743,949)	(196,559)	(272,744)	(993,701)	(2,019,909)	(371,436)	(4,598,298)
At 30 June 2017	**14,265,094**	**29,789,622**	**2,286,349**	**2,624,660**	**5,306,580**	**4,546,278**	**3,212,707**	**62,031,290**
At 1 July 2017	14,265,094	29,789,622	2,286,349	2,624,660	5,306,580	4,546,278	3,212,707	62,031,290
Additions in the year	1,925,289	381,561	323,429	164,951	234,676	462,495	48,300	3,540,701
Disposals	-	-	-	(34,908)	-	(6,824)	-	(41,732)
At 30 June 2018	**16,190,383**	**30,171,183**	**2,609,778**	**2,754,703**	**5,541,256**	**5,001,949**	**3,261,007**	**65,530,259**
At 1 July 2018	16,190,383	30,171,183	2,609,778	2,754,703	5,541,256	5,001,949	3,261,007	65,530,259
Additions in the year	-	251,336	450,583	149,923	134,946	854,136	363,911	2,204,835
Disposals	-	-	(198,116)	(8,441)	-	-	-	(206,557)
At 30 June 2019	**16,190,383**	**30,422,519**	**2,862,245**	**2,896,185**	**5,676,202**	**5,856,085**	**3,624,918**	**67,528,537**

14. PROPERTY, PLANT & EQUIPMENT(CONTINUED)

	Land & Buildings	Plant and Machinery	Motor Vehicles & Motor Cycles	Furniture and Equipment	TV and Radio Transmission, Studio Equipment & Electronics	Computers	Cameras & Pre-press equipment	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
ACCUMULATED DEPRECIATION								
At 1 July 2016	1,751,477	8,673,319	1,721,939	2,329,719	3,227,589	5,775,687	3,031,746	26,511,476
Elimination on disposal	-	(334,909)	(191,559)	(222,170)	(701,531)	(1,942,593)	(353,379)	(3,746,141)
Charge for the year (restated)	566,703	2,590,284	290,028	137,801	498,513	416,615	378,813	4,878,757
Eliminated on revaluation	(2,318,180)	(10,928,694)	-	-	-	-	-	(13,246,874)
At 30 June 2017	**-**	**-**	**1,820,408**	**2,245,350**	**3,024,571**	**4,249,709**	**3,057,180**	**14,397,218**
At 1 July 2017	-	-	1,820,408	2,245,350	3,024,571	4,249,709	3,057,180	14,397,218
Elimination on disposal	-	-	-	(18,491)	-	(40,551)	-	(59,042)
Charge for the year (restated)	867,843	2,678,749	363,672	115,263	462,231	502,487	83,793	5,074,038
At 30 June 2018	**867,843**	**2,678,749**	**2,184,080**	**2,342,122**	**3,486,802**	**4,711,645**	**3,140,973**	**19,412,214**
At 1 July 2018	867,843	2,678,749	2,184,080	2,342,122	3,486,802	4,711,645	3,140,973	19,412,214
Elimination on disposal	-	-	(194,116)	(7,833)	-	-	-	(201,949)
Charge for the year	894,725	2,714,220	254,657	269,327	463,405	470,048	127,794	5,194,176
At 30 June 2019	**1,762,568**	**5,392,969**	**2,244,621**	**2,603,616**	**3,950,207**	**5,181,693**	**3,268,767**	**24,404,441**
NET CARRYING AMOUNT								
As at 30 June 2019	**14,427,815**	**25,029,550**	**617,624**	**292,569**	**1,725,995**	**674,392**	**356,151**	**43,124,096**
As at 30 June 2018	**15,322,540**	**27,492,434**	**425,698**	**412,581**	**2,054,454**	**290,304**	**120,034**	**46,118,045**
As at 30 June 2017	**14,265,094**	**29,789,622**	**465,941**	**379,310**	**2,282,009**	**296,569**	**155,527**	**47,634,072**

14. PROPERTY, PLANT & EQUIPMENT(CONTINUED)

Net carrying amounts of land, buildings and plant and machinery at cost:

If the land, buildings and plant and machinery were measured using the cost model, the carrying amounts would be as follows:

30 June 2019	Land & buildings	Plant & machinery	Total
	Ushs' 000	Ushs' 000	Ushs' 000
Cost	9,467,867	17,894,943	27,362,811
Accumulated depreciation	(2,695,495)	(13,771,778)	(16,467,273)
Net carrying amount	**6,772,373**	**4,123,165**	**10,895,538**

30 June 2018	Land & buildings	Plant & machinery	Total
	Ushs' 000	Ushs' 000	Ushs' 000
Cost	9,467,867	17,643,607	27,111,475
Accumulated depreciation	(2,506,837)	(12,340,183)	(14,847,020)
Net carrying amount	**6,961,030**	**5,303,425**	**12,264,455**

15. PREPAID OPERATING LEASE RENTALS

	2019	2018
	Ushs'000	Ushs'000
Cost		
At the beginning and end of the year	4,166,360	4,166,360
	4,166,360	**4,166,360**
Accumulated amortisation		
At the beginning of the year	(904,145)	(805,388)
Charge for the year	(98,958)	(98,759)
At 30 June	**(1,003,103)**	**(904,147)**
Net carrying amount	**3,163,257**	**3,262,213**
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	1,402,872
	4,166,360	**4,166,360**

