

VISION GROUP

NATIONAL PRIDE • GLOBAL EXCELLENCE

NEW VISION PRINTING AND PUBLISHING COMPANY LIMITED

The Board of Directors, New Vision Printing and Publishing Company Limited would like to announce the audited results for the year ended June 30, 2018 as follows;

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

To the Shareholders of New Vision Printing and Publishing Company Limited

Opinion

The accompanying summary financial statements, which comprise the statement of financial position as at June 30, 2018, the statement of profit or loss and other comprehensive income, summary statement of changes in equity and summary statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of New Vision Printing and Publishing Company Limited for the year ended June 30, 2018.

In my opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, on the basis described in note 1 of the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards ("IFRSs"). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and Our Report Thereon

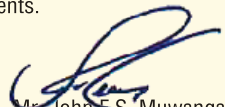
I expressed an unmodified audit opinion on the audited financial statements in my report dated October 4, 2018. That report also includes the communication of Key Audit Matters. Key Audit Matters are those matters that, in my professional judgement, were of most significance in my audit of the the financial statements for the year ended June 30, 2018.

Responsibilities of Management for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements on the basis described in note 1 of the summary financial statements.

Auditor's Responsibilities for the Audit of the Summary Financial Statements

My responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on my procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.



Mr. John F.S. Muwanga
Auditor General

Date: October 4, 2018
Kampala, Uganda

OVERVIEW

The Company registered an increase of 5.3% in turnover from Shs 86 billion in 2017 to Shs 90.6 billion in 2018. Commercial Printing revenue registered the highest increase by 23.3%, followed by newspaper copy sales that grew by 8.5% while electronic sales increased by 4.7%.

Cost of sales increased by 5.8%. The increase was directly related to increase in turnover especially costs of raw material inputs, sales commission, electronic media content and other revenue driven costs.

The Company recorded a gross profit of Shs 22.4 billion in 2018 compared to Shs 21.6 billion in 2017 while profit before taxation was Shs 3.8 billion in 2018 compared to Shs 780.5 million in 2017. This was partly due to the 5.3% increase in revenue.

Administrative and other operating expenses reduced by 8.2% to Shs 17.6 billion in 2018 from Shs 19.1 billion in 2017. These expenses were high in 2017 because of the significant impairment allowance on trade receivables to the tune of Shs 3.1 billion made during that year. However, the decrease was partly offset by one-off expenses incurred in 2018 which include fines and penalties of Shs 359 million paid to URA in tax arrears.

A combination of the above factors contributed to a significant increase in profit after taxation to Shs 2.3 billion in 2018 from Shs 14.7 million in 2017.

DIVIDENDS

The Directors are pleased to propose a final dividend of Shs 25 per ordinary share. The dividends, less withholding tax where applicable, will be paid on or before January 22, 2019 to members on the share register at close of business on January 2, 2019.

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/>

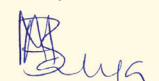
STATEMENT OF FINANCIAL POSITION

	2018 Shs'000	2017 Shs'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,000,066	49,345,165
Prepaid operating lease rentals	3,262,213	3,360,972
Intangible assets	179,472	300,646
	<u>50,441,751</u>	<u>53,006,783</u>
Current assets		
Inventories	4,513,066	8,465,945
Trade and other receivables	17,128,278	17,606,823
Cash and cash equivalents	15,596,458	6,748,369
Current tax recoverable	55,311	17,347
	<u>37,293,113</u>	<u>32,838,484</u>
Total assets	<u>87,734,864</u>	<u>85,845,267</u>

EQUITY AND LIABILITIES

Capital and reserves		
Share capital	1,503,990	1,503,990
Share premium	27,158,864	27,158,864
Revaluation reserve	12,914,564	14,672,829
Proposed dividends	1,912,500	-
Retained earnings	26,594,380	24,430,392
Shareholders' funds	<u>70,084,298</u>	<u>67,766,075</u>
Non-current liabilities		
Deferred tax liability	7,295,492	7,644,793
Current liabilities		
Trade and other payables	9,355,483	9,333,770
Dividends payable	999,591	1,100,629
	<u>10,355,074</u>	<u>10,434,399</u>
Total equity and liabilities	<u>87,734,864</u>	<u>85,845,267</u>

The financial statements were approved by the Board of Directors on October 4, 2018 and were signed on its behalf by:



Director



Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

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

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The Board of Directors, New Vision Printing and Publishing Company Limited would like to announce the audited results for the year ended June 30, 2018 as follows;

STATEMENT OF CHANGES IN EQUITY

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

* The revaluation reserve is as a result of revaluation of property, plant and equipment in accordance with the accounting policies of the Company.

The reserve is non-distributable and is released to retained earnings proportionately through use or disposal of the related assets.

SUMMARY STATEMENT OF CASH FLOWS

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

SEGMENT INFORMATION

	PRINT MEDIA		ELECTRONIC MEDIA		COMMERCIAL PRINTING		OTHERS		TOTAL	
	2017 Ushs'000	2018 Ushs'000	2017 Ushs'000	2018 Ushs'000	2017 Ushs'000	2018 Ushs'000	2017 Ushs'000	2018 Ushs'000	2017 Ushs'000	2018 Ushs'000
External sales	50,560,562	51,250,741	24,844,186	26,010,663	9,369,157	11,552,020	1,287,276	1,779,274	86,061,181	90,592,698
Other operating income	-	-	-	-	-	-	175,927	872,196	175,927	872,196
Total Sales	50,560,562	51,250,741	24,844,186	26,010,663	9,369,157	11,552,020	1,463,203	2,651,470	86,237,108	91,464,894
Segment profit before taxation	2,981,760	3,915,219	(1,207,894)	301,689	(1,989,712)	(1,562,210)	996,323	1,136,999	780,477	3,791,697

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, 2018, which are prepared in accordance 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 June 30, 2018 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 July 01, 2017 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 56% (2017 - 59%) of its revenue from print media, 28% (2017 - 29%) of its revenue from electronic media, 13% (2017 - 11%) of its revenue from commercial printing and 3% (2017 - 2%) from the others. The Company's revenue strategy is associated with these product lines, accordingly, the segment information is so presented.

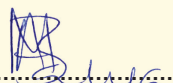
ANNUAL CERTIFICATE OF RESPONSIBILITY FOR THE FINANCIAL YEAR 2017/2018

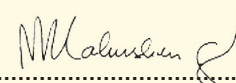
(Pursuant to the provisions of section 15 of the Public Enterprises Reform and Divestiture Act)

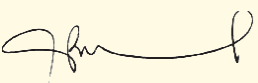
We the undersigned of New Vision Printing and Publishing Company Limited acknowledge the responsibility for the proper safe guarding of assets of the Company and hereby confirm that we have complied with all the requirements of the law.

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 **October 4, 2018**


Monica Chibita
Board Chairperson


Robert Kabushenga
Managing Director/CEO


Gervase Ndyanabo
Chief Finance Officer/DMD

ANNOUNCEMENT

The Annual General Meeting (AGM) will be held on Thursday November 22, 2018 at 3:00pm at the Company's Head Office, located at Plot 19/21 First Street Industrial Area Kampala. NOTICE of the AGM will be published in the New Vision newspaper on Thursday October 25, 2018 and uploaded onto the company website: <http://Visiongroup.co.ug/shareholders/>. The Annual Report will be circulated by November 1, 2018.

BY ORDER OF THE BOARD



Rita Kabatunzi
COMPANY SECRETARY

October 4, 2018