2017/18 ANNUAL REPORT

RESILIENCE AND RECOVERY

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**

INTRODUCTION

This is the Annual Report of New Vision Printing & Publishing Company Limited trading as Vision Group for the year ended June 30, 2018.

This Annual Report includes financial and non-financial information. It sets out the Company's strategy, financial, operational, governance, social and environmental performance. The Annual Report also contains the risks and opportunities affecting the Company.

The purpose of producing an Annual Report is to give the shareholders an annual view of how the Company has performed and what the Board is striving to do on behalf of the shareholders.

Table of Content

List of Acronyms

AGM	-	Annual General Meeting
Annual Report	-	An annual report is a comprehensive report on a company's activities including the financial performance throughout the year.
BARC	-	Board Audit and Risk Committee
Board	-	Board of Directors, New Vision Printing and Publishing Company Limited
CMA	-	Capital Markets Authority
The Company	-	New Vision Printing and Publishing Company Limited
CSR	-	Corporate Social Responsibility
ERM	-	Enterprise Risk Management
GRI	-	Global Reporting Initiative
HR	-	Human Resource
IAS	-	International Accounting Standards
IFRS	-	International Financial Reporting Standards
KPIs	-	Key Performance Indicators
NFA	-	National Forest Authority
NSSF	-	National Social Security Fund
PPDA	-	Public Procurement and Disposal of Public Assets Act
Registrar	-	Deloitte Uganda Limited
bn	-	Shillings in Billions
m	-	Shillings in Millions
Shs'000	-	Shillings in Thousands
SME	-	Small and Medium Enterprise
URA	-	Uganda Revenue Authority
USD	-	United States Dollars
USE	-	Uganda Securities Exchange
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 **17th 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 22nd 2018** at 3:00pm to conduct the following business;

1. To receive, consider and if approved adopt the annual financial statements for the year ended June 30, 2018 together with the report of the Auditors.
2. To appoint directors.

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

   Mr. Michael Nyago be appointed a director.

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

   Ms. Susan Lubega be appointed a director.
3. To approve the fees payable to the Non-Executive Directors for the period until the next Annual General Meeting.
4. To confirm the appointment of External Auditors for the financial year 2018/2019 and authorise the Directors to negotiate and fix their remuneration in accordance with Sections 167-169 of the Companies Act 2012.
5. To conduct any other business that may be required at the AGM for which notice will have been duly received.

Dated October 22**, 2018**

By Order of the Board

Rita Kabatunzi

COMPANY SECRETARY

Note:

- Articles 60, 61, 62 and 63 of the Company Articles provide for appointment of proxy if a shareholder is unable to attend. ("Tear out proxy card" is included in the Annual Report).
- The proxy should be delivered to the Company Secretary at the Company Head Office at Plot 19/21, 1st Street Industrial Area, P.O Box 9815 Kampala or faxed on +256 414 346 432 at least 24 hours before the scheduled time for the meeting. In default of this, it shall be treated as invalid.
- Shareholders can obtain a detailed version of the audited financial statements from the Company's registered office at Plot 19/21 First Street Industrial Area Kampala or access it on the website http://visiongroup.co.ug/shareholders/
- Shareholders must notify the Company Secretary in writing of any change in their addresses or bank account details.
- All shareholders who have not received past dividends should contact the Company Secretary by e-mail: Eshareholders@newvision.co.ug or by phone: 0414 337000.
- Shareholders are required to open Securities Central Depository accounts. Please contact any registered Securities Central Depository Agent for assistance. The Uganda Securities Exchange has directed all shareholders of listed companies to immobilize their shares.
- All shareholders are advised to provide their email addresses and mobile phone numbers to the Company Share Registrars (Deloitte Uganda Limited) for ease of communication.

VISION GROUP®

NATIONAL PRIDE • GLOBAL EXCELLENCE

COMPANY PROFILE

2017/18

Newspapers

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

New Vision®
UGANDA'S LEADING DAILY


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

THE NEW VISION is the leading English daily newspaper with editions from Monday to Friday.

The newspaper has various sections making up the whole paper, with a strong emphasis on enhanced reader value. The added value features include Pakasa, Mega Deals, Oil and Gas, Infrastructure, Education, Jobs, Tenders, Her Vision, Health & Beauty, Harvest Money, Mwalimu, Business Vision and Entertainment. A Wednesday favourite is Toto magazine for primary school children.

The New Vision newspaper supports Education in Uganda and publishes advanced career/study guides and conducts direct school education through the "Newspapers in Education" programme.

Saturday Vision®
SEVEN DAYS, ONE PAPER


THE BAMUGEMEREIRES' 25-YEAR ROMANCE
Saturday Vi
SEVEN DAYS, ONE PAPER
Police investigate their source of funds
BOU FREEZES NGO ACCOUNTS
NRM rebel MPs to face disciplinary committee
CROSSFIRE: WINNIE KIIZA VS BARYOMUNSI

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

Sunday VISION
BIG ON SUNDAYS! MISS IT, MISS OUT


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

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

THE KAMPALA SUN®
you can't read it alone


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

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


PASS PLE
Ekiri e Kenya - p5
Bukedde
SSAABASUMBA ATUTTE KONSITITYUSONI MU KLEZIA N'ATAPUTA EBY'EMYAKA - p5
KOREA ESEMBEZZA EMIZINGA KU NSALO
Amerika nayo egezesa leero ebyokulwanyisa -P4
Akulira ettoffaali akoze akabaga ka bukadde 450


AKALULU K'E ABU DHABI KEEYONGEDDE AMAANYI - P2
Bukedde
LWAMUKAAGA
ABAAKOZE BBOMU ZA KOREA BABUZIDDWAAWO
Owa Korea atabuse n'aleeta emmeeri empya - Laba P6
Ebyenfuna byongedde okukaluba
BOSCO MUWONGE ATUNZE EBIZIMBE 6
Eyaguze ataddewo obukwakkulizo ku bapangisa- P4,5

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

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


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


BEETINGI
Akadirisa
Klopp ne Mourinho buli omu ayogeza maanyi
Wenger naye ayunguddde
TUBAFIIRAKO
FORTEBET
TRY THE TASTE OF LIVE ODDS!

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

Regional Newspapers

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


EBYA MUKA KAZIIRE N'ABANDI ABAJWAIRE
ORUMURI
EKY'EMYAKA
Ebibaire omu NRM kokasi
Ebi ab'amadiini bagambire
OMWEREEGO
Leo Beyagira na Kacuma
PASS PLE OMUNDA
F/PORTAL
Kadaga bamutabaariize
Museveni akihagiire
Aba NRM abarikukihakanisa beeyongyeire baarahira
Amaju kusheenywa

ORUMURI is published in Runyankore/Rukiga every Monday.

The main circulation area is the western part of Uganda, from Masaka to Kabale, including Toro, Kasese and Bunyoro.

Orumuri offers a variety to its readers, which includes local and international news, gossip, relationships, education, politics, community news, wedding pictorial, business, herbal remedies, farming and sports.

Rupiny

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

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

ETOP

ETOP is published in Ateso every Thursday. The main circulation area covers north eastern Uganda, Soroti, Katakwi and Kumi.

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

Magazines

Our magazines are published quarterly.

BRIDE & GROOM

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

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

Digital

Website Publishing

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

www.bukedde.co.ug - Uganda's leading Luganda website keeps viewers 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 including politics, corporate, sports, gossip and social events. It has approximately 14,000 users, 73% of whom access 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 favorite 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 audience that is between 18 and 54 years, of whom 51% are male.

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

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

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

www.xfm.co.ug - You can tune into the station live via their website. Their audience interests are sports, news, education, employment and arts and entertainment.

Radios

XFM

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

The station delivers a blended mix of hit music and outstanding radio personalities.

BUKEDDE FM

Bukedde FM broadcasts in Luganda offering its listeners a blend of entertainment and information.

The radio station shares a close and beneficial relationship with Bukedde newspaper and Bukedde TV and is a prominent station in the central region and Kampala on 100.5 FM. It is also available on 106.8 FM in Masaka and 96.6 FM in Mbarara.

RADIO WEST 100.2FM

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

It is also available on the following frequencies in the respective areas:-
94.3 FM Kabale, 106.6 FM Masaka, 95.2 FM Kampala, 91.0FM Fort Portal.

RADIO RUPINY 95.7 FM

Radio Rupiny is based in Gulu for the people of the northern part of Uganda, stretching from Lira, to Kitgum and Gulu. Broadcasting is done in Acholi and Luo and it offers politics, news, infotainment, local and international music.

ETOP RADIO 99.4 FM

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

ARUA ONE 88.7 FM

Arua One FM is one of the leading multi-lingual stations in the West Nile region.

The station broadcasts in mainly Lugbara, Swahili and English. Arua One FM's signals reach an extensive area including the districts of Arua, Nebbi, Yumbe, Moyo, Adjumani, Packwach, Koboko, parts of the Democratic Republic of Congo and Southern Sudan.

Television

BUKEDDE TV 1

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

BUKEDDE TV 2

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

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

TV WEST

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

URBAN TV

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

Printing Services

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

Some of the products we print include, books, annual reports, spiral-bound diaries, calendars (desk, wall, shipping & piano), folders, printed stationery, labels, magazines, newsletters, newspapers, marketing and promotional materials like brochures, flyers, leaflets, posters, wobblers, among others, in quantities from 1 piece to millions.

BENEFITS:

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

Marketing Research Unit

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

Creative Agency

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

Event Management

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

Advertising Services

We partner with advertisers in order to offer them the best opportunities to reach their target market.

We offer a unique combination of print design, radio and television advert production and other customized communication packages.

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

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

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

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

Contact Vision Group

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

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

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

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

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

Offices

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

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

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

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

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS	: Monica Chibita	- Board Chairperson
	: Robert Kabushenga	- Managing Director/CEO
	: Gervase Ndyanabo	- Deputy Managing Director/CFO (Alternate director for CEO)
	: Oode Obella	- Non Executive Director
	: Charles Tukacungurwa	- Non Executive Director
	: Steven Bamwanga	- Non Executive Director
	: Grace Dwonga	- Non Executive Director
	: Gad Gasaatura	- Non Executive Director
	: Patrick Ayota	- Non Executive Director
	: Robinah Kaitiritimba Kitungi	- Non Executive Director
	: Jim Mugunga	- Non Executive Director
	: David Ssebabi	- Non Executive Director - Retired on November 23, 2017
BOARD AUDIT AND RISK COMMITTEE	: Oode Obella	- Chairman
	: Joseph Baliddawa	- Member
	: Parity Twinomujuni	- Member
	: Susan Lubega	- Member
	: Steven Bamwanga	- Member - Appointed on August 3, 2017
	: Grace Dwonga	- Member - Appointed on August 3, 2017

COMPANY SECRETARY
: Kabatunzi Rita
: Plot 19/21, 1st Street
: Industrial Area
: P. O. Box 9815
: Kampala, Uganda

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

INDEPENDENT AUDITOR
: Auditor General
: Audit House
: Plot 2/12, Appollo Kagwa Road
: P.O. Box 7983
: Kampala, Uganda

DELEGATED AUDITOR
: Grant Thornton
: Certified Public Accountants
: P.O. Box 7158
: Kampala, Uganda

PRINCIPAL BANKERS
: Standard Chartered Bank (Uganda) Limited
: P. O. Box 7111
: Kampala, Uganda

: Stanbic Bank (Uganda) Limited
: P.O Box 7131
: Kampala, Uganda

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

CORPORATE INFORMATION (CONTINUED)

LEGAL ADVISORS	: Kiwanuka and Karugire Advocates & Solicitors
	: P. O. Box 6160
	: Kampala, Uganda
	: Sozi & Partners
	: P. O. Box 379
	: Kampala, Uganda
	: Birungyi, Barata & Associates
	: P. O. Box 21086
	: Kampala, Uganda

Business Review

Financial Highlights

FINANCIAL PERFORMANCE STATISTICS - 2013-2018

	2018 Shs'000	2017 Shs'000	2016 Shs'000	2015 Shs'000	2014 Shs'000	2013 Shs'000
STATEMENT OF COMPREHENSIVE INCOME						
Turnover	90,592,698	86,061,181	92,662,627	86,839,978	82,960,115	78,897,566
Profit before tax	3,791,697	780,477	7,427,744	7,429,034	4,377,500	4,819,528
Profit after tax	2,318,223	14,685	4,927,793	5,254,170	3,098,785	3,551,526
Net Profit Margin	2.6%	0.0%	5.3%	6.1%	3.7%	4.5%

STATEMENT OF FINANCIAL POSITION

	2018 Shs'000	2017 Shs'000	2016 Shs'000	2015 Shs'000	2014 Shs'000	2013 Shs'000
Property ,Plant & Equipment	47,000,066	49,345,165	24,804,380	26,175,161	31,932,364	33,898,649
Total Assets	87,734,864	85,845,267	70,704,556	68,972,220	66,971,707	66,382,476
Shareholders funds	70,084,298	67,766,075	57,702,282	55,475,110	52,898,440	52,477,155

FINANCIAL PERFORMANCE RATIOS

	2018	2017	2016	2015	2014	2013
Gross profit Margin	24.7%	25.0%	25.9%	27.3%	24.6%	27.5%
Net Profit margin before tax	4.2%	0.9%	8.0%	8.6%	5.3%	6.1%
Net profit margin (After Tax)	2.6%	0.0%	5.3%	6.1%	3.7%	4.5%
Return on Capital employed	5.4%	1.2%	12.9%	13.4%	8.3%	9.2%
Return on Total Assets	2.6%	0.0%	7.0%	7.6%	4.6%	5.4%
Return on Non Current Assets (PPE)	4.9%	0.0%	19.9%	20.1%	9.7%	10.5%
SHARE STATISTICS						
Earnings per share-basic & diluted	**30.3**	**0.2**	**64**	**69**	**41**	**46**

SALES BREAKDOWN

	2018 Shs'000	2017 Shs'000	2016 Shs'000	2015 Shs'000	2014 Shs'000	2013 Shs'000
Circulation	21,347,284	19,683,064	21,539,321	23,231,228	21,774,060	20,316,232
Advertising	56,535,195	56,242,304	58,404,404	54,378,000	50,462,625	47,533,199
Commercial printg	11,552,020	9,369,157	12,074,377	8,663,571	10,133,207	10,505,402
Other sales	1,158,199	766,656	644,524	567,179	590,223	542,734
Total Turnover	90,592,698	86,061,181	92,662,627	86,839,978	82,960,115	78,897,567

ADVERTISING REVENUE BREAKDOWN

	2018	2017	2016	2015	2014	2013
Print	53.5%	55.0%	57.8%	59.9%	65.0%	72.8%
Radio	13.5%	14.3%	13.0%	12.5%	12.8%	11.8%
Television	30.2%	27.7%	26.3%	24.4%	18.2%	13.3%
Digital	2.8%	3.0%	2.9%	3.2%	4%	2.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

REVENUE STREAM MIX

Amounts in (Shs'000)

	2018	% of total revenue	2017	% of total revenue	2016	% of total revenue	2015	% of total revenue
Circulation	21,347,284	23.6%	19,683,064	22.9%	21,539,321	23.2%	23,231,228	26.8%
Print Advertising	28,745,258	31.7%	30,110,840	35.0%	32,670,689	35.3%	31,723,210	36.5%
Radio & Events	9,355,720	10.3%	8,301,370	9.6%	7,935,600	8.6%	7,048,574	8.1%
Television	16,836,648	18.6%	16,101,226	18.7%	16,014,445	17.3%	13,808,228	15.9%
Digital	1,597,569	1.8%	1,728,867	2.0%	1,783,669	1.9%	1,797,987	2.1%
Commercial printing	11,552,020	12.8%	9,369,157	10.9%	12,074,377	13.0%	8,663,571	10.0%
Other sales	1,158,199	1.3%	766,658	0.9%	644,525	0.7%	567,179	0.7%
	90,592,698	100.0%	86,061,181	100.0%	92,662,627	100.0%	86,839,978	100%

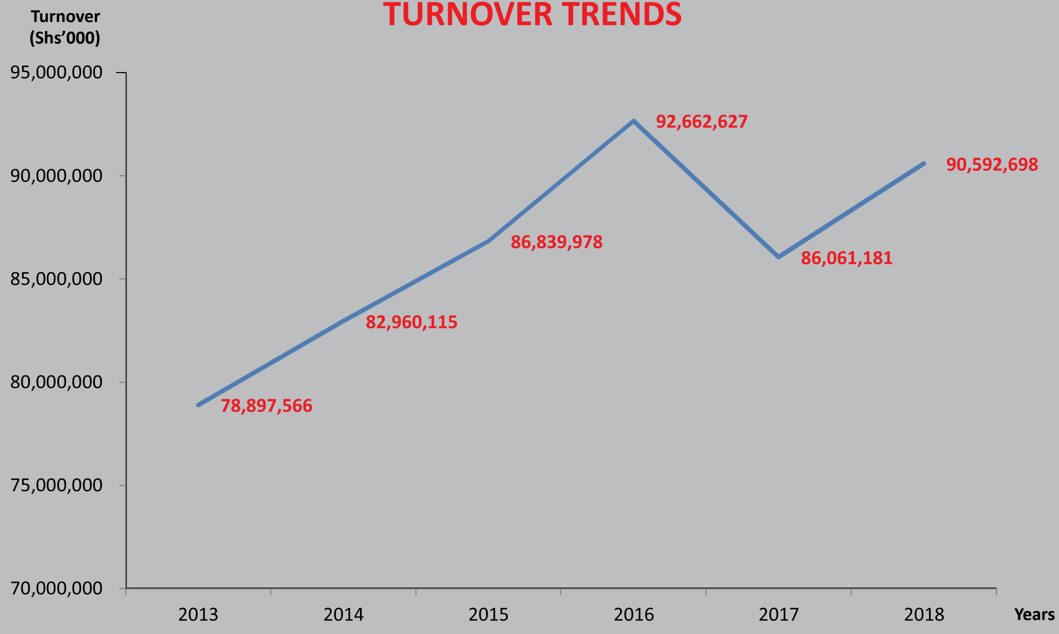
SEGMENTAL REPORTING 2018

Amounts in (Shs'000)

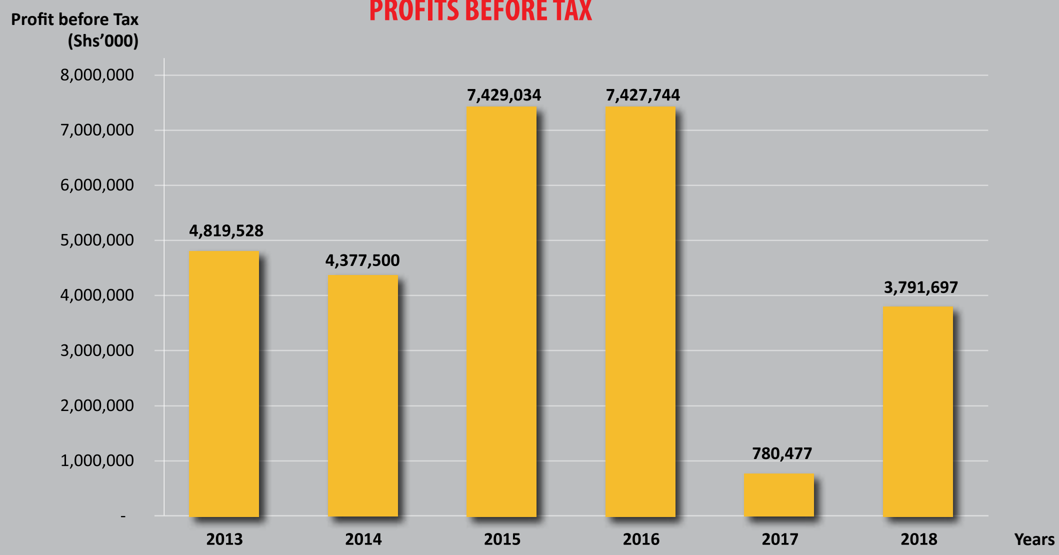
	PRINT MEDIA	ELECTRONIC MEDIA	COMMERCIAL PRINTING	OTHERS	TOTAL
Total turnover	51,250,741	26,010,662	11,552,020	1,779,274	**90,592,698**
Other operating income	-	-	-	872,196	**872,196**
Total Sales	**51,250,741**	**26,010,662**	**11,552,020**	**2,651,470**	**91,464,894**
Less					
Total Costs	(47,335,522)	(25,708,974)	(13,114,230)	**(1,514,472)**	**(87,673,197)**
Segment profit before taxation	3,915,219	301,689	(1,562,210)	1,136,998	3,791,697
Taxation	(825,634)	(419,025)	(186,100)	(42,715)	**(1,473,474)**
Profit after tax	**3,089,585**	**(117,336)**	**(1,748,309)**	**1,094,283**	**2,318,223**