16. INTANGIBLE ASSETS

Computer software and websites

Cost		
At the beginning of the year	2,113,377	2,077,209
Additions	61,635	36,168
At 30 June	**2,175,012**	**2,113,377**

Amortisation		
At the beginning of the year	(2,068,611)	(1,911,269)
Charge for the year	(20,084)	(157,342)
At 30 June	**(2,088,695)**	**(2,068,611)**
Net carrying amount	**86,317**	**44,766**

17. INVENTORIES

	2019	2018
	Ushs'000	Ushs'000
Commercial paper	2,226,777	2,187,823
Newsprint	3,958,142	414,667
Machine consumables	1,086,799	1,075,561
Plates and chemicals	533,639	388,276
Films, inks and materials	466,824	647,665
Computer stationery	160,728	180,317
Work in progress	184,008	372,830
	8,616,917	5,267,139
Less: provision for stock obsolescence*	(946,304)	(754,073)
	7,670,613	**4,513,066**

*The movement in the provision for stock obsolescence during the year is analysed below:

	2019	2018
	Ushs'000	Ushs'000
At the beginning of the year	754,073	788,320
Increase in provision for stock obsolescence during the year	243,377	316,907
Write-off during the year	(51,146)	(351,154)
At 30 June	**946,304**	**754,073**

18. TRADE AND OTHER RECEIVABLES

	2019	2018
	Ushs'000	Ushs'000
Trade receivables	20,129,588	18,295,760
Staff advances	799,197	910,172
Less: impairment allowance*	(868,845)	(3,695,633)
Net trade and other receivables	20,059,940	15,510,299
Prepayments	3,667,995	1,593,491
	23,727,935	**17,103,790**

18. TRADE AND OTHER RECEIVABLES (CONTINUED)

*The movement in the impairment allowance during the year is analysed as follows:

At the beginning and end of the year	3,695,633	4,412,859
Impact of initial application of IFRS 9	(2,942,322)	-
Increase in impairment allowance during the year	481,170	309,895
Write-off	(365,636)	(1,027,121)
At 30 June	**868,845**	**3,695,633**

19. DEPOSITS WITH COMMERCIAL BANKS

At the beginning of the year	9,724,488	450,000
Placements	10,200,000	18,000,000
Maturities	(15,200,000)	(8,750,000)
Interest accrued	831,471	188,128
Interest received	(617,310)	(163,640)
	4,938,649	**9,724,488**

20. CASH AND CASH EQUIVALENTS

Cash and bank balances		
Cash on hand	295,886	448,126
Cash at bank	4,105,679	5,448,332
	4,401,565	**5,896,458**
Amounts not available for company's day to day operations		
Grant related balances (note 26)	**(149,854)**	**-**
	4,251,711	**5,896,458**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the above balance less amounts held specifically for the running of a project and therefore not available for day to day operations as disclosed in note 26.

21. TAX DEPOSIT RECOVERABLE

The Company is contesting an assessment by URA amounting to Ushs 8,491 million as unpaid PAYE for sales executives, who URA categorised as employees; and Ushs 75 million as unpaid VAT. A temporary injunction was secured restraining any enforcement of tax collection measures against the Company until determination of the main application. The Company paid Ushs 2,569,777,416, equivalent to 30% of the tax in dispute to URA. This was done pursuant to Section 15 of the Tax Appeals Tribunal Act Cap 345.

The Company's lawyers believe the Company has very high chances of success. The lawyers' belief is premised on the outcome of Civil Appeal No. 29 of 2018: APA Insurance Company (U) Limited & 22 Others Vs. Uganda Revenue Authority (URA). URA had categorised sales executives as employees while heavily relying on the ruling of the Tax Appeals Tribunal in TA Application No. 4 of 2017: Uganda Insurers Association & 29 Others Vs Uganda Revenue Authority. In that application, the tribunal had held that insurance agents are employees for purposes of the Income Tax Act. This ruling was overturned by the Commercial court in a judgement dated 14 June 2019. This judgement strengthens the argument of the New Vision that Sales Executives who earn commission, like the insurance agents, are not employees but Independent Contractors.

22 (a) SHARE CAPITAL

	2019	2018
	Ushs'000	Ushs'000
Authorised, issued and fully paid:		
76,500,000 ordinary shares of Ushs 19.66 each	1,503,990	1,503,990
22(b). 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

23. TRADE AND OTHER PAYABLES

	2019	2018
	Ushs'000	Ushs'000
Trade payables	1,675,834	1,653,752
Payroll tax liabilities	1,154,344	951,085
VAT payable	939,507	1,032,289
WHT payable	173,178	152,403
Other payables	1,716,204	2,102,384
Total	5,659,067	5,891,913

24. PROVISION FOR LITIGATIONS

	2019	2018
	Ushs'000	Ushs'000
At the beginning and end of the year	714,521	331,000
Materialised claims during the year	(345,564)	(75,000)
Provision in the period	590,043	458,521
Write back during the year*	(62,500)	-
At 30 June	896,500	714,521

The Company is a defendant in several litigation cases majorly relating to libel, defamation and exemplary damage charges, for which judgements had not been reached by the authorisation date of these financial statements.

Provisions were made for estimates of likely pay outs resulting from the cases for which the Company's chances of success were assessed as remote and moderate. Likelihood of success was based on the entity's lawyers' assessments of the status of litigations.

*The writeback related to the withdrawal of the case as indicated in note 35.

