

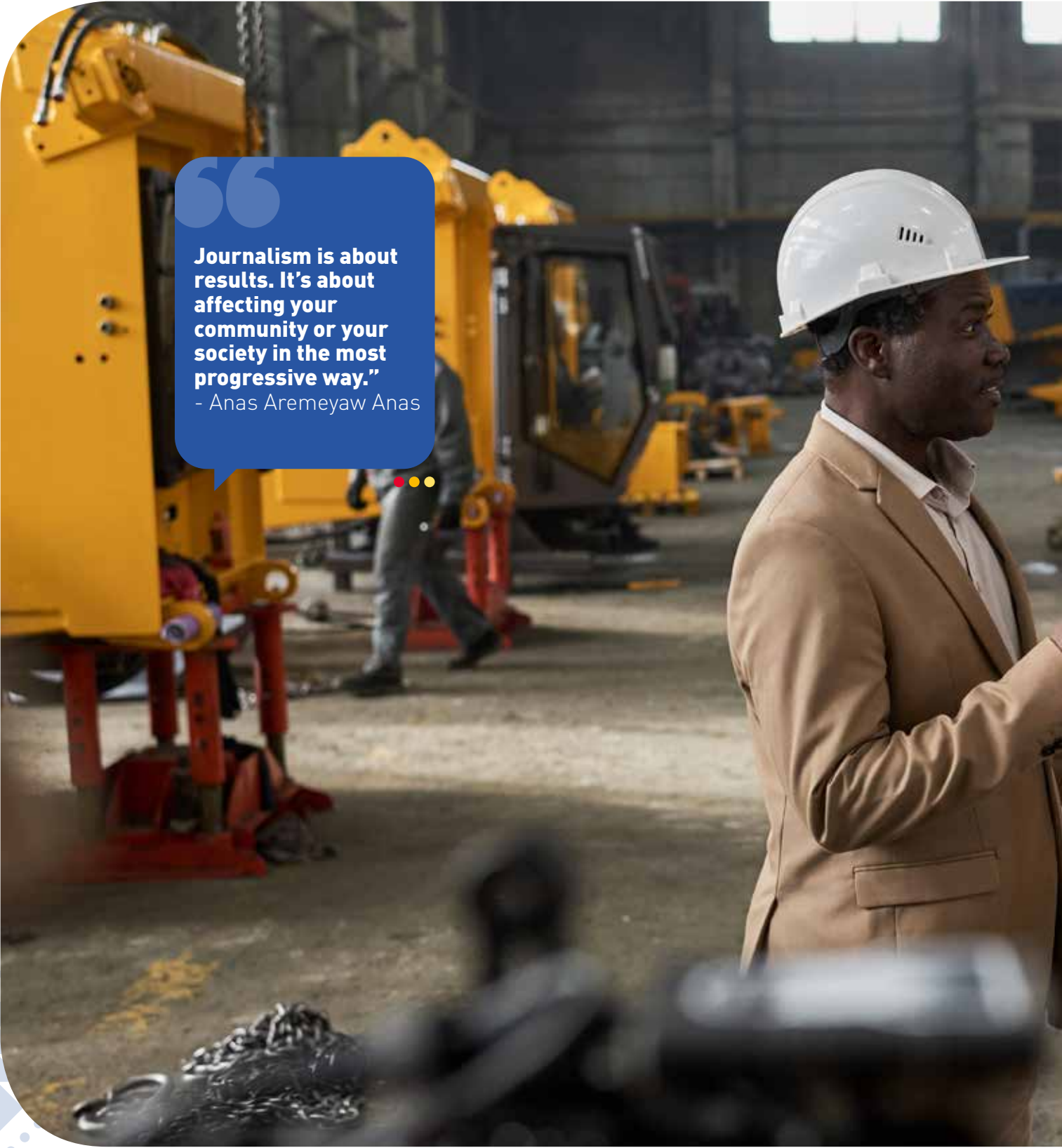


20  
21

# Annual Report & Financial Statements



**Nation Media Group**  
Media of Africa for Africa



**Journalism is about results. It's about affecting your community or your society in the most progressive way."**  
- Anas Aremeyaw Anas



**Media of Africa for Africa**





**Positively**  
Influencing Society





# Nation Media Group

Media of Africa for Africa

Nation Media Group PLC. is the leading media company with businesses in print, broadcasting and digital. NMG uses its industry leading operating scale and brands to create, package and deliver high-quality content on a multi-platform basis. As the largest independent media house in East and Central Africa, we attract and serve unparalleled audiences in Kenya, Uganda, Tanzania, and Rwanda. We are committed to generating and creating content that will inform, educate and entertain our consumers across the different platforms, keeping in mind the changing needs and trends in the industry. In our journey, nothing matters more than the integrity, transparency, and balance in journalism that we have publicly committed ourselves to. NMG journalism seeks to positively transform the society it serves, by influencing social, economic and political progress.

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Nation Centre,  
Kimathi Street



Telephone:  
+254 20 328 8000



P.O. Box 49010-00100, GPO  
Nairobi, Kenya



[www.nationmedia.com](http://www.nationmedia.com)

Browse, download or print our annual report at  
[www.nationmedia.com/financial\\_report/nmg-2021-annual-report-and-financial-statements/](http://www.nationmedia.com/financial_report/nmg-2021-annual-report-and-financial-statements/)

View our 2021 results presentation at  
[www.nationmedia.com/investor-news/nmg-fy2021-results](http://www.nationmedia.com/investor-news/nmg-fy2021-results)



## Company Information



### Nation Centre

Kimathi Street  
P O Box 49010 00100  
Nairobi

Registered  
Office

Afisi Ilioandikishwa

### Hamilton Harrison & Mathews

Delta Suites  
Waiyaki Way, Nairobi

Advocates

Wakili

### PricewaterhouseCoopers LLP

PwC Tower, Waiyaki Way/  
Chiromo Road  
Westlands, Nairobi

Auditors

Wakaguzi wa  
Hesabu

### Standard Chartered Bank of Kenya Limited, Chiromo

No. 48 Westlands Road, Nairobi

Bankers

Benki

### Angela Namwakira

Adili Corporate Services Kenya  
ALN House, Eldama Ravine  
Road, Westlands, Nairobi  
P O Box 764 00606, Nairobi

Company  
Secretary

Katibu



DAILY  NATION

“

When Kenyans  
can't breathe  
because of high  
cost of living

”

#YouDeserveTheTruth



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# Notice of Annual General Meeting

Notice is hereby given that the Fifty-Ninth Annual General Meeting of the Shareholders of Nation Media Group PLC will be held virtually on Thursday, 30 June 2022 at 3.00 pm EAT to conduct the business stated below.

*All resolutions will be conducted by way of a Poll.*

## ORDINARY BUSINESS

1. To receive the financial statements for the year ended 31 December 2021, and the Chairman's, Directors' and Auditors' reports thereon.
2. To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors for the year ended 31 December 2021 and to authorise the Board to fix the remuneration of the Non-Executive Directors.
3. To approve the payment of a first and final dividend of Shs 1.50 per share amounting to Shs 285,442,745 for the year ended 31 December 2021, as recommended by the Directors. The dividend will be payable to the Shareholders on the Company's Register of Members at the close of business on Thursday, 16 June 2022 and will be paid on or about Friday, 29 July 2022.
4. To confirm that the Auditors, PricewaterhouseCoopers LLP having expressed their willingness, continue in office as the Company's Auditors in accordance with section 721(2) of the Kenyan Companies Act 2015 and to authorise the Directors to fix the remuneration of the Auditors for the ensuing financial year.
5. To re-elect Directors:
  - a) in accordance with Article 96 of the Company's Articles of Association, Prof. Samuel Sejjaka retires by rotation and being eligible, offers himself for re-election;
  - b) in accordance with Article 110 of the Company's Articles of Association, Ms. Sumayya Hassan retires by rotation and being eligible, offers herself for re-election;
  - c) in accordance with Article 110 of the Company's Articles of Association, Dr. Yasmin Jetha retires by rotation and being eligible, offers herself for re-election;
  - d) in accordance with Article 110 of the Company's Articles of Association, Mr. Wangethi Mwangi retires by rotation and being eligible, offers himself for re-election;
  - e) Dr. Wilfred Kiboro, having attained the age of 70 years, retires by rotation and offers himself for re-election;
  - f) Prof. Lee Huebner, having attained the age of 70 years, retires by rotation and offers himself for re-election;
  - g) Mr. Anwar Poonawala, having attained the age of 70 years, retires by rotation and offers himself for re-election;
  - h) Mr. Francis. O. Okello, having attained the age of 70 years, retires by rotation and offers himself for re-election;
6. To appoint the members of the Company's Audit, Risk and Compliance Committee:  
In accordance with the provisions of section 769(1) of the Companies Act 2015, the following Directors being members of the Company's Audit, Risk and Compliance Committee be re-elected to continue to serve as members of the said Committee:
  - a) Mr. Leonard Mususa
  - b) Mr. Anwar Poonawala
  - c) Mr. Al-Noor Ramji
  - d) Prof. Samuel Sejjaka

## SPECIAL BUSINESS

7. Any other business for which valid notice shall have been given.

## By Order for the Board



**Angela Namwakira**  
Company Secretary

7 June 2022



## Taarifa Kuhusu Mkutano Mkuu wa Kila Mwaka

Taarifa imetolewa hapa kwamba Mkutano Mkuu wa Kila Mwaka wa Hamsini na Tisa wa Wenye-hisa wa Shirika la Nation Media Group PLC utafanywa mtandaoni siku ya Alhamisi, tarehe 30 Juni 2022 saa 9.00 jioni Saa za Afrika Mashariki ili kuendesha shughuli zilizotajwa hapo chini.

*Maamuzi yote yataendeshwa kupitia kwa Kura ya maoni.*

### SHUGHULI YA KAWAIDA

1. Kupokea taarifa za kifedha za mwaka uliokamilika tarehe 31 Desemba 2021, na ripoti za Mwenyekiti, Wakurugenzi Wakuu na Wakaguzi wa Hesabu.
2. Kupokea, kuzingatia na ikionekana kuwa sawa, iidhinisha Ripoti ya Malipo ya Wakurugenzi Wakuu na malipo yaliyolipwa kwa Wakurugenzi kwa mwaka uliokamilika tarehe 31 Desemba 2021 na kuidhinisha Bodi kulipa Wakurugenzi Wasio Watendaji.
3. Kuidhinisha malipo ya mgao wa kwanza na wa mwisho wa mapato ya hisa wa Shs 1.50 kwa kila hisa ya kima cha Shs 285,442,745 kwa mwaka uliokamilika tarehe 31 Desemba 2021, kama iliyopendekezwa na Wakurugenzi. Mgao wa mapato ya hisa utalipwa kwa Wenye-hisa walio kwenye Sajili ya Wanachama wa Kampuni kufikia mwisho wa siku ya Alhamisi, tarehe 16 Juni 2022 na utalipwa mnamo au karibu na Ijumaa, tarehe 29 Julai 2022.
4. Kuthibitishia Wakaguzi wa Hesabu kwamba kampuni ya PricewaterhouseCoopers LLP, baada ya kuonyesha nia yake, itaendelea kuhudumu kama Mkaguzi wa Kampuni kwa mujibu wa kifungu cha 721(2) cha Sheria ya Kampuni ya Kenya 2015 na kuidhinisha Wakurugenzi kurekebisha malipo ya Wakaguzi wa Hesabu.
5. Kuchagua tena Wakurugenzi Wakuu:
  - a) kwa mujibu wa Kifungu cha 96 cha Taarifa ya Ushirika ya Kampuni, Prof. Samuel Seijaaka, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;
  - b) kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bi. Sumayya Hassan, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;
  - c) kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Dkt. Yasmin Jetha, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;
  - d) kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Wangethi Mwangi, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;
  - e) Dkt. Wilfred Kiboro, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;
  - f) Prof. Lee Huebner, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;
  - g) Bw. Anwar Poonawala, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;
  - h) Mr. Francis. O. Okello, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;
6. Kuteua wanachama wa Kamati ya Ukaguzi, Hatari na Utiifu ya Kampuni:
 

Kwa mujibu wa kifungu cha 769(1) cha Sheria ya Kampuni ya 2015, Wakurugenzi wafuatao kwa kuwa wanachama wa Kamati ya Bodi ya Ukaguzi, Hatari na Utiifu wachaguliwe tena ili kuendelea kuhudumu kama wanachama wa Kamati iliyotajwa:

  - a) Bw. Leonard Mususa
  - b) Bw. Anwar Poonawala
  - c) Bw. Al-Noor Ramji
  - d) Prof. Samuel Seijaaka

### SHUGHULI MAALUM

7. Shughuli nyingine yoyote ambayo taarifa yake halali imetolewa.

#### Kwa Amri ya Bodi



**Angela Namwakira**

Katibu wa Kampuni

7 Juni 2022

“

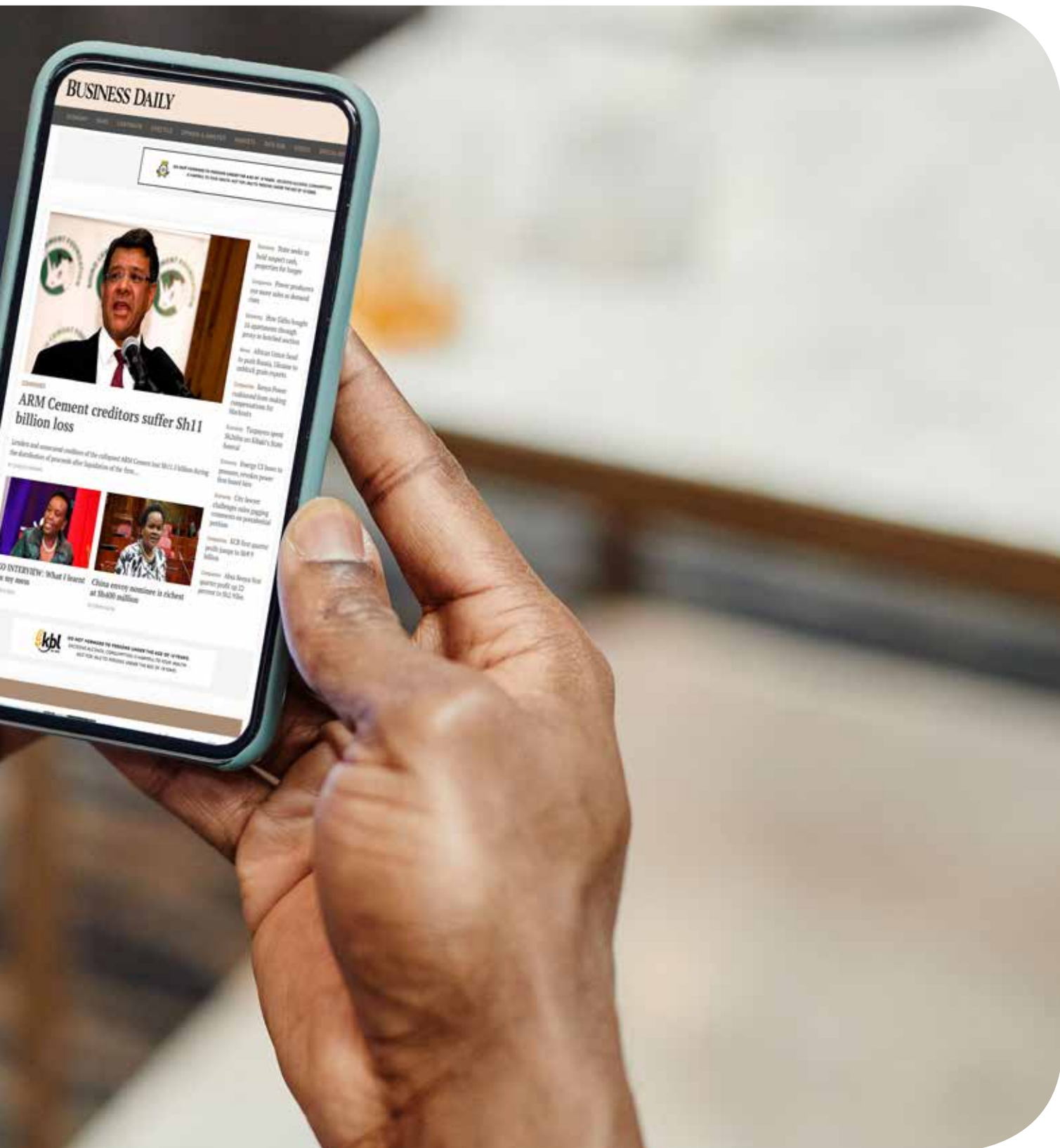
**It is the storyteller who makes us what we are, who creates history. The storyteller creates the memory that the survivors must have – otherwise their surviving would have no meaning.”**

– Chinua Achebe



**Media of Africa for Africa**





Overview





### Vision:

To be the media of Africa for Africa

### Core values:



Continuous  
Improvement &  
Innovation



Consumer  
Focus



We are a  
Team



Integrity  
and Trust



Drive for  
Performance



### Our Mission:

Create value for our stakeholders and positively influence society by providing media that informs, educates, and entertains.



# Corporate Governance Statement

The Company is committed to upholding the best international standards of good corporate governance.

The role of the Board is to determine the Company's policies and strategies, to monitor the attainment of the business objectives and to ensure that the Company meets its obligations to the shareholders. The directors are also responsible for overseeing the Group's internal control systems. These controls are designed both to safeguard the Group's assets and to ensure the reliability of the financial information used within the business.

The following were the standing Board committees in the year ended 31st December, 2021:

**1 Nominations and Governance Committee**, which is responsible for executive and non-executive board appointments and for overseeing the Group's adherence to good corporate governance principles. Prof. L. Huebner chairs the committee which has Dr. W. D. Kiboro, Mr. D. Aluanga, Mr. A. Poonawala and Mr. S. Gitagama as members. The members of the Committee, with the exception of the Group Chief Executive Officer, are non-executive directors.

**2 Audit, Risk and Compliance Committee**, whose responsibility is to oversee the effective administration of the Group's systems of internal controls, management of risk and compliance with applicable regulatory requirements as well as review of the Group's financial plans and reports. Mr. L. Mususa chairs the committee which has Mr. A. Poonawala, and Mr. A. Ramji as members. The members of the committee are independent and non-executive directors.

## Committee meetings attendance for the Financial year

	25.03.2021	23.06.2021	16.09.2021	26.10.2021	02.12.2021
Leonard Mususa	✓	✓	✓	✓	✓
Anwar Poonawala	✓	✓	✓	✓	✓
Ali-Noor Ramji	✓	✓	✓	✓	✓

**3 Strategy and Investments Committee**, which reviews the Group's medium and long term strategic options and investment proposals. Mr. L. Otieno chairs the committee. The committee has Dr. Y. Jetha, Prof. L. Huebner, Mr. S. Dunbar-Johnson, Mrs. S. Hassan, Mr. A. Ramji, Mr. S. Gitagama, Mr. D. Aluanga and Mr. R. Tobiko as members.

**4 Editorial Committee**, which considers and advises on the Group's editorial policy, the journalistic code of ethics and legal responsibilities. Mr. F. O. Okello chairs the committee which has Mr. D. Aluanga, Mr. W. Mwangi, Mrs. S. Hassan and Mr. S. Gitagama as members.

**5 Human Resources and Remuneration Committee**, whose primary objective is to assist the Group to achieve its goal of adhering to the best practices in Human Resources Management and Development. Dr. Y. Jetha chairs the committee, which has Mr. A. Poonawala, Mr. L. Mususa, Mr. W. Mwangi and Mr. L. Otieno as members. The members of the committee are independent and non-executive directors.

The Chairman of the Board is a non-executive director and is elected by the board of directors to hold office after every three years.

There is a clearly defined organizational structure within which individual responsibilities and authority limits are set out. The structure is complemented by policies and management operates the business in compliance with these policies.

The Group Chief Executive Officer chairs the Executive Team, which comprises the executive directors and the senior executives of the Group. The team is responsible for implementing the strategy approved by the board and also deals with operational matters and co-ordinates activities across the Group's various subsidiary companies and divisions.

## INSIDER DEALINGS

The board has a documented policy on insider dealings in the Company's shares.

## CORPORATE GOVERNANCE

Nation Media Group PLC is in compliance with the provisions of the Capital Markets Act- Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015. Over one third of the Board of Directors are independent and non-executive directors. The membership of the various board committees is listed above.

# NMG Overview & Future Outlook

**N**ation Media Group's dream began 62 years ago when the world and, indeed, Africa was going through a great transition. From the challenges of the Cold War to independence across the continent, the wind of change was blowing across the world. It was during this time of political turbulence, struggle for independence, promise, and Pan-Africanism that the Nation was born, on March 20, 1960.

From a small newspaper company, with only one title, Taifa, a Swahili publication, we have grown to become the largest multimedia house in East and Central Africa with operations in print, broadcast and digital media all of which attract and serve unparalleled audiences across the continent and the world.

NMG was founded by His Highness the Aga Khan on the bedrock of a set of core values whose central theme was to promote independent voices, diversity and freedom of expression as enshrined in our editorial policy. Another critical element in these values - and the purpose for our establishment - was, and continues to be, a mission to be a trusted partner of African democracies, a champion of the ordinary

# 66

**NMG's pursuit of its mission is driven by its deep conviction that ideas are central to human development. This has indeed served as the foundation of our philosophy of serving the continent as we position ourselves as the Media of Africa for Africa.**

person, a supportive voice for the rule of law and respect for human rights, and a strong advocate of free market economies. This mission has remained unchanged and has been renewed over the years. As we seek to positively influence society, we shall continue to be guided and to stand by the values of truth, independence, fairness, balance and accuracy.

We remain steadfast in the conviction of our goal to fundamentally improve the quality of people's lives and to contribute to a sustainable world through our business. We will stay at the forefront, identifying the many issues critical to social transformation such as education, the environment and health, and highlighting solutions to their achievement. We will work with our stakeholders, customers, shareholders, supporters and the communities we serve to pursue a win-win growth strategy by going further together.

NMG's pursuit of its mission is driven by its deep conviction that ideas are central to human development. This has indeed served as the foundation of our philosophy of serving the continent as we position ourselves as the Media of Africa for Africa.

**We remain steadfast in the conviction of our goal to fundamentally improve the quality of people's lives and to contribute to a sustainable world through our business.**



# THE GATEWAY TO AFRICA

Read compelling stories about our people.

EGYPT



S.A



MOROCCO



KENYA

ETHIOPIA



LIBYA



Join us today.

→ Go to [nation.africa](https://nation.africa)

Scan to join us.



# NATION

Empower Africa.

Powered by  **Nation Media Group**  
Media of Africa for Africa

## Overview

# Our Footprint

Kenya, Uganda, Tanzania and Rwanda



### Uganda Brands

- NTV Uganda
- Daily Monitor
- Dembe FM
- The EastAfrican
- Ennyanda
- Spark TV
- KFM
- Nation Forum Uganda and Monitor's Thought Leaders Forum



### Kenya- Brands

- Daily Nation
- Business Daily
- NTV
- The EastAfrican
- Taifa Leo
- Kenya Buzz
- Lit 360
- Nairobi News
- Nation Leadership Forum
- Kusi Ideas Festival
- TAG Brand Studio
- Nation FM
- Nation Sema
- Pishi



### Rwanda Brands

- The EastAfrican
- Rwanda Today



### Tanzania Brands

- The Citizen
- Mwananchi
- MwanaSpoti
- The EastAfrican
- Mwananchi Thought Leadership Forum







ntv  
NEWS

Teen  
REPUBLIC

ntv  
turning on your world

THE TREND  
WITH ANINA ABDI RABAR

#TWENDE

THE  
GAME  
PLAN

Just  
**AMAZING**

WATCH | LISTEN | STREAM

GoTV  
entertaining africa  
Channel 91

DStv  
Feel young. Unleash it.  
Channel 271

StarTimes  
Feel young. Unleash it.  
Channel 105

zuku  
Channel 13

SIGnet  
Available on Signet

ADN  
Available on NTV 1

[www.ntvkenya.co.ke](http://www.ntvkenya.co.ke)



## Overview

# Our Digital Footprint

Facebook

**19.4 million**  
users



Twitter

**15.3 million**  
users



Website

**8.1 million**  
users



Youtube

**4.6 million**  
users



Instagram

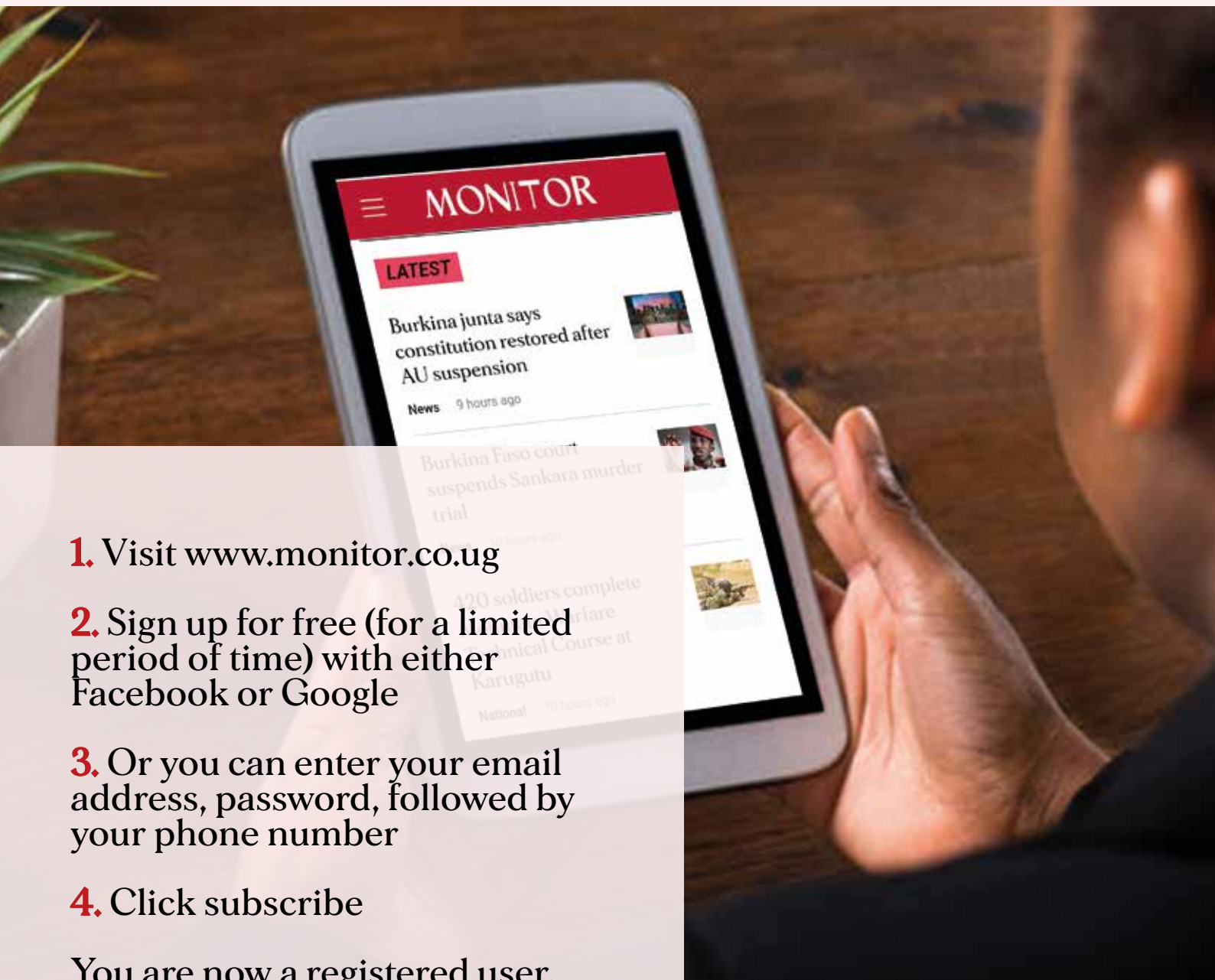
**3.6 million**  
users



**Total reach**  
**51 million**  
**users**



For your free access  
to prime stories on [www.monitor.co.ug](http://www.monitor.co.ug),  
sign-up with this quick step-by-step guide:



1. Visit [www.monitor.co.ug](http://www.monitor.co.ug)
2. Sign up for free (for a limited period of time) with either Facebook or Google
3. Or you can enter your email address, password, followed by your phone number
4. Click subscribe

You are now a registered user.  
Welcome to Monitor.

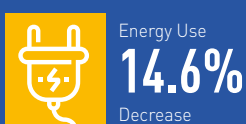
For inquiries, please contact us  
on +256 312 301 230 or email us at  
[customercareug@ug.nationmedia.com](mailto:customercareug@ug.nationmedia.com)

\*Terms and conditions apply.

**MONITOR**  
by NATION

## Performance Highlights

### Non- Financial Highlights



### Financial Highlights





## Muhtasari wa Matokeo

### Vidokezo visivyo vya matokeo ya kifedha



Idadi ya wachuuzi/mawakala

4,671



Wateja wanaolipa Waliojiandikisha kwa Nation.Africa

&gt;100%



Watumiaji Waliojisajili kwa Nation.Africa

&gt;100%



Wafanyikazi

1,283



Wasambazaji/Wanabiashara wadogo wadogo (SMEs)

80%



Washiriki wa Kimtandao wa Tamasha la Kusi Ideas Festival

17,000



Tuzo za Ukanda Mzima

36



Matumizi ya Kawi

14.6%

### Vidokezo muhimu vya matokeo ya kifedha

#### Kipengee

#### % Ukuaji



Mapato ya kitengo cha matangazo gazetini

14% ↑



Mapato ya kitengo cha matangazo kwenye runinga

25% ↑



Mapato ya kitengo cha Redio

42% ↑



Jumla ya pesa taslimu

38% ↑



Mapato ya kitengo cha dijitali

20% ↑



Mapato ya kitengo cha Uchukuzi wa bidhaa

13% ↑



Kujiandikisha kwa gazeti la kimtandao (ePaper)

8% ↑



Kupungua kwa usambazaji wa nakala za magazeti

9% ↓



**Dr. Wilfred  
D. Kiboro**  
Chairman

# Group Chairman's Statement

## Dear Stakeholders,

On behalf of the Board of Directors, I am delighted to present to you the Group's financial and non-financial performance report for the year ended 31st December, 2021.

The year under review showed promising signs of recovery following a challenging previous year given the unprecedented Covid-19 pandemic that ravaged the world.

The effects of the pandemic, including new variants, continued to be felt across East Africa through the enforcement of a mix of containment measures such as nightly curfews, and school closures in some countries. More disruptive measures like lockdowns, partial border closures, and travel restrictions were phased, limiting social and economic activity.

It is on this basis that East African economies experienced marginal growth while recovering from the sharp contractions due to the Covid-19 pandemic. Business slowed down across various sectors with industries such as tourism, manufacturing, transport and hospitality experiencing deterioration.

The current rebound is fueled by elevated commodity prices, a relaxation of stringent pandemic measures and recovery in global trade. However, it remains vulnerable in light of low rates of vaccination on the continent, protracted economic damage, and a slow pace of recovery. The World Bank projects that growth for 2022 and 2023 will remain just below 4%, continuing to lag behind the recovery in advanced economies and emerging markets.

# 75%

**At NMG, we took measures including aggressive and sustained vaccination drives to protect the safety and well-being of our employees, families, partners, customers and other stakeholders across all our markets. The Group has so far achieved more than 75% vaccination of its employees across all its markets.**

The outlook is trending positively with anticipated recovery of various sectors such as hospitality, trade, transport, and other services dependent on faster vaccination to help prevent new waves of infections and associated containment measures. Indeed, we have seen a lot of progress and efforts by Governments and private sector actors across the region to encourage vaccinations, including requiring compliance as a condition for accessing Government service.

At NMG, we took measures including aggressive and sustained vaccination drives to protect the safety and well-being of our employees, families, partners, customers and other stakeholders across all our markets. The Group has so far achieved more than 75% vaccination of its employees across all its markets. We will continue to support Governments in the region by encouraging more vaccinations and partnering for private sector growth.

## Political Landscape

East African democracies continue to go through political transition as was evidenced in 2021. In March 2021, Tanzania went through a challenging time when the then President H.E. John Pombe Magufuli passed on and was succeeded by his deputy H.E. Samia Suluhu Hassan. The change of guard happened in a peaceful way and the new president has fared well in her leadership. She managed to thaw a relationship between opposition parties and some international organizations with the Government who had been at loggerheads with the State on infringement of democratic space, imprisonment of critics and handling of Covid-19 pandemic. She also reiterated her strong support for private sector development, which has seen improvement in its relationship with the Government.

Its neighbour to the North, Kenya, will undergo a General Election in August 2022 that will see a new president taking over. There are also Gubernatorial, legislative and other elective positions. Some concerns on the campaigns so far include emergence of a large but apparently disinterested youth voter constituency; slow preparation of electoral infrastructure including laws, and rising political intolerance, including hate speech, incitement and high incidence of disinformation. To respond to this challenge, the Group has taken up its role in raising public attention to the key issues with a rallying call to unify the citizenry before, during and after the elections.

In this regard, NMG launched the "Mimi Mkenya" initiative, which aims to promote patriotism, issue-based elections, peace and unity beginning at the grass roots, and spreading across the country. The campaign seeks to inculcate a sense of ownership and responsibility among Kenyans and various

## Group Chairman's Statement (continued)

stakeholders from corporates, development partners, national institutions, friends of Kenya and all other stakeholders to work together towards peaceful elections in August 2022.

Through the *Mimi Mkenya* initiative, the Group has reiterated its commitment to its editorial policy to cover all candidates fairly, objectively but fearlessly; provide a platform for everybody who would like to take advantage of; hold leaders accountable to a set of issues important to the country and the Kenyan people through its '*Nation Agenda*' (NMG has developed key areas to drive issue-based campaigns on matters of high public interest). We will also fearlessly advocate against incitement, hate speech and disinformation; engage the youth and provide them a platform to air their issues and fact check what leaders say and call them out on disinformation, inaccuracies and deliberate omissions.

### Financial Performance

The Group posted a turnover of Shs 7.6 billion and a profit before tax of Shs 0.7 billion, registering an improvement from 2020 when we realised Shs 6.8 billion and Shs 0.1 billion respectively. The business recovery resulted from reopening of most economic sectors and easing of some of the pandemic related restrictions such as lockdown.

The Group registered significant growth on the back of accelerated digital initiatives, television and print revenue recovery. In addition, targeted cost management measures were undertaken to improve operational efficiency and increase productivity.

### Dividends

Despite the challenging economic environment, the business is gradually recovering from the global pandemic effects. The directors recommend payment of a final



**NMG launched the “Mimi Mkenya” initiative, which aims to promote patriotism, issue-based elections, peace and unity beginning at the grass roots, and spreading across the country. The campaign seeks to inculcate a sense of ownership and responsibility among Kenyans and various stakeholders from corporates, development partners, national institutions and friends of Kenya and all other stakeholders to work together towards peaceful elections in August 2022.**



dividend of Shs 1.50 per share on issued and paid-up share capital as at 31st December 2021, with the exclusion of treasury shares repurchased during the year. No interim dividend was paid during the year.

### Share Buyback

The Shareholders during an AGM held on 25th June, 2021 approved a Share Buyback of up to ten percent (10%) of its issued and paid-up share capital at a premium price of Shs 25 per share in accordance with the provisions of the Companies Act

(2015) of the Laws of Kenya. This gave the shareholders an opportunity to cash in on their investments. The Buyback closed on 24th September, 2021 with an impressive uptake of 82.45% (17.1 million shares). The shares repurchased are held by the company as Treasury shares.

### Digital Transformation Journey

The Group's digital transformation has been encouraging with 2021 witnessing an important milestone in beginning the journey to shift its business model to a mixed one with advertising and reader revenue being key pillars driven by digital content while exploring new revenue streams in the events and technology space.

In February 2021, NMG became the first media company in East and Central Africa to launch a paid subscription service for its digital content. Considering the uncharted territory we find ourselves in, we are delighted with the progress in terms of significant growth in audience acquisitions through registrations and paid subscriptions, expansion of compelling content covering the Africa continent and enriching our content formats to new media formats such as podcasts, puzzles, video and newsletters.

### Thought Leadership

The Group continued in utilising its convening power to shape the development and future of the region and Africa through its country-specific and Pan-African platforms. We hosted a series of virtual *Nation Leadership Forums (NLF)* in Kenya and *Mwananchi Thought Leadership Forums* in Tanzania. These dialogue forums delved into key areas such as agriculture, health, Small and Medium Enterprises (SMEs), manufacturing, education, technology and taxation, among others, bringing together diverse experts to deliberate on development issues affecting the region.



## Group Chairman's Statement (continued)

NMG's vision for being a 'Media of Africa for Africa' was strengthened when it held the third edition of the Kusi Ideas Festival, in West Africa - Accra, Ghana in December 2022. From *Kusi I* (Kigali, Rwanda) to *Kusi II* (Kisumu, Kenya), a new urgency was injected into the Pan-African ideas conversation, and this edition sought to review the importance of continental cooperation, under the theme "*How Africa Transforms Under the Virus*". The location selected for the third edition of the festival was almost poetic in that Accra plays host to the African Continental Free Trade Area (AfCFTA) Secretariat Headquarters, therefore providing the perfect venue to discuss the 2021 theme.

The conference attracted 34 speakers, from across the African continent as well as international speakers with an interest and expertise in the continent. The third edition of the *Kusi Ideas Festival* was co-hosted by H.E. Nana Akufo-Addo, President of the Republic of Ghana and attracted participation from H.E. Paul Kagame, President of the Republic of Rwanda, H.E. Yoweri Museveni, President of the Republic of Uganda, H.E. Rebecca Grnyspan, Secretary General of United Nations Conference on Trade and Development (UNCTAD); H.E. Wamkele Mane, Secretary General AfCFTA; H.E. Dr. Peter Mathuki, Secretary General of East Africa Community, among other stakeholders including experts, innovators, academia, entrepreneurs, captains of industry, and representatives from the diplomatic community. It was attended by 1,080 in-person delegates, a record 17,000 virtual delegates from 72 countries and 401 cities and attained over 200 million impressions on social media.



**The Kusi Ideas Festival attracted delegates from 72 countries and 401 cities. It was attended by 1,080 in-person delegates, a record 17,000 virtual delegates and attained over 200 million impressions on social media.**

### Sustainability Agenda

The Group's focus on building a sustainable business for the future gained more critical importance following the lessons learnt from the Covid-19 pandemic. Our business will only derive and deliver value if it sustains the efforts to embed sustainable business practices across all operations and pays attention to environmental, social and governance issues.

The Group has very strong governance structures including an adaptive approach in managing key risks material to the business with a clear monitoring and escalation matrix.

I am encouraged through NMG's efforts in playing a critical role in environmental sustainability. The Group has established a magazine called '*Climate Action: Why it Matters Campaign*' which convenes environmental experts to drive key conversations on climate change. The magazine has been recognised internationally at the 2021 International News Media Association (INMA) World Media

Awards. It is this commitment that drove the Group to play a convening role to rally Kenya in discussing climate change positions in readiness for COP26. Further, the Group has entered into strategic partnerships in key environmental initiatives such as the adoption of a nursery to reclaim water catchment areas in Uasin Gishu and Machakos Counties. Our commitment is to scale up these activities while playing a convening role to bring on board more partners and drive for behaviour change through all our media platforms.

NMG across the region continues to develop and implement social impact initiatives in areas such as health, education, environment, disaster relief, and community development. In this regard, the Group has registered the '*Nation Media Foundation*' to enable it deploy resources and attract key strategic partnerships that will result in an expansion of Sustainable Development Goals (SDGs) initiatives. This will be a critical vehicle for creating shared value shareholders and stakeholders.



**The Group's focus on building a sustainable business for the future gained more critical importance following the lessons learnt from the Covid-19 pandemic.**

## Group Chairman's Statement (continued)

### Board Changes

The previous year saw some changes in the Board. Prof. Samuel Sejjaaka was appointed as a Non-Executive Director and Chairman of the company's subsidiary in Uganda, Monitor Publications Limited in January 2022. This was following the passing of Dr. Simon Kagugube in 2021. The board will greatly benefit from his vast experience in management, governance oversight over public interest companies and strategy formulation.

### Our People

The Group's digital transformation will take place, not only through technology but more specifically through a vibrant, agile, adaptive, and multi-skilled pool of talent. In this regard, NMG's focus is in beefing up its internal capacity through re-skilling and upskilling the current team while at the same time acquiring new expertise.

**The Group's digital transformation will take place, not only through technology, but more specifically through a vibrant, agile, adaptive and multi-skilled talent.**



**To enable us succeed, we will continue building new products, invest and enter into key strategic partnerships for content, technology and talent.**

### Looking Ahead

In the year ahead, the Group is cognisant of the unique opportunities and challenges that exist in the digital space. We continue to learn significant lessons that inform our continuous innovation and improvement as we set our eyes on achieving the strategic North Star of becoming a modern digital content company. Hence, the focus will be to accelerate existing products in digital spaces to foster growth in new revenue streams and audiences.

To enable us succeed, we will continue building new products, invest and enter key strategic partnerships for content, technology and talent.

Lastly, we will identify mergers and acquisition opportunities for products that will help the Group drive value in key social impact areas such as agriculture, youth, environment, education, technology among others. This will also entail exploring entry into new

emerging markets such as Ethiopia, Democratic Republic of Congo (DRC), Nigeria, Malawi and Ghana.

The Board is pleased with the measures management and staff deployed, amidst a difficult period to put the Group on a path of recovery. The Board is satisfied with the company's strategic outlook and the plans in place to continue securing NMG as a sustainable business.

Let me take this opportunity to thank my fellow directors on the Board for their commitment, passion, and wise counsel. I sincerely appreciate their significant contribution during a time when leadership was required to navigate the ship through rough waters.