Graphical presentation of the performance

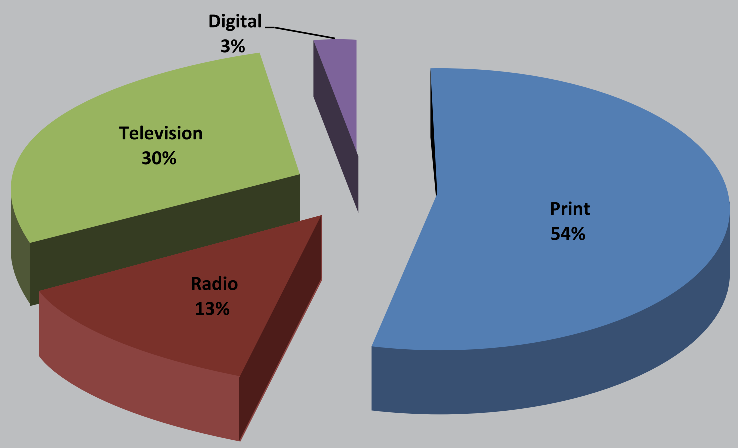
TURNOVER TRENDS



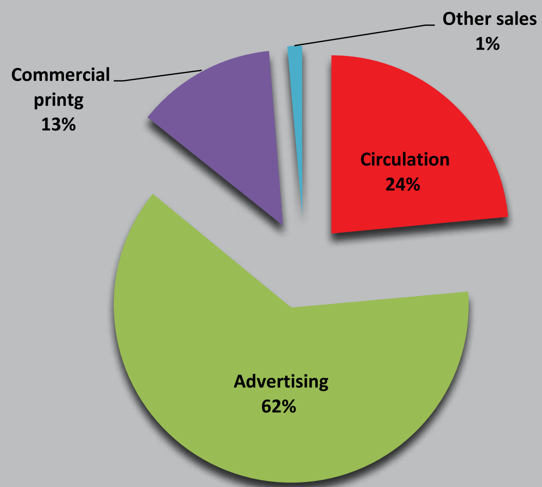
PROFITS BEFORE TAX



ADVERTISING REVENUE MIX 2018



TOTAL REVENUE MIX 2018



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 Lowa)
B.A/Education (Makerere University)
Appointed: 2010
Committee: Nominations & Governance

Jim Mugunga
Deputy Board Chairperson
Non-Executive Director
MA Communications Studies, University of Leeds, United Kingdom
Appointed: 2017
Committee: Editorial, Finance & Investment

Robert Kabushenga
Chief Executive Officer/Managing Director
LLB, Makerere University
Post Graduate Diploma in Legal Practice (Law Development Centre)
Appointed: 2007
Committee: Finance & Investment, Nominations & Governance

Oode Obella
Non-Executive Director
Bachelor of Commerce Degree (Banking option) (Makerere University)
Appointed: 2010
Committee: Audit & Risk, Human Resource & Remuneration

Gad Gasaatura
Non-Executive Director
MSC Degree in Air Transport Management (City University, London)
Appointed: 2008
Committee: Human Resource & Remuneration, Finance & Investment

Patrick Ayota
Non-Executive Director
Master in Business Administration (University of South Caroline, USA)
Bachelor of Science (Liberty University, Virginia)
Appointed: 2016
Committee: Finance & Investment, Editorial

Grace Dwonga Oredipe
Non-Executive Director
Bachelor of Commerce (Accounting) Degree (Makerere University)
CIMA (London School of Accountancy)
Appointed: 2010
Committee: Audit & Risk, Nominations & Governance

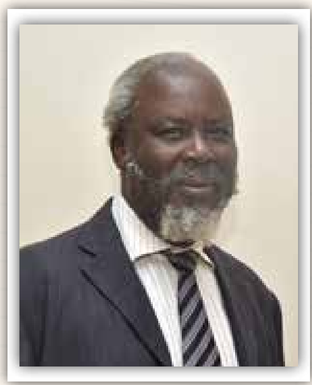
Hon. Steven Bamwanga
Non-Executive Director
Bachelor of Arts (Land Economics) Hons
University of Nairobi
Fellow of Insitute of Surveyors of Uganda
Registered Surveyor of Uganda
Member of Uganda Surveyors Registration Board
Appointed: 2010
Committee: Audit & Risk, Nominations & Governance

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
Appointed: 2016
Committee: Finance & Investment, Nominations & Governance

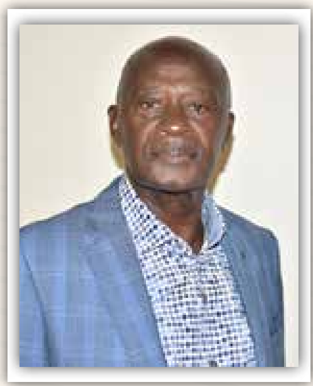
Charles Tukacungurwa
Non-Executive Director
Bachelor of Science in botany & Zoology (Makerere University)
Master Degree in Agricultural plant breeding (University of Aberdeen, Scotland)
Appointed: 2011
Committee: Editorial, Finance & Investment

Rita Kabatunzi
Company Secretary
LLB, Makerere University
Post Graduate Diploma in Legal Practice (Law Development Centre)
Master in Business Administration (University of Leicester)
ICSA UK-Fellow
Appointed: 2015

Board Audit and Risk Committee



Oode Obella
Appointed: 2010
COMMITTEE CHAIRPERSON

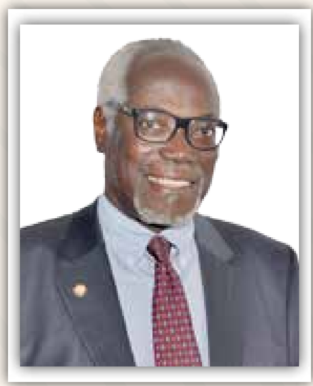


Steven Bamwanga
Appointed: 2017

Grace Dwonga Oredipe
Appointed: 2017

Susan Lubega
Appointed: 2014

Parity Twinomujuni
Appointed: 2014



Joseph Baliddawa
Appointed: 2014

CHAIRPERSON'S STATEMENT

Dear Valued Shareholders,

ON BEHALF of the Board of Directors, allow me to present to you the Company's Annual Report for the year ended June 30, 2018.

PERFORMANCE OVERVIEW

2017/18 saw us make a significant recovery in terms of revenue growth, realising shs 90.5bn in the current year from shs 86bn in the past year. The financial performance further highlights that there was an increase in the profit before tax to shs 3.79bn in the current year from shs.780m in the past year. We registered shs 2.3bn net profit for the year.

The shareholders' funds for the year ended June 30, 2018 were **shs 70bn** comprising of share capital worth **shs 1.5bn**; share premium of **shs 27.2bn**; revaluation reserve of **shs 12.9bn**, proposed dividend of **shs 1.9bn** and retained earnings worth **shs 26.6bn**. This reflected a growth of **3.4%** from the past year's position which was **shs 67.7bn**. In 2017/18 the return on capital employed improved to **5.4%** up from **1.2%** in 2016/17 and the EPS rose from shs **0.2 in** 2017 to shs 30.3 in 2018. The asset base has increased by **2%** showing that the Company has strong manufacturing capacity/capital to sustain its production potential.

GOVERNANCE

The Company is headed by an effective Board that is responsible for acting in its best interest and promoting the success of the Company.

Individual Directors are continually mindful of their duties to the Company, serving with diligence in the best interest of the Company. The Board retains collective responsibility for its role and remains answerable to shareholders on their performance.

In the first ever Institute of Corporate Governance of Uganda (ICGU) Awards, the Company was recognised as the best corporate governance practitioner in the SME sector on May 17, 2018.

The Board ensures the Company complies with best corporate governance practices guided by the principles of transparency, accountability, fairness and responsibility in all its dealings. The Board effectively performed its role during the financial year, providing entrepreneurial leadership to the Company, strategic guidance, oversight of management performance and policy direction, to ensure proper governance of the business.

The Board has delegated certain governance responsibilities to five Committees, namely the Board Audit and Risk Committee, Nominations and Governance Committee, Finance and Investment Committee, Human Resource and Remuneration Committee and the Editorial Committee, to improve its effectiveness. A detail on the performance of these committees is clearly enumerated in the "Corporate Governance Statement" in the Annual Report.

While profitability remains the core objective to ensure maximization of shareholder wealth, we endeavour to adopt a stakeholder-inclusive approach to corporate governance by considering all stakeholder needs, which we believe is key to long term success and sustainability.

The Company has an effective corporate governance framework and this will continue to build a higher degree of public confidence in our products/brands.

The Board undertook a formal and rigorous evaluation process of its performance, those of its committees and individual directors. The methodologies used were the questionnaires for the Board and its committees, while individual directors used an effective peer review process. An annual evaluation is necessary for any Board to assess the effectiveness of its performance and whether individual directors still make quality contributions to the discussions. Unlike last year where an external consultant's services were used, the process was handled internally with the support of the Company's Secretariat team. The results were shared with the Board and confirmed that the Board was, in all major respects, effective.

From the evaluation, there are things we can do even better. These include more regular assessment of the risks and internal control environment; improvement of director induction and development programmes; creation of concrete succession plans for both Management and the Board; establishment of an effective communication strategy for investor relations and shareholder engagement and more clearly articulating Board objectives.

Best governance practice assumes that a director's independence is diminished over time while serving on the Board, so Board composition should be refreshed periodically. The Nominations & Governance Committee considered the Board rotation plan and in line with the practice of annual director rotation of at least one third of the Board, recommended with the Board's approval, the retirement of three independent non-executive Directors. These are: Capt. Gad Gasaatura due for retirement in line with the Board Nominations guidelines, having clocked the maximum tenure of nine years, Hon. Steven Bamwanga and Ms. Grace Dwonga Oredipe as part of early retirement. They have faithfully served on the Board for at least eight (8) years.

On behalf of the Board, I would like to sincerely appreciate the three members for their service. They each have provided insightful leadership and constructive criticism to the Board. Their contributions have been invaluable and will forever be cherished. We wish them the best for the future.

With the exit of the three directors, their positions would fall vacant. The Nominations and Governance Committee therefore exercised its mandate of evaluating the right skill-set and experience on the Board and recommended, with Board approval, the appointment of Ms. Susan Lubega and Mr. Micheal Nyago, who shall be presented at the AGM for shareholder consideration and approval.

Ms. Susan Lubega obtained a Bachelor of Chemistry from Makerere University and a Masters (Distinction) in Environmental Pollution Control from the University of Leeds, UK. She has over 15 years' experience as a consultant working with medium to large enterprises and government institutions by helping them implement management systems compliant to international standards. She is licensed by the National Environment Management Authority to carry out environmental impact assessments and environmental audits. She has worked in different industries including aviation, petroleum, manufacturing, telecommunications, pharmaceutical distribution, engineering and government. She has been a non-Board member of the Board Audit and Risk Committee. Ms. Lubega possesses expertise in quality assurance and the Board will benefit from her wealth of experience.

Mr. Michael Nyago obtained a Bachelor of Economics from Makerere University and a Masters in Development Economics from William College, Massachusetts, U.S.A. He is a Fellow of the Association of Chartered & Certified Accountants (UK), member of the Institute of Certified Accountants of Uganda and Internal Auditors & Certified Internal Auditor and also a member of the Association of Fraud Examiners (USA). He has business acumen and carries a wealth of experience from the banking sector, an environment that is heavily regulated.

New director appointments have been made on merit, against objective criteria and with due regard for the benefits of diversity on the Board. I believe the inclusion of the two new directors 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.

One vacancy has been reserved for a person under the youth bracket with digital experience to ensure diversity in age and skill.

STRATEGY

In line with the Board's mandate to constructively challenge and help develop proposals on strategy, the Board at its retreat in February 2018 reviewed the strategy of the Company and set three (3) strategic objectives for the Company for the FY 2018/19. They are maximising financial returns, being an effective media platform and compliance to governance standards. The new strategic objectives are intended to enable the Company deliver an Earnings Per Share (EPS) of 77/- to the shareholders in the financial year 2018/19.

MEDIA INDUSTRY OVERVIEW

The 2018 World Press Trends present some key insights for us: Over 58.1% newspaper revenues come from circulation sales whilst print advertising revenue continues to tumble. Digital circulation and revenue are growing, even though very slowly. In all, 90% of publishing houses revenues still comes from print sales. The same trends were reflected in the IPSOS National Audience Measurement Survey (NAMS) released in August 2018.

Key among the findings was; significant decline in newspaper readership at over 50% since the last national survey in 2014. However Vision Group remained a market leader with Bukedde enjoying 51% and New Vision 44% readership.

There was a noticeable 21% decline in radio audiences across the country. Currently there are 13.65 million radio listeners in Uganda and over 266 radio stations. This obviously means severe fragmentation of audiences and therefore share of listenership. With this backdrop, Vision Group radio stations continue to do well with Radio West dominating the Ankole region, Arua One enjoying the larger share of listeners in West Nile and Etop reaching 50% of all radio listeners in the Teso region. Bukedde FaMa (Central Region) and Radio Rupiny (Gulu) have increased their awareness and share of listenership as well. XFM remains a niche station within the English market.

Television audiences have grown largely due to digital migration. Inversely it has led to a drop in audiences of the larger well known stations to the advantage of the newer smaller stations. Nonetheless, Bukedde TV 1 continues to dominate the market with 69% past 7 days viewership. Bukedde TV2 has grown significantly and TV West dominates the Ankole region as the number 1 TV in that area. The company's 3 TV stations have remained in the top 7 stations by viewership.

RISK

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

DIVIDEND

Last year the payment of a dividend to shareholders was not recommended owing to the low profitability registered. We promised a recovery of performance and the Board is happy to inform shareholders that a net profit of shs. 2.3bn was registered for the period ending June

30, 2018. After full consideration that the payment of dividends would not damage the liquidity and solvency of the Company, a total of **shs 1.9bn (82.5% of profit after taxation)** shall this year be spent on dividends. The Directors, therefore, recommend for shareholder approval at the forthcoming 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. This is a reasonable amount based on performance and compared to the amount paid by other listed companies in the market.

SHAREHOLDER ENGAGEMENT

The Company values regular and constructive dialogue with its shareholders. Meetings were held with major institutional shareholders, the representative for minority shareholders and employee shareholders to determine ways to improve shareholder value and the shareholders were consistent in their concern about the decline in the share price that led to a decline in the value of their investment. Further details regarding the discussions are included in the section of the Annual Report, "Shareholder's information." The Board also engaged stock-brokers and investment analysts, Ms. Crested Capital about ways of increasing share price growth. Ms Crested Capital recommended the need to improve the financial performance and position of the Company, pay a reasonable dividend to shareholders, manage costs effectively and improve communication on the Company's activities to the public and market specifically. The Board seriously values the interests of its shareholders and every effort is being made to align these interests with the Company's objectives.

We propose to shareholders to create an Investor Forum where investors can arrange strategy and stewardship meetings so that engagements are more effective.

SHARE PRICE

The share price performance was disappointing with the share price falling from shs 539 (June 30, 2017) to shs 450 (June 30, 2018). We are working tirelessly to reverse this in the next year by ensuring quality earnings above the cost of equity are delivered and higher dividends paid out to our shareholders. We believe this will act as a positive signal to the market and greatly enhance share price growth. Increase in shareholder value is a priority for the Board and the Board is currently reviewing the investor strategy to inform its investor relations strategy.

CORPORATE CITIZENSHIP

Every Board needs to consider the role of the organization within its societal context by understanding, prioritizing and balancing the needs of key stakeholders in a way that builds trust. This will help the Board fulfill its duty of promoting the long term success of the Company and provide powerful and positive benefits for the providers of capital.

We are mindful of the society in which the Company operates and in line with the Company vision of being 'a globally respected African media powerhouse that advances society' we have a duty to look out for society. We believe in creating long term value for the Company by creating value for others. Our relationships with these key stakeholders help the Company remain in business. The media platform is the greatest opportunity we have to disseminate information that transforms lives, contributes to sustainable living and enhances the economic growth and development of the country. Vision Group has continued to support and empower the communities at large through its content and Corporate Social Responsibility activities.

A detailed report on how we invested in sustainable wealth creation is included for consideration in the "Sustainability Report and Corporate Social Responsibility" section of the Annual Report.

PERFORMANCE OUTLOOK 2018-19

Board priorities for the period will include orientation and induction of new Directors, Board Development, optimizing assets, managing costs and strengthening stakeholder engagement, all geared towards maximizing returns for the shareholder.

We look forward to a full recovery and better profitability.

CONCLUSION

I was appointed Chairperson of the Board at the Annual General Meeting (AGM) of November 23, 2017 and it has been a wonderful experience providing leadership to a distinguished group of Directors.

I appreciate my fellow members of the Board of Directors for their insight, dedication and support that ensured the Company remained resilient this year. We shall continue to provide oversight, guidance and support to Management to ensure profitable growth.

To Management and all staff who provided the enormous effort that secured a recovery in profitability this year, thank you for your pro-activity, innovation and resilience. We know there have been sacrifices and we appreciate that.

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

I would like to thank shareholders for their patience and implore them to continue having confidence in the business. We shall continue to strive to deliver the performance you expect.

Dr. Monica Chibita
Board Chairperson
November 1, 2018

Executive Committee

ROBERT KABUSHENGA
Chief Executive Officer /Managing Director
Appointed: 2007

GERVASE NDYANABO
Deputy Managing Director/ Chief Finance Officer
Appointed: 1995

BARBARA KAIJA
Editor in Chief
Appointed: 2010

HOPE NUWAGABA
Head of Sales
Appointed: 2012

RITA KABATUNZI
Company Secretary
Appointed: 2016

GLORIA AGIRA
Chief Human Resource Officer
Appointed: 2014

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

SUSAN NSIBIRWA
Head of Marketing & Communications
Appointed: 2011

PEACE Z.KABATANGARE
Chief Internal Auditor
Appointed: 2018

CEO's STATEMENT

DEAR VALUED SHAREHOLDER,

THIS FINANCIAL year just ended, management tried its best to improve the performance of the business. The key priority was to make sure that the profit situation improves and that the Company can pay a return to the shareholders. There has been some improvement in this regard but there is still some work to be done. The results are detailed in the financial statements and notes accompanying them. The industry is currently facing some pressures from alternative sources of information and online advertising platforms. Our customers continue to face economic pressures that have depressed their purchasing power and therefore negatively impacting revenue generation. The projections are that the economy is likely to face inflationary pressures for the next one year and this will put upward pressure on the costs of doing business. In addition, the regulatory environment has become more stringent and is likely to lead to higher costs of doing business.

In light of this, the Company is reviewing its strategic direction in search of future opportunities to improve competitiveness and financial performance in the long run. The focus is on improving the innovation process and scaling up new lines of business that show promise. One key area that is causing a lot of disruption in the industry is technology. We need to be able to take advantage of these developments and respond to the challenges that these present to the media industry. This will require significant investment if the business is to thrive in the market. There are a number of investment models that can be considered for this purpose and they will be analysed to determine the appropriate way forward. If we are to prevail and thrive in this fragmented industry, this approach is inevitable.

One issue that still challenges management is how to improve the market valuation of the Company. We are aware that even as we work on making sure that the fundamentals of the business are sound and performance improves, the share price keeps declining. Management has undertaken steps to improve communication with stakeholders, while working to make sure that the financial performance of the Company improves. I hope that this situation will eventually be turned around. It is important to note that there are other external factors that influence activity on the stock market and therefore, the valuation of the Company. In the meantime the issue is to make sure that in the absence of a positive market valuation, the shareholders are able to take home a decent financial return on a consistent basis.

Vision Group maintains a strong team of staff that is able to deliver good results. This in part explains the success rate compared to the competition. The investment required in doing so is quite high and it is reflected in the fraction of our cost base that is occupied by the expenditure on talent. Even then, as the industry changes, there is need for new skills set that are not widely available and therefore come with a high price tag. In addition, the increasing cost of living arising from macroeconomic conditions means that in order to retain good people, we must offer competitive terms or lose them to other businesses that can offer better working conditions.

Vision Group continues to be a very active and responsible corporate member of society. We have been involved in championing causes that uplift the lives of people. This is essential for us because the most effective way to succeed in business is to do business by doing good. This has the effect of increasing the social capital of the Company and contributing to the bottom line. These kinds of initiatives have also benefitted individuals that are in distress and are seeking public support. This gives the Company a human face

Management receives very strong support from the Board and the governance processes are effective. The Company has been recognised by the Institute of Corporate Governance as an example of good corporate governance. This is a significant achievement.

Now that we are well into the new financial year, the focus is on taking full advantage of the business opportunities to return an even better financial result. The management of costs will continue to be a key part of our operations. We are mindful of the expectations of our shareholders and we shall work to meeting them.

Robert Kabushenga
Chief Executive Officer / Managing Director

November 1, 2018


Vision Group
BOARD

Corporate Governance Statement

Vision Group, listed on the Uganda Securities Exchange as New Vision Printing & Publishing Company Limited, is committed to continual improvement in its corporate governance practices. We recognise that effective corporate governance is more than a box-ticking exercise and requires that recommended best practice is embedded into the business and culture. This ultimately should translate to better organisation wide decision making, corporate performance and sustainability to deliver in the short and long term value to our valued shareholder. The principles of corporate governance are central to and reflected in our business approach. Following a strategy review this year, it was agreed to prioritise governance as one of the key strategic objectives that would improve performance of the Company. On a quarterly basis, Management reports to and the Board considers actions towards upholding the key elements of good governance that is disclosure and transparency, culture, internal control environment, Board practices, good citizenship and investor relations.

We adopt a stakeholder inclusive approach to governance in recognition of the key role played by its stakeholders as explained further in the sustainability report.

THE BOARD

The Company operates within a regulatory framework of the Companies Act 2012, the Capital Markets Authority laws, Uganda Securities Exchange (USE) Listing Rules 2003, the Uganda Communications Commission (UCC), the Media Council and internally by its Articles of Association and Board approved policies.