25. DIVIDENDS PAYABLE

	2019	2018
	Ushs'000	Ushs'000
At the beginning and end of the year	999,591	1,100,628
Dividend declared in the year	1,912,500	-
Dividend paid in the year	(870,659)	(101,037)
At 30 June	**2,041,432**	**999,591**

26. GRANT LIABILITY

	2019	2018
	Ushs'000	Ushs'000
Democratic Grant Facility (DGF)	**149,854**	**-**

The overall movement in grant liability during the year was as follows:

At beginning of the year		-	-
Cash received during the year		303,011	-
Direct project expenditure	(i)	(81,818)	-
Service offering charges	(ii)	(71,339)	-
At 30 June		**149,854**	**-**

Democratic Grant Facility (DGF)

On 26 February 2019, the Company entered into a partnership agreement with the Democratic Grant Facility (DGF) to run a project titled "Promotion of Human Rights and Enhancing Access to Justice through Media Interventions." Under this project, the Company through its media platforms, increases awareness about people's legal and human rights, and enhances accountability for violation of rights. The project highlights challenges encountered in accessing justice, encourages accountability by duty bearers and ultimately improves access to justice. This project is being implemented by NVPPCL with support from DGF as the donor.

It is an 18 months project running up to 31 August 2020, with a budget of Ushs 1,345 million. Implementation officially started on 01 March 2019. During the year ended 30 June 2019, the Company received Ushs 303million.

The Company maintains a project specific bank account where cash is drawn for expenses related to project and these are disbursed majorly in 2 ways below:

i. Costs including project staff salaries and facilitation for reporters working on related stories are met by funds from this project on actual basis. The Company offsets the related income and expense in the profit or loss being the elected policy on accounting for expense grants.

ii. In execution of the project activities the Company also serves the project with its offerings which are billed and recovered from the project. Such offerings include covering and airing stories enhancing respect for human rights and access to justice, conducting of quarterly media surveys and opinion polls on access to justice and human rights observance, conducting of radio Talk-shows and TV Talk shows monthly to increase public awareness of legal and human rights, dissemination of weekly legal and human rights awareness messages online and on social media, production and dissemination of drama skits for radio and skits for TV on human rights and access to justice, conducting outdoor studios (BIMEEZA) and conducting live TV broadcasts. For these the Company recovers cash from the project funds and recognises revenue on the services offered.

27. CASH FROM OPERATING ACTIVITIES

		2019	2018
		Ushs'000	Ushs'000
Profit before tax	**Note**	**3,909,242**	**4,620,769**
Adjustments for:			
Depreciation of property, plant and equipment	14	5,194,176	5,074,038
Amortisation of prepaid operating leasehold land	15	98,958	98,759
Amortisation of intangible assets	16	20,084	157,342
Gain on disposal of property, plant and equipment	6	(41,695)	(8,353)
Interest income on deposits with commercial banks	19	(831,471)	(188,128)
Increase in provision for litigations	24	590,043	458,521
Write back of provision for litigations	24	(62,500)	-
Increase in allowance for expected credit losses	8	481,170	309,895
Increase in provision for stock obsolescence	5	243,377	316,907
Working capital changes:			
(Increase)/ decrease in inventories		(3,400,924)	3,635,972
(Increase)/ decrease in trade and other receivables		(4,173,480)	193,138
(Decrease)/increase in contract liabilities		(1,180,368)	314,230
Increase in right of return asset		(31,929)	-
Increase in refund liability		42,573	-
Decrease in trade and other payables		(578,410)	(751,038)
		278,846	**14,198,324**
Tax deposit paid	21	(2,569,777)	-
Tax paid	12	(1,880,300)	(1,860,739)
Net cash flow (used in)/ generated from operating activities		**(4,171,231)**	**12,337,586**

28. RELATED PARTY TRANSACTIONS

		2019	2018
a.	**Transactions with related parties**	**Ushs'000**	**Ushs'000**
	Government ministries, departments and agencies	11,458,460	8,661,972
	National Insurance Corporation Limited	101,691	58,086
	National Social Security Fund	304,642	214,867
		11,864,793	**8,934,925**
b.	**Amounts due from related parties**		
	Government ministries, departments and agencies	7,826,924	4,937,060
	National Insurance Corporation Limited	180,568	62,266
	National Social Security Fund	91,614	56,278
		8,099,106	**5,055,604**
c.	**Dividend transactions and balances**		
	Dividends declared in the year		
	National Insurance Corporation Ltd	51,638	-
	National Social Security Fund	375,041	-
	Ministry of Finance, Planning & Economic Development	1,020,000	-
		1,446,679	**-**

28. RELATED PARTY TRANSACTIONS (CONTINUED)

Dividends paid in the year		
National Insurance Corporation Ltd	51,638	-
National Social Security Fund	375,041	-
	426,679	**-**

Dividends payable		
Ministry of Finance, Planning & Economic Development	1,820,000	800,000
	1,820,000	**800,000**

Nature of relationship, transactions and terms and conditions

(i) **Government of Uganda**

The Government has 53.34% control of the Company. The Company's transactions with the Government relate to sale of newspapers, magazines and adverts through its different plat forms. Credit is issued on normal terms between 30-90 days. The Company also pays to the Government dividends since it is a shareholder.

