

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

Opinion

The financial statements, which comprise the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022 were audited by the Auditor General and he issued an unmodified audit opinion.

ANNOUNCEMENT

The Annual General Meeting (AGM) will be held on Thursday 24 November 2022 at 2:00pm. NOTICE of the AGM will be published in the New Vision newspaper on 1 November 2022 and uploaded onto the company website:
<http://Visiongroup.co.ug/shareholders/>.
The Annual Report will be uploaded on the Company's website by 1 November 2022.

BY ORDER OF THE BOARD



Gervase Ndyanabo
COMPANY SECRETARY
4 October 2022

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	2022 Ushs' 000	2021 Ushs' 000
Revenue from contracts with customers	111,403,223	81,924,708
Cost of sales	(88,436,368)	(59,885,490)
Gross profit	22,966,855	22,039,218
Other operating income	1,675,021	1,440,289
Distribution costs	(1,797,858)	(1,747,052)
Impairment losses on financial assets	(761,368)	(2,608,118)
Administrative expenses	(16,185,850)	(17,814,366)
Other operating expenses	(1,848,513)	(1,647,925)
Operating profit/(loss)	4,048,287	(337,954)
Finance costs	(2,329,629)	(589,867)
Profit/(loss) before taxation	1,718,658	(927,821)
Tax charge	(729,949)	(57,652)
Profit/(loss) for the year	988,709	(985,473)
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Gain on revaluation of freehold land	55,000	-
Loss on revaluation of property, plant and equipment	(651,234)	-
Impairment loss on property, plant and equipment	-	(8,745,980)
Deferred tax relating to items that will not be subsequently reclassified	195,370	2,623,794
	(400,864)	(6,122,186)
Total comprehensive income/(loss) for the year	587,845	(7,107,659)
Earnings per share		
Basic and diluted (Ushs per share)	12.9	(12.9)
Dividends per share		
Proposed dividends (Ushs per share)	6.46	-

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	2022 Shs'000	2021 Shs'000
CAPITAL EMPLOYED		
Share capital	1,503,990	1,503,990
Share premium	27,158,864	27,158,864
Revaluation reserves	2,926,853	3,435,348
Retained earnings	33,589,140	32,940,863
Proposed dividend	494,190	-
Equity attributable to shareholders	65,673,037	65,039,065
Non-current liabilities		
Deferred tax	4,561,895	4,322,335
Lease liability	105,735	337,543
	4,667,630	4,659,878
	70,340,667	69,698,943
REPRESENTED BY		
Non-current assets		
Property, plant and equipment	34,426,332	32,869,951
Right of use asset	3,173,135	3,448,690
Intangible assets	10,218,758	1,648,651
Other financial assets	4,728,542	-
	52,546,767	37,967,292
Current assets		
Inventories	10,376,513	4,880,349
Trade and other receivables	32,835,315	32,407,558
Cash and cash equivalents	2,532,816	3,044,726
Right of return asset	6,583	1,042
Deposits with commercial banks	1,514,206	10,043,308
Tax recoverable	2,321,376	1,243,151
	49,586,809	51,620,134
Current liabilities		
Lease liability	264,540	213,434
Provision for litigations	2,142,228	1,739,063
Trade and other payables	11,218,251	7,373,514
Refund liability	8,333	1,428
Grant liability	34,053	81
Contract liabilities	2,332,608	1,750,304
Dividends payable	3,795,800	3,810,659
Borrowings	11,997,096	5,000,000
	31,792,909	19,888,483
Net current assets	17,793,900	31,731,651
	70,340,667	69,698,943

The financial statements were approved and authorised for issue by the Board of Directors on **4 October 2022** and were signed on its behalf by:


DIRECTOR


COMPANY SECRETARY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	2022 Ushs'000	2021 Ushs'000
Operating activities		
Cash generated by operations	5,167,561	4,511,781
Interest on lease liabilities	(93,230)	(130,726)
Interest paid on borrowed funds	(1,851,657)	(459,141)
Tax refund	-	2,547,240
Tax paid	(1,327,120)	(775,765)
Net cash from operating activities	1,895,554	5,693,389
Cash flows used in investing activities		
Cash paid for purchase of property and equipment	(4,328,755)	(3,273,026)
Cash paid for purchase of intangible assets	(9,287,330)	(1,268,671)
Placements of deposits with commercial banks	(2,251,635)	(18,550,895)
Maturities of deposits with commercial banks	10,594,396	17,400,000
Interest received from commercial bank deposits	1,085,109	913,164
Proceeds from disposal of property, plant and equipment	19,422	219,333
Cash paid for purchase of treasury bond	(5,000,090)	-
Net cash (used in)/ generated from investing activities	(9,168,883)	(4,560,095)
Cash flows from financing activities		
Repayment of principal portion of lease liabilities	(220,817)	(173,321)
Dividends paid	(14,859)	(640,443)
Proceeds from borrowings	28,182,820	5,000,000
Repayment of borrowings	(21,185,724)	(5,000,000)
Net cash generated from/ (used in) financing activities	6,761,419	(813,764)
Net (decrease)/increase in cash and cash equivalents	(511,910)	319,530
Movement in cash and cash equivalents		
At start of year	3,044,726	2,725,196
(Decrease)/increase	(511,910)	319,530
Cash and cash equivalents at end of year	2,532,816	3,044,726

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Share capital Shs'000	Share premium Shs'000	Proposed dividend Shs'000	Revaluation reserve Shs'000	Retained earnings Shs'000	Total Shs'000
Year ended 30 June 2022						
At start of year	1,503,990	27,158,864	-	3,435,348	32,940,863	65,039,065
Profit for the year	-	-	-	-	988,709	988,709
Transfer of excess depreciation to retained earnings	-	-	-	(153,758)	153,758	-
Deferred tax effect of transfer	-	-	-	46,127	-	46,127
Other comprehensive income						
Revaluation gain on freehold land	-	-	-	55,000	-	55,000
Revaluation loss on plant and machinery and buildings	-	-	-	(651,234)	-	(651,234)
Deferred tax effect on revaluation	-	-	-	195,370	-	195,370
Transactions with owners						
Dividends proposed	-	-	494,190	-	(494,190)	-
At end of year	1,503,990	27,158,864	494,190	2,926,853	33,589,140	65,673,037
Year ended 30 June 2021						
At start of year	1,503,990	27,158,864	1,377,000	9,947,120	33,369,785	73,356,759
Loss for the year	-	-	-	-	(985,473)	(985,473)
Transfer of realised revaluation surplus to retained earnings	-	-	-	(389,586)	389,586	-
Deferred tax effect of transfer	-	-	-	-	166,965	166,965
Impairment loss net of tax	-	-	-	(6,122,186)	-	(6,122,186)
Dividends declared	-	-	(1,377,000)	-	-	(1,377,000)
At end of year	1,503,990	27,158,864	-	3,435,348	32,940,863	65,039,065

SEGMENT INFORMATION

	Print media media Shs'000	Electronic printing Shs'000	Commercial Shs'000	Publishing Shs'000	Others Shs'000	Total segments Shs'000
Year ended 30 June 2022						
External customers	37,548,513	30,017,032	15,885,233	26,883,073	1,069,372	111,403,223
Other operating income	-	-	-	-	1,675,021	1,675,021
Total revenue	37,548,513	30,017,032	15,885,233	26,883,073	2,744,393	113,078,244
Cost of sales	(30,820,857)	(21,935,484)	(13,279,166)	(24,497,167)	-	(90,532,675)
Administrative expenses	(11,417,300)	(8,039,429)	(450,318)	-	-	(19,907,046)
Other operating expenses	(101,975)	(716,405)	(37,205)	(24,583)	(39,697)	(919,865)
Profit before taxation	(4,791,619)	(674,287)	2,118,544	2,361,323	2,704,696	1,718,658
Other information						
Segment assets	33,914,252	27,111,731	14,347,726	24,281,103	2,478,767	102,133,579
Segment liabilities	12,107,006	9,678,583	5,121,977	8,668,080	884,892	36,460,537
Capital expenditure	1,143,586	1,164,260	1,190,823	8,058,494	963,323	12,520,486
Depreciation & amortisation expense	266,193	622,286	280,513	537,233	1,443,692	3,149,917

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

SEGMENT INFORMATION

Year ended 30 June 2021	Print media Shs'000	Electronic media Shs'000	Commercial printing Shs'000	Others Shs'000	Total segments Shs'000
External customers	40,167,601	29,087,935	12,200,698	468,474	81,924,708
Inter Segment	126,881	106,241	32,279	-	265,401
Total revenue	40,294,482	29,194,176	12,232,977	468,474	82,190,109
Cost of sales	(29,361,795)	(21,262,758)	(8,918,491)	(342,446)	(59,885,490)
Distribution costs	(1,747,052)	-	-	-	(1,747,052)
Administrative expenses	(2,117,143)	(1,512,245)	(648,105)	(43,207)	(4,320,700)
Other operating expenses	(807,483)	(576,774)	(247,189)	(16,479)	(1,647,925)
Intersegmental costs	(126,881)	(106,241)	(32,279)	-	(265,401)
Profit before taxation	6,134,128	5,736,158	2,386,913	66,342	14,323,541
Reconciliation of operating profit					
Reported segment profit before tax					14,323,541
Other income					1,440,289
Administrative staff costs					(11,146,731)
Other administrative costs					(2,936,802)
Impairment on financial assets					(2,608,118)
Profit before tax					(927,821)
Other information					
Segment assets	43,104,167	31,214,491	13,092,664	2,176,105	89,587,426
Segment liabilities	11,811,218	8,553,260	3,587,595	596,287	24,548,361
Other disclosures					
Capital expenditure	1,545,219	1,340,570	293,053	1,362,855	4,541,697
Depreciation & amortization expense	681,617	539,650	367,025	1,139,405	2,727,697

OVERVIEW

The Company registered a turnover of Shs 111.4 billion in 2022 compared to Shs 81.9 billion in 2021. Total revenue grew by 36.0%.

Cost of sales increased by 47.7%. The increase in costs was a result of the growth in the volume of business. The most significant cost was outsourcing cost of Shs 24.9 billion for printing published educational materials/books.

The Company recorded a gross profit of Shs 23.0 billion in 2022 compared to Shs 22.0 billion in 2021 with a profit before tax of Shs 1.7 billion compared to a loss before taxation of Shs 0.9 billion in 2021.

Administrative and other operating expenses decreased by 7.3% from Shs 19.5 billion in 2021 to Shs 18.0 billion in 2022.

Profit after tax was Shs 1.0 billion in the year 2022 compared to a loss of Shs 1.0 billion in 2021.

DIVIDENDS

The Directors propose a dividend of Shs 6.46 per share for the year ended 30 June 2022. There was no dividend proposed for the year ended 30 June 2021.

NOTE: A copy of the detailed audited financial statements can be obtained at the following address: **Office of the Company Secretary, Plot 19/21, First street, Industrial Area, Kampala** or at the Company's website: <http://Visiongroup.co.ug/shareholders/>

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. Basis of Preparation

The summary financial statements are prepared in accordance with criteria developed by management. Under management's established criteria, management discloses the statement of financial position, statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows. These

summary financial statements are derived from the audited financial statements of New Vision Printing and Publishing Company Limited for the year ended June 30, 2022, which are prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2012.

2. Accounting Policies

Accounting policies used in the preparation of these summary financial statements are consistent with those set out in Note 2 of the 30 June 2022 Audited Financial Statements consistently applied from period to period. The Company has adopted all the new and revised accounting standards and interpretations that are mandatory for annual accounting periods beginning on or after 1 July 2021 and which are relevant to the Company's operations.

3. Earnings Per Share

Earnings per share (EPS) is calculated by dividing profit attributable to shareholders by the weighted average number of

ordinary shares outstanding during the period.

4. Segment Information

The Company derived 34% (2021 - 49%) of its revenue from print media, 27% (2021 - 36%) of its revenue from electronic media, 14% (2021 - 14%) of its revenue from commercial printing, 24% (2021 - 0%) of its revenue from Publishing and 1% (2021 - 1%) from the others. The Company's revenue strategy is associated with these product lines, accordingly, the segment information is so presented.

ANNUAL CERTIFICATE OF RESPONSIBILITY FOR THE FINANCIAL YEAR 2021/2022

We the undersigned of New Vision Printing and Publishing Company Limited acknowledge the responsibility for the proper safe guarding of assets of the Company and hereby confirm that we have complied with all the requirements of the law.

We further affirm that any act or omission resulting out of this acknowledgment is our responsibility. A list of the Company's assets is available for viewing at the **Company's Head Office, located at Plot 19/21, First Street, Industrial Area, Kampala.**

Dated this 4 October 2022


Patrick Ayota
Board Chairman


Don Wanyama
Managing Director/
CEO


Augustine Tamale
Chief Finance Officer