The Board of Directors is the ultimate governing body of the Company and guided by the Board Charter, is the driver of good corporate governance. It is accountable for the strategic direction, performance, and sustainability of the Company towards ensuring success, both short and long term. In order to deliver on its mandate, the Board provides leadership, entrepreneurial guidance and leadership, as well as setting the business objectives and values to guide day to day Management, who are accountable through meetings and evaluation. The Board has continually taken steps to ensure its effectiveness. It sets the tone for the rest of the Company in the discharge of its duties and responsibilities, in line with the governing and statutory framework.

Delegation of Authority

The Board has delegated some of its functions to Board committees that are guided by agreed Terms of Reference. However, it reserves for its own decision making, key decisions such as approval of strategy objectives, approval of annual budgets, within set thresholds approval of capital expenditure, oversight of operations, approval of policies and frameworks for Management operations, review of Management performance, changes in corporate or capital structure, approval of the risk appetite, approval of Annual Report and accounts, approval of major investments and contracts, approval of formal communications with shareholders and recommendation of final dividends.

The Board has also delegated authority for the day-to-day operations of the Company to Management headed by the Chief Executive Officer (CEO), who currently also serves as the Managing Director(MD) and is accountable to the Board. The Board continually monitors the CEO's performance against set strategic business objectives. The CEO/MD is assisted by a Deputy Managing Director and an Executive Management team.

The Board, led by the Board Chairman, is comprised of 11 directors, a number necessitated by the size of the business and its inclusive structure of shareholder representatives who are five (5). For the period reported the board, as indicated in table 1 below, was comprised of 10 directors pending the appointment of a majority shareholder representative following retirement of one long-serving member.

The mix of executive, non-executive and independent directors ensures a balance of power on the Board, independent thinking and diversity of thought, which enriches Board decisions and guards against group think. The roles of Chairman and Chief Executive are separate and distinct.

The Board is cognizant of its stewardship role, founded on the fiduciary duty of each director, to act at all times within its powers and in the best interests of the Company. It considers both short and long term impact of its decisions that promote the success of the business, duty to exercise independent judgment, reasonable skill and care and a duty to avoid conflict of interest and declare any interests in any transaction.

Board Directors and non-Board independent members serving on the Board Audit & Risk committee are highly qualified, respected professionals of integrity with a diverse array of skills, industry and professional experience, varying from media, business management, corporate governance, audit, finance and legal and advocacy. The skills, experience and gender mix enrich debate while nurturing constructive challenge and dynamism.

Table 1: Classification of directors

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

Director shareholding as at June 2018 was:

Table 2: Director Shareholding

Name	Shares	Percentage
Robinah Kitungi Kaitiritimba	42,992	0.000562%
Mrs. Susan Lubega (Member of the Audit Committee)	1,313	0.000017%
Total	**44,305**	**0.000579%**

The Strategic Board

The Board sets the strategic direction for the Company guided by the Company vision. In fulfillment of its mandate it approved and reviewed the strategy at the annual Board and management retreat and agreed to focus on three strategic objectives namely; to maximize financial returns, being an effective communication platform and compliance to governance standards. This focus was informed by the need to enhance shareholder value in the long and short term, and the following were agreed; to enhance the Earnings per share (EPS), develop a ten-year outlook and set key success factors to enable tracking on a quarterly basis. The agreed targets and objectives underpinned discussions and decisions on expenditure as well as investment and individual staff targets. This was highly effective in focus and alignment of day-to-day operations to the business objectives, as well as monitoring implementation of agreed strategic plans.

The Board is guided in its focus by recommended best practice. While it ensured balance between discussion of performance and conformance activities, performance would focus on the future, the business environment, market and industry as priority areas. Strategy is a standard item on the Board agenda and the Board in implementing this approach was able to operate as a strategic board.

Processes

In the past financial year, a total of nine Board meetings were held. The agendas for the meetings were set and 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.

Director declaration of interest in any agenda item, potential or actual, is required on an annual basis, at any time it arises, as well as prior to and at meetings. Declared interests are minuted and included in a register of interests. In instances where interests are declared, a director does not participate in the decision. In accordance with the Company's 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, in writing, was conducted and forms were filled.

Directors upheld the culture of excellent attendance of Board meetings as highlighted in the table below. The number of meetings was higher than those planned as per the annual calendar to enable timely, key investment and appointment decisions arising from unforeseen matters.

Table 3: Director attendance

Name of Director	3rd Aug 2017	22nd Sep 2017	4th Oct 2017	2nd Nov 2017	23rd Nov 2017	21st Feb 2018	22nd Feb 2018	23rd Feb 2018	3rd May 2018	28th Jun 2018
David Ssebabi	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A
Monica Chibita	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Robert Kabushenga	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jim Mugunga	✓	✓	✓	✓	✓	✓	✓	✓	✓	X
Oode Obella	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gad Gasaatura	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Patrick Ayota	✓	✓	✓	✓	✓	✓	X	✓	✓	✓
Charles Tukacungurwa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Grace Dwonga Oredipe	✓	✓	✓	✓	x	✓	✓	✓	✓	✓
Steven Bamwanga	✓	x	✓	✓	✓	✓	✓	✓	✓	✓
Robinah Kaitiritimba	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

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

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

Table 4: Director fees

	CHAIRPERSON	NON EXECUTIVE DIRECTORS
Sitting Allowance (Ushs.) (net)	813,120	677,600
Quarterly Fees (Ushs.) (net)	1,626,240	1,355,200

BOARD COMMITTEES

The Board relies on Board committees to effectively discharge its mandate but remains accountable for the discharge of its responsibilities. The committees consider matters in line with their Terms of Reference and make recommendations to the Board for approval. The Terms of References contain guidelines on the conduct of committee business and are reviewed at least annually to ensure relevance.

On a quarterly basis, the committees discuss management reports which include updates against set strategic targets, policy and compliance matters and as part of delegated authority on Board oversight, following which they make recommendations to the Board for discussion and decision.

The composition and frequency of attendance of meetings are detailed in the tables below;

BOARD AUDIT AND RISK COMMITTEE (BARC)

The Audit and Risk Committee for the period was comprised of 6 members including 3 independent non-Board members and headed by an independent non-executive director. This is intended to ensure the highest independence standards for the committee in line with recommended best practice. The skills and expertise of members is in corporate governance, finance and accounting, risk management, business management, quality control management, internal and external audit.

The committee monitors the integrity of the financial statements including those for its annual audited and half-year unaudited accounts in accordance with the required accounting standards, appropriate estimates and judgements. It reports to the Board on significant financial reporting issues and judgements and makes necessary recommendations. The BARC reviews the Company effectiveness of the internal controls and risk management systems to ensure robustness and appropriateness. The BARC reviewed all material information presented with the financial statements.

Member attendance for the year was as follows;

Table 5: Attendance

Name of Director	25th Jul 2017	21st Aug 2017	5th Sept 2017	26th Sept 2017	3rd Oct 2017	24th Oct 2017	14th Feb 2018	24th Apr 2018	21st Jun 2018
Oode Obella	✓	✓	✓	✓	✓	✓	✓	✓	✓
Joseph Baliddawa	x	✓	x	✓	✓	✓	✓	✓	✓
Parity Twinomujuni	✓	✓	x	✓	✓	✓	✓	✓	✓
Susan Lubega	✓	✓	✓	✓	✓	✓	✓	x	✓
Steven Bamwanga	N/A**	✓	✓	✓	✓	✓	x	x	x
Grace Dwonga	N/A**	✓	✓	✓	✓	✓	✓	✓	✓

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

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

FINANCIAL REPORTING AND DISCLOSURES

Financial performance is monitored by the Board through management reports and Board discussion at meetings. The Board ensures full and timely information about its business performance is achieved. Corporate performance is formally reported to shareholders through half year unaudited results and annual audited financial statements. These accounts are considered in detail by the BARC, which makes recommendations for Board before presentation to the Uganda Securities Exchange. The Company held an Investor briefing to discuss last year's audited accounts and shall hold another to discuss the audited accounts for the period ending June 30, 2018, prior to the AGM. The audited accounts are presented to and considered for adoption by shareholders at every Annual General Meeting.

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

The summary accounts are published in the New Vision newspaper and uploaded onto the Company website. They are also sent to shareholders via email (Eshareholder@newvision.co.ug) and are uploaded on the website (http://www.visiongroup.co.ug/financialreports.php). Annual Reports are also distributed to shareholders through email, website and at the AGM. Shareholders who prefer a hard copy have the option of requesting for one and these are availed at the Company's head office or upcountry stations.

INTERNAL AUDIT

Internal Audit assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the Company's governance processes, risk management and control.

A risk based audit approach has been adopted. During the year 2017/18, 100% coverage of the approved annual audit plan, covering all the Company's Strategic Business Units and Support Units was achieved. The findings were reported in detail to Senior Management and the Board Audit and Risk committee (BARC) and a summary of the high risk issues discussed at the quarterly BARC meetings. These issues are tracked to ensure that agreed remedial actions have been implemented. Overdue issues are reported to the BARC on a quarterly basis.

The BARC reviews and approves the role and mandate of internal audit, monitors and reviews the effectiveness of its work, and approves the internal audit charter ensuring it is appropriate for the needs of the Company. It also reviews and approves the annual internal audit plan and ensures it's aligned to the key risks of the business. The BARC is comprised of non-executive directors and non-Board members with diverse skills and expertise, which enhances oversight on Internal Audit.

BARC considered the following key issues during the year: the need to enhance Company profitability amid challenging industry trends; compliance to laws and the associated costs to the Company; IT governance and security since IT is core to the Company's business and the Company's readiness for IFRS 9 reporting requirements.

The BARC concurs with Management in the appointment, remuneration and removal of the Chief Internal Auditor. The Chief Internal Auditor has unrestricted access to the BARC as and when required.

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

Internal Audit carried out an annual self-check on compliance to IIA standards in April 2018 and the results were discussed at the April 2018 BARC meeting. Quarterly, the BARC tracks updates on implementation of recommendations from the quality review. The Company has embarked on sourcing automated audit management software, sponsoring more audit staff on IT Audit related training and developing investigative capacity outside Internal Audit.

EXTERNAL AUDIT

The Company's external auditor is the Auditor General and this is determined by law. The Auditor General delegated the year's external audit to Grant Thornton Certified Public Accountants.

The BARC reviews the engagement letter for the external auditors and participates with the Auditor General in setting the external auditors' remuneration.

The BARC reviews the external auditors' proposed audit scope and approach and approves the external auditors' audit strategy, including coordination of audit effort with internal audit. The committee also reviews the external auditors' management letter and adequacy of corresponding management responses. The committee requires Senior Management to regularly provide an account of action being taken to address the issues raised in the management letter.

The BARC also discusses with the external auditor the post audit report.

The committee meets separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately. No such matters arose during the year.

RISK MANAGEMENT

Given the scale of our business, the Board recognises that the nature, scope and potential impact of our business and strategic risks is subject to constant change. As such, the Board has implemented the necessary framework to ensure that it has sufficient visibility of the principal risks and the opportunity to regularly review the adequacy and effectiveness of our mitigating controls and strategies.

Our approach to risk management

To identify our risks, we start with our strategic pillars and consider what might stop us achieving the strategic objectives and looking at the risks facing the strategic planning period. The approach combines a top-down strategic Company level view and a bottom-up operational view of the risks. Meetings are held with heads of Strategic Business Units/Support Units to identify the risks within their operations. To identify our principal risks, discussions are held with the Chief Executive Officer. The information from the operational assessments is also considered to arrive at our principal risks.

To assess our risks, we consider the potential financial, reputational, regulatory or operational impact and the probability that the risk may materialise. This helps us to assess the level of control needed to address the risks.

To manage our risks, ownership is assigned at all levels. Each SBU/SU head owns and is responsible for managing their own risks, putting appropriate controls in place and procedures to ensure that the controls are operating effectively. The same process is followed for our principal risks.

To ensure we effectively monitor our risks, the principal risks are reviewed by the CEO and Board on a quarterly basis. Changes to the principal risks and mitigation strategies are considered as part of this review.

In the period, our risk management framework was reinforced for effectiveness by revising the framework policy to hold SBU/SU heads accountable for risks within their sphere, prescribing a practical risk assessment methodology and enshrining risk management in the organisational culture. Other improvements in the period include formation of a forum of risk champions as a cost effective mechanism of implementing the bottom – up risk management approach. Improvements that have been planned for the following years include developing and implementing the following; a risk appetite and tolerance framework, key risk indicators and business continuity planning systems.

The top five risks that affected the Company during the year were;

1. **Economic instability**

   Economic uncertainties have had a significant impact on the Company's ability to meet its broader strategic business objectives and revenue targets in particular. The business environment continues to be wrought with stiff competition among industry players, diminishing consumer expenditure and increasingly high operating costs. These challenges negated the Company's efforts to grow revenue in line with its set target.

   It is an ongoing risk that is being managed through prudent cost management. Target setting and regular performance reviews were conducted by the Executive Management team, complete with corrective response strategies for performance deviations identified.

2. **Shifting audience preferences**

   Stiff competition was experienced across our brand spectrum, compounded by the disruptive effect of technology on consumer preferences for content consumption. Growth and sustainability of our product market positions is under significant threat. Younger audiences have stronger preference for digital and social media for information and entertainment, which reduced uptake of our traditional media brands in newspapers, television and radio. This loss of audiences influenced the decisions of advertisers, some of whom are cutting back advertising spend.

   This risk is ongoing and being managed by leveraging online and social media platforms to engage audiences and provide content for the various brands of the Company. In order to retain audiences and build brand loyalty, target-centered pull-outs for education, agriculture, business, relationships, health and children are utilised.

   The Company continues to pursue a diversification strategy by venturing to events organisation and this year events such as; the Bride & Groom Expo, Kampala Twins Festival, Farmers' Expo and ToTo Festival were held successfully.

3. **Regulatory compliance risks**

   Requirements arising from the Company's compliance universe are increasingly on the rise as regulators seek to exercise their powers. Arbitrary compliance sanctions imposed by Uganda Communications Commission have been on the increase. The retrospective application of liability by Uganda Revenue Authority and the National Social Security Fund based on their interpretation of the Company's sales executives' as employees therefore liable for PAYE and other deductions is still a looming risk. The Company, therefore, continues to face the possibility of substantial fines and penalties, with a high impact on the business and financial performance.

   The risk is being managed through continuous engagement with the respective regulators. Tax consultants have been engaged to provide tax advice. Legal redress will have to be set if we fail to agree.

4. **Libel suits**

   The Company is involved in a number of litigations, mainly libel cases. 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.

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

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

5. **Credit risk**

   Trade debtors failing to comply with credit terms. This is a continuous risk that materialized several times through the year. By the nature of the business, a significant portion of the Company's sales is made on credit terms. Credit is granted to customers on specific repayment terms. Several violate payment terms. All effort including legal process is taken, however, sometimes the recovery takes long. Large amounts of outstanding trade credit also impacts the Company's liquidity position. The Company must live with the risk to some extent. However, it is managed by implementing a Board-approved Credit Control Policy that guides approval and recovery procedures.

The Credit Control team also employs externally-sourced Debt Recovery experts.

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

The Committee is led by the Board Chairperson and is comprised of at least two independent Non-Executive Directors. During the period, the composition of the committee changed following the retirement of the former Chairperson, Mr. David Ssebabi and currently includes the following directors; Monica Chibita, Grace Dwonga, Steven Bamwanga and Robert Kabushenga. The table below indicates the attendance of the previous committee composition;

Table 6: Attendance

Name of Director	2nd August 2017
David Ssebabi	✓
Monica Chibita	✓
Oode Obella	✓
Gad Gasaatura	✓
Jim Mugunga	✓
Robert Kabushenga	✓

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

DIRECTOR APPOINTMENTS

The Company aims to attract and retain high calibre directors in determining the remuneration of non-executive directors, considers the extent, nature of responsibilities, level of experience and comparative remuneration from similar companies as well as best practice.

The Board Nominations and Governance committee is mandated to handle director selection when a Board vacancy arises. The committee considers director nominees and makes recommendations for appointment taking into account the requisite knowledge, skills and experience, personal attributes required, as well as the need for diversity, including gender. This year the committee recommended a more age-inclusive bracket and this is under review.

The committee is also charged with consideration for refreshment of skills on the board. The Committee this year, guided by the rotation plan reviewed and recommended for retirement, Capt. Gad Gasaatura, Hon. Steven Bamwanga and Ms. Grace Dwonga Oredipe, all independent non-executive directors. The Board considered possible replacements and agreed to recommend for shareholder approval the appointment of Mrs. Susan Lubega (currently an independent non Board member of the BARC) and Mr. Micheal Nyago, a seasoned accountant as new directors following the exit of the current retiring directors, at the Annual general meeting, 2018.

Director candidates were sourced through a merit based reference verification process and independent sources that included professional institutions. All suitable candidates approved by the Board now form part of a corporate director database for future purposes.

The search for a director replacement with relevant digital and business skills is ongoing as well as replacement for the majority shareholder representative following the retirement of Mr. David Ssebabi.

BOARD EVALUATION

The Board undertook a formal and rigorous evaluation process of its performance, those of its committees and individual directors, the Chief Executive Officer and Company Secretary. The process was internally facilitated and the findings discussed by the Nominations and Governance committee which made recommendations to form detailed discussion at the Board and executive management retreat. The Board was ranked as an effective board. Key action points for the following year include continued focus on strategy, effectiveness of risk management and internal control systems, director induction and development, concrete succession planning for both the Board and management, investor relations and shareholder engagement.

HR AND REMUNERATION COMMITTEE

The committee reviews, guides management and makes recommendations to the Board on the Company's remuneration policies, structures and practices. It considers employment terms for executive and senior management. The key guiding principle is the need to balance attraction and retention of high calibre staff against delivery of shareholder value and alignment to shareholder expectations of a return.

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

The terms and conditions of employment of all employees are guided by local legislation and the Human Resource policy. The bulk of employees are currently employed on permanent contracts, while the senior management team is employed on Two-year contracts. However, a transition to contractual employment to drive continuous productivity is underway. Management continued to review its employment structure and business model centered on contractual labour for freelancers and sales executives in response to the growing regulatory risk from URA and NSSF.

Employees are formally appraised twice a year, that is following the lapse of a half year and end of financial year to measure 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 staff. The reward and recognition system also comprises a non-financial reward such as recognition, commendation and gift vouchers. During the period, the Board interacted with star performers to recognise award winners who continue to build brand equity for the business.

Structure of remuneration

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

Benefits: The Company provides medical cover, insurance and death benefits for staff and dependents.

Variable pay: Incentives set basing on the Company's overall performance are provided to ensure appropriate reward for good performance. Employees whose performance exceeds expectations or are outstanding are rewarded with a performance bonus at the end of the financial year.

Shares/options: The Company has Thirty Five (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. While Management encourages share ownership to align employee interests to those of shareholders, no share options performance-related incentive is currently in place.

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

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

Member attendance for the year was as follows;

Table 7: Attendance

Name of Director	24th July 2017	29th Aug 2017	23rd Oct 2017	26th Dec 2017	23rd Apr 2018
Gad Gasaatura	✓	✓	✓	✓	✓
Grace Dwonga	✓	✓	N/A	N/A	N/A
Robert Kabushenga	✓	✓	✓	✓	✓
Monica B. Chibita	N/A	✓	✓	✓	✓
Oode Obella	N/A	✓	✓	✓	✓

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

Reporting Manager is the Chief Human Resource Officer.

The Committee is composed of only independent Non-Executive directors to effectively execute their role.

FINANCE AND INVESTMENT COMMITTEE

Its main role is to review and advise the Board on performance, strategy and any investment proposals and policies and monitor performance of investment projects on behalf of the Board, to which it makes recommendations for decision. It reviews alignment of strategy and financial performance to shareholder return including share price, dividend and earnings per share. It also advises on the short and long term performance goals.

Member attendance for the year was as follows;

Table 8: Attendance

Name of Director	25th July 2017	22nd Sept 2017	25th Oct 2017	2nd Nov 2017	25th April 2018	19th June 2018
Patrick Ayota	N/A	✓	✓	✓	✓	✓
Jim Mugunga	N/A	✓	✓	✓	✓	X
Robert Kabushenga	✓	✓	✓	✓	✓	✓
Robinah Kaitiritimba	N/A	N/A	N/A	✓	✓	✓
Gad K. Gasaatura	N/A	N/A	N/A	✓	✓	✓
Charles Tukacungurwa	✓	✓	✓	X	✓	✓
Grace Dwonga	✓	N/A	N/A	N/A	N/A	N/A
Steven Bamwanga	✓	N/A	N/A	N/A	N/A	N/A

Key: ✓ Present / **x** Absent / **-** Not Applicable

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

EDITORIAL COMMITTEE

The focus of this committee and its recommendations is on performance of the media platforms and the adherence to the editorial policies.

Member attendance for the year was as follows;

Table 9: Attendance

Name of Director	24th July 2017	23rd October 2017	April 23, 2018
Monica Chibita	✓	✓	✓
Charles Tukacungurwa	✓	✓	✓
Robinah Kaitiritimba	N/A	✓	✓
Steven Bamwanga	✓	N/A	N/A
Jim Mugunga	N/A	✓	✓
Patrick Ayota	N/A	X	✓

Key: ✓ Present / **x** Absent / **-** Not Applicable

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

DEALING IN SECURITIES

The Company restricts dealing in securities by directors and employees during closed periods in line with the listing rules and its insider trading policy. Communication is sent out to employees, considered to be insiders with access to price sensitive information and directors to notify them of the closed periods, which are from July 1 to the publication of final results, and from January 1 to the publication of interim results.

ENGAGEMENT WITH SHAREHOLDERS

Regular communication with shareholders is a responsibility of the Company in order to improve shareholder value and relationships. This, as indicated, will be an area of focus for the following year in line with the strategic objectives of the Company. The Company is committed to ensuring that shareholders and the financial markets are provided with full, accurate and timely information about its performance.

Communication to shareholders is usually through emails (Eshareholders@newvision.co.ug, SMS, post, telephone calls and announcements in the newspapers. Shareholders are, therefore, encouraged to ensure their details are updated and to notify the Company of any change in their postal or email addresses, phone numbers and bank account details.

The Company has also put in place a shareholder page on its website which contains important information 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 337 763.

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

COMPANY SECRETARY

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

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

The Company Secretary advises the Board and Company on the legal and regulatory framework, assisted by the Legal and Compliance functions.

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

COMPLIANCE

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

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

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

The Company has also put in place several policies to guide its operations and to guide the conduct of employees. The Company also has key policies to support good governance practices including a code of conduct, anti-fraud and bribery policy, conflict of interest policy insider trading policy, whistleblowing policy, and grievance policy, in addition to a detailed Human Resource policy which drives culture. There is a hotline to encourage whistleblowing and it is regularly published internally and in its newspapers. Cases reported are investigated and disciplinary action is taken.

GOING CONCERN

As reported by the External Auditors, nothing has come to the attention of the directors to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.

SHAREHOLDER INFORMATION

The Company currently has 2,501 shareholders and the shareholding is distributed out as follows:

Description	No. of Investors	No Of Shares Held	Percent Holding
Between 1 and 1,000 Shares	1,684	604,493	0.79%
Between 1,001 and 5,000 Shares	545	1,356,940	1.77%
Between 5,001 and 10,000 Shares	125	966,992	1.26%
Between 10,001 and 1,000,000 Shares	141	11,814,166	15.44%
Above 1,000,001 Shares	6	61,757,409	80.73%
Total	**2,501**	**76,500,000**	**100.00%**

Nationality	Category	No. of Members	No. of Shares	Percent Holding
East African	**Corporate**	73	28,322,237	37.02%
	Individual	2,345	47,263,549	61.78%
		2,418	**75,585,786**	**98.80%**
Foreign	**Corporate**	2	75,500	0.10%
	Individual	81	844,662	1.10%
		83	**920,162**	**1.20%**
Grand Totals:		**2,501**	**76,500,000**	**100.00%**

Top Ten shareholders

Investor Name	Shares Held	Percentages
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
MAKERERE UNIVERSITY RETIREMENT BENEFITS SCHEME- MU	475,000	0.62
Total number of shares	**64,285,094**	**84.03**

Share price

As at October 25, 2018 the share price on the market was shs 370, the market capitalization is therefore shs 28.30 bn.

There has been a gradual decline in the performance of the share price over the reporting period. As at June 30, 2017 the price was Shs 539 and declined to shs 538 in September 2017. There was a further decline to shs 510 in the month of February 2018 and in May 2018 to Shs 450. This price remained constant till the close of the financial year period, June 30, 2018.

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, but the Company recognises that dialogue is an on-going process through increased use of the telephone, emails and face-to-face meetings.

The Company held various meetings with major institutional shareholders, employee shareholders and stock broker representatives to determine ways to improve shareholder value and to inform the corporate strategy review.

The two largest institutional investors NSSF and NIC were consistent in their concern about the decline in the share price that led to a decline in value of their investment. The investors recommended the following areas for improvement;

i. Improved return on equity to compensate for the risk of investment taking into account the opportunity cost from alternative options.
ii. Review of the capital allocation/financing policy by considering debt financing.
iii. Growth in share price.
iv. Improved financial performance and position including a healthy balance sheet.
v. Payment of dividends.
vi. Cost management and a proposal to consider exiting high cost operations that had not delivered returns in five years or over.
vii. Review of the electronic media presence.

Employee shareholders requested that their interests be considered in the decision making process and recommended the following;

i. Cost management.
ii. Incentivizing of staff.
iii. Change in the management style.
iv. Review of productivity of all staff.

Ms. Crested Capital, investment analysts, emphasised the negative effect of illiquidity on the Company's counter on the share price and recommended the following;

i. Improving financial performance and position.
ii. Pay a reasonable dividend.
iii. Address operational challenges like cost management.
iv. Improve communication to the public and market to drive the narrative around investments.

These views were communicated to all directors, who adequately deliberated the matter and are considering strategies to address the concerns.

The Company organised a Harvest Money Expo in February 2018 at Namboole Stadium and a total of 60 shareholders who expressed interest attended the three-day event.

Investor Briefings

As part of our investor relations strategy to being more accountable and transparent to our esteemed shareholders, the Company, during the period held 2 investor briefings and with the Regulator, Uganda Securities Exchange (USE), stock brokers and analysts to discuss the performance of the Company following the publication of the accounts. The briefings were held on March 23, 2017 and October 31, 2017 to discuss the half year and full audited accounts, respectively. Representatives from the Board and Management were present to explain the performance of the Company to different stakeholders.

The notable issues discussed included;

a. High trade receivables and high administrative expenses.
b. The Company's trading account is unattractive on the stock market despite the fact that the Company pays a dividend yield of over 9%, which is the highest in the market. The impact of the economy and the politics could have led to a decline in turnover.
c. Many investors are looking to invest in fixed bonds which are risk free.
d. The increase in the Company's impairment following a new reporting standard that reduced last year's annual profit to Shs 14.7m.

Management confirmed that the Company was employing every effort to recover outstanding debts. A diversification strategy had been adopted and non-traditional revenue streams had been considered. The Company had invested in renovating Pike House, hence a savings in dollar -related rental obligations. A new commercial printing machine had been purchase and would help improve efficiency.

It was also noted that many institutional investors were not willing to sell their shares because they are happy with the dividend they received at the end of each period.

Shareholders were informed of the foregoing through email and SMS and the published article detailing what transpired at the briefing was also uploaded on the website.

ENGAGEMENT WITH REGULATORS

The Company continued to engage with Uganda Securities Exchange and the Capital Markets Authority. The Company attended the Annual Issuer Forum on October 20, 2017 and a key discussion was on how to increase the liquidity of shares on the market. The regulators noted that there is a limited supply of shares, that led to a drop in the trading volumes, largely attributed to the fact that Institutional investors hold a large percentage of shares. It was also noted that despite the release of important corporate announcements, there was little or no effect on the share price as expected. Issuers were urged to make clarifications immediately, to discredit rumours since they had the potential of affecting the movement in share price.

USE received formal approval from the CMA to operate a demutualised stock exchange in accordance with the requirements of the Capital Markets Authority (Amendment) Act 2016 and the Capital Markets Authority (Establishment of Stock Exchange)(Amendment) Regulations 2016. This means that USE will become a Company limited by shares with a change in its governance and managerial structure. Demutualisation means that the ownership of the Exchange has been separated from the trading rights of its members (the stock brokers) and will allow for an independent, transparent and flexible governance structure that fosters decisive action in response to all the changes in the Exchange's operating business environment. This will improve the stock exchange's governance and deepen the capital markets. It also brings the local exchange at par with the regional stock markets that are already demutualised hence meeting international standards for the operation of an efficient stock exchange. It is expected that an Initial Public Offering (IPO) of shares will be arranged in future and the trading participants (stock brokers) will be required to reduce their shareholding to no more than 40% within the next three years, while no single member will be allowed to hold more than 10% of the issued shares.

DEALING IN SECURITIES

The Company restricts dealing in securities by directors and employees during closed periods which are from July 1 to the publication of final results, and from January 1 to the publication of 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 the power to halt any trade, freeze the securities and issue a fine commensurate with the amount obtained from dealing in the shares. A notification of the said restriction was communicated to all the relevant stakeholders.

The Board also recently approved the Insider Trading Policy to ensure that 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 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 upon request.

COMPLIANCE WITH THE LISTING REQUIREMENTS

The Company remains committed to operating a business 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 information were made.

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.

Tel: 0414 337 763

Company Share Registrars;

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

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 9815Kampala

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 17th Annual General Meeting of the Company to be held on **November 22, 2018** at 3:00pm and at any adjournment thereof.

Signature; ……………………………

Dated this ……………. day of ………………………, 2018

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' or 'against' a resolution.

NO	Resolution	For	Against	Vote Withheld	At Discretion
1	To receive, consider and if approved adopt the annual financial statements for the year ended June 30, 2018 together with the report of the Auditors.				
2	To appoint directors. In accordance with Articles 67 and 69 of the Company's Articles of Association, Mr. Michael Nyago be appointed a director.				
	In accordance with Articles 67 and 69 of the Company's Articles of Association, Ms. Susan Lubega be appointed a director.				
3	To approve the fees payable to the Non-Executive Directors for the period until the next Annual General Meeting.				
4	To confirm the appointment of External Auditors for the financial year 2018/2019 and authorize the Directors to negotiate and fix their remuneration in accordance with Sections 167-169 of the Companies Act 2012.				

Notes:

1. This proxy card is to be physically delivered to the Company Secretary at the physical address stated above, faxed to +256(0414 346 432) or emailed to Eshareholders@newvision.co.ug at least 48 (forty eight) hours before the time fixed for the meeting.
2. In case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated.
3. If this form is returned without any indication as to how the proxy shall vote, the proxy will exercise his discretion as to how to vote.
4. If the appointer is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorized in that behalf.


New Vision
DISTRICTS STUCK WITH FAULTY X-RAY MACHINES
Bukedde
NZE MUSSE
BESIGYE


VISION GROUP®
NATIONAL PRIDE • GLOBAL EXCELLENCE

SUSTAINABILITY REPORT

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

The Company's Vision is to be a globally-respected African media powerhouse that advances society and is guided by business principles that aim at enshrinig integrity, fairness, accountability, transparency and responsibility.

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

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

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

HUMAN CAPITAL

Our Staff

Vision Group continuously aims at being an employer of choice. We believe that investment in people is good business not just because of the co-relation of such investment and high organisational performance, but also because we care about the development, health and well-being of our employees. We believe investment in employees is a good strategy and a means to deliver shareholder value. Our business principles recognise that employees are our most valuable asset and effort is made to balance the needs of this stakeholder against the interests of the shareholders.

The Company currently employs 674 people on a permanent basis as indicated below;

Worker Demographics

Age Group	20 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	Over 61	Total
Total no. of staff	12	103	193	158	97	70	37	3	1	674

Four (4) staff members with special skills above 55years of age have been retained on short term contracts because of their specialised skills, institutional memory and also to coach as well provide on-job training for the less experienced staff.

The workforce model also comprises 790 freelance staff and sales executives who are independently contracted for their skills and expertise, but are not employees.

Gender & Age categorization for staff employees

Employee Category	Gender	Total	Grand Total	Percentage	Youth Numbers (20—35)	Grand Youth Total	Youth %age
Overall Employees	Female	233	674	35%	121	339***	36%
	Male	441		65%	218		64%
Senior Management	Female	6	12	50%	1	2	50%
	Male	6		50%	1		50%
Middle Level Management	Female	36	92	39%	8	18	44%
	Male	56		61%	10		56%

The Company outsources the provision of casual labour to Ms. Exquisite Solutions Ltd who provide skills and the bulk of these are for semi-skilled to unskilled labour for the factory, front desk and periodically temporary staff for staff on leave.

We aim at building a sustainable workforce through talent management, recruitment and retention, strategic resource planning and fair rewards for sustained performance.

Vision Group is an equal opportunities employer and does not discriminate on gender, age, disability, ethnicity or religious grounds. It is recognised that the family requirements for mothers and the varied approach to work for the youth, including talented millennials, calls for flexibility in work hours and culture, therefore the Company adopts an accommodative approach to support retention of skill and talent for the benefit of its goals.

While the Company does not seek to afford unfair advantage to any group, it recognises the need to encourage diversity through varied perspective, experience and expertise. This includes putting in place a culture and structure that supports inclusion of female workers and the youth.

Women in Management

The Company makes every effort to promote gender balance and to support the professional development of women in recognition of the factors that impede their career progression.

Fifty percent (50%) of senior management is female with approximately 40% of the middle level management team being female managers. The Company recognises the strengths of diversity and has greatly benefited from this composition. Mrs Barbara Kaija, the Editor-in-Chief was recognised for her exemplary contribution as an editor in the newsroom and for her leadership in driving media contribution to society. She received the 2018 Africa Laureate Women in News Editorial Leadership Award in June 2018.

Young workforce

The trend has been a growing young workforce (36% of the current workforce from 11% in 2014), giving the organisation access to a range of skills and talent that appeals to a large portion of the national population comprised of 77% youth (below 30 years of age). In addition, it gives the Company an opportunity to prepare a generation that will create sustainable value for itself and the nation at large. This group comprises at least one third of our audience for; Urban TV, XFM, Swagg pullout, City beat pullout and Kampala Sun. These platforms are a key part of our diversification strategy.

Millennials are the most diverse working generation and the increasing percentages of this age demographic increases our talent pool, draws in star candidates and creates a vibrant, energetic, innovative and more productive workplace.

Creating a diverse workplace has improved our retention rate, from a turnover rate of **10.1% in 2015** to **8.2% in 2016** and **7.1% in 2017** that is a **3.5% drop** over three years. It is significant that this includes a high level of retention of core skills. We enjoy such loyalty that several of our talented staff pried away by better job offers have returned when an opportunity has presented itself because of a supportive work environment. The Company has come up with innovations such as "the Tutandike programme" which encourages employees to engage in alternative income generating schemes such as farming, trading and offers financial literacy talks to support staff manage their finances better. This is managed in a manner that takes into consideration the business needs and ensures there is no conflict of interest. We pay a performance bonus to best performing employees. Investing in the above-mentioned employee incentives, among others, helps to boost and maintain staff retention.

We also offer our staff members short term loans to ensure they are able to meet steep financial obligations such as housing and school fees, something that not many organisations offer. This has to a large extent created employee loyalty and reduced staff turnover. Consistency in expected performance and increased morale are guaranteed. There are also reduced costs in both time and recruitment to find suitable staff replacement.

Talent is a driver of corporate success and we value it.

As a multi-media house we emphasise creativity, innovation and diversity for our content platforms. Across the organization employ a multi-skilled workforce with competitive technical and professional skills. We have mastered the art of synergizing our human resource which contributed to our uniqueness and core competencies difficult to replicate. This has ensured our competitiveness and contributed to our resilience and recovery. Diversity ensures greater productivity, creativity and innovation. Our people development strategy ensures that uniqueness, diversity and multi-skilling is nurtured and our recruitment process is informed by this strategy to ensure a strategic fit of new recruits.

Staff recruitment and selection processes

This process at Vision Group is guided by the comprehensive Company Human Resource Manual (2017). Recruitment is merit-based to ensure achievement of the organisation's set strategic objectives.

Vacancies are filled through; internal promotions based on consistent performance, advertising both internal and external adverts and head hunting.

Job advertisements are based on job and person specifications. Internal vacancies are posted on the intranet and/or noticeboards, while external vacancies are published on a variety of advertising media like newspapers and the Company website. A vacancy may be filled through an internal transfer in the same category, or by promotion to a higher job grade. This approach has increased employee motivation and retention as talented individuals see prospects for growth. This approach is used to promote up to the level of Executive. In fact, a total of 66.67% of the current executive managers rose through this process.

The recruitment process is a thorough process of shortlisting, interviewing and reference checks.

Staff Performance & Reward

Exceptional performers who exceed set targets, which are stretched targets, are identified through the performance management process, recognised and rewarded with performance bonuses and commissions as part of incentivizing them to continually perform. This is a driver for organisational success. Recognition and reward is not restricted to monetary gain but includes the following:

i. Monthly recognition of the best employee per department.

ii. Departmental celebrations for outstanding performance.

iii. Recognition through the issuance of certificates.

iv. Recognition of excellent performance through verbal and/or certified means.

v. Promotion of deserving employees

vi. Long service awards

vii. Bonuses approved by Management.

Performance Reviews

There is accountability for performance management through discussions of progress on strategy, measures, milestones and targets are clearly set. Annual reviews/appraisals of all staff members are conducted and those who achieve a score of *exceeds expectation* and *outstanding*, are rewarded with a performance bonus. Poor performance is addressed through performance enhanced programme for three months; failure to improve results will result in contract termination.

Training & Development

For the financial year 2017/18, the Company spent 1.3% of the administrative expenses in training and development of its employees with focus on technical areas that directly impact the bottom line such as; investigative journalism, reporting and leadership skills training as well as professional certification for the finance, audit, risk and editorial teams. The professional bodies to which staff are affiliated 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. This ensures the Company stays abreast of best practice to deliver on its vision, mission and strategic objectives through its well trained professional team.

Coaching and mentorship is an ingrained practice in the organisation as a means of skills development, succession planning, employee motivation and retention. It is conducted both on a formal basis as a set performance target for supervisors and informally.

Innovations Hub

The Company operates in a dynamic, ever changing industry where innovation is key to competitiveness. The need for innovation is constant which informed the creation of an Innovations Hub to receive staff ideas which are then assessed by the Innovations Committee and the best ideas are taken and implemented. The committee selects ideas that are practical and sustainable, directly or indirectly impact a department, function or process and commercially viable, with the potential to either generate revenue or reduce costs. A total of 28 ideas were submitted for Committee review and of these, 50% that met the strategic goals for the year were implemented. We believe this constant engagement with our staff members helps in shaping the strategy of the Company and yielding better performance.

Staff Welfare

The Company strives to provide good working conditions for employees. A clean, risk free environment is maintained. First aid kits are provided in each department; trained fire marshals are available to support employees in the event of a fire. Fire drills are periodically conducted across our offices. Factory staff are provided with safety wear and continually educated on the importance of wearing protective gear to prevent them from suffering occupational injuries and diseases. Workers' compensation is provided as part of our insurance scheme for injuries suffered on the job. However, every effort is made to maintain health and safety and to manage the risk of injuries.

This year, as a result of the purchase of Pike House, more space was made available for Company activities including a private nursing room to support nursing mothers while at work as pictured below. It was very well received as a gesture of concern for their family well-being.

Nursing Room at head office

The Company provides medical care for all employees and their dependents (spouse and maximum of four children) giving them access to good healthcare. Out of the total administrative expenses, the Company spent 6.9% on staff medical care, 2.6% on Group Personal Accident insurance cover and 2.6% of turnover on NSSF contributions for employees in the FY 2017-2018.

Quarterly health camps are organised as a means to create sustained healthy lifestyles through awareness, health checks and treatment. This includes vaccination. For example, a Hepatitis B vaccination drive was carried out this year along with other outreaches, as contained in the social capital segment of this report.

Wellness

Sporting and exercise activities like aerobics, corporate league games with other entities, inter-departmental games and participation in charity runs like the Cancer Run, Kabaka Run and the MTN marathon are arranged for staff to encourage healthy living and teamwork.

Banyu Joseph at the Basket ball league

We continue to run the personal development project, *Tutandike* to support the entrepreneurs on our staff and to inspire other staff towards financial discipline and self-sustainability. This is done by highlighting examples of their peers who serve as role models so that staff members are deliberate about making good investment decisions. Financial literacy sessions and the quarterly *Show & share Bazaar* are also organised for staff to showcase their personal businesses/ investments and share ideas with others on how to raise income. The Company endeavours to support staff businesses that are competitive as a means of alignment. Efforts are made to maintain arms-length transactions and the businesses partnered with are documented as declared interests. These initiatives have been effective in alignment of staff interests with organisational interests, as they create greater loyalty and reduce the possibility of loss of enterprising, hard-working staff. One or two businesses were featured at the annual Harvest Money Expo, for example, the sale of healthy porridge.

Wine display at Tutandike Expo

Mashrooms display at Tutandike Expo

The ‘Tutandike’ initiative championed by the HR function executes strategic partnerships with different organisations using the Harvest Money and Pakasa brands to improve staff personal development and create learning opportunities. During the period, the Uganda Coffee Development Authority distributed about 4,000 coffee seedlings to 51 staff members.


Sanyu Mweruka planting coffee seedlings

In today’s demanding and stressful environment, we have had a number of staff train as peer counsellors and contracted external counsellors to support our staff address their present and genuine needs and challenges, among other things. This supports us to have a well-balanced, happier team opposed to staff repressing their feelings of dissatisfaction, frustration and stress. Our peer counsellors are trained to discuss with their peers in a professional, non-judgmental way whichever issues they may be facing and to support them sort out their thoughts in a productive way, in order to make positive and healthy choices. Where we have more serious challenges /traumatic experiences, we do refer our staff to an external counselling partner.

NATURAL CAPITAL

Waste

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

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

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

Fuel management and emissions

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

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

Our Digitization strategy extends beyond commercial to environmental objectives with a deliberate move to employ Green IT methods such as reduction of paper processes and conversion to electronic format to minimize waste. Several aspects of our internal processes have been converted such as use of SharePoint software for cash approvals, leave management, HR Communication, Digitization of newspaper archives in the Resource centre is ongoing and a print management solution that monitors use of paper and unnecessary print work is in use. Virtualization of hardware is ongoing to increase servers per hardware to an average of five each and reduce on the number of physical servers which curbs emissions. So far, 85% has been achieved for the Data Centre and the new Disaster Recovery Solution is 100% virtualized and outsourced, which eliminates replicated setup.

Future plans to improve our processes include exploring possibilities of waste generated electricity and harvesting rain water to conserve the environment through environmentally friendly operations and in doing so, save on costs. Furthermore, the Transport department is yet to be fully digitized with a new system in final stages of development. With further digitization of Company processes such as fleet management, HR processes, procurement requisitions, cash and stores requisitions, asset monitoring, incident logging as well as our interaction with clients, the Company will enjoy better efficiencies and will be more productive.

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 build brand equity necessary for survival in the future. These initiatives have continued to attract partners who provide resources and expertise to support the cause.

a. Newspapers in Education

In a three-year study of NiE in Volusia County, Fla, students who read newspapers showed significantly superior spelling and vocabulary skills and had a superior understanding of social issues to their counterparts who did not use newspapers. In another six-week newspaper reading programme with 13-year-old American students, two thirds of the 743 students with reading problems had their performance improve by more than a grade. Ten students gained two years, and two children gained more than three years.

The poor reading culture among students in Uganda affects their academic performance, leading to low grades. A survey was carried out in December 2017 among teachers to determine usefulness of newspapers as an education tool and teaching aid. 96.6% of the respondents confirmed that newspapers were a useful teaching aid, improved the reading skills and aided interactive learning.

For the calendar year 2017, NiE registered five partners namely Save the Children, National Drug Authority, Private Education Development Network, Resilient Africa Network and Educate! which grew sponsorship revenue to 131.73% and a total of 107,555 copies of newspapers were distributed during the period. For the calendar year 2018, NiE registered only 3 partners namely Save the Children, PEDN and NEMA, hence a decline in sponsorship revenue by 37.1%. A total of 5,228 copies per week in a term are distributed to 331 schools selected by the partners.

The Company partnered with groups with whom it shared values and a vision for social responsibility namely protection of children's rights (Save the Children), support for girl child empowerment (PEDN) and environmental conservation (NEMA).

The Company implemented the NiE children's rights project to promote literacy through provision of supplementary reading materials like

newspapers. The project has enabled children in disadvantaged areas to not only access information regarding their rights, but as a platform to advocate for their rights. The project has enlightened policy makers and other stakeholders on the necessary policy interventions to protect and uphold children's rights.

A total of 52,800 copies of New Vision and 7,200 copies of Bukedde newspapers were supplied to 143 schools in the regions of Karamoja (Napak, Moroto, Nakapiripirit and Kotido districts), Acholi (Gulu and Omoro districts) and central region (Nakasongola, Luweero and Nakaseke districts). Pass PLE revision exercises were inserted in the newspapers. There was consistent publication of children's rights like the right to education, medical attention and adequate diet among others in the weekly NiE pullout, Toto magazine and other sections of the newspapers. Views from over 200 children were published with particular attention to issues/challenges facing children with special learning needs/physically challenged and practical options available. For example, the lack of braille machines and the fact there are only two schools for the blind, there are only 1,560 qualified teachers to cater for 14,000 primary schools and yet there are 48,775 children with special learning needs like visual and hearing impairment (**UBOS 2016 Report)**


NEWSPAPERS IN EDUCATION
My dream career P.22
Education: Karamoja elders ready to promote schooling in the region P.20
Newspapers in Education
WE BRING THE WORLD TO YOUR CLASSROOM!
NiE
2 million
Help the disadvantaged
Save the Children
Children's Platform: How to help people with disabilities? P.20
Send your articles to the NiE Manager, New Vision, P.O. Box 9815, Kampala, Uganda OR email nie@newvision.co.ug

Using the newspapers and Pass PLE revision exercises, the adopted schools have seen tremendous improvement in national examinations. Osokotoit Primary School emerged the best-performing school in Serere district in the 2016 PLE, while Punoluru Primary School located 14km from Lira town was the 4th best performing in Lira district in the 2017 PLE. The school had 15 pupils passing in Division One, which was 29.4% of the 51 pupils who sat for PLE and the remaining 35 pupils were in Division Two. This performance was largely attributed to the revision tests published in the Rupiny paper that were supplied to the pupils. The school's performance over the years has been as follows;

Year	(Division 1)
2010	0
2011	0
2012	2
2013	1
2014	9
2015	7
2016	5
2017	15

The school, in appreciation, this year hired a truck all the way from Lira to come and say thank you to New Vision.

A total of 364 stakeholders were trained to monitor and supervise the project including 202 teachers and 162 chairpersons of school management committees, parent and teachers associations and village ABEK committees, LC3 Secretaries of Education and sub-county chiefs in Karamoja, northern and central regions.

Moroto VAC, PTAs, chairpersons, LC3 Secretary of Education and the sub-county chiefs pose for a group picture after the NiE training at Nadunget sub-county headquarters in March 2018.

(L-R) Ferucho Locham and Peter Loweri (VAC chairpersons) read through a copy of Toto Magazine during the NiE training at Kotido Mixed Primary School. Teachers engaged in an NiE demonstration during a training on how to use newspapers to deliver the curriculum.

Reactions from the community

Christine Nandudu, Nakapipirit District Sports Officer

I would like to commend New Vision and Save the Children for supporting education in Karamoja region especially providing newspapers to Alternative Basic Education for Karamoja (ABEK) learning centers. I'm happy to see that you have incorporated the use of Newspapers in non-formal ABEK centre who feed into the formal skills. It is very important for us to have new materials with fresh information. If you keep teaching the children the same things they get bored and lose concentration.

Lokoru Lorochom, the chairperson Nabokot ABEK centre

Newspapers are very important to us as a school because they expose the students to daily life happenings which shape the children's thinking and outlook to their environment.

Edward Eko, the Moroto district assistant Chief Adminstrative Officer

Use of Newspapers in Education has increased literacy levels among children and changed attitudes towards education. Newspapers always have new things and we believe they are interesting and complement textbooks.

Agnes Naduku, the chairperson of Naperu ABEK learning centre in Kotido

Education is the way to go for the development of this region and innovations like the use of newspapers as teaching materials are very productive.

With newspapers our children get to learn of current affairs and about their fellow learners in other areas. They also get to know how to write and read.

David Moding, the Nakapelimoru sub-county Community Development Officer

The New Vision and Save the Children Uganda are doing a great job involving the lowest common man in the issue of education.

The use of Newspapers is very key, because it is a motivation to elders, who head the ABEK learning centres and keep them informed. It is from ABEK centres that children get inspired to join formal school.

b. Toto

The long term strategy of the Company includes growing readership for the future by developing a reading culture among children at an early age. This creates brand loyalty and indirectly or directly improves literacy levels and contributes to national development by developing a confident generation who are our future leaders. The Company has ensured publication of children-friendly sections and pull-outs specific to their needs.

Toto magazine, a bi-weekly magazine published by the New Vision and an insert in the newspaper on Wednesday and in the Sunday Vision was intended for children to have a platform and has become a popular brand in the country. The magazine is a household name and a staple for families. As per July 2018, Toto contributed to the bulk sales of NiE by 23,737 copies. The magazine further contributes to the sale of 1,000-2,000 copies of newspapers over and above the average daily circulation.

The stories are written by the children. Children have had an opportunity to meet and interview some influential persons in society. This not only improves their journalistic skills, it also builds their confidence and self-esteem. In the period under review, more than 50 children have taken part in this exercise and this has also contributed to the subscription of bulk sales from some schools for the Wednesday newspaper.

NiE project at Teso Boarding Primary School, Soroti

NiE project at Butende Primary School, Iganga

The Toto brand continued to grow and its brand equity enabled the organisation of sponsored events like festivals, to allow for interaction and positive influence over children across the country. A festival was successfully organized in Mbarara and in attendance were an estimate of 20,000 children from the districts in western, southern and south western Uganda. Owing to the growing demand for Toto festivals in different regions, another is being organised in Kampala in December.

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 attended scheduled festivals due to lack of transport to the venues. These festivals give back to the forgotten sector of security officers who sacrifice their family time for the country.

Chief of Defence Forces, Gen. David Muhoozi cuts cake at the UPDF children's Christmas party

During the period, we were honoured to host a total of 68 Senior 6 students from Nabisunsa Girls Senior Secondary School who visited the Company to receive career guidance. A representative from the HR and Editorial function encouraged the students to work hard and shape their own destinies. Ethical codes necessary for any career were also shared. We are happy to provide mentorship to a future generation of professionals who will have the ability to the shape the direction of the Company.

c. Teachers Making a Difference

The Ugandans Making a Difference (UMD) is a project initiated by New Vision in April 2008, which recognises and rewards individuals who have innovatively used limited resources to positively impact the community. *Teachers Making a Difference (TMD)* focuses on all professional teachers who innovatively deliver the school curriculum. The choice of education is not only because of the critical role education plays in unlocking human potential, but also because it is one of the pillars of democracy and people express themselves better when literate. We believe education empowers communities and gives nations the confidence to shape their own future. Therefore, acquisition of skills and knowledge do not only enable the population to participate in the democratic process, but also enables the people to overcome poverty and improve their sanitation and welfare.

The national programmes of universal primary and universal secondary education brought with them several challenges including high teacher to learner ratio in primary schools at 1:62 against the recommended ratio of 1:52. Despite these challenges, several teachers continue to show innovation and resilience and have gone the extra mile to achieve the intended national goal of delivery of quality education, accessible to all. It is these teachers that this programme seeks to recognise as a means to inspire and encourage their peers in order to improve teaching standards, quality and education levels across the nation.

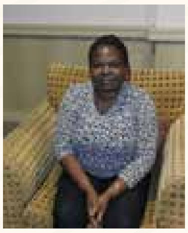
Vision Group partnered with the Irish Embassy, Trocaire and Simba Travelcare to award five of the winners with a once in a lifetime opportunity, all expenses paid study tour to Ireland. This was intended to provide them with benchmarks of international standards, which could be applied in various schools.

The process was open and transparent, involving the public in nomination of candidates against a criterion of impeccable integrity, demonstrated innovation in the use of limited resources to deliver quality education, promotion of vocational and life skills education, active participation in co-curricular activities and delivery beyond the call of duty. An independent jury of eminent personalities evaluated and selected the 12 most outstanding nominees for recognition. The winners were selected from all the five regions of Uganda – North, East, West, South and Central, with special consideration to gender, teachers handling learners with special learning needs, Karamoja region and refugee hosting communities.

Information submitted was verified. These nominees were profiled in the New Vision paper and other participating platforms. Each of the 12 winners received a certificate and a cash prize of shs 1.5m (about €320).

The teachers were appreciative of the trip as rewarding and life-changing

"The whole experience of being uplifted from an ordinary teacher to a national figure is all very flattering and encouraging for the teachers in this country. Nothing means more than a "thank you for good work" from stakeholders like New Vision, the Embassy of Ireland, Trocaire and Simba Travelcare. I have never been more grateful in my teaching career." Emmanuel Angoda, Lira Town College.



"This event has energized me a lot and I hope to do a lot to improve the quality of teaching in my school and also to mentor teachers from other schools all over Uganda." Prossy Muyinda, Victoria Junior School, Namutumba.

This project has continued to be successful and has attracted sponsorship for yet another year.

d. Best Farmers' Awards

Agriculture is the backbone of Uganda's economy, contributing about 25% of the Gross Domestic Product (GDP). It is the main source of income and food for rural households. With more than 60% of the population engaged in agriculture, the sector has the potential to leverage Uganda's development. This, however, will be possible only if Ugandans move from subsistence to commercial agriculture.

In 2014, Vision Group's editorial team conceived the Best Farmers' Awards as a project to support efforts to transform agriculture from subsistence to commercial. This was after assessing the sector and finding successful commercial farmers with inspiring stories. The objectives of the project include:

1. Recognise successful farmers so that they are encouraged to develop further.
2. Showcase the successful farmers as role models for commercial farming.
3. Encourage Ugandans to invest in commercial farming.

The project is designed as a competition and has a panel of judges who pick winning farmers every year. The judges are Mrs. Victoria Sekitoleko, the lead judge; Mr. Augustine Mwendya, the Chief Executive Officer, Uganda National Farmers Federation; Josephat Byaruhanga, a senior social policy officer for agriculture and agribusiness at the Embassy of the Netherlands; Mrs. Audrey Byarugaba Muhumuza, the agriculture development officer at dfcu Bank and Dr. Emma Naluyima the Best Farmers' Awards winner 2014.

Since 2017, forty-six farmers have won the awards. The prizes are: money for farm equipment and a fully-sponsored trip to the Netherlands to learn modern farming.

The equipment and the trip have made a significant impact on the farmers and they have now become model farmers showcasing good practices. In addition, they have started training other farmers and people planning to start farming, thus a positive multiplication effect.

The money and the trip have been a big boost to the farmers who have used them to improve their farms, which are now model farms where Ugandans go to learn how to undertake commercial farming.

Previous competitions in 2014, 2015 and 2016 attracted 1,890, 1300 and 1,459 nominations respectively. In 2017, some 1,535 farmers were nominated. Out of these, 320 were profiled by all Vision Group's media platforms and 10, as per the competition terms, emerged winners. These were Isaac Malinga (Kapchorwa district), Julius Bigabwa (Kabarole district), Tom Anyii (Lira district), Justine Omeke Didi (Napak district), Timothy Jokene Okee (Gulu district), Patrick Makanga Bakumpe (Masaka district), Robert Ociti (Arua district), Margret Mbaga (Sheema district), Jacob Noah Kazindula Bamwise (Jinja district) and Rachael Amol (Wakiso district).

Some of the achievements of the winners:

- Johnson Basangwa (2015) of Kamuli district has linked up with chick breeders and has since imported more than 24,000 day-old chicks from the Netherlands. His farm is a fully-fledged training centre for farmers.

- Dr. Diana Nambatya (2015) of Kampala City runs a model urban farm and has since set up a training centre for mainly women and youth in urban farming.
- Col.(rtd) Dick Bugingo (2014) has turned his farm into a centre of excellence for dairy farmers by putting up a training centre.
- Dr. Tony Kidega (2014) is now adding value to milk and making yogurt. He has also set up a sh200m milk processing plant.
- Johnson Basangwa (2015) and Bashir Mayiga (2016) established business contacts with farmers in the Netherlands from where they import day-old chicks. This has boosted both their farms and they also conduct training of farmers.
- Robert Okodia (2015) established business contacts with farms in the Netherlands and exports honey and wax. He also exports the same products to Japan. Okodia has 1,000 farmers who he has trained to help him meet the growing demand in the export market.

The Best Farmers project has attracted the following sponsors: dfcu Bank, the Netherlands Embassy, KLM Airlines and Koudjis Animal Nutrition B.V.

The project features in all Vision Group's farming platforms Harvest Money in ***New Vision,*** Enkumbi *Terimba* in Bukedde newspaper, *Omwekambi* for the ***Orumuri*** newspaper, *Acam Kwokka* in ***Rupiny*** newspaper *and* Akoru *Na Itabari* in *Etop* newspaper.

Radio programmes are: *Lonyi Ndaza* on Arua One, *Kungula*, Bukedde FAMA; *Ateker wok* on Etop FM and *Akazindaro K'amuriisa*, Radio West.

TV programmes are: *Omulimi Asinga* on Bukedde TV 1 and *Obuhingi Noburisa*, TV West.

As part of the Best Farmers project, Vision Group contrived profiles into a book, *Harvest Money*, which is a guidebook for farmers. Instructional DVDs were also produced to cover a range of topics including how to grow coffee, matooke and manage fishing, poultry and piggery. The books are available at Vision Group selling points throughout the country.

Irrigation master classes

This was an initiative in partnership with the Embassy of the Netherlands to promote irrigation in Uganda in response to the long drought faced in 2016/2017. The Masterclasses were conducted by Dutch experts from January – February 2018 at Arua, Soroti, Mbarara and Masaka, attracting over 1,200 people. Not only did this imitative popularise irrigation, it also got farmers to set up irrigation systems on their farms.

In the second half of the year (2018), working with Koudijs Animal Nutrition, the focus of the masterclasses shifted to farm enterprises with the aim of improving farming practices and production. Classes were held in management of livestock, poultry, piggery and fishing on Best Farmers' farms in the following districts: Wakiso, Kamuli, Busia, Mbarara and Masaka, between September and October.

Each session attracted about 300 people. They took notes and went away with the resolve to implement what they had learnt.

Harvest Money Expo

In February 2018, Vision Group organised a three-day expo, at Mandela National Stadium, Namboole. The expo, which is an overshoot of the Best farmer's project, attracted 25,000 visitors. Of these 15,000 attended training sessions, during which they were taught good farm practices.

This was the second expo following the 2017 edition. It registered a record 66.67% growth in attendance from last year's 15,000, which in effect is an endorsement. There were more than 300 exhibitors including; farmers who had the opportunity to learn and share first hand expertise in passion fruit growing, coffee growing, piggery, matooke growing and farm management relating to crop and animal husbandry and to market their products, as well as viewing first class equipment that improves agriculture.

Participants at the Harvest Money Expo

Participants at the Harvest Money Expo

e. PAKASA

Ten years ago Vision Group developed PAKASA in response to the societal problem of poverty and unemployment. Today, it has evolved into four forms of influence and opportunity namely; the pull-out in newspapers, Pakasa Forum, Pakasa Youth Awards and the Vocational Skills Guide.

Pakasa Pullout

The pullout features stories on opportunities for skills development, funding and general enterprise development for young entrepreneurs. It is a platform to share expert information on entrepreneurship and various businesses. We believe that by publicising these experiences, youth out there will be courageous enough to take risks and invest in successful sustainable businesses. The Pakasa pullout has spawned similar products for the vernacular papers like *Yiiya Ssente* (*Bukedde*), *Omwekambi* (*Orumuri*) and *Acamkuuoka* (*Rupiny*), also on the electronic platforms.

Pakasa Forum

The forum is an open forum for all entrepreneurs to discuss business challenges and solutions to unique situations.

Pakasa Youth Awards

The Company organised a countrywide competition in search of youthful investors from small and medium scale entrepreneurs and over 150 nominations were received, while forty-four (44) entrepreneurs were profiled in *New Vision.* From these, 10 winners were chosen and were each rewarded with a sh1m prize. The awards took place on March 20, 2018 and were graced by the Minister of State for Youth and Children Affairs, Florence Nakiwala Kiyingi.

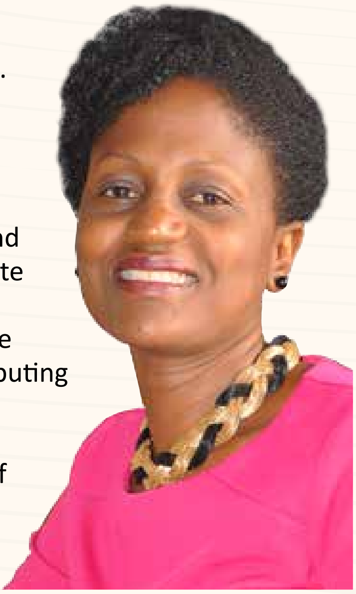
Julius Nyanzi, receives his accolade and dummy check

The competition was solely funded by the Company at a budget of about sh15m. The larger goal is to acknowledge, recognise, reward and celebrate those who have excelled in entrepreneurship, so that others are inspired. This project attracted support from the Chinese Embassy, which committed $30,000 for this year's top 5 winners to travel to China for an educational trip.

Pakasa carried a number of projects tackling poverty and job creation; *The Vocational Skills Guide 2018* is a publication focused on vocational trainings and sharing practical skills that guarantee a successful livelihood; publication on investment clubs and SACCOs that promoted a saving culture among Ugandans and provided business capital for development.

In partnership with Educate!, content on financial literacy was published in the Mwalimu pullout and distributed to secondary schools around the country during the third term.

CORPORATE SOCIAL RESPONSIBILITY



Vision Group is a corporate citizen. Our vision is to be “a globally respected African media powerhouse that advances society” and through our Corporate Social Responsibility (CSR) strategy, we are committed to contributing to the economic development and improvment of life of the society at large.

The main objective of the CSR initiative is to get the Company directly involved in community affairs, to positively increase awareness and improve the Company image and enhance good brand reputation that will build customer loyalty. Our goal, however, is largely to use our brand and platforms to highlight societal challenges and to drive responses from partners and the public.

a. Restoration of forests

Following the discovery that reserves had an alarming survival rate, Vision Group signed a memorandum of understanding with the National Forest Authority (NFA) to restore five (5) hectares of central forest reserves in Soroti, Kampala, Gulu, Mbarara and Arua. Crops were grown alongside the Lwamunda-Kampala reserve leaving the reserve with a 60% survival rate; the reserve in Bukedea, Soroti was greatly affected by wild fires, grazing and agricultural practices by the community and the survival rate was 35%. The unfavourable season greatly affected the Rwemitongore Block III in Mbarara, leaving the reserve a survival rate of only 10%. The Authority, therefore, agreed to replant the forest reserves and maintain the other reserves by introducing new species of trees. In May 2018, a total of 4,000 tree seedlings were replanted on 3 hectares of land at Bukedea-Soroti and Abera-Gulu. NFA sensitised the community on the importance of trees to climate change and the ecosystem and they attained skills and knowledge in tree planting. Communal responsibility to protect and maintain the reserves was emphasized. NFA equipped the community with skills and knowledge in tree planting to encourage them to plant more trees of different species, to help improve the natural tree cover.

Bukedea Central Forest reserve Restoration bordering Bukedea and Kumi districts

Radio Rupiny staff, NFA and the community engaged in tree planting to restore Abera Central forest reserve b.**Refugee outreach**

Following the high influx of refugees from South Sudan into Uganda settling in the West Nile camps, Vision Group learnt about their desperate situation, which included lack of basic amenities, many children who were not in the Company of their parents and pregnant mothers who had walked miles before being transported to the camps.

In response to the problem, Vision Group used its media platforms to highlight the crisis through a robust publication of the events as they occurred. Staff members made donations of 100 sacks of assorted materials to the refugees in Imvepi and Bidi Bidi settlement camps in the districts of Arua and Yumbe. We believe this was a healing balm to the battered refugees and there were smiles of appreciation on their faces.

Barbara Kaija hands over sanitary towels to the headmistress of St. Luke Widi s.s., Ms. Stella Akello

Barbara Kaija talking to children at Salam Early Children Development Centre in Omugo Settlement area.

c **HIV/AIDS awareness**

The Vision Group family stands with those who, on a daily basis, battle with HIV/AIDS, those who have lost loved ones and those who are doing all they can to bring awareness against the spread, prevention of the disease and stigma of those infected. A balanced diet is a requirement for positive living. Foods rich in protein and micronutrients are necessary to boost immunity and help reduce the risk of opportunistic infections. On December 1, 2017, Vision Group joined the Prison community in commemorating World AIDS Day and celebrating the strides made in eliminating stigma and encouraging positive living by donating nututrional items to inmates of Post Test Club Main Boma, Uganda Upper Prison. The club is comprised of inmates living with HIV and serving life sentences at Luzira Maximum Security Prison. The following items were donated; 20kgs of silver fish, 50kgs of millet flour, 50kgs of rice, 50kgs of sugar, 20Ltrs of cooking oil, 20kgs of wheat flour, 20kgs of ground nuts and 50kgs of soya.

(L) Handover of items to Post Test Club. (R)The Vision Group CSR Coordinator and the Post Test Club representatives share a light moment.

Vision Group also partnered with Makerere Joint Aids Programme (MJAP) and Uganda Cares to organise an HIV/ AIDS health camp at its head office to raise awareness about the risk of HIV and offer technical support for implementing the plan for prevention, control as well as treatment of

HIV/AIDS. The following services were provided at the camp; free HIV/ AIDS testing and counseling, STI control and antiretroviral therapy, free male circumcision and free condom distribution. A total of 243 staff received testing and counseling and 19 males were circumcised.

Free HIV/AIDs testing, counselling

Arua One FM partnered with Arua Regional Referral Hospital to carry out free HIV/AIDS voluntary counselling and testing and with the Infectious Diseases Institute (IDI) to carry out free safe male circumcision for those aged 10 years and above. There were many people from within Koboko district who attended and appreciated the benefits of safe male circumcision.

Free counseling, testing of HIV/AIDS and safe male circumcision at Nyarilo grounds in Koboko

d. **Health camps**

The Company held a health camp at the Railway Grounds in Jinja Road under the theme, "*Involving the community for improved and sustainable health care"* on September 28-29, 2017 to provide free medical services and consultation to the community. The camp targeted unprivileged persons of all ages in society who could not readily access a health centre. The medical camp sought to provide medical services to the community, preventive and curative treatment for common conditions, recommend specialised treatment, create awareness and counselling on HIV/AIDS, screening for Hepatitis, breast and cervical cancer, family planning and sexual reproductive health, create awareness on the need for personal hygiene in prevention of serious disabling diseases such as eye, ear and dental infections.

The Company partnered with various health service providers and medical institutions to provide the following services;

- CoRSU Hospital; *Orthopedic services (Bone and muscle deformation)*
- Le memorial Hospital; *Cervical cancer screening, consultation and family planning*
- Aga Khan Hospital; *blood pressure, blood sugar check-ups, Hepatitis B screening*
- UMC Victoria hospitals; *Hepatitis B testing and vaccination, dental check-ups*
- Ian Hutcheon Clinic for Children (IHCC); *Ear check-ups and cleaning*
- AHF- Uganda Cares; *HIV Testing and counselling*
- IMC Hospital; *Blood pressure, blood sugar/ diabetes, malaria, syphilis and general consultation*
- KAY'S Dentals Clinic; *Dental check-ups cleaning and consultation.*
- UWOCASO ; *Breast cancer screening and counselling*
- Makerere University Joint AIDS Program; *Free male circumcision & male HIV testing*
- Mengo Hospital Blood Bank; *Blood donation services*
- Nakasero Blood Bank; *Blood donation services*
- Taimex Nutrition Centre; *Nutrition consultation and blood group check-ups*
- SINZA nutrition; *nutrition screening*
- Dr Agarwal Eye Hospital; *eye check-ups, referrals and consultation*
- UHMG - Uganda Health Marketing Group Ltd; *Family planning*
- Reproductive Health Uganda; *Family planning and sexual reproduction health*

An estimate of 4,050 people received the above medical services.

Some of the partners posing for a photograph during the health camp launch held on the September 14, 2017 at Pike House boardroom

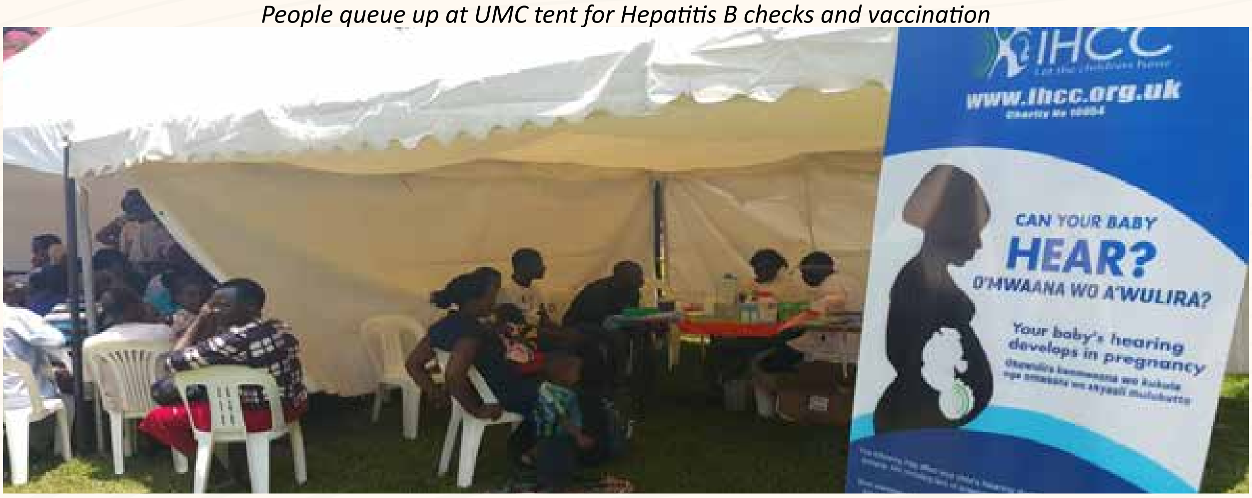
Dental and Eye check-ups.

Blood pressure checks.

People line up for AHF-Uganda Cares free counselling, HIV testing and free condoms give away.

(L-R) Blood donation. Le memorial hospital, attends to a group of people awaiting cervical cancer screening

People queue up at UMC tent for Hepatitis B checks and vaccination



IHCC providing ear check-ups, consultation and treatment

Our regional offices also participated in community outreach programmes as follows;

Etop Bureau organised a health camp at Aketa Health Centre III in partnership with Iteso Welfare Association (IWA) Uganda Chapter, Katakwi district local government and TASO, among others on November 24, 2017. An estimate of 4,959 people from the surrounding area attended the camp and received free medical services including free malaria testing, HIV testing and counselling, Hepatitis B testing and vaccination, family planning services, safe male medical circumcision, dental and eye services, HPV vaccination for girls aged 10 years and above, cervical cancer screening, breast cancer and prostate cancer screening, diabetes and high blood pressure management services. The community was sensitised and received skills in how to live a healthy and positive life. There was also free distribution of condoms.

(L-R) People line-up to receive health services at Aketa health camp in Katakwi.

(L-R) High blood pressure checking at Aketa health camp. General checking out patients at Aketa health camp.

Young girls receiving the HPV vaccine

A health camp was organised in Kobulubulu sub-county in Kaberamaido district in partnership with TASO, UBTS, Teso Safe Motherhood project and the Kaberamaido county MP, Hon Veronica Isala Eragu. 74 pints of blood were collected, over 250 people got free HIV testing and counselling, over 240 people got free diabetes and HB pressure services, there was free STI testing and couples who were diagnosed positive got free treatment and free cervical cancer screening. The participants also planted three (3) evergreen trees as a memorial for the health camp activities at Opiu Primary School.

Health Camp at Opiu Primary School, Kobulubulu sub-county in Kaberamaido district.

Arua One FM in partnership with Bulamu Healthcare International and Muni University at Oli Health Center IV. RHU, Infectious Disease institute, UNHCR, Blood Bank, Arua District health office, Arua Municipal council and Uganda Cancer Institute organized a 4 day health camp November 2017. Free services were offered including dental checkups, cervical cancer screening, hepatitis B, diabetes, eye and ear checkups, surgeries, hypertension, safe male circumcision, blood donation, pressure, voluntary counseling and testing of HIV/AIDS and other health issues. A total of over 7000 people benefited from the health camp and there was increased awareness and sensitization of communicable and non-communicable diseases.

Health camp at Oli health centre IV

e. **Blood donation**

New Vision newspaper featured a story titled, "*Worst Blood Shortage Hits Uganda*" where the Head of Laboratory at Uganda Blood Transfusion Services (UBTS) revealed that Uganda had experienced the worst crisis ever with regional blood banks like Arua, Mbale, Gulu, Masaka and Mbarara worst hit. This shortfall was largely attributed to inadequate funding from the Ministry of Finance and unwillingness to donate blood. The Company, through its regional bureaus partnered with different regional health centres and blood banks to devise ways of addressing the challenge. Various blood donation drives were organized as follows;

Between February 19-23, 2018 a drive was held at the Head Office in Kampala and a total of **172 units** were collected. There was increased awareness among the public through organised informative interview sessions on the benefits of donating blood on radio and television platforms.

Blood donations at the office premises.

Bukedde organised a blood drive activation on August 27, 2018 at Kyazanga health centre and 180 units were collected for hospital emergencies. Staff members cleaned the health centre and organised an omudala live show where members, together with the leaders addressed issues affecting the community. Another drive was organised in Mubende district in partnership with Abii Clinic and 212 units of blood where collected. At Luwero health centre II, 258 units of blood were collected and more than 50 patients received free washing soap, blue band, bread, tea leaves, basins, noodles and juice as a health and hygiene boost. The Bukedde team also distributed 11 sewing machines to Kamu Kamu Women SACCO in Wobulenzi with a view of empowering the women with tailoring skills so that they can have a sustainable venture for self-employment and income.

The Etop office organised a 4-day blood donation drive from January 30, 2018 and various organisations like St. Martha Nursery and Primary School, Orthuka Pharmacy and Hope Chest staff members participated. A total of 282 pints of blood were collected.

(L-R) Staff of Martha Nursery and Primary School donating blood

Blood donation by Radio West staff

A market blood donation activation was carried out at Serere-Kasilo Market, Wera Market in Amuria district, Kameke market in Pallisa district and Ocorimongin market in Katakwi district and a total of 247 units were collected for the health centres. In Soroti and Serere towns, a total of 32 and 150 units respectively, were collected.

Arua One FM partnered with Arua Regional Referral Hospital and organised a 2-day blood donation drive at Arua Hill grounds and Onduparaka in January 2018. Many people attended and over 150 units of blood were collected.

Radio West, TV West and Orumuri in partnership with Mbarara Regional Blood Bank, Uganda Red Cross Society and Bridge of Hope organised a five-day blood donation drive from January 26, 2018 and a total of 492 units of blood were collected as follows; Mbarara Municipal council Library (78 units), Kijungu Market (123 units), Bus Park (101 units), Rwebikoona (82) and Buremba Road (108 units).

f **Donation of items**

In commemoration of Women's Day, 500 kilograms of scrap paper were donated to women at Meeting Point International (MPI) in Kinawataka, a Kampala surburb. MPI is a non-governmental organization **whose** objective is to care for people infected with HIV/AIDS. Their orphanages are situated in Kampala in Naguru, Kireka, Ntinda and Nsambya. They also support the most disadvantaged persons in their struggle for a better life. The scrap paper is a raw material recycled to create beads which are then used to produce intricate necklaces, bracelets and earrings. These items are later sold to both the international and local markets for income that can support the basic needs of their family members. A total of 48,000 necklaces were sold by the women and the proceeds used to construct Luigi Giussani Pre & Primary School and Luigi Giussani High School.

Left-Right: Joseph Banyu CSR Cordinator and Kamilla Asiya (RIP) the former front desk officer, handing over 500kg of scrap paper to Teddy Bongomin, the MPI cordinator and Rose Busingye, the MPI Director

(L-R) Display of products made from Scrap paper. Process of making beads from scrap paper

A total of 10 ready pay solar panels were distributed to the 3 with the highest nominations of youth groups namely; Kamukamu Market Development Group, Tukole Youth Group and Ass & Mubiru Foundation for their effort in empowering youths in the community. The youth also donated 103 units of blood and 198 individuals registered for testing and counselling services.

Handover of solar panels to Kamu Kamu Market Development youth group in Nabweru.

In partnership with Watoto Child Care Ministries, the Company provided shs 2m to ensure a well-equipped resource centre that would promote a reading culture at Watoto Laminadera village in Gulu district on November 7, 2017 for both the vulnerable children and mothers. The children were inspired and motivated to build a reading culture.

Vision Group equips a resource centre at Watoto Laminadera village, Omoro district in Gulu

CUSTOMER ENGAGEMENT

Vision Group values its customers. All of our customers have fair and equal access to the Company's services.

Every customer is entitled to:- a standard of service which is known and agreed, being listened to when a comment or complaint is made, a sensitive response to their needs, a rapid response to their complaint, a courteous response to their enquiries and to continuous attention to their satisfaction.

Our customers are managed through the Sales process, with sales personnel handling the relationships. We serve our customers face to face at all our offices in Kampala, Mbarara, Jinja, Arua, Soroti and Gulu. Customers are also served on phone with a toll-free line and online (email and website chat service).

Our customer service strategies focus on delivering the highest quality customer service through provision of customer service training for staff, regular updates of product and service knowledge and provision of a clear and accessible process for complaint resolution.

We have a customer complaint procedure that has 4 stages of escalation, from the stage of service delivery to Head of Department level. Turnaround time will depend on the nature of the complaint, and varies from a few minutes to the maximum 20-day limit for more complicated complaints. Our goal is to have most complaints solved at the stage of service delivery.

Customer Satisfaction:-

Surveys are conducted every 2 years and the customer satisfaction rate is 69% (2016). Customer feedback is received through all our service points and handled accordingly. Customer engagement is through regular interaction by way of personal visits, courtesy calls and over more formal meetings.

We are continuously working to improve our customer experience to make it easier to do business with us. Through segmentation, we look to recognise our top customers and reward them for their continued business. We are looking to introduce an annual Customer Service week that will celebrate the importance of customer service and our people who serve and support customers on a daily basis.

Mode of engagement	Regularity of engagement	Key topics discussed and concerns raised	Methodologies employed to respond
Customer satisfaction survey	As Commissioned	▪ Perception – likes and dislikes ▪ Customer satisfaction index – satisfaction levels ▪ Areas of improvement ▪ Areas of maintenance	▪ Quantitative and qualitative
Customer Engagements	Monthly	▪ Customer lapses ▪ Customer experiences ▪ Customer media and communications plans ▪ Knowing customer beyond transactions	▪ Customer visits ▪ After sales services ▪ Feedback calls ▪ Lunch and breakfast meetings
Customer Service Department	Continuous	▪ Service delivery ▪ Customer experience ▪ Value for money	▪ VG has a full customer service team devoted to handling all customer issues. ▪ Feedback forms, live chats and toll free line ▪ Customer visits and call surveys
Customer Experience	Quarterly	▪ Improving customer experience	▪ Reward programme ▪ End of Year Activity ▪ Customer service week
One on One discussions	Continuous	▪ Feedback	▪ Client visits

FINANCIAL CAPITAL

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 liquidity position of the Company improved from **shs 6.7bn** as at June 30, 2017 to **shs 15.6bn** as at June 30, 2018. Further, the liquidity ratios have improved for the period. The current ratio grew from 3.1:1 to 3.7:1, while the acid ratio grew from 2.3:1 to 3.3:1. 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.

The Board has proposed dividends of **shs 1.9bn** for the period ending June 30, 2018. The Company registered an EPS of **shs 30.3** in 2017/18 up from an EPS of **shs 0.2** in 2016/17 and has projected to achieve an EPS of **shs 77.1** in the year 2018/19. The Board did not recommend the payment of a dividend in the previous financial year because of the low profitability registered. 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, 2018 were **shs 70.1bn** comprised of share capital worth **shs 1.5bn**; share premium of **shs 27.2bn**; revaluation reserve of **shs 12.9bn** and retained earnings worth **shs 26.6bn**. This reflected a growth of **4%** from last year's position, which was **shs 67.7bn**.

MANUFACTURED CAPITAL

The Company had total assets worth **shs87.7bn** as at June 30, 2018 up from **shs 85.8bn** in the previous period, reflecting a growth of **2%.** In the financial year 2017/2018 the Company invested **shs 3.6bn** in non-current assets to supplement and enhance current capacity and acquired buildings, computers, cameras, furniture and office equipment, software, plant and machinery, radio and television equipment and motor vehicles, thus increasing its existing manufactured capital and improving the Company's efficiency.

The Company continued to execute framework contracts with suppliers for the delivery of various consumables including ink, plates and paper. The warehouse rental expenses for stocking these consumables have been scrapped since these orders are placed on a call off basis. These cost savings initiatives have been put in place and have helped the Company save about $20,000 per month.

In the FY 2018/19, the Company has planned to invest another **shs 5.5bn** and this planned investment expenditure includes **shs 885m** meant to commence development of the property at Namanve Industrial Business Park, which will be utilised to support the various strategies in future and save on operational costs. This is a strategic move in recognition of the impact of reduced costs and advantage of ownership of prime property to the business, which includes control over delivery of activities, room for innovation and creativity and a better working environment, thus enhancing the desired productivity in the long term. Complete development of the property is expected to be 2020.

COMPLIANCE PRACTICES

Sustainable Procurement

Our procurement processes have since 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 Company's operations in the current market. The Company, therefore, uses its internal procurement manual developed in line with the

Act and approved by PPDA, to remain competitive.

Vision Group subscribes to the following principles in procurement of goods, works and services; transparency, accountability, integrity and fairness. Further, all procurement and disposal is conducted in a manner that maximize competition and achieves value for money; is in compliance with the relevant laws and regulations of the country and best practices and respects confidentiality of information.

Since the adoption of the PPDA procedures for procurement and disposal, we have maintained a high level of ethics as an entity and to our stakeholders. This is further evidenced by having a nil record of cases reported to the PPDA Authority arising from our bid process. We have achieved more efficiency and effectiveness in service delivery and hence satisfying user departments.

Vision Group boasts a large base of local providers. The current bi-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.

Summary of procurement spend

Item	2017/18	2016/2017
Total procurement spend	shs 47bn	shs 49bn
Amount spent on local suppliers	Shs 42bn	Shs 35bn
Amount spent on foreign suppliers	Shs 5bn	Shs 12bn
Percentage spent on local suppliers	90%	74%
Percentage spent on foreign suppliers	10%	25%

The imports in the FY 2017-2018 decreased largely to the implementation of newsprint framework contracts with local suppliers.

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, prices of newsprint have increased by 19% and in the next financial year prices are expected to go up by 22%. The future still remains uncertain. 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.

Taxes

The Company understands the importance of paying taxes to Government which help finance public expenditure and ensure developmental objectives are met. All tax due was paid in a timely manner. In the FY 2017/18 a total of **shs 21.1bn** was paid to the tax collecting body, Uganda Revenue Authority for the following tax heads; VAT, Income Tax, WHT and PAYE . Compliance with the tax regime is good corporate citizenship and recognises the need to contribute to the business environment and ultimately to social development as a means to remain sustainable because it can only thrive in a healthy business environment.

Regulators

A key pillar supporting our sustainability is compliance with the existing legal and regulatory framework. Compliance to all regulations was adhered to during the year including, meeting statutory filing deadlines, making payments as they fell due. 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.

The Company remained resilient through a dynamic operating environment characterised by heightened demands from industry regulators and ever-growing license fees and charges. Supported by the Board through the Audit and Risk Committee, the Company's business activities continued to be streamlined according to the relevant regulatory framework.

However, the Company's business model and strategy face challenges. High costs threaten the competitiveness of our diversification strategy into electronic media, while our Human Resource structure risks becoming unsustainable because the tax authority has re-classified sales executives as employees and this has attendant income-tax implications estimated at about shs10bn alone and consequent Social Security implications. The Company remains keenly aware of the impact and magnitude of the actualization of this particular risk because it would not only result in inefficient operations, but also increase the cost of doing business.

We recognise the importance of regular stakeholder engagement in addressing these challenges. We have engaged the National Association of Broadcasters which is in constant engagement with the regulator, Uganda Communications Commission to ensure reasonable fees are agreed upon. We have also sought specialized tax consultancy services.

The Company is also at the cutting edge of promoting better law reform through regular interaction with the Uganda Law Reform Commission and Parliament. It is expected that this will have a positive impact industry-wide.

INTELLECTUAL CAPITAL

This is the intangible value of the business that is accumulated from the Company's intellectual property rights such as copyrights, trademarks, patents and brand values. This is a recognized asset that improves the financial position of the Company and can be leveraged for business. The Company owns copyright for all its publications including stories, productions, videos, documentaries, music performances and televised programme.

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 communities and increase online consumption of Company products and services.

The Company diligently protects use of its intellectual property rights and enjoys exclusivity or economic advantage deriving from the investment. This gives the Company a better bargaining power in 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 52 registered trademarks for which we have the exclusive right to use, reproduce and license.

Our brands are leveraged to provide practical solutions to societal needs, which ultimately benefit the community as a whole.

Awards and Accolades


Certificate
OF RECOGNITION
FiRe
Financial Reporting Awards - Uganda
Presented to
NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED
for outstanding achievement in
Communication and Presentation of the Annual Report
at the 2017 Financial Reporting Awards.
CPA
USE
cma

Financial Reporting Awards, Communication and Presentation of the Annual Report

The overall aim of the awards is to enhance and promote the quality of financial and business reporting in Uganda by encouraging implementation of financial reporting standards as well as best practices for financial reporting.

ICGU Corporate Governance Award, Vision Group- Winners, SME Category (Turnover of less than 100bn)

ICGU organised the first corporate governance awards on May 17, 2018 under the theme "Excellency in corporate governance". Vision Group was celebrated as the best corporate governance practitioner in the SME sector.

Employee Recognition

1. **Mrs. Barbara Kaija – Women in News Editorial Leadership 2018 Africa Laureate Award from the World Association of Newspapers & News Publisher (WAN-IFRA).**

   She was recognised for her exemplary contribution as an editor in the newsroom and for leadership in driving media contribution to society.

2. **Samuel Sanya – Citi Journalistic Excellence Award for Uganda, 2018**

   He was recognized as the best business and finance reporter in Uganda. As part of the award he attended an exclusive study tour hosted by Columbia University from May 29 to June 7, 2018. The following articles were recognised: *"Are tax incentives delivering jobs, economic growth?", "Mombasa, Dar rivalry to deliver gains to Uganda", and "Banks, developers partner to boost affordable housing" by the panel.*

3. **CPA Gervase Ndyanabo – Accountant of the year 2018 Award**

   He was recognised for his outstanding contribution to the accounting profession in Uganda.

4. **Geoffrey Mutegeki – Journalist of the year 2017, National Population Council Media Awards**

   He was recognized for his outstanding coverage in population and development issues.

5. **Agnes Kyotalengerire – Journalist winner for the Print category, National Population Council Media Awards 2017**

   She was recognised for her outstanding coverage of population and development issues.

6. **Carol Natukunda – Winner 2018 Women's Edition Story Contest, PRB Communications.**

   She was recognised for depth and rigor of reporting, quality of writing, accuracy, originality, inclusion of a policy perspective and overall interest. She won a cash prize of $750. The articles that were recognized included, *"Maternal mortality: A monster, Three Children at 18 years and Will Uganda achieve its 2020 family planning target?"*

Financial Statements

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

The Directors have reviewed the Company's cash flow forecast for the year to June 30, 2019 and, in light of this review and the current financial position, they are satisfied that the Company will have access to adequate resources to continue in operational existence for the foreseeable future.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements set out on pages 90 to 119, which have been prepared on the going concern basis, were approved by the Board on October 4, 2018 and were signed on its behalf by:

DIRECTOR

DIRECTOR

Kampala, Uganda

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED FOR THE YEAR ENDED 30th JUNE 2018

THE RT. HON. SPEAKER OF PARLIAMENT

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of New Vision Printing and Publishing Company Limited ("the Company"), set out on pages 90 to 119 which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements present fairly, in all material respects, the financial position of New Vision Printing and Publishing Company Limited as at June 30, 2018 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012.

Basis for Opinion

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

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

Key Audit Matters

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

- **Trade Receivables impairments**

  The Company has diverse customer base ranging from Government Departments, Ministries and Agencies, Corporate bodies, Non-Government Organizations, International Development Partners and the General public. As at June 30, 2018 gross trade receivables were Shs.16.3 billion and cumulative provision for impairment of trade receivables as at June 30, 2018 is UGX.3.6 billion. See Note 17 - Trade and other receivables in the financial statements.

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

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

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

Based on the procedures performed, I noted that although much of the outstanding balances over 1 year in trade receivables relate to receivables from government institutions, lack of timely collection of outstanding balances may result into liquidity challenges for the Company and increased credit risk exposure.

Management explained that the increase in the over one-year age category is mainly from Government Institutions which have been engaged to pay up. Management further explained that Government Agencies and Ministries are a trusted customer category on payments and they are confident they will pay.

I advised Management that there is a need to devise a proactive approach to ensure that collections are made in a timely manner.

- **Commission expenses**

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

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

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

Based on the procedures performed, I noted no significant issues in recognizing the commission expenditure. However, given the complexity of commission structures, and payment mechanism, reliance on manual computation leaves room for errors and/ fraudulent transactions.

Management explained that they are setting up a commission computation interface in the Accounting software, and they anticipate finalization by December 2018.

I advised Management to automate the commission processing for improved monitoring and control.

Other information

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

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

Responsibilities of Directors for the Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on other Legal and Regulatory Requirements

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

i. all information and explanations which to the best of my knowledge and belief was necessary for the purposes of the audit was obtained.
ii. proper books of account have been kept by the Company, so far as appears from my examination of those books, and
iii. the Company's statement of financial position and statement of comprehensive income are in agreement with the books of account.

John F.S. Muwanga
AUDITOR GENERAL
KAMPALA
4th October, 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHESNIVE INCOME

	Note(s)	2018 Shs'000	2017 Shs'000
Revenue	3	90,592,698	86,061,181
Cost of sales	4	(68,219,659)	(64,505,006)
Gross profit		22,373,039	21,556,175
Other income	5	872,196	175,927
Distribution costs	6	(1,892,410)	(1,778,686)
Administrative expenses	7	(14,442,171)	(12,963,571)
Other operating expenses	8	(3,118,957)	(6,209,368)
Profit before taxation		3,791,697	780,477
Taxation	11	(1,473,474)	(765,792)
Profit for the year		2,318,223	14,685
Other comprehensive income:			
Gain on revaluation of property plant and equipment	13	-	19,821,011
Deferred tax on gain on revaluation of property, plant and equipment	21	-	(5,946,903)
Total other comprehensive income		-	13,874,108
Total comprehensive income for the year		2,318,223	13,888,793
Dividends			
Proposed dividends for the year	12(a)	1,912,500	-
Earnings per share			
- basic and diluted (Shs per share)	12(b)	30.3	0.2

The notes set out on pages 94 to119 form an integral part of these financial statements.

New Vision Printing and Publishing Company Limited
Financial Statements
As at June,30 2018

STATEMENT OF FINANCIAL POSITION

	Note(s)	As at June 30 2018 Shs '000	2017 Shs '000
ASSETS			
Non-current assets			
Property, plant and equipment	13	47,000,066	49,345,165
Prepaid operating lease rentals	14	3,262,213	3,360,972
Intangible assets	15	179,472	300,646
		50,441,751	53,006,783
Current assets			
Inventories	16	4,513,066	8,465,945
Trade and other receivables	17	17,128,278	17,606,823
Cash and cash equivalents	18	15,596,458	6,748,369
Current tax recoverable	25	55,311	17,347
		37,293,113	32,838,484
Total assets		87,734,864	85,845,267
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	19	1,503,990	1,503,990
Share premium	19	27,158,864	27,158,864
Revaluation reserve	20	12,914,564	14,672,829
Proposed dividend		1,912,500	-
Retained earnings		26,594,380	24,430,392
Shareholders' funds		70,084,298	67,766,075
Non-current liabilities			
Deferred tax liability	21	7,295,492	7,644,793
Current liabilities			
Trade and other payables	22	9,355,483	9,333,770
Dividends payable	23	999,591	1,100,629
		10,355,074	10,434,399
Total equity and liabilities		87,734,864	85,845,267

The financial statements on pages 90 to119 were approved by the Board on October 4, 2018 and were signed on its behalf by:

DIRECTOR **DIRECTOR**

The notes set out on pages 94 to119 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Share capital Shs'000	Share premium Shs'000	Proposed dividend Shs'000	Revaluation reserve Shs'000	Retained earnings Shs'000	Total Shs'000
Year ended June 30, 2017						
At start of year	1,503,990	27,158,864	-	1,248,469	27,790,959	57,702,282
Profit for the year	-	-	-	-	14,685	14,685
Transfer to retained earnings	-	-	-	(449,748)	449,748	-
Revaluation gain net of deferred tax	-	-	-	13,874,108	-	13,874,108
Transaction with owners:						
Dividends:						
- Final for 2016 (declared)	-	-	-	-	(3,825,000)	(3,825,000)
At end of year	1,503,990	27,158,864	-	14,672,829	24,430,392	67,766,075
Year ended June 30, 2018						
At start of year	1,503,990	27,158,864	-	14,672,829	24,430,392	67,766,075
Profit for the year	-	-	-	-	2,318,223	2,318,223
Transfer to retained earnings	-	-	-	(1,758,265)	1,758,265	-
Transaction with owners						
Dividends	-	-	1,912,500	-	(1,912,500)	-
At end of year	1,503,990	27,158,864	1,912,500	12,914,564	26,594,380	70,084,298
Note	**19**	**19**		**20**		

The notes set out on pages 94 to119) form an integral part of these financial statements.

New Vision Printing and Publishing Company Limited
Financial Statements
For the year ended June 30, 2018

STATEMENT OF CASH FLOWS

	Note(s)	2018 Shs '000	2017 Shs '000
Cash flows from operating activities			
Cash generated from operating activities	26	14,173,834	20,892,310
Interest received	5	188,128	28,909
Tax paid	25	(1,860,738)	(2,680,020)
Net cash inflow from operating activities		12,501,224	18,241,199
Cash flows used in investing activities			
Purchase of property, plant and equipment	13	(3,540,700)	(11,019,297)
Purchase of prepaid operating lease rentals	14	-	(1,402,872)
Purchase of intangible assets	15	(36,168)	(138,012)
Proceeds from disposal of property, plant and equipment		24,770	135,719
Net cash used in investing activities		(3,552,098)	(12,424,462)
Cash flows used in financing activities			
Dividends paid	23	(101,037)	(4,118,981)
Net cash used in financing activities		(101,037)	(4,118,981)
Net change in cash and cash equivalents		8,848,089	1,697,756
Cash and cash equivalents at beginning of year		6,748,369	5,050,613
Cash and cash equivalents at end of year	18	15,596,458	6,748,369

The notes set out on pages 94 to119 form an integral part of these financial statements.

NOTES

Corporate Information

New Vision Printing and Publishing Company Limited ("the Company") is a public limited liability company incorporated and domiciled in Uganda. The Company was incorporated on June 17, 2002.

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

The Company was listed at 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.

1 NEW STANDARDS AND INTERPRETATIONS

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

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

- **Amendments to IAS 7 – Cash flow statements: Disclosures: Annual Improvements project**

  Cash flow statements introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment responds to requests from investors for information that helps them better understand changes in an entity's debt.

  The effective date of the company is for years beginning on or after January 01, 2017.

  The company has adopted the amendment for the first time in the 2018 financial statements.
  The impact of the amendment is not material.

- **Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses**

  Income taxes clarify the requirements for recognising deferred tax assets on unrealised losses. The amendment clarifies the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. It also clarifies certain other aspects of accounting for deferred tax assets. The amendment clarifies the existing guidance under IAS 12. It does not change the underlying principles for the recognition of deferred tax assets.

  The effective date of the company is for years beginning on or after January 01, 2017.

  The company has adopted the amendment for the first time in the 2018 financial statements.

  The impact of the amendment is not material.

1.2 New standards, amendments and interpretations issued but not effective

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

Standards and interpretations	Effective date: Years beginning on or after	Expected impact
• IFRS 9 Financial Instruments	January 1, 2018	The Company has reviewed its financial instruments and assessed the impact on the financial statement. The impact is described as under.

The International Standards Board (IASB) issued IFRS 9 Financial Instruments in July 2014 replacing IAS 39: Recognition and Measurement. The Standard is effective for years beginning on or after January 1, 2018 with earlier adoption permitted. The Company will adopt the new Standard with effect from the Financial Statements of June 30, 2019.

NOTES (CONTINUED)

The Company's financial instruments are classified under IAS 39 as loans and receivables in the current year and will now be classified as amortised cost under IFRS 9 in subsequent years. There are no significant changes to the Statement of Financial position of the Company as a result of these classification changes as required by IFRS 9.

Based on the Company's assessment, the major impact of adopting IFRS 9 will be on account of impairment allowance on trade receivables.

Based on high level impact assessment, the impairment allowance on trade receivables as at June 30, 2018 would have been lower by Shs. 111,600 thousand. Cumulative impairment allowance recognised based on existing policy is Shs. 3,695,633 thousand.

However, it should be noted that Management is still carrying out a detailed impact assessment.

• IFRS 15 Revenue from Contracts with Customers	January 1, 2018	Management has assessed the impact of IFRS 15 and concluded that it will not have a material impact on the financial statements on 1 July 2018
• IFRS 16 Leases	January 1, 2019	Unlikely that there will be a material impact

NOTES (CONTINUED)

2. **SIGNIFICANT ACCOUNTING POLICIES**

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

a) **Basis of preparation**

The financial statements have been prepared under the historical cost convention, except as indicated otherwise below and are in accordance with International Financial Reporting Standards (IFRS). The historical cost convention is generally based on the fair value of the consideration given in exchange of assets.

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

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

Going concern

The financial performance of the Company is set out in the Directors' report and in the statement of profit or loss. The financial position of the Company is set out in the statement of financial position. Disclosures in respect of risk and capital management are set out in note 30(d).

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

(b) **Key sources of estimation uncertainty and significant judgements**

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

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

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

- Impairment of goodwill - the Company tests annually whether goodwill has suffered any impairment, in accordance with accounting policy stated in Note g(ii) The recoverable amounts of cash generating units have been determined based on value-in-use calculations. The carrying amount of the goodwill and the key assumptions made are set out in Note 15.

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

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

NOTES (CONTINUED)

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

Key sources of estimation uncertainty and significant judgements (Continued)

- Contingent liabilities - As discussed in Note 29 to these financial statements, the Company is exposed to various contingent liabilities in the normal course of business including a number of legal cases.

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

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

- Income tax and Deferred tax - Judgment is required in determining the Company’s provision for income taxes. The effective tax rate for the year ended June 30, 2018 was 30% (2017: 30%). This rate is consistent with the statutory rate of 30%.

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

c) **Revenue recognition**

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

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

Revenue is recognised as follows:

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

d) **Translation of foreign currencies**

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

NOTES (CONTINUED)

2 **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

e) **Property, plant and equipment**

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

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

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

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

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

Freehold land is not depreciated.

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

Nature of assets	% of depreciation
Buildings	4
Plant and machinery	8
Furniture and office equipment	12.5
Motor vehicles and motor cycles	25
Computers and digital cameras	40
Pre-press equipment	25
Radio transmission and studio equipment	12.5
Radio electronic equipment	20
Television transmission equipment	12.5
Television studio equipment	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property, plant and equipment are determined by comparing the proceeds to their carrying amounts and are recognised in profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings in the statement of changes in equity.

f) **Intangible Assets**

i) Computer software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 2.5 years on a straight line basis. Computer software development costs recognised as assets are amortised over their estimated useful lives which are estimated to be 2.5 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the company, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets

NOTES (CONTINUED)

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

f) **Intangible Assets (continued)**

ii) Goodwill

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

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

g) **Cash and cash equivalents**

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

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

h) **Dividends**

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

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

i) **Financial instruments**

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

- Financial assets

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

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

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

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

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

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

NOTES (CONTINUED)

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

i) **Financial instruments (continued)**

- Financial assets

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

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

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

- Financial liabilities

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

These are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

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

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

- Offsetting financial instruments

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

j) **Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss and other comprehensive income. The effective tax rate for the year ended June 30, 2018 was 30% (2017: 30%). This rate is consistent with statutory rate of 30%.

Current tax

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

Deferred tax

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

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

NOTES (CONTINUED)

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

k) **Provisions**

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

l) **Leases**

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

Operating leases – lessee

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

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

m) **Inventories**

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

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

n) **Employee benefits**

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

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

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

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

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

NOTES (CONTINUED)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

o) Segment reporting

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

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated on consolidation. Income and expenses associated with each segments are included in determining business segment performance. Refer note 34 for segment reporting.

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

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

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

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

q) Share capital

Ordinary shares are classified as equity.

NOTES (CONTINUED)

		2018 Shs '000	2017 Shs '000
3	**Revenue**		
	Advertising	56,535,195	56,242,304
	Circulation	21,347,284	19,683,064
	Commercial printing	11,552,020	9,369,157
	Scrap	1,158,199	766,656
		90,592,698	86,061,181
4	**Cost of sales**		
	Cost of raw materials	16,785,269	13,816,922
	Direct costs	44,231,818	43,484,821
	Sales commission	6,885,665	6,828,934
	Provision for stock obsolescence	316,907	374,329
		68,219,659	64,505,006
5	**Other income**		
	Interest income	188,128	28,909
	Others	794,013	848,957
	Profit/(loss) on disposal of property, plant and equipment	8,353	(716,438)
	Net foreign exchange (loss)/gain	(118,298)	14,499
		872,196	175,927
6	**Distribution costs**		
	Transportation of newspapers	1,892,410	1,778,686
7	**Administrative expenses**		
	Staff cost		
	Salaries and wages	5,346,323	5,119,015
	National Social Security Fund contributions	638,654	739,876
	Other staff costs	719,165	616,684
	Gratuity	1,015,986	953,303
	Medical expenses	1,063,603	927,981
	Staff training and team building	274,424	221,504
		9,058,155	8,578,362

SCHEDULE OF OTHER OPERATING INCOME AND EXPENDITURE

	2018	2017
	Shs '000	Shs '000
7 **Administrative expenses (continued)**		
Other administrative expenses		
Repairs and maintenance	1,902,596	1,565,396
Printing and Stationery	261,265	495,830
Meetings and consumables	72,095	74,757
Internet and network costs	577,437	407,675
Motor vehicle running costs	488,507	509,854
Professional fees	79,595	253,155
Travel and accommodation	102,335	122,517
Entertainment	119,705	6,750
Communication costs	97,344	98,310
Bank charges and commission	119,712	120,624
Listing expenses	82,846	111,588
Audit fees	85,251	79,551
Directors' expenses	541,934	440,224
Grants and donations	11,761	44,605
Fines and penalties	359,332	-
Operating lease rentals	482,301	54,373
	5,384,015	4,385,209
	14,442,171	12,963,571

8 **Other operating expenses**

	2018	2017
Rent and rates	46,258	884,655
General insurance	164,020	147,197
Electricity and water	464,809	380,439
Security expenses	354,026	327,286
Bad debts provision	309,895	3,082,847
Depreciation and amortisation	1,779,949	1,386,944
	3,118,957	6,209,368

9 **Profit before taxation**

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

	2018	2017
Depreciation of property, plant and equipment (Note 13)	5,903,110	5,447,366
Amortisation of pre-paid operating lease rentals (Note 14)	98,759	99,717
Amortisation of intangible assets (Note 15)	123,615	165,316
Trade receivable - impairment (Note 17)	309,895	3,082,847
Auditors' remuneration	85,251	79,551
Rent and rates	367,215	1,691,388
Directors' expenses	541,934	440,224
(Gain)/loss on disposal of property, plant and equipment	(8,353)	716,438
Operating lease rentals equipment	482,301	54,373
Staff costs (Note 10)	27,565,887	27,218,208

NOTES (CONTINUED)

		2018 Shs '000	2017 Shs '000
10	**Staff costs**		
	Salaries and wages	22,294,721	21,905,120
	National Social Security Fund contributions	2,395,131	2,480,707
	Gratuity expenses	1,015,986	953,303
	Other staff costs	1,860,049	1,879,078
		27,565,887	27,218,208
11	**Taxation**		
	Current tax	1,753,214	2,321,225
	Tax recognised in current year for prior period	69,561	409
	Deferred tax (Note 21)	(349,301)	(1,555,842)
		1,473,474	765,792

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

	2018	2017
Profit before tax	3,791,697	780,477
Tax calculated at a tax rate of 30% (2017: 30%)	1,137,509	234,143
Tax effect of:		
- Expenses not deductible for tax purposes	266,404	687,173
- Income not subject to tax	-	36,816
- Tax on excess depreciation of revalued assets	-	(192,749)
- Tax recognised in current year for prior period	69,561	409
	1,473,474	765,792
	30%	30%

12 **Dividends and earnings per share**

a) Dividends per share

During the year, Directors recommend payment of a dividend of Shs 25 per share amounting to Shs 1,912,500,000 (2017: Nil).

b) Earnings per share

Basic earnings per share are calculated on the profit attributable to shareholders of Shs 2,318,224 thousand (2017: Shs 14,687 thousand) and on the weighted average number of ordinary shares outstanding at year end.

	2018 Shs '000	2017 Shs '000
Profit attributable to ordinary shareholders	2,318,223	14,685
Shares in issue during the year	76,500	76,500
Basic and diluted earnings per share	30.3	0.2

NOTES (CONTINUED)

13 **Property, plant and equipment**

For the year ended June 30, 2018

	Freehold land Shs '000	Buildings Shs '000	Plant and machinery Shs '000	Motor vehicles Shs '000	Furniture and equipment Shs '000	Radio transmission equipment Shs '000	Computers Shs '000	Radio studio equipment Shs '000	Radio studio electronics Shs '000	Cameras and pre-press Shs '000	Television studio equipment Shs '000	Television transmission equipment Shs '000	Total Shs '000
Cost and Valuation													
At start of year	35,000	14,230,094	29,783,652	1,488,921	1,630,571	1,805,868	2,477,450	420,642	47,433	881,852	1,883,268	404,467	55,089,216
Additions	-	1,925,289	381,561	323,429	164,951	-	462,495	55,060	-	48,300	96,186	83,430	3,540,700
Disposals	-	-	-	-	(34,908)	-	(6,824)	-	-	-	-	-	(41,732)
At end of year	35,000	16,155,383	30,165,213	1,812,350	1,760,614	1,805,868	2,933,121	475,702	47,433	930,152	1,979,454	487,897	58,588,185
Depreciation													
At start of year	-	-	-	558,882	984,814	966,557	1,819,119	146,702	20,995	310,588	858,991	77,404	5,744,051
Transfer to intangible assets	-	-	-	-	-	-	(33,727)	-	-	-	-	-	(33,727)
On disposal	-	-	-	-	(18,491)	-	(6,824)	-	-	-	-	-	(25,315)
Charge for the year	-	867,843	2,680,149	595,721	217,627	153,476	683,369	71,786	13,076	291,661	290,112	38,290	5,903,110
At end of year	-	867,843	2,680,149	1,154,603	1,183,950	1,120,033	2,461,938	218,488	34,071	602,249	1,149,103	115,694	11,588,119
Net book value	35,000	15,287,540	27,485,064	657,747	576,664	685,835	471,184	257,214	13,362	327,903	830,351	372,203	47,000,066

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

For the year ended June 30, 2017

	Freehold land Shs '000	Buildings Shs '000	Plant and machinery Shs '000	Motor vehicles Shs '000	Furniture and equipment Shs '000	Radio transmission equipment Shs '000	Computers Shs '000	Radio studio equipment Shs '000	Radio studio electronics Shs '000	Cameras and pre-press Shs '000	Television studio equipment Shs '000	Television transmission equipment Shs '000	Total Shs '000
Cost and Valuation													
At start of year	37,000	9,432,745	20,509,891	2,426,574	2,984,911	1,902,022	6,493,952	803,066	203,120	3,619,615	2,682,980	219,980	51,315,856
Revaluation	(2,000)	3,975,910	14,923,654	243,098	123,056	21,760	154,243	39,581	26,153	255,737	59,819	-	19,821,011
Additions	-	3,139,619	6,035,719	498,334	127,579	194,119	487,272	9,809	-	164,528	177,831	184,487	11,019,297
Disposals	-	-	(743,949)	(196,559)	(272,744)	(257,633)	(2,019,909)	(139,031)	(51,075)	(371,436)	(545,962)	-	(4,598,299)
Adjustments	-	-	(875,907)	(1,482,526)	(1,332,231)	(54,400)	(2,638,108)	(292,783)	(130,765)	(2,786,592)	(491,400)	-	(10,084,713)
At end of year	35,000	16,548,274	39,849,408	1,488,921	1,630,571	1,805,868	2,477,450	420,642	47,433	881,852	1,883,268	404,467	67,473,152
Depreciation													
At start of year	-	1,751,477	8,673,319	1,721,939	2,329,719	1,012,481	5,775,687	501,153	201,378	3,031,746	1,467,469	45,108	26,511,476
On disposal	-	-	(334,909)	(191,559)	(222,170)	(149,500)	(1,942,593)	(119,761)	(56,783)	(353,379)	(375,489)	-	(3,746,143)
Adjustments	-	-	(875,907)	(1,482,526)	(1,332,231)	(54,400)	(2,638,108)	(292,783)	(130,764)	(2,786,592)	(491,400)	-	(10,084,712)
Charge for the year	-	566,703	2,603,253	511,028	209,496	157,976	624,134	58,093	7,164	418,813	258,411	32,296	5,447,366
At end of year	-	2,318,180	10,065,756	558,882	984,814	966,557	1,819,119	146,702	20,995	310,588	858,991	77,404	18,127,987
Net book value	35,000	14,230,094	29,783,652	930,039	645,757	839,311	658,331	273,940	26,438	571,264	1,024,276	327,063	49,345,165

Buildings, plant and machinery were re-valued during the year ended June 30, 2017, by Adriko and Associates, independent valuers. Valuations (i.e. level 2 inputs are inputs other than quoted prices included within level 1that are observable for the asset or liability, either directly or indirectly) were made on the basis of the open market value. Level 2 fair values of land and buildings, plant and machinery were determined directly by reference to observable prices in the open market. The book values of the revalued assets were adjusted to revalued amounts and the resultant surplus(Shs.18.8billion) net of deferred income tax was credited to the revaluation reserve in shareholders' equity. The revaluation reserve is non-distributable and is released to retained earnings through use/disposal of the asset.

NOTES (CONTINUED)

14 Prepaid operating lease rentals

	2018 Shs '000	2017 Shs'000
Cost		
Opening balances	4,166,360	2,763,488
Additions	-	1,402,872
	4,166,360	4,166,360
Accumulated amortisation		
Opening balance	(805,388)	(705,671)
Amortisation	(98,759)	(99,717)
	(904,147)	(805,388)
Carrying value		
Opening balance	4,166,360	2,763,488
Additions	-	1,402,872
Amortisations	(904,147)	(805,388)
Net book value	3,262,213	3,360,972

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

15 Intangible assets

a) Computer software and websites

Cost		
At start of year	2,077,209	2,311,235
Additions	36,168	138,012
Disposals	-	(372,038)
At end of year	2,113,377	2,077,209
Amortisation		
At start of year	(1,911,269)	(2,117,991)
Charge for the year	(123,615)	(165,316)
On disposal	-	372,038
Transfer from property, plant and equipment	(33,727)	-
At end of year	(2,068,611)	(1,911,269)
Net book value		
At end of year	44,766	165,940

b) Goodwill

Carrying value	134,706	134,706
	179,472	300,646

Impairment test for goodwill

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. There was no impairment of goodwill identified in 2018 (2017: Nil).

NOTES (CONTINUED)

	2018 Shs '000	2017 Shs '000
16 Inventories		
Commercial paper	2,187,823	4,027,046
Newsprint	414,667	2,651,685
Machine consumables	1,075,561	918,987
Plates and chemicals	388,276	804,944
Films, inks and materials	647,665	389,196
Computer stationery	180,317	195,720
Work in progress	372,830	266,687
	5,267,139	9,254,265
Less: provision for stock obsolescence	(754,073)	(788,320)
	4,513,066	8,465,945

17 Trade and other receivables

	2018 Shs '000	2017 Shs '000
Trade receivables	16,350,145	16,288,348
Less: impairment allowance	(3,695,633)	(4,412,859)
Net trade receivables	12,654,512	11,875,489
Prepayments	1,255,259	2,159,743
Staff advances	910,172	1,014,886
Advances paid to suppliers	144,663	137,933
Other receivables	218,057	186,736
Receivables from related parties (Note 27(b))	1,945,615	2,232,036
	17,128,278	17,606,823
Movement in impairment allowance		
At start of year	4,412,859	1,554,698
Charge for the year	309,895	3,082,847
Write-off	(1,027,121)	(224,686)
	3,695,633	4,412,859

The aging analysis of trade receivables is as follows:

	Total	0 to 3 months	3 to 12 months	Over 12 months
As at June 30, 2018				
Trade receivables	14,744,790	6,676,504	3,660,271	4,408,015
As at June 30, 2017				
Trade receivables	14,245,459	5,717,470	4,115,130	4,412,859

18 Cash and cash equivalents

	2018 Shs '000	2017 Shs '000
Cash on hand	448,126	274,062
Cash at bank	5,448,332	6,024,307
Short-term bank deposits	9,700,000	450,000
	15,596,458	6,748,369

NOTES (CONTINUED)

18 **Cash and cash equivalents (continued)**

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

	2018 Shs '000	2017 Shs '000
Uganda Shillings	14,398,040	5,638,428
Kenya Shillings	328,834	115,325
Euro	253,674	36,370
US Dollar	615,910	958,246
	15,596,458	6,748,369

The weighted average effective interest rate on short-term bank deposits at year-end was 11% (2017: 11.8%).

The Company is not exposed to credit risk on cash at bank as this is held with sound financial institutions.

19 **Share capital**

Authorised		
76,500,000 Ordinary shares of Shs 19.66 each	1,503,990	1,503,990
Share premium		
The share premium comprises 25,500,000 ordinary shares of Shs 19.66 each which were issued at a premium of Shs 1,080.34 per share less costs of Shs 389,806,000.	27,158,864	27,158,864
Reconciliation of number of shares issued:		
Opening	76,500,000	76,500,000
Issue of shares - ordinary shares	-	-
Closing	76,500,000	76,500,000
Issued and fully paid up		
Ordinary shares	1,503,990	1,503,990

20 **Revaluation reserve**

Opening balance	14,672,828	1,248,469
Movement:		
- Land and Buildings	-	3,973,910
- Plant and machinery	-	14,923,654
- Other equipment	-	923,446
- Deferred tax in respect of revaluation gain	-	(5,946,903)
- Transfer to retained earnings	(1,758,265)	(449,748)
Closing balance	12,914,563	14,672,828

21 **Deferred tax**

Deferred tax is calculated, in full, on all temporary timing differences under the liability method using a principal tax rate of 30% (2017: 30%). The movement on the deferred tax account is as follows:

	2018 Shs '000	2017 Shs '000
At start of year	7,644,793	3,253,732
Credit to profit or loss	(349,301)	(1,555,842)
Charged to other comprehensive income	-	5,946,903
At end of year	7,295,492	7,644,793

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

June 30, 2018	**At start of year** **Shs '000**	**Credit to statement of profit or loss** **Shs '000**	**Charged to other Comprehensive Income** **Shs '000**	**At end of year** **Shs '000**
Deferred tax liabilities				
Property, plant and equipment				
- accelerated tax depreciation	3,252,109	233,754	-	3,485,863
- revaluation	6,284,927	(753,542)	-	5,531,385
Unrealised exchange gain	36,816	29,706	-	66,522
	9,573,852	(490,083)	-	9,083,769
Deferred tax (assets)				
Unrealised exchange loss	(10,472)	(18,408)	-	(28,880)
Provisions	(1,918,588)	159,190	-	(1,759,398)
	(1,929,060)	140,782	-	(1,788,278)
Net deferred tax liability	7,644,792	(349,301)	-	7,295,492

June 30, 2017	**At start of year** **Shs '000**	**Credit to statement of profit or loss** **Shs '000**	**Charged to other Comprehensive Income** **Shs '000**	**At end of year** **Shs '000**
Deferred tax liabilities				
property plant and equipment				
-Accelerated tax depreciation	3,687,634	(435,525)	-	3,252,109
- revaluation	530,773	(192,749)	5,946,903	6,284,927
Unrealised exchange gain	283,271	(246,455)	-	36,816
	4,501,678	(874,729)	5,946,903	9,573,852
Deferred tax (assets)				
Unrealised exchange loss	(270,464)	259,992	-	(10,472)
Provisions	(977,482)	(941,106)	-	(1,918,588)
	(1,247,946)	(681,113)	-	(1,929,059)
Net deferred tax liability	3,253,732	(1,555,842)	5,946,903	7,644,793

NOTES (CONTINUED)

22 **Trade and other payables**	**2018 Shs '000**	**2017 Shs '000**
Trade payables	1,653,752	1,933,379
Accruals	951,085	862,449
Advances received from customers	2,714,281	2,816,306
VAT	1,032,289	983,450
Other payables	3,004,076	2,738,186
	9,355,483	9,333,770

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

Uganda Shillings	8,072,819	8,794,323
US Dollar	1,238,364	536,094
Euro	40,536	-
Ksh	3,764	3,353
	9,355,483	9,333,770

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

The maturity analysis of trade payables is as follows:

As at June 30, 2018	**0 to 4 months Shs '000**	**4 to 12 months Shs '000**	**Total Shs '000**
Trade payables	1,147,013	506,739	1,653,752

As at June 30, 2017	**0 to 3 months Shs '000**	**4 to 12 months Shs '000**	**Total Shs '000**
Trade payables	1,485,259	448,120	1,933,379

23 **Dividend payable**		
At start of year	1,100,628	1,394,610
Dividend declared in the year	-	3,825,000
Dividend paid in the year	(101,037)	(4,118,981)
At end of year	999,591	1,100,629

24 **Gratuity obligation**

Employee entitlements to gratuity are recognised when they accrue to employees.

The movement in the gratuity provision is as follows:

	2018 Shs '000	2017 Shs '000
Opening balance	863,114	934,243
Current year charge	1,015,986	953,303
Paid during the year	(1,178,667)	(1,024,432)
Closing balance	700,433	863,114

During the year, the Company incurred as gratuity for managers employed on contract terms. Provision for gratuity is made on the assumption if all entitled employees were terminated at the reporting date.

25 **Current tax (recoverable)/payable**

At the beginning of the year	(17,347)	341,039
Charge for the year	1,822,774	2,321,634
Paid during the year	(1,860,738)	(2,680,020)
At the end of the year	(55,311)	(17,347)

26 **Cash from operating activities**

Profit before tax	3,791,697	780,477
Adjustments for:		
Depreciation of property, plant and equipment (Note 13)	5,903,110	5,447,366
Amortisation of prepaid operating leasehold land (Note 14)	98,759	99,717
Amortisation of intangible assets (Note 15)	123,615	165,316
(Gain)/loss on disposal of property, plant and equipment	(8,353)	716,438
Interest received	(188,128)	(28,909)
Working capital changes:		
Decrease in inventories	3,952,878	5,006,472
Decrease in trade and other receivables	478,544	7,384,556
Increase in trade and other payables	21,712	1,320,876
Cash generated from operation activities	14,173,834	20,892,310

NOTES (CONTINUED)

27 Related party transactions

The following transactions were carried out with related parties:

(a) Transactions with related parties

Sales of goods and services	2018 Shs '000	2017 Shs '000
Advertisements in newspapers/magazines/radio and television		
Government ministries, departments and agencies	8,389,019	9,863,776
National Insurance Corporation Limited	58,086	40,351
National Social Security Fund	214,867	448,418
	8,661,972	10,352,545

(b) Due from related parties

Government ministries, departments and agencies	1,827,071	2,016,149
National Social Security Fund	62,266	141,822
National Insurance Corporation Limited	56,278	74,066
	1,945,615	2,232,037

(c) Key members of management:

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

(d) Key management personnel remuneration

- Executive Directors	902,492	884,471
- Gratuity	217,982	215,387
- NSSF	112,047	109,986
	1,232,521	1,209,844

28 Capital commitments

Authorised and contracted for	-	1,858,371

29 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.

The Company also has ongoing audits from Uganda Revenue Authority. Management is confident that these would not result in cash outflow for the Company.

NOTES (CONTINUED)

30 **Risk management policies and objectives**

Financial risk management

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

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

The financial management objectives and policies are as outlined below:

(a) Credit risk

The company's credit risk arises from cash at bank and trade and most other receivables.

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

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

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

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

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

As at June 30, 2018	**Total Shs '000**	**Fully performing Shs '000**	**Past due not impaired Shs '000**	**Impaired Shs '000**
Financial assets				
Cash at bank	5,448,332	5,448,332	-	-
Short-term fixed deposits	9,700,000	9,700,000	-	-
Trade and other receivables	15,182,663	4,895,249	6,591,781	3,695,633
Due from related parties	1,945,615	1,945,615	-	-
	32,276,610	21,989,196	6,591,781	3,695,633

As at June 30, 2017				
Financial assets				
Cash at bank	6,024,307	6,024,307	-	-
Short-term fixed deposits	450,000	450,000	-	-
Trade and other receivables	15,374,786	6,860,486	4,101,442	4,412,859
Due from related parties	2,232,036	2,232,036	-	-
	24,081,130	15,566,829	4,101,442	4,412,859

NOTES (CONTINUED)

30 **Financial risk management (continued)**

(a) Credit risk (continued)

The customers under the fully performing category are paying their debts as they continue trading.

The debtors that are impaired relate to amounts that have been outstanding for more than 1 year and have been fully provided for (refer Note 17).

No collateral is held for any of the above assets. The amounts that are past due but not impaired are expected to be collected in ordinary course of business.

(b) Liquidity risk

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

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

The table below disclose the undiscounted maturity profile of the Company`s financial liabilities:

As at June 30, 2018	Total Shs '000	Less than 1 year Shs '000	Between 1 and 5 years Shs '000
Financial liabilities			
Trade and other payables	9,355,483	9,355,483	-
As at June 30, 2017			
Trade and other payables	9,333,770	9,333,770	-

(c) Market risk

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

NOTES (CONTINUED)

30 **Financial risk management (continued)**

(c) Market risk (continued)

Currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures primarily within respect to the US Dollar, Euro and the Kenya Shilling. The risk arises from future transactions, assets and liabilities in the statement of financial position date.

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

	2018 Shs '000	2017 Shs '000
	22,896	43,289

Year ended June 30, 2018	US $ Shs '000	Euro Shs '000	Kshs Shs '000	Total Shs '000
Trade and other receivables	46,217	-	-	46,217
Trade and other payables	(873,302)	(40,536)	(3,716)	(917,554)
Cash and cash equivalents	615,910	253,674	328,834	1,198,418
Net exposure	(211,175)	213,138	325,118	327,081
The exchange rate used for conversion of foreign items were:	3,595.90	4,108.32	34.64	

Year ended June 30, 2017	US $ Shs '000	Euro Shs '000	Kshs Shs '000	Total Shs '000
Trade and other receivables	47,903	-	-	47,903
Trade and other payables	(536,040)	-	(3,397)	(539,437)
Cash and cash equivalents	958,246	36,370	115,325	1,109,941
Net exposure	470,109	36,370	111,928	618,407
The exchange rate used for conversion of foreign items were:	3,885.00	4,504.00	39.00	

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

(d) Capital risk management

Internally imposed capital requirements

The Company's objectives when managing capital are:

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

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

31 Fair value measurement

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

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

The following table shows the levels of non financial assets measured at fair value at 30.06.2018 and 30.06.2017

June 30, 2018	**Level 1**	**Level 2**	**Level 3**	**Total**
Property, plant & equipment				
Milo land	-	35,000	-	35,000
Buildings	-	15,287,540	-	15,287,540
Plant and machinery	-	27,485,064	-	27,485,064
Equipment	-	4,192,462	-	4,192,462
Total	**-**	**47,000,066**	**-**	**47,000,066**

June 30, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Property, plant & equipment				
Milo land	-	35,000	-	35,000
Buildings	-	14,230,094	-	14,230,094
Plant and machinery	-	29,783,652	-	29,783,652
Equipment	-	5,296,419	-	5,296,419
Total	**-**	**49,345,165**	**-**	**49,345,165**

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

32 Comparatives

Previous year's figures have been regrouped/reclassified in order to make them comparable with that of current financial period, wherever necessary.

33 Events after the reporting date

No adjusting and significant non adjusting events that have occurred between June 30, 2018 the reporting date and the date of approval of these financial statements.

NOTES (CONTINUED)

34 SEGMENT REPORTING

	PRINT MEDIA		ELECTRONIC MEDIA		COMMERCIAL PRINTING		OTHERS		TOTAL	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
External sales	50,560,562	51,250,741	24,844,186	26,010,662	9,369,157	11,552,020	1,287,276	1,779,274	86,061,181	90,592,698
Other operating income	-	-	-	-	-	-	175,927	872,196	175,927	872,196
Total Sales	50,560,562	51,250,741	24,844,186	26,010,662	9,369,157	11,552,020	1,463,203	2,651,470	86,237,108	91,464,894
Segment profit before taxation	2,981,760	3,915,219	(1,207,894)	301,689	(1,989,712)	(1,562,210)	996,323	1,136,999	780,477	3,791,697
OTHER INFORMATION										
Segment assets	50,330,827	49,160,685	24,731,300	24,949,921	9,326,586	11,080,917	1,456,555	2,543,340	85,845,267	87,734,864
Segment liabilities	6,117,657	5,802,283	3,006,063	2,944,762	1,133,636	1,307,846	177,043	300,183	10,434,399	10,355,074
Capital expenditure	288,945	619,162	799,296	335,199	5,379,160	6,114	6,092,781	2,616,393	12,560,182	3,576,868
Depreciation & amortisation expense	2,538,218	2,603,251	1,042,623	897,489	756,470	494,605	1,375,088	2,130,137	5,712,399	6,125,483

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

In addition, other operating segments are combined under others. The main source of revenue for this segment is the other income, events, sale and disposal of non current assets and interest income.
For the purposes of monitoring segment performance and allocating resources between segments:

• all assets are allocated to reportable segments other than tax assets. Goodwill is also allocated to the applicable reportable segment.

• all liabilities are allocated to reportable segments other than current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

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

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

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