(ii) **National Insurance Corporation Limited**

National Insurance Corporation Limited has 2.7% shareholding in the Company. The Company's transactions with National Insurance Corporation Limited relate to sale of newspapers, magazines and adverts through its different plat forms. Credit is issued on normal terms between 30-90 days. The Company also pays to National Insurance Corporation Limited dividends since it is a shareholder.

(iii) **National Social Security Fund**

National Social Security Fund has 19.61% shareholding in the Company. The Company's transactions with National Social Security Fund relate to sale of newspapers, magazines and adverts through its different plat forms. Credit is issued on normal terms between 30-90 days. The Company also pays to National Social Security Fund dividends since it is a shareholder.

(iv) Terms and conditions

Other than the terms disclosed above, there have been no guarantees provided or received for any of the above related party balances.

d.	**Key members of management**
	Mr. Robert Kabushenga (Managing Director)
	Mr. Ndyanabo Gervase (Deputy Managing Director)

e.	**Key members of management remuneration**		
	Salaries	877,022	902,492
	Gratuity	145,321	217,982
	NSSF employer contribution	102,234	112,047
	Company contribution to staff provident fund	72,661	-
		1,197,238	**1,232,521**

29. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Company does not hold investments in debt and equity instruments and neither does it enter into derivative transactions.

The Company has exposure to the following risks from its use of financial instruments:

- Liquidity risk,
- Interest rate risk
- Foreign Currency risk
- Credit risk,

Included below is information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing the risks and the Company's management of capital.

a) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established an Audit and Risk Committee, and the Strategy Department, which are responsible for developing and monitoring the risk management policies in their specified areas. All Board committees have non-executive members and report regularly to the Board of Directors on their activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Company's Audit and Risk Committee is responsible for monitoring compliance with the Company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit and Risk Committee is assisted in these functions by Internal Audit and Risk functions.

Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

b) Foreign currency risk

The Company has transactional and translation currency exposures. Such exposures arise from purchases by the Company in currencies other than its functional currency (Uganda shillings) and holding monetary assets and liabilities at the reporting date. When the need arises for foreign currency, the Company purchases its requirements in the open market, and any exchange gains or losses are immediately posted to profit or loss. The Company does not engage in currency derivatives or other measures of managing foreign currency risk. During the year ended 30 June 2019, the Company had the following significant foreign currency positions and the equivalent stated in Uganda Shillings.

29. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

b) Foreign currency risk (Continued)

At 30 June 2019								
Financial assets	**USD'000**	**Ushs'000**	**Euro'000**	**Ushs'000**	**KES'000**	**Ushs'000**	**GBP'000**	**Ushs'000**
Bank balances	108	399,080	12	49,064	7,482	269,350	-	-
Trade and other receivables	114	421,837	-	-				
	222	820,917	12	49,064	7,482	269,350	-	-
Financial liabilities								
Trade and other payables	(105)	(388,670)	-	-			(12)	(54,002)
	-	-	-	-	-	-	-	-
Net position	**117**	**432,247**	**12**		**7,482**	**269,350**	**(12)**	**(54,002)**

At 30 June 2018								
Financial assets	**USD'000**	**Ushs'000**	**Euro'000**	**Ushs'000**	**KES'000**	**Ushs'000**	**GBP'000**	**Ushs'000**
Bank balances	171	615,911	62	253,668	9,493	328,833		
Trade and other receivables	13	46,217		-				
	184	662,128	62	253,668	9,493	328,833	-	-
Financial liabilities								
Trade and other payables	(243)	(873,302)	(10)	(40,536)	(107)	(3,716)	-	-
	-	-	-	-	-	-	-	-
Net position	**(59)**	**(211,174)**	**52**	**213,132**	**9,386**	**325,117**	**-**	**-**

29. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

b) Foreign currency risk (Continued)

Foreign currency sensitivity

The table below indicates the currencies to which the Company had significant exposure at 30 June on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis shows the effect of a reasonably possible movement of the currency rate against the Uganda Shilling, with all other variables held constant, on profit or loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities). A negative amount in the table reflects a potential net reduction in the profit for the year and equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the Uganda Shilling would have resulted in an equivalent but opposite impact.

Currency	Change in currency rate in %	Effect on profit/(loss) before tax	Effect on equity	Change in currency rate in %	Effect on profit/ (loss) before tax	Effect on equity
	2019	2019	2019	2018	2018	2018
		Ushs'000	Ushs'000		Ushs'000	Ushs'000
USD	+/-5%	+/- 21,612	+/-15,128	+/-5%	+/- 10,559	+/- 7,391
KES	+/-5%	+/- 13,468	+/-9,428	+/-5%	+/- 16,256	+/- 11,379
Euro	+/-5%	+/- 2,453	+/-1,717	+/-5%	+/- 10,657	+/- 7,460
GBP	+/-5%	+/- 2,700	+/-1,890	+/-5%	-	-

c) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and deposits with banks and financial institutions.

Trade and other receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a single loss rate approach to measure expected credit losses. Under the loss rate approach, the Company develops loss-rate statistics on the basis of the amounts collected over the life of the financial assets rather than using separate probability of default and loss given default statistics. The Company then adjusts these historical credit loss trends for current conditions and expectations about the future. The loss rates are based on groupings of various customer segments with similar loss patterns (i.e., by nature of customer). The calculation reflects a simple average of all loss rates per period, reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company uses an overlay of measuring and forecasting the level of defaults. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Company does not hold collateral as security.

29. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

d) Credit Risk (Continued)

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets disclosed in the table below:

	2019	2018
	Ushs'000	Ushs'000
Trade and other receivables	20,059,940	15,510,299
Bank balances	4,105,679	5,448,332
Deposits with commercial banks	4,938,649	9,724,488
	29,104,268	**30,683,119**

Set out below is the information about the credit risk exposure on the Company's trade and other receivables using a single loss rate approach as at 30 June:

2019	Gross receivable	Loss rates	ECL	Carrying amount
	Ushs' 000		Ushs' 000	
Companies	8,110,591	5.12%	(415,262)	7,695,329
Government departments	8,032,557	2.56%	(205,633)	7,826,924
Schools and universities	1,041,305	7.52%	(78,306)	962,999
Advertising agents	2,685,901	4.00%	(107,475)	2,578,426
Others	1,058,431	5.87%	(62,169)	996,263
	20,928,785		**(868,845)**	**20,059,940**

For 2018, the allowance for impairment of trade and other receivables was under the incurred loss model and reflected more of general and specific provisions rather than loss rates. Movements in the allowance in 2018 have been disclosed in note 18.

Other financial assets including deposits with commercial banks

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2019 and 2018 is the carrying amounts as illustrated in above.

The Company has elected to apply a 12-month credit loss to derive ECLs on bank deposits as the Company has utilized the practical expedient and considered these to be low risk instruments and therefore will be considered for 12-month ECLs.

The Exposure at default is the amount of funds held as deposit in each counter party plus any accrued interest income. The loss given default considered was based on the publicly available LGD details based on sectors/industries as disclosed by reputable credit rating agencies including Moody's and S&P.

The probability of default (PD) has been computed using a combination of parameters incorporated in the Company approved counter party model and S & P corporate probability of default rates.The derived probability of default are reviewed on annual basis based on economic and forward-looking information at the Company's disposal.

The ECLs relating to bank deposits were however considered insignificant and were therefore not recognised in the financial statements

e) Interest rate risk

The Company is exposed to interest risk arising from the deposits with commercial banks. The maximum exposure to this risk is limited to the carrying amounts of deposits with commercial banks as disclosed above and in note 19. The Company enters into financial agreements at favourable interest rates. The Company currently holds deposits with commercial banks with interest rates agreed and fixed at placement, as such analysis of interest sensitivity would not be relevant.

29. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

f) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities when they fall due. The risk is monitored by the monthly debtors' and creditors' analysis and review of the Company's cash flows from operations on a regular basis. Where the Company's cash flows are not adequate to meet creditor demands, the Directors source for financing usually from the Company's banker and own resources.

The table below analyses the Company's financial assets and liabilities into relevant groupings based on the remaining period at 30 June to the contractual maturity dates:

At 30 June 2019	On demand	Due Between 1 and 3 months	Due between 3 to 12 months	Due after 12 months	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Financial Assets					
Trade and other receivables (net of provisions)	9,837,954	10,221,986	-	-	20,059,940
Deposits with commercial banks	-	4,967,025	-	-	4,967,025
Cash and bank balances	4,401,565	-	-	-	4,401,565
	14,239,519	**15,189,011**	**-**	**-**	**29,428,530**
Financial Liabilities					
Trade and other payables	804,059	2,587,979	-	-	3,392,038
Dividend payable	2,041,431	-	-	-	2,041,431
	2,845,490	**2,587,979**	**-**	**-**	**5,433,469**
Net liquidity gap	**11,394,029**	**12,601,032**	**-**	**-**	**23,995,061**

At 30 June 2018

	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Financial Assets					
Trade receivables (net of provisions)	9,108,508	6,401,791			15,510,299
Deposits with commercial banks	-	10,100,000	-	-	10,100,000
Cash and bank balances	5,896,458	-	-	-	5,896,458
	15,004,966	**16,501,791**	**-**	**-**	**31,506,757**
Financial Liabilities					
Trade and other payables	1,706,641	2,049,495	-	-	3,756,136
Dividend payable	999,591	-	-	-	999,591
	2,706,232	**2,049,495**	**-**	**-**	**4,755,727**
Net liquidity gap	**12,298,734**	**14,452,296**	**-**	**-**	**26,751,030**

29. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

f) Capital management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 20%. The Company includes within net debt, interest bearing loans and borrowings, contract liabilities, trade and other payables, less cash and deposits with commercial banks, excluding discontinued operations.

	2019	2018
	Ushs'000	Ushs'000
Contract Liabilities	1,568,681	2,749,049
Trade and other payables	5,659,067	5,891,913
Less: cash and short-term deposits	(9,340,214)	(15,620,946)
	(2,112,466)	**(6,979,984)**
Net debt	-	-
Equity	72,104,103	69,332,177
Total capital	**72,104,103**	**69,332,177**
Capital and net debt	**72,104,103**	**69,332,177**
Gearing ratio	-	-

The Company has adopted a nil gearing ratio. The role of debt as a means of financing for growth strategies is appreciated. The Board of Directors, as well as Management, decide on financing options on a case by case basis, guided by the responsibility to act in the best interests of the Company, given the high interest rates and impact on profitability. The level of gearing is constantly reviewed and considered for investments whose return can sustain the market debt financing costs.

The Company currently has no interest-bearing debt.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2018 and 30 June 2019.

30. FAIR VALUE MEASUREMENT

Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of some assets by valuation technique:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30. FAIR VALUE MEASUREMENT (CONTINUED)

a) Financial instruments

Fair values of cash and deposits with commercial banks, trade and other receivables and trade and other payables reasonably approximate their carrying amounts largely due to the short-term maturities of these instruments and/or because they carry interest rates that reasonably approximate market rates.

The Company did not hold any financial assets or liabilities measured at fair value at the reporting date.

b) Non-financial assets

The following methods and assumptions were used to estimate the fair values:

Property plant and equipment that were revalued include land & buildings, and plant and machinery.

The fair value of the assets was determined using the market comparable method and/or the depreciated replacement cost approach. The valuations were performed by Adriko & Associates (East Africa) Chartered Consulting Engineers, a Ugandan engineering professional services consulting firm, an accredited and independent valuer. The valuation was done with the effective date being 30 June 2017. A net gain from the revaluation of the assets of Ushs 19,148 million was recognised in OCI.

The valuation was performed in convention of the American Society of Appraiser's Uniform Standards of Professional Appraisal Practice (USPAP) code.

The valuation for property and plant and equipment returned is fair value in continued use.

Valuation techniques for land & buildings and plant and machinery:

The Cost approach was used to arrive at the fair market value. The procedure used was to take the replacement cost new and deduct from it for depreciation consisting of 3 elements i.e. Physical wear and tear, functional obsolescence and economic obsolescence.

The replacement cost new was arrived at by determining the selling price of a new machine of the same type and adding freight, taxes and installation costs for assets that are not available on local open markets. Replacement cost new for locally available assets was determined from local dealer's prices and adding installation costs appropriately.

Where the cost of a new machine of the same type is not available but historical suppliers' costs are available from corporate records, the original cost was trended to arrive at an estimate of the current replacement cost.

Physical depreciation was measured as a percentage of its condition to the condition of a new asset of the same type. The age-life method was used to get a first approximation of this factor i.e the ratio of the age of the asset to its economic service life.

This factor was then prudently adjusted downwards or upwards depending on the actual observed physical condition.

Service lines of the equipment were obtained from industry norms.

Functional obsolescence was on the other hand arrived at through one of the 2 ways i.e employment of replacement cost instead of reproduction cost or comparison of current effective capacity against rated capacity at the time of purchase of the equipment.

Economic obsolesce where applicable was arrived at by applying inutility formula for Company specific obsolescence.

30. FAIR VALUE MEASUREMENT (CONTINUED)

Key underlying limitations and assumptions in valuation of land & buildings and plant and equipment included:

- Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or the costs involved affecting the sale
- The values assessed in the valuation report are the subject property and any allocation of values between parts of the property apply only in terms of and for the purpose of the report. The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
- Where it is stated in the report that information has been supplied to the Valuer by another party, this information is believed to be reliable, but the Valuer can accept no responsibility if this should prove not to be so
- The market value and any other values referred to in the valuation report exclude Value Added Tax and transfer costs

Significant unobservable input

		Range (weighted average)
Plant and machinery	Estimated service life	15 years – 20 years (17.5 years)
	Freight costs (percentage of prime costs)	0%-12% (6%)
	FOB Costs	7% (7%)
	Insurance costs	1.5% (1.5%)
Property	Price per acre	Ushs. 93 million (Ushs. 93 million)

The following table provides the fair value measurement hierarchy of the Company's non-financial assets that are measured at fair value:

		Fair value measurement using			
	Date of valuation	Total	Quoted prices in active markets (level 1)	Significant observable inputs (level 2)	Significant unobservable inputs (level 3)
		Ushs'000	Ushs'000	Ushs'000	Ushs'000
30 June 2019					
Land & Buildings	30 June 2017	14,427,815	-	-	14,427,815
Plant & Machinery	30 June 2017	25,029,550	-	-	25,029,550
30 June 2018					
Land & Buildings	30 June 2017	15,322,540	-	-	15,322,540
Plant & Machinery	30 June 2017	27,492,434	-	-	27,492,434

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between levels 1, 2 and 3 in the year (2018: no transfer).

30. FAIR VALUE MEASUREMENT (CONTINUED)

Sensitivity analysis has not been presented due to the timing difference from the last valuation to the current reporting date. The values have since been depreciated and therefore management has considered that sensitivity analysis would not be reliable with current carrying amounts of the assets.

31. SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on its products and services and has four reportable segments, as follows:

- Print media segment, which produces newspapers and magazines generating circulation and advertising revenue
- Electronic media segment, which deals with the radio and television stations generating advertising revenue from the electronic media platforms.
- Commercial printing segment, which deals with on demand and tailored printing solutions to customers.
- Other segment, which majorly includes events, sale and disposal of non-current assets, interest income and rental income

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

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.

31. SEGMENT INFORMATION (CONTINUED)

	Print Media	Broadcast Media	Commercial Printing	Others	Total segments	Adjustments & eliminations	Consolidated
Year ended 30 June 2019	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**
Revenue							
External customers	50,218,198	26,524,546	9,910,340	3,503,836	90,156,920	-	90,156,920
Inter Segment	418,432	338,493	516,927	-	1,273,852	(1,273,852)	
Total revenue	**50,636,630**	**26,863,039**	**10,427,267**	**3,503,836**	**91,430,772**	**(1,273,852)**	**90,156,920**
Cost of sales	(37,630,184)	(20,048,916)	(8,066,429)	(2,582,506)	(68,328,035)	-	(68,328,035)
Distribution costs	(1,742,097)	-	-	-	(1,742,097)	-	(1,742,097)
Administrative expenses	(2,073,254)	(1,104,605)	(444,424)	(142,284)	(3,764,567)	-	(3,764,567)
Other operating expenses	(1,351,881)	(720,266)	(289,790)	(92,778)	(2,454,715)		(2,454,715)
Intersegmental costs	(555,563)	(319,842)	(398,447)	-	(1,273,852)	1,273,852	-
Segment profit	**7,283,651**	**4,669,410**	**1,228,177**	**686,268**	**13,867,506**	**-**	**13,867,506**
Total Assets	38,627,193	38,344,845	7,429,855	2,742,468	87,144,361	-	87,144,361
Total Liabilities	4,591,285	4,557,725	883,124	325,973	10,358,107	-	10,358,107
Other disclosures							
Capital expenditure	460,112	333,094	293,186	1,180,076	2,266,469	-	2,266,469
Depreciation	2,110,909	1,124,667	452,497	144,867	3,832,940		3,832,940

31. SEGMENT INFORMATION (CONTINUED)

	Print Media	Broadcast Media	Commercial Printing	Others	Total segments	Adjustments & eliminations	Consolidated
Year ended 30 June 2018	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**
Revenue							
External customers	49,974,245	26,010,662	11,552,020	3,055,771	90,592,698	-	90,592,698
Inter Segment	582,721	163,860	660,079	-	1,406,660	(1,406,660)	-
Total revenue	**50,556,966**	**26,174,522**	**12,212,099**	**3,055,771**	**91,999,358**	**(1,406,660)**	**90,592,698**
Cost of sales	(37,403,785)	(19,467,973)	(8,646,239)	(2,287,126)	(67,805,123)	-	(67,805,123)
Distribution costs	(1,892,410)	-	-	-	(1,892,410)	-	(1,892,410)
Administrative expenses	(1,915,282)	(996,869)	(442,736)	(117,114)	(3,472,000)	-	(3,472,000)
Other operating expenses	(1,549,581)	(806,528)	(358,200)	(94,752)	(2,809,062)	-	(2,809,062)
Intersegmental costs	552,965	255,689	598,006		1,406,660	(1,406,660)	-
Segment profit	**8,348,873**	**5,158,841**	**3,362,930**	**556,779**	**17,427,423**	**(2,813,320)**	**14,614,103**
Total Assets	49,066,232	24,901,985	10,059,627	2,634,982	86,662,826	-	86,662,826
Total Liabilities	5,794,788	2,940,958	1,306,157	313,170	10,355,074	-	10,355,074
Other disclosures							
Capital expenditure	619,162	335,199	6,114	2,616,393	3,576,868	-	3,576,868
Depreciation	2,014,337	1,048,425	465,633	123,170	3,651,565		3,651,565

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliations presented further below.

31. SEGMENT INFORMATION (CONTINUED)

Adjustments and eliminations

Finance costs, administration staff costs, certain other administrative costs, impairment of financial assets finance income and other income, are not allocated to individual segments as the underlying instruments are managed on a Company basis.

Current taxes, deferred taxes are not allocated to those segments as they are also managed on a Company basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets.

Inter-segment revenues are eliminated on consolidation.

	2019	2018
	Ushs' 000	Ushs' 000
Reconciliation of operating profit		
Reported segment profit before tax	13,867,505	14,614,103
Other income	1,521,543	883,347
Administrative staff costs	(9,414,548)	(9,058,155)
Other administrative costs	(1,584,088)	(1,508,631)
Impairment on financial assets	(481,170)	(309,895)
Profit before tax	**3,909,242**	**4,620,769**
Reconciliation of Assets		
Reported segment assets	87,144,361	86,662,826
Tax deposit recoverable	2,569,777	-
Current tax recoverable	287,925	55,311
	90,002,063	**86,718,137**
Reconciliation of Liabilities		
Reported segment liabilities	10,358,107	10,355,074
Deferred tax liability	7,539,853	7,030,886
Total liabilities	**17,897,960**	**17,385,960**

32. PRIOR YEAR ADJUSTMENTS

The prior year financial statements have been restated as follows:

	Note	As previously stated	Adjustment	Restated
		Ushs'000	Ushs'000	Ushs'000
2017				
Property, plant & Equipment	(a)	49,345,165	(1,711,093)	47,634,072
Deferred tax liability	(a)	7,644,793	(513,328)	7,131,465
Revaluation reserve	(a)	14,672,829	(1,197,765)	13,475,064
Retained earnings	(b)	24,430,392	(134,706)	24,295,686
Intangible assets	(b)	300,646	(134,706)	165,940

32. PRIOR YEAR ADJUSTMENTS (CONTINUED)

		As previously stated	Adjustment	Restated
		Ushs'000	Ushs'000	Ushs'000
2018				
Property, plant & Equipment	(a)	47,000,066	(882,021)	46,118,045
Deferred tax liability	(a) & (c)	7,295,492	(264,606)	7,030,886
Revaluation reserve	(a)	12,914,564	(617,415)	12,297,149
Retained earnings	(a) & (b)	26,594,380	(134,706)	26,459,674
Income tax expense	(a) & (c)	1,473,474	753,542	2,227,016
Cost of sales	(a)	68,219,659	(414,536)	67,805,123
Other expenses	(a)	14,442,171	(414,536)	14,027,635
Intangible assets	(a)	179,472	(134,706)	44,766
Earnings per Share (EPS)	(d)	30.3	1.00	31.3

a. In the earlier periods starting in the financial year ended 30 June 2016, the Company would not re-assess the useful lives of its Property, Plant and Equipment (PPE) on an annual basis, but would use the assets until they were fully depreciated and then assign values to the fully depreciated assets that were still in use. The Company would record the estimated value of the assets under PPE and the corresponding entry to revaluation reserves. This revaluation would only be applied to individual assets as opposed to the whole class as required by IAS 16 Property, Plant and Equipment.

The Company would then subsequently depreciate the assets based on the assigned values. This resulted in overstatement of PPE, the revaluation reserve, deferred tax liability and expenses. The adjustments relate to the reversal of these assigned values, the related depreciation and the impact on the deferred tax liability and revaluation reserve.

b. Included in intangible assets was an amount of Ushs 134 million which related to goodwill which arose from the acquisition of Radio West in 2008. After acquisition, the Company did not hold the acquired business as a separate or identifiable cash generating unit and therefore cannot ascertain the carrying amount of the acquired business post acquisition. Goodwill is required to be tested for impairment annually by way of comparison of the recoverable amount and carrying amount of an identifiable cash generating unit, being the acquired business. Since the carrying amount could not be determined, the subsequent measurement of the goodwill was not possible hence the need to derecognize it in the earliest period presented.

c. In the financial statements for the year ended 30 June 2018, the Company wrongly treated the deferred tax effects of the annual transfer of realized revaluation surplus to retained earnings by crediting the Statement of Comprehensive Income instead of retained earnings, hence understating the income tax charge for the year.

d. As a result of the adjustments in a and c above, the EPS was restated.

33. CONTINGENT LIABILITIES

The Company is involved in a number of litigations, mainly libel cases, which were yet to be concluded upon by the date of authorisation of these financial statements. Management continually monitors all potential, threatened and actual litigations and assesses the exposure to the Company, if any. Management is confident that any exposure to the Company is adequately covered and those considered as contingencies are assessed as not likely to crystallize.

33. CONTINGENT LIABILITIES (CONTINUED)

The Company is contesting a Uganda Revenue Authority Tax assessment arising out of the re-characterisation of Sales executives as employees. The matter is before Tax Appeals tribunal. Refer to note 21 for details on the case. Management is confident that there are high chances of success.

34. CAPITAL COMMITMENTS

As of 30 June 2019, the Company had no contracted capital expenditure (2018: Ushs 1,858 million).

35. EVENTS AFTER THE REPORTING DATE

There was a withdrawal of a case -Esther Kisaakye Vs The editor of Bukedde (HCCS NO.346 OF 2017) on 04 September 2019 which had earlier been included in the legal provision with total amount of Ushs 62.5 million. As a result of the withdrawal the provision was written back to other income as indicated in note 24.

Other than the withdrawal of the case described above, there have been no events subsequent to period end which require adjustment to, or disclosure in, the financial statements.

Proxy Card

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

I/We...................................., of ...., being a shareholder/s of the above mentioned Company, hereby appoint .... of ....(address), as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on **November 21, 2019** at **3:00pm** and at any adjournment thereof.

Signature; ....

Dated this .... day of ...., 2019

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 audited financial statements for the year ended June 30, 2019 together with the reports of the Directors and Auditors.				
2.	To approve a final dividend of shs. 25/- per ordinary share as recommended by the Directors and declare it payable net of withholding tax on or about January 23, 2020 to shareholders on the register at the close of business on January 2, 2020.				
3.	To appoint directors; In accordance with Articles 67 and 69 of the Company's Articles of Association, Sarah Irene Walusimbi be appointed a director.				
	In accordance with Articles 67 and 69 of the Company's Articles of Association, Ayeko Ongodia be appointed a director.				
4.	To rotate and re-elect Directors; Mr. Patrick Ayota retires by rotation in accordance with Articles 83-84 of the Company's articles of association, and being eligible, offers himself for re-election by virtue of Article 85.				
	Ms. Robinah Kaitiritimba Kitungi retires by rotation in accordance with Articles 83-84 of the Company's articles of association, and being eligible, offers herself for re-election by virtue of Article 85.				
	Mr. Moses Mwase was appointed during the financial year to fill a casual vacancy on the board. He retires in accordance with Article 69 of the Company's articles of association, and being eligible, offers himself for re-election.				
	Mr. Peter Kawumi was appointed during the financial year to fill a casual vacancy on the board. He retires in accordance with Article 69 of the Company's articles of association, and being eligible, offers himself for re-election.				
5.	To approve the fees payable to the Non-Executive Directors for the period until the next Annual General Meeting.				
6.	To note that the Auditor General is mandated to audit the Company by virtue of Section 17 of the PERD Act and authorize the Directors to negotiate and fix the remuneration of External Auditors delegated by the Auditor General 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 Eshareholders@newvision.co.ug at least 48 (forty eight) hours before the time fixed for the meeting.
2. A proxy appointed need not be a member of the Company.
3. In case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated.
4. In case of a shareholder which is a body corporate, the proxy form must be completed by an officer or attorney of the body corporate duly authorized in writing.
5. 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.
6. 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.

Notes

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