All in all, the recovery we have experienced would not have been possible without the hard work, tireless efforts, excellence, and teamwork of the management and staff of NMG. My deepest gratitude goes to all of you. I thank each one of you for being a champion of our mission, sharing a common mindset, driven by the set of values that we live by. My sincere appreciation for the continued support of our business partners, customers, and other stakeholders.

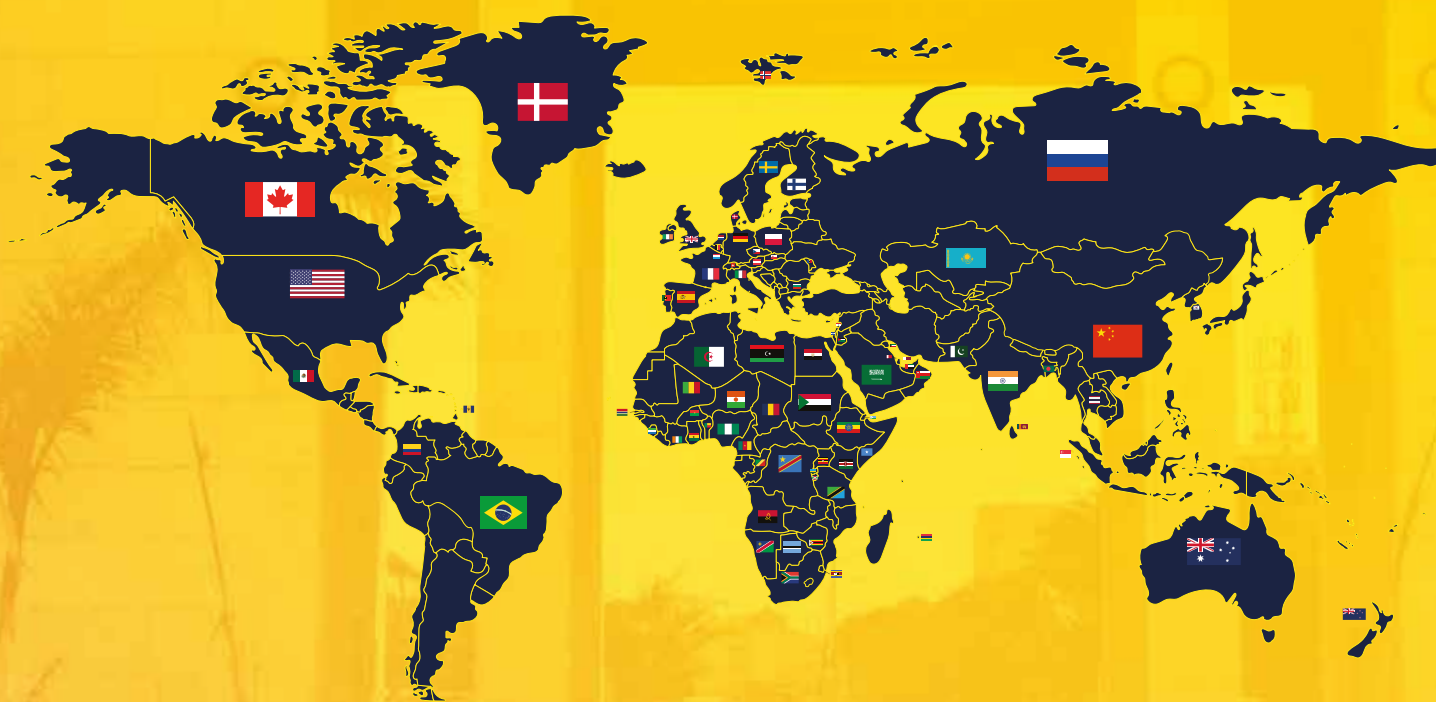
Ahsanteni sana!

**Dr. Wilfred D. Kiboro**  
Group Chairman

## KUSI 2021 STORY

“The story of Covid-19 in Africa is not about how many people die of it, but rather how many thousands survive. At Nation Media Group, we take this story very seriously because it underscores the fact that Africa telling her own story is a strategic imperative with far-reaching consequences on our survival. Let us therefore purpose to leave this festival with a commitment to do what we need to do as individuals or collectively to take charge of our own narrative.”

Dr. Wilfred D. Kiboro - Chairman, Nation Media Group PLC



**1,080**

Delegates attended physically



**17,000**

Delegates attended virtually



**72**

Countries which participated



**401**

Cities from which people participated



**34**

Speakers from across the globe



Over  
**200M**

Impressions on social media

Ghana • Nigeria • Kenya • South Africa • United States • Rwanda • Uganda • Germany • Canada • France • Finland • United Kingdom • Netherlands • Saudi Arabia • Ireland • Tanzania • United Arab Emirates • Sierra Leone • Switzerland • Ethiopia • Japan • India • Indonesia • Portugal • Ivory Coast • South Korea • Belgium • Qatar • Somalia • Bahrain • Croatia • Denmark • Sweden • Zimbabwe • Australia • Austria • Bangladesh • Burundi • Czechia • Gambia • Mali • Mauritius • Poland • South Sudan • Thailand • Barbados • Botswana • Bulgaria • Burkina Faso • Cameroon • China • Colombia • Congo Republic • Djibouti • DR Congo • Eswatini • Israel • Italy • Jordan • Kazakhstan • Kuwait • Lebanon • Malaysia • Mexico • Namibia • New Zealand • Oman • Pakistan • Russia • Singapore • Spain • Togo



**Dr. Wilfred  
D. Kiboro**  
Mwenyekiti



# Taarifa ya Mwenyekiti

## Wapendwa Wenye hisa,

**K**wa niaba ya Bodi ya Wakurugenzi, ninafuraha kuwapa ripoti ya utendakazi wa kifedha na usio wa kifedha wa Shirika hili kwa mwaka uliokamilika tarehe 31 Desemba 2021.

Mwaka unaokaguliwa umeonyesha ishara za matumaini za kurejea kwa hali ya kawaida baada ya mwaka uliotangulia uliokuwa umejaa changamoto kwa sababu ya tandavu ya UVIKO-19 ambayo haikutarajiwa iliyoipiga dunia.

Madhara ya tandavu hii, ikijumuisha aina zake mpya, yaliendelea kuathiri watu kote Afrika kwenye ukanda wa Mashariki kupitia utekelezaji wa mchanganyiko wa hatua kama vile marufuku ya kutotembea usiku, kufungwa kwa shule katika baadhi ya nchi, huku hatua zingine za uharibifu zaidi kama vile kufungwa kwa nchi, kufungwa kwa mipaka kwa muda fulani na vikwazo vya usafiri zikiwekwa kwa awamu, na kuwekea kikomo shughuli ya kijamii na kiuchumi.

Ni kwa msingi huu ambapo uchumi wa mataifa ya Afrika Mashariki ulishuhudia ukuaji mdogo huku ukirejea baada ya kusakamwa na tandavu ya COVID-19. Biashara ilipungua katika sekta mbalimbali huku kampuni kadhaa zikipunguza idadi ya wafanyikazi wao katika sekta kama vile utalii, viwanda, uchukuzi, hoteli na malazi.

Kurejea kwa hali ya kiuchumi kwa sasa kumepigwa jeki na kuimarika kwa bei za bidhaa, kuondolewa kwa hatua kali za kudhibiti tandavu na kurejea kwa biashara ya kimataifa. Hata hivyo, hali inasalia kuwa tete kwa sababu ya viwango vya chini vya utoaji wa chanjo katika bara hili, uharibifu wa sehemu fulani za uchumi na kujikokota kwa urejesho. Benki ya Dunia inakadiriya kwamba ukuaji wa 2022 na 2023 utasalia

# 75%

**Katika NMG, tulichukua hatua ikiwemo kampeni kali na za kila mara za utoaji chanjo ili kulinda usalama na ustawi wa wafanyikazi wetu, familia, washirika, wateja na washikadau wengine kote katika masoko yetu yote. Shirika hili hadi kufikia sasa limetoa chanjo kwa zaidi ya 75% ya wafanyikazi wake katika masoko yake yote.**

chini ya asilimia 4 tu, hii ikizidi kuvuta nyuma kasi ya urejesho katika uchumi wa nchi zilizoendelea na masoko ibuka.

Mwonekano unaendelea kuwa chanya huku kukiwa na matarajio ya kurejea kwa sekta mbalimbali kama vile ya utalii, viwanda, biashara, uchukuzi na huduma nyingine zinazotegemea utoaji wa haraka wa chanjo ili kusaidia kuzuia mawimbi mapya ya maambukizi na hatua husika za kuidhibiti. Ama kwa kweli, tumeshuhudia hatua na juhudi kubwa za watendaji wa serikali na wa sekta ya kibinafsi kote katika ukanda huu za kuhimiza shughuli za chanjo, ikijumuisha kuweka masharti ya utiifu kama matakwa ya kufikia huduma za serikali.

Katika NMG, tulichukua hatua ikiwemo kampeni kali na za kila mara za utoaji chanjo ili kulinda usalama na ustawi wa wafanyikazi wetu, familia, washirika, wateja na washikadau wengine kote katika masoko yetu yote. Shirika hili hadi kufikia sasa limetoa chanjo kwa zaidi

ya 75% ya wafanyikazi wake katika masoko yake yote. Tutaendelea kusaidia serikali za ukanda huu kwa kuhimiza utoaji wa chanjo zaidi na kushirikiana na kwa ajili ya ukuaji wa sekta ya kibinafsi.

## Mandhari ya Kisiasa

Nchi za Afrika Mashariki zinaendelea kupitia mpito wa kisiasa kama ilivyoshuhudiwa mwaka wa 2021. Mnamo Machi 2021, Tanzania ilipitia changamoto wakati Rais aliyekuwa madarakani John Pombe Magufuli alipoaga dunia na kurithiwa na naibu wake Mheshimiwa Samia Suluhu Hassan. Mabadiliko ya uongozi yalifanyika kwa njia ya amani na rais mpya amefanya vyema katika uongozi wake. Aliweza kuleta mwafaka katika uhusiano kati ya vyama vya upinzani na baadhi ya mashirika ya kimataifa na serikali ambao wamekuwa na uhasama na Serikali kuhusu ukiukaji wa nafasi ya kidemokrasia, kufungwa jela kwa waliosuta serikali na jinsi serikali ilivyoshughulikia tandavu ya UVIKO-19. Kadhalika, alisisitiza kuunga mkono kwa dhati maendeleo ya sekta ya kibinafsi, ambayo imeimarika katika uhusiano wake na serikali.

Jirani yake upande wa Kaskazini, Kenya, inatarajia kuenda katika uchaguzi Mkuu mwezi Agosti 2022 ambapo rais mpya anatarajiwa kuchukua uongozi. Pia kuna uchaguzi katika nyadhifa za Ugavana, wabunge na nyadhifa nyinginezo. Baadhi ya wasiwasi katika kampeni kufikia sasa ni pamoja na kuibuka kwa idadi kubwa ya vijana wapiga kura ambao wamegawanyika, kujikokota kwa maandalizi ya miundomsingi ya uchaguzi kama vile sheria, na kuzidi kupanda kwa joto la kisiasa, ikijumuisha matamshi ya chuki, uchochezi na matukio mengi ya kutoifahamisha umma. Ili kukabiliana na changamoto hizi, Kampuni imechukua nafasi yake katika uhamasishaji wa umma kuhusu masuala muhimu kwa kutoa

## Taarifa ya Mwenyekiti (inaendelea)

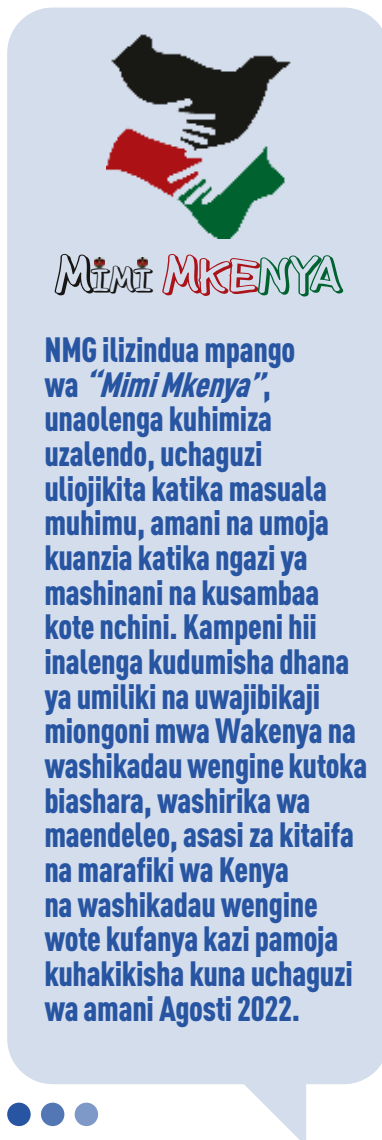
mwito wa kuunganisha wananchi kabla, wakati na baada ya uchaguzi.

Kutokana na hili, NMG ilizindua mpango wa **"Mimi Mkenya"**, unaolenga kuhimiza uzalendo, uchaguzi uliojikita katika masuala muhimu, amani na umoja kuanzia katika ngazi ya mashinani na kusambaa kote nchini. Kampeni hii inalenga kudumisha dhana ya umiliki na uwajibikaji miongoni mwa Wakenya na washikadau wengine kutoka biashara, washirika wa maendeleo, asasi za kitaifa na marafiki wa Kenya na washikadau wengine wote kufanya kazi pamoja kuhakikisha kuna uchaguzi wa amani Agosti 2022.

Kupitia mpango wa *Mimi Mkenya*, Shirika hili limesisitiza kujitolea kwake kutekeleza sera ya uhariri ili kuwahudumia wawaniaji wote kwa usawa, kwa uyaakinifu lakini bila woga; kutoa jukwaa kwa kila mtu ambaye angependa kuchukua fursa, kuwajibisha viongozi kwa seti ya masuala muhimu kwa nchi na wananchi kupitia mpango wake wa *Nation Agenda* (NMG imekuza nyanja kuu za kuendesha kampeni zilizojikita katika masuala muhimu kuhusu mambo ya maslahi ya umma). Kadhalika, tutapigana bila woga dhidi ya uchochezi, matamshi ya chuki na hali ya kutoifahamisha jamii, kushirikisha vijana na kuwapa jukwaa la kujadili masuala yao na kuchunguza ukweli wa yale viongozi wanasema na kusuta watu wanaokosa kuifahamisha jamii, mambo yasiyo sahihi na kufungia nje mambo mengine kwa kukusudia.

### Matokeo ya Kifedha

Shirika hili lilipata mauzo ya shilingi bilioni 7.6 na faida ya kabla ya kodi ya shilingi bilioni 0.7, na kusajili kuimarika ikilinganishwa na 2020 ambapo tulipata shilingi bilioni 6.8 na faida ya shilingi bilioni 0.1 mtawalia. Kurejea kwa biashara kulitokana na kufunguliwa tena



kwa sekta nyingi za uchumi na kuondolewa kwa baadhi ya vikwazo vilivyohusiana na tandavu hii kama vile kufungwa kwa nchi.

Shirika hili lilisajili ukuaji mkubwa kwa sababu ya kushika kasi kwa mipango ya kidijitali, kurejea kwa mapato kutokana na televisheni na machapisho. Pamoja na hayo, hatua zilizolenga kudhibiti gharama zilichukuliwa ili kuimarisha ufanisi wa utendakazi na kuongeza tija.

### Mgao

Licha ya mazingira ya kiuchumi yenye changamoto, biashara inarejea polepole baada ya madhara ya tandavu iliyoipiga dunia. Wakurugenzi wanapendekeza malipo ya mgao wa mwisho wa mapato ya hisa wa Shs 1.50 kwa kila hisa kwa mtaji wa hisa uliotolewa na uliolipiwa kufikia tarehe 31 Desemba 2021, bila kujumuisha hisa za hazina ya kitaifa zilizounuliwa tena katika mwaka huo. Hakuna mgao wa mapato ya hisa ya muda uliolipwa katika mwaka huo.

### Ununuaji Upya wa Hisa

Wakati wa Mkutano Mkuu wa Kila Mwaka (AGM) uliofanywa tarehe 25 Juni 2021, Wenye hisa waliidhinisha Ununuaji Upya wa Hisa wa hadi asilimia kumi (10%) wa hisa zake za mtaji zilizokuwa zimetolewa na kulipiwa kwa bei bora ya Shs 25 kwa kila hisa kwa mujibu wa vipengee vya Sheria ya Kampuni (2015) vya Sheria ya Kenya. Hii iliwapa wenye hisa fursa ya kuchuma pesa taslimu kutokana na uwekezaji wao. Ununuaji Upya wa hisa ulifungwa tarehe 24, Septemba, 2021 huku ikikumbatiwa kwa namna ya kuridhisha kwa 82.45% (hisa milioni 17.1) Hisa zilizounuliwa tena zinahifadhiwa na kampuni kama Hisa za Hazina.

### Safari ya Mageuzi ya Kidijitali

Safari ya mageuzi ya kidijitali ya Kampuni imekuwa ya kutia moyo huku 2021 ukishuhudia kupigwa kwa hatua kubwa katika mwanzo wa safari ya kubadili muundo wake wa biashara kuwa ule ambao ni mseto huku mapato kutokana na machapisho na usomaji yakiwa ni nguzo kuu zilizoendeshwa na maudhui ya kidijitali huku pia ikichunguza njia mpya za kuleta mapato katika nyanja za matukio na teknolojia.

Mnamo Februari 2021, NMG ilikuwa kampuni ya kwanza ya habari katika Ukanda wa Afrika Mashariki na Kati kuzindua huduma ya kujisajili inayolipiwa kwa ajili ya maudhui yake ya kidijitali. Kwa kuzingatia

## Taarifa ya Mwenyekiti (inaendelea)

kuwa hii ni safari ngeni tumejipata kwayo, tunafurahisha na hatua tuliyoipiga kuhusiana na ukuaji muhimu katika kupata hadhira kupitia watu kujiandikisha na kupitia usajili, upanuzi wa maudhui ya kuvutia yanayohusu bara la Afrika na kuboresha miundo yetu ya maudhui kwa miundo mipya ya habari kama vile podikasti, mafumbo, video na majarida.

### Uongozi katika Mawazo Pevu

Shirika hili linaendelea kutumia uwezo wake wa kuleta watu pamoja ili kukuza taswira ya maendeleo na mustakabali wa ukanda huu na Afrika kupitia majukwaa yake yanayolenga nchi mahususi na ya Afrika nzima. Tuliandaa misururu ya Mijadala ya *Nation Leadership Forums (NLF)* na *Mwananchi Thought Leadership Forums* nchini Tanzania. Mijadala hii ya mazungumzo ilijadili kwa kina nyanja muhimu kama vile kilimo, afya, SME, viwanda, elimu, teknolojia, utozaji wa kodi miongoni mwa mengine na kuleta pamoja wataalamu anuwai kujadili masuala ibuka yanayothiri ukanda huu.

Maono ya NMG ya kuwa 'Chombo cha Afrika kwa Ajili ya Afrika' yaliimarishwa wakati iliandaa awamu ya tatu ya Tamasha ya Kusi Ideas, kule Afrika Magharibi - Accra, Ghana mwezi Desemba 2021. Kuanzia *Kusi I* (Kigali, Rwanda) hadi *Kusi II* (Kisumu, Kenya), hali mpya ya dharura iliingizwa katika mazungumzo kuhusu mawazo ya kujenga Afrika nzima na awamu hii inalenga kukagua umuhimu wa ushirikiano wa kibara, chini ya kaulimbiu ya *"How Africa Transforms Under the Virus"*. Eneo lililochaguliwa kwa ajili ya awamu ya tatu ya tamasha hii lilikuwa la aina yake kwa kuwa Accra ndipo palipo Makao Makuu ya Eneo la Biashara Huru la Bara la Afrika (AfCFTA), hivyo kutoa ukumbi bomba wa kujadili mada ya 2021.

Kongamano hilo lilivutia wazungumzaji 34, kutoka kote

**Wajumbe 1,080 walihudhuria ana kwa ana, wajumbe 17,000 kupitia simu ya video kutoka nchi 72 na miji 401 na ilivutia zaidi ya hisia milioni 200 kwenye mitandao ya kijamii.**

barani Afrika na vilevile wasemaji wa kimataifa wenye masilahi yao na kutumia ujuzi wao ndani ya bara hili. Awamu ya tatu ya *Kusi Ideas Festival* iliandaliwa kwa pamoja na Mheshimiwa Rais Nana Akufo-Addo, Rais wa Jamhuri ya Ghana na kuvutia washiriki kuanzia Mheshimiwa Rais Paul Kagame, Rais wa Jamhuri ya Rwanda, Mheshimiwa Rais Yoweri Museveni, Rais wa Jamhuri ya Uganda, Mheshimiwa Rebecca Grnyspan, Katibu Mkuu wa Kongamano la Umoja wa Mataifa kuhusu Biashara na Maendeleo (UNCTAD); Mheshimiwa Wamkele Mane, Katibu Mkuu, AfCFTA, Mheshimiwa Dkt. Peter Mathuki, Katibu Mkuu wa Jumuiya ya Afrika Mashariki, miongoni mwa washikadau wengine ikijumuisha wataalamu, wavumbuzi, wasomi, wajasiriamali, viongozi wa tasnia na wawakilishi kutoka katika jumuiya ya mabalozi. Wajumbe 1,080 walihudhuria ana kwa ana, wajumbe 17,000 kupitia simu ya video kutoka nchi 72 na miji 401 na ilivutia zaidi ya hisia milioni 200 kwenye mitandao ya kijamii.

### Ajenda ya Uendelevu

Shirika hili linalenga kujenga biashara endelevu kwa sababu siku zijazo ni za umuhimu sana kufuatia yale tuliyojifunza kutokana na tandavu ya COVID-19. Biashara yetu itazalisha na kutoa thamani

tu ikiwa itadumisha juhudi zake za kudumisha matendo endelevu ya biashara kwenye utendaji kazi wake wote na kutilia maanani masuala ya kimazingira, kijamii na utawala.

Shirika hili lina taratibu thabiti za uongozi ikijumuisha mwelekeo oanifu wa kusimamia nyanzo muhimu za hatari kwa biashara ikiwa na utaratibu wazi wa ufuatiliaji na kushirikisha wahusika wa ngazi za juu.

Nimehimizwa kupitia juhudi za NMG katika kuchukua nafasi muhimu katika uendeleu wa kimazingira. Shirika hili limeanzisha jarida linaloitwa *'Climate Action: Why it Matters Campaign'* linalowaleta pamoja wataalamu wa mazingira kuendesha mazungumzo muhimu kuhusu mabadiliko ya hali ya hewa. Jarida hili limetambuliwa kimataifa katika Tuzo za INMA World Media za mwaka wa 2021. Ni kujitolea huku kulikofanya Shirika kuchukua nafasi ya kuleta watu pamoja ili kuhusisha Kenya katika kujadili nafasi za mabadiliko ya hali ya hewa kwa kujiandaa kwa ajili ya COP26. Isitoshe, Shirika pia lilifanya ushirikiano wa kimkakati katika



**Shirika hili linalenga kujenga biashara endelevu kwa sababu siku zijazo ni za umuhimu sana kufuatia yale tuliyojifunza kutokana na tandavu ya COVID-19.**



## Taarifa ya Mwenyekiti (inaendelea)

mipango muhimu ya kimazingira kama vile kuanza kutumia vitalu kulinda maeneo yenye chemchemi za maji katika Kaunti za Uasin Gishu na Machakos. Tunajitolea kuongeza shughuli hizi huku tukichukua nafasi ya kuleta wadau pamoja ili kushirikisha washirika zaidi na kuendesha kampeni ya mabadiliko kupitia majukwaa yetu yote ya habari.

NMG kote katika ukanda huu inaendelea kuunda na kutekeleza mipango yenye athari ya kijamii katika nyanja kama vile afya, elimu, mazingira, msaada wakati wa janga na maendeleo ya jamii. Kutokana na hayo, Kampuni hii imesajili **Wakfu wa Nation Media** ili kuiwezesha kutuma rasilimali na kuvutia ushirikiano muhimu wa kimkakati utakaosababisha upanuzi wa mipango ya Malengo Endelevu ya Maendeleo (SDGs). Hii itakuwa ni chombo muhimu cha kubuni thamani ya pamoja kwa wenye hisa na washikadau.

### Mabadiliko kwenye Bodi

Kulikuwa na mabadiliko kwenye Bodi mnamo mwaka jana. Prof. Samuel Sejjaaka aliteuliwa kuwa Mkurugenzi Asiyeye Mtendaji na Mwenyekiti wa kampuni tanzu nchini Uganda, Monitor Publications Limited mnamo Januari 2022. Hii ilifuatia kifo cha Dkt. Simon Kagugube mwaka wa 2021. Bodi

**Mageuzi ya kidijitali ya Shirika yatafanyika, si tu kupitia teknolojia bali hususan kupitia kikosi cha wafanyikazi wenye ujuzi anuwai, wanaojituma na wenye uwezo wa kubadilika ipasavyo.**



**Ili kutuwezesha kufanikiwa, tunaendelea kukuza bidhaa mpya, kuwekeza na kuingia katika ushirikiano muhimu wa kimkakati, teknolojia na talanta.**

itanufaika pakubwa kutokana na tajriba yake pana katika usimamizi, usimamizi wa utawala katika kampuni za maslahi ya umma na uundaji wa mikakati.

### Watu Wetu

Mageuzi ya kidijitali ya Shirika yatafanyika, si tu kupitia teknolojia bali hususan kupitia kikosi cha wafanyikazi wenye ujuzi anuwai, wanaojituma na wenye uwezo wa kubadilika ipasavyo. Kutokana na haya, lengo la NMG lipo katika kukuza uwezo wake wa kindani kupitia kuipa timu ya sasa ujuzi upya na ujuzi zaidi huku vilevile ikitafuta ujuzi mpya.

### Mustakabali wa Siku za Usoni

Katika mwaka mmoja ujao, Shirika linatambua fursa za kipekee na changamoto zilizopo katika uwanja wa kidijitali. Tunaendelea kujifunza mambo muhimu ambayo ndiyo msingi wa kuendelea kwetu kufanya uvumbuzi na kuboresha tunapotazamia kufikia sifa ya kimkakati ya Nyota wa Kaskazini ya kuwa kampuni ya maudhui ya kisasa ya kidijitali. Kwa hivyo, lengo litakuwa ni kuongeza kasi ya bidhaa zilizopo katika nyanja za kidijitali ili kuimarisha ukuaji katika njia mpya za mapato na hadhira.

Ili kutuwezesha kufanikiwa, tunaendelea kukuza bidhaa mpya, kuwekeza na kuingia katika ushirikiano muhimu wa kimkakati, teknolojia na talanta.

Mwisho, tutatambua fursa za kuungana na ununuzi wa bidhaa zitakazosaidia Shirika hili kuongeza thamani katika nyanja muhimu za athari ya kijamii kama vile kilimo, vijana, mazingira, elimu, teknolojia miongoni mwa mengine. Hii itajumuisha kuchunguza uwezekano wa kuingia katika masoko mapya ibuka kama vile Ethiopia, Jamhuri ya Kidemokrasia ya Kongo (DRC), Nigeria, Malawi na Ghana.

Bodi imefurahishwa na hatua ambazo usimamizi na wafanyikazi wamechukua, wakati wa kipindi kigumu ili kufanya Shirika kuwa katika njia ya kurejea katika hali ya kawaida. Bodi imeridhishwa na mwonekano wa kimkakati wa kampuni na mipango iliyopo ya kuendelea kulinda NMG kama biashara endelevu.

Nachukua fursa hii kushukuru wakurugenzi wenzangu kwenye Bodi kwa kujitolea kwao, ari yao na ushauri wao wenye busara. Ninashukuru kwa dhati mchango wao muhimu wakati ambapo uongozi ulihitajika ili kuongoza dau hili kwenye maji yaliyokuwa na mawimbi makali.

Yote tisa, kumi ni kwamba kurejea kwa hali ya kawaida iliyoshuhudiwa haingewezekana bila usimamizi na wafanyikazi wa NMG kutia bidii, juhudi zisizotetereka, ufanisi na kufanya kazi kama timu. Shukrani zangu za dhati sana ziwafikie nyote. Ninashukuru kila mmoja wenu kwa kuwa balozi wa lengo letu, kushiriki mtazamo wa pamoja, kwa kutumia seti ya maadili inayotungoza. Shukrani zangu za dhati kwa kuendelea kusaidia washirika wetu wa biashara, wateja wetu na washikadau wengine.

Ahsanteni sana!

**Dkt. Wilfred D. Kiboro**



# TAIFA LEO

Lugha yangu, gazeti langu

## Pata Uhondo Katika Gazeti jipya la Taifa Leo



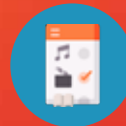
Ufasaha na Utaalamu



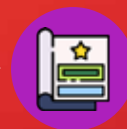
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**Mr. Stephen  
Gitagama**  
Group CEO

# Group CEO's Statement

The East Africa region experienced a recovery from the devastating impact of the Covid-19 pandemic, with an average GDP growth of 7.5% from -0.3% in 2020. The region's recovery was attributed to the resumption of tourism, a rebound in commodity prices and global demand, adequate agricultural harvests and the rollback of the containment measures that had been set up at the onset of the Covid-19 pandemic. The vaccine rollout across the continent and the increased focus on digital economies played a key role in the recovery of the region's growth, though this growth was uneven across sectors with industries such as tourism still feeling the pressure.

The media industry also experienced a slim upward trajectory relative to 2020, due to the easing of movement restrictions and re-opening of economies. These measures regulated consumption patterns in the markets and allowed businesses to run product and service campaigns across print, broadcast and digital platforms to drive brand awareness and uptake, which in turn had a positive impact on our business performance.

However, the gains made in 2021 face the challenge of being reversed due to the ongoing Ukraine crisis with the sanctions against Russia expected to have an adverse impact on the prices of food, fuel and other essential goods as well as on global supply chains.

## Financial Performance

The Group's profit before tax at Shs 0.7 billion was higher than the previous year. The business recovery that started in the second half of 2020 after the devastating Covid-19 disruption continued to hold in 2021 mainly attributable to growth in television and print advertising, digital advertising and E-paper subscriptions. The sustained



**The Nation.Africa paywall recorded over 61,000 individual subscribers with approximately 21,000 users paying to read content daily.**



recovery in print advertising has been propelled by the gradual but staggered resumption of economic activities across the region. On a positive note, subscriptions to our ePaper have continued to grow as content consumption habits shift to digital. The cost containment and business optimisation interventions rolled out at the onset of the pandemic have resulted in improved operational efficiency and continue to positively impact profitability and cash flow.

## Digital Transformation Journey

The media landscape has continued to evolve over the past few years, and 2021 was no different. The rising uptake of digital platforms for content consumption has challenged traditional media platforms and their revenue generation, meaning that organizations have had to go back to the drawing board to rationalize their revenue models. We have therefore re-engineered the Group's business model from a legacy advertising model to a reader revenue model to keep up with these market changes.

Following the launch of the organization's anchor digital brand, *Nation.Africa*, NMG took a bold step to become the first ever media company in East and Central Africa to launch a digital news content subscription service. The *Nation.Africa* paywall, rolled out in February 2021, aimed to diversify our sources of revenue, give our readers the power to select the content they wish to consume, contribute towards shaping the agenda of the continent and improve the quality of the content produced.

While the launch of the paywall was met with mixed reactions in the market, our audiences have begun to appreciate that in this age, reliable and quality content comes at a price. The paywall has recorded over 61,000 individual subscribers in the one year since its launch in February 2021, with approximately 21,000 users paying to read content on a daily basis.

We remain cognizant of the fact that the journey we have embarked on to monetize content will be a long winded one, but we are committed to delivering content that is worth the audience's time and money; that is relevant, interesting, relatable and engaging.

In a bid to get one step closer to achieving our mission to be the *Media of Africa for Africa*, we also launched the Africa page that enabled us to expand our content and reach across the continent and in the diaspora. The page boasts up-to-date, well-researched and relevant news and stories for our audiences.

## Marketing Campaigns & Activities

In the previous year, NMG rolled out marketing campaigns, events and on-ground activations to drive brand awareness, brand love and product uptake across the region.

## Group CEO's Statement (continued)

### Print

A 2021 survey conducted by the Media Council of Kenya (MCK) showed that NMG's *Daily Nation* remains the market leader in the country with respondents indicating that it is their newspaper of choice. To further cement its leadership and reinforce the brand's position as the voice for the voiceless and a trusted partner for Kenya's democracy, *Daily Nation* ran the "You Deserve the Truth" campaign. It highlighted truthful statements across National News, County, Lifestyle, Gender, Environment and Sports news, and challenged socio-economic issues while using a unifying campaign tagline "You Deserve the Truth". The tagline placed our audiences at the centre of the campaign and sought to endear them to the brand in conversations across marketplaces, resulting in a social media reach of 210 million users.

In addition to this, *Daily Nation* ran a "Faulu na Nation" campaign, designed to create an emotional connection with our young and old consumers alike, by rallying the nation to send messages of success to children sitting their final primary and secondary school examinations. Through the campaign, *Daily Nation* published over 300 messages and reached over 5.5 million social media users.

The *Business Daily's* much anticipated "Top 40 under 40" Men and Women Awards were re-introduced in 2021 following a brief hiatus in 2020 due to the Covid-19 pandemic. A first in the Kenyan media industry, this annual award has, and continues to recognize homegrown change makers who have made outstanding contributions in their respective fields. The 2021 awards, which received more than 2,000 entries, attracted participants from varied industries from musicians, paralympic athletes, surgeons, cyber-security experts, aeronautical engineers and self-taught 3D animators.

The awards continue to be synonymous with drive, achievement and impact across all ages, industries and professions. The *Top 40 Under 40* award has opened up job opportunities and international recognition for past winners, given businesses enhanced credibility and grown networks. The awards played an integral role in positioning the *Business Daily* as an aspirational brand and increased its relatability with the target audience.

In light of the evolving editorial landscape, and the ever-changing needs of the consumer, NMG embarked on a journey to reposition *Taifa Leo*, Kenya's only Kiswahili daily, as a fresh, modern, informative, educative and entertaining brand anchored in broadening the Kiswahili spectrum both locally and internationally. This led to the redesign of the newspaper to give it a bold, vibrant and refreshing look, while simultaneously making it easier to read.



# 9.7%

**The Taifa Leo redesign resulted in a 9.7% increase in the sales of the physical paper, and reached 15,228,365 people, gained 184,561,465 impressions on social media.**

The launch, hosted in Mombasa County, allowed us to celebrate the rich Swahili culture through the use of traditional regalia, décor and a showcase of Swahili dishes. The redesign resulted in a 9.7% increase in the sales of *Taifa Leo*, and reached 15,228,365 people and media. It was the leading trend with 184,561,465 impressions on social media and was the leading trend on Twitter driving conversations around the Swahili language.

The brand also launched a *Table Mat Campaign* that saw it print table mats for use in hotels and eateries across the country from the Coast region to Kisumu, Kakamega, Eldoret, Nakuru and Naivasha. The campaign aimed to increase brand awareness in the targeted areas, increase readership of the ePaper version through the use of QR codes printed on the mats. The campaign proved to be successful with increased awareness, heightened *Taifa Leo* queries and hotels converting to newspaper agents to drive accessibility of the paper in their locality. These marketing initiatives among other interventions, saw *Taifa Leo* become the fastest growing publication in Kenya, reporting a 4.7% increase relative to 2020.

In Uganda, *Monitor Publications Limited (MPL)* launched themed campaigns to celebrate Valentine's Day and Mother's Day, with winners walking away with getaways, monthly data plans and dinner reservations to celebrate the day with their consumers.

Mwananchi Communications Limited (MCL) continued to utilize their Content Preference Study to gain insights on their products and audience inclinations – the ongoing feedback process has been instrumental for the editorial team to improve their content, especially on day two stories. The team in Tanzania also embarked on a digitization process that supports



## Group CEO's Statement (continued)

the analytical performance of stories to drive regional content and advertising solutions.

*The Citizen* embarked on various brand awareness and promotion initiatives to position itself as a business paper, with one of these being the first edition of the Rising Woman Initiative, under the theme "Women in Leadership; Achieving an Equal Future". The aim of the initiative was to develop women leaders to play key roles in public and private institutions to contribute to business growth in the ever-changing landscape.

To mark Tanzania's 60 years of independence, MCL utilized its various platforms to commemorate the country's milestone. MCL profiled companies that have been in existence for the 60 years, run print campaigns and hosted symposiums on five key sectors (Mining and Energy, Finance, Agriculture, Infrastructure and Education) to document the country's journey of *Uhuru*.

### Broadcast

*NTV Kenya* stamped its authority as the home of sports entertainment, with exclusive rights to air the highly anticipated World Athletics Under 20 that were hosted in Kenya. In addition, the station signed a multi-year, free-to-air partnership agreement with the National Basketball Association (NBA), to broadcast the All-Star game and over 25 live games through the second half of the 2020-2021 season. *NTV* also brought the Tokyo Olympics to life for their Kenyan audiences during the sporting period. The sports content strategy extended to our radio station – *Nation FM* – which last year launched *The Game Plan*, a weekly show that highlights and discusses sports news from across the industry. The introduction of the show saw it host on-ground activations across the country to drive awareness, build a community

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of sports fans, enhance brand love and position it as the sports station of choice.

*NTV Kenya* also introduced new shows such as; *With All Due Respect*, a show that features conversations and debates with newsmakers on the issues of the day, and *Attitude*, a pop culture music show that has drawn in a younger audience.

### Digital

While the *Nation.Africa* paywall subscriptions had been growing steadily since its inception, a campaign was launched as part of the platform's first anniversary campaign to convert the platform's passer-by's into super fans through a mix of email marketing, newsletters, premium content, flash sales and digital gifts. The campaign drove a 64% growth in subscriptions and enhanced awareness and traffic to the Africa page.

The brand also ran a *Registration and Subscription Campaign* that aimed to create top of mind awareness and communicate the value of *Nation.Africa's* in-depth journalism and educate the consumers on the benefits of paid content.

An *Africa & Diaspora Campaign* conducted in 2021, sought to drive awareness of the Africa page to our readers on the continent and abroad to enable them to access relatable content. The campaign resulted in heightened awareness in South Africa, Nigeria and Ghana, increasing audience traffic in these markets.

In Uganda, *Daily Monitor* continued its digitization journey by repositioning itself as a brand powered by *Nation.Africa* and ran a reward promotion to drive its online subscriptions by creating opportunities to win prizes such as TV sets, children's tablets, power banks, branded merchandise and so much more.

### Events

In 2021, NMG executed multiple events to create opportunities to interact with its stakeholders, and create experiences to ramp up brand love among our target audiences. One of the events we launched in this period was the *Digital Summit*, a conference convened to examine digital trends in Africa and how organizations can adapt their businesses to deliver value to their stakeholders. It attracted over 200 in-person and virtual delegates from across the country.

2021 also witnessed the launch of the first edition of the *Meat Expo and Conference*, under the theme "Safe Quality Meat for Nutrition, Health and Wealth Creation" that was held at the Kenyatta International Convention Centre towards the end of the year. The expo, hosted in partnership with the State Department for Livestock, Kenya Markets Trust, Kenya Meat Commission, Livestock Exporters Council of Kenya and other partners

## Group CEO's Statement (continued)

aimed to explore possible solutions to the challenges facing the meat sector and the need for innovation, and enabled us to engage and forge relationships with new partners in the industry.

The second edition of the *Small and Medium Enterprises (SMEs) Conference and Expo* that took place at the Kenyatta International Convention Centre, brought together industry stakeholders to spotlight challenges facing SMEs in Kenya, provide a platform for dialogue to realize growth and offer opportunities for the businesses to showcase their innovations, under the theme “*SME Resilience, Recovery and Sustainability*”. The conference attracted 135 exhibitors and over 6,000 participants.

### Global Recognition

I am pleased to announce that both of our thought leadership platforms – *Nation Leadership Forum* and *Kusi Ideas Festival*, bagged awards at the International News Media Association Global Awards in 2021. The *Nation Leadership Forum* was awarded “Best in Africa”, and came first in the “Best Use of an Event to Build a News Brand”, while *Kusi Ideas Festival* was awarded second in the same category. In addition to these, the *Daily Nation* rebrand was awarded second place for the “Best Use of Print” while *Nation.Africa* received honourable mentions in the “Best Product and Tech Innovation”, as well as the “Best Use of Audio”.

*Nation.Africa* won the Brand Identity and Campaign Video categories in the International Forum (iF) Design awards (the Oscars of Design) a great fete in the first year since its launch. These awards have served as a testament that we have built a global brand over the years.

Over and above these awards, our staff across the region were recognized for their efforts in telling the stories that matter on the

***Nation.Africa* won the Brand Identity and Campaign Video categories in the International Forum (iF) Design awards.**

continent. In 2021, NMG bagged 9 awards in Kenya, 23 in Uganda and 4 in Tanzania.

### Culture Transformation

The pandemic and disruption of the media landscape has had major impacts on our human resources and workplaces. In 2021, employees' wellbeing was a focal point for us, acknowledging the important role our staff play in the transformation of the organization.

Last year, the emphasis of the culture transformation journey was on the implementation of the results of the talent mapping and upskilling survey conducted in 2020. The survey identified gaps in digital skills and existing disablers within the business units. Focus group discussions held in Kenya, Uganda and Tanzania, followed the survey and identified measures that guided the change program for the year and into 2022. In addition to this, a change management program for senior managers in Kenya and the Managing Directors of the subsidiaries was conducted in Q3 2021 to upskill them to manage change and incorporate the NMG values into the digital work culture.

In Kenya, an Employee Feedback Survey was conducted in Q3 2021 to understand staff sentiments and areas of improvement for our culture

journey. A majority of staff indicated satisfaction with their work-life balance, living corporate values, employee wellness and training.

### 2022 Strategic Direction

As indicated above, our digital transformation is not a place we are hoping to arrive at, but a journey that we have embarked on as the tech revolution evolves. As such, we shall refocus our attention in the short, medium and long-term strategic initiatives, as needed, to win.

This year, our emphasis will be on two key pillars, Product Innovation and Organizational Transformation, which will enable us to utilize our multi-channel platforms to drive audience acquisition, engagement and monetization of content. We have identified six (6) enablers that will drive this strategy as follows:

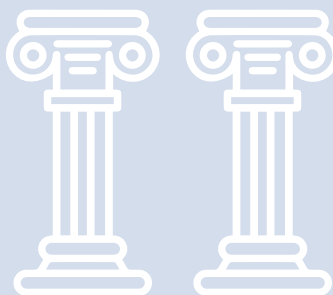
- **Content:** At the heart of our existence is the stories we tell. This shall remain a central tenant of our strategy as we continue to drive towards our mission to be the voice of the voiceless.
- **Culture:** We will continue with our change management agenda as we drive a more collaborative, agile and digital first organization.
- **Technology:** We have invested in systems to deliver content to our audiences, taking into consideration their consumption preferences.
- **Talent:** Our personnel have always been the driving force behind the success of our strategy and we shall continue to invest in our talent pool to deliver a digital first experience.
- **Structure:** We shall develop workflows and processes to align to our new ways of working.

## Group CEO's Statement (continued)

- **Audience:** NMG shall capitalize on tools and talent that deliver a seamless, world class user interface and user experience that delivers products that can be monetized.

These enablers will drive the organization to not only achieve its mission, but also grow new revenue streams that ultimately deliver both societal and shareholder value.

On behalf of the NMG Executive, I would like to take this opportunity to sincerely thank each stakeholder that continues to believe in our agenda to transform societies, and supports the realization of our vision to be the *Media of Africa for Africa*. I am especially grateful to the staff within NMG who continue to exhibit



**This year our emphasis will be on two key pillars- product innovation and organizational transformation, which will enable us to utilize our multi-channel platforms to drive audience acquisitions, engagement and monetization of content.**

passion, innovation and resilience year on year, and to the NMG Board of Directors who have consistently offered their unequivocal support and guidance to the business.

We look forward to an even better 2022, and commit to bring our audiences content that inspires, informs and educates. As we enter the election period in Kenya, we commit to being an objective, bold, independent media house that reports without bias and/or favouritism, and count on our stakeholders to walk this journey with us.

**Stephen Gitagama**  
Group Chief Executive Officer



**Mr. Stephen  
Gitagama**

Afisa Mkuu  
Mtendaji wa  
Kampuni

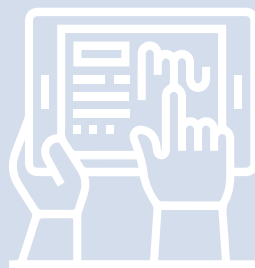


# Ripoti Ya Afisa Mkuu Mtendaji Wa Kampuni

Ukanda wa Afrika Mashariki ulipata afueni ya kiuchumi kutoka kwa athari kubwa ya tandavu ya UVIKO-19 huku ukuaji wa wastani wa 7.5% wa Pato la Kawaida la Taifa ukiwa wa -0.3% mnamo 2020. Kurejea kwa hali ya kawaida katika ukanda huu kulitokana na kurejea kwa shughuli za utalii, kuimarika kwa bei za bidhaa na hitaji la bidhaa kote duniani, mavuno ya kutosha kutokana na kilimo pamoja na kuondolewa kwa masharti yaliyokuwa yamewekwa wakati janga hili lilipoanza ili kudhibiti kuenea kwa tandavu ya Covid-19. Kuzinduliwa kwa chanjo kwa kila mtu kote barani na kuimarika kwa uzingatiaji uliokuwa umewekwa katika sekta ya uchumi dijitali kulichukua nafasi muhimu katika kurejea kwa ukuaji wa ukanda huu, ingawa ukuaji huu haukufanyika kwa usawa katika sekta zote huku sekta kama vile ya utalii ikiwa bado chini ya shinikizo.

Kadhalika, sekta ya uanahabari ilishuhudia ukuaji japo kwa kiwango cha chini ikilinganishwa na 2020, kutokana na kulegezwa kwa vikwazo vya usafiri na kufunguliwa kwa uchumi. Hatua hizi zilidhibiti mitindo ya matumizi ya bidhaa katika masoko na kuruhusu biashara mbalimbali kuendesha kampeni za bidhaa na huduma kote kwenye majukwaa ya machapisho, matangazo na dijitali ili kuendesha uhamasishaji wa bidhaa pamoja ukubalifu wake, jambo ambalo kwa upande mwingine lilisababisha athari chanya katika matokeo ya biashara yetu.

Hata hivyo, mafanikio yaliyopatikana mwaka wa 2021 yanakabiliwa na changamoto ya kuzoroteshwa kutokana na janga linaloendelea nchini Ukraine pamoja na vikwazo vilivyowekwa dhidi ya Urusi vikitarajiwa kuwa na athari mbaya zaidi kwa bei ya vyakula, mafuta na bidhaa nyinginezo muhimu pamoja na usambazaji wa bidhaa kote duniani.



**Jukwaa hili limesajili zaidi ya watumiaji binafsi 61,000 katika mwaka wa kwanza tangu kuzinduliwa kwake mnamo Februari 2021, huku takriban watumiaji 21,000 wakilipia kusoma habari zetu kila siku.**

## Matokeo ya Kifedha

Faida ya Kampuni kabla ya ushuru ilikuwa bilioni 0.7, ilikuwa juu kuliko mwaka uliopita. Hali ya kurejea kwa biashara iliyoanza katika nusu ya pili ya 2020 baada ya uharibifu mbaya uliosababishwa na Covid-19 ilidumu katika mwaka wa 2021 kwa sababu kuu kwamba kulikuwa na ukuaji katika matangazo kupitia televisheni na machapisho, matangazo ya kidijitali na usajili katika Gazeti la mtandaoni (E-paper). Kuendelea kurejea kwa matangazo ya machapisho kumepigwa jeki na kurejea polepole kwa shughuli za kiuchumi kote katika ukanda huu. Ili kuyazungumzia matokeo haya chanya ni kwamba, usajili katika Gazeti letu la mtandaoni umeendelea kukua huku tabia za matumizi ya maudhui zikibadilika kuenda dijitali. Mikakati ya kudhibiti gharama na kuboresha biashara iliyozinduliwa wakati tandavu hii ilianza imesababisha kuimarika kwa ufanisi wa kuendesha biashara na kuendelea kuathiri upatikanaji wa faida na mtiririko wa pesa taslimu kwa njia chanya.

## Safari ya Mageuzi ya Kidijitali

Mandhari ya vyombo vya habari yameendelea kukua na kubadilika katika miaka michache iliyopita na 2021 haikusazwa. Kuendelea kukumbatiwa kwa majukwaa ya kidijitali kwa matumizi ya maudhui kumetoa changamoto kwa majukwaa ya jadi ya habari na uzalishaji wao wa mapato, hii inamaanisha kwamba mashirika yamelazimika kupanga upya na kuoanisha miundo yao ya kuzalisha mapato. Kwa hivyo tumeendelea kuunda upya miundo ya biashara ya Kampuni hii kutoka muundo wa awali ya matangazo hadi kwa muundo wa mapato unaompa msomaji kipaumbele ili kuendelea kuendana na mabadiliko haya katika soko.

Kufuatia uzinduzi wa bidhaa kuu ya kidijitali ya shirika hili, *Nation. Africa*, NMG ilichukua hatua kubwa ya kuwa kampuni ya kwanza kabisa ya habari Afrika Mashariki na Kati kuzindua huduma ya habari kidijitali. Jukwaa la *Nation.Africa* paywall, lililozinduliwa mnamo Februari 2021, linalenga kufanya vyanzo vyetu vya mapato kuwa anuai, kuwapa wasomaji wetu uwezo wa kuchagua maudhui ambayo wangependa kutumia, kuchangia katika kutoa mwongozo kuhusu ajenda katika bara hili na kuimarisha ubora wa habari zinazozalishwa.

Ingawa uzinduzi wa jukwaa hilo la malipo ulipokelewa kwa hisia mseto katika soko, hadhira yetu ilianza kukubali kwamba katika karne hii, ni sharti mtu agharamike ili kupata maudhui bora. Jukwaa hili limesajili zaidi ya watumiaji binafsi 61,000 katika mwaka wa kwanza tangu kuzinduliwa kwake mnamo Februari 2021, huku takriban watumiaji 21,000 wakilipia kusoma habari zetu kila siku.

Tunafahamu ukweli kwamba safari ambayo tulianza ya kuchuma kutokana na habari itakuwa ni ndefu na yenye panda shuka nyingi, lakini

## Ripoti Ya Afisa Mkuu Mtendaji Wa Kampuni (inaendelea)

tumejitolea kutoa maudhui ambayo yanafaa muda na pesa ya hadhira yetu; ambayo yanaakisi, yanavutia, mtu anaweza kujinasibisha na kujihusisha nayo.

Katika juhudi za kupiga hatua kufikia lengo letu la kuwa *Chombo cha Habari cha Afrika kwa Ajili ya Afrika*, pia tulizindua ukurasa wa Afrika uliotuwezeshwa kupanua maudhui na hadhira tunayoifikia barani na pia ughaibuni. Ukurasa huo unajivunia habari na hadhithi za hivi punde, zilizofanyiwa utafiti vyema na zinazofaa kwa hadhira zetu.

### Mipango ya Utafutaji Soko

Katika mwaka uliopita, NMG ilizindua kampeni za kutafuta soko, matukio na shughuli za nyanjani kuendesha uhamasisho kuhusu bidhaa, mapenzi kwa bidhaa na kukumbatiwa kwa bidhaa kote katika ukanda huu.

### Machapisho

Utafiti uliofanywa 2021 na Baraza la Wanahabari Kenya (MCK) ulionyesha kwamba gazeti la Daily Nation linalochapishwa na NMG linasalia kuongoza nchini huku washiriki wakiashiria kwamba gazeti hili ndilo chaguo lao. Ili kudumisha msingi wake katika kuongoza na kusisitiza nafasi ya bidhaa yake kama sauti ya wanyonge na mshirika wa kuaminika katika demokrasia ya Kenya, *Daily Nation* iliendesha kampeni ya *"You Deserve the Truth"*. Kampeni hiyo iliingazia taarifa za ukweli katika Habari za Kitaifa, Kaunti, Mtindo wa Maisha, Jinsia, Mazingira na Spoti, na kutoa changamoto kwa masuala ya kijamii na kiuchumi huku ikitumia kauli mbiu ya kampeni ya kuleta umoja ya *"You Deserve the Truth"*. Kauli mbiu hiyo iliipa hadhira yetu kipaumbele katika kampeni na ililenga kuwavutia kwa bidhaa katika mazungumzo sehemu zote kwenye masoko, na kusababisha ufikiaji wa mitandao ya kijamii wa watu milioni 210.

Kando na haya, *Daily Nation* iliendesha kampeni ya *"Faulu na Nation"*, iliyoandaliwa maalum ili kuanzisha uhusiano wa kihisia na wasomaji wetu ambao ni vijana pamoja na watu wazima, kwa kulirai taifa kutuma ujumbe wa kheri ya fanaka kwa watoto wanaofanya mitihani yao ya shule ya msingi na sekondari. Kupitia kampeni hiyo, *Daily Nation* ilichapisha zaidi ya ujumbe 300 na kufikia zaidi ya watumiaji milioni 5.5 wa mtandao wa kijamii.

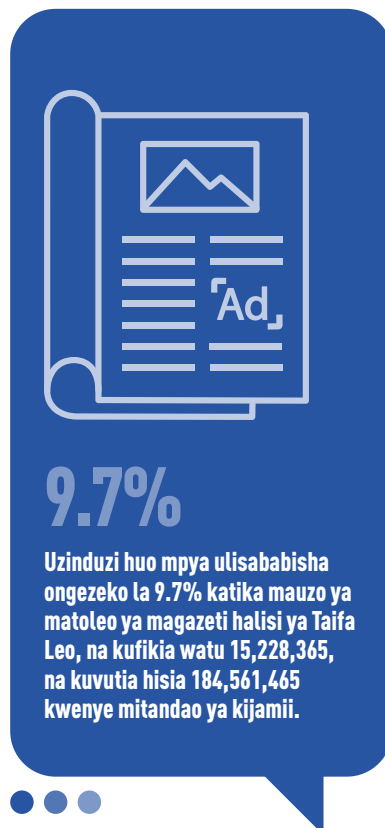
Tuzo zilizosubiriwa kwa hamu za *Business Daily* za *"Top 40 under 40"* Wanaume na Wanawake zilirejeshwa tena 2021 baada ya kusitishwa kwa muda wa mwaka wa 2020 kutokana na tandavu ya Covid-19. Zikiwa ndizo za kwanza kabisa katika sekta ya habari nchini Kenya, tuzo hizo za kila mwaka zimeendelea na zinatambua watu nchini wanaofanya mabadiliko ambao wametoa

mchango wa kipekee katika nyanja zao. Tuzo za 2021, ambazo zilipokea zaidi ya washiriki 2,000, zilivutia washiriki kutoka sekta mbalimbali kuanzia wanamuziki, wanariadha wanaoishi na ulemavu, madakatari wa upasuaji, wataalamu wa usalama mtandaoni, wahandisi wa ndege na wabunaji wasanifu wa 3D waliojifunza wenyewe.

Tuzo hizo zinaendelea kunasibishwa na ari, ufanisi na athari yake miongoni mwa watu wa umri, tasnia na taaluma mbalimbali. Tuzo za Top 40 Under 40 zimefungua nafasi za kazi na utambuzi wa kimataifa kwa washindi wa hapo awali, kwa sababu ya kuimarika kwa uaminifu wa biashara na mitandao kukua. Tuzo hizi zilichukua nafasi muhimu katika kuweka *Business Daily* kama chapisho la kutamanika na kuongeza kutegemeka kwake na hadhira lengwa.

Kutokana na kubadilika kwa mandhari ya uhariri, pamoja na mahitaji ya mtumiaji anayebadilika kila mara, NMG ilizindua safari ya kuiweka *Taifa Leo*, gazeti la pekee nchini Kenya linalochapishwa kwa Kiswahili, katika nafasi mpya, kama gazeti safi, la kisasa, ya kufahamisha, kuelimisha na kuburudisha lililojikita katika kupanua upeo wa Kiswahili ndani ya nchi na kimataifa. Hii ilisababisha kusanifiwa na kuzinduliwa upya kwa gazeti hilo ili kulipatia mwonekano jasiri, changamfu na safi, huku kwa wakati huo huo ikilifanya gazeti hilo kusomeka kwa urahisi.

Uzinduzi huo, uliofanyika kwenye Kaunti ya Mombasa, ulituwezeshwa kusherehekea utamaduni tajiri wa Uswahili kupitia matumizi ya magwanda ya kitadamuni, mapambo na maonyesho ya vyakula vya Uswahilini. Uzinduzi huo mpya ulisababisha ongezeko la 9.7% katika mauzo ya matoleo ya magazeti halisi ya Taifa Leo, na kufikia watu 15,228,365, na kuvutia hisia 184,561,465 kwenye mitandao



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ya kijamii na iliongoza miongoni mwa mambo yaliyovuma kwenye Twitter na kuchochea mazungumzo kuhusu lugha ya Kiswahili.

Kadhalika, gazeti hili lilizindua Kampeni ya mkeka ya mezani katika mikahawa *yaani Table Mats* iliyotumika kwenye hoteli na maeneo ya maankuli kote nchini kuanzia ukanda wa Pwani, Kisumu, Kakamega, Eldoret, Nakuru na hadi Naivasha. Kampeni hiyo ililenga kupigania debe gazeti hilo katika maeneo yaliyolengwa, kuongeza idadi ya watu wanaosoma toleo la ePaper kupitia kwa matumizi ya misimbo ya kutambaza ya QR iliyochapishwa kwenye mkeka hiyo. Kampeni hiyo ilidhihirisha ufanisi kukiwa na ongezeko la uhamasisho kuhusu gazeti hilo, kuongezeka kwa maswali kuhusu *Taifa Leo* na hoteli kugeuka kuwa mawakala wa gazeti hili ili kuendesha ufikivu wa gazeti hili katika eneo lao. Mipango hii ya utafutaji soko ilifanya Taifa Leo kuwa chapisho linalokua kwa kasi zaidi nchini Kenya, ikiripoti ongezeko la 4.7% ikilinganishwa na 2020.

Nchini Uganda, *Monitor Publications Limited (MPL)* ilizindua kampeni zenye kaulimbiu za kusherehekea Siku ya Wapendanao na Siku ya Kina Mama, huku washindi wakijishindia zawadi, mipango ya data ya kila mwezi na kutenga nafasi ya chajio ili kusherehekea na watumiaji wao.

*Mwananchi Communications Limited (MCL)* iliendelea kutumia Utafiti wao wa Mapendeleo ya Maudhui ili kupata maarifa kuhusu bidhaa zao na vitu vinavyovutia hadhira – mchakato wa kupokea maoni unaoendelea umekuwa muhimu kwa timu ya uhariri ili kuboresha maudhui yao, hususa ufuatiliaji wa habari za siku ya kwanza ya chapisho. Kadhalika, wafanyikazi wa Tanzania walianza mchakato wa kuendesha mambo kidijitali na kusaidia utendaji wa kiuchambuzi wa habari ili kuleta suluhu za machapisho pamoja na utangazaji kwenye ukanda mzima.

**Ili kuadhimisha miaka 60 ya uhuru wa Tanzania, MCL ilitumia majukwaa yake mbalimbali kuadhimisha hatua kubwa ambayo nchi iliyopiga. MCL ilianguzia kampuni ambazo zimekuwepo kwa miaka hiyo 60, iliendesha kampeni za uchapishaji na kufanya maonyesho ya sekta tano kuu (Madini na Kawi, Fedha, Kilimo, Miundombinu na Elimu) ili kutoa makala ya hali halisi ya safari ya nchi hiyo kufikia Uhuru.**

*The Citizen* ilizindua mipango mbalimbali ya kuhamasisha machapisho pamoja na matangazo ili kujiweka katika nafasi nzuri kama gazeti la biashara, mojawapo ya mipango hii ikiwa ni toleo la kwanza la Mpango wa Mwanamke Anayeinuka, chini ya kaulimbiu ya "Women in Leadership; Achieving an Equal Future" (Wanawake katika Uongozi; Kufikia Mustakabali wenye Usawa). Lengo la mpango huu lilikuwa ni kukuza viwango vya wanawake viongozi ili kuchukua nafasi muhimu katika asasi za umma na za kibinafsi ili kuchangia katika ukuaji wa biashara katika mandhari yanayobadilika kila wakati.

Ili kuadhimisha miaka 60 ya uhuru wa Tanzania, MCL ilitumia majukwaa yake mbalimbali kuadhimisha hatua kubwa ambayo nchi iliyopiga. MCL ilianguzia kampuni ambazo zimekuwepo kwa miaka hiyo 60, iliendesha kampeni za uchapishaji na kufanya maonyesho ya sekta tano

kuu (Madini na Kawi, Fedha, Kilimo, Miundombinu na Elimu) ili kutoa makala ya hali halisi ya safari ya nchi hiyo kufikia Uhuru.

**Utangazaji kupitia Runinga na Redio**  
*NTV Kenya* ilidumisha nafasi yake kama kiamboni mwa burudani za spoti, kwa kupata haki za kipekee za kuonyesha mbio zilizosubiriwa kwa hamu za World Athletics Under 20 zilizoandaliwa nchini Kenya. Kando na hayo, *NTV* ilitia sahihi mkataba wa miaka mingi, wa ushirikiano wa kupeperusha matangazo na Shikirisho la Kitaifa la Mpira wa Vikapu (NBA), ili kutangaza mchezo wa All-Star na zaidi ya michezo 25 ya moja kwa moja katika nusu ya pili ya msimu wa 2020-2021. Kadhalika, *NTV* ilichangamsha mashindano ya Olimpiki ya Tokyo kwa kuyaonyesha kwa hadhira yao ya Kenya wakati wa michezo hiyo. Mkakati wa maudhui ya spoti uliendelezwa kwa stesheni yetu ya redio – *Nation FM* – ambayo mwaka jana ilizindua *The Game Plan*, kipindi cha kila wiki kinachoangazia na kujadili habari za spoti kutoka sekta mbalimbali. Kuzinduliwa kwa kipindi hicho kulifanya stesheni hiyo ya redio kuandaa shughuli za nyanjani kote nchini ili kutoa hamasisho, kukuza jumuiya ya mashabiki wa spoti, kuboresha kupendwa kwa kituo hicho na kujiweka katika nafasi nzuri kama chaguo lao la stesheni ya spoti.

*NTV Kenya* pia ilizindua vipindi vipya kama vile; *With All Due Respect*, kipindi kinachoangazia mazungumzo na mijadala na watu wanaogonga vichwa vya habari kuhusu masuala ya siku, na *Attitude*, kipindi cha muziki wa utamaduni wa pop ambacho kimevutia hadhira ya watu wachanga.

### Dijitali

Ingawa Jukwaa la kujisajili la *Nation. Africa* paywall limekuwa likikua tangu kuzinduliwa kwake, kampeni fulani ilizunduliwa kama sehemu ya kampeni ya maadhimisho ya

## Ripoti Ya Afisa Mkuu Mtendaji Wa Kampuni (inaendelea)

kwanza ya jukwaa hilo ili kugeuza watu wanaopita tu kwenye jukwaa hilo kuwa mashabiki sugu kupitia mchanganyiko wa mauzo kupitia barua pepe, majarida, maudhui ya kulipia, mauzo ya pamoja na zawadi za kidijitali. Kampeni hiyo iliwezesha ukuaji kwa 64% katika usajili na kuboresha uhamasisho na trafiki kwenye ukurasa wa Afrika.

Kituo hicho pia kiliendesha *Kampeni ya Kuandikishwa na Kujisajili* iliyolenga kuunda uhamasisho wa juu na kuwasiliana kuhusu thamani ya uanahabari wa kina wa *Nation. Africa* na kuelimisha watumiaji kuhusu manufaa ya maudhui yanayolipia.

Kampeni ya *Africa & Diaspora* iliyoendeshwa 2021, ililenga kutoa uhamasisho kuhusu ukurasa wa Afrika kwa wasomaji wetu humu barani na ughaibuni ili kuwawezesha kufikia maudhui ambayo watu wanaweza kujinasibisha nayo. Kampeni hiyo ilisababisha ongezeko la uhamasisho nchini Afrika Kusini, Nigeria na Ghana, ikiongeza muingiliano faafu na hadhira katika masoko haya.

Nchini Uganda, *Daily Monitor* iliendeleza safari yake ya kufanya mambo kidijitali kwa kujiweka katika nafasi kama chapa inayoendeshwa kwa hisani ya *Nation.Africa* na iliendesha matangazo ya zawadi kwa lengo la kuongeza idadi ya watu waliojisajili mtandaoni kwa kuunda fursa za kushinda zawadi kama vile Televisheni, runulishi za watoto, vifaa vya kuhifadhi chaji ya simu, bidhaa zilizopigwa chapa na mengine mengi.

### Matukio

Mwaka wa 2021, NMG iliandaa matukio kadhaa ya kushughulikia fursa za kushirikiana na washikadau na kuunda matumizi ili kuzindua upya bidhaa miongoni mwa hadhira yetu lengwa. Mojawapo ya matukio tuliyozindua katika kipindi hiki ilikuwa ni pamoja na *Digital*

***Nation.Africa* pia ilituzwa kama mshindi katika kategoria za Utambulisho wa Bidhaa na Video ya Kampeni na Muundo wa Jukwaa la Kimataifa (iF) (the Oscars of Design) ikiwa ni tuzo bora kabisa katika mwaka wa kwanza tangu kuzinduliwa kwake. Tuzo hizi zimekuwa kama ushahidi kwamba tumekuza bidhaa ya kimataifa katika kipindi cha miaka mingi.**

*Summit*, kongamano lililoandaliwa ili kutathmini mambo yanayovuma kidijitali barani Afrika na jinsi biashara zinaweza kuwasilisha thamani yao kwa washikadau wao. Tukio hili lilivutia zaidi ya wajumbe 200 waliohudhuria kwa njia ya ana kwa ana na pia kupitia kwa njia ya kongandao (simu ya video) kote nchini.

Kadhalika, katika mwaka huo wa 2021 tulizindua toleo la kwanza la *Meat Expo and Conference*, chini ya kaulimbiu ya "Nyama Salama iliyo na Ubora wa Juu kwa lishe, Afya na Uundaji wa Mali" lililofanyika katika Ukumbi wa Mikutano ya Kimataifa (KICC) mwishoni mwa mwaka huo. Maonyesho hayo, yaliyopangwa kwa ushirikiano na Wizara ya Mifugo, Kenya Markets Trust, Kenya Meat Commission, Baraza la Wauzaji wa Mifugo katika Masoko ya Nje ya Kenya na washirika wengine yalilenga kuchunguza suluhu

inayowezekana kwa changamoto zinazokabili sekta ya nyama na hitaji la uvumbuzi, na ilituwezesha kujihusisha na kuunda mahusiano na washirika wapya katika sekta.

Awamu ya pili ya Kongamano na Maonyesho ya SME iliofanyika katika Ukumbi wa Makutano ya Kimataifa (KICC), ulileta pamoja wadau katika sekta kuangazia changamoto zinazokabili Biashara Ndogo na za Wastani (SME) nchini Kenya, kutoa jukwaa la mazungumzo ili kuleta ukuaji na kutoa fursa kwa biashara hizo kuonyesha uvumbuzi wao, chini ya kaulimbiu ya "*Ustahimilivu, Kurejea na Uendeleu wa SME*". Kongamano hilo lilivutia watu 135 waliokuja kuonyesha bidhaa zao pamoja na zaidi ya washiriki 6,000.

### Utambuzi wa Kimataifa

Ninajivunia kutangaza kwamba majukwaa yetu mawili ya uongozi – *Nation Leadership Forum na Kusi Ideas Festival*, yalishinda tuzo katika Tuzo za Kimataifa za Shirikisho la Wanahabari wa Kimataifa za 2021. *Nation Leadership Forum* ilituzwa kama "**Bora Barani Afrika**", lilikuwa la kwanza katika kategoria ya "Matumizi Bora ya Tukio Kukuza Bidhaa Mpya", huku Kusi Ideas Festival likiwa la pili katika kategoria hiyo hiyo. Kando na haya, kampeni ya bidhaa mpya ya *Daily Nation* ilituzwa nafasi ya pili kwa "Matumizi Bora ya Machapisho" huku *Nation.Africa* ikitajwa kwa heshima katika "Bidhaa Bora na Uvumbuzi wa Kiteknolojia", na vilevile "Matumizi Bora ya Sauti".

*Nation.Africa* pia ilituzwa kama mshindi katika kategoria za Utambulisho wa Bidhaa na Video ya Kampeni na Muundo wa Jukwaa la Kimataifa (iF) (the Oscars of Design) ikiwa ni tuzo bora kabisa katika mwaka wa kwanza tangu kuzinduliwa kwake. Tuzo hizi zimekuwa kama ushahidi kwamba tumekuza bidhaa ya kimataifa katika kipindi cha miaka mingi.



## Ripoti Ya Afisa Mkuu Mtendaji Wa Kampuni (inaendelea)

Zaidi ya tuzo hizi, wafanyakazi wetu kote katika ukanda huu walitambulika kwa juhudi zao kwa kuleta habari za kuaminika katika bara hili. Mwaka wa 2021, NMG ilijishindia tuzo 9 nchini Kenya, 23 nchini Uganda na 4 nchini Tanzania.

### Mabadiliko ya Utamaduni wa Kiutendakazi

Tandavu pamoja na kuharibika kwa mandhari ya vyombo vya habari kumekuwa na athari kubwa kwa wafanyakazi na maeneo yetu ya kufanyia kazi. Mwaka wa 2021, ustawi wa wafanyakazi wetu ulikuwa na jambo tulilolipa kipaumbele, kwa kukiri nafasi muhimu ambayo wafanyakazi wetu wanachukua katika kuleta mageuzi kwenye shirika.

Mwaka jana, sisitizo la safari ya mageuzi ya utamaduni lilikuwa kwa utekelezaji wa matokeo ya utafiti wa utafutaji wa talanta na uboreshaji wa maarifa uliofanywa mnamo 2020. Uchunguzi huo ulitambua mianya katika ujuzi wa kidijitali na vizingiti vilivyopo ndani ya vitengo vya biashara. Majadiliano ya makundi makini yaliyofanywa Kenya, Uganda na Tanzania, yalifuata utafiti huo na kutambua hatua zilizoongoza programu ya mabadiliko kwa mwaka huo na kuingia 2022. Pamoja na haya, programu ya kudhibiti mabadiliko kwa wakurugenzi wakuu nchini Kenya na Mameneja Wakurugenzi wa kampuni tanzu iliendeshwa katika Robo ya 3 ya 2021 ili kuwapa ujuzi zaidi wa kudhibiti mabadiliko na kujumuisha maadili ya NMG katika utamaduni wa kazi za kidijitali.

Nchini Kenya, Utafiti wa Maoni ya Wafanyakazi ulifanywa katika Robo ya 3 ya 2021 ili kuelewa kauli za wanafanyakazi na maeneo yanayofaa kuboreshwa kwa safari yetu ya utamaduni. Wafanyakazi wengi waliashiria kuridhishwa kwao na usawazisho uliopo wa kazi na maisha, maadili ya kibiashara, ustawi wa wafanyakazi na mafunzo.

### Mwelekeo wa Kimkakati wa 2022

Kama ilivyoonyeshwa hapo juu, safari yetu ya mageuzi ya kidijitali haijafika katika kiwango tunachotarajia, lakini ni safari ambayo tumeianza kadri mabadiliko ya kiteknolojia yanavyoendelea kubadilika. Kwa hivyo, tutalitilia maanani suala hili kwenye mipango yetu ya kimkakati ya muda mfupi, kati pamoja na muda mrefu, kadri inavyohitajika, ili kushinda.

Mwaka huu, tutatilia mkazo nguzo mbili kuu, Uvumbuzi wa Bidhaa na Mabadiliko ya Kiushirika, jambo ambalo litatuwezesha kutumia



**Ninajivunia kutangaza kwamba majukwaa yetu mawili ya uongozi – Nation Leadership Forum na Kusi Ideas Festival, yalishinda tuzo katika Tuzo za Kimataifa za Shirikisho la Wanahabari wa Kimataifa za 2021. Nation Leadership Forum ilituzwa kama “Bora Barani Afrika”, lilikuwa la kwanza katika kategoria ya “Matumizi Bora ya Tukio Kukuza Bidhaa Mpya”, huku Kusi Ideas Festival likiwa la pili katika kategoria hiyo hiyo.**

majukwaa yetu yenye mikondo anuai kufanya bidhaa zetu kununuliwa, kuhusishwa na hadhira na kuchuma kutokana na maudhui. Tumetambua vigezo sita (6) vitakavyoendesha mkakati huu ifuatavyo:

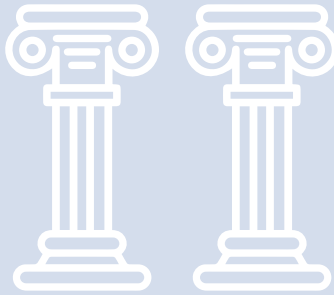
- **Maudhui:** Muhimu sana kwetu ni habari tunazowaletea. Hii itasalia kama nguzo muhimu ya mkakati wetu tunapoendelea kujaribu kufikia lengo letu la kuwa sauti ya wanyonge.
- **Utamaduni:** Tutaendelea na ajenda yetu ya kudhibiti mabadiliko huku tukiendesha shirika shirikishi zaidi, lenye ari na linaloyapatia kipaumbele masuala ya kidijitali
- **Teknolojia:** Tumewekeza katika mifumo yetu ili kuzipa hadhira zetu maudhui, kwa kuzingatia mapendeleo yao ya matumizi.
- **Talanta:** Wafanyakazi wetu wamekuwa ni nguzo inayosukuma ufanisi wa mkakati wetu na tutaendelea kuwekeza katika mkusanyiko wa talanta yetu ili kutoa hali ya matumizi inayoipa kipaumbele mambo ya kidijitali
- **Muundo:** Tutaunda taratibu na michakato ya kazi ili kuoanisha na njia zetu mpya za kufanya kazi
- **Hadhira:** NMG itatumia zana na talanta zinazotoa kiolesura na hali ya matumizi rahisi, bora inayotoa bidhaa zinazoweza kuwekwa kuzalisha chumo

Vigezo hivi viwezeshaji vitasababisha shirika hili kufikia sio tu lengo lake, lakini pia kukuza njia mpya za kuleta mapato ambazo hatimaye zitatoa thamani ya kijamii na kwa wadau wote.

Kwa niaba ya Kikosi kizima cha Usimamizi Tendaji cha NMG, ningependa kuchukua fursa hii kutoa shukrani za dhati kwa kila

## Ripoti Ya Afisa Mkuu Mtendaji Wa Kampuni (inaendelea)

mshikadau ambaye anaendelea kuamini ajenda yetu ya kulea mageuzi katika jamii na kusaidia kufikia maono yetu ya kuwa *Chombo za Habari cha Afrika kwa Ajili ya Afrika*. Hususan, ningependa kutoa shukrani kwa wafanyikazi ndani ya NMG wanaoendelea kuonyesha ari, uvumbuzi na ustahimilivu mwaka baada ya mwingine, na kwa Bodi ya Wakurugenzi ya NMG ambao wameendelea kutoa usaidizi wao usiotetereka na kutoa mwongozo kwa biashara hii.



**Mwaka huu, tutatilia mkazo nguzo mbili kuu, Uvumbuzi wa Bidhaa na Mabadiliko ya Kiushirika, jambo ambalo litatuwezesha kutumia majukwaa yetu yenye mikondo anuai kufanya bidhaa zetu kununuliwa, kuhusishwa na hadhira na kuchuma kutokana na maudhui.**

Tunatazamia mwaka wa 2022 kuimarika hata zaidi, na kujitolea kuletea hadhira yetu maudhui yanayohamasisha, kufahamisha na kuelimisha. Tunapoingia katika kipindi cha uchaguzi nchini Kenya, tumejitolea kuwa kampuni yakinifu, jasiri, huru na itakayoripoti bila upendeleo na/au maonevu, na tunatazamia kutembea safari hii pamoja na wadau wetu.

**Stephen Gitagama**

Afisa Mkuu Mtendaji wa Kampuni

# The EastAfrican



No One Understands  
East Africa Like We Do



A close-up photograph of a person's hand giving a thumbs-up gesture. The person is wearing a red and black checkered shirt. The background is a lush green cornfield with tall stalks and leaves. The lighting is bright, suggesting a sunny day. In the bottom left corner, there is a decorative geometric pattern in shades of blue and white.

“

**We need a path  
that brings health  
to all, revives  
economies, brings  
people in from the  
margins of society  
and builds long-  
term resilience,  
sustainability,  
opportunity and  
peace.”**

- Antonia Guteres



**Media of Africa for Africa**





—→ **Sustainability  
Report**



# Sustainability Report



In the current environment, sustainable business, social impact, purpose, community engagement and shared value have now become bona fide terminology in the global business community. The Covid-19 pandemic further heightened the need for organisations' leadership to balance organisation, environmental, social and human needs with issues such as climate change, gender equality, mental health and others coming to the fore.

This case has been made boldly by corporate leaders such as Paul Polman and Andrew Winston in their Harvard Business Review article *"The Net Positive Manifesto"* where they made the call that "both

NMG Group Chief Executive Officer, Stephen Gitagama and Global Compact Executive Director, Judy Njino at the partnership signing with the UN body, at Nation Centre.

**Nation Media Group renewed its commitment to the attainment of the Sustainable Development Goals (SDGs) by joining thousands of private sector players as a signatory to the United Nations (UN) Global Compact.**

practically and morally, corporate leaders can no longer sit on the sidelines of major societal shifts or treat human and planetary issues as "someone else's problem." For their own good, they must play an active role in addressing our biggest shared challenges. The economy won't thrive unless people and the planet are thriving."

NMG has begun a journey examining our impact on society across environmental, social and governance while partnering with like-minded institutions to drive this agenda. We are cognisant that we may be in the early stages of this journey, but we are committed to run the marathon.

## Sustainability Report (continued)

In addition to this, we continue to provide platforms to convene critical discussions and disseminate information to enable businesses in Kenya, the region and the continent to operate with purpose and adopt sustainable business practices.

It is this resolve that drove NMG to be a member of the United Nations Global Compact Network Kenya to continue advancing this agenda.

Nation Media Group renewed its commitment to the attainment of the Sustainable Development Goals (SDGs) by joining thousands of private sector players as a signatory to the United Nations. The UN body mobilises over 20,000 organizations from across the globe, seeking to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption. Companies across the globe face unique challenges developing and implementing sustainable business strategies with a net positive impact on the environment and stakeholders across their value chain.

The UN Global Compact Strategy for Africa focuses on opportunities for the continent to catapult itself



# 20,000

**The UN body mobilises over 20,000 organizations from across the globe, seeking to align their strategies and operations with universal principles on human rights, labour, environment and anti-corruption. Companies across the globe face unique challenges developing and implementing sustainable business strategies with a net positive impact on the environment and stakeholders across their value chain.**

into a sustainable future. It focuses on the implementation of continental agreements (such as Agenda 2063

(The Africa We Want) and the Africa Continental Free Trade Agreement (AfCFTA)), the development of robust digital and technological innovations and renewable sources of energy to enable communities to leap-frog into the next global revolution. In addition to this, the strategy highlights the continent's demographic dividend and its vibrant SME sector as the enablers that need to be enhanced for a sustainable future.

Earlier this year we engaged with the Deputy Secretary General H.E Amina Mohammed in a meeting she convened the Kenya private sector to talk about rebuilding the social contract between business and society. Following this meeting, NMG together with the Global Compact Network Kenya convened a Dialogue with business leaders on lessons for business from the Ukraine crisis.

As a partner, NMG committed to driving sustainable practises within its operations to deal with societal issues while also galvanizing support from other corporates by driving awareness and adoption of the SDGs across its print, digital and broadcast platforms.

### In its effort to contribute towards the SDGs, NMG continued on its path of social impact in its operations and the community in the following ways:

#### 3 GOOD HEALTH AND WELL BEING



**N**MG contributes towards the achievement of good health and wellbeing of the East African citizenry through the dissemination of information via its various platforms, with niche products such as *Healthy Nation*, our weekly newspaper pull out, and *Healthy Diary*, a weekly TV show dedicated to creating awareness around health issues. In addition to this, the organization runs periodic campaigns such as the Fibroids Awareness Campaign that was driven by the Editorial team at *Daily Monitor* in Uganda. The team at Monitor Publications Limited (MPL) also conducted a fundraising drive in October 2021 in partnership with the Uganda Cancer Institute to raise money for child cancer treatment.



## Sustainability Report (continued)



Nation Media Group, represented by Head of External Affairs, Clifford Machoka, donates text books to Kawangware Primary School students.

According to the World Bank, a shortage of teaching and learning materials in schools undermines the quality of education, a powerful agent for sustainable development. SDG 4, seeks to ensure that all children have access to inclusive and equitable quality education, and promotes lifelong opportunities for all. With the onset of Covid-19 in 2020, education institutions faced increased pressure on already limited resources due to the need to adapt to the Covid-19 measures such as social distance, hand washing and temperature checks.

NMG sought to ease this ballooning burden by partnering with like-minded institutions to provide text books, foodstuff, water tanks, school shoes, computers, printers, wheel chairs, sanitary towels and Personal Protective Equipment (PPEs) to primary schools across the region. In 2021, NMG in partnership with Bata Shoe Company PLC, Ramrod Tanks Limited, Giants of Nairobi Twiga & Shree Vanik contributed over Shs 10m worth of items to primary schools and children's homes in Nairobi, Kwale, Mombasa, Nakuru and Eldoret counties, impacting over 5,800 pupils.

The Group also runs the Newspapers in Education (NIE) program that seeks to grow the

reading and retention of content in the digital age through the provision of English and Kiswahili language newspapers to their schools to give students access to diverse daily content. Currently, 183 schools are subscribed to the program receiving an total of 107,632 copies of the *Daily Nation* and the *Taifa Leo* each school week. The provision of these newspapers in secondary schools has served to develop the languages among the students and drive their average grade from C-plain to B-plain in the last academic year.

In Tanzania, Mwananchi Communications Limited (MCL) women celebrated International Women's Day by visiting the Yoco

Orphanage where they donated clothing and food items, while spending time with the children at the centre.

# 10 million

In 2021, NMG in partnership with Bata Shoe Company PLC, Ramrod Tanks Limited, Giants of Nairobi Twiga & Shree Vanik contributed over Shs 10m worth of items to primary schools and children's homes in Nairobi, Kwale, Mombasa, Nakuru and Eldoret counties, impacting over 5,800 pupils.



NMG team from Nakuru play with children from Nakuru Primary School during the social responsibility activity where the organization and its partners donated text books, shoes, wheelchairs and other needed items.



## Sustainability Report (continued)

### 7 AFFORDABLE AND CLEAN ENERGY



**S**DG 7 calls for global players to not only ensure universal access to affordable, reliable and modern energy services, but also emphasizes the need to increase the share of renewable energy and double the global rate of improvement in energy efficiency among other key factors and indicators.

Over the years, NMG has taken measures to maximise its energy efficiency, with a hybrid of clean energy and traditional sources utilized to drive a sustainable mix of power sources. This has seen a 14.6% reduction in energy used, which has in turn resulted in a 7.9% decrease in the total electricity bills at the Printing Plant since 2019.



### 12 RESPONSIBLE CONSUMPTION AND PRODUCTION



**T**his SDG aims to drive the efficient use of natural resources, reduce waste generation and achieve environmentally sound management of chemicals and other waste. In this regard, the NMG printing plant has put systems in place to monitor newsprint consumption, waste generation and control contaminated press waste such as inks, oils and water, in a bid to limit the environmental impact from our production processes.

2021 also saw NMG enter into a partnership with Aquavita Limited, an East African company that provides eco-friendly, safe and cost-effective drinking water to workplaces through sustainable Point of Use Water Dispensers. This partnership contributed to the organization's journey to reduce its environmental footprint by decreasing its use of plastic by over 90,000 disposable cups in 2021.



**90,000**

2021 also saw NMG enter into a partnership with Aquavita Limited, an East African company that provides eco-friendly, safe and cost-effective drinking water to workplaces through sustainable Point of Use Water Dispensers. This partnership contributed to the organization's journey to reduce its environmental footprint by decreasing its use of plastic by over 90,000 disposable cups in 2021.



## Sustainability Report (continued)

13 CLIMATE ACTION



Climate Change has been recognized as the major existential threat of our time, with its impact already being felt across all facets of our lives including the environment, economy, health, water supply, finance, security and agriculture. The swift return of the US to the Paris Climate Agreement signals the global

recognition and urgency that climate change should be accorded. The COVID-19 pandemic has further highlighted the interconnectedness of our entire planetary system, with threats occurring in far flung places beyond our national borders, quickly being transmitted and experienced in our backyard.

### Climate Action Series

It is within this context that Nation Media Group launched the *Sunday Nation's* monthly *Climate Action: Why It Matters* series on April 18th 2021, to raise public awareness on climate change and as a countdown to the crucial UN Climate Change Conference, COP26. Nation Media Group was represented by a team of senior editors who dissected and reported on the discussions at COP26 in Glasgow, UK. We also hosted a breakfast forum that saw civil society, private sector, government players and other industry leaders come together to deliberate on the commitments and actions industry players could take to combat climate change and its impact in Kenya.

The impact of businesses on the environment is more evident, with increasing global concerns on environmental degradation. At NMG, we are keen to identify and control the environmental risk events across all phases of our business while pro-actively working to reverse any negative impact caused. We recognise that our planet urgently needs drastic and lasting action to protect our communities, businesses and natural environment from the damaging effects of climate change, and as such, the organization took the following measures to combat climate change and its impacts.

**The impact of businesses on the environment is more evident, with increasing global concerns on environmental degradation.**



L-R: Hon. Keriako Tobiko, CS, Ministry of Environment and Forestry, Eng. Morris Aluanga, Executive Committee Member, Machakos County, Stephen Gitagama NMG Group CEO and Dr Azim Lakhani, Diplomatic Representative of the Aga Khan Development Network in Kenya kick off the tree planting exercise at the NMG plant during the World Environment Day celebrations.

### Tree Planting

The onset of the Covid-19 pandemic showed the world the tangible negative impact of human activities on our environs – with reduced industrial activities, and movement restrictions in place during the initial period of the pandemic, nature appeared to be healing. Wild goats were seen taking over a town in Wales, the canals in Venice were clearer than they had been in years and the pollution

levels in Delhi-NCR saw a drastic decline, with their Air Quality Index (AQI) dropping to as low as 50, from a range of 500-600 during the winter season.

However, in the same way that human activities can have a negative impact, so can conscious and collective effort bear positive fruit. The 2021 World Environment Day, marked on 5th June, was themed “Ecosystem Restoration”, sought to engage and drive action

## Sustainability Report (continued)

by Governments, businesses and citizens to address environmental issues. It called on all of us to take action towards the restoration of Mother Earth by growing trees,

cleaning up rivers and coastlines and creating sustainable cities.

To mark the day, Nation Media Group hosted key Government officials, partners and members of

staff at a ceremony at its Printing Plant where the organization planted trees in an effort to play its role in driving 10% forest cover in Kenya. NMG also conducted tree planting activities at Kipkorosyo Primary School and Mafisini Primary School to entrench environmental sustainability among children

In addition to this, the organization partnered with the County Governments of Uasin Gishu and Machakos, to donate 10,000 seedlings to each county to plant in the Kaptagat Forest Water Tower and Maruba Dam respectively.



# 10,000

The organization partnered with the with the County Governments of Uasin Gishu and Machakos, to donate 10,000 seedlings to each county to plant in the Kaptagat Forest Water Tower and Maruba Dam respectively.

### Farm Clinics

To drive effective and sustainable agricultural practises, Monitor Publications Limited (MPL) through its *Seeds of Gold* magazine (a weekly pull out contained in the *Daily Monitor*) has over the years organized farm clinics across Uganda. These are forums where farmer groups and experts disseminate information and practises to stakeholders in the different regions. Last year, MPL collaborated with various entities under the theme 'Climate smart farming', to provide practical information, knowledge, training and solutions for agribusiness through increasing awareness and enhance adaptation and mitigation against the impact of climate change in different regions of the country.



A trainer demonstrates to farmers how to make feeds from maize at the farm clinic hosted in Mayuge, Uganda.

### Training Programs

Talent Management and Training in 2021 focused on the recruitment of the key roles to drive the digital agenda, media lab program and the implementation of the learning program.

The 2021 Media Lab Program, our signature graduate trainee program attracted interest from across the continent with applicants from Nigeria and South Africa, signalling the growing popularity of the program and its impact on journalism. Last year's program kicked off in August with 17 trainees (from Kenya, Tanzania and Uganda) graduating at the end of the five months. The curriculum was customised to meet the needs of NMG with a focus on modern

journalism and a digital bias, to help the organisation transition to a mobile-first media organization. The training was conducted in partnership with Aga Khan University Graduate School of Media and Communication (AKUGSM).

To support the new NMG and transition to *Nation.Africa*, the digital skills gaps identified in the Talent Mapping and Culture Survey were analysed and the skills gap matrix developed. This formed the basis of the learning program aimed at bridging the skills gaps required for new NMG. Staff within NMG were also facilitated to access online, internal and external trainings, with 745 employees trained by December 2021.

### Human Capital

The challenges of Covid-19 continued into 2021 and key HR initiatives concentrated on supporting employees' wellbeing to increase productivity. Through partnerships with various Government agencies and hospitals, NMG organized for Covid-19 vaccination drives leading to an inoculation rate of 75% of our employees across the Group at the turn of the year.

Mental health is increasingly becoming an issue of concern for people across the globe. To enhance our staff's mental wellbeing, NMG has hosted regional webinars on mental health awareness and enhanced our medical insurance to cater for mental wellbeing.



# 2021 Awards

## Kenya

### Awards Category

#### Annual Journalism Excellence

<b>Beatrice Kangai</b>	<b>Winner:</b> Journalist of the Year Award (Print)
<b>Faustine Ngila</b>	<b>Winner:</b> ICT and Telecommunications Reporting Award (Print)
<b>Dorothy Kweyu</b>	<b>Winner:</b> Lifetime Contribution in Journalism Award
<b>Dennis Okari</b>	<b>Winner:</b> Health Reporting Award (TV)
<b>Bernadine Mutanu</b>	<b>Winner:</b> Covid-19 Reporting Award (Print)
<b>Celestine Olilo</b>	<b>Winner:</b> Sports Reporting Award
<b>Paul Wafula</b>	<b>Winner:</b> Environmental Reporting and Business and Financial Reporting Award (Print)

#### Amref Health Africa

<b>Elizabeth Merab</b>	Global Universal Health Coverage (UHC) Journalism Recipient
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#### International Sports Press Association (AIPS)

<b>Idah Waringa</b>	Special Category Award for Investigative Reporting Recipient
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## Tanzania

### Awards Category

#### Health and Environment Protection Excellence

<b>Aurea Simtowe</b> <b>Harieth Isaya Makweta</b> <b>Nasra Abdallah</b>	<b>Winners:</b> Environmental reporting (Print)
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#### Champions of Women Empowerment

<b>Lilian Timbuka</b>	Special Category Award for Women Empowerment
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# 2021 Awards

## Uganda

### Awards Category

#### African Centre for Media Excellence (ACME), HIV and Sexual and Reproductive Health (SRH)

Walter Mwesigye	<b>Winner:</b> Best TV News story <b>Winner:</b> News Illustration – The devastating Impact of floods in Kasese on Kilembe Hospital <b>First runner-up:</b> Best Feature story
Gillian Nantume	<b>Winner:</b> Best Online Feature story
Robert Atukunda	<b>Winner:</b> Data Journalism – Civil Data Contradicts EC campaign Freeze

#### JANZI

Edgar R Batte	<b>Winner :</b> Outstanding Photographer
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#### Uganda Sports Press Associations (USPA)

George Katongole	<b>Winner:</b> Best Sports Special Report (Edrisa Mayanja Njuki Award)
Andrew Mwanguhya	<b>Winner:</b> Best Investigative Report (Kevin Aliro Award)
Makhtum Muziransa	<b>Winner:</b> Best Feature story

#### African Centre for Media Excellence (ACME)

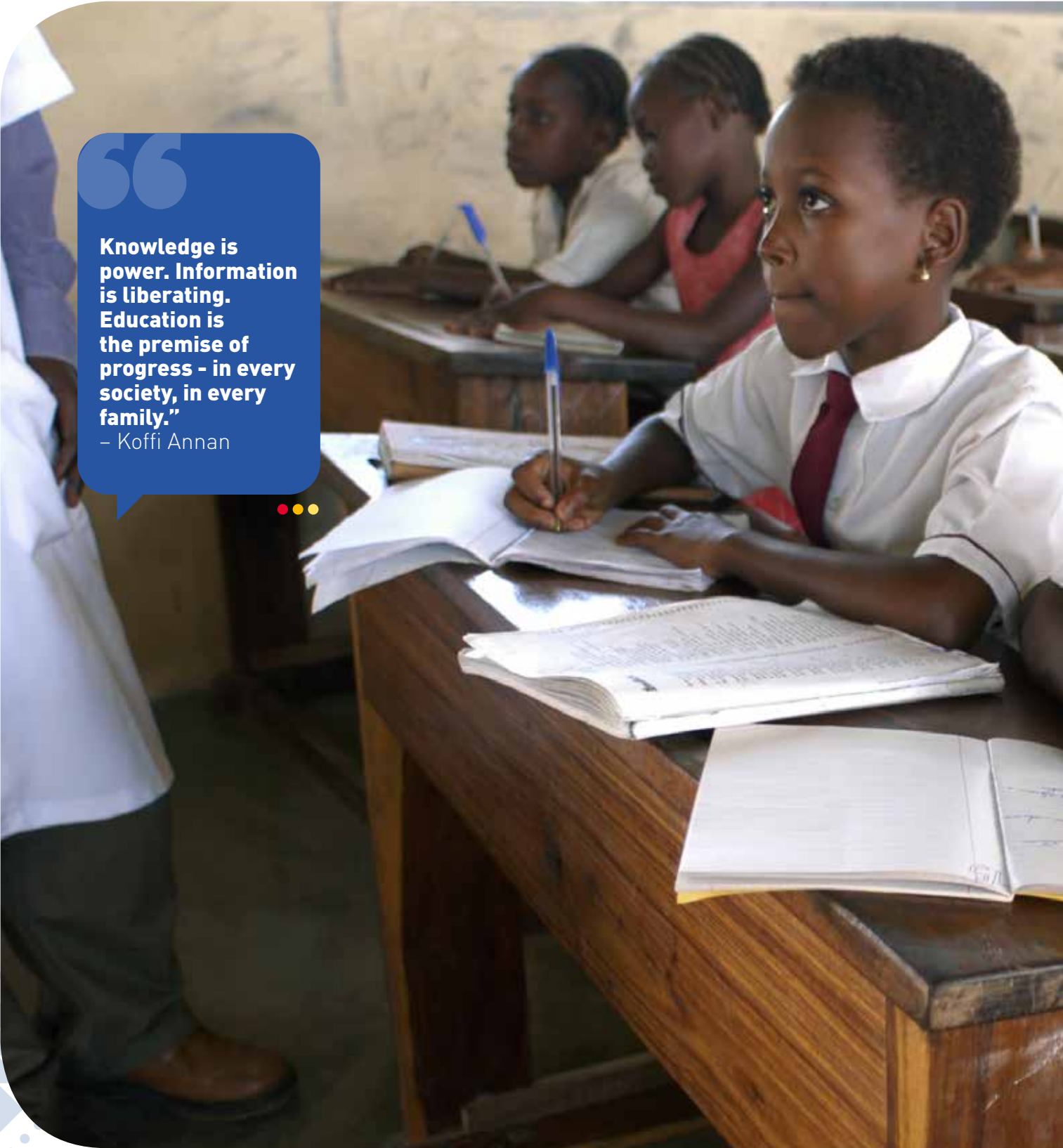
Irene Abalo	<b>Winner:</b> Features – Scars of the LRA War <b>Second runner-up:</b> Investigative Reporting: Alleged Sexual Abuse of Deaf Girls puts officials on the spot
Frank Walusimbi	<b>Winner – Arts Reporting –</b> The impact of covid-19 in the Arts
Paul Murungi	<b>Winner:</b> Business, Economy & Finance – What can Uganda do with her Milk surplus. <b>First runner-up:</b> Agriculture: Pearl Dairy Dilemma: Farmers stare at Bleak Future.
Herbert Kamoga	<b>First runner-up:</b> Local Reporting- Domestic violence: Nakaseke mother of 7 sleeping in the cold with her children
Norbert Atukunda and Isaac Mufumba	<b>First runner-up:</b> Explanatory Reporting: Money spent in the name of corona virus
Franklin Draku	<b>First runner-up:</b> Environment Reporting: In-depth series on the nature and Impact of pollution on L. Victoria <b>Second runner-up:</b> National News(Print) – Covid-19 Promises: What went wrong with implementation
Abubaker Lubowa	<b>Second runner-up:</b> Photo & Video Journalism: Series Titled Drawing the lines
Damali Mukhaye	<b>Second runner-up:</b> Education: Series of Investigation on Makarere Gown Series
Benjamin Jumbe	<b>Third runner-up:</b> National News (Broadcast) Series on defilement

#### Merck Foundation

Walter Mwesigye	<b>Winner:</b> Multi-Media Category; Story on infertility awareness.
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#### Uganda Press Photo Awards (UPPA)

Abubaker Lubowa	<b>Second runner-up:</b> Photo News Category
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**“Knowledge is power. Information is liberating. Education is the premise of progress - in every society, in every family.”**  
– Koffi Annan



**Media of Africa for Africa**



→ **Our Leadership**





## Board of Directors

<b>W D Kiboro</b>	Chairman (Kenyan)
<b>S Gitagama</b>	Group Chief Executive Officer (Kenyan)
<b>D Aluanga</b>	(Kenyan)
<b>S Dunbar-Johnson</b>	(British)
<b>S Hassan</b>	(Kenyan)
<b>L Huebner</b>	(American)
<b>Y Jetha</b>	(British)
<b>W Mwangi</b>	(Kenyan)
<b>L Mususa</b>	(Tanzanian)
<b>F O Okello</b>	(Kenyan)
<b>L Otieno</b>	(Kenyan)
<b>A Poonawala</b>	(Swiss)
<b>A Ramji</b>	(British)
<b>S Sejjaaka</b>	(Ugandan) Appointed 1st February 2022
<b>R Tobiko</b>	(Kenyan)
<b>A Namwakira</b>	Company Secretary (Kenyan) Appointed 1st April 2021



## Board of Directors Profiles (continued)



**Dr. Wilfred Kiboro (77)** holds a Bachelor of Science (Civil Engineering) from the University of Nairobi. He retired from NMG as the Group Chief Executive Officer on 31st October 2006 after working for the Company for thirteen years. He was appointed a non-executive director in December 2006 and was elected the Chairman of the Board in September 2009. Dr. Kiboro was awarded an honorary Doctor of Philosophy degree by Kenyatta University in December 2015. He is a non-executive director and is a member of the Nominations and Governance Committee. Dr. Kiboro is the Chancellor of Riara University and the Chairman of Family Bank Limited and Wilfay Investments Limited, a family owned enterprise. He is also the Chairman of Green Blue Foundation Africa, whose mission is to restore degraded landscapes in Africa through partnerships and community participation to realize the desired goal of greening Africa.



**Mr. Stephen Gitagama (55)** holds an MBA and a Bachelor of Commerce (Accounting) from the University of Nairobi and is a Certified Public Accountant of Kenya. He is the Group Chief Executive Officer and was appointed to the Board in March 2008. He previously worked as a Finance Director with East African Breweries Limited. Mr. Gitagama is an executive director, and director of the Group's Subsidiary Companies and a member of the Strategy and Investments, the Nominations and Governance and the Editorial Committees.



**Mr. Dennis Aluanga (54)** holds an MBA from the University of Edinburgh (United Kingdom) and is a Certified Public Accountant of Kenya. He was appointed to the board in March 2009. He is a Partner at Helios Investment Partners, an Africa focused private equity firm. He was previously the Chief Operating Officer at Industrial Promotion Services (East Africa) and has also worked at NMG as the Group Finance Director and the Chief Operating Officer. Mr. Aluanga is a non-executive director and is a member of the Nominations and Governance, Strategy and Investments and the Editorial Committees.



**Mr. Stephen Dunbar-Johnson (58)** is a graduate of Worth School and Kent University in the United Kingdom. He has attended an Executive Management program at the Wharton School, University of Pennsylvania (USA) and has undertaken the Sulzberger program at the Colombia School of Journalism (USA). He is the President, International of the New York Times Company and is responsible for the oversight and strategic development of the company's international digital and print business. Previously, he was the Publisher of the International Herald Tribune. He was appointed to the Board in April 2018 and is a member of the Strategy and Investments Committee.



## Board of Directors Profiles (continued)



**Mrs. Sumayya Hassan (48)** holds a Master of Laws (LLM) degree from the University of Bristol and a Bachelor of Laws (LLB) degree from Lancaster University. She is an Advocate of the High Court of Kenya and has a Postgraduate diploma in Law from the Kenya School of Law. Mrs Hassan is also a director at Takaful Insurance of Africa Limited. She was previously Managing Director and Chief Executive Officer of the National Oil Corporation of Kenya. She was appointed to the Board as an Independent non-executive director in September, 2019 and is a member of the Editorial and the Strategy and Investments Committees.



**Prof. Lee Huebner (81)** holds a Ph.D. and an MA from Harvard University and a BA from Northwestern University (USA) and is a Professor of the School of Media and Public Affairs at The George Washington University in Washington, D.C. (USA). He was formerly a professor at Northwestern University and has also served as the Chief Executive Officer of the *International Herald Tribune* in Paris for fourteen years. He joined the board in December 1995. Prof. Huebner is a non-executive director and is the Chairman of the Nominations and Governance Committee and is a member of the Strategy and Investments Committee.



**Mr. Leonard Mususa (68)** is a Fellow of the Association of Chartered Certified Accountants (UK) and the Certified Public Accountants of Tanzania. Currently a private Management Consultant, he was the Country Senior Partner of PricewaterhouseCoopers in Tanzania until his retirement in June 2014. He also served in other roles, including Head of Assurance Risk and Quality of the PwC Africa Central Region for three years and Head of Risk, Independence and Quality in the PwC East Africa Market area for two years. He was appointed to the NMG board as an independent non-executive director in March 2015. He is the Chairman of the Audit, Risk and Compliance Committee, a member of the Human Resources and Remuneration Committee and the Chairman of Mwananchi Communications Limited in Tanzania. He is also a director of NMB Bank PLC (Tanzania), Tanzania Breweries PLC and Reliance Insurance Company (Tanzania) Limited.



**Dr. Yasmin Jetha (69)** holds a Master's degree in Management Science from Imperial College (London), and is a Fellow of the Chartered Institute of Management Accountants. She was awarded an honorary Doctor of Laws degree by the University of Leicester in 2005, and was made an honorary Fellow of the University of Bedfordshire in 2011. She is currently a non-executive director of NatWest Group Plc and also Guardian Media Group in the United Kingdom. During her executive career, she was the Chief Information Officer at Bupa and prior to that Chief Operating Officer at the Financial Times. Dr. Jetha joined the board in September 2009 as an independent non-executive director and is the Chairperson of the Human Resources and Remuneration Committee, and a member of the Strategy and Investments Committee.



## Board of Directors Profiles (continued)



**Mr. Francis Okomo Okello (72)** holds a Bachelor of Laws Degree from the University of Dar es Salaam, Tanzania and is an Advocate of the High Court of Kenya. He is an Albert Parvin Fellow of Princeton University, Woodrow Wilson School of Public and International Affairs (USA) as well as a Fellow of the Kenya Institute of Bankers (FKIB). He joined the Board in December 1995. Mr. Okello is an Independent non-executive director of Absa Group Limited (formerly Barclays Africa Group Limited), Absa Bank Limited (South Africa) and immediate former Chairman of Absa Bank Kenya PLC (formerly Barclays Bank of Kenya PLC). He is also the Chairman of TPS Eastern Africa PLC (Serena Group of hotels and lodges). He is a member of the Advisory Board of Strathmore Business School, Strathmore University- Nairobi and is also a member of the Advisory Committee of the Aga Khan University, Faculty of Arts and Sciences-East Africa. He is currently an executive director at Industrial Promotion Services (East Africa). Mr. Okello is a non- executive director and is Chairman of the Editorial Committee.



**Mr. Wangethi Mwangi (69)** holds a Masters of Business Administration in Strategic Management from Strathmore University, a Bachelor of Arts in Literature in English and Political Science from the University of Nairobi, a Post- Graduate Diploma in Mass Communications and a certificate in professional mediation. He is a media professional with more than 30 years' experience in journalism. He previously worked for NMG, rising to the position of Editorial Director. Currently, he serves as a senior advisor to the African Media Initiative, a Pan African organization, and is on the Dean's Advisory Committee of the Aga Khan University's Graduate School of Media and Communications. He has served as a member of the Media Complaints Commission of Kenya and remains a member of the Kenya Editors Guild, which he helped to set up. Mr. Mwangi was appointed to the board as a non-executive director in July 2017 and is a member of both the Editorial and Human Resources and Remuneration Committees.



**Mr. Louis Otieno (57)** holds a Masters of Business Administration from Long Island University and a Bachelor of Science from Mercy College (USA). He is a software developer by training. Mr. Otieno began his professional career in the USA, rising to the position of Assistant Vice President at EEC Financial Services in New York. He joined Microsoft Corporation in 1997, leading the business in Africa in different capacities for 21 years. An ICT for Development leader, Mr. Otieno promoted innovation such as the use of TV white spaces to provide high speed, affordable broadband connectivity in the unserved rural areas. He is a non-executive director at Absa Kenya Limited and chairs the board of Absa Asset Management Limited. Mr. Otieno was appointed to the board as an independent non- executive director in July 2017. He chairs the Strategy and Investments Committee and is a member of the Human Resources and Remuneration Committee.



**Mr. Anwar Poonawala (76)** holds a Master of Science (Industrial Engineering) and an MBA from the University of Iowa (USA). He joined the board as a non-executive director in June 1989. He has been associated with the Aga Khan Development Network for over thirty years and retired in 2006 as the director of Industrial Promotion Services based in Paris, France. Mr. Poonawala is a director of AKFED. He is a member of the Audit, Risk and Compliance, the Nominations and Governance and the Human Resources and Remuneration Committees.



## Board of Directors Profiles (continued)



**Mr. Al-Noor Ramji (66)** has just retired as the Group Chief Digital Officer for Prudential PLC where he was responsible for developing and executing an integrated long- term digital strategy for the Group. Before joining Prudential PLC, he worked at Northgate Capital, a venture capital firm in Silicon Valley where he ran technology focused funds. Prior to that he worked as Chief Executive Officer of BT Innovate and Design, and Chief Information Officer and Chief Technology Officer at BT Group Plc. He then led Misys Banking PLC which was a banking software company. Mr. Ramji also worked in Qwest Communications, Dresdner Kleinwort Benson and Swiss Bank Corporation in the leading technology positions. He was the founder and CEO of Webtek Software Pvt Ltd and is on the board of Argo Group International Holdings Ltd. He received an undergraduate degree from the University of London and is a Chartered Financial Analyst (CFA). He was appointed to the board as an independent non-executive director on 27 March 2020 and is a member of the Audit Risk and Compliance Committee and the Strategy and Investments Committee.



**Prof. Samuel Sejjaaka (58)** is a partner at Sejjaaka, Kaawaase & Company, Certified Public Accountants in Uganda and also serves as the Country Team Leader/Principal of the MAT ABACUS Business School in Uganda. He has over 25 years' experience in management and directorship, including governance and oversight of public interest companies, supervision of assurance functions and strategy formulation for growth. Prof. Sejjaaka is the current Chairman of the Petroleum Revenue Investment Reserve Advisory Committee, UAP Financial Services, African Queen No.1 Limited and Pristine Foods Limited. He also sits on the Board of UAP Life Insurance, served as Chairman of Uganda Development Bank Limited (2012-2018), Board Member of Stanbic Bank Uganda Limited (2007-2017), and Biyinzika Poultry Industries Limited (2016-2021). Prof. Sejjaaka previously lectured at Uganda's oldest tertiary institution, Makerere University (later the Makerere University Business School) and rose to the position of Deputy Principal (1991-2014). He was appointed as a Non-Executive Director of the Board and as Chairman of the Company's subsidiary in Uganda, Monitor Publications Limited on 1st February 2022.



**Mr. Richard Tobiko (48)** holds an MBA from Warwick Business School, University of Warwick (UK) and a Bachelor of Commerce (Accounting Option) degree from the University of Nairobi. He is a Certified Public Accountant (CPA - K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK). He has previously worked with several local and global organizations in the manufacturing and service sectors; amongst them, KETRACO where he was General Manager, Finance and Strategy, African Development Bank (AfDB) as Financial Management Consultant, General Electric (GE) as Centre Leader for Sub Sahara Africa shared services hub and Nation Media Group as the Chief Accountant. He is currently the Chairman of the Audit Committee of Property Development Management (PDM). He was appointed Group Finance Director in October 2018 and joined the Board as an Executive Director on 1 March 2019 and he is a member of the Strategy and Investments Committee.



**Ms. Angela Namwakira (40)** is a Partner at Adili Corporate Services Kenya. She is a corporate governance and legal professional with over 15 years of experience acting as Company Secretary to various multinationals of note as well as local public and private companies including small and medium-sized enterprises. She has a demonstrable track record in the areas of statutory and regulatory compliance, corporate governance, strategic planning, corporate structuring and company law and practice. She also advises on immigration related issues. Angela holds a Bachelor of Laws (LLB) from the University of Nairobi. She is an advocate of the High Court of Kenya with over ten years post admission experience, a practicing Certified Secretary and an accredited Governance Auditor. She was appointed as Company Secretary on 1 April 2021.





# MWANANCHI

'Fikiri Tofauti'



**NAFASI ZA**

**AJIRA**

**PATA TAARIFA NA**

**FURSA ZA AJIRA**

**KUPITIA GAZETI LA**

**MWANANCHI**

**KILA IJUMAA**

**Jisajili na usome gazeti mtandaoni sasa!**



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## REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31st December 2021, which disclose the state of affairs of Nation Media Group PLC (the "Company") and its subsidiaries (together the "Group").

### PRINCIPAL ACTIVITIES

The principal activities of the Group are the publication, printing and distribution of newspapers, radio and television broadcasting and digital online products, in the East African countries of Kenya, Uganda, Rwanda and Tanzania.

### BUSINESS REVIEW

Kenya experienced a significant economic recovery from Covid-19 pandemic, although uneven across sectors. This was supported by adequate agricultural harvests, partial recovery in international travel, and broad-based uptake in manufacturing aided by global and domestic demand. Economic activity continued to adapt to the pandemic with containment measures, such as a nightly curfew, being in effect through most of 2021, while more economically disruptive measures such as lockdowns and travel restrictions were phased, limiting the impact on economic activities. The annual average inflation was 5.6%.

In Uganda, the macro environment was negatively impacted by the second wave of COVID-19 infections and subsequent lockdown in mid-2021. Although growth rebounded in quarter four of 2021, driven by a pick-up in private consumption and investment, and a recovery in exports, the country is still likely to face a stop-start recovery until there is wider coverage of the COVID-19 vaccine. The inflation rate averaged 2.9% in December 2021. Tanzania's economy is gradually recovering from the slump caused by Covid 19 pandemic. The growth is supported by the Government's continued investment in strategic infrastructure projects. Tanzania's economic outlook is positive, with real GDP projected to grow 5.5% in 2022 due to improved performance of the tourism sector and reopening of trade corridors. Inflation annual average rate was 4.2% in 2021.

The Group performance recorded growth in 2021 over 2020 on the back of accelerated digital initiatives, television and print advertising revenue recovery following reopening of the economy. The performance was also cushioned by cost containment measures focused on optimizing operations.

Group turnover at Shs 7.6 billion and total comprehensive income at Shs 0.6 billion were above the previous year. The results of the Group for the year are set out in the Group statement of comprehensive income on page 84.

### KEY PERFORMANCE HIGHLIGHTS

	2021	2020
	Shs m	Shs m
<b>Performance</b>		
Revenue	7,613.7	6,812.8
Profit before income tax	730.7	119.9
Total comprehensive income for the year	584.7	135.5
<b>Financial position</b>		
Non-current assets	4,526.5	4,863.2
Net current assets	4,021.2	3,547.3
Non-current liabilities	(457.5)	(477.5)
Non-controlling interest	(75.9)	(69.5)
Equity holders funds	8,014.3	7,863.5
Profit before tax as a percentage of revenue (%)	9.6	1.8
Earnings per share (Shs)	2.5	0.2
Capital expenditure – Excluding ROU Assets	123.5	233.5

## REPORT OF THE DIRECTORS (continued)

### PRINCIPAL RISKS AND MITIGATING STRATEGIES

The Group's principal risks are set out below. These risks have been assessed considering their potential impact and likelihood of occurrence, and the resultant residual risk based on management controls and actions put in place to mitigate the residual risk.

Principal risks	Mitigating strategies
1. Reputation risk Damage to NMG's reputation as a result of actions, behaviour or performance that falls short of stakeholder expectations.	<ul style="list-style-type: none"> <li>• A "Ready for Regulation" strategy to ensure compliance with regulatory issues.</li> <li>• Continuous improvement of the editorial gatekeeping function and compliance with editorial policy.</li> <li>• Continuous scanning of the social media and responding appropriately.</li> <li>• Robust stakeholder management.</li> </ul>
2. Concentration risk Heavy reliance on print media and circulation revenue as the primary source of revenue.	<ul style="list-style-type: none"> <li>• Pursuing new revenue streams.</li> <li>• Fully entrenching the digital/mobile first digital model and embedding the digital culture in the organization.</li> <li>• Focus on developing or acquiring unique, relevant content.</li> </ul>
3. Litigation risk Defamatory content/information/message about an individual or company published or aired by the Group exposes Nation Media Group PLC to increased legal suits from persons impacted by the Group's content.	<ul style="list-style-type: none"> <li>• Establishing and implementing robust internal controls within the company to prevent such occurrences.</li> <li>• Putting in place disciplinary measures for offenders.</li> <li>• Enforcing strict adherence of the editorial policy.</li> <li>• Proactive training of staff on new media laws and regulations to comply without compromising product quality.</li> <li>• Robust management of legal cases.</li> </ul>
4. Default risk Failure of a counterparty to a financial transaction to fulfill its financial obligation to Nation Media Group PLC.	<ul style="list-style-type: none"> <li>• Strict credit control and vetting credit clients/transactions.</li> <li>• Review debt collection continuously.</li> <li>• Engage debt collectors where applicable.</li> <li>• More judicious approval of credit to clients.</li> <li>• Requirement for providing bank or insurance guarantees.</li> </ul>
5. Digital Transformation Strategy execution risk Capacity to deliver on the strategy and ability to attract and retain users to grow reader revenue	<ul style="list-style-type: none"> <li>• Skills development and alignment of culture.</li> <li>• Deployment of technology to support monetization of content.</li> <li>• Deployment of data analytics and artificial intelligence (AI) to aid in decision making and content generation.</li> <li>• Adoption of agile approach to speed up development and improve quality.</li> </ul>

## REPORT OF THE DIRECTORS (continued)

### DIVIDENDS

The directors recommend the payment of a final dividend of Shs 1.5 per share on the issued and fully paid share capital as at 31 December 2021 excluding treasury shares repurchased during the year. (2020: Nil). No interim dividend was paid during the year.

### DIRECTORS

The directors who held office during the year and to the date of this report are set out on page 60.

Prof. S. Sejjaaka retires by rotation in accordance with Article 96 of the Company's Articles of Association and being eligible, offers himself for re-election.

Ms. S. Hassan, Dr. Y. Jetha and Mr. W. Mwangi are directors who retire by rotation in accordance with Article 110 of the Company's Articles of Association and being eligible, offer themselves for re-election.

Dr. W. Kiboro, Prof. L. Huebner, Mr. A. Poonawala and Mr. F. Okello are directors who having attained the age of 70 retire by rotation and offer themselves for re-election.

### DISCLOSURES TO AUDITORS

The directors confirm that with respect to each director at the time of approval of this report:

- a) there was, as far as each director is aware, no relevant audit information of which the company's auditor is unaware; and
- (b) each director had taken all steps that ought to have been taken as a director so as to be aware of any relevant audit information and to establish that the company's auditor is aware of that information

### TERMS OF APPOINTMENT OF AUDITORS

PricewaterhouseCoopers express willingness to continue in office in accordance with the Company's Articles of Association and Section 721 of the Kenyan Companies Act, 2015.

The Audit and Risk and Compliance Committee (ARCC) monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and fees.

### APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 19 April 2022

By order of the Board

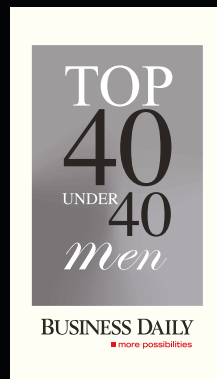


**A Namwakira**  
Company Secretary

19 April 2022



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## RIPOTI YA WAKURUGENZI WAKUU

Wakurugenzi wanafuraha kuwasilisha ripoti yao na taarifa za kifedha zilizofanyiwa ukaguzi za mwaka uliokamilika tarehe 31 Desemba 2021, inayoonyesha hali halisi ya mambo katika Nation Media Group ("Kampuni") na kampuni zake tanzu (kwa pamoja "Shirika").

### SHUGHULI KUU

Shughuli kuu za Shirika ni uchapishaji, kupiga chapa na usambazaji wa magazeti, utangazaji kupitia redio na televisheni na bidhaa za kidijitali za mtandaoni, katika nchi za Afrika ya Mashariki kama Kenya, Uganda, Rwanda na Tanzania.

### UCHANGANUZI WA KIBIASHARA

Baada ya changamoto za tandavu la COVID-19, hatimaye Kenya ilipata afueni ya kurejea pakubwa kwa uchumi wake, ingawa haikuwa yenye usawa katika sekta zote. Hii imechangiwa na upatikanaji wa mavuno ya kutosha ya kilimo, kurejea kiasi kwa shughuli za safari za kimataifa na msingi mpana wa matumizi ya bidhaa za viwandani kutokana na hitaji la kimataifa na katika ukanda huu. Shughuli ya kiuchumi imeendelea kuzoea uwepo wa tandavu hili huku hatua za kuidhibiti kama vile marufuku ya kutotoka nje usiku, ikitekelezwa kwa muda mrefu mwaka wa 2021, huku hatua zaidi za kutatiza kiuchumi kama vile kufungwa kwa shughuli na vikwazo dhidi ya usafiri vikiwekwa kwa awamu, na kuwekea kikomo athari kwa shughuli za kiuchumi. Kiwango cha wastani cha mfumko wa bei wa kila mwaka kikiwa ni asilimia 5.6.

Nchini Uganda, mazingira katika ngazi kubwa yaliathirika kwa njia hasi kutokana na maambukizi ya wimbi la pili la COVID-19 na kufungwa kwa nchi baadaye katikati ya 2021. Ingawaje ukuaji ulirejea katika robo ya nne ya 2021, kutokana na kukua kwenye matumizi ya kibinafsi na uwekezaji, na kurejea kwa shughuli za uuzaji wa bidhaa katika masoko ya nje ya nchi, nchi bado inawezekano wa kukabiliwa na hali ya kuanza na kusitishwa kwa urejesho wa kiuchumi hadi pale watu wengi zaidi watakuwa wamepata chanjo ya COVID-19. Kiwango cha mfumko wa bei za bidhaa kilifikia wastani wa asilimia 2.9 mwezi Desemba 2021. Nchini Tanzania, uchumi unarejea polepole kutoka kwa uharibifu uliosababishwa na tandavu ya COVID-19. Ukuaji huo umepigwa jeki na uwekezaji wa serikali katika miradi ya kimkakati ya miundomsingi. Mwonekano wa kiuchumi wa Tanzania ni chanya, huku GDP halisi ikikisiwa kukua kwa asilimia 5.5 kutokana na kuimarika kwa utendaji wa sekta ya utalii pamoja na kufunguliwa tena kwa shoroba za biashara. Kiwango cha wastani cha mfumko wa bei za bidhaa kilikua kwa asilimia 4.2 mwaka wa 2021.

Utendaji wa Kampuni ulirekodi ukuaji mwaka wa 2021 zaidi ya 2020 kwa sababu ya kushika kasi kwa mipango ya kidijitali, kurejea kwa mapato kutokana na matangazo kupitia televisheni na machapisho kufuatia kufunguliwa tena kwa uchumi. Kadhalika, utendaji huo ulilindwa kupitia hatua za kudhibiti gharama zilizolenga kuboresha utendakazi.

Mauzo ya Kampuni ya bilioni Shs. 7.6 na jumla ya mapato kamilifu ya bilioni Shs. 0.6 yalipiku yale ya mwaka uliotangulia. Matokeo ya Kampuni ya mwaka yamewekwa katika taarifa ya Kampuni ya mapato kamilifu kwenye ukurasa wa 84.

### MUHTASARI MUHIMU WA MATOKEA

	2021	2020
	Shs m	Shs m
<b>Utendaji</b>		
Mapato	7,613.7	6,812.8
Faida kabla ya kodi ya mapato	730.7	119.9
Jumla ya mapato kamilifu ya mwaka	584.7	135.5
<b>Nafasi ya kifedha</b>		
Mali isiyo ya pesa taslimu	4,526.5	4,863.2
Jumla ya mali ya pesa taslimu na inayotarajiwa kugeuzwa kuwa pesa taslimu ndani ya mwaka	4,021.2	3,547.3
Mikopo tusiyodaiwa ndani ya mwaka	(457.5)	(477.5)
Masilahi ambapo Kampuni kuu haina udhibiti	(75.9)	(69.5)
Fedha za Wenye hisa	8,014.3	7,863.5
Faida kabla ya kodi kama asilimia ya mapato (%)	9.6	1.8
Mapato kwa kila hisa (Shs)	2.5	0.2
Matumizi ya mtaji – Bila kujumlisha Mali zinazotokana na ROU	123.5	233.5

## RIPOTI YA WAKURUGENZI WAKUU (inaendelea)

### HATARI KUU NA MIKAKATI YA KUKABILIANA NAZO

Hatari kuu za Shirika zimebainishwa hapo chini. Hatari hizi zimetathminiwa kwa kuzingatia uwezekano wa athari na uwezekano wa kutokea kwake, na hatari zinazotokana baadaye kulingana na vidhibiti vya usimamizi na hatua zitakazowekwa ili kukabiliana na hatari za baada hatua kuchukuliwa.

Hatari kuu	Mikakati ya kukabiliana nazo
1. Hatari ya hadhi Kuharibika kwa hadhi ya NMG kutokana na hatua, mienendo au utendaji ambao unakosa kutimiza matarajio ya washikadau.	<ul style="list-style-type: none"> <li>Mkakati wa "Kuwa Tayari kwa Udhibiti" ili kuhakikisha utiifu wa masuala ya kiudhubiti.</li> <li>Kuendelea kuboresha kipengee cha uangalifu wa kiuhariri na kutii sera ya uhariri.</li> <li>Kuendelea kuchunguza mitandao ya kijamii na kuitikia ipasavyo.</li> <li>Usimamizi mpana wa washikadau.</li> </ul>
2. Hatari ya umakinifu Kwa kutegemea pakubwa mapato kutokana na machapisho na usambazaji kama chanzo kikuu cha mapato.	<ul style="list-style-type: none"> <li>Kutafuta njia mpya za kuleta mapato.</li> <li>Kudumisha kikamilifu muundo kwa kidijitali/vifaa vya mkononi kwanza na kudumisha utamaduni wa kidijitali katika shirika.</li> <li>Kulenga kukuza au kutafuta maudhui ya kipekee na yanayofaa.</li> </ul>
3. Hatari ya kisheria Maudhui/habari/ujumbe wa kushusha hadhi kuhusu mtu binafsi au kampuni utakaochapishwa au kutangaza na Shirika hili itaweka Kampuni ya Nasiona Media Group PLC katika hatari kubwa ya kuchukuliwa hatua za kisheria kutoka kwa watu wanaoathirika kwa maudhui ya Shirika hili.	<ul style="list-style-type: none"> <li>Kuweka na kutekeleza vidhibiti bora vya ndani kwa ndani vya kampuni ili kuzuia mambo kama hayo kutokea.</li> <li>Kuweka hatua za kinidhamu kwa wenye hatia.</li> <li>Kutekeleza utiifu wa sera madhubuti ya uhariri.</li> <li>Kuendelea kutoa mafunzo kwa wafanyikazi kuhusu sheria na kanuni mpya za vyombo vya habari ili kutii bila kuhitilafiana na ubora wa bidhaa.</li> <li>Usimamizi mpana wa kesi za kisheria.</li> </ul>
4. Hatari ya wahusika wengine kutotimiza wajibu wao Wahusika wengine kutotimiza muamala wa kifedha ili kutimiza wajibu wao wa kifedha kwa Shirika ya Nasiona Media Group PLC.	<ul style="list-style-type: none"> <li>Udhibiti madhