VISION GROUP®

NATIONAL PRIDE • GLOBAL EXCELLENCE

2019 / 2020

ANNUAL REPORT

Business Resilience Through Digital Transformation

www.visiongroup.co.ug

New Vision Printing and Publlishing Co. Ltd

Annual Report for the **Financial Year Ended June 30, 2020**

Introduction

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

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

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

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

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

We have based on these forward-looking statements largely due to our current expectations and projections about future events and trends we believe will affect our financial condition, results of operation, business strategy and business operations.

Please note that we operate in a highly competitive and rapidly changing environment and new risks may keep emerging.

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

Contents

List Of Acronyms

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

Financial Definitions

Earnings Per Share (EPS)	Earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue
Dividends 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

Digitisation

Our New Vision, Our New Story.

We are a different kind of media establishment. We aim to deliver our strategy in a way that makes a positive contribution to all stakeholders, particularly our shareholders, our employees, and the communities we operate in. We are deeply rooted in our societies and we enjoy a timeless bond with our audiences and clients. Over the years, we have mastered the art of telling our stories differently. And this time, we are delivering borderless content that is not limited by ink, paper or experience. Our target is to appeal to a far and wider demographic at the convenience of our digital platforms.

EXECUTIVE COMMITTEE

Gender

07

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With a strong management team, we continue to build sustainable advantage and deliver leading financial returns with strong and reliable cash flows through:

A renewed Focus on **Sustainability**

Robert Kabushenga
CEO

We are resolute in our digital transformation strategy. We aim at growing our audiences on our digital platforms to achieve revenue growth. Our platforms enable us to sustainably engage our audiences in many ways. Through engagement, we learn and improve. Continual improvement will define our relevance and propel our growth in the industry.

Good **Governance**

Gervase Ndyanabo
Deputy Managing Director/
Company Secretary

The company espouses ethical values of fairness, responsibility, accountability and transparency which are the basis of our corporate governance structure. Our consistent success is defined by effective leadership and the collective inclusion of all our stakeholders in key decisions that determine and affect the business operations of the company.

Making Society a Part of our **Purpose And Processes**

Barbra Kaija
Editor in Chief

When schools were shut down due to the COVID-19 pandemic, Vision Group, through its innovative home schooling materials, became the school. This is the true essence of being a part of our people – A media establishment that advances society.

Innovation

Paul Ikanza
Head of ICT

With a content management system and digital application in place, our plan is to automate other (non-content) key functions and implement seamless integration across all systems to ensure accurate business reporting. This will also enable quicker turn around in decision making and give the company a competitive advantage.

Generating and Distributing **Quality Content**

Bill Tibingana
Head of Broadcast

80% of the content produced and published on our media platforms is native to the societies we operate in. The content signifies Uganda's rich heritage. We understand our people because our people are our content.

Growth at the Right Time in our **Investment Cycle**

Augustine Tamale
Chief Finance Officer

We have the ability to grow, without compromising on quality or attracting unnecessary operational and market risk. Whilst short term performance is important; we run the business for the long term. This underpins our approach to key investments in machinery, our workforce and technology. In a fast paced industry with highly evolving technology, we see a long term benefit in the decision to invest in our digital infrastructure.

Cash Generation And Reliable Returns to our Shareholders

Hope Nuwagaba
Head of Sales

We are a going concern worth the investment. Our commercial sales are a testimony of our longstanding relationship with our clients. This relationship is characterized by Efficiency and Trust which keep our clients loyal to our brands no matter the adverse market dynamics.

Integrity and Assurance

Peace Kabatangare
Chief Internal Auditor

Integrity is a core value and a key aspect of our organisational culture. We hold ourselves to the highest standards of ethical and business practices as set by the Board, our regulators and best practice. As a listed entity, our disclosures are comprehensive and our business dealings transparent. We maintain robust risk management, internal control and assurance arrangements to ensure sustainable business practices.

Brand Reputation

Dorothy Muttu
Head of Marketing & Comms

We invest time, expertise, research and skill to keep our leading brands healthy and commercially viable. We have devised convenient and innovative means of satisfying and bringing our brands closer to our customers. We invest heavily in our communities because our people are the very reason of our existence

Valuing **Our People**

Gloria Agira
Chief Human Resource Officer

Human capital is the greatest asset of any organisation and if there was ever a doubt, the COVID-19 pandemic created clarity on how critical and sensitive human resources is to all organisations. Our people are the lifeline of the organisation and we are committed to ensuring that it is reflected in all our practices.

Eco Friendly Operations

Umar Luyimbazi
Head of Printing

We are deliberate about conserving the environment. Our raw materials, for example, paper is 100% recyclable. The inks meet a range of multi attribute life cycle based criteria related to human health and environmental considerations. We use hi tech, internationally certified machines, which are energy efficient with zero combustion. Waste is managed according to local environmental regulations.

David Semugga
Head of Operations

Business Review

Financial Highlights

Financial Performance Statistics 2016-2020

	2020	2019	2018	2017	2016
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Statement Of Comprehensive Income					
Turnover	91,755,560	90,156,920	90,592,698	86,061,181	92,662,627
Profit before tax	4,894,784	3,909,242	4,620,769	780,477	7,427,744
Profit after tax	2,661,368	2,128,773	2,393,753	14,685	4,927,793
Net Profit Margin	5.3%	4.3%	5.1%	0.9%	8.0%

Satement Of Financial Position

	2020	2019	2018	2017	2016
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Property ,Plant & Equipment	44,567,105	43,124,096	46,118,045	47,634,072	24,804,380
Total Assets	102,172,814	90,002,063	86,718,137	83,999,468	70,704,556
Shareholders funds	73,356,759	72,104,103	69,332,177	66,433,604	57,702,282

Financial Performance Ratios

	2020	2019	2018	2017	2016
Gross profit Margin	26.4%	24.2%	25.2%	25.0%	24.1%
Net Profit margin before tax	5.3%	4.3%	5.1%	0.9%	8.0%
Net profit margin (After Tax)	2.9%	2.4%	2.6%	0.0%	5.3%
Return on Capital employed	6.7%	5.4%	6.7%	1.2%	12.9%
Return on Total Assets	4.8%	4.3%	5.3%	0.9%	10.5%
Return on Non Current Assets (PPE)	11.0%	9.1%	10.0%	1.6%	29.9%
EPS	34.8	27.8	31.3	0	64
Share Statistics					
Earnings per share-basic & diluted	34.8	27.8	31.3	0	64
Dividends(proposed) per share	18	25	0	50	50

Sales Breakdown

	2020	2019	2018	2017	2016
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Circulation	18,531,990	20,819,863	21,347,283	19,683,064	21,539,321
Advertising	53,692,221	58,121,889	56,535,196	56,242,304	58,404,404
Commercial printing	18,416,574	9,910,340	11,552,020	9,369,157	12,074,377
Other sales	1,114,775	1,304,828	1,158,199	766,656	644,524
Total Turnover	**91,755,560**	**90,156,920**	**90,592,698**	**86,061,181**	**92,662,627**

Advertising Revenue Breakdown

	2020	2019	2018	2017	2016
Print	49.3%	52.6%	53.5%	57.8%	59.9%
Radio	14.6%	13.4%	13.5%	13.0%	12.5%
Television	33.3%	30.6%	30.2%	26.3%	24.4%
Digital	2.8%	3.4%	2.8%	2.9%	3.2%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Total Revenue Stream Mix

Amounts in (Shs'000)

	2020	% of total revenue	2019	% of total revenue	2018	% of total revenue	2017	% of total revenue	2016	% of total revenue
Circulation	18,531,990	20.2%	20,819,863	23.1%	21,347,284	23.6%	19,683,064	22.9%	21,539,321	23.2%
Print Advertising	25,617,731	27.9%	29,398,335	32.6%	27,904,251	30.8%	30,110,840	35.0%	32,714,858	35.3%
Radio & Events	9,324,611	10.2%	9,693,838	10.8%	9,631,061	10.6%	8,301,370	9.6%	7,933,839	8.6%
Television	17,299,849	18.9%	17,127,039	19.0%	17,371,361	19.2%	16,101,226	18.7%	16,006,723	17.3%
Digital	1,450,032	1.6%	1,902,678	2.1%	1,628,522	1.8%	1,728,867	2.0%	1,748,982	1.9%
Commercial printing	18,416,574	20.1%	9,910,340	11.0%	11,552,020	12.8%	9,369,157	10.9%	12,074,377	13.0%
Other sales	1,114,774	1.2%	1,304,828	1.4%	1,158,199	1.3%	766,658	0.9%	644,525	0.7%
	91,755,560	100.0%	**90,156,920**	100.0%	**90,592,698**	100.0%	**86,061,181**	100.0%	**92,662,626**	100.0%

Segmental Reporting

Year ended 30 June 2020	Print Media	Electronic Meida	Commercial Printing	Others	Total segments	Adjustments & eliminations	Consolidated
	Ushs 000	Ushs 000	Ushs 000	Ushs 000	Ushs 000	Ushs 000	Ushs 000
Revenue							
External customers	44,164,988	26,317,755	18,416,574	2,856,243	91,755,560	-	91,755,560
Inter Segment	296,351	246,959	40,789	-	584,099	(584,099)	-
Total revenue	**44,461,339**	**26,564,714**	**18,457,363**	**2,856,243**	**92,339,659**	**(584,099)**	**91,755,560**
Cost of sales	(32,496,630)	(19,416,052)	(13,490,419)	(2,087,618)	(67,490,719)	-	(67,490,719)
Distribution costs	(1,757,732)				(1,757,732)	-	(1,757,732)
Administrative expenses	(2,109,458)	(1,255,175)	(878,145)	(138,403)	(4,381,181)	-	(4,381,181)
Other operating expenses	(1,300,167)	(776,823)	(539,742)	(83,524)	(2,700,256)		(2,700,256)
Intersegmental costs	(408,869)	(52,569)	(122,661)-		(584,099)	584,099	-
Segment profit	**6,388,483**	**5,064,095**	**3,426,396**	**546,698**	**15,425,672**	**-**	**15,425,672**
Total Assets	49,405,075	28,697,476	20,085,534	1,047,226	99,235,311	-	99,235,311
Total Liabilities	10,199,363	5,924,411	4,146,530	843,133	21,113,437	-	21,113,437
Other disclosures							
Capital expenditure	703,373	666,279	313,218	2,507,510	4,190,380	-	4,190,380
Depreciation	1,949,677	1,164,891	809,376	125,248	4,049,192	-	4,049,192

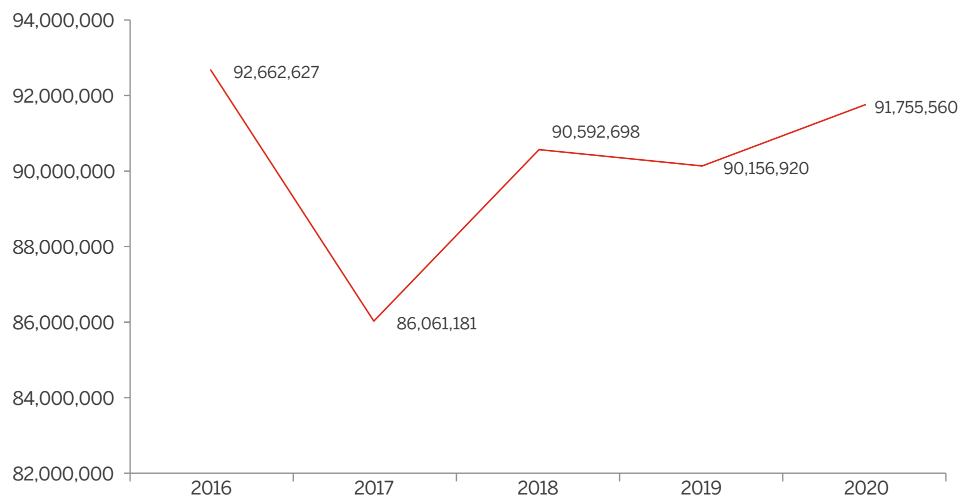
Year ended 30 June 2019	Print Media	Electronic Meida	Commercial Printing	Others	Total segments	Adjustments & eliminations	Consolidated
	Ushs 000	Ushs 000	Ushs 000	Ushs 000	Ushs 000	Ushs 000	Ushs 000
Revenue							
External customers	50,218,198	26,524,546	9,910,340	3,503,836	90,156,920	-	90,156,920
Inter Segment	418,432	338,493	516,927	-	1,273,852	(1,273,852)	
Total revenue	**50,636,630**	**26,863,039**	**10,427,267**	**3,503,836**	**91,430,772**	**(1,273,852)**	**90,156,920**
Cost of sales	(37,630,184)	(20,048,916)	(8,066,429)	(2,582,506)	(68,328,035)	-	(68,328,035)
Distribution costs	(1,742,097)	-	-	-	(1,742,097)	-	(1,742,097)
Administrative expenses	(2,073,254)	(1,104,605)	(444,424)	(142,284)	(3,764,567)	-	(3,764,567)
Other operating expenses	(1,351,881)	(720,266)	(289,790)	(92,778)	(2,454,715)		(2,454,715)
Intersegmental costs	(555,563)	(319,842)	(398,447)	-	(1,273,852)	1,273,852	-
Segment profit	**7,283,651**	**4,669,410**	**1,228,177**	**686,268**	**13,867,506**	**-**	**13,867,506**
Total Assets	38,627,193	38,344,845	7,429,855	2,742,468	87,144,361	-	87,144,361
Total Liabilities	4,591,285	4,557,725	883,124	325,973	10,358,107	-	10,358,107
Other disclosures							
Capital expenditure	460,112	333,094	293,186	1,180,076	2,266,469	-	2,266,469
Depreciation	2,110,909	1,124,667	452,497	144,867	3,832,940	-	3,832,940

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

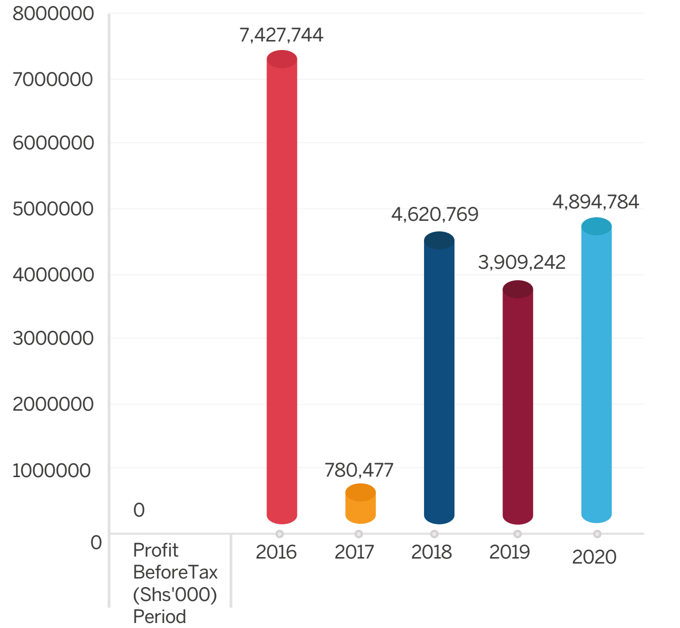
	2020	2019
	Ushs 000	Ushs 000
Reconciliation of operating profit		
Reported segment profit before tax	15,425,672	13,867,505
Other income	1,478,864	1,521,543
Administrative staff costs	(8,895,781)	(9,414,548)
Other administrative costs	(1,838,070)	(1,584,082)
Impairment on financial assets	(1,275,901)	(481,170)
Profit before tax	**4,894,784**	**3,909,248**

Graphical presentation of the performance

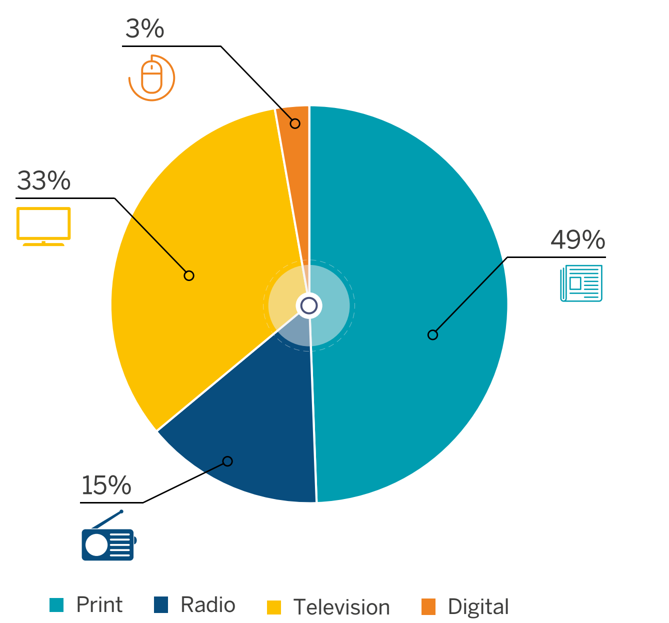
Turnover Trends



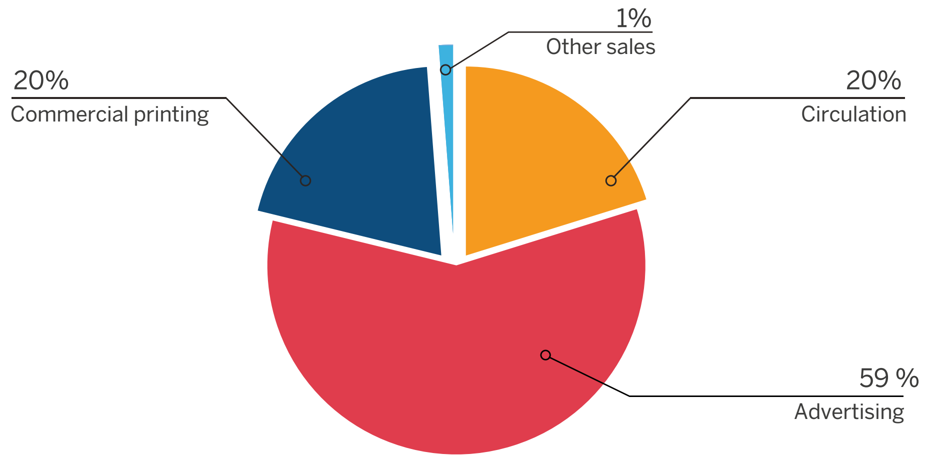
Profit Before Tax (Shs'000)



Advertising Revenue Mix 2020



Total Revenue Mix 2020



Financial Performance

Profit and earnings per share increased compared to Financial Year 2018/19.

	2020	2019	Percentage change
	Ushs'000	Ushs'000	
Revenue from contracts with customers	91,755,560	90,156,920	1.77%
Cost of sales	(67,490,719)	(68,328,035)	-0.21%
Gross profit	**24,264,841**	**21,828,885**	**7.73%**
Other income	1,478,864	1,521,543	-5.14%
Distribution costs	(1,757,732)	(1,742,097)	0.90%
Impairment losses on financial assets	(1,275,901)	(481,170)	165.17%
Administrative expenses	(14,934,752)	(14,763,198)	-3.62%
Other operating expenses	(2,700,256)	(2,454,721)	10.00%
Operating profit	**5,075,064**	**3,909,242**	**29.82%**
Finance costs	(180,280)	-	
Profit before taxation	**4,894,784**	**3,909,242**	**25.21%**
Income tax expense	(2,233,416)	(1,780,469)	25.44%
Profit for the year	**2,661,368**	**2,128,773**	**25.02%**
Other comprehensive income	-	-	
Total comprehensive income for the year	**2,661,368**	**2,128,773**	**25.02%**
Basic and diluted earnings per share	34.8	27.8	25.18%

CHAIRPERSON'S STATEMENT

The new strategic shift

A journey of a thousand miles begins with a single step.

Patrick Ayota
Board Chairperson

Under the direction of the Board of directors, the Company began implementing a new strategic plan.

This plan was approved by the Board in October 2019 following extensive consultation with Management. The new strategic plan takes cognisance of the worldwide changing patterns in media consumption and the rapid technological changes that provide consumers with many options to access content. The strategic outcome of the plan is for the Company to remain competitive, profitable and sustainable in the long term.

The new plan articulates the company's medium-term business strategic direction and priorities, and is a guide to the company's efforts and investments over the next 5 years (FY 2019/2020 – FY 2024/2025). The plan is premised on the following strategic objectives that the company is focusing on over the next five years:

- Improving profitability
- Improving customer satisfaction
- Improving business innovations
- Improving efficiency
- Enhancing technology use
- Improving stakeholder management
- Improving corporate governance
- Increasing staff productivity
- Improving staff pay and reward

As part of the new strategy, the Board approved a revised Company Vision, Mission and Values to guide the operations of the Company and its relationship with the various stakeholders as follows;

Vision:	A trusted content hub of choice
Mission:	To generate and distribute content that is useful to and advances society
Values	• Integrity • Innovation • Customer-centricity • Courage • Excellence • Zero tolerance to corruption • Social responsibility

As a reflection of the revised mission, the Board approved the re-organization of the Company structure into two main units; content generation and content distribution.

At the heart of the revised company vision and mission are its customers and the need for the generation and efficient delivery of reliable content.

While the company has always had presence in the digital content space, re-alignment of operations and dedication of resources towards digital transformation has been expedited. Accordingly, the Board expanded the mandate of its Editorial Committee to include the digital transformation journey.

This journey includes the development of a Content Management (Publishing) System to boost editorial efficiency, access cloud storage and computing and to accommodate the Company's growing data needs. The Content Management System also helped the Company to deploy the augmented reality concept into its news products, the re-design of the New Vision newspaper with new enhanced features for the digital consumer, the launch of the electronic paper application and collaborations with leading telecommunication companies to offer news products to audiences at the least cost and greatest convenience.

Performance Overview

The FY 2019/20 demonstrates our commitment to improved efficiency

The turnover was shs **91.8bn**
2% higher than **shs 90.2bn** for the previous year, 2018/19

The profit before tax was higher than the previous year at Shs **4.9bn**
compared to **shs 3.9bn**

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

The net profit registered for this year was Shs **2.7bn** %

The shareholders' funds for the year ended June 30, 2020 were **shs 73.4bn** comprising of share capital worth shs **1.5bn**

share premium of shs **27.2bn**

revaluation reserve of **shs 9.9bn** proposed dividends of shs **1.4bn** and retained earnings worth shs **33.4bn**

This reflected a growth of 2.0% From the past year's position which was shs **72.1bn**

In the FY 2019/20 the return on capital employed was 6.7% up from 5.4% in 2018/19 and the Earning Per Share (EPS) shs 34.8 compared to shs 27.8 in 2018/19. The asset base has increased by 14% showing that the Company has strong manufacturing capacity/ capital to sustain its production potential for the foreseeable future.

Sustainability in a COVID-19 era

The second half of the fiscal year was characterized by the novel COVID-19 outbreak. Its impact was felt across the entire Company, with the Company's finances particularly taking a hard fall. The Company took bold and painful steps to ensure its long-term survival which included staff salary reductions, the utilization of unpaid leave options, and the closure of some regional papers.

The Board is particularly grateful to each and every single staff member who understood the painful decision that was made and even in the tough times delivered value to our customers. Every extra effort put in demonstrated the values of courage and excellence that we stand for, even in times of adversity.

COVID-19 tested the Company's risk preparedness and risk management framework. The Board, through the Board Audit and Risk Committee (BARC) has the ultimate responsibility of identifying key risk areas, establishing risk management policies, processes and risk tolerances; and ensuring that these are implemented and followed within the Company. The Board appreciates the commendable job that BARC did during the intense phase of the pandemic.

Dividend

The Board is pleased to report that due to the extra effort by Management, the Company ended FY 2019/2020 with a better financial performance than projected. At the beginning of the pandemic, Company revenues dropped by more than 80%. However, the diligence and resourcefulness of opportunities identified and exploited during the COVID pandemic resulted in better results than had been expected. The Board wishes to thank especially the Sales and Printing departments that, despite the lockdown, attracted and delivered business value to key customers.

A net profit of UGX 2.7 Billion was registered for the period ending June 30, 2020. After full consideration that a payment of dividends would not damage the liquidity and solvency of the company, a total of UGX 1,377,000,000 (51.7% of profit after taxation) is proposed to be spent on dividend payment this year, which approximates a dividend of UGX 18 per share. The Board therefore recommends for shareholder approval at the Annual General Meeting, the payment of a dividend of UGX 18 per share to shareholders

Share Price and Engagement with the Stock Exchange

The Company's share price fell from UGX 330 on June 26, 2019 to UGX 315 by June 30, 2020. This gradual decline continues to be a constant source of concern for both Management and the Board. In the FY 2020/2021. The Board is cognizant that this share price does not reflect company value. The Company has, therefore, planned several activities that will improve information dissemination to investors, shareholders and the Stock Market players. This should help close the information and perception gap between the Company and key stakeholders.

The Company continues to build strong ties with the Regulator of the stock exchange, the Uganda Securities Exchange (USE). On December 14, 2019, the Company marked fifteen years since its listing on the Uganda Stock Exchange and celebrated the milestone with USE through the "Ring the Bell" breakfast engagement.

Shareholder engagement

Shareholders remain one of our most valued stakeholders and the Board is mandated to ensure effective communication with them. The COVID-19 situation, however, brought along restrictions on physical engagement. However, other dedicated communication platforms like the shareholders' electronic platform and telephone contacts remained open for engagement with our shareholders. Mindful of the changing times, the Board sanctioned the first ever virtual Annual General Meeting for the Company for the year ended June 30, 2020. Shareholders will participate in the meeting electronically.

Our Social responsibility

One of our duties as the Board is to ensure that the Company is a responsible corporate citizen and that it pays attention to the interests of all stakeholders and the community within which it operates. Sustainability is at the heart of what we do and this is reflected in many of our operations right from our choice of inputs to how we handle our waste. It is also reflected in how we give back to our community using our several platforms. The Company has been a key stakeholder in the fight against COVID-19.

Board Structure and Composition

Now more than ever before, it is important to have a Board that exercises leadership, enterprise, integrity and judgment in directing the Company. The Board acts in the best interest of the Company in a manner that is transparent, accountable and responsible. The Board is composed of individuals who reflect a diversity of skills, training, experience and background.

Our Board is composed of 11 individuals with skills in media, law, finance, risk management, human resource, digital, quality assurance and business management.

These 11 directors sit on 5 active Committees namely; the Audit and Risk Committee, the Human Resources and Remunerations Committee, the Nominations and Governance Committee, the Finance and Investments Committee, the Editorial and Digital Committee and the

Finance and Investment Committee. Each committee has five members. The details of the respective committees and how they discharged their duties during the year are in the respective committee reports.

This year, we have two directors who are retiring by rotation, namely: Mr. Jim Mugunga, the Deputy Board Chair representing the majority shareholder and Mr. Charles Tukacungurwa, representing the National Insurance Corporation (NIC), one of the top five institutional shareholders.

In the exercise of their discretion, the majority shareholder nominated Mr. David Kenneth Mafabi to replace Mr. Mugunga. The nomination of Mr Mafabi was reviewed by the Nominations and Governance Committee of the Board and the Committee found him to be a fit and proper person subject to the approval and appointment by the shareholders at the AGM.

Mr. Mafabi holds a Bachelor's degree (Hons) in Political Science and Public Administration/Literature in English from Makerere University and a Post Graduate Diploma in Political Economics/National Economic Management from the Academy of Social Sciences and Management in Sofia, Bulgaria. He is an expert on contemporary global issues, regional integration and regional security, with a career spanning over 37 years. He is currently serving as senior Presidential Advisor/special duties at State House.

Mr. Tukacungurwa has served a maximum of nine years since his last election in November 2017 and will formally retire from the Board having served with distinction.

The Board also recommends that Ms Julie Piloya Okiror be appointed a Director to represent Bank of Uganda, one of our institutional shareholders. The Nominations and Governance Committee carefully vetted Ms Julie Piloya Okiror and found her to be a fit and proper person to execute the role of a Director.
Ms Piloya holds a Master of Arts from Ohio University, USA and a Bachelor of Arts from Makerere University. She possesses rich experience in banking spanning over 21 years and currently serves as the Deputy Director, Currency Department Bank of Uganda.

Conclusion

I wish to thank the Board and Management for their effort in ensuring the Company's survival in the uncertain times.

I also wish to thank the retiring Directors for their valuable contribution to the Board.

I take this opportunity to welcome the new Directors. We strongly believe that the new strategic direction will deliver better value to shareholders.

Patrick Ayota

CEO STATEMENT

FY2019/20 was a tough year. The effect of the novel coronavirus and especially the measures to manage it, severely disrupted the business operations of the company and those of the business partners. This situation has completely changed the way that media business is conducted, which means that there must be a radical strategic shift and acceleration of plans that had been scheduled for a much later time in the future.

Robert Kabushenga
Chief Executive Officer

Costs were relatively well managed and the revenue performance was largely on budget

At the beginning of the recently ended financial year, the company embarked on the implementation of a new strategic direction. This was premised on a deliberate investment in digital capacity to deliver content to the diverse audiences that have evolved in the media market. This was part of a broader vision to become a trusted content hub of choice. To achieve this, a set of objectives were laid out for management to realize over the course of implementing this new strategic direction, in the context of a specific governance framework that is underpinned by a listed set of values. A clear mission was also defined to guide the actions of the management team in this endeavor.

The focus was to make sure that the company remained financially viable and for the most part of the year this was on track. Costs were relatively well managed and the revenue performance was largely on budget. This positive aspect, however, was negatively affected by the lockdown measures effected to combat COVID-19. The closure of numerous businesses negatively affected advertising revenue, while the closure of normal activity disrupted the newspaper distribution system. While media consumption went up significantly during this period, the main benefit was brand equity arising out of greater audience attention. This however, did not translate into immediate purchases and in fact, the revenue dropped by a factor of 50%. The Board undertook drastic measures to avoid losses that could lead to a collapse of the business. In addition, there was an acceleration of the digital capacity to engage with the customer. These interventions were successful in enabling the business to ride out the worst aspects of the lockdown, even though some of them were the subject of public controversy. It is therefore possible to embark on a long and uncertain recovery which is still better than the option of winding up. During the challenges that the company faced, management was still able to innovate ways to remain the dominant player and these were key to sales recovery.

Even as there was a focus on saving the business, there were equally strong health safety measures to protect the team from the risks of contracting COVID-19. This was necessary because the business would not exist without the people that make it possible. This has kept incidences of infections at a minimum and so avoided the risk of becoming an epicenter of spreading the virus. This would have meant a forced closure of operations. The measures implemented were able to protect the team while ensuring that the business operations continued uninterrupted.

The company played a key CSR role in the fight against COVID-19 by dedicating editorial resources to increase public awareness in support of the Ministry of Health. Furthermore, space was created to enable the media platforms to engage with learners who were not in school and yet not able to access learning materials through online interaction with their teachers. In addition, there has been focus on other public interest issues such climate change and human rights which have been championed by the company.

The future is still uncertain and significant change is taking place. What is important is the agility to adapt to new ways of working and responding to new opportunities. There is an urgent focus on accelerating the transition to greater digital capacity. To this end, there is a process of developing an audience engagement platform that is versatile enough to facilitate continuous innovation and creativity.

Collaboration with other players that can bring additional business advantages has been undertaken. A new way of working that will culminate in a changed organisational structure is under trial and the outcomes will inform the way forward. Diversification of revenue streams will be pursued to reduce dependence on the traditional media platforms for income. New skills will be acquired to enable the business to operate in the changed market conditions. The key point is to recognize that the change is occurring and responding to this situation with the appropriate innovation and creativity. The team can do this while ensuring the commercial viability of the company. Working through this complex situation is going to be the priority over the next one year.

Robert Kabushenga

Strategy Report

Our Value Creation Story

Our strategy represents an effective approach to the structural shifts in our industry. Global megatrends such as the technological revolution, increasing stakeholder pressure, and socioeconomic and environmental challenges are imposing the need for wide-reaching transformation in the way we do business.

We remain flexible in our strategic responses to the cyclical pressures in our markets. We identify pockets of opportunity for revenue generation, and employ well-developed risk models to anticipate and manage the impact of risks that are heightened during times of economic stress.

Our strategy is achieved within the parameters of our risk appetite, which implies conscious risk taking. We regularly align our risk appetite to changes in our operating context, and are instilling a risk-aware culture throughout the organisation, as well as continually enhancing our risk management capabilities.

Our business units and corporate functions have aligned their operating strategies to our strategy, to ensure effective and coordinated execution within and across our operations for the benefit of our customers.

Our Strategic Value Drivers

These help us focus our efforts and measure the progress towards delivering on our strategy and vision.

Serving our customers
We do everything within our power to ensure that we provide our customers with products, services and solutions that suit their needs, provided that everything we do for them is based on sound business principles.

Growing our people
We encourage and help our people to develop to their full potential and measure our leaders on how well they grow and challenge the people they lead.

Delivering to our shareholders
We understand that we earn the right to exist by providing appropriate long-term returns to our shareholders. We work hard to meet our various targets and deliver on our commitments.

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

Issue	Strategic Impact	Management Response
• Decline in revenue due to implementation of lockdown that caused closure of key clients like offices, churches, hotels and schools • Increased prices for our major input-imported newsprint due to the global scarcity of raw materials • Inflation and taxation policies affecting customer spending capacity	• Poor Company performance and reduced profitability • Decline in shareholder value and negative effect on the market valuation of the company. • Undermined the company's ability to offer competitive rates to its clients	• Strategic partnerships that generated revenue • Special supplements and events that boosted revenue generation. • Efficient cost reduction strategies pursued.
• Growing cost base • High trade receivables and cost of sales	• Risk that the costs could outstrip the revenue and create a liquidity crisis • Undermined the sales effort and ability of the business to finance its obligations as and when they fall due	• Set cost reduction targets for each SBU • Undertook special revenue generation projects and strategic partnerships to grow revenue
• Disruptive technologies altering media consumption habits and the operation of the media market • Emergence of new platforms and technologies. This has facilitated content sharing and audience aggregation • Digital and Technological advancements impact on the business	• Loss of market share and competitive strength • Loss of audiences to digital platforms and legacy media. • Inability to respond to market opportunities and serve customers conveniently at an optimal cost	• Developed capacity to execute digital marketing • Re-aligned marketing function to focus on customer needs. • Acceleration of planned activities like implementation of the digital journey, redesign of the newspaper, launch of the e-paper, Augmented Reality and online payment platform
Greater regulatory and compliance requirements. There has been increased regulation and scrutiny from regulators like UCC, URA, KCCA and NSSF	• Fines and levies affect the bottom line. • Reputational damage • Increased cost of doing business in the electronic media segment	• Ensured strong regulatory and compliance practices in all aspects of the business and reliance on guidance from the three lines of defense
Libel risk and exorbitant court awards arising from defamation suits	• Reputational risk effect on the bottom line	• Continuous legal training for editorial staff • Processes for vetting stories for libel • Prior review by legal function of contentious stories • Continuous training on the editorial policy

Measuring Our Progress

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

Value creation for our shareholders is an important part of our strategy and this is measured by the financial outcomes which are directly driven by and dependent on client satisfaction, employee engagement. We have the following Key Performance Indicators (KPIs) based on the Company strategy that help monitor performance of the company;

Strategic Objective	KPI	How we measure progress and Performance	Strategic outcomes FY2019/2020	What we continue working towards
Improve profitability	The level of profitability and commercial viability	The primary measures describing our financial outcome include: • Earnings per Share (EPS) • Revenue Growth	We grew our revenue year on year, and deliberately put in place measures to reduce our costs, leading to a growth in profit after tax. This growth was supported by diversification in revenue streams that led to untapped revenue from new avenues.	• Implementing the new business model • Managing costs within budget • Investing in new revenue streams
Improve efficiency	Improved cost management	The primary measures describing our business efficiency outcome include: • Cost-to-Income ratio (CTI) maximum Error rates	Continued investments in our digital agenda over the past few years is expected to support our revenue growth, coupled with continued firm discipline in optimizing our costs structure.	• Managing costs within budget

Strategic Objective	KPI	How we measure progress and Performance	Strategic outcomes FY2019/2020	What we continue working towards
Improve customer satisfaction	• Audience growth • Improved brand equity • Increased audience interactivity Repeat customer purchases	To understand our clients better we measure their satisfaction in terms of: • Customer satisfaction Index • Audience growth for print, radio, television and online platforms. These scores are determined from client surveys conducted in phases throughout the year to obtain an annual result.	We continued to execute on our new strategy, that was in its first full year of implementation. This enabled us to adopt an out-in approach where we conducted a customer segmentation and profiling study and walked the journey with the customers in order to better understand their need, as well as their strategic direction. In so doing, we are on the road to become trusted content partners of choice and used our wealth of expertise in the content business continues to fill in the gaps and provide value addition to their businesses.	• In 2020 we remain committed to providing a consistent and superior experience to our customers and to growing a sustainable business. • Continuing our focus on digitizing all our customer products and services, to make these remotely accessible and the purchase and maintenance experience frictionless. • Over and above these existing measures, Vision Group is looking to develop a holistic customer experience measure across segments and business units. This will provide more detail on accessibility, ease of doing business, personalized offerings, staff engagement, brand value and reputation, executional excellence and value for money.
Improve stakeholder management	• Positive public perception • Increased public goodwill • Good relationships with key stakeholders	The primary measure describing our stakeholder management outcome is our stakeholder engagement index	Stakeholders were engaged through and some of the key matters discussed during an engagement include; performance of the company, strategy, capital structure and leadership.	Management is focused on constantly getting to know stakeholders, understanding what they want, when they want it, how engaged they are and how the company's plans and actions will affect company goals.
Improve business innovation	Staff creativity in generating and implementing ideas to improve the business	The primary measure describing our business innovation outcomes is the number of ideas implemented and rewarded.	A number of ideas were developed and implemented as a result of which initiatives were undertaken to reach end users. The company is currently streaming all Radio and Television content on a mobile app.	

Strategic Objective	KPI	How we measure progress and Performance	Strategic outcomes FY2019/2020	What we continue working towards
Enhance Technology use	• Convenient and accessible access to content • Seamless integration of internal business operating systems. • Data based decision making	The primary measures describing our enhancement of technology usage and implementation of technology strategy index	Increased the number of automated business processes with over 45% of business processes automated	As a key focus area, the use of technology to execute recurring tasks or processes and where possible replace manual effort with technology to achieve improved operational efficiency, memorable customer experience, cost control and a more competitive and consistent quality of service, will continue to be a priority.
Improve corporate governance	• Good corporate citizenship • Positive business reputation • Improved communication between board and management Effective board function	The primary measure describing our improvement of corporate governance is the Governance index	The Group's governance index improved and management is working to improve this by end of the next financial year.	Vision Group is committed to the highest standards of corporate governance. In this regard, Vision Group will continue to embed internal policies and processes to ensure good corporate governance and ethics. These include annual assessment of the board, board training and development especially in emerging skills, board succession planning, and regular review of the board skills matrix given the rapidly changing business environment.
Increase staff productivity	• Employer of choice • Shared understanding of the Vision, Mission and Values • Structures aligned to new strategy • Engaged employees	The primary measures describing our staff productivity outcomes include: • Staff engagement score • % of training plan implemented • % of staff retooling plan implemented.	Staff productivity has greatly improved and management has also taken extensive steps to protect our employees during the COVID-19 pandemic It has also re-enforced both basic and enhanced personal and office hygiene measures to keep employees and customers safe.	To effectively deliver to our customers, our staff need to be fully aligned across the organisation with a common understanding of our purpose, vision and strategy, collaborating and working in teams to deliver for our customers. Management will invest a lot of time cascading our purpose and strategy to our teams and work at assisting them to connect this to the work they do.

The macro-economic environments

The start of this new decade was shaken by the unexpected invasion of Coronavirus Disease (COVID-19) that has affected multi-sectoral operations and economies worldwide. In spite of the unprecedented lockdown, restrictions and business suspensions across many levels, management would like to assure our stakeholders that Vision Group is well positioned to weather the current challenges. We will continue to work hand-in-hand with our regulators, the government and other stakeholders to offer flexible and accessible content, as well as support our customers, employees and the community as we fight the COVID-19 pandemic together.

Corporate Governance Statement

The Board

The mandate of the Directors (Board) is defined by their statutory obligations in the Companies Act 2012 which emphasizes their stewardship role in guiding the operations of the Company. The Directors also act in accordance with the Company's Articles of Association and other regionally and globally recommended good corporate governance practices. Collectively, the board is responsible for ensuring that the Company continues to operate in a profitable and sustainable manner.

The Board is responsible for among other oversight roles, reviewing and guiding the company strategy, mission, vision and values; approving risk management systems and internal controls; approving policies, budgets and major capital investments and divestments; monitoring the effectiveness of the corporate governance framework, financial performance and approving financial statements; and ensuring compliance with legal, regulatory and listing requirements; recruiting and determining the remuneration of key executives; monitoring changes in the company's capital structure and reviewing the performance of Management. In fulfillment of its new strategic direction of harnessing new technologies to ensure business sustainability, the Company achieved key mile stones of digitizing its content consumption through different digital content applications and content alternatives that appeal to a larger demographic.

The Company espouses ethical values of fairness, responsibility, accountability and transparency, which are the basis of our corporate governance structure. Our consistent success is defined by effective leadership and the collective inclusion of all our stakeholders in key decisions that determine and affect the business operations. Our obligations as a listed corporate citizen stretch beyond regulatory compliance to integrated reporting that entails deliberate and honest disclosures on the financial and non-financial aspects of the business.

The above approaches have not only increased stakeholder trust and confidence, but have also increased the Company's business opportunities, legitimized its operations and helped us improve risk management as explained further in the Sustainability Report.

BOARD OF DIRECTORS

Patrick Ayota
Board Chair Person
Non-Executive Director
Master in Business Administration, University of South Carolina, USA
Bachelor of Science, Liberty University, Virginia
Certified Public Accountant and a Diplomate in Forensic Accounting.
Age: 60 years
Appointed: 2016
Committees: Finance & Investment, Editorial & Digital

Jim Mugunga
Deputy Board Chairperson
Non-Executive Director
M.A Communications Studies, University of Leeds, United Kingdom
Media Practitioner, Public Private Partnerships and Advocacy Expert
Age: 56 years
Appointed: 2017
Committees: Editorial & Digital, Nominations & Governance

Robert Kabushenga
Executive Director/Managing Director
Bachelor of Laws, Makerere University
Post Graduate Diploma in Legal Practice, Law Development Centre, Kampala
Advocate of the High Court
Age: 52 years
Appointed: 2007
Committee: Finance & Investment, Human Resources & Remuneration

Michael Nyago
Non-Executive Director
Bachelor of Science in Economics, Makerere University
Master in Development Economics, William College, Massachusetts, U.S.A
Fellow, Association of Chartered & Certified Accountants (UK), Certified Public Accountant, Certified Internal Auditor. Member, Association of Fraud Examiners (ACFE-USA) and Certified Governance IT (CGEIT).
Age: 53 years
Appointed: 2018
Committees: Audit & Risk, Finance & Investment

Robinah Kaitiritimba Kitungi
Non-Executive Director
Bachelor of Arts (Sociology and Political Science), Makerere University
Master of Arts in Public Administration and Management, Makerere University
Consultancy support to local and international NGOs.
Age: 58 years
Appointed: 2016
Committees: Human Resources & Remuneration, Editorial & Digital

Charles Tukacungurwa
Non-Executive Director
Bachelor of Science in Botany & Zoology, Makerere University
Master Degree in Agricultural plant breeding (University of Aberdeen, Scotland)
Agricultural Policy Analyst, Consultant in agriculture and natural resource management.
Age: 72 years
Appointed: 2011
Committees: Editorial & Digital, Nominations & Governance

Susan Lubega
Non-Executive Director
Bachelor of Chemistry, Makerere University
Master in Environmental Pollution Control, University of Leeds, UK
Quality Assurance and Management Consultant
Age: 45 years
Appointed: 2018
Committees: Nominations & Governance, Human Resources & Remuneration

Moses Mwase
Non-Executive Director
Bachelor of Laws, Makerere University
Post Graduate Diploma in Legal Practice, Law Development Centre, Kampala
Master Degree in International Sports Law, ISDE Business Law School, Spain
Master Degree in Science, Finance & Financial Law, University of London
Advocate of the High Court
Age: 44 years
Appointed: 2019
Committee: Finance & Investment, Human Resources & Remuneration

Ae`ko Ongodia
Non-Executive Director
MSc Applied Mathematics and Statistics, Stony Brook University USA
MSc Mathematical Trading and Finance, CASS Business School, UK
BSc Quantitative Economics, Makerere University
Age: 40 years
Appointed: 2020
Committee: Editorial & Digital, Finance & Investment

Peter Kawumi
Non-Executive Director
BSc (Hons) in Software Engineering, Kingston University
Master of Business Administration, Edinburgh Business School, UK.
Microsoft Certified Systems Engineer (MCSE)
Age: 38 years
Appointed: 2019
Committees: Nominations & Governance, Human Resources & Remuneration

Sarah Walusimbi
Non-Executive Director
MBA, ESAMI
Bachelor of Laws, Makerere University
Diploma in Legal Practice, Law Development Centre.
Age: 62 years
Appointed: 2019
Committees: Board Audit & Risk Committe Human Resources & Remuneration

Gervase Ndyanabo
Deputy Managing Director/ Company Secretary
Bachelor Degree in Commerce (Accounting), Makerere University
Master of Business Administration, Edinburgh Business School, UK
Certified Public Accountant, Certified Internal Auditor
Age: 56 years
Appointed: 2019

Gervase Ndyanabo
Deputy Managing Director/
Company Secretary

Board Size and Composition

The Company has a total of 11 directors. The Board is comprised of a Chairperson, Deputy Chairperson, Chief Executive Officer/Managing Director and Non-executive directors. The Board has 1 Executive Director and 10 Non-Executive Directors (NEDs.) as indicated in Table 1 below. Out of the ten Non-Executive Directors, 5 are independent directors. The composition is deliberate in the sense that it ensures a balance of power on the Board, independent thinking, and diversity of ideas so that no single director or group of directors dominates the decision-making process. Directors who represent shareholder interests on the Board are not considered independent.

The Board possesses adequate and balanced skills, experience and knowledge necessary to discharge its duties effectively. With this mix, there is constructive debate and independent thinking during discussions.

Table 1: Classification of Directors

Name	Profession/Experience	Type	Independent	Status
Patrick Ayota	Finance and Accounting	Non-Executive		Shareholder representative
Jim Mugunga	Journalism/Media	Non-Executive		Shareholder representative
Robert Kabushenga	Law	Managing Director/ CEO		Employee
Robinah Kaitiritimba	Health	Non-Executive		Shareholder representative
Charles Tukacungurwa	Agriculture	Non-Executive		Shareholder representative
Susan Lubega	Quality Assurance	Non-Executive	Yes	
Michael Nyago	Finance and Accounting	Non-Executive	Yes	
Moses Mwase	Law	Non-Executive		Shareholder representative
Ae`ko Ongodia	Digital Technology	Non-Executive	Yes	
Peter Kawumi	Information Technology	Non-Executive	Yes	
Sarah Walusimbi	Law	Non-Executive	Yes	

Board Meetings

During the period, the Board through the Chairperson dedicated adequate time for the discussion of agenda items. A culture of openness, objective debate and accountability guided and continues to guide the Board in all meetings and deliberations. Calendars and meeting schedules are circulated to directors before the commencement of the board year to enable directors reserve dates to attend meetings and company activities.

In the past financial year, a total of eight (8) board meetings were held as included in Table 2 below. The agendas for the meetings were approved by the Board Chair and Board committee chairs ahead of circulation. Board papers were circulated at least seven days to the scheduled meeting. Directors declared and registered actual and potential interest regarding agenda items with the Company Secretary. The Company maintains a register of declared interests. Upon disclosure, interested directors are excluded from the discussion and decision making of concerned issues. In accordance with the conflict of interest policy, the Board Chairperson 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 do not participate in discussing or deciding on a matter in which they are conflicted unless their expertise is required to enrich a discussion.

Table 2: Director Attendance

Name of Director	Aug 15, 2019	Oct 15, 2019	Oct 31, 2019	Feb 19, 2020	Feb 21, 2020	March 27, 2020	April 24, 2020	June 25, 2020
Prof. Monica Chibita	✓	X	✓	N/A	N/A	N/A	N/A	N/A
Mr. Jim Mugunga	X	✓	✓	✓	✓	X	✓	✓
Mr. Robert Kabushenga	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Patrick Ayota	✓	✓	✓	✓	✓	✓	✓	✓
Mr.Charles Tukacungurwa	✓	✓	✓	✓	✓	✓	✓	✓
Ms. Robinah K. Kitungi	✓	X	X	✓	✓	✓	✓	✓
Mr. Michael Nyago	✓	✓	✓	✓	✓	X	✓	✓
Ms. Susan Lubega	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Moses Mwase	✓	✓	✓	X	X	✓	✓	✓
Mr. Peter Kawumi	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Ae'ko Ongodia	N/A**	N/A**	N/A**	✓	✓	✓	✓	✓
Ms. Sarah Walusimbi	N/A**	N/A**	N/A**	✓	✓	✓	✓	✓
Mr Oode Obela	✓	✓	✓	N/A	N/A	N/A	N/A	N/A

Key:

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

Table 3: Director Shareholding

Name	Shares	Percentage
Ms Robinah Kitungi Kaitiritimba	42,992	0.0562 %
Ms Susan Lubega	1,313	0.0017 %
Total	**44,305**	**0.0597 %**

Board Committees

The Board functions through specialized Board Committees that ensure efficiency in decision making through timely recommendations to the Board with the exception of reserved matters. The matters reserved for the collective decision of the Board include approval of; the Company strategy and strategic objectives, annual budgets and capital expenditures, the annual report and accounts; policies, high value contracts and investments, changes to the capital structure, formal communication with shareholders, review of management performance, compliance with legal and regulatory requirements and recommendation of a final dividend. The delegation to the Committees notwithstanding, the Board retains full responsibility for the execution of its mandate. The Board also delegates authority to Management through the Managing Director for the day-to-day operations of the Company. The Managing Director heads the Management team and is accountable to the Board. The Board appoints Members and Chairpersons to the Committees. All Committees have approved Terms of References (TORs) that are reviewed regulary to ensure appropriateness and relevance. These TORs contain guidelines on the conduct of committee business. Each Committee considered matters within its TORs and made recommendations to the Board for approvals in the period. On a quarterly basis, the Committees consider Management reports which contain information relating to strategy, policies, compliance, financial performance, procurement, audit findings, and recruitments, among others.

Chairpersons of all committees were held accountable for the discharge of the mandate of their respective committees.

AUDIT AND RISK COMMITTEE

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

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

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

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

Sarah Walusimbi
Non-Executive Director
MBA, ESAMI
Bachelor of Laws, Makerere University
Diploma in Legal Practice, Law Development Centre.

Board Audit And Risk Committee (BARC)

Michael Nyago
Chairperson, Audit and Risk Committee

The Board Audit and Risk Committee (BARC) exercises delegated authority from the Board to provide independent oversight of the company's financial reporting, internal control systems, the adequacy and effectiveness of the External and Internal Audit Functions, as well as the Risk Management and Compliance Functions of the company. BARC is provided with sufficient resources to perform its oversight function.

The BARC comprises two independent directors and three other independent professionals with diverse professional disciplines. The names and biographies of the members of the BARC are set out in the Governance Statement of this Report.

During the year 2019/20, BARC provided sufficient oversight over the company's financial reporting, governance, risk management and internal control as follows:

Financial Reporting

The BARC reviewed the 2019/20 financial statements and related accounting policies in conjunction with the company's external auditors. Based on this review and discussion with management and the external auditors, the BARC was satisfied that the Financial Statements were prepared in accordance with applicable accounting standards and fairly present the Company's financial position and results for the year ended 30 June 2020. The BARC, therefore, recommended the Financial Statements for the year ended 30 June 2020 be approved by the Board.

Internal Audit

The Vision Group Internal Audit function is mandated by the BARC to assist the Board to discharge its governance responsibilities, protect shareholder value, as well as the organisation's assets, reputation and going concern. As the organisation's third line of defense, the activity provides independent and objective assurance and advisory services designed to add value and improve the organisation. Annually, the BARC reviews and approves the function's annual audit plan, ensuring that appropriate assessments and considerations are given to all pertinent risks. The Board Audit and Risk Committee approves the hiring, removal, evaluation and compensation of the Head of Internal Audit. The scope of authority and responsibility of the internal audit function is defined in the Company Internal Audit Charter, which is approved by the Board Audit and Risk Committee.

The internal audit function is staffed with suitably qualified experienced professionals with diverse operational and financial experience. The Head of Internal Audit presents the internal audit findings to the BARC at each quarter. The BARC meets with the Head of Internal Audit quarterly, and sometimes without the presence of management. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including the BARC.

The Internal Audit function generally conforms to the IIA Standards, Code of Ethics and leading audit practices. An internal self-assessment is completed annually, and an external assessment conducted at least once every three (3) to five (5) years.

Internal Audit applied a systematic risk-based audit approach during the period to focus its resources on the areas of greatest risk to fully discharge its mandate and responsibilities. The BARC-approved annual audit plan for the period was achieved to its full extent (100%) with flexibility employed to ensure consideration of the changing business risk profile. A monitoring system is in place to ensure that action plans to resolve all issues identified during the audit process are tracked to conclusion.

The Board Audit and Risk Committee is satisfied that the Internal Audit Function has adequate competences and resources to perform its functions effectively.

External Audit

The Group's External Auditor is the Auditor General as determined by law. The Auditor General delegated the year's external audit to EY Certified Public Accountants. The BARC oversees the relationship between the External Auditor and the rest of the Group including its reporting to the Board. The BARC reviews the External Auditor's engagement letter, assesses the External Auditor's independence and participates with the Auditor General in setting their remuneration. The Committee reviews the External Auditors' proposed audit strategy; scope and approach and approves its audit plan, including coordination of audit effort with Internal Audit. The External Auditor's report is presented to the BARC for review and endorsement of Management action plans and for oversight. The committee requires Senior Management to regularly provide an account of actions being taken to address the issues raised in the management letter. The BARC discusses the post audit report and post audit risk assessment with the External Auditor. The 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.

During the period, the External Auditor assessed the following as key potential risks and audit considerations; appropriate advertisement revenue recognition in accordance with IFRS15, risk of misappropriation of assets (inventory and cash) owing to the Group's widespread geographical presence, credit risk and expected credit losses, regulatory risk, tax compliance risk, litigation risk, operational and cyber risk and foreign currency risk owing to transactional and translational currency exposures. The External Auditor also considered the following as significant auditing and accounting issues.

- Impairment considerations resulting from business valuation methods,
- Adoption of IFRS 16 Leases that was adopted by the Group effective 1 July 2019,
- Revenue recognition-circulation (accounting for right of return),
- Accounting for property, plant, and machinery,
- Taxation of Vision Group agents,
- Accounting for employee long service awards,
- Related party balances and transactions and,
- Going concern considerations

The External Auditors satisfied themselves with the Group's treatment of these key risks and audit considerations.

Risk Management

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

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

The six risks (including emerging risks) that the Group considered high priority during the period were as follows:

1. Operational Risk

Operational risk is the potential for loss resulting from inadequate or failed internal processes, people, and systems, or from external events. An unprecedented pandemic risk materialized in March 2020 when Uganda registered its first case of the COVID-19 disease. The outbreak resulted in a nationwide lock-down that required the business to implement and test the effectiveness of its business continuity plans. This included several changes to the ways the Group works with increased remote working / work from home measures aimed at keeping our people safe. The resilience of Vision Groups' internal processes, staff and systems were tested to the limits. A fast and firm people-centric response was rolled out that ensured that office premises were decongested ahead of the nationwide lockdown to ensure the safety of all our stakeholders. Detailed contingency plans ensured business continuity in case of any COVID-related eventuality including: implementing measures to manage liquidity and meet continuous working capital requirements, identifying and managing anticipated supply chain and other operational risks; implementing strategies to continue to serve audiences and other stakeholders; and ensuring the long term sustainability of the business is protected. As a result of the implemented measures and by the Grace of God, the business was able to withstand the tough times and deliver on its mandate despite the significant disruptions and uncertainties that prevailed.

2. Digital and Technological Risk

Digital and Technological risk is the potential for loss and/or negative impact on the business due to the Group's inability to leverage on digital and technology assets to ensure sustainability. In response to changing media consumption patterns and audience preferences, Vision Group initiated an evaluation of its capabilities and determined that it needed to leverage heavily on its digital and technology assets to deliver the desired customer experiences. This risk was further illuminated by the onset of the COVID-19 pandemic that drove a more rapid migration of audiences to digital platforms, requiring the business to respond faster. Utilizing legacy assets to obtain key insights on customer needs and preferences, Vision Group optimized its existing digital platforms and technology to meet customer needs whilst concurrently investing in and delivering new and enhanced products and platforms such as the New Vision App and E-Paper to further enhance their experience. The Group is currently undergoing a digital transformation journey and continues to optimize these opportunities to deliver more value to all stakeholders.

3. Credit Risk

Credit risk is the potential for loss due to the failure of a third party to meet its obligations to the Group. The nature of the Group's business is such that it operates with a high level of its sales on credit terms. Credit is granted to clients on specific terms and after a thorough process of vetting including securing of credit guarantees. The Group consistently subjected credit sales to the terms of its credit policy and explored all feasible options to manage this risk to acceptable levels. The COVID-19 pandemic and resulting restrictions on business activities negatively impacted businesses in Uganda, increasing liquidity and going concern risks for most of the Group's creditors. The Board continued to monitor the debt portfolio and evaluated the impact of the pandemic and the changing economic landscape on the business. Details of the related accounting treatments under IFRS 9 and its impact on the financial statements are set out in the Financial Statement and accompanying notes.

4. Compliance risk

Compliance risk is the risk of legal or regulatory sanction that may occur as a result of the Group's failure to comply with laws, regulations and other applicable standards. This may result in financial loss or damage to the Group's reputation. The Uganda Communications Commission continued to monitor the Group's activities, periodically issuing directives and opinions on how the operations were conducted. The Group remained cognizant of the regulatory scrutiny and responsive to the regulators proactively managing compliance risk through its first line and second line of defense functions. The Legal and Compliance function supported the various business units to proactively address potential incidents of noncompliance and through various engagements with the different regulators, kept compliance risk at an acceptable level of exposure.

5. Libel risk

Libel risk is the potential for loss from subjection to litigation as a result of a libelous act. By virtue of the nature of the business, the Group was involved in a number of litigations, mainly libel cases during the period. Management continually monitors all potential, threatened and actual litigation cases and assesses the exposure to the Group, if any. Management is confident that any exposure to the Group is adequately covered and those considered as contingent are assessed as not likely to crystallize. The risk is being managed through continuous training of the editorial team to equip them with skills to avoid libel suits. The editorial team works closely with the in-house legal counsel to ensure balanced reporting to further reduce the risk of libel. The in-house legal team is supported by external 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.

6. Information and Cyber Security Risk

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

The Company maintained sufficient systems in place to manage the above risks to the satisfaction of the Board Audit and Risk Committee.

Table 4: Attendance - BARC

Name of Director	Aug 06, 2019	Oct 10, 2019	Oct 22, 2019	Feb 13, 2020	April 28, 2020
Mr. Michael Nyago	✓	✓	✓	✓	✓
Ms. Sarah Walusimbi	N/A**	N/A**	N/A**	✓	X
Mr Oode Obela	✓	✓	✓	N/A	N/A
Ms Patricia Ojangole	✓	X	✓	X	✓
Mr Joseph Baliddawa	✓	X	✓	X	✓
Mr. Parity Twinomujuni	✓	✓	✓	✓	✓

Key:

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

Michael Nyago

Nominations And Governance Committee

Mr. Patrick Ayota
Chairperson, Nominations and Governance Committee

The Committee is charged with ensuring board succession planning, advising on director rotation, developing a process for board evaluation, determining director training needs and regularly reviewing the structure, size and composition of the Board. The Committee has four individuals and is chaired by the Board Chair, Mr. Patrick Ayota. The other three members are Mr. Jim Mugunga, Mrs. Susan Lubega and Mr. Charles Tukacungurwa.

Director Rotation, Appointment and Board Succession Planning

Following the retirement of Dr. Monica Chibita as Board Chair at the previous Annual General Meeting of November 21, 2019, the Committee considered and recommended for Board approval, the appointment of Mr. Patrick Ayota as new Chair. Mr. Ayota was approved and presented at the Annual General Meeting of November 21, 2019.

The Committee also considered and recommended for Board approval the appointment of Mr. Michael Nyago as Chairman of the Audit and Risk Committee (BARC) to replace Mr. Oode Obella who retired at the Annual General Meeting of November 2019. Following board approval, Mr. Nyago was presented at the Annual General Meeting of November 21, 2019 as new the BARC Chair and commenced his duties.

The retirement of Dr. Monica Chibita and Mr. Oode Obella created two vacancies on the board. Considering the challenges and opportunities that faced the Company, as well as the skills and expertise needed on the Board, the Committee identified and nominated for board approval Ms. Sarah Irene Walusimbi and Mr. Aeko Ongodia to fill the vacancies. The process was rigorous, with successful candidates identified from a pool of qualified director candidates. The Committee also interacted with several candidates in order to determine candidates with the best fit. Following board approval, Ms. Walusimbi and Mr. Ongodia were presented to the Annual General Meeting of November 21, 2019 and elected. They commenced their duties and were assigned to serve on two board committees each.

At this year's Annual General Meeting, two directors will retire by rotation as follows: Mr. Jim Mugunga who represents the majority shareholder and Mr. Charles Tukacungurwa who represents the National Insurance Corporation (NIC), one of the top five institutional shareholders.

Mr. Mugunga will be eligible for re-election having served a total of three years to date from his first appointment in November 2017. In the exercise of their discretion, the majority shareholder opted to replace Mr. Mugunga with Mr. Kenneth David Mafabi.

Mr. Mafabi holds a Bachelor's degree (Hons) in Political Science and Public Administration/Literature in English from Makerere University and a Post Graduate Diploma in Political Economics/National Economic Management from the Academy for Social Sciences and Management in Sofia, Bulgaria. He is an expert on contemporary global issues, regional integration and regional security with a career spanning over 37 years. He is currently, the senior presidential advisor/special duties at State House.

The Committee interacted with Mr. Mafabi and recommended his nomination to the main Board. The Board found him to be a fit and proper person and he will be presented at this year's AGM for appointment by the shareholders.

Mr. Tukacungurwa on the other hand will have served a maximum of nine years since his last election in November 2017. Best governance practice assumes that a director's independence is diminished over time if the director has served on the Board for over nine years.

In order to fill the vacancy created, the Board resolved to receive nominations from the top two institutional shareholders being NIC and Bank of Uganda Staff Retirement Benefit Scheme. The nominees were considered by the Nominations and Governance Committee which recommended that Ms Julie Piloya Okiror be appointed a director representing Bank of Uganda. Ms Julie Piloya Okiror holds a Master of Arts from Ohio University, USA and a Bachelor of Arts from Makerere University. She possesses rich experience in banking spanning over 21 years. She is currently the Deputy Director, Currency Department Bank of Uganda.

Board Evaluation

The Board undertook a formal and rigorous appraisal of its performance, of its Committees, individual directors, the Chief Executive Officer and the Company Secretary. The process was facilitated internally with the support of the Company Secretary. The methodologies used included questionnaires and a peer-review process for individual directors.

The findings of the evaluation show that the Board is largely effective and that it strongly follows the principles of good governance. However, the findings also showed that there was need to improve investor relations engagements and that there was need for directors to get opportunities for exposure regarding emerging trends, technologies and ideas.

The Board Chair acted on the results of the evaluation by meeting individual directors separately to discuss their respective peer-review findings, considering their strengths, weaknesses and training needs.

Based on that, the Board Chair and the Company Secretary are developing a training calendar responsive to director training needs within the framework of the new strategic shift.

Board induction and training

Through the Committee, the Company is consciously aligning its board induction and training programmes with the new strategy. One of the objectives the Company intends to achieve under the new Strategy is "improvement of corporate governance". The key initiatives to be undertaken to realize this objective include board trainings & orientations and adherence to the corporate governance principles.

During the year, the Company organized an induction programme to introduce the new directors to the Company and to brief them on their fiduciary and statutory duties. The strategy documents were shared with the directors in addition to the usual documents such as the annual report, audit reports, governance documents and the applicable legislation.

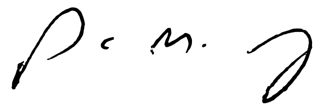
The Company also organised a training session with the Aga Khan University Graduate School of Media and Communications (GSMC) Kenya on board governance, digital disruption and new media. The training took place at the Board retreat and was attended by the entire Board, BARC and members of the Executive management committee (EXCO). Lessons learnt from this session were incorporated into the implementation of the new strategy.

The Committee met several times in the course of the year and director attendance is as below:

Name of Director	Sept 17, 2019	Sept 27, 2019	June 22, 2020
Prof. Monica Chibita	✓	✓	N/A**
Mr Charles Tukacungurwa	✓	✓	X
Mr Jim Mugunga	✓	X	X
Ms Susan Lubega	X	✓	✓
Mr Patrick Ayota	N/A**	N/A**	✓

Key:

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



Mr. Patrick Ayota

Human Resources And Remuneration Committee

Robinah Kaitiritimba Kitungi
Chairperson, Human Resources and Remuneration Committee

The Human Resource and Remuneration Committee is comprised of five members: Ms. Robinah K. Kaitiritimba, Mrs. Susan Lubega, Mr. Moses Mwase, Mrs. Sarah Walusimbi and Mr. Robert Kabushenga. The majority are non-executive directors and two are independent non-executive directors. The Committee Chairperson is Ms. Robinah K. Kaitiritimba. There is a diversity of skills, experience, knowledge and independence on the Committee. The Committee adequately guided and supported management to retain productive employees who are a valued resource. Productivity not only preserved the business and its investments but also assured a reasonable return to our esteemed shareholders. For the greater part of the year, the Company work force seamlessly delivered as planned by Management until a time when the health and economic impact of the COVID-19 pandemic became apparent.

Vision Group strived to strike a balance between retaining jobs of as many employees as possible and at the same time keeping the business afloat despite the sharp and sudden decline in the Company revenue due to the pandemic. The Committee ensured development of relevant policies to address workplace challenges posed in response to the Covid pandemic, including health and safety in the workplace, termination and work-from-home policies. The Committee navigated key and tough deliberations that were necessary to sustain and assure the long-term success of the Company. Job security and motivation for the retained employees, decent send offs for those whose contracts were terminated, Company reputation and labour related risk management, preparing the work force to harness digital opportunities were the critical areas of focus for the Committee in the last quarter of the year.

The Company is committed to equitably retaining and rewarding a skilled and agile workforce that ably responds to the changing needs of the market in our very competitive and dynamic industry. The Committee is confident that the Company built sufficient resilience to deliver results despite the challenges that faced the general business industry.

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

The Committee ensured that remuneration was aligned to performance, did not adversely affect shareholder value and promoted the long-term success of the Company.

In accordance with the shareholders' approval, Non-Executive Directors were paid a quarterly fee and sitting allowance as follows;

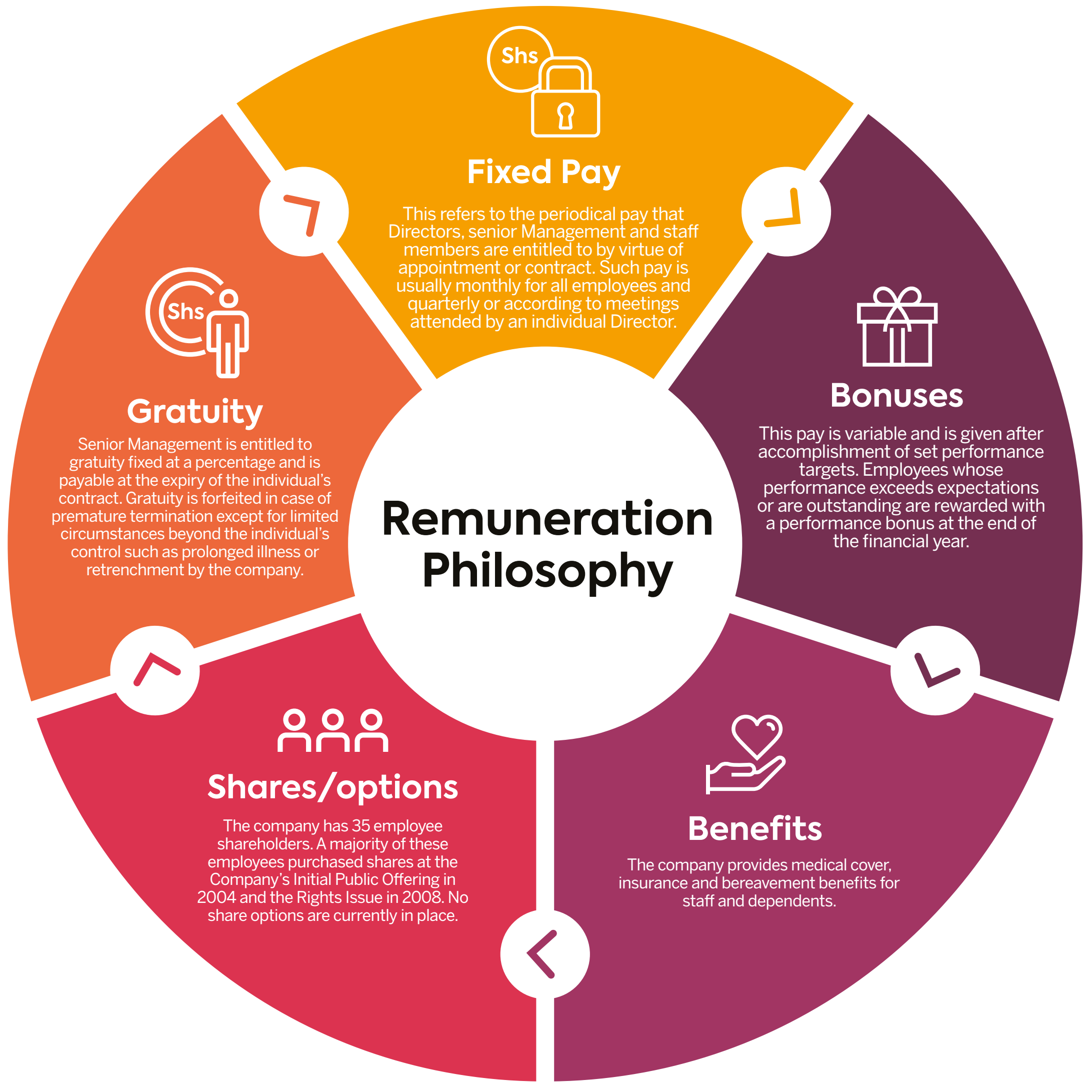
	Chairperson	Non-Executive Directors
Sitting Allowance (Ugx) (Net)	813,120	677,600
Quarterly Fees (Ugx) (Net)	1,626,240	1,355,200

The Committee set and whenever necessary, reviewed the remuneration packages of the Managing Director and Senior Management based on the following parameters;

- The financial resources available to the Company
- Benchmarking with competitors and stakeholders in the industry
- Measurable performance targets and results.

The balanced score card was introduced with phased application, first with the Senior Management and it will be rolled out to the entire Company. The purpose of the balance score card is to ensure that the Company retains a productive and efficient workforce through measurable performance results. That way, the business will be sure to continue to operate in an optimum and sustainable manner so as to preserve and assure shareholder value.

The national labour regulatory framework and the Company human resource manual continue to guide the Company on staff recruitment, retention, skills development and exits. Following Board approval, permanent terms of employment are gradually being phased out. All staff are to be transitioned to contract-based employment. Keeping other factors constant, staff and senior Management shall be retained for a contract period of up to three years renewable subject to satisfactory performance and retirement age. The half year and end year staff appraisal processes remain a key component of retaining a productive workforce. The Company rewards excellent performance through an established and approved incentive and bonus structure which is supported by a rigorous performance appraisal system. The performance rewards are both monetary and non-monetary. The latter includes certificates/ letters of recognition, commendation and gift vouchers.



Attendance – Human Resources and Remuneration Committee

Name of Director	Aug 5, 2019	Oct 21, 2019	Dec 09, 2019	May 07, 2020	June 04, 2020	June 22, 2020
Mr. Oode Obella	✓	✓	N/A**	N/A**	N/A**	N/A**
Ms. Susan Lubega	✓	✓	✓	✓	✓	✓
Mr. Moses Mwase	✓	✓	✓	✓	✓	✓
Ms. Robinah Kaitiritimba	✓	✓	✓	✓	✓	✓
Ms. Sarah Walusimbi	N/A**	N/A**	N/A**	✓	✓	✓

Key:

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

Ms. Robinah K. Kaitiritimba

Finance And Investment Commitee

Moses Mwase
Chairperson, Finance and Investment Committee

Agility in decision making has been the hallmark of the Financial Year 2019/20. This was key in diversification into book publishing, which kept the Company profitable in the wake of traditional revenue decline during the national Lockdown.

Strategic focus on the media industry trends enabled the Committee to give guidance on the critical information and communication technology investments. As audiences migrated, the Company kept touch with its customers and stakeholders through its traditional and online media platforms. This not only kept revenues flowing in but also boosted Company efforts towards the management and national concerted efforts of containing the spread of COVID-19. This was a particularly good response by the Company at a time when distribution of newspapers was limited due to the strict adherence to national health guidelines to combat the spread of the pandemic.

The future was fairly secured with critical investments in a digital publishing system which revolutionalised the delivery of content and monetization of media sales. More investments in systems automations will be achieved and the efficiency of the Company's financial systems and content delivery will be enhanced.

The annual budget approach was kept in tandem with the strategic direction. This ensured adequate funding for the key activities of market research, information and communication technology developments and Staff training among others. More strategic initiatives are lined up including acquisition of key equipment to ensure enhanced earnings from both existing and alternative sources of income.

The Cost to Income ratio improved and more optimal approaches were devised to ensure efficient input use in the generation of income. This will improve shareholder value and enhance the return on investment in the short and long term existence of the Company.

In the next financial year 2020/2021, the Company will carefully monitor both the national and global economic trends to enable timely adjustments of the Company strategy and budget priorities.

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

Table 10: Attendance-Finance and Operations Committee

Name of Director	July 17, 2019	Aug 07, 2019	18th Oct 2019	21th Nov 2019	23th June 2020
Mr. Patrick Ayota	✓	✓	✓	✓	N/A**
Mr. Peter Kawumi	✓	✓	✓	✓	✓
Mr. Michael Nyago	✓	✓	✓	✓	✓
Ms. Moses Mwase	✓	✓	✓	X	✓
Mr. Ae`ko Ongodia	N/A**	N/A**	N/A**	N/A**	✓

Key:

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

Moses Mwase

Editorial And Digital Committee

Mr Jim Mugunga
Chairperson, Digital and Editorial Committee

The Committee executed its mandate by providing strategic guidance on the editorial and digital strategy of the Company and streamlining budget priorities. Assurance of revenue growth and stability of the business through embracing digital innovations was the core focus of the Committee during the turbulent financial period. The Editor in Chief and the Head of Information Technology regularly briefed the Committee on key challenges and milestones that were achieved in the period. The Committee also reviewed the performance of the Company media platforms and brands and made recommendations to the Board.

Digital Milestones Achieved

Over the last 12 months, a new 5-year (2020-2024) Organisational strategy was adopted and it is heavily Digital leaning and so there was a need to place equivalent focus on Technology in the business to ensure it could deliver on this strategy.

The first deliverable was to have a formal Digital Strategy, aligned with the Business Strategy, to create the framework within which to operate in order to deliver on the Digital Transformation. This was concluded and approved by the Board in August 2020.

The overall objective was to grow audience numbers on our digital platforms because it is with scale that we can realize revenue targets. The approach was to create multiple features so that there's something for everyone. That would enable us to have multiple touch points with the audiences to be able to create sustainability. It, therefore, cannot be overemphasized that engagement is key. When we engage, we learn and improve. Continual improvement will create relevance and, subsequently, growth.

Some initiatives had already been in place and were incorporated into the strategy at the point of approval.

Below are key highlights of the milestones that were achieved and those under consideration;

1. A stable e-Paper solution was launched on the 1st of April 2020. This was right when the lock-down was starting, and it was critical timing as the street copy sales had been severely affected because of few numbers of potential buyers on the streets.

   The e-Paper has advertising options and therefore a good potential for revenue. To boost sales, a partnership was launched with MTN to promote uptake by giving heavily discounted access to Mobile Money subscribers. Current numbers are about 13,000 and we expect that they will pick up steadily with this partnership.

2. A Publishing system developed from scratch. The initial release was strictly mobile based. This was informed by the audience demographics for the e-Paper with up to 71% of the readers being on mobile devices. It received overwhelmingly positive feedback from the users for its simplistic design and ease of use.

   The long-term plan for the publishing system to have a one-stop for all our audience engagement activities. As such, all the content platforms will be carried on there. Below are the key milestones to note;

   a. A minimum viable product was released in a record 10 weeks from the start of development. It was extremely well received and was initially growing at a rate of 2000 subscribers a week. More recently, after we formally launched it, the growth rate accelerated to 3000 subscribers a week. Current subscriber numbers are just shy of 20,000 from 115 countries.

   b. Key features currently on offer;
      i. Simplistic and dynamic design, easy to navigate and engage with.
      ii. Breaking news notifications
      iii. Deep analyses
      iv. Content personalization
      v. Live Sports
      vi. Social Media integration
      vii. Radio Streaming
      viii. TV Streaming
      ix. Augmented Reality-this is particularly targeted to help boost street copy sales.

   c. Features in production for release in Q2 of FY 2020/21.
      i. Deeply interactive electoral portal
      ii. Citizen Journalism
      iii. eLearning
      iv. Consolidated CMS to include Newspapers, Radio & TV
      v. Progressive Web App (PWA). This is meant to cater for the desktop users and also converge all our online audiences onto a single location.

3. There are also plans to automate other (non-content) key functions and implement seamless integration across all systems to ensure accurate business reporting. This will also enable quicker turn around in decision making and give the organisation a competitive advantage. Some of the areas under consideration are listed below;
   a. Sales
   b. Marketing
   c. Financial Reporting
   d. Manufacturing Management (Commercial Printing)
   e. Board affairs and Shareholder management

4. The process of setting up an in-house innovation & development team was started. This was, in part, to start on the journey of creating an innovation culture at the Group. This will be done in partnership with local innovation hubs and the aim is to ensure we are constantly able to generate the next big idea that will sustain business growth. We intend to leverage emerging technology to improve efficiencies.

5. The COVID-19 lockdown presented new realities of working. Fortunately, we had already setup and tested remote working scenarios and were able to quickly adapt them. We setup secure VPN connectivity for everyone who did not need to be physically be at office and it was a resounding success. This method of work is now being considered for adoption on a permanent basis as it is a benefit for Business Continuity.

6. To further strengthen business continuity, we are pursuing ever increasing deployment of cloud services. This creates the flexibility we need to have a mobile workforce and therefore improves efficiency. It also contributes to energy conservation.

7. The setup and composition of the ICT/Technology team was under review to ensure it has the right skills and focus to ensure sustainable change.

Despite the economic challenges presented by COVID-19, changes in the regulatory framework and soaring litigation costs, Vision Group has largely maintained its editorial independence and we are determined to continue doing so. The Committee is confident that with the new digital journey that the Company has embarked on, the Company is sufficiently braced for global market competition, appeal and outreach. The Company shall remain a pace setter and with its new media products and innovations, we shall find our audiences where they are, serve them better and at their convenience.

Member attendance during the period ended June 30, 2020 was as follows;

Table 11: Attendance-Editorial and Digital Committee

Name of Director	5th Aug 2019	21st Oct 2019	18th June 2020
Mr. Jim Mugunga	✓	X	✓
Mr. Charles Tukacungurwa	✓	✓	✓
Mr. Peter Kawumi	✓	✓	✓
Mr. Patrick Ayota	✓	X	
Mr. Ae`ko Ongodia	N/A**	N/A**	✓
Ms. Robinah Kaitiritimba	✓	✓	✓

Key:

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

Mr Jim Mugunga

Compliance

The Company is listed with the Uganda Securities Exchange. It operates within a regulated environment both in terms of governance and its business operations. In terms of good corporate governance, the Company observes and complies with the Companies Act, the Capital Markets Authority Act and Regulations, the Uganda Securities Exchange Listing Rules and the Memorandum and Articles of Association. These laws and regulations collectively govern the Company's relationships with the directors, shareholders and the stock exchange.

The Board Charter, Manual, Terms of Reference for the different Committees of the Board and various Company policies, complement our legal governance framework and the quality of board performance in terms of guidance in the decision-making process. These documents are periodically reviewed to ensure appropriateness. Good corporate governance practices are embedded in the operations of the company.

We fully subscribe to the notion in the King IV report and other global good governance benchmarks that good governance and legal compliance are complementary and are not mutually exclusive. Our deliberate commitment to good governance and legal and regulatory compliance assures our stakeholders that the business shall remain sustainable and profitable for a very long time. The Board is charged with ensuring that appropriate systems and controls are in place to monitor compliance with the legal and regulatory framework. This role was delegated to the Audit and Risk Committee, which regularly monitors the compliance levels of the Company with recommendations to Management on areas of improvement.

Key to our compliance culture is the indispensable role of the Company Secretary who has the operational responsibility of ensuring that laws and company policies are adhered to.

For the period, he ensured proper disclosures of all material information to the securities exchange regarding changes in management/directorship, financial reports, and dividend payments.
The Company met its continuing listing obligations under the USE Listing Rules during the reporting period. The Company Secretary provided the required support and regularly updated the Board on all legal and regulatory developments that had an impact on the business.
During the year, legal and regulatory risk remained well managed despite an increasingly challenging operating environment. On a day-to-day basis, the Company has a robust in-house legal and compliance function which supports the various business units and departments. The external Lawyers supplement the in-house legal team in handling select Court cases and other legal matters.

Libel continues to be a risk because of the inherent nature of the business, which is mainly publication of content. Libel constituted approximately 80% of the company's entire caseload during the year. Libel risk is managed through continuous training of editorial teams on lessons derived from Court cases, the requirements and Code of Ethics in the Press and Journalist Act and physical scrutiny of some sensitive stories by the in-house Lawyers before publication. Given the high damages and costs of litigation in defamation cases, the Company endeavors to engage people who sue the company with the view of amicably resolving the complaints, there by mitigating the company's financial risk exposure. A majority of the defamation Court cases are settled at a considerably low financial cost at the earliest or not so advanced stages of litigation. In other cases, and as part of responsible journalism, the Company publishes clarifications.

Dealings in Securities

The Company strictly adheres to all restrictions in dealing in securities by directors and employees during closed periods as required by the USE Insider Trading Rules. The Company Secretary sends timely advance notices to directors and employees who are considered to be insiders with access to price- sensitive information informing them of the closed periods. The closed periods commence on July 1 to the date of publication of final results, and from January 1 to the date of publication of interim results. Closed periods ensure a fair market where all stakeholders, including the general public have equal access to information to guide investment decisions. The Company Secretary maintains an updated register of all persons considered to be insiders.

Engagement With Shareholders

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

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

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

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

The Company maintains an up-to-date shareholder page on its website which contains important information including all past annual reports, audited and unaudited financial statements, list of approved brokers, frequently asked questions, etc.The page can be accessed directly at http://www.visiongroup.co.ug/shareholder-information.php.

The Annual Report is published each year on the company's website (http://visiongroup.co.ug/shareholders/) together with the notice and resolutions of the Annual General Meeting which are also reported to the USE as part of its continuing listing obligations.

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

The Company has put in place an investor relations function to ensure shareholder engagement. The officer in charge of investor relations can be reached on 0414 337763.

Company Secretary

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

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

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

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

Code Of Ethics

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

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Gervase Ndyanabo

Deputy Managing Director/
Company Secretary

Sustainability Report

Introduction

The objective of the Company is to assure shareholders and other stakeholders that the business will continue to exist viably in the foreseeable future. This objective guides our strategy and operations. The Board and Management are committed to sustainability. We are constantly thinking about all factors internal and external that are likely to affect the business in the short and long term and devise means of ensuring that the business is sustainably preserved.

Our Governance system embraces all our stakeholders, and this is achieved through our comprehensive strategy and careful approach in balancing stakeholder interests with our shareholders at the forefront. Our directors collectively review, approve and monitor the effectiveness of the company strategy, policies, systems and controls regarding finance, investment, human resource, health and safety, CSR and the impact of the business on the environment. This role was regularly fulfilled during the period.

The Sustainability Report is guided by the G4 Global Reporting Initiative guidelines. In line with its strategy, the Company continually invests in creating value in line with the capital model recommended by the International Integrated Reporting Council. The different forms of capital include; human, natural, social, financial, intellectual property and manufactured capital.

Social Capital

Barbra Kaija
Editor-in-Chief

Highlights For The Year 2019-2020

It has been a very eventful, challenging and yet successful year. Through the year, many projects were cooking and the period March to June, in particular, saw lots of development at Vision including the launch of the redesigned New Vision, the launch of the e-paper, a new Digital Publishing System and the restructuring of the editorial teams to achieve integrated production of content.

New Vision **Redesign** April 2020

One of the major achievements of the year was the New Vision, Sunday and Saturday Vision redesign. The bold, new look rallied a younger readership around the products without losing focus of the older, loyal readers. This innovation and investment partly contributed to the restoration of the New Vision from a low of 11,000 at the height of the COVID-19 lockdown to an average of 20,000 printed copies in August 2020 and another 13,000 registered e-paper users. The launch in the midst of a lockdown was magical. When few organisations were thinking innovation, we launched a redesign and an e-paper. The subsequent social media discussion, whether negative or positive, helped to keep Vision top of the mind in the market.

The redesign was pulled off under particularly difficult circumstances, without the physical presence of the consultant designer and with all the in-house designers, sub-editors and journalists working off site.

In spite of some initial negative feedback on the dramatic change, our major achievement was implementing the redesign at a difficult time and having an impact on the market conversation. We have since evolved with the market feedback, improving the product and we continue to run the operation with most sub-editors working from home.

Big Digital Achievements

E-paper

Together with the redesign, in April we launched the E-paper and the navigation and reading experience are great, including unique features that can be switched on and off whenever there is need. The platform is stable and growing very fast. It allows for multimedia usage on the e-paper platform. This includes use of videos, audios, live links, jpegs and graphics. By August 30th we had grown to 13,000 subscribers and a partnership to grow even bigger subscriber numbers was concluded with MTN Uganda.

The e-paper launched at the beginning of the lockdown, was our first response to following audiences to where they had retreated – online. We were able to deliver easy to access and user-friendly digital copies of our newspapers (New Vision, Bukedde and Kampala Sun) as well as content to serve the school children needs during the lockdown. The user experience has improved continuously and has been refined over time based on user feedback. It has functionality for advertising and the spaces have been activated and demonstrated to the sales team for monetization. We are hopeful that the revenue line will pick up.

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NewVision Digital Experience

In line with our vision "A trusted content hub of choice", as the financial year was ending, we launched the New Vision Digital Platform, which many have come to refer to as an app. It is a one stop centre for news and all forms of content; articles, pictures, video and audio. With audiences having migrated online, we innovated to provide the content in a form that can conveniently be consumed. With the vast majority of consumers accessing their content via mobile devices, the launch was strategically via a mobile digital platform and the web version is expected soon.

With over 22,000 downloads by the end of August, the audience response indeed proved that we were on the right track. Vision Group continues to offer a media journey that makes media consumption simple and engaging. We continue to learn from user feedback to make the experience better every day. It is a journey that is evolving us into a modern media company.

It allows for personalization of content, where a user chooses the news that speaks to their personal preferences. It is engaging, with dynamic hash tags that make finding specific information very easy. It also allows the audience to follow their favorite journalists and get notified when they post, a chat interface. Users can also chat with the journalists, editors and each other.

This experience also allows people to share any article through any medium on their phone as well as bookmarking the articles they want to read later.

In the month of August, we brought on board radio streaming for all the Vision Group radio stations namely XFM, Bukedde FM – Embutikizi, Etop FM, Radio West, Rupiny FM and Arua One FM. Soon after in September, Bukedde and Urban TV stations were added to the Digital platform.

This is a big step in our integration journey that is allowing Vision Group to serve her various audiences on one platform. The audience is now able to find our content (text, audio and video) in one place. Soon all Vision Group's TV stations will be accessible on this Digital Platform.

With the experience, we have also found an innovative way for our audiences to engage with print, in an exciting digital experience. In August still, we unveiled the Augmented Reality (AR) functionality of the platform that allows our newspaper readers to access more than just the text in the newspapers, by watching videos of the events right off their newspaper. Simply by scanning a picture in the newspaper with the AR feature in the App, one is able to watch video, right off their newspaper. This has improved the user experience and is likely to raise some revenue on the advertising side.

Homeschooling

When our **Newspapers became the school**

Following the closure of schools on 18th March 2020, parents found that their children needed mental engagement. On our part, the newspaper sales declined sharply. In March and April, the New Vision average copy sales had declined by 40% and the other newspapers in the market faced an even sharper decline. Bukedde, which was already publishing Pass PLE revision material thrice a week, was more resilient and this pointed us to the solution.

Bukedde and soon after New Vision, jumped on the opportunity to serve our clients. We started publishing comprehensive school revision work for various academic levels. It added value to the newspapers and created demand from parents who were desperate to keep their children busy. The initiative boosted copy sales. In the first three weeks of the lockdown the New Vision had initially gone down to 11,000 copies daily, Saturday and Sunday Vision to an average 9,000 copies each. With the school content, we grew back to 20,000 copies daily and the weekend papers to 15,000. Bukedde which had declined to an average of 20,000 copies daily grew back to 40,000 and eventually settled at an average of 36,000 copies daily.

With the school content, we grew back to
20,000
copies daily

weekend papers to
15,000

Bukedde grew back to
40,000

The Newspapers in Education (NiE) Project

In spite of the lockdown, we are implementing a child rights and literacy NiE project in Karamoja and Acholi sub-regions. With support from Save the Children, we are distributing 5,170 copies of the Sunday Vision in the Karamoja region every week. Each of the 110 projects receives 47 sponsored copies of the Sunday Vision. This particular issue carries the PASS P.L.E study material inserts, Toto Magazine and the NiE page which publishes children's feedback on a weekly topic.

..we are distributing
5,170
copies of the Sunday Vision in the Karamoja region every week

This is the first time we are experimenting with home deliveries for NiE material. Prior to the COVID-19 lockdown, we distributed newspapers through the school system. We have worked out a mechanism through which a network of project teachers reaches out to the children, home to home. They distribute the newspapers and guide learners to read and to share feedback with us.

This project has also attracted radio advertising. Save the Children airs adverts on Etop FM and Rupiny FM for those audiences. These spots carry messages related to child safety and protection, staying safe from COVID-19 and facilitating learning, among others.

We also have weekly children talk shows on Etop FM and Rupiny FM. Our journalists go out to the project communities to gather learning-related content and information on child safety and protection and staying safe from COVID-19.

Integration

In FY2019/20 we embarked on integration aimed at serving our audiences better and optimally utilising resources. This has resulted in integrating the newspaper, radio, TV and online teams into content hubs to jointly serve all the platforms.

The hubs are News and Current Affairs, Information and Education, Lifestyle, Sports, Visuals, Business, Digital, Special projects and the Content and Resource Support Unit. Following the phasing out of SBUs, now teams' sitting/ office space is allocated on the basis of content hubs, which has resulted in print and electronic journalists sitting together and working as one Vision Group team.

Integration has birthed a central desk where editors from different platforms do joint planning and deployment. This in the long run will utilise the skills, experience and resources more efficiently. News alerts are shared across the hubs and this has helped all the platforms keep abreast of the big stories of the day. In addition, there is a joint review of products on a daily basis, which contributes greatly to their improvement.

Content meetings have diverse ideas and print and broadcast journalists contribute ideas to all the platforms. This has resulted in efficient repurposing and sharing of content.

Several journalists are picking up multi-platform skills and are now serving across the media. For example, print journalists are supporting TV and even producing programmes. Also, electronic media journalists have bylines in newspapers. Integration has enabled print journalists to conduct interviews on TV and radio and all the journalists produce content for the online platforms.

All platforms are supporting each other and planning together. In some cases, we don't have to deploy a journalist from each and every platform. Instead we deploy one or two depending on the assignment and share the content. To keep the individuality of the platform, each individual platform is allowed to produce its unique content which is protected by the scoop policy. Once the exclusive is published or broadcast, other platforms do the follow up.

Virtual Newsroom

One of the major successes for the season has been the virtual newsroom, which has enabled journalists to file stories offsite. The experiment worked and has been fortressed to handle not just COVID-19, but any other emergency.

Additional investment was undertaken to provide high-tech equipment to some staff to enable them work off-site. Key staff have routers and computers installed at home. As a contingency to manage the COVID-19 infections, we have kept only half of the editorial teams working on site. This has enabled us go through the challenging times. Still the offsite operation comes with challenges. Content gathering, packaging and distribution is a product of many brains so we miss out on exchanging and improving ideas in real time. We cover up for this gap with online meetings, What's App discussions and direct phone calls.

On the whole, we are able to produce decent media products, but we are still facing challenges with content gathering because our journalists cannot freely reach all the key sources due to the COVID-19 scare.

2019-2020: Distinguished Journalism

The New Vision and Bukedde Newspaper alongside Bukedde TV and Radio and all the related digital platforms, had some of the most captivating investigative content that impacted the country. With support from the Democratic Governance Facility (DGF), we were able to investigate key service sectors and to expose bribery and corruption that hinder adequate service provision.

The Project amplified the voices of the voiceless, unearthed bottlenecks to justice with a view to attracting attention of duty bearers as well as creating awareness of human rights to empower the populace and to hold duty bearers accountable.

Bribery in the Courts

Vision Group conducted an undercover investigation on bribery in the courts which exposed and led to the suspension of seven court officials including two magistrates attached to the Magistrate Courts of Wakiso, Goma, City Hall, Mukono, and Nabweru. A task force formed by the Chief Justice investigated bribery in courts that was mentioned in the articles and as a result, reforms such as installing cameras in courts were implemented. The Chief Justice applauded Vision Group and appreciated the support from DGF that helped to unearth corrupt tendencies at different courts bolstered with video evidence.

Hospital undercover

An undercover report revealed how free government drugs ended up in private pharmacies (operated within the public health centres) and that hospital users charged heavily to access them. The exposure attracted the attention of His Excellency the President of Uganda, who issued a directive to abolish all private pharmacies in government health facilities. Many pharmacies in public hospitals have been closed as per the directive. Cameras were installed in some hospitals such as Mityana and Jinja regional referral hospitals, so as to monitor government drugs and the conduct of hospital employees.

Several arrests were made after our story and cases are on in Anti-corruption court. This wave of arrests of medical workers stealing government drugs continued through 2019. "Middlemen" and impersonators were not spared.

National ID

This investigation exposed the irregularities and fraud in NIRA. The stories unmasked bribery and forgery in the acquisition of national identity cards at the National Identification Registration Authority (NIRA). The reports have contributed to a clean-up, reduced impunity and improved responsiveness.

Passport Office

We exposed the irregularities in acquiring passports at the Ministry of Internal Affairs. As a result of this undercover story, the Ministry of Internal Affairs came up with measures to address the irregularities including improving its booking systems to eliminate "middlemen" from the passport acquisition process. The passport issue reached the floor of Parliament which debated the matter and guided the Ministry of Internal Affairs on addressing corruption and unnecessary delays in acquisition of passports. Some improvements have been noted; applicants no longer have to spend long hours in the queue and an ordinary passport gets ready in three days.

Karimojong Girls Trafficked

We executed an undercover on Karimojong girls being trafficked to Kenya and later to the al-Shabaab which attracted the attention of different stakeholders. The story captured the attention of CSOs which teamed up in a rescue mission. In two weeks, 99 victims had been rescued from Kenya in a mission that was championed by Dwelling Places, Make a Child Smile in conjunction with Uganda Police Force and Kenyan Police Force. The vulnerable girls were reunited with their families as reported in the New Vision on January 17th, 2020.

Land Fraud Story

A series of land stories were published in New Vision from 16th to 21st of October 2019, under various headlines the "Genesis of the Bunyoro Land Crisis", "Officials who have made the Lands Offices in Kibaale and Masindi a Den of Thieves", "Scramble for Bunyoro: Thousands Landless", "Land Compensation: Govt Valuer Final", and "Legal land transaction fees". We believe that these stories contributed, even though minimally, to the information gathered by the Land Probe Commission and we are looking forward to reforms in this sector.

Maid sold into slavery

This was one of our most memorable stories. Our journalist was sold into slavery in the Middle East and her chilling experience drew public attention and will hopefully result in soul searching and national reforms on the labour export market and practices.

Vision Group carried out several impactful general, undercover, investigative stories including radio and TV programmes, which raised awareness and helped several vulnerable people claim their rights and seek justice. We also did community engagements and talk shows that afforded the communities an opportunity to interact with the responsible service providers.

During the Mpigi outdoor studio (Kimeza) in November 2019, the LC V Chairperson was put to account on land grabbing accusations. Another Vision Group live broadcast on labour related issues that was held in March 2020 attracted many youths since most of their concerns are labour related. Out of the 315 participants who attended the Live broadcast on March 7, 2020, 174 were youth and all with labour/employment challenges. Among other issues raised were human trafficking, NSSF remittances and unpaid pension. Consequently, due to Vision Group interventions, the government of Uganda suspended six labour export companies from operating over fraud related claims after they were accused of charging illegal registration and placement fees.

2019-2020 was indeed a year of distinguished journalism. We did many other special investigations all in an integrated manner across our newspapers and TV Stations. With the Digital Publishing system, we shall reach an even larger audience.

Best Farmers Project

This year we are holding the 7th edition of the Best Farmers project which started in 2014. So far, 72 farmers have won the award and are nationally known and recognised as Uganda's Best Farmers.

Best Farmers is a competition aimed at identifying the people who are doing farming as a business and showcasing them as role models to foster development. The top three winners share sh150m. In addition, the three winners and another ten get a fully sponsored study tour to the Netherlands. The competition is co-sponsored by the New Vision, the Netherlands Embassy in Uganda, dfcu Bank, KLM Airlines and Koudijs Animal Nutrition.

In December, the 2019 edition winners were named at the award ceremony held at the Vision Group head office and on February 26th, 2020 the Best Farmers' 2020 edition was launched at Avail Faith Farm, Gayaza Road, Wakiso district. It is owned by Joseph Male, one of the 2019 winners.

The 2019 edition culminated into an award ceremony at which the best 13 were named, awarded prizes and are now waiting to travel to the Netherlands on a study tour to learn from farmers. The journey has been delayed due to anti-COVID-19 measures but will certainly take place as soon as the conditions improve and travel restrictions are lifted.

Over 1,640 farmers were nominated for the 2019 edition. Of these 321 were profiled on Vision Group platforms, top 50 were identified and visited by a panel of judges to pick the best 13.

The 13 come from 10 regions one from each plus 3 from the special category. In this edition, urban farming was the special category highlighting farming on small spaces in urban settings. The panel of judges, this year, picked 3 outstanding farmers for special recognition.

Every year farmers are nominated, profiled and a panel of judges assess their performance to select the top 10, based on purposely created regions:

South West (Ankole, Kigezi); West (Bunyoro, Toro, Rwenzori); Central (Buganda minus Greater Kampala districts); East (Busoga) and Mid-East (Busia, Tororo, Butaleja, Pallisa, Budaka, Kapchorwa and Bugisu); North East (Teso, Karamoja); West Nile (all districts in the sub-region); Northern (Acholi districts) and Mid-Northern (Lango districts).

The 2019 Best Farmers

	NAME	DISTRICT	REGION
	NATIONAL CATEGORY		
	Anthony Naakirya Mateega **1ST POSITION**	Mpigi	Central
	Charles Byarugaba **2ND POSITION)**	Kabale	South West
	Dauson Musasizi **3RD POSITION**	Namutumba	East
	Regina Wabwire	Busia	Mid-East
	Nasiibu Mwaka	Kakumiro	West
	Joseph Male	Wakiso	Kampala
	Fred Lugard Ojok	Nwoya	North
	Grace Kwach	Nebbi	WEST Nile
	Gideon Akol	Kumi	North East
	Patrick Oyo	Dokolo	Mid North
	SPECIAL CATEGORY – URBAN FARMING		
	Rebecca S. Azza	Wakiso	Kampala
	Charles Kiwanuka	Iganga	East
	Elias Tumwesigye	Kabale	South West
	SPECIAL RECOGNITION		
	Asim Morvi	Mityana	Central
	Prof. William Bazeyo	Nakasongola	Central
	Katigondo National Major Seminary C/O Fr. Herman Kituuma	Kalungu	Central

Special recognition

This is awarded to farmers whose enterprises are too large for them to take part in the general competition. Their farms are almost at industrial level, with investments running in billions of shillings and with a significant contribution to the agriculture sector. Farms belonging to institutions are also recognised.

Impact

The Best Farmers competition has an impact on agriculture in Uganda. Most of the Best Farmers have since winning expanded their farms, which have become centres of excellence. They are also training other farmers, thus impacting on agriculture in the country.

Also, several Ugandans have been inspired to take up farming as an income-earning enterprise. We are seeing more middle class and corporate workers investing in farming every year.

The competition has popularised farming. It has provided a platform to highlight agriculture and provide ways of growing it from a peasant to commercial venture. Since Vision Group started the competition, it has prompted nearly every media house in Uganda to cover farming.

Therefore, Vision Group has successfully managed to mobilise the country to join in the campaign to improve farming.

Sponsors have recognised the impact of the Best Farmers' competition and in 2019 they decided that "Farming as a Business" be the permanent theme.

What previous winners say

Their comments confirm Vision Group's development journalism is an effective way of communicating and influencing change, considering how the previous winners have become influential; they are icons of change in their regions and this is what they say.

Joseph Batwawula, Kamuli, 2016

When I visited the Netherlands, I learnt a lot about seeds. So when I came back, I set up my own seed processing and multiplication system. I now supply fellow farmers with seeds.

Julius Bigabwa, Fort Portal, 2017

Winning the competition and later visiting the Netherlands helped me improve the scope of what I want to be as a farmer. Having realised that agro-tourism had a lot of benefits and that I had the space, I set up demonstration plots that have attracted visitors from all over the world, including the US.

Dr Patrick Ssekimpi, Busiika, Luwero, 2018

My lesson from the Netherlands is breeding. We have a very big challenge finding quality semen in Uganda. In the Netherlands, the farmers emphasise breeding through the use of good semen as one of the ways of improving milk production. This is what I preach to fellow farmers.

Teddy Wabomba, Soroti, 2016

Winning helped me become more detailed in what I do. I came back and re-organised my farm. I created blocks for each of the enterprises. I also improved hygiene on the farm. This has attracted more customers.

John Bagada, Masindi, 2015

I was exposed to the outside world after winning. I am now a regular exhibitor at local and international farmers' shows. My juice and wines are always used as reference products, not only as examples of the success of small-scale enterprise, but also quality value added. I also benefited from a Netherlands programme where experts are sent to our farms to improve productivity.

Financial Capital

Performance outlook for the FY 2019/2020

Augustine Tamale
Chief Finance Officer

2019/20 was a year of improved efficiency

The turnover grew by 2% from **UGX 90.2 billion** in 2018/19 to **UGX 91.8 billion** in 2019/20. The profit before tax was higher than the previous year at UGX 5.3 billion compared to UGX 3.9 billion. Cost Management has been prudent because in spite of the COVID-19 pandemic which eroded monthly revenues from an average **UGX 7.5 billion** to **UGX 3.9 billion** in April 2020, Management and the Board acted in time to optimize average monthly costs at **UGX 5.5 billio**n down from **UGX 7 billion**. This was intended to minimize the loss, but a windfall of Home Study Education materials tilted the Company back into profit.

The Company is projected to attain a **turnover** of UGX **90.5bn** and a **profit** of UGX **5.2bn** in FY 2020/21 1%

We therefore expect to maintain current profitability because of the erosion of revenues by the pandemic effects on the various economic sectors of our clients.

The Company is going to continue diversifying into new product markets as the existing products are constrained by the pandemic and the migrating market from traditional media to digital media. The Digital Footprint has been made firmly and we are now at the monetization stage. The advancements are also easing the customer experience with more payment options and service platforms.

The Company's objectives for FY 2020/21 include;

- Maintenance of Profitability
- Increasing Customer Satisfaction
- Improving Efficiency
- Improving on the Business Innovation
- Improving Stakeholder Management
- Enhancing Good Governance
- Increasing Staff Productivity
- Enhanced Technology Usage

Management's view on performance

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

The profit after tax has increased from Shs. **2.1bn** in 2018/2019 to Shs. **2.7bn** in 2019/20

dividends worth **1.9bn** were paid out which implied a retention of only **10%** for investments

However, in 2019/20, a dividend of **1.4bn** has been declared which implies a retention of **52%** to fund investments

These investments will ensure that there is sustenance of profitability in spite of the global pandemic.

Profitability margin ratios have grown from a gross margin of **24.2%** to **26.4%** and net margin from **4.3%** to **5.3%** which shows an improvement in cost management

This improvement has enabled the shareholders to benefit more from the assets in 2019/20 compared to 2018/19 at improved margins of Return on Capital employed (from 5.4% to 6.7%) and Return on Total Assets (from 4.3% to 4.8%).

As a result, the shareholder's earnings have increased from Earnings per share of shs. **27.8** to shs. **38.8** %

The macro-economic environments

The country closed the Fiscal Year 2019/20 with core inflation of 4.9% and headline inflation of 4.1%. The dollar closed in on UGX 3,724 which is higher than what it was for most of the year. Exports have been destabilized by the global pandemic and it is only the increased industrialization and monetary policy interventions of the Central Bank that are mitigating the economic disruption. The Company will therefore leverage on diversification and technological advancement to shield the profit levels.

The digital and broadcast diversity of the Company will also be used to benefit from the political season.

Adequacy on capital structure and liquidity

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

Currently, the Company has a gearing ratio of 6.8% as a credit facility of UGX 7 billion was undertaken and split into an overdraft of UGX 2 billion and a loan of UGX 5 billion. This was due to the reduced cashflow effects of the COVID-19 pandemic.

The new strategic direction of the Company will involve investment in land and buildings for expansion of operations and set up of new income avenues. These huge amounts of funding will require some more gearing in the next financial year, but this will not go beyond a 20% ratio.

Key Performance Indicators (KPIs)

KPIs help the business focus on its strategic goals with a view of improving operational performance and making key investment decisions. Both profit and earnings per share have grown significantly compared to the Financial Year 2018/19.

This has been due to prudent cost management and operational efficiency strategies pursued as shown in the summary below. The cost management initiatives included discounted procurements, adequate servicing to minimize breakdowns and optimal material usage.

Indicator	2020	2019	Percentage Change
Gross profit Margin	26.4%	24.2%	2.2%
Net Profit margin before tax	5.3%	4.3%	1.0%
Net profit margin (After Tax)	2.9%	2.4%	0.5%
Return on Capital employed	6.7%	5.4%	1.3%
Return on Total Assets	4.8%	4.3%	0.5%
Return on Non Current Assets (PPE)	11.0%	9.1%	3.1%
EPS	34.8	27.8	25.2%

The Company's net earnings have therefore significantly improved, and this has helped deliver on the strategic objectives of maximizing returns to our shareholders and improving staff productivity.

Credit Risk Management

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

The company makes a majority of its sales on credit to a broad spectrum of customers. This exposes the company to significant risk.

The company has credit policies in place that ensure that credit is advanced to customers with an appropriate credit quality.

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

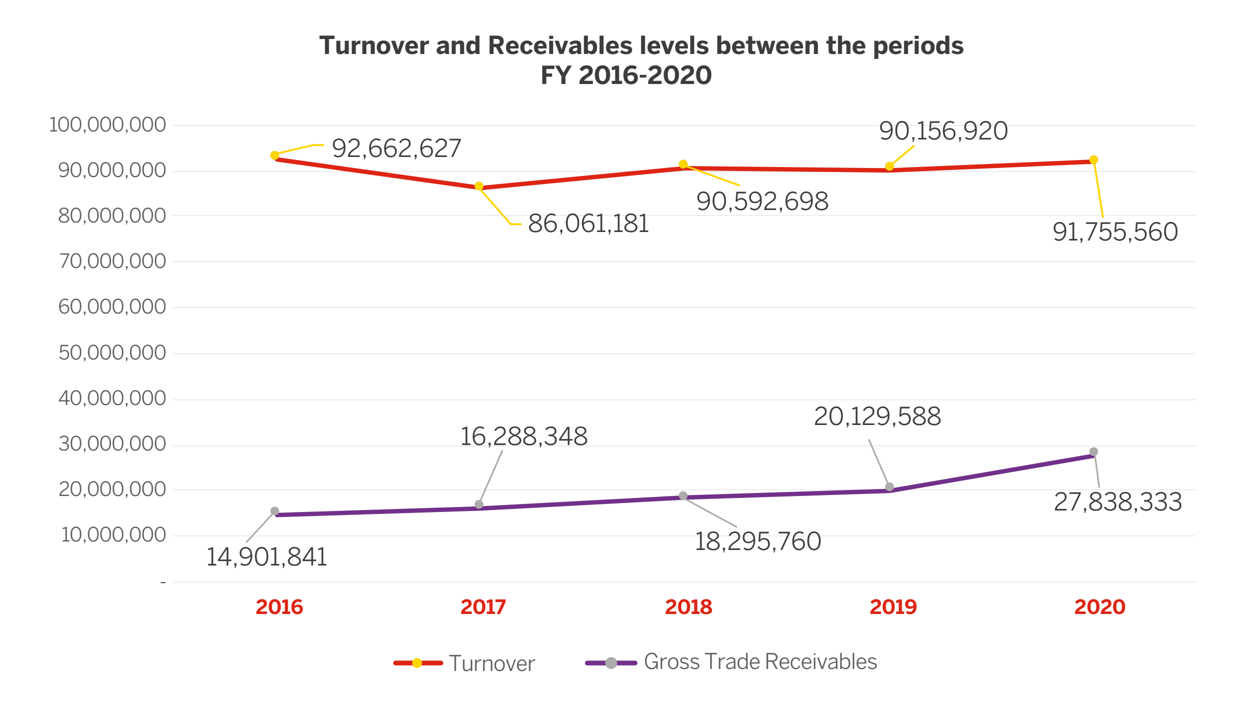
The company has an aggressive debt collection unit whose main task is to follow debtors for payment on a daily basis. Clients who fail to pay their obligations are escalated to external collection agencies and courts of law for recovery.

The trade receivables of Shs 27.838bn for the year ended 30th June 2020 were 38% higher than June 2019 (Shs 20.130bn). The COVID-19 pandemic lockdown greatly affected collections in the last quarter of the financial year, pushing up the receivable days and a majority of the debt (56%) into the 3-12 months aging bracket.

As at June 30, 2020	Total	0 to 3 months	3 to 12 months	Over 12 months
Trade receivables Shs'000	27,838,333,472	7,229,556,771	15,546,904,152	5,061,872,549
		26%	56%	18%
Receivable Days		Vision Group		Other Media Houses (December 2019 Figs)
		111 Days		177 Days

	2020 Shs'000	2019 Shs'000	2018 Shs'000	2017 Shs'000	2016 Shs'000
Turnover	91,755,560	90,156,920	90,592,698	86,061,181	92,662,627
Trade Receivables	27,838,333	20,129,588	18,295,760	16,288,348	14,901,841
Receivable days	111 Days	82 Days	74 Days	70 Days	59 Days

The company collects its debts within 90 days. In 2019/20 the collection period was 111 days due to the COVID-19 lockdown which slowed payment. This collection period is still more favourable compared to the industry average of 177 days (December 2019 figures).



Market place practices

Sustainable Procurement

The procurement and disposal processes are guided by the internal Procurement Manual and the relevant sections of the PPDA laws.

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

Our internal policies and procedures have made company business more competitive. Compliance with existing and relevant legislation has increased stakeholder confidence in the Company. Vision Group continues to maintain a high level of integrity while conducting business with its various stakeholders. The Company has a nil record of cases against her reported to the PPDA Authority arising from bid processes. The Company has employed skilled personnel at all levels of the procurement and disposal process to ensure compliance during the process, eliminate process flaws and make effective decisions in a timely manner that protects the interest of the Company.

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

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

Vision Group boasts of a large base of local providers. The annual prequalification list has over 200 suppliers and of these, 90% are local providers. Some of these local providers have been awarded contracts to supply critical items in our business line such as printing inks, newsprint and machine spare parts in form of framework and lump sum agreements. The purpose of this is to build local capacity of our providers to sustain internal needs and demand. In turn we can cut costs and reduce lead times of imported solutions. The local suppliers handled 79% of the procurement spend in 2019/20.

Summary of procurement spend

Item	2019/20	2018/19	2017/18
Total procurement spend	39.3 bn	47.5bn	shs 47bn
Amount spent on local suppliers	33.3bn	41.4bn	Shs 42bn
Amount spent on foreign suppliers	6bn	6bn	Shs 5bn
Percentage spent on local suppliers	85%	87%	90%
Percentage spent on foreign suppliers	15%	13%	10%

Usually one of the biggest challenges to long term sustainability is the increased price for our major input, imported newsprint. However, in spite of the foreign exchange rate instability, the Company was able to sign long-term contracts which secure a reduced Newsprint price per metric tonne of $710. This is much lower than the previous price of $1,166. This price is unique, and prices are now rising but we are shielded by the contract.

Taxes

The company understands the importance of paying taxes to Government which will help finance public expenditure and ensure developmental objectives are met. All taxes due were paid in a timely manner. In the FY 2019-20 a total of **UGX 20.4 bn** was paid to Uganda Revenue Authority for the following tax heads; VAT worth **UGX 10.3bn**, Corporation tax worth UGX **2.1bn**, WHT at **UGX 1.8bn** and PAYE at **UGX 5.8bn**. Customs duties worth **UGX 361m** which are embedded in our raw material and imported assets landed value were also paid during the reporting period. Compliance with the tax regime is good corporate citizenship and Vision Group recognizes the need to contribute to the business environment and ultimately to social development. Such contribution ensures a healthy business environment for the Company to operate for the foreseeable future.

Regulators

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

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

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

Manufactured Capital

The Non-Current Assets reduced in value from **UGX 46.4bn** to **UGX 45bn.** This was due to depreciation of the assets, yet the major acquisitions were differed to 2020/21 as per the Company's strategy implementation plan.

On the other hand, the Current Assets increased by 37% because the receivables grew by 50%. The receivables went up mainly because of the Home Study Education Materials orders received in May 2020 and June 2020. Cash and cash equivalents reduced by 28% due to cashflow difficulties in various client industries. The Assets' value increased as shown in the table below:

	2020	2019
Assets	**UGX 000'**	**UGX 000'**
Non-Current Assets	45,045,890	46,373,671
Current assets	57,126,924	43,628,392
Total assets	**102,172,814**	**90,002,063**

Shareholder value

The shareholders of the Company hardly trade their equity and therefore market forces on the stock exchange have little bearing on the Company's share price. Our focus is on maximizing shareholder wealth which involves growing the Earnings Per Share (EPS) and the Shareholders' funds. This year the EPS increased from UGX 27.8 in the previous year to UGX 34.8 and the shareholders' funds have also grown from UGX 72.1 bn to UGX 73.4 bn.

Shareholders' Funds in UGX Billions

Year	2016	2017	2018	2019	2020
Amount	57.7	66.4	69.3	72.1	73.4

Our future business strategy, business model and plans

We have in the past pursued investment in the traditional media platforms. We are positioning ourselves as a Content Hub that distributes news and business plans in various formats serving both local and international customers. Our online presence is the appropriate serving for the new digital era and a great leap has been made in the Publishing Market.

Key investments

The Company concentrated on ICT developments to a tune of UGX 417m to improve internal processes. The total investment in Non-Current Assets was UGX 2.3bn. Automation improves efficiency and in the FY 2020-21, we intend to heavily invest in both tangible and intangible Non-Current Assets with increased diversification and facilities improvement.

Human Capital

Gloria Agira
Chief Human Resource Officer

If there was ever any doubt about the importance of the Human Capital, these challenging times following the pandemic have created a clarity of how critical and sensitive the Human Resources are to all organisations.

Businesses in almost every sector have felt a huge pressure, across every aspect of their operations. For many businesses with a frontline workforce such as ours, the pandemic crisis has highlighted that there's no such thing as a support function, every team plays a crucial part in ensuring a sustainable organisation. HR has played a crucial role in this unprecedented disruptive time.

For the first half of the financial year Vision Group was focused on the implementation of the approved strategic objectives set by the Board.

We set a new Vision and Mission and a new direction for the organisation which was to ensure the business set about being "A trusted content hub of choice"

With the new direction, HR set about communicating the new Vision, Mission and strategic objectives to all employees.

The business has adopted the balance scorecard system as a basis/tool for measuring the performance of the business and strategy implementation.

We were in the process of setting individual performance targets and this is still a work in progress which has been highly impeded by the COVID-19 pandemic.

Working from our sites has created a health and safety challenge, and this has placed additional pressure on the HR profession and management.

We have therefore put in place a remote working policy that will allow employees to work to from home up to 50 per cent of the time, even after the coronavirus pandemic has abated. Other options of flexible and agile working are also being discussed, including flexible start and finish times.

The organisation has put in place measures that include but are not limited to providing PPEs such as masks and face shields, sanitatisation booths and changing office layouts to aid social distancing.

New Strategic direction

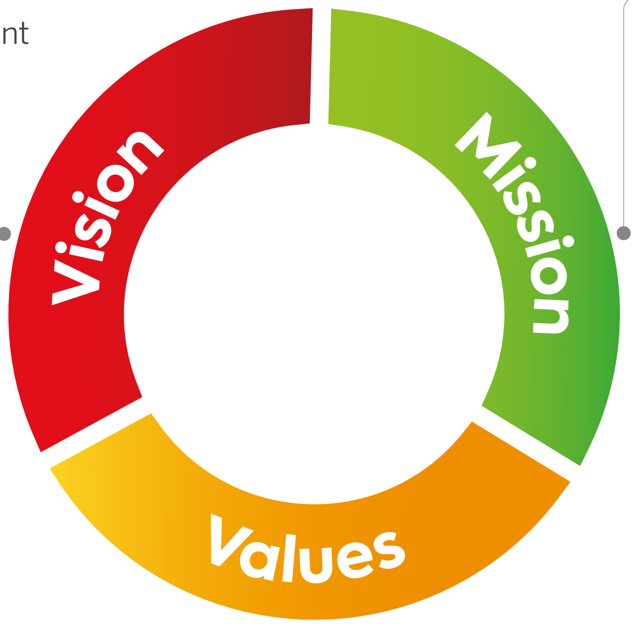
The board approved the new strategy 2019/2023 in December 2019.

The new Vision meant restructuring the business to focus on being a trusted content Hub of choice. These have been communicated to the staff and the reorganisation is a work in progress. We have maintained our values which are the bedrock for the organisation since its inception.

Our Vision, Mission and Values;

Our Vision

A trusted content hub of choice



Our Mission

To generate and distribute content that is valuable and advances society

Our Values

- Integrity
- Innovation
- Customer centricity
- Courage
- Excellence
- Zero tolerance to corruption
- Social responsibility

Performance Management

We had challenges being able to carry out annual appraisals following the COVID-19 pandemic, however, we have adopted the balance score card performance tool and are in the process of implementing it in setting performance targets for the year 2020/2021.

COVID-19 and its impact on our Human Capital.

Financial

With the drastic drop in revenues by an average of 18% monthly (from UGX 7.59 billion to UGX 4.92 billion) in the month of April 2020, it was inevitable that in addition to other cost cuting measures, that a review of staff costs was done.

In line with the strategic objectives and the outcomes arising from the lockdown due to COVID-19, management had to review its operations, and undertook measures to reorganize the way of working to manage costs in consideration of the fact that there was still no indicator of the long-term effects of the COVID-19 pandemic to the business.

The financial measures on managing staff costs included but were not limited to;

- Pay cuts from May - September 2020, however the percentage cuts were reguIary adjusted following improvements in the company's financial performance
- Leave without pay from May - September 2020, however this category was facilitated with a flat monthly fee irrespective of their title or pay to cater for meals during the unpaid leave period.

The board and management continue to review the business performance on a monthly basis and have made a commitment to improve pay as a priority when the business performance allows for it.

Working Teams

Management carries out key tests before approving any teams back to the workplace: the conditions below must be satisfied for the teams that are required to work on site;

- Is it essential? If people can continue to work from home, they must continue to do that for the foreseeable future. If they cannot work from home, is their work deemed essential?
- Is it sufficiently safe? Heads of departments are tasked with duty of care to identify and manage risks to ensure that the workplace is sufficiently safe to return to.

We took and continue to take our time with gradual returns to work (onsite) to test health and safety measures already in practice.

Work-life Balance offsite

Interestingly for those working from home there have been a number of challenges about interruptions associated with the home environment; attending to the family then working longer hours into the night.

Whereas previously working timelines were clear, there has been feedback where staff members feel they are working longer hours due to interruptions from the family, electricity load shedding to data disruptions.

We have countered this by allowing staff to work in a swap arrangement lately. This is necessary due to the required measures of social distancing.

We continue to engage all stakeholders on how best to incorporate remote working into our policies. However, we have a remote working policy that was approved and will continue to be reviewed with time.

Job Security

There continues to be uncertainty about job security among our staff members, which is unfortunate since we can not allay such fears at this point in time.

This uncertainty is detrimental to the future of the business especially where critical members of staff may not be retained due to the measures implemented such as pay cuts.

The COVID-19 pandemic and the current period of economic uncertainty also makes people feel more anxious or vulnerable, which has led to concerns about whether people may be more likely to use alcohol or drugs as a coping mechanism.

The staff morale no doubt is quite low, however, the organisation has communicated and shared with all our staff members the availability of our counselors with whom they can share any concerns they may have and to manage the challenges and guard our mental health as we try to cope with the implications of COVID-19.

Health and Safety for our teams

This is a priority under any circumstances but one that has taken on a new urgency. As a business providing an essential service, many of our staff are out on the frontline, and that's something we take very seriously.

Keeping employees safe relies on much more than just operational changes. It requires a mindset shift, which is why we communicate updates on COVID-19 and give tips on how to stay safe and healthy through nutrition on a daily basis.

Proactive and two-way channels of communication also help reassure and support employees. The CEO shares feedback through online meetings with all staff at least once a month. It's an uncertain time, therefore we recognise the importance of being transparent about how the business is performing and the impact of the pandemic, but most importantly to minimize the uncertainty as much as possible.

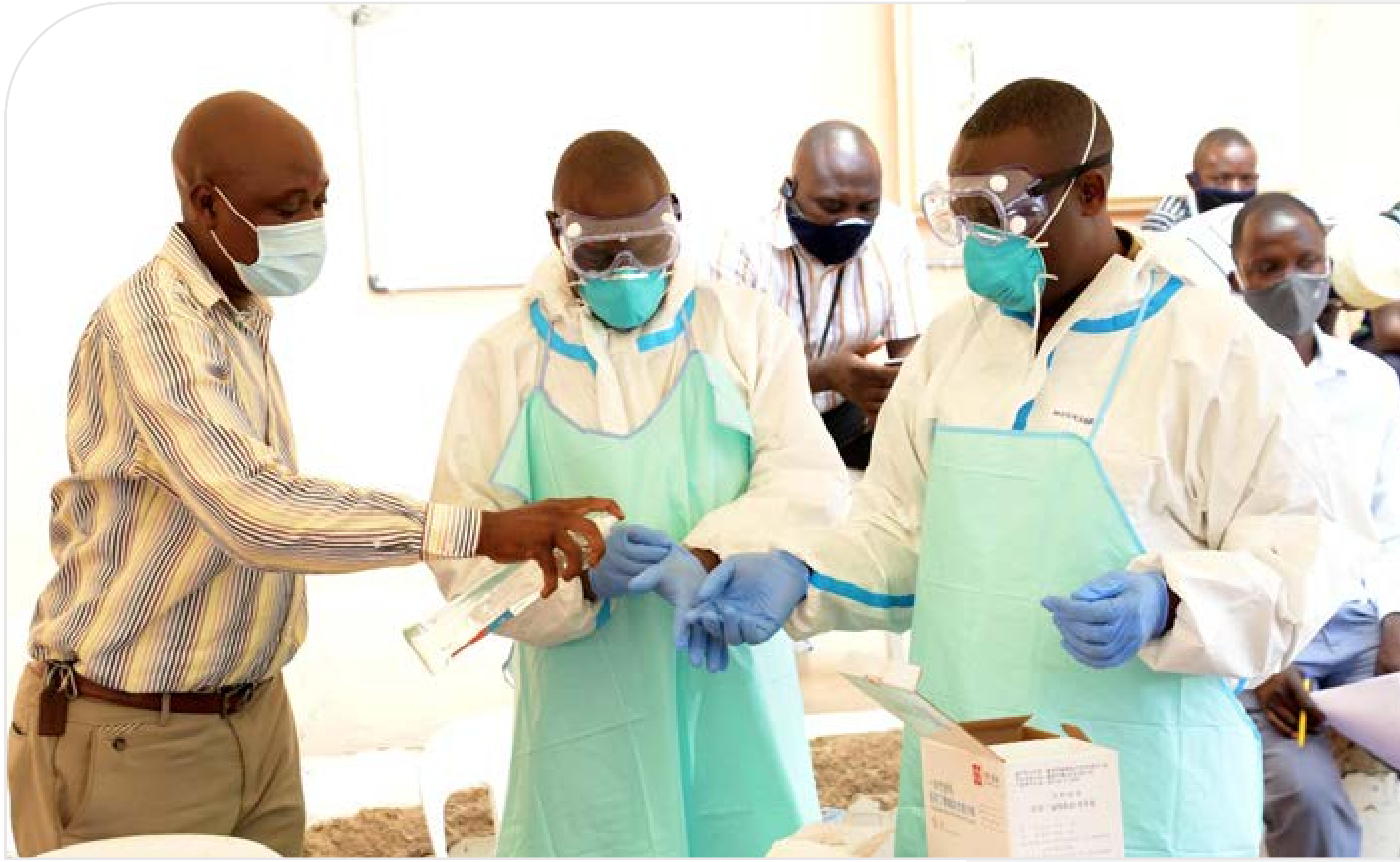
All our frontline staff (journalists, sales teams, front desk, drivers, among others) have been provided with masks, face shields and sanitizer.

Protocols on COVID-19 management

The company set out to test its staff members in the month of August when a staff member tested positive. We have since then carried out over 1,302 tests across all our locations.

Regular workplace testing continues except there are challenges with availability of test kits.

Management has set in place measures that are in line with the Ministry of Health SOPs. They have been in place since March 2020 and continue to be improved with time.



Managing Work and Office Premises

- All units and EXCO members are split into two alternating teams working at separate locations for any emergency outcomes/management of possibility of quarantine of any department/unit.
- Companywide (including regional offices) thorough disinfection of all premises and vehicles is done every two weeks.
- Daily cleaning and hourly sanitization of all work surfaces – signed off at the top of the hour by the staff members.
- Temperature monitoring for all employees and visitors accessing the company premises at all times.
- Sanitary hand rubs and washing soap /water for washing hands at convenient locations across the company premises.
- Mandatory wearing of face masks and face shields; all employees and visitors accessing the company premises wear face masks as PPEs at all times.
- Maintain open door / "doors ajar "culture to minimise possible infections at door knobs.
- Maintain recommended social distancing through marking distances between work stations, factory and the company canteen seating.
- Use of air conditioning not allowed in all offices and studios. Windows are kept open.
- All staff with underlying issues are required to work from home due to their vulnerable status.
- Meetings done online using Microsoft teams.
- Trainings done online – starting with "the election reporting"

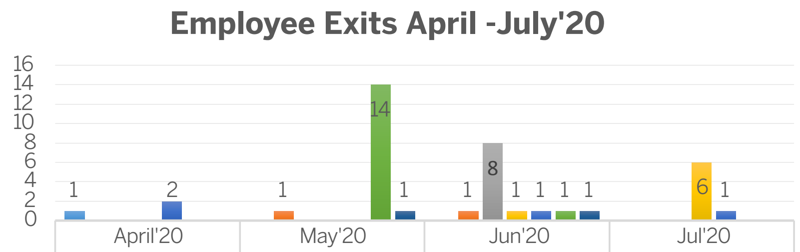
Protocols on Managing Positive cases

- Any symptoms identified e.g. high temperature, cough or flu; staff are required to stay home, self-isolate and communicate to HR immediately.
- Tests are carried out and if positive, the HR team communicates to the Ministry of Health or the KCCA COVID-19 response team.
- The HR team advises the staff member on protecting others by self-isolating until they are evacuated by the Ministry of Health officials
- HR team gets the contacts of the affected people, their numbers and home locations- communicates to the contacts to self-quarantine for fourteen (14) days.
- The contacts are shared with the Ministry of Health officials to carry out tests and where necessary evacuations.
- HR teams check on affected staff members on a regular basis to find out the health status of the affected employees and to offer moral and financial support where required.
- Staff members can only report back to work after three mandatory negative tests.

Turnover

The company has faced a spike in turnover due to the upcoming elections and unfortunately lost two staff members due to accidents.

HR's concern for the future is the long term impact of Corona on retaining critical staff.



	April'20	May'20	Jun'20	Jul'20
AWOL	1			
Deceased		1	1	
Non Renewal			8	
Politics			1	6
Resigned	2		1	1
Restructure		14	1	
Terminated		1	1	

AWOL Deceased Non Renewal Politics Resigned Restructure Terminated

Natural Capital

Vision Group's responsibility along the entire value chain includes optimizing our logistics production processes in terms of environmental compatibility and resource efficiency.

Environmental sustainability is not easily solved because of the fossil fuel used in the manufacture of inks and most printing reagents and the fact that paper is a byproduct of trees. However, we believe that the printing industry can make a difference. It's sustainable not just because it uses renewable resources. The collapse of traditional print markets forced widespread consolidation and reinvention. Printers automated and streamlined processes, cutting waste and excess emissions. Survival dictates lean and efficient production based on automation and standardisation. With the advent of new technologies, standards and the printer's skill; media buyers can trust that colours will be accurate in every iteration, from magazines, posters and banners to product labels and packaging. And such efficiency minimises emissions and waste, improving environmental sustainability as well as commercial viability. At Vision printing, we have taken the route of Automation but also sought out more green inputs and environmentally friendly processes below.

Printing inks

Printing ink is one of the core consumable items we use in printing on both Web and sheetfed presses and as we source for the best inks to use, sustainability is an important aspect when we are sourcing for inks because annually, We consume approximately one hundred (100) tonnes of ink and that is a lot. So it is important that inks comply with rules of varying stricture to protect the health and safety for the printers and more importantly avoid pollution of the environment. FLINT GROUP, our ink suppliers, have a sustainability policy approach to the inks they manufacture and that is the reason we partner with them. Their inks are designed to reduce ecological impact in relation to energy consumption, greenhouse gas emissions, water consumption and landfill waste. The inks are ISO14001 CERTIFIED, the international standard for an effective environmental management system.

Waste Management

Waste Inks

Zero waste is recorded at the end of the production chain. All inks are consumed on the press while portions that are removed during maintenance are sold to individuals. Nothing is damped into the environment

Waste paper

All waste paper generated by the production processes is sold off to customers who subsequently sell it to recycling plants, which make products like toilet tissue, straw boards for hard book covers and egg trays.

Used Plates

All the used plates (aluminium in nature) are sold off to customers who subsequently sell them to smelting/casting plants. The aluminium is then used to make different things in Kisenyi and other places.

Other Chemicals

Plate imaging uses developers and wash off water. This is directed to the dilution underground tank. For each portion of chemical waste generated, over 100 portions of water are added to form a solution. Laboratory tests conducted in the last environmental audit cleared the solution to be discharged into the public drain.

Sustainability is a huge topic for the printing industry and there isn't a single defined path that results in success, but with focus on using environmentally friendly inputs, we believe shall be more sustainable. This is a journey that we share with our customers, suppliers and stakeholders and we encourage a shared commitment to bring about change. We are investing our time to focus on ways to make the printing business greener and look forward to working with the wider printing industry in Uganda on these efforts going forward.

Intellectual Capital

The Company owns intellectual property assets such as copyrights, trademarks, and names that are fully registered with the Uganda Registration Services Bureau. These assets have over the years enhanced the value of the business and have assisted the Company to create both a unique identity of the products and services offered by the Company and have also helped the business to have a competitive edge in the industry.

Our Copyrights are broadly classified into literary, artistic and scientific works which include articles, books, pamphlets, lectures, dramatic and musical works, audio and visual works computer programmes, electronic data, photography and derivative works such as translations, adaptations and other transformations of preexisting works. We also have rights and licenses arising from agreements executed with local and foreign content providers and media agencies. This has helped the Company to broaden its regional and global footprint in the provision of media services. Indeed, the intellectual property assets have enormously propelled the company to grow into a trusted content hub of choice.

Our intellectual capital has over the years created brand exclusivity which distinguishes our services from what competitors offer. This sharp and yet imperfectly imitable and non-substitutable distinction is what gives our products and services market leadership hence brand loyalty. The Company expects to continue harnessing the competitive advantage of its brand for a minimum of 50 years for Copyright and 10 years subject to renewal for Trademarks. The Company has utilized re- branding as a way of repositioning its products to claim a greater share of the local and regional market. More Trademarks and Business Names like the Wan Luo TV have been developed by the Company to reach out to a greater demographic and tap into the associated business opportunities.

Trademarks for our regional print products were closed as a result of our new strategy and the need to keep the business sustainable.

The Company creates sustainable value for its intellectual capital through timely renewal of its trademarks and business names, legal enforcement against those who infringe the Company's intellectual property rights, and adherence to the guidelines set by Uganda Communications Commission and the Media Council in conducting our media business.

The Company invests heavily in market research and product benchmarking to ensure good brand health and that the identity of the business that is created through the trademarks, copyright and business names makes business sense and adds value to our customers and stakeholders. Our brands represent and appeal to consumer needs which is the essence of our business. Some of our leading brands like News Papers in Education, Harvest Money and others continue to grow by statistics as a result our deliberate strategic marketing and the relevance and benefit the consumers derive from these brands. The Company diligently protects use of its intellectual property rights and enjoys exclusive economic advantage deriving from this investment. The brands have enhanced the Company's bargaining position when negotiating contracts which raises the company's competitive edge in the market. The Company currently has a total of 39 registered trademarks for which it enjoys exclusive rights to use, reproduce, and license.

The Company has achieved good progress in embracing new technology, innovations and digitizing our business processes. This gives us the confidence to confirm that the future of the business with our new digital strategy and enhanced brands is secure.

Corporate Social Responsibility (CSR)

During the last half of the year, the Covid-19 pandemic influenced the developments of CSR. The human tragedy of lost lives, the economic and social changes caused by a pandemic-driven lockdown will constitute a cultural legacy for generations.

Amid resource restrictions and eminent survival threats, empathy preceded strategy as organisations in Uganda and across the globe continued to embed themselves into the social fabric of the communities where they operate, to imprint their relevance.

At Vision Group, the short-term impact of Covid-19 was immediately felt due to the widespread lockdown and social distancing measures. The business promptly responded as indicated below;

Extension of free commercial airtime: To suppress transmission of the virus and preserve life, Vision Group invested UGX 10,170,165,000 in free media value between March and May 2020, in support of massive sensitization messaging including text, audio and visual on prevention of communal and national outbreaks. Programming was largely flexed to accommodate local and international updates on fiscal changes, to educate on government/private sector interventions and to inform on statistical pandemic infection/decline rates across print, television, radio and social media platforms.

Today's consumers increasingly expect brands to not just portray functional benefits, but have a social purpose too. At Vision Group, CSR is weaved into our values and objectives. Our goal is to develop strategic partnerships aimed at empowering the communities we serve, to enhance their livelihoods.

Our objectives are further informed by five (5) millennium development goals;

- 01 **Women Empowerment** to Promote Gender Equality
- 02 **HIV/AIDS** prevention through sensitization
- 03 **Tree planting** in support of environmental sustainability
- 04 **Maternal Health** to safeguard the lives of expectant mothers
- 05 **Blood donation** to drive availability in banks

FY 2019/2020 Quarter one (Q1) and quarter two (Q2) activities

Project 1:
Supporting basic education among primary school children

Partner	Rotary Club Kampala West
Beneficiary	Nakasero Primary school – Kampala
Reading Material Donated	**500 Toto magazines**

To combat illiteracy through universal primary education, Vision Group's Toto brand partnered with the Rotary Club of Kampala to equip the Nakasero Primary School resource centre with reading material. 500 Toto magazines were handed over to the school, where approximately 300 students access the library every week to develop their reading and writing skills.

Project 2:
Running Out Of Trees campaign

Partner	Uganda Breweries Ltd (UBL)
Beneficiary	Nakasero Primary school – Kampala
Partnership	**UGX 20 Million**

We continue to support initiatives aimed at sustaining our environment. According to NFA 2018, Uganda forest estate drastically declined from 24% of the total land area in 1990 to 12.4% in 2015 – this translates into a loss of 2.4 million hectares in a span of 25 years.

Vision Group partnered with UBL on a tree planting campaign dubbed "Running Out Of Trees (R.O.O.T)". The initiative aimed at addressing deforestation in the country, while encouraging the public to plant trees to reverse the effects of deforestation. The campaign included a 330 km relay run to Northern Uganda, punctuated by predetermined tree planting stops along the route. Representatives from different corporate entities participated.

Project 3
Blood Donation Drives

According to Uganda Blood transfusion services (UBTS), Uganda's healthcare system requires about 1,500 units of blood daily. However, blood donation averages 1,250 units daily (83% of the required blood). To narrow down on the 17% daily blood deficit, Vision Group, through its regional offices, collected 844 pints of blood at activities across Soroti Sports ground, in secondary schools and market day activations.

Project 4:
Free Regional Family Planning Health Camp

Uganda's Maternal Mortality Rate (MMR) is one of the highest in the world with 440 deaths per 100,000 live births, according to UDHS 2018. Ministry of Health aims to increase the use of modern methods of family planning from 26% of married women in 2011 to 50% percent by 2020 (**Uganda's Family Planning Costed Implementation Plan)** by improving access to family planning services.

Etop Radio partnered with Marie Stopes international to offer free family planning and sexual reproductive health services to a total of 182 women (82 women at Kasilo-Serere, Wera- Amuria and Ocorimongin in Katakwi and 100 women at St. Francis S.S. Acumet Kapelebyong district).

Driving Customer Loyality

- The post-Covid-19 marketplace is irrecoverably different. A key facet of this is the exponentially increased move to online communications. Vision Group is no exception, previously pivoted on especially face-to-face interaction, we devised means to engage via online platforms to ensure business continuity during and after the crisis. Looking into the future, much of this change will settle.

- **Accelerate digital payments;** Vision Group embarked on digital service delivery, a necessity for most of our customers who were confined at home. Adoption is growing steadily, even among digitally resistant customers as they embrace 'safe' ways to do business.

- The business evolved alternative complementary service and delivery channels to effectively respond to the COVID-19 lockdown complexities. Electronic wallet payment options including mobile money and e-commerce platforms on the Vision Group website were created to drive customer convenience affordably. The need for physical interaction was scaled back to prioritise the safety of both customers and customer facing teams across touchpoints.

- **In-home delivery:** Taking our business to customers' homes is growing from previously a convenience to a necessity. Home delivery services for newspapers and for commercial printing books was achieved through strategic partnerships with already existing delivery entities with definite capabilities and pre-defined routes such as Javas and Jumia.

- **Customer Satisfaction:** Vision Group commissions bi-annual advertising customer satisfaction surveys to keep a pulse on key indicators of service delivery including among others value for money, quality of advertising execution and product performance.

  The aim of the survey commissioned in January 2020 was to:

  I. assess quality of service against customer expectations for television, radio, print, commercial printing

  II. identify key opportunities for improvement and to set standards against which to track satisfaction overtime

  III. Overall customer satisfaction index score (CSI) for 2020 is 78.3%. An increase of 4.7% from previous wave (2019).

There were commendable performance improvements across platforms with newspapers registering the highest satisfaction growth shift of 8.2%; commercial printing 3% and radio 6%.

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

- Vision Group shall continue to innovate to contactless operations such as expand into home delivery options, migrate customers to digital channels to save money and enhance safety, boost satisfaction and further build agile capabilities for fluid times.

Shareholder Information

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

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

Share Capital of the Company

Ugx 1, 503,990,000 ▸ Divided into 76,500,000 ▸ Divided into Ugx 19.66 each

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

Shareholders

Description	No. of Investors	No Of Shares Held	Percent Holding
Between 1 and 1,000 Shares	1,700	606,556	0.79%
Between 1,001 and 5,000 Shares	548	1,370,291	1.79%
Between 5,001 and 10,000 Shares	123	956,133	1.25%
Between 10,001 and 1,000,000 Shares	143	11,809,611	15.44%
Above 1,000,001 Shares	6	61,757,409	80.73%
Total	**2,520**	**76,500,000**	**100.00%**

Nationality	Category	No. of Members	No. of Shares	Percent Holding
East African				
	Corporate	85	28,381,075	37.10%
	Individual	2,352	47,244,850	61.76%
Foreign				
	Corporate	4	48,760	0.06%
	Individual	79	825,315	1.08%
Grand Totals:		**2,520**	**76,500,000**	**100%**

Top Ten Shareholders

Investor Name	Shares Held	Percent Holding
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 Fund	15,000,000	19.61%
National Social Security Fund-Pinebridge	2,185,857	2.86%
National Insurance Corporation Ltd	2,068,172	2.70%
Bank Of Uganda Staff Retirement Benefit Scheme Aig	1,703,380	2.23%
Bank Of Uganda Defined Benefits Scheme- Geneafrica	979,399	1.28%
Insurance Company Of East Africa Uganda Limited	563,286	0.74%
Wazunula Samuel Mangaali	510,000	0.67%
Zamara Retirement Fund-Tullow	445,800	0.58%
Total Number Of Shares	**64,255,894**	**83.99%**

Dividend Policy

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

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

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

Our policy requires that the level of profits determines the level of dividends which is a range of 50% to75% for the shareholder and 25% to 50% profit retention for the Company and this amount of money can only be paid out of realized profits.

Shareholder Engagement

The Board recognises that their legal duties are to the company and the shareholders and has an obligation to keep shareholders well informed about what the company is doing and determine whether the company is able to meet their expectations. It is expected that a high quality of engagement with investors will help improve the performance of the Company.

We strive to maintain an open dialogue with our esteemed shareholders. Not only does good corporate governance demand it, this engagement helps shareholders better understand the performance and financial position of the Company.

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

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

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

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

Mr. Jim Mugunga	Government of Uganda (majority shareholder)
Mr. Moses Mwase	Government of Uganda (majority shareholder)
Ms. Robinah K. Kaitiritimba	Minority shareholders
Mr. Patrick Ayota	National Social Security Fund (institutional shareholder)
Mr. Charles Tucakungurwa	National Insurance Company (institutional shareholder)

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

Investor Briefing

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

The notable issues discussed included;

1. High trade receivables. The Company provided clarity that the amount owed to the company, especially from government agencies had been provided for by the Company.
2. Despite the improvement in the Company's overall financial performance, its share price had declined. The CEO explained that the share price is poised to improve with the company's stellar results, and that the share price is merely a reflection of elements outside its control, especially insufficient market liquidity.
3. Management informed the market that a new business model that would extend the Company's winning streak was under consideration in light of the prevailing market conditions. Further that a strategic direction was being discussed with the Board and would be disclosed to shareholders at the AGM.
4. Special attention was being given to the commercial printing business, and to grow market share from the current 10%. The 20% increase in the price of newsprint and the expensive dollar had edged up operational costs.
5. The Company's diversified media segments in print, radio, digital, and television have created a self-reinforcing eco system that is boosting sales.
6. The Board Chairperson pointed out that everyone at the Company was walking a tight rope, balancing between keeping costs down and improving revenues. She reassured shareholders that the Board is diligently playing its oversight role over Management.

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

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

Engagement with Regulators

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

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

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

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

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

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

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

Dealing in Securities

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

The Company maintains an Insider Trading Policy that ensures directors and employees who are privy to price-sensitive information do not make use of such information to the detriment of other investors before it is published. The policy requires that notifications of the restriction of dealing in securities during closed periods be communicated to all the relevant stakeholders and this was done during the FY 2018/19.

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

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

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

Financial Statements

The directors submit their report together with the audited financial statements for the year ended 30 June 2020, which discloses the state of affairs of New Vision Printing and Publishing Company Limited (the Company).

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

2. RESULTS
The results for the year are set out on page 98.

3. DIVIDENDS
The directors recommend payment of a dividend of Ushs 18 per share amounting to Ushs 1,377 million for the year ended 30 June 2020 (2019: Ushs 1,912 million).

4. RESERVES
The reserves of the Company are set out on page 100.

5. DIRECTORS
The directors who held office during the year and to the date of this report were:

Name	Role
Patrick Ayota	- Board Chairperson
Jim Mugunga	- Deputy Board Chairperson
Robert Kabushenga	- Managing Director/CEO
Gervase Ndyanabo	- Deputy Managing Director/Company Secretary (Alternate Director for CEO)
Charles Tukacungurwa	- Non-Executive Director
Robinah Kaitiritimba Kitungi	- Non-Executive Director
Michael Nyago	- Non-Executive Director
Susan Lubega	- Non-Executive Director
Peter Kawumi	- Non-Executive Director
Moses Mwase	- Non-Executive Director
Aéko Ongodia	- Non-Executive Director - Appointed on 21 November 2019
Sarah Irene Walusimbi	- Non-Executive Director - Appointed on 21 November 2019
Dr. Monica Chibita	- Former Board Chair (Retired on 21 November 2019)
Oode Obella	- Non-Executive Director (Retired on 21 November 2019)

All directors are Ugandans.

Members of the Board Audit and Risk Committee

Name	Role
Michael Nyago	Chairman
Joseph Baliddawa	Member
Parity Twinomujuni	Member
Patricia Adongo Ojangole	Member
Sarah Irene Walusimbi	Member - Appointed on 21 November 2019
Oode Obella	Former Chairman - Retired on 21 November 2019

1. GOING CONCERN

The financial statements set out on pages 98 to 160, which have been prepared on the going concern basis, were approved by the Board of Directors on 6 October 2020.

By order of the Board

....

Company Secretary

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

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

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

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

The financial statements were approved by the Board of Directors on 6 October 2020 and signed on its behalf by:

Director **Director**

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED FOR THE YEAR ENDED 30th JUNE 2020

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the financial statements of the New Vision Printing and Publishing Company Limited set out on pages 98 to 160, which comprise the statement of financial position as at 30th June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects the financial position of New Vision Printing and Publishing Company Limited as at 30th June 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act of Uganda, 2012.

Basis for opinion

I conducted our audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (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 our opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. For each matter below, my description of how my audit addressed the matter is provided in that context.

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

<table>
<tr><th>Key Audit Matter</th><th>How my audit matter was addressed in the audit</th></tr>
<tr><td colspan="2">1. Adoption of IFRS 16 Leases</td></tr>
<tr><td>The Company adopted IFRS 16 effective 1st July 2019. IFRS 16 replaced the previous standard, IAS 17 and specifies how an IFRS adopter will recognize, measure, present and disclose leases. The company elected to apply the modified retrospective approach for the transition accounting and has not restated its comparatives.

The application of the new standard gave rise to a right of use asset of Ushs 3,163 million with no impacts on the liabilities and equity of the Company as of 1st July 2019.

The assessment of the impact of the new standard is significant to the audit, as the balances recorded are material, the update of the accounting policy requires policy elections and the implementation process to identify and process all relevant data associated with the leases is complex. The measurement of the right of use asset and lease liability is based on assumptions such as discount rates and the lease terms. Hence, this is considered a key audit matter.

The lease related disclosures included in the notes to the financial statements are as follows:
• The transitional impact of IFRS 16 has been disclosed in note 3(s)
• The lease related accounting policy, for the company as lessee and lessor, has been disclosed in note 3(l)
• The carrying amounts and movements in the right of use asset and lease liability are indicated in notes 15 and 24(b) respectively.</td><td>My audit procedures included but were not limited to:
• Obtained an understanding and evaluated the company's implementation process, including the review of the updated accounting policy and policy elections in accordance with IFRS 16 Leases.
• Through my discussions with management and review of internally prepared memorandum, I understood the company's process of identifying lease contracts, or contracts which contained leases.
• Reviewed a sample of contracts to assess whether leases have been appropriately identified.
• Evaluated management assumptions, specifically the assumptions to determine the discount rates, lease terms and measurement principles.
• Obtained the company's quantification of right of use assets and lease liabilities. For a sample of leases, I agreed the inputs used in the quantification to the lease agreements and performed computation checks.
• Assessed the modified retrospective application and adequacy of the Company's disclosures of the impact of the new standard in the financial statements.</td></tr>
</table>

Key Audit Matter	How the matter was addressed in the audit
2. Expected Credit Losses on trade and other receivables	
As at 30th June 2020, the Company had gross trade receivables of Ushs 27,838 million (2019: Ushs 20,130 million) and expected credit losses of Ushs 1,428 million (2019: Ushs 869 million) as disclosed in note 20 to the financial statements. Management performed the impairment assessment of trade receivables considering reasonable and supportable information including, but not limited to the credit profile of different customers, the aging profiles, their knowledge about the customers, market conditions and past settlement patterns. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment. Management utilised overlays to take into account estimates of possible effects from the COVID-19 pandemic. Management applied significant judgement and assumptions in customer profiling and segmentation as well as the determination of appropriate macro-economic factors to be utilised in the model and establishing the relationship between those factors and the past settlement patterns. Judgement was also applied in determination of the effects of the pandemic on the credit loss estimation. I considered this a key audit matter because the estimation of the expected credit losses involves significant judgment and assumptions as described above The impairment of trade and other receivables related disclosures included in the notes to the financial statements are as follows: • The accounting policies for impairment of trade and other receivables are disclosed in note 3 (g). • The maximum exposure to credit risk and the resultant expected credit losses computed as at 30th June 2020 are disclosed in note 31 (c).	My audit procedures included but were not limited to: • Evaluating the company's expected credit loss model against the IFRS 9 requirements. • Discussing with management the nature of key assumptions and the expected impact of COVID-19 on these assumptions. • Comparing the company's inputs into the expected credit loss model to industry, financial and economic data and our own assessment. As part of this, I assessed the Company's inputs used, including the consistency of judgement applied in the classification of financial assets and determination of probabilities of default. • Testing that the reported expected credit losses were determined in accordance with the Company's expected credit loss model. • Evaluating the completeness of the disclosures on expected credit losses on the financial assets. • Obtained management representations for any adjustments made in the company's financial statements in respect to the expected credit losses.

Other Information

The directors are responsible for the other information. The other information comprises the corporate information, report of the directors as required by the Companies Act, 2012 of Uganda and the Statement of Directors' Responsibilities, which I obtained prior to the date of this report, and the New Vision Printing and Publishing Company Limited annual report for the year ended 30 June 2020, which is expected to be made available to me after that date. Other information does not include the financial statements and our auditor's 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 identified above 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

i) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) 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 them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

REPORT ON OTHER LEGAL REQUIREMENTS

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

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

ii. In my opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and,

iii. The company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

John F.S. Muwanga
AUDITOR GENERAL

New Vision Printing and Publishing Company Limited
Financial Statements
For the period ended 30 June, 2020

Statement Of Profit Or Loss And Other Comprehensive Income

	Note	2020	2019
		Ushs'000	Ushs'000
Revenue from contracts with customers	4.1	91,755,560	90,156,920
Cost of sales	5	(67,490,719)	(68,328,035)
Gross profit		**24,264,841**	**21,828,885**
Other income	6	1,478,864	1,521,543
Distribution costs	7	(1,757,732)	(1,742,097)
Impairment losses on financial assets	8	(1,275,901)	(481,170)
Administrative expenses	9	(14,934,752)	(14,763,198)
Other operating expenses	10	(2,700,256)	(2,454,721)
Operating profit		**5,075,064**	**3,909,242**
Finance costs	11	(180,280)	-
Profit before taxation	12	**4,894,784**	**3,909,242**
Income tax expense	13	(2,233,416)	(1,780,469)
Profit for the year		**2,661,368**	**2,128,773**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,661,368**	**2,128,773**
Basic and diluted earnings per share	14(b)	34.8	27.8

New Vision Printing and Publishing Company Limited
Financial Statements
As at 30 June, 2020

Statement Of Financial Position

	Note	2020 Ushs'000	2019 Ushs'000
ASSETS			
Non-current assets			
Property, plant and equipment and right-of-use assets	15	44,567,105	43,124,096
Prepaid operating lease rentals	16	-	3,163,257
Intangible assets	17	478,785	86,317
		45,045,890	**46,373,670**
Current assets			
Tax deposit recoverable	18	2,569,777	2,569,777
Inventories	19	6,578,702	7,670,613
Right of return asset	4.3	12,728	31,929
Trade and other receivables	20	35,344,032	23,727,935
Current income tax recoverable	13(a)	367,726	287,925
Deposits with commercial banks	21	9,100,439	4,938,649
Cash and cash equivalents	22	3,153,520	4,401,565
		57,126,924	**43,628,393**
TOTAL ASSETS		**102,172,814**	**90,002,063**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	23(a)	1,503,990	1,503,990
Share premium	23(b)	27,158,864	27,158,864
Revaluation reserve		9,947,120	11,122,624
Proposed dividends	14(a)	1,377,000	1,912,500
Retained earnings		33,369,785	30,406,125
Total equity		**73,356,759**	**72,104,103**
Non-current liabilities			
Deferred tax liability	13(d)	6,978,320	7,539,853
Lease liability: Non-current portion	24(b)	550,977	-
		7,529,297	**7,539,853**
Current liabilities			
Contract liabilities	4.2	1,768,338	1,568,681
Refund liability	4.3	17,926	42,573
Trade and other payables	24	9,716,503	5,659,067
Lease liability: Current portion	24(b)	173,321	-
Grant liability	25	428,405	149,854
Provision for litigations	26	1,108,160	896,500
Dividends payable	27	3,074,105	2,041,432
Borrowed funds	28	5,000,000	-
		21,286,758	**10,358,107**
TOTAL EQUITY AND LIABILITIES		**102,172,814**	**90,002,063**

The financial statements were approved by the Board of Directors on 6 October 2020 and signed on its behalf by:

Director **Director**

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

Statement Of Changes In Equity

	Share capital	Share premium	Proposed dividend	Revaluation Reserve*	Retained earnings	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
	Note 23 (a)	Note 23 (b)	Note 14 (a)			
At 1 July 2018	1,503,990	27,158,864	1,912,500	12,297,149	26,459,674	69,332,177
Effect of adoption of IFRS 9, net of tax	-	-	-	-	2,059,626	2,059,626
Effect of adoption of IFRS 15, net of tax	-	-	-	-	(7,341)	(7,341)
Restated opening balance	**1,503,990**	**27,158,864**	**1,912,500**	**12,297,149**	**28,511,959**	**71,384,462**
Profit for the year	-	-	-	-	2,128,773	2,128,773
Transfer of realised revaluation surplus to retained earnings	-	-	-	(1,174,525)	1,174,525	-
Deferred tax effect of transfer (note 13(d))	-	-	-	-	503,368	503,368
Proposed dividends (note 14(a))	-	-	1,912,500	-	(1,912,500)	-
Dividends declared (note 27)	-	-	(1,912,500)	-	-	(1,912,500)
At 30 June 2019	**1,503,990**	**27,158,864**	**1,912,500**	**11,122,624**	**30,406,125**	**72,104,103**
At 1 July 2019	1,503,990	27,158,864	1,912,500	11,122,624	30,406,125	72,104,103
Profit for the year	-	-	-	-	2,661,368	2,661,368
Transfer of realised revaluation surplus to retained earnings	-	-	-	(1,175,504)	1,175,504	-
Deferred tax effect of transfer (note 13(d))	-	-	-	-	503,788	503,788
Proposed dividends (note 14(a))	-	-	1,377,000	-	(1,377,000)	-
Dividends declared (note 27)	-	-	(1,912,500)	-	-	(1,912,500)
At 30 June 2020	**1,503,990**	**27,158,864**	**1,377,000**	**9,947,120**	**33,369,785**	**73,356,759**

***Revaluation reserve**

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

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

Statement Of Cash Flows

	Note	2020 Ushs'000	2019 Ushs'000
Net cash flows generated from/ (used in) operating activities	29	**1,238,169**	**(4,171,231)**
Cash flows generated from investing activities			
Purchase of property, plant and equipment	15	(2,925,781)	(2,204,835)
Additions to right of use assets	15	(14,953)	-
Purchase of intangible assets	17	(417,090)	(61,635)
Placements of deposits with commercial banks	21	(17,200,000)	(10,200,000)
Maturities of deposits with commercial banks	21	13,200,000	15,200,000
Interest received from commercial bank deposits	21	555,619	617,310
Proceeds from disposal of property, plant and equipment		25,525	46,303
Net cash (used in)/ generated from investing activities		**(6,776,680)**	**3,397,143**
Cash flows used in financing activities			
Repayment of principal portion of lease liabilities	24(b)	(108,258)	-
Dividends paid	27	(879,827)	(870,659)
Proceeds from borrowed funds	28	5,000,000	-
Net cash generated from/ (used in) financing activities		**4,011,915**	**(870,659)**
Net decrease in cash and cash equivalents		**(1,526,596)**	**(1,644,747)**
Cash and cash equivalents at beginning of year		4,251,711	5,896,458
Cash and cash equivalents at end of year	22	**2,725,115**	**4,251,711**

1. Corporate Information

New Vision Printing and Publishing Company Limited ("the Company") is a public limited liability Company incorporated and domiciled in Uganda. The Company was incorporated on 17 June 2002. The principal activities of the Company are publishing, printing and distribution of newspapers and magazines. The Company also engages in television and radio broadcasting, and digital online production. The Company was listed on the Uganda Securities Exchange in November 2004.

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

The financial statements of the Company for the year ended 30 June 2020 were authorized for issue in accordance with a resolution of the Board of Directors on 6 October 2020.

2. Basis Of Preparation And Summary Of Significant Accounting Policies

2.1 Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except for land & buildings and plant and machinery that have been held at revalued amounts and are presented in Uganda Shillings ('Ushs'), which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The financial statements provide comparative information in respect of the previous period.

2.2 Statement of compliance

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

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

2.3 Going concern

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

In making its assessments management has considered significant events and transactions as detailed in note 36.

3. Summary Of Significant Accounting Policies

a) Revenue from contracts with customers

The Company is a media enterprise in the business of selling print products, advertising in print and broadcast and printing services. The Company has also entered into the business of events and experiential marketing.

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

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

Sale of goods and advertising

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

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

(i) **Variable consideration**

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

Rights of return

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

(ii) **Significant financing component**

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

3. Summary Of Significant Accounting Policies (Continued)

a) Revenue from contracts with customers (Continued)

(iii) **Non-cash consideration**

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The company did not have contract assets during the year.

Trade receivables

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

Contract liabilities

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

Assets and liabilities arising from rights of return

Right of return assets

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

Refund liabilities

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

Cost to obtain a contract

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

3. Summary Of Significant Accounting Policies (Continued)

a) Revenue from contracts with customers (Continued)

The following specific recognition criteria must also be met before other income is recognised:

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Other revenues earned by the Company are recognised as they are earned and include gains from disposal of the Company's assets.

b) Current versus non-current classification

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

Or

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

All other assets are classified as non-current.

- A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period;
- Or

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

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

c) Property, plant and equipment and right-of-use assets

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Equipment are stated at cost excluding the costs of day–to–day servicing, net of accumulated depreciation and/or accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

3. Summary Of Significant Accounting Policies (Continued)

c) Property, plant & equipment (Continued)

Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the most recently assessed standard of performance of the existing asset will flow to the Company and the renovation replaces an identifiable part of the asset. Major renovations are depreciated over the remaining useful life of the related asset.

Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates. Right-of-use assets are presented together with property and equipment in the statement of financial position – refer to Notes 3(s) and 15. Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

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

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

Depreciation is calculated to write off the cost or valuation of items of property, plant and machinery and equipment less their estimated residual values using the straight-line basis over their estimated useful lives and is generally recognised in profit or loss.

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

Nature of assets	Percentage of depreciation
Plant and machinery	8%
Furniture and office equipment	12.5%
Motor vehicles and motorcycles	25%
Computers and digital cameras	40%
Pre-press equipment	25%
Transmission and studio equipment (TV & Radio)	12.5%-20%
Radio electronic equipment	20%
Television transmission equipment	12.5%
Right of use assets	Straight line over the lease term
• Plant and machinery	• 4years
• Land	• 34-41 years

Depreciation commences once the asset is capitalized and is ready for use as intended by management and ceases on the day when the asset is derecognised.

3. Summary Of Significant Accounting Policies (Continued)

c) Property, plant & equipment (Continued)

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

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

d) Intangible Assets

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

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

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

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

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

Computer software

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives which are estimated to be 15 years on a straight-line basis. Computer software development costs recognised as assets are amortised over their estimated useful lives which are estimated to be 15 years.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and cash on hand which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and cash at bank.

f) Cash dividend

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

g) Financial Instruments

Financial instruments-Initial recognition and subsequent measurement

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

Financial assets

Initial recognition and measurement

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

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

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

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

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

3. Summary Of Significant Accounting Policies (Continued)

g) Financial Instruments (Continued)

Subsequent measurement

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

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

Financial assets at amortised cost (debt instruments)

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

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

  And

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

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

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

Financial assets at fair value through OCI (debt instruments)

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

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

  And

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

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

The Company did not have debt instruments at fair value through OCI during the year ended 30 June 2020 (2019: None).

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

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

3. Summary Of Significant Accounting Policies (Continued)

g) Financial Instruments (Continued)

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

The Company did not have equity instruments at fair value through OCI during the year ended 30 June 2020 (2019: None).

Financial assets at fair value through profit or loss

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

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

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

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

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

The Company did not have Financial assets at fair value through profit or loss during the year ended 30 June 2020 (2019: None).

De-recognition

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

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

  Or

3. Summary Of Significant Accounting Policies (Continued)

g) Financial Instruments (Continued)

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

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

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Disclosures for significant assumptions	Note 3 (r)
Trade and other receivables	Note 31 (c)
Bank balances	Note 31 (c)

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. In simplified approach, an entity does not have to determine the stage of a financial asset because the impairment loss is measured at lifetime ECL for all assets. The Company is applying a single loss-rate approach to receivables or groups of receivables as might be appropriate based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Depending on the data, the Company applies either of two ways of computing the loss rate per period. A loss rate may be computed as the ratio of outstanding invoice amounts beyond the default period and raised invoices at the beginning of each period.

3. Summary Of Significant Accounting Policies (Continued)

g) Financial Instruments (Continued)

In the case where payments data is available, the recovery rate may be computed as a ratio of payments made on bills raised per time period before the default date. The loss rate is then obtained as 1 – Recovery rate. The model utilises monthly billings and collections data. Common approximations are to cap recovery rates at 100% where payments exceed invoice amounts and to cap recovery rates at 0% where there are no collections or credits are experienced rather than collections. The single loss rate is adjusted for forward-looking factors specific to the debtors and the economic environment. The single loss rate estimates are applied to each category of gross receivables. The Company considers whether ECLs should be estimated individually for any period-end receivables, e.g. because specific information is available about those debtors.

The Company considers a financial asset in default when contractual payments are 150 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to the statement of profit or loss.

Refer to Note 36 for disclosures on judgements relating to the Covid-19 pandemic.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, borrowed funds and dividends payable.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

3. Summary Of Significant Accounting Policies (Continued)

g) Financial Instruments (Continued)

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings.

Trade and other payables

After initial recognition, trade payables are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The amortisation is included in profit or loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The Company didn't have any offsetting agreements in the years ended 30 June 2020 and 2019

(h) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples and any other available fair value indicators.

3. Summary Of Significant Accounting Policies (Continued)

h) Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For all assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years.

Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(i) Taxation

The income tax expense for the year comprises current and deferred income tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or equity, in which case the income tax expense is also recognised in other comprehensive income or equity, respectively.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to Uganda Revenue Authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in Uganda. Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

3. Summary Of Significant Accounting Policies (Continued)

i) Taxation (Continued)

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognised outside profit or loss is recognised in other comprehensive income or equity. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on a purchase of goods and services is not recoverable from Uganda Revenue Authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense for the item as applicable; and

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the statement of financial position.

j) Foreign currency transactions and balances

The financial statements are presented in Ugandan Shillings (Ushs), which is also the Company's functional currency. Transactions during the year are converted into Uganda Shillings at rates ruling at the transactions dates. Monetary assets and liabilities at the reporting date, which are expressed in foreign currencies, are translated into Uganda Shillings at rates ruling at that date. The resulting differences from conversion and translation are dealt with in profit or loss in the year in which they arise.

3. Summary Of Significant Accounting Policies (Continued)

j) Foreign currency transactions and balances (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

k) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Onerous contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

l) Leases (Policy applicable before 1 July 2019)

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Company as a lessee

Leases that do not transfer to the company substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

Company as a lessor

Leases where the company does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases.

3. Summary Of Significant Accounting Policies (Continued)

l) Leases (Policy applicable before 1 July 2019) (Continued)

Rental income is recorded as earned based on the contractual terms of the lease in Other operating income. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases (Policy applicable as of 1 July 2019)

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

The right-of-use assets are presented within Note 15 Property, equipment and right-of-use assets and are subject to impairment in line with the company's policy as described in Note 3 (h).

Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The company's lease liabilities are disclosed in Note 24(b).

3. Summary Of Significant Accounting Policies (Continued)

l) Leases (Policy applicable before 1 July 2019) (Continued)

Short-term leases and leases of low-value assets

The company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The company does not have finance leases

m) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Expired and/or damaged stocks are expensed in the year they are determined.

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

n) Employee benefits

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

Gratuity expenses are accrued for staff whose contracts contain gratuity benefits in specific contributions as specified by their contracts and payments made after the contract term has elapsed. During the year, gratuity was fully replaced with the defined contribution plan.

The entity operates a defined contribution plan with Stanlib Uganda, for all qualifying employees. The entity contributes on behalf of each employee a set amount of the gross income on a monthly basis and is recorded as an administrative expense under 'Staff Costs' in profit or loss. There are no unpaid contributions by the end of the reported date.

3. Summary Of Significant Accounting Policies (Continued)

n) Employee benefits (Continued)

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

The Company contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act. The Company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently 10% of the employees' gross salary. The Company's contributions are charged to profit or loss in the period to which they relate.

o) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

p) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

3. Summary Of Significant Accounting Policies (Continued)

p) Fair value (Continued)

- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as property, plant and machinery.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Company's Committee in charge of Valuation determines the policies and procedures for both recurring fair value measurement, and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. External valuers are involved for valuation of significant assets, such as Land and buildings and unquoted financial assets, and significant liabilities, such as contingent consideration.

Involvement of external valuers is determined every time the Company's premises are to be revalued by the Valuation Committee after discussion with and approval by the Board of Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

Valuers assessed and prequalified every 3 years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

a) Disclosures for valuation methods, significant estimates and assumptions Note 32

b) Quantitative disclosures of fair value measurement hierarchy Note 32

c) Property, plant and equipment under revaluation model Note 32

q) Segment reporting

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

3. Summary Of Significant Accounting Policies (Continued)

q) Segment reporting (Continued)

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated on consolidation. Income and expenses associated with each segment are included in determining business segment performance. Refer to note 33 for segment reporting.

r) Significant accounting judgments estimates, and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management Note 31
- Financial instruments risk management and policies Note 31
- Sensitivity analyses disclosures Note 31.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

The Company concluded that it transfers control over its services (i.e., advertisement), at a point in time, upon airing or publishing of the adverts in print and audio and or visual media, because this is when the customer benefits from the Company's advertisement service.

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of newspapers and magazines include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company determined that the most likely amount method is the appropriate method to use in estimating the variable consideration for the sale of newspapers and magazines with rights of return, given the large number of customer contracts that have similar characteristics.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Provisions and contingent liabilities

The company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigations and arbitration.

3. Summary Of Significant Accounting Policies (Continued)

r) Significant accounting judgments, estimates and assumptions (Continued)

When the company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the company is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the company does not include detailed, case-specific disclosers in its financial statements.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

Management has made judgements in determining the provisions presented in Note 26.

Determination of fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. The details of the fair values of financial assets in note 32.

Revaluation of property, plant and equipment

The Company measures the land and buildings and plant and machinery at revalued amounts, with changes in fair value being recognised in OCI. The land and buildings and plant and machinery were valued by reference to transactions involving properties of a similar nature, location and condition. The Company engaged an independent valuation specialist to assess fair values as at 30 June 2017.

The key assumptions used to determine the fair value of the land and buildings and plant and machinery and sensitivity analyses are provided in Note 32.

Impairment of non-financial assets

Impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The carrying amounts of the non-financial assets held by the Company as at 30 June 2020 are as indicated in notes 15 and 17.

3. Summary Of Significant Accounting Policies (Continued)

r) Significant accounting judgments, estimates and assumptions (Continued)

Effective Interest Rate (EIR) method

The company's EIR method, as explained in Note 3 (a), recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financial instruments. This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments and expense that are integral parts of the instrument.

The amounts determined using the EIR method are disclosed in notes 6 and 21.

Impairment losses on financial assets

Provision for expected credit losses of financial assets

The Company applies a single loss-rate approach to receivables or groups of receivables as might be appropriate based on its average historical loss rate. Depending on the data, the Company applies either of two ways of computing the loss rate per period. A loss rate may be computed as the ratio of outstanding invoice amounts beyond the default period and raised invoices at the beginning of each period.

In the case where payments are available, the recovery rate may be computed as a ratio of payments made on bills raised per time period before the default date. The loss rate is then obtained as 1 – Recovery rate. A common approximation is to cap recovery rates at 100% where payments exceed invoice amounts.

The single loss rate is adjusted for forward-looking factors specific to the debtors and the economic environment. The single loss rate estimates are applied to each category of gross receivables.

The Company considers whether ECLs should be estimated individually for any period-end.

The information about the ECLs on the Company's trade and other receivables is disclosed in notes 20 and 31 (c).

Estimating variable consideration for returns

The Company estimates variable considerations to be included in the transaction price for the sale of newspapers and magazines with rights of return. The Company developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages.

These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Company.

Details on the right of return assets and refund liability recognised in the financial statements are included in note 4.3.

Current income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Company and the tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing. As the Company assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no provision has been recognized. Details on the current income tax amounts recognised in the financial statements are disclosed in note 13.

3. Summary Of Significant Accounting Policies (Continued)

r) Significant accounting judgments, estimates and assumptions (Continued)

Property, plant and equipment

Critical estimates are made by the management in determining the useful lives and residual values to property, plant and equipment based on the intended use of the assets and the economic lives of those assets. Subsequent changes in circumstances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from initial estimates.

Details of the Company's property, plant and equipment are disclosed in note 15.

Determination of the lease term for lease contracts with renewal and termination options (Company as a lessee) – Applicable as of 01 July 2019

The company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The company currently has lease contracts that include extension options.

The carrying amounts of the company's lease related balances are disclosed in notes 15 and 24(b).

Estimating the incremental borrowing rate – Applicable as of 01 July 2019

The company cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the company 'would have to pay', which requires estimation when no observable rates are or when they need to be adjusted to reflect the terms and conditions of the lease. The company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments.

The carrying amounts of the company's lease related balances are disclosed in notes 15 and 24(b).

Refer to Note 36 for disclosures on assumptions and judgements relating to the Covid-19 pandemic.

s) Changes in accounting standards

New and amended standards and interpretations

During the current year, the company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 January 2019. The company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The Company has listed the disclosure of new and amended standards and interpretations that are effective from 1 January 2019, that had an impact on the Company's financial statements.

The adoption of these new and revised standards and interpretations is described below.

3. Summary Of Significant Accounting Policies (Continued)

s) Changes in accounting standards (Continued)

IFRS 16-Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise /most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the company is the lessor.

The Company adopted IFRS 16 using the option (ii) of the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied from the beginning of the current period with neither restatements nor effects to retained earnings. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019. Instead, the company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The Company has lease contracts for property and machinery. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 3 (i) for the accounting policy prior to 1 January 2019.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 3 (l) for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

Leases previously accounted for as operating leases under IAS 17

The company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The right of Use asset was recognized an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

3. Summary Of Significant Accounting Policies (Continued)

s) Changes in accounting standards (Continued)

The effect of adopting IFRS 16 as at 1 July 2019 led to an increase/(decrease) in the line items in the financial statements, as follows:

	1 July 2019 Ushs '000
Assets	
Property, plant and equipment and right-of-use assets (Note 15)	3,163,257
Prepaid operating leases	(3,163,257)
Receivables	-
Total Assets	-

Right-of-use assets of Ushs 3,163 million were recognised and presented in the statement of financial position within "Property, plant and equipment and right-of-use assets". These relate to prepaid operating leases which were assessed in line with IFRS 16 and were found to meet the criteria in IFRS 16 as well as the definition of property and equipment and as such were reclassified to "Property, plant and equipment and right-of-use assets".

- There were no lease liabilities recognised as at 01 July 2019.The adoption of IFRS 16 had no impact on the company's retained earnings

Below are standards issued and effective during the year that had no impact on the Company's financial statements;

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28: Long-term interests in associates and joint ventures
- Annual Improvements 2015-2017 Cycle
    - IFRS 3 Business Combinations
    - IFRS 11 Joint Arrangements
    - IAS 12 Income Taxes
    - IAS 23 Borrowing Costs

3. Summary Of Significant Accounting Policies (Continued)

s) Changes in accounting standards (Continued)

New and revised International Financial Reporting Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are not expected to have a significant impact on the company's financial statements.
These standards and interpretations are listed below;

- Definition of a Business – Amendments to IFRS 3 -effective 1 January 2020
- Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7 -effective 1 January 2020
- Definition of Material – Amendments to IAS 1 and IAS 8 -effective 1 January 2020
- The Conceptual Framework for Financial Reporting-effective 1 January 2020
- Covid-19-Related Rent Concessions – Amendment to IFRS 16-effective 1 June 2020
- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 -effective 1 January 2022
- Reference to the Conceptual Framework – Amendments to IFRS 3 -effective 1 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 -effective 1 January 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37-effective 1 January 2022
- AIP IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first- time adopter -effective 1 January 2022
- AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities -effective 1 January 2022
- AIP IAS 41 Agriculture – Taxation in fair value measurements-effective 1 January 2022
- IFRS 17 Insurance Contracts -effective 1 January 2023
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 -postponed indefinitely

4 Revenues From Contracts With Customers

4.1 Disaggregated revenue information

The Company presents disaggregated revenue based on the type of goods/services provided to customers, the nature of customer, nature of supply i.e. good or service and the timing of transfer of goods/services.

Set out below is the disaggregation of the Company's revenue from contracts with customers:

SEGMENTS	2020	2019
(a) Types of goods and services	**Ushs'000**	**Ushs'000**
Print Media		
Advertising	25,569,253	29,284,005
Design House	63,745	114,330
Circulation	18,531,990	20,819,863
Sub total	**44,164,988**	**50,218,198**
Electronic media		
Advertising	24,423,154	24,578,070
TV production	444,569	43,798
Digital	1,450,032	1,902,678
Sub total	**26,317,755**	**26,524,546**
Commercial Printing	**18,416,574**	**9,910,340**
Others		
Events	1,741,467	2,199,008
Scrap sales	1,114,776	1,304,828
Sub total	**2,856,243**	**3,503,836**
Total Revenue from contracts with customers	**91,755,560**	**90,156,920**
(b) Nature of Customer		
Companies	32,159,267	34,786,383
Government departments	17,476,504	11,458,460
Advertising Agencies	9,178,037	11,433,033
Schools and Universities	2,845,722	3,652,857
Other customers*	30,096,030	28,826,187
Total Revenue from contracts with customers	**91,755,560**	**90,156,920**

*Other customers include newspaper/ radio agents and individuals with walk in/adhoc sales.

4 Revenues From Contracts With Customers (Continued)

4.1 Disaggregated revenue information (Continued)

(c) Nature of supply	2020	2019
	Ushs'000	Ushs'000
Sale of goods	19,646,766	22,124,692
Rendering of services	72,108,794	68,032,228
Revenue	**91,755,560**	**90,156,920**

Sale of goods include circulation and scrap sales. The rest of the offerings are sale of services.

(d) Timing of revenue recognition

The Company's revenue is entirely made up of sale of goods and services transferred at a point in time and, therefore, it does not have any revenue that is recognised over time.

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (Note 33)

Year ended 30 June 2020	Print media Ushs'000	Electronic media Ushs'000	Commercial printing Ushs'000	Others Ushs'000	Total Ushs'000
Revenue					
External customer	44,164,988	26,317,755	18,416,574	2,856,243	91,755,560
Inter - segment	296,351	246,959	40,789	-	584,099
	44,461,339	26,564,714	18,457,363	2,856,243	92,339,659
Inter-segment adjustments and eliminations	(296,351)	(246,959)	(40,789)	-	(584,099)
Total revenue from contracts with customers	**44,164,988**	**26,317,755**	**18,416,574**	**2,856,243**	**91,755,560**

Year ended 30 June 2019	Print media Ushs'000	Electronic media Ushs'000	Commercial printing Ushs'000	Others Ushs'000	Total Ushs'000
Revenue					
External customer	50,218,198	26,524,546	9,910,340	3,503,836	**90,156,920**
Inter - segment	418,432	338,493	516,927	-	**1,273,852**
	50,636,630	**26,863,039**	**10,427,267**	**3,503,836**	**91,430,772**
Inter-segment adjustments and eliminations	(418,432)	(338,493)	(516,927)	-	(1,273,852)
Total revenue from contracts with customers	**50,218,198**	**26,524,546**	**9,910,340**	**3,503,836**	**90,156,920**

4.2 Contract balances

	2020	2019
	Ushs'000	Ushs'000
Trade receivables	**26,441,840**	**19,207,510**

Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days.

Refer to note 20 for the ECLs on trade receivables.

The movements in the trade receivables balances relate to sales, collections and write offs made during the period.

4 Revenues From Contracts With Customers (Continued)

4.2 Contract balances (Continued)

	2020	2019
	Ushs'000	Ushs'000
Contract liabilities	**1,768,338**	**1,568,681**

Contract liabilities include short-term advances received to deliver adverts after the reporting date, security deposits by newspaper agents and any other advance payments by customers which are generally short term in nature.

The composition of the contract liabilities at reporting date is analysed as below:

	2020	2019
	Ushs'000	Ushs'000
Advances for advertisements	732,214	889,985
Special deposits and other advances from customers	1,036,124	678,696
	1,768,338	**1,568,681**

The amount of revenue recognised from contract liabilities during the year is indicated in reconciliation of movement in the contract liabilities during the year below;

	2020	2019
	Ushs'000	Ushs'000
At the beginning of the year	**1,568,681**	**2,749,049**
Additions	1,118,026	3,211,697
Revenue recognised during the year	(918,369)	(4,392,065)
At 30 June	**1,768,338**	**1,568,681**

Information about the Company's performance obligations is summarised in note 3(a).

4.3 Right of return assets and refund liabilities

	2020	2019
	Ushs'000	Ushs'000
Right of return assets	**12,728**	**31,929**

Below is a reconciliation of the movement in the right of return assets during the year:

	2020	2019
	Ushs'000	Ushs'000
At the beginning of the year	31,929	-
Impact of initial application of IFRS 15	-	31,978
Actual returns in current year relating to prior year sales	(15,537)	(19,466)
Increase/(Decrease) in expected returns	(3,664)	19,417
At 30 June	**12,728**	**31,929**

	2020	2019
	Ushs'000	Ushs'000
Refund liabilities	**17,926**	**42,573**

4 Revenues From Contracts With Customers (Continued)

4.3 Right of return assets and refund liabilities (Continued)

Below is a reconciliation of the movement in the refund liabilities during the year:

	2020	2019
	Ushs'000	Ushs'000
At the beginning of the year	42,573	-
Impact of initial application of IFRS 15	-	42,465
Actual returns in current year relating to prior year sales	(21,884)	(25,953)
(Decrease)/(Increase) in expected returns	(2,763)	26,061
At 30 June	**17,926**	**42,573**

All right of return assets and refund liabilities arise from rights of return of newspapers and magazines.

5. COST OF SALES

	2020	2019
	Ushs'000	Ushs'000
Cost of materials consumed		
Opening stock	8,616,917	5,267,139
Purchases during the year	14,506,613	20,735,711
Closing stock	(6,362,623)	(8,616,917)
	16,760,907	**17,385,933**
Direct costs*	42,801,651	43,669,892
Sales commission	7,860,541	7,028,833
Increase in provision for stock obsolescence	67,620	243,377
	67,490,719	**68,328,035**

*Direct costs are analysed further as indicated below:

	2020	2019
	Ushs'000	Ushs'000
Direct costs		
Production staff salaries	15,354,070	16,455,984
NSSF Company contribution -production staff	1,481,166	1,709,662
Other production staff costs	971,689	1,031,359
Depreciation on property, plant and equipment and right of use assets	4,049,192	3,832,940
Content contributors' payments	3,975,995	4,079,813
Utilities	904,770	1,113,172
Other production costs	4,496,564	3,095,923
Repairs and maintenance	1,881,930	1,943,147
TV content	3,471,163	3,438,015
News services & licenses	719,550	909,856
Motor vehicle running costs	881,321	893,219
Insurance	500,962	491,741
Editorial content	422,656	190,432
Event costs	931,224	1,233,062
Other direct costs*	2,759,399	3,251,567
	42,801,651	**43,669,892**

* Other direct costs consist of promotional, communication and meeting expenses.

6. OTHER INCOME

	2020	2019
	Ushs'000	Ushs'000
Interest income*	717,409	831,471
Gain on disposal of property, plant and equipment	20,835	41,695
Write back of provision for litigations (note 26)	315,000	62,500
Other miscellaneous income	425,620	585,877
	1,478,864	**1,521,543**

*All interest income is calculated using the effective interest method.

7. DISTRIBUTION COSTS

	2020	2019
	Ushs'000	Ushs'000
Transportation of newspapers	1,757,732	1,742,097

8. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

Trade receivables	1,196,619	427,937
Staff advances	79,282	53,233
	1,275,901	**481,170**

9. ADMINISTRATIVE EXPENSES

		2020	2019
		Ushs'000	Ushs'000
(a)	**Staff costs**		
	Salaries and wages	5,238,304	5,566,597
	National Social Security Fund employer contributions	500,987	621,712
	Other staff costs	712,526	668,834
	Gratuity	3,215	708,031
	Medical expenses	1,130,748	1,131,106
	Staff training and team building	286,306	384,380
	Company contribution to staff provident fund	1,023,695	333,888
		8,895,781	**9,414,548**
(b)	**Other administrative expenses**		
	Repairs and maintenance	1,856,422	1,420,896
	Printing and Stationery	242,224	283,879
	Internet and network costs	907,126	815,750
	Motor vehicle running costs	587,547	595,480
	Provision for litigation	696,160	590,043
	Communication costs	94,168	99,348
	Bank charges and commission	137,143	123,523
	Listing expenses	88,022	94,475
	Audit fees	125,676	93,246
	Directors' expenses	532,672	536,891
	Other administrative costs	771,811	695,119
		6,038,971	**5,348,650**
		14,934,752	**14,763,198**

10. OTHER OPERATING EXPENSES

	2020	2019
	Ushs'000	Ushs'000
Rent and rates*	164,662	164,174
General insurance	123,033	134,489
Electricity and water	502,527	440,138
Security expenses	389,331	348,779
Depreciation and amortisation	1,464,282	1,361,236
Net foreign exchange loss.	56,421	5,905
	2,700,256	2,454,721

*The rental expenses recorded for year ended 30 June 2020 relate to tenancy agreements that have been considered not to convey right of use to the Company because the Company does not have the right to determine how and for what purpose the premises are used. The tenancy agreements average 3 years and are renewable.

11. FINANCE COSTS

	2020	2019
	Ushs'000	Ushs'000
Interest on lease liability (note 24(b))	119,778	-
Interest on borrowed funds (note 28)	60,502	-
	180,280	-

All interest expenses are calculated using the effective interest method.

12. PROFIT BEFORE TAXATION

The following items have been charged/(credited) in arriving at the profit before taxation:

	2020	2019
	Ushs'000	Ushs'000
Depreciation of property, plant and equipment and right of use asset	5,488,851	5,194,174
Amortisation of pre-paid operating lease rentals		98,958
Amortisation of intangible assets	24,622	20,084
Impairment losses on financial assets	1,275,901	481,170
Provision for litigations	696,160	590,043
Auditors' remuneration	125,676	93,246
Gain on disposal of property, plant and equipment	(20,835)	(41,695)
Directors' expenses	**532,672**	**536,890**

13. TAXATION

	2020	2019
	Ushs'000	Ushs'000
a) Current income tax recoverable		
At the beginning of the year	287,925	55,311
Charge for the year	(2,251,593)	(1,647,686)
Under provision in prior years	(39,568)	-
Tax paid during the year	2,370,962	1,880,300
At 30 June	**367,726**	**287,925**

13. TAXATION (CONTINUED)

b) Income tax expense

	2020	2019
	Ushs'000	Ushs'000
Current tax	2,251,593	1,647,686
Under provision in prior years	39,568	-
Deferred tax	(57,745)	132,783
Total tax charge	**2,233,416**	**1,780,469**

c) Reconciliation of accounting tax charge

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

Accounting profit for the year	4,894,784	3,909,242
Tax at applicable rate of 30% (2019: 30%)	1,468,435	1,172,773
Expenses not deductible	781,083	651,150
Incomes not taxable	(16,102)	(43,454)
	2,233,416	1,780,469

(d) Deferred tax

Deferred income taxes are calculated on all temporary differences using the liability method at the prevailing corporation tax rate of 30% (2019: 30%) The net deferred income tax liability is attributed to the following;

	As at 1 July 2019	Charge/ (Credit) to Equity	Charge to Profit or loss	As at 30 June 2020
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Accelerated depreciation	3,594,375		134,715	3,729,090
Capital gains/revaluations	4,763,410	(503,788)		4,259,622
Provision for litigations	(268,950)	-	(63,498)	(332,448)
Provision for impairment loss	(260,654)	-	(167,797)	(428,451)
Gratuity provision	(1,244)	-	280	(964)
Provision for slow moving inventory	(283,891)	-	36,922	(246,969)
Refund liability	(12,772)	-	7,394	(5,378)
Return asset	9,579	-	(5,761)	3,818
	7,539,853	(503,788)	(57,745)	6,978,320

	As at 1 July 2019	Charge/ (Credit) to Equity	Charge to Profit or loss	As at 30 June 2020
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Accelerated depreciation	3,485,865	-	108,510	3,594,375
Capital gains/revaluations	5,266,779	(503,368)	-	4,763,410
Unrealised foreign exchange losses	(28,883)	-	28,883	-
Unrealised foreign exchange gains	66,523	-	(66,523)	-
Provision for litigations	(214,356)	-	(54,594)	(268,950)
Provision for impairment loss	(1,108,690)	882,699	(34,663)	(260,654)
Gratuity provision	(210,130)	-	208,886	(1,244)
Provision for slow moving inventory	(226,222)	-	(57,669)	(283,891)
Refund liability	-	(12,740)	(32)	(12,772)
Return asset	-	9,593	(15)	9,579
	7,030,886	376,184	132,783	7,539,853

14. DIVIDENDS AND EARNINGS PER SHARE

a. Dividends per share (DPS)

The Directors recommended payment of a dividend of Ushs 18 per share amounting to Ushs 1,377,000,000 (2019: Ushs 1,912,500,000).

	2020	2019
Dividend proposed (**Ushs'000**)	1,377,000	1,912,500
Number of ordinary shares	76,500,000	76,500,000
DPS (Ushs)	18.00	25.00

b. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	2020	2019
Profit attributable to ordinary equity holders (**Ushs'000**)	2,661,368	2,128,773
Weighted average number of ordinary shares for basic EPS	76,500,000	76,500,000
EPS (Ushs)	34.80	27.80

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

15. PROPERTY, PLANT & EQUIPMENT AND RIGHT-OF-USE ASSETS

	Land & Buildings	Plant and Machinery	Motor Vehicles & Motor-cycles	Furniture and Equipment	TV and Radio Transmission, Studio Equipment & Electronics	Computers	Cameras & Pre-press equipment	Right of Use asset	Capital work in progress*	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
COST & VALUATION										
At 1 July 2018	16,190,383	30,171,183	2,609,778	2,754,703	5,541,256	5,001,949	3,261,007	-	-	65,530,259
Additions in the year	-	251,336	450,583	149,923	134,946	854,136	363,911	-	-	2,204,835
Disposals	-	-	(198,116)	(8,441)	-	-	-	-	-	(206,557)
At 30 June 2019	**16,190,383**	**30,422,519**	**2,862,245**	**2,896,185**	**5,676,202**	**5,856,085**	**3,624,918**	**-**	**-**	**67,528,537**
Effect of adoption of IFRS 16 (note 3(s))	-	-	-	-	-	-	-	-	-	-
Effect of adoption of IFRS 16 (note 16)	-	-	-	-	-	-	-	3,163,257	-	3,163,257
Additions to right of use assets- cash	-	-	-	-	-	-	-	14,953	-	14,953
Additions to right of use assets-non- cash	-	-	-	-	-	-	-	832,556	-	832,556
Additions to property and equipment	-	409,716	194,140	43,843	467,652	840,537	398,695	-	571,198	2,925,781
Disposals	-	-	-	(36,669)	-	(130,691)	-	-	-	(167,360)
Adjustments**	-	(11,569)	(46,117)	(71,381)	-	(396,584)	-	-	-	(525,651)
At 30 June 2020	**16,190,383**	**30,820,666**	**3,010,268**	**2,831,978**	**6,143,854**	**6,169,347**	**4,023,613**	**4,010,766**	**571,198**	**73,772,073**

15. PROPERTY, PLANT & EQUIPMENT AND RIGHT OF USE ASSETS (CONTINUED)

	Land & Buildings	Plant and Machinery	Motor Vehicles & Motor-cycles	Furniture and Equipment	TV and Radio Transmission, Studio Equipment & Electronics	Computers	Cameras & Pre-press equipment	Right of Use asset	Capital work in progress	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000		Ushs'000
ACCUMULATED DEPRECIATION										
/At 1 July 2018	867,843	2,678,749	2,184,080	2,342,122	3,486,802	4,711,645	3,140,973	-	-	19,412,214
Elimination on disposal	-	-	(194,116)	(7,833)	-	-	-	-	-	(201,949)
Charge for the year	894,725	2,714,220	254,657	269,327	463,405	470,048	127,794	-	-	5,194,176
At 30 June 2019	**1,762,568**	**5,392,969**	**2,244,621**	**2,603,616**	**3,950,207**	**5,181,693**	**3,268,767**	-	-	**24,404,441**
At 1 July 2019	1,762,568	5,392,969	2,244,621	2,603,616	3,950,207	5,181,693	3,268,767	-	-	24,404,441
Elimination on disposal	-	-	-	(34,880)	-	(127,793)	-	-	-	(162,673)
Adjustments**	-	(14,473)	(46,117)	(239,379)	-	(396,582)	170,900	-	-	(525,651)
Charge for the year	895,071	2,672,580	353,878	116,583	469,413	488,627	237,846	254,853	-	5,488,851
At 30 June 2020	**2,657,639**	**8,051,076**	**2,552,382**	**2,445,940**	**4,419,620**	**5,145,945**	**3,677,513**	**254,853**	-	**29,204,968**
NET CARRYING AMOUNT										
At 30 June 2020	**13,532,744**	**22,769,590**	**457,886**	**386,038**	**1,724,234**	**1,023,402**	**346,100**	**3,755,913**	**571,198**	**44,567,105**
At 30 June 2019	**14,427,815**	**25,029,550**	**617,624**	**292,569**	**1,725,995**	**674,392**	**356,151**	-	-	**43,124,096**

*Capital work in progress relates to the on-going construction work at the Namanve land.

**Adjustments relate to correction of misclassifications within the different classes of property, plant and equipment. The net effect of the adjustments on the carrying amount is nil.

15. PROPERTY, PLANT & EQUIPMENT (CONTINUED)

(i) Net carrying amounts of land, buildings and plant and machinery at cost:

If the land, buildings and plant and machinery were measured using the cost model, the carrying amounts would be as follows:

30 June 2020	Land & buildings	Plant & machinery	Total
	Ushs' 000	Ushs' 000	Ushs' 000
Cost	9,467,867	18,293,090	27,760,957
Accumulated depreciation	(2,884,152)	(15,235,225	(18,119,377)
Net carrying amount	**6,583,715**	**3,057,865**	**9,641,580**

30 June 2019	Land & buildings	Plant & machinery	Total
	Ushs' 000	Ushs' 000	Ushs' 000
Cost	9,467,867	17,894,943	27,362,810
Accumulated depreciation	(2,695,494)	(13,771,778)	(16,467,272)
Net carrying amount	**6,772,373**	**4,123,165**	**10,895,538**

Refer to note 32 for the related fair value disclosures.

(ii) Set out below is the make-up of the recognised right of use assets as at:

30 June 2020	Land	Plant & machinery	Total
	Ushs' 000	Ushs' 000	Ushs' 000
Cost	4,181,314	832,556	5,013,870
Accumulated depreciation	(1,101,853)	(156,104)	(1,257,957)
Net carrying amount	**3,079,461**	**676,452**	**3,755,913**

(iii) The Company has not pledged any item of property, plant and equipment and right of use assets as security as at 30 June 2020 (30 June 2019: Nil).

16. PREPAID OPERATING LEASE RENTALS

	2019
	Ushs'000
Cost	
At the beginning of the year	4,166,360
Accumulated amortisation	
At the beginning of the year	(904,145)
Charge for the year	(98,958)
At 30 June	**(1,003,103)**
Net carrying amount	**3,163,257**

The prepaid operating leased properties all relate to land at Namanve.

As a result of adoption of IFRS 16 the prepaid operating leases were assessed to be right of use assets that meet the definition of property, plant and equipment and were therefore reclassified to property, plant & equipment and right of use assets. (Refer to note 3(s)).

17. INTANGIBLE ASSETS

Computer software	2020	2019
Cost	**Ushs'000**	**Ushs'000**
At the beginning of the year	2,175,012	2,113,377
Additions	417,090	61,635
At 30 June	**2,592,102**	**2,175,012**
Amortisation		
At the beginning of the year	(2,088,695)	(2,068,611)
Charge for the year	(24,622)	(20,084)
At 30 June	**(2,113,317)**	**(2,088,695)**
Net carrying amount	**478,785**	**86,317**

18. TAX DEPOSIT RECOVERABLE

The Company has been contesting an assessment by Uganda Revenue Authority (URA)amounting to Ushs 8,491 million as unpaid PAYE for sales executives, who URA categorised as employees; and Ushs 75 million as unpaid VAT. A temporary injunction was secured restraining any enforcement of tax collection measures against the Company until determination of the main application. The Company paid Ushs 2,569,777,416, equivalent to 30% of the tax in dispute to URA. This was done pursuant to Section 15 of the Tax Appeals Tribunal Act Cap 345.

On 31 August 2020 a consent decision was reached between URA and the Company in which the URA Commissioner General communicated that URA would now treat sales executives as independent contractors and was vacating the assessments earlier raised in this regard. Accordingly, the Company agreed to withdraw TAT Case No. 12 of 2019 New Vision Printing & Publishing Company Limited Vs URA. As at the date of approval of these financial statements the Company lawyers and URA lawyers were still finalising the case closure procedures at the Tax Appeals Tribunal.

19. INVENTORIES

	2020	2019
	Ushs'000	**Ushs'000**
Commercial paper	2,448,901	2,226,777
Newsprint	2,942,355	3,958,142
Machine consumables	874,465	1,086,799
Plates and chemicals	276,228	533,639
Films, inks and materials	444,536	466,824
Computer stationery	164,844	160,728
Work in progress	250,603	184,008
	7,401,932	**8,616,917**
Less: provision for stock obsolescence*	(823,230)	(946,304)
	6,578,702	**7,670,613**

*The movement in the provision for stock obsolescence during the year is analysed below:

At the beginning of the year	946,304	754,073
Increase in provision for stock obsolescence during the year	67,620	243,377
Write-off during the year	(190,694)	(51,146)
At 30 June	**823,230**	**946,304**

20. TRADE AND OTHER RECEIVABLES

	2020	2019
	Ushs'000	**Ushs'000**
Trade receivables	27,838,333	20,129,588
Staff advances	780,431	799,197
Less: impairment allowance*	(1,428,170)	(868,845)
Net trade and other receivables	27,190,594	20,059,940
Prepayments	8,153,438	3,667,995
	35,344,032	**23,727,935**

*The movement in the impairment allowance during the year is analysed as follows:

	2020	2019
	Ushs'000	**Ushs'000**
At the beginning and end of the year	868,845	3,695,633
Impact of initial application of IFRS 9	-	(2,942,322)
Increase in impairment allowance during the year	1,275,901	481,170
Write-off	(716,576)	(365,636)
At 30 June	**1,428,170**	**868,845**

21. DEPOSITS WITH COMMERCIAL BANKS

At the beginning of the year	4,938,649	9,724,488
Placements	17,200,000	10,200,000
Maturities	(13,200,000)	(15,200,000)
Interest accrued	717,409	831,471
Interest received	(555,619)	(617,310)
	9,100,439	**4,938,649**

The deposits have been used to secure borrowed funds. Refer to note 28.

22. CASH AND CASH EQUIVALENTS

Cash and bank balances		
Cash on hand	113,354	295,886
Cash at bank	3,040,166	4,105,679
	3,153,520	**4,401,565**
Amounts not available for the Company's day to day operations		
Grant related balances (note 25)	(428,405)	(149,854)
	2,725,115	**4,251,711**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the above balance less amounts held specifically for the running of the DGF project and therefore not available for day to day operations as disclosed in note 25.

23 (a) SHARE CAPITAL

	2020 Ushs'000	2019 Ushs'000
Authorised, issued and fully paid:		
76,500,000 ordinary shares of Ushs 19.66 each	1,503,990	1,503,990
23(b) Share premium		
The share premium comprises 25,500,000 ordinary shares of Shs 19.66 each which were issued at a premiumof Shs 1,080.34 per share less costs of Shs 389,806,000.	27,158,864	27,158,864

24. TRADE AND OTHER PAYABLES

(a) Trade and other payables

	2020	2019
Trade payables	7,121,259	1,675,834
Payroll tax liabilities	515,529	1,154,344
VAT payable	347,886	939,507
WHT payable	243,254	173,178
Other payables	1,488,575	1,716,204
	9,716,503	5,659,067

Generally, trade payables and other payables consist of non-interest-bearing short-term liabilities due to suppliers of supplies and services and are normally settled within twelve months.

(b) Lease liability

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2020 Ushs '000
As at 1 January – Effect of adoption of IFRS 16(note 3(s))	-
Additions	832,556
Accretion of interest	119,778
Repayment of principal portion of lease liabilities	(108,258)
Repayment of interest portion of lease liabilities	(119,778)
As at 30 June 2020	724,298
Current	173,321
Non-Current	550,977
	724,298

The Company had total cash outflows for leases of Ushs 228 million in the year ended 30 June 2020. The Company also had non-cash additions to right-of-use assets and lease liabilities of Ushs 833 million in the year ended 30 June 2020.

The company entered into commercial leases for premises and plant and machinery. The leases have an average life of three years.

As at the reporting date the company had no leases with lease terms of 12 months or less and leases with low value.

24. TRADE AND OTHER PAYABLES (CONTINUED)

The maturity analysis of lease liabilities is disclosed below:

	2020
Maturity period	**Ushs '000**
Due within 1 year	173,321
Due within 1 to 5 years	550,977
Total liability	724,298

The maturity analysis of the lease liabilities for purposes of IFRS 7 is disclosed in note 31(e).

The following are the amounts recognised in the statement of profit or loss:

	2020 Ushs '000
Interest expense on lease liabilities	119,778
Depreciation expense of right-of-use assets	254,853
	374,631

25. GRANT LIABILITY

	2020 Ushs'000	2019 Ushs'000
Democratic Grant Facility (DGF)	428,405	149,854
	428,405	149,854

The overall movement in DGF grant liability during the year was as follows:

At beginning of the year		149,854	-
Cash received during the year		902,174	303,011
Direct project expenditure	(i)	(397,368)	(81,818)
Service offering charges	(ii)	(226,255)	(71,339)
At 30 June		428,405	149,854

Democratic Grant Facility (DGF)

On 26 February 2019, the Company entered into a partnership agreement with the Democratic Grant Facility (DGF) to run a project titled "Promotion of Human Rights and Enhancing Access to Justice through Media Interventions." Under this project, the Company through its media platforms, increases awareness about people's legal and human rights, and enhances accountability for violation of rights. The project highlights challenges encountered in accessing justice, encourages accountability by duty bearers and ultimately improves access to justice. This project is being implemented by NVPPCL with support from DGF as the donor.

It is an 18 months project running up to 31 August 2020, with a budget of Ushs 1,345 million. Implementation officially started on 01 March 2019. During the year ended 30 June 2020, the Company received Ushs 902 million (2019: Ushs 303 million).

25. GRANT LIABILITY (CONTINUED)

The Company maintains a project specific bank account where cash is drawn for expenses related to project and these are disbursed majorly in 2 ways below:

i. Costs including project staff salaries and facilitation for reporters working on related stories are met by funds from this project on actual basis. The Company offsets the related income and expense in the profit or loss being the elected policy on accounting for expense grants.
ii. In execution of the project activities the Company also serves the project with its offerings which are billed and recovered from the project. Such offerings include covering and airing stories enhancing respect for human rights and access to justice, conducting of quarterly media surveys and opinion polls on access to justice and human rights observance, conducting of radio Talk-shows and TV Talk shows monthly to increase public awareness of legal and human rights, dissemination of weekly legal and human rights awareness messages online and on social media, production and dissemination of drama skits for radio and skits for TV on human rights and access to justice, conducting outdoor studios (BIMEEZA) and conducting live TV broadcasts. For these the Company recovers cash from the project funds and recognises revenue on the services offered.

26. PROVISION FOR LITIGATIONS

	2020	2019
	Ushs'000	Ushs'000
At the beginning and end of the year	896,500	714,521
Materialised claims during the year	(169,500)	(345,564)
Provision in the period	696,160	590,043
Write back during the year	(315,000)	(62,500)
At 30 June	1,108,160	896,500

The Company is a defendant in several litigation cases majorly relating to libel, defamation and exemplary damage charges, for which judgements had not been reached by the authorisation date of these financial statements.

Provisions were made for estimates of likely pay outs resulting from the cases for which the Company's chances of success were assessed as remote and moderate. Likelihood of success was based on the entity's lawyers' assessments of the status of litigations.

27. DIVIDENDS PAYABLE

	2020	2019
	Ushs'000	Ushs'000
At the beginning and end of the year	2,041,432	999,591
Dividend declared in the year	1,912,500	1,912,500
Dividend paid in the year	(879,827)	(870,659)
At 30 June	3,074,105	2,041,432

28. BORROWED FUNDS

	2020	2019
	Ushs'000	Ushs'000
At 1 July 2019	-	-
Proceeds during the year	5,000,000	-
Interest accrued	60,502	-
Interest repayment	(60,502)	-
At 30 June	**5,000,000**	-

The Company secured a short-term credit facility of Ushs 7 billion from Standard Chartered Bank Uganda Limited in May 2020 to finance the strategic initiatives and mitigate the decline in cash flows occasioned by the impact of COVID-19 on the business operations.

The loan facility has two components; an overdraft of Ushs 2 billion at an interest rate of 12.501% pa and a short-term loan of Ushs 5 billion at an interest rate of 14.303% pa for a duration of 12 months. The loan is repayable in three (3) equal instalments of Ushs 1.7 billion net of interest in October 2020, April 2021 and June 2021.The overdraft had been fully repaid by year end.

The loan is secured against the company's fixed deposits with the Bank, disclosed in note 21.

The Company had utilised and fully repaid the overdraft component of the facility as at 30 June 2020 hence no liability.

29. CASH FROM OPERATING ACTIVITIES

		2020	2019
		Ushs'000	Ushs'000
Profit before tax	**Note**	**4,894,784**	**3,909,242**
Adjustments for:			
Depreciation of property, plant and equipment and right of use assets	15	5,488,851	5,194,176
Amortisation of prepaid operating leasehold land	16	-	98,958
Amortisation of intangible assets	17	24,622	20,084
Gain on disposal of property, plant and equipment	6	(20,835)	(41,695)
Interest income on deposits with commercial banks	6	(717,409)	(831,471)
Increase in provision for litigations	9(b)	696,160	590,043
Write back of provision for litigations	26	(315,000)	(62,500)
Increase in allowance for expected credit losses	8	1,275,901	481,170
Increase in provision for stock obsolescence	5	67,620	243,377
Interest expense on lease liabilities	24(b)	119,778	-
Interest expense on borrowed funds	11	60,502	-
Working capital changes:			
Decrease/ (increase) in inventories		1,024,290	(3,400,924)
Increase in trade and other receivables		(12,891,999)	(4,173,480)
Increase/(Decrease) in contract liabilities		199,657	(1,180,368)
Decrease/(Increase) in right of return asset		19,202	(31,929)
(Decrease)/Increase in refund liability		(24,646)	42,573
Increase/(Decrease) in trade and other payables		3,887,933	(578,410)
		3,789,411	**278,846**
Repayment of interest portion of lease liabilities	24(b)	(119,778)	-
Interest paid on borrowed funds	28	(60,502)	-
Tax deposit paid	18	-	(2,569,777)
Tax paid	13	(2,370,962)	(1,880,300)
Net cash flow generated from / (used in) operating activities		**1,238,169**	**(4,171,231)**

30. RELATED PARTY TRANSACTIONS

		2020	2019
a.	**Transactions with related parties**	**Ushs'000**	**Ushs'000**
	Government ministries, departments and agencies	23,580,916	11,458,460
	National Insurance Corporation Limited	54,746	101,691
	National Social Security Fund	167,591	304,642
		23,803,253	11,864,793

b.	**Amounts due from related parties**		
	Government ministries, departments and agencies	15,891,025	7,826,924
	National Insurance Corporation Limited	34,040	180,568
	National Social Security Fund	110,802	91,614
		16,035,867	8,099,106
	Less: impairment allowance	406,813	205,633
		15,629,054	7,893,473

Movements in the related party balances are analysed further below:

	At 1 July 2019	Billings	Collections	At 30 June 2020
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Government ministries, departments and agencies	7,826,924	23,580,916	(15,516,815)	15,891,025
National Insurance Corporation Limited	180,568	54,746	(201,274)	34,040
National Social Security Fund	91,614	167,591	(148,403)	110,802
	8,099,106	23,803,253	(15,866,492)	16,035,867

	At 1 July 2019	Billings	Collections	At 30 June 2020
	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Government ministries, departments and agencies	4,937,060	11,458,460	(8,568,596)	7,826,924
National Insurance Corporation Limited	62,266	101,691	-	180,568
National Social Security Fund	56,278	304,642	(269,306)	91,614
	5,055,604	11,864,793	(8,821,291)	8,099,106

Dividend transactions and balances	2020	2019
Dividends declared in the year	**Ushs'000**	**Ushs'000**
National Insurance Corporation Ltd	51,638	51,638
National Social Security Fund	375,041	375,041
Ministry of Finance, Planning & Economic Development	1,020,000	1,020,000
	1,446,679	1,446,679
Dividends paid in the year		
National Insurance Corporation Ltd	51,704	51,638
National Social Security Fund	375,000	375,041
	426,704	426,679
Dividends payable		
Ministry of Finance, Planning & Economic Development	2,840,000	1,820,000
	2,840,000	1,820,000

30. RELATED PARTY TRANSACTIONS (CONTINUED)

Nature of relationship, transactions and terms and conditions

(i) **Government of Uganda**

The Government has 53.34% control of the Company. The Company's transactions with the Government relate to sale of newspapers, magazines and adverts through its different plat forms. Credit is issued on normal terms between 30-90 days. The Company also pays to the Government dividends since it is a shareholder.

(ii) **National Insurance Corporation Limited**

National Insurance Corporation Limited has 2.7% shareholding in the Company. The Company's transactions with National Insurance Corporation Limited relate to sale of newspapers, magazines and adverts through its different plat forms. Credit is issued on normal terms between 30-90 days. The Company also pays to National Insurance Corporation Limited dividends since it is a shareholder.

(iii) **National Social Security Fund**

National Social Security Fund has 19.61% shareholding in the Company. The Company's transactions with National Social Security Fund relate to sale of newspapers, magazines and adverts through its different plat forms. Credit is issued on normal terms between 30-90 days. The Company also pays to National Social Security Fund dividends since it is a shareholder.

(iv) **Terms and conditions**

Other than the terms disclosed above, there have been no guarantees provided or received for any of the above related party balances.

d. Key members of management

Mr. Robert Kabushenga (Managing Director)
Mr. Ndyanabo Gervase (Deputy Managing Director)

e. Key members of management remuneration

	2020	2019
	Ushs'000	Ushs'000
Salaries	815,450	877,022
Gratuity	-	145,321
NSSF employer contribution	58,674	102,234
Company contribution to staff provident fund	223,432	72,661
	1,097,556	1,197,238

There were no loans to key members of management during the year (2019: Nil)

31. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company's principal financial liabilities comprise borrowed funds and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Company does not hold investments in debt and equity instruments and neither does it enter into derivative transactions.

The Company has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Credit risk

Included below is information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing the risks and the Company's management of capital.

a) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established an Audit and Risk Committee, and the Strategy Department, which are responsible for developing and monitoring the risk management policies in their specified areas. All Board committees have non-executive members and report regularly to the Board of Directors on their activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Company's Audit and Risk Committee is responsible for monitoring compliance with the Company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit and Risk Committee is assisted in these functions by Internal Audit and Risk functions.

Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

a) Foreign currency risk

The Company has transactional and translation currency exposures. Such exposures arise from purchases by the Company in currencies other than its functional currency (Uganda shillings) and holding monetary assets and liabilities at the reporting date. When the need arises for foreign currency, the Company purchases its requirements in the open market, and any exchange gains or losses are immediately posted to profit or loss. The Company does not engage in currency derivatives or other measures of managing foreign currency risk. During the year ended 30 June 2020, the Company had the following significant foreign currency positions and the equivalent stated in Uganda Shillings.

31. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

b) Foreign currency risk (Continued)

At 30 June 2020								
Financial assets	**USD'000**	**Ushs'000**	**Euro'000**	**Ushs'000**	**KES'000**	**Ushs'000**	**GBP'000**	**Ushs'000**
Bank balances	66	246,180	16	66,864	3,707	129,745	-	-
Trade and other receivables	12	44,760	-	-	965	33,775	-	-
	78	290,940	16	66,864	4,672	163,520	-	-
Financial liabilities								
Trade and other payables	(864)	(3,222,720)	(18)	(75,222)	-	-	-	-
Net position	**(786)**	**(2,931,780)**	**(2)**	**(8,358)**	**4,672**	**163,520**	-	-
At 30 June 2019								
Financial assets	**USD'000**	**Ushs'000**	**Euro'000**	**Ushs'000**	**KES'000**	**Ushs'000**	**GBP'000**	**Ushs'000**
Bank balances	108	399,080	12	49,064	7,482	269,350	-	-
Trade and other receivables	114	421,837	-	-	-	-	-	-
	222	820,917	12	49,064	7,482	269,350	-	-
Financial liabilities								
Trade and other payables	(105)	(388,670)	-	-			(12)	(54,002)
Net position	**117**	**432,247**	**12**	**49,064**	**7,482**	**269,350**	**(12)**	**(54,002)**

31. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

b) Foreign currency risk (Continued)

Foreign currency sensitivity

The table below indicates the currencies to which the Company had significant exposure at 30 June on its non-trading monetary assets and liabilities and its forecast cash flows. The analysis shows the effect of a reasonably possible movement of the currency rate against the Uganda Shilling, with all other variables held constant, on profit or loss (due to the fair value of currency sensitive non-trading monetary assets and liabilities). A negative amount in the table reflects a potential net reduction in the profit for the year and equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the currencies below against the Uganda Shilling would have resulted in an equivalent but opposite impact.

Currency	Change in currency rate in %	Effect on profit/(loss) before tax	Effect on equity	Change in currency rate in %	Effect on profit/(loss) before tax	Effect on equity
	2020	2020	2020	2019	2019	2019
		Ushs'000	Ushs'000		Ushs'000	Ushs'000
USD	+/-5%	+/-146,589	+/-102,612	+/-5%	+/- 21,612	+/-15,128
KES	+/-5%	+/-8,176	+/-5,723	+/-5%	+/- 13,468	+/-9,428
Euro	+/-5%	+/-418	+/-293	+/-5%	+/- 2,453	+/-1,717
GBP	+/-5%	-	-	+/-5%	+/- 2,700	+/-1,890

b) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) and deposits with banks and financial institutions.

Trade and other receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date using a single loss rate approach to measure expected credit losses. Under the loss rate approach, the Company develops loss-rate statistics on the basis of the amounts collected over the life of the financial assets rather than using separate probability of default and loss given default statistics. The Company then adjusts these historical credit loss trends for current conditions and expectations about the future. The loss rates are based on groupings of various customer segments with similar loss patterns (i.e., by nature of customer). The calculation reflects a simple average of all loss rates per period, reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Company uses an overlay of measuring and forecasting the level of defaults. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Company does not hold collateral as security.

31. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

c) Credit Risk (Continued)

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets disclosed in the table below:

	2020	2019
	Ushs'000	Ushs'000
Trade and other receivables	27,190,594	20,059,940
Cash and cash equivalents	3,040,166	4,105,679
Deposits with commercial banks	9,100,439	4,938,649
	39,331,199	**29,104,268**

Set out below is the information about the credit risk exposure on the Company's trade and other receivables using a single loss rate approach as at 30 June:

2020	Gross receivable	Loss rates	ECL	Carrying amount
	Ushs' 000		Ushs' 000	
Companies	8,650,195	4.99%	(431,645)	8,218,550
Government departments	15,891,025	2.56%	(406,810)	15,484,215
Schools and universities	1,229,629	7.83%	(96,280)	1,133,349
Advertising agents	1,739,186	4.69%	(81,568)	1,657,618
Others	1,108,729	8.43%	(93,412)	1,015,317
	28,618,764		(1,109,715)	27,509,049
Specific allowance	-		(318,455)	(318,455)
	28,618,764		**(1,428,170)**	**27,190,594**

2019	Gross receivable	Loss rates	ECL	Carrying amount
	Ushs' 000		Ushs' 000	
Companies	8,110,591	5.12%	(415,262)	7,695,329
Government depart-ments	8,032,557	2.56%	(205,633)	7,826,924
Schools and universities	1,041,305	7.52%	(78,306)	962,999
Advertising agents	2,685,901	4.00%	(107,475)	2,578,426
Others	1,058,431	5.87%	(62,169)	996,263
	20,928,785		**(868,845)**	**20,059,940**

Set out below is the aging analysis of the gross receivables

	2020	2019
Gross receivables	**Ushs' 000**	**Ushs' 000**
0-30 days	7,229,557	6,118,430
30-90 days	9,181,325	2,338,560
90-150 days	3,347,106	4,956,961
150-240 days	1,987,661	1,496,699
240-365 days	1,720,797	1,210,246
Above 365	5,152,318	4,807,889
	28,618,764	**20,928,785**

Other financial assets including deposits with commercial banks

Credit risk from balances with banks and financial institutions is managed by the Company's Finance department in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2020 and 2019 is the carrying amounts as illustrated in above.

The Company continues to apply a 12-month credit loss to derive ECLs on bank deposits as the Company has utilized the practical expedient and considered these to be low risk instruments and therefore will be considered for 12-month ECLs.

31. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

c) Credit Risk (Continued)

The Exposure at default is the amount of funds held as deposit in each counter party plus any accrued interest income. The loss given default considered was based on the publicly available LGD details based on sectors/industries as disclosed by reputable credit rating agencies including Moody's and S&P. This was done for Cash at bank and deposits with commercial banks.

The probability of default (PD) has been computed using a combination of parameters incorporated in the Company approved counter party model and S & P corporate probability of default rates. The derived probability of default is reviewed on annual basis based on economic and forward-looking information at the Company's disposal.

The ECLs relating to bank deposits were however considered insignificant and were therefore not recognised in the financial statements

c) Interest rate risk

The Company is exposed to interest risk arising from the deposits with commercial banks and short-term borrowing. The maximum exposure to this risk is limited to the carrying amounts of deposits with commercial banks and short term borrowing in notes 21 and 28 respectively. The Company enters into financial agreements at favourable interest rates. The Company currently holds deposits with commercial banks and short term borrowing with interest rates agreed and fixed at placement, as such analysis of interest sensitivity would not be relevant.

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities when they fall due. The risk is monitored by the monthly debtors' and creditors' analysis and review of the Company's cash flows from operations on a regular basis. Where the Company's cash flows are not adequate to meet creditor demands, the Directors source for financing usually from the Company's banker and own resources.

The table below analyses the Company's financial assets and liabilities into relevant groupings based on the remaining period at 30 June to the contractual maturity dates:

At 30 June 2020	On demand	Due Between 1 and 3 months	Due between 3 to 12 months	Due after 12 months	Total
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Financial Assets					
Trade and other receivables (net of provisions)	16,744,587	10,446,007	-	-	27,190,594
Deposits with commercial banks	-	9,220,570	-	-	9,220,570
Cash and bank balances	2,725,115	-	-	-	2,725,115
	19,469,702	**19,666,577**	-	-	**39,136,279**
Financial Liabilities					
Trade and other payables	3,839,254	4,770,580	-	-	8,609,834
Lease liability	-	76,012	228,035	684,106	988,153
Dividend payable	3,074,105	-	-	-	3,074,105
Borrowed funds	-	-	5,516,606	-	5,516,606
	6,913,359	**4,846,592**	**5,744,641**	**684,106**	**18,188,698**
Net liquidity gap	**12,556,343**	**14,819,985**	**(5,744,641)**	**(684,106)**	**20,947,581**

31. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

e) Liquidity risk (Continued)

At 30 June 2019

	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Financial Assets					
Trade receivables (net of provisions)	9,837,954	10,221,986	-	-	20,059,940
Deposits with commercial banks	-	4,967,025	-	-	4,967,025
Cash and bank balances	4,251,711	-	-	-	4,251,711
	14,089,665	**15,189,011**	-	-	**29,278,676**
Financial Liabilities					
Trade and other payables	804,059	2,587,979	-	-	3,392,038
Dividend payable	2,041,432	-	-	-	2,041,432
	2,845,491	**2,587,979**	-	-	**5,433,470**
Net liquidity gap	**11,244,174**	**12,601,032**	-	-	**23,845,206**

f) Capital management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio below 20%. The Company includes within net debt, interest bearing loans and borrowings, contract liabilities, trade and other payables, less cash and deposits with commercial banks, excluding discontinued operations.

	2020	2019
	Ushs'000	Ushs'000
Contract liabilities	1,768,338	1,568,681
Trade and other payables	9,716,503	5,659,067
Borrowed funds	5,000,000	
Lease liability	724,298	-
Less: cash and short-term deposits	(12,253,959)	(9,340,214)
	4,955,180	**(2,112,466)**
Net debt	**4,955,180**	-
Equity	73,356,759	72,104,103
Total capital	**73,356,759**	**72,104,103**
Capital and net debt	**78,311,939**	**72,104,103**
Gearing ratio	**6.8%**	-

The Company has a 6.8% (2019: Nil) gearing ratio. 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.

31. FINANCIAL RISK AND CAPITAL MANAGEMENT (CONTINUED)

f) Capital management (Continued)

The level of gearing is constantly reviewed and considered for investments whose return can sustain the market debt financing costs.

The Company has interest-bearing debt as disclosed in note 28. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2019 and 30 June 2020.

32. FAIR VALUE MEASUREMENT

Determination of fair value and fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of some assets by valuation technique:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

a) Financial instruments

Fair values of cash and deposits with commercial banks, trade and other receivables and trade and other payables reasonably approximate their carrying amounts largely due to the short-term maturities of these instruments and/or because they carry interest rates that reasonably approximate market rates.

The Company did not hold any financial assets or liabilities measured at fair value at the reporting date.

b) Non-financial assets

The following methods and assumptions were used to estimate the fair values:

Property plant and equipment that were revalued include land & buildings, and plant and machinery.

The fair value of the assets was determined using the market comparable method and/or the depreciated replacement cost approach. The valuations were performed by Adriko & Associates (East Africa) Chartered Consulting Engineers, a Ugandan engineering professional services consulting firm, an accredited and independent valuer. The valuation was done with the effective date being 30 June 2017. The exercise resulted in the assets being classified under Level 3 in the fair valuation hierarchy in line with IFRS 13 due to use of significant unobservable inputs. A net gain from the revaluation of the assets of Ushs 19,148 million was recognised in OCI.

The valuation was performed in convention of the American Society of Appraiser's Uniform Standards of Professional Appraisal Practice (USPAP) code.

The valuation for property and plant and equipment returned is fair value in continued use. The valuation exercise as per company policy is performed every 5 years.

Valuation techniques plant and machinery:

The Cost approach was used to arrive at the fair market value. The procedure used was to take the replacement cost and deduct from it for depreciation consisting of 3 elements i.e. Physical wear and tear, functional obsolescence and economic obsolescence.

32. FAIR VALUE MEASUREMENT (CONTINUED)

a) Non-financial assets (Continued)

The replacement cost was arrived at by determining the selling price of a new machine of the same type and adding freight, taxes and installation costs for assets that are not available on local open markets. Replacement cost new for locally available assets was determined from local dealer's prices and adding installation costs appropriately.

Where the cost of a new machine of the same type is not available but historical suppliers' costs are available from corporate records, the original cost was trended to arrive at an estimate of the current replacement cost.

Physical depreciation was measured as a percentage of its condition to the condition of a new asset of the same type. The age-life method was used to get a first approximation of this factor i.e. the ratio of the age of the asset to its economic service life.

This factor was then prudently adjusted downwards or upwards depending on the actual observed physical condition.

Service lines of the equipment were obtained from industry norms.

Functional obsolescence was on the other hand arrived at through one of the 2 ways i.e. employment of replacement cost instead of reproduction cost or comparison of current effective capacity against rated capacity at the time of purchase of the equipment.

Economic obsolesce where applicable was arrived at by applying inutility formula for Company specific obsolescence.

Valuation techniques for buildings

The cost approach was utilised for buildings. The buildings, structures and services were valued at current replacement costs taking into account their depreciation.

Valuation techniques for land

Land was valued by the sales comparison method taking into account the various categories of existing and potential use. Other factors such as location, services, accessibility, and proximity to suppliers, inputs and markets were also taken into account. Attention was paid to the concept of 'Highest and Best use' of property.

Key underlying limitations and assumptions in valuation of land & buildings and plant and equipment included:

- Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or the costs involved affecting the sale
- The values assessed in the valuation report are the subject property and any allocation of values between parts of the property apply only in terms of and for the purpose of the report. The values assessed should not be used in conjunction with any other assessment, as they may prove incorrect if so used.
- Where it is stated in the report that information has been supplied to the Valuer by another party, this information is believed to be reliable, but the Valuer can accept no responsibility if this should prove not to be so
- The market value and any other values referred to in the valuation report exclude Value Added Tax and transfer costs

32. FAIR VALUE MEASUREMENT (CONTINUED)

Significant unobservable input

		Range (weighted average)
Plant and machinery	Estimated service life	10 years – 15 years (12.5 years)
	Freight costs (percentage of prime costs)	0%-12% (6%)
	FOB Costs	7% (7%)
	Insurance costs	1.5% (1.5%)
Property	Price per acre	Ushs. 93 million (Ushs. 93 million)

Refer to note 15 for the carrying amounts of property, plant and machinery asset classes measured subsequently at revalued amounts.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between levels 1, 2 and 3 during the year (2019: no transfer).

Sensitivity analysis has not been presented due to the timing difference from the last valuation to the current reporting date. The values have since been depreciated and therefore management has considered that sensitivity analysis would not be reliable with current carrying amounts of the assets.

33. SEGMENT INFORMATION

For management purposes, the Company is organised into business units based on its products and services and has four reportable segments, as follows:

- Print media segment, which produces newspapers and magazines generating circulation and advertising revenue
- Electronic media segment, which deals with the radio and television stations generating advertising revenue from the electronic media platforms.
- Commercial printing segment, which deals with on demand and tailored printing solutions to customers.
- Other segment, which majorly includes events, sale and disposal of non-current assets, interest income and rental income

The Executive Management Committee is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

For the purposes of monitoring segment performance and allocating resources between segments:

all assets are allocated to reportable segments other than tax assets. Goodwill is also allocated to the applicable reportable segment. All liabilities are allocated to reportable segments other than current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

Income tax expense is allocated to reportable segments based on their share of profit before tax. The totals presented for the Company`s operating segments reconcile to the key financial figures as presented in its financial statements above.

33. SEGMENT INFORMATION (CONTINUED)

	Print Media	Electronic Media	Commercial Printing	Others	Total segments	Adjustments & eliminations	Consolidated
Year ended 30 June 2020	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**	**Ushs'000**
Revenue							
External customers	44,164,988	26,317,755	18,416,574	2,856,243	91,755,560	-	91,755,560
Inter Segment	296,351	246,959	40,789	-	584,099	(584,099)	-
Total revenue	**44,461,339**	**26,564,714**	**18,457,363**	**2,856,243**	**92,339,659**	**(584,099)**	**91,755,560**
Cost of sales	(32,496,630)	(19,416,052)	(13,490,419)	(2,087,618)	(67,490,719)	-	(67,490,719)
Distribution costs	(1,757,732)				(1,757,732)	-	(1,757,732)
Administrative expenses	(2,109,458)	(1,255,175)	(878,145)	(138,403)	(4,381,181)	-	(4,381,181)
Other operating expenses	(1,300,167)	(776,823)	(539,742)	(83,524)	(2,700,256)		(2,700,256)
Intersegmental costs	(408,869)	(52,569)	(122,661)	-	(584,099)	584,099	-
Segment profit	**6,388,483**	**5,064,095**	**3,426,396**	**546,698**	**15,425,672**	-	**15,425,672**
Total Assets	49,405,075	28,697,476	20,085,534	1,047,226	99,235,311	-	99,235,311
Total Liabilities	10,199,363	5,924,411	4,146,530	843,133	21,113,437	-	21,113,437
Other disclosures							
Capital expenditure	703,373	666,279	313,218	2,507,510	4,190,380	-	4,190,380
Depreciation	1,949,677	1,164,891	809,376	125,248	4,049,192	-	4,049,192

33. SEGMENT INFORMATION (CONTINUED)

Year ended 30 June 2019	Print Media	Electronic Media	Commercial Printing	Others	Total segments	Adjustments & eliminations	Consolidated
	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000	Ushs'000
Revenue							
External customers	50,218,198	26,524,546	9,910,340	3,503,836	90,156,920	-	90,156,920
Inter Segment	418,432	338,493	516,927	-	1,273,852	(1,273,852)	
Total revenue	**50,636,630**	**26,863,039**	**10,427,267**	**3,503,836**	**91,430,772**	**(1,273,852)**	**90,156,920**
Cost of sales	(37,630,184)	(20,048,916)	(8,066,429)	(2,582,506)	(68,328,035)	-	(68,328,035)
Distribution costs	(1,742,097)	-	-	-	(1,742,097)	-	(1,742,097)
Administrative expenses	(2,073,254)	(1,104,605)	(444,424)	(142,284)	(3,764,567)	-	(3,764,567)
Other operating expenses	(1,351,881)	(720,266)	(289,790)	(92,778)	(2,454,715)		(2,454,715)
Intersegmental costs	(555,563)	(319,842)	(398,447)	-	(1,273,852)	1,273,852	-
Segment profit	**7,283,651**	**4,669,410**	**1,228,177**	**686,268**	**13,867,506**	**-**	**13,867,506**
Total Assets	38,627,193	38,344,845	7,429,855	2,742,468	87,144,361	-	87,144,361
Total Liabilities	4,591,285	4,557,725	883,124	325,973	10,358,107	-	10,358,107
Other disclosures							
Capital expenditure	447,600	324,036	285,213	1,209,621	2,266,470	-	2,266,470
Depreciation	2,110,909	1,124,667	452,497	144,867	3,832,940	-	3,832,940

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

33. SEGMENT INFORMATION (CONTINUED)

Adjustments and eliminations

Finance costs, administration staff costs, certain other administrative costs, impairment of financial assets finance income and other income, are not allocated to individual segments as the underlying instruments are managed on a Company basis.

Current taxes, deferred taxes are not allocated to those segments as they are also managed on a Company basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets.

Inter-segment revenues are eliminated on consolidation.

	2020	2019
	Ushs' 000	Ushs' 000
Reconciliation of operating profit		
Reported segment profit before tax	15,425,672	13,867,506
Other income	1,478,864	1,521,543
Administrative staff costs	(8,895,781)	(9,414,548)
Other administrative costs	(1,838,070)	(1,584,089)
Impairment on financial assets	(1,275,901)	(481,170)
Profit before tax	**4,894,784**	**3,909,242**
Reconciliation of Assets		
Reported segment assets	99,235,311	87,144,361
Tax deposit recoverable	2,569,777	2,569,777
Current tax recoverable	367,726	287,925
	102,172,814	**90,002,063**
Reconciliation of Liabilities		
Reported segment liabilities	21,113,437	10,358,107
Lease liability	724,298	-
Deferred tax liability	6,978,320	7,539,853
Total liabilities	**28,816,055**	**17,897,960**

34. 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 was contesting a Uganda Revenue Authority Tax assessment arising out of the re-characterisation of Sales executives as employees. In August 2020, both parties explored an out of Court settlement and as a result Uganda Revenue Authority agreed to withdraw the assessment earlier raised. Consequently, the matter that is currently before the Tax Appeals Tribunal is to be withdrawn on the same grounds with both parties bearing their own costs. The Company and Uganda Revenue Authority lawyers are in the process of finalising the case closure procedures at the Tax Appeals Tribunal. Refer to note 18 for details on the case.

35. CAPITAL COMMITMENTS

As of 30 June 2020, the Company had no contracted capital expenditure (2019: Nil).

36. COVID-19 PANDEMIC

The World Health Organisation declared coronavirus and COVID-19 a global health emergency on 30 January 2020. On 18 March 2020, the Government of Uganda announced lockdown and restrictions as a counter-measure against the spreading of COVID-19. By the year-end, some of the restrictions had been eased. As an essential service provider, the Company continued operations during the lockdown period but with some restrictions arising from the local and global disruptions caused by the pandemic. These include market, services and supply chain disruptions, non-performance by counter parties, unavailability of key people resources, inability to access some locations, among others. Consequently, the Company's financial performance was impacted as follows:

- As disclosed in Note 4, most revenue streams have experienced significant reductions since the pandemic's effects became widespread. This was mainly because businesses deemed not to be essential service providers were closed during the lockdown period following government directives in order to contain the pandemic. The Company's key customers were affected by these government directives.
- The slowdown in the economy led to adverse movements in the projected key macro-economic factors including inflation, Gross Domestic Product, foreign exchange rates etc. The effects of these have been considered as part of the overlays in the expected credit losses model to incorporate the pandemic effects on the credit risk profile of the debtors. Refer to notes 3(r), 20 and 31(c) for movements in the expected credit loss rates.
- Decrease in cash collections rates from 97% as of 30 June 2019 to 89% as of 30 June 2020 due to limitations in implementing cash collection strategies. This affected the probability of default input to the expected credit loss model that is determined dependent on the collection patterns from past data with an upward movement in the loss rate percentages for the different categories of customers. Refer to notes 3(r), 20 and 31(c) for the movements in the expected credit loss rates.
- Increase in expenses resulting from the additional costs arising from operating under lock down and other restrictions, and staff and customer safety measures. However, management as a response took on cost cutting strategies that largely focused on reduction in staff salaries, newsprint and related material input costs and other administrative expenses. Refer to notes 5 and 9 for the movements in related expenses.
- Delay in implementing the capital expenditure and new strategic direction programs due to supply chain disruptions and limitations on movement of staff.
- Due to decreases in consumer demand for the Company's products, there was a slowdown in utilization of stock items hence an increase in the stock write offs.
- Due to the decrease in the cash collections, the Company applied for a short-term loan from a financial institution as a way of mitigating the cash flow shortages. This created a liability and finance costs as disclosed in note 11 and 28.

Use of estimates and judgements

There have been no material revisions to the nature and estimates of amounts reported in prior periods. However, the effects of COVID-19 have required significant judgments and estimates to be made, including:

- Determining the net realisable value of inventory that has become slow moving due to the effects of COVID-19.

36. COVID-19 PANDEMIC (CONTINUED)

- Determining which information obtained subsequent to period end provides evidence of conditions that existed as at the end of the reporting period ('adjusting events after the reporting period') and which do not ('non-adjusting events after the reporting period').
- Estimates of expected credit losses attributable to accounts receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates.

Additionally, while the changes in the following estimates and judgments have not had a material impact on the Company, the effects of COVID-19 have required revisions to:

- Estimates of customer returns and the determination of the Company's methodology for estimating the transaction price for sales subject to rights of return.

Use of assumptions

The COVID-19 pandemic continued to affect the Company, countries and businesses at the time of issuing these financial statements. The directors expect that considering that the Company is an essential service provider, the Company's operations will continue despite the disruption caused by the pandemic. The directors have also assessed that:

- No adjusting events or conditions existed at the reporting date affecting the financial statements.
- The going concern status of the Company will not be affected by this event in the foreseeable future and the Company will continue to operate as a going concern. The Company's management and directors are closely monitoring the economic developments in the key markets and sectors including undertaking scenario analysis. This enables the Company's management and directors to take appropriate actions where necessary, including enhanced monitoring, amending the Company's risk appetite and/or reducing limits and exposures.
- The impact of the supply chain disruptions will be mitigated by proactive and dynamic inventory management to ensure that there is enough stock of materials to support the capital expenditure and continued production of papers.
- Customer credit risk is not expected to increase further. Management will continue to closely monitor customer segments to ensure that exposures are mitigated.
- There are no conditions that would warrant impairment of non-financial assets. There are no significant financial assets measured at fair values that would materially impact the performance of the Company.

It is reasonably possible, based on existing knowledge, that outcomes within the next financial period that are different from the judgements and assumptions used, could require a material adjustment to the carrying amounts of the assets or liabilities reported in these financial statements. The directors and management will continue to monitor the measures taken by the Government of Uganda and adjust the Company's business strategies and plans accordingly.

37. EVENTS AFTER THE REPORTING DATE

Except for the events regarding the tax matter disclosed in note 18 and 34, there were no other events after the reporting period which require adjustment to or disclosure in the financial statements.

Notice Of Annual General meeting

NOTICE IS HEREBY GIVEN that the 19th ANNUAL GENERAL MEETING (AGM) of New Vision Printing & Publishing Company Limited will be held by virtual technology on **November 26, 2020** at **2:00pm** to conduct the following business:

ORDINARY BUSINESS

1. To receive, consider and if approved, adopt the annual audited financial statements for the year ended June 30, 2020 together with the reports of the Directors and Auditors.
2. To approve a final dividend of UGX 18/- per ordinary share as recommended by the Directors and declare it payable net of withholding tax on or about January 23, 2021 to shareholders on the register at the close of business on January 2, 2021.
3. To appoint directors;

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

   Ms. Julie Piloya Okiror be appointed a director.

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

   Mr. David Kenneth Mafabi be appointed a director.
4. To approve fees payable to the Non-Executive Directors for the period until the next Annual General Meeting.
5. To note that the Auditor General is mandated to audit the Company by virtue of Section 17 of the PERD Act and authorize the Directors to negotiate and fix the remuneration of External Auditors delegated by the Auditor General in accordance with Sections 167-169 of the Companies Act 2012.

SPECIAL BUSINESS

6. To consider and if deemed fit, pass a special resolution to amend the Company articles of association by:

i. **Inserting a new Article 45 (a) after Article 44 which reads as follows:**

A General Meeting may be held as;

a) A physical meeting at such place as the Directors shall determine;

b) A virtual meeting using electronic means (including video-conferencing and tele-conferencing); or

c) A hybrid meeting which is both partly physical and partly virtual as set out in paragraphs (i) and (ii)

ii. **Substituting for the current articles 83 and 84, the following article**

Every director elected will serve for a term of three years and will retire at the Annual General meeting held nearest to the end of the three-year term.

iii. **Amending the current articles 45, 46, 50(b) and (c), 54 and 55 respectively to include the underlined and to read as follows;**

- **Article 45**

  Save as herein otherwise provided, for all purposes, three members present in person, or participating via electronic means or by proxy shall constitute enough quorum.

- **Article 46**

  If at the adjourned meeting quorum is not present within half an hour from the time appointed for the meeting, the members present in person, participating via electronic means or by proxy shall constitute enough quorum.

- **Article 50 (b) and (c)**

  At any general meeting a resolution put to the vote of the meeting shall be decided either by a show of hands or by electronic voting feedback unless a poll is (before or on the declaration of the result of the show of hands or electronic voting feedback) is demanded:

  b. By at least three members present in person, participating electronically or by proxy

  c. by any member or members present in person, participating electronically or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

- **Article 54**

  on a show of hands or through other electronic means, every member present in person, participating by electronic means or by proxy shall have one vote

- **Article 55**

  In the case of joint holders, the vote of the senior who tenders a vote, whether in person, participating by electronic means or by proxy, shall be accepted to the exclusion of the votes of the other joint holders

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

Dated this **October 31, 2020**

By Order of the Board

Gervase Ndyanabo

Company Secretary

Notes

i. The AGM will be streamed live via a link which shall be provided to all shareholders who will have registered to participate at the AGM. Duly registered shareholders and proxies will receive an SMS/USSD prompt on their registered mobile numbers and email addresses, 24 hours prior to the AGM.

ii. A member entitled to participate, and vote may appoint a proxy to participate and vote on his/her behalf in the manner prescribed in the proxy form. A proxy need not be a shareholder of the Company. A completed form of proxy should be emailed to Eshareholders@newvision.co.ug or 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 48 hours before the scheduled time for the meeting. In default of this, it shall be treated as invalid.

iii. Shareholders wishing to participate in the meeting should register for the AGM by dialling *284*47# for all networks and following the various prompts of the registration process. In order to complete the registration process, shareholders will need to provide their National ID/Passport Numbers/SCD Account Number. For assistance, shareholders (whether in Uganda or outside) should dial the following helpline number: +254 709 170 000 from 9:00 am to 5:00 pm from Monday to Friday or send an email to newvisionagm@image.co.ke

iv. Registration for the AGM opens on Tuesday, 3rd November 2020 and will close on Tuesday, 24th November 2020 at 5.00pm. Shareholders will not be able to register after Tuesday, 24th November 2020 at 5.00pm

v. Duly registered shareholders and proxies may follow proceedings of the AGM using the livestream platform and may access the agenda. Duly registered shareholders and proxies will be prompted via SMS to propose and second AGM resolutions as well as vote for the AGM motions.

vi. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:

a) Sending their written questions by email to Eshareholders@newvision.co.ug
b) Shareholders who will have registered to participate in the meeting shall be able to ask questions via SMS by dialling the USSD code above and selecting the option (ask Question) on the prompts or via Question Tab the livestream link during the AGM
c) To the extent possible, physically delivering their written questions with return physical address or email address 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

All questions must reach the Company on or before Tuesday, 24th November 2020 at 5.00 pm.

Following receipt of the questions, the directors of the Company shall provide written responses to the questions received to the return physical address or email address provided by the Shareholder no later than 12 hours before the start of the general meeting. A full list of all questions received, and the answers thereto will be published on the Company's website within 24 hours following conclusion of the general meeting.

vii. A poll shall be conducted for all the resolutions put forward in the notice.

viii. Results of the resolutions voted on will be announced before the close of the meeting and thereafter published within 24 hours following conclusion of the AGM, in the New Vision Newspaper and the Company Website. Shareholders who have provided their email addresses to the Company will also be notified via the same.

ix. The following documents are available and can be accessed on both the Company's website http://visiongroup.co.ug/shareholders/ i) a copy of this Notice and the proxy form; (ii) the Company's Annual Report and Audited Financial Statements for the year ended 30th June 2020 (iii) a copy of the No Objection issued by the USE (iv) Amended articles per the special business

Proxy Card

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

I/We……………………………………………………………………, of ……………………………………, being a shareholder/s of the above mentioned Company, hereby appoint

……………………………………………………………………… of ……………………………………(address), as my/our proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting of the Company to be held on November 26, 2020 at 2:00pm and at any adjournment thereof.

Signature; ……………………………

Dated this …………… day of ………………………,2020

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

	Resolution	For	Against	Vote Withheld	At discretion
	ORDINARY BUSINESS				
1.	To receive, consider and if approved, adopt the annual audited financial statements for the year ended June 30, 2020 together with the reports of the Directors and Auditors.				
2.	To approve a final dividend of UGX 18/- per ordinary share as recommended by the Directors and declare it payable net of withholding tax on or about January 23, 2021 to shareholders on the register at the close of business on January 2, 2021.				
3.	To appoint directors; In accordance with Articles 67 and 69 of the Company's Articles of Association, **Ms. Julie Piloya Okiror** be appointed a director.				
	In accordance with Articles 67 and 69 of the Company's Articles of Association, **Mr. Mafabi Kenneth David** be appointed a director.				
4.	To approve fees payable to the Non-Executive Directors for the period until the next Annual General Meeting.				
5.	To note that the Auditor General is mandated to audit the Company by virtue of Section 17 of the PERD Act and authorize the Directors to negotiate and fix the remuneration of External Auditors delegated by the Auditor General in accordance with Sections 167-169 of the Companies Act 2012				
	SPECIAL BUSINESS				
6.	To consider and if deemed fit, pass a special resolution to amend the Company articles of association by: Inserting a new Article 45 (a) after Article 44 which reads as follows: A General Meeting may be held as; i. A physical meeting at such place as the Directors shall determine; ii. A virtual meeting using electronic means (including video-conferencing and tele-conferencing); or iii. A hybrid meeting which is both partly physical and partly virtual as set out in paragraphs (i) and (ii)				
	Substituting for the current articles 83 and 84, the following article: Every director elected will serve for a term of three years and will retire at the Annual General meeting held nearest to the end of the three-year term.				
	Amending the current articles 45, 46, 50(b) and (c), 54 and 55 to include the underlined and to read as follows respectively; **Article 45** Save as herein otherwise provided, for all purposes, three members present in person, or participating via electronic means or by proxy shall constitute sufficient quorum.				
	Article 46 If at the adjourned meeting, quorum is not present within half an hour from the time appointed for the meeting, the members present in person, participating via electronic means or by proxy shall constitute sufficient quorum.				
	Article 50 (b) and (c) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:- b. By at least three members present in person, participating electronically or by proxy c. by any member or members present in person, participating electronically or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting;				
	Article 54 on a show of hands, every member present in person, participating by electronic means or by proxy shall have one vote				
	Article 55 In the case of joint holders, the vote of the senior who tenders a vote, whether in person, participating by electronic means or by proxy, shall be accepted to the exclusion of the votes of the other joint holders				

Notes:

1. This proxy card is to be physically delivered to the Company Secretary at the physical address stated above, faxed to +256 (0414 346 432) or emailed to Eshareholders@newvision.co.ug at least 48 (forty eight) hours before the time fixed for the meeting.
2. A proxy appointed need not be a member of the Company.
3. In case of joint holders, the signature of any one holder will be sufficient, but the names of all joint holders should be stated.
4. In case of a shareholder which is a body corporate, the proxy form must be completed by an officer or attorney of the body corporate duly authorized in writing.
5. If this form is returned without any indication as to how the proxy shall vote, the proxy will exercise his discretion as to how to vote.
6. If the appointer is a corporation, this form must be under its common seal or under the hand of some officer or attorney duly authorized in that behalf

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COMPANY PROFILE
2020

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English Newspapers

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

THE NEW VISION

Is Uganda's leading English daily newspaper running from Monday to Friday. With various sections making up the whole paper, a strong emphasis is placed on enhancing reader value. The New Vision is dedicated to education and publishes advanced career/study guides and conducts direct school education through its "Newspapers in Education" programme. Toto magazine, released every Wednesday, is a favourite among primary school children.

21,672
Average number of circulation copies

SATURDAY VISION

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

14,931
Average number of circulation copies

Vernacular Newspapers

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

BUKEDDE

Is a Luganda daily, which is an integral part of the average working Ugandan's day with both local and international news. It has a variety of features which include education, farming, crime investigations, business advice, relationship advice, leisure, traditional remedies, women and health, entertainment, art, to mention but a few.

33,730
Average number of circulation copies

BUKEDDE LWAMUKAAGA

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

SUNDAY VISION

Provides reading for the whole family and comes with three magazines, Sunday Extra and Pearl of Africa. It comes with a variety of background news, sports, lifestyle, political commentary and entertainment. Sunday Vision also carries several features including Crime, Suspense and Intrigue, and another edition of Toto magazine.

13,162
Average number of circulation copies

THE KAMPALA SUN

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

The tabloid can be accessed on;
epapers.visiongroup.co.ug

BUKEDDE KU SSANDE

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

Website Publishing

www.newvision.co.ug
Our flagship website is one of the leading websites in Uganda with over 3.8 million page views and 720,000 users monthly.

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

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

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

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

https://ugandahistory.newvision.co.ug
The website is a resourceful search engine with Uganda's history in pictures throughout the years.

www.urbantv.co.ug
The website regularly posts videos from all your favorite television shows and is popular with the audiences between 18 and 54 years, 51% of whom are male.

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

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

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

www.xfm.co.ug
You can tune into the station live, via their website. Their audience is kept entertained with interests ranging from Sports, News, Education, Employment to Arts & Entertainment.

YOU TUBE
Newvision TV: **https://www.youtube.com/user/newvisioncam**
Bukedde TV: **https://www.youtube.com/user/bukeddetv**

Television

Uganda's first Luganda TV station, Bukedde TV1 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.
The station can also be streamed online using the New Vision digital experience app.

Bukedde TV 2 is a Luganda station targeting the male adult aged 18-35 from the middle and lower social class. It airs a wide selection of uninterrupted programming, 70% of which is local content including action movies, music mixes and select soap operas. Bukedde TV2 is available on Zuku TV, Azam, Star Times, GOtv and DStv. The station can also be streamed online using the New Vision digital experience app.

TV West is stationed in Mbarara in western Uganda and is the leading regional station reaching audiences nationwide. It is available on Zuku, GOtv, Startimes, Azam pay TV and DStv. The station can also be streamed online using the New Vision digital experience app.

Urban is a primarily English entertainment TV station that offers news and current affairs programmes. Born out of a need to adequately capture the youth, Urban ensures that Vision Group covers issues affecting them. Urban TV is available on Zuku, GOtv, Startimes, Azam pay TV and DStv. The station can also be streamed online using the New Vision digital experience app.

Wan Luo TV is a TV station broadcasting in the Luo language covering the greater Northern part of Uganda and some parts of Kenya where the Luo language is predominantly spoken. It is available on Startimes. The station can also be streamed online using the New Vision digital experience app.

Radios

XFM is an English speaking urban youth station targeting 18-28 year olds. Broadcasting on 94.8fm in Kampala, with outstanding radio personalities and a blended mix of hit music. The station can also be streamed online using the New Vision digital experience app.

Broadcasting in Luganda, Bukedde FM is the perfect blend of entertainment and information. The radio station shares a close and beneficial relationship with Bukedde newspaper and Bukedde TV and is a prominent station in the central region. It is available on 100.5 FM in Kampala, 106.8 FM in Masaka and 96.6 FM in Mbarara. The station can also be streamed online using the New Vision digital experience app.

Radio West is the giant of western Uganda's radio stations, offering regional news, music and entertainment. It is available on the following frequencies in the respective areas:-
94.3 FM Kabale, 106.6 FM Masaka, 95.2 FM Kampala and 91.0FM Fort Portal. The station can also be streamed online using the New Vision digital experience app.

Radio Rupiny is based in Gulu for the people of the northern part of Uganda. It stretches from Lira, to Kitgum and Gulu, broadcasting in a mixture of Acholi and Luo with a fusion of politics, news, infotainment, local and international music. The station can also be streamed online using the New Vision digital experience app.

Arua One FM is one of the leading multi-lingual stations in the West Nile region.
The station broadcasts mainly in 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 South Sudan. The station can also be streamed online using the New Vision digital experience app.

Located in Soroti, Etop broadcasts in Ateso for eastern Uganda and is the number one station in the region covering Tororo, Mbale and Soroti. The radio offers a combination of politics, news, infotainment and music. The station can also be streamed online using the New Vision digital experience app.

Printing Services

Calendars (desk, wall, shipping & plano), Folders, Printed Stationery, Labels, Banners, Magazines, Newsletters, Greeting & invitation cards, Newspapers, cards, Marketing and Promotional Materials like Brochures, Fliers, Leaflets, Posters, Wobblers. Branding; Wall Branding, Car Branding and signage

VISION PRINTING
delivering value

Vision Printing offers;
Offset printing. Digital Printing. Large Format Printing. We have equipment for all your finishing needs including Lamination, Varnishing, Foiling, Embossing, and a full-fledged creative design house team to bring your ideas to life! Our range of products include; Books, Reports, Spiral-bound Diaries and Notebooks,

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

Events

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

SMS Services

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

Visual Central

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

Advertising Services

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

Advertising services include:-

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

Circulation Distribution Services

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

Circulation services aim at getting the newspaper on the market early enough to conveniently serve all readers at a profit. New Vision is a member of the Audit Bureau of Circulations South Africa (ABC).

The New Vision, Saturday Vision, Sunday Vision and Bukedde circulation figures are independently audited twice a year.

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

Promotional Mobile Truck

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

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

The truck can be used to:

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

Contact Vision Group

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

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

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

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

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

Offices

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

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

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

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

Northern Uganda
• 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

Newspapers: The New Vision, Saturday Vision, Sunday Vision, Kampala Sun, Bukedde, Bukedde Lwamukaaga, Bukedde ku Sande, **Websites:** www.newvision.co.ug, www.bukedde.co.ug **Radios:** XFM, Bukedde FaMa, Radio West, Etop Radio, Radio Rupiny, Arua One, **TVs:** Urban TV, Bukedde TV, TV West, Wan Luo TV **Printing and Publishing Services:** Vision Printing (Digital large format and offset printing), Vision Publishing

Notes

Corporate Information

PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE
Plot 19/21, First Street
Industrial Area
P.O. Box 9815
Kampala, Uganda

COMPANY SECRETARY
Ndyanabo Gervase
Plot 19/21, 1st Street
Industrial Area
P. O. Box 9815
Kampala, Uganda

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

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

BANKERS

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

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

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

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

LEGAL ADVISORS

K&K Advocates
P.O. Box 6160
Kampala, Uganda

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

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

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

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Bukedde FM
Radio West
Etop Radio
Radio Rupiny
Arua One

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Urban TV
WanLuo TV
Bukedde TV1 and TV2
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New Vision Printing & Publishing Company Limited.

Plot 19/21 First Street Industrial Area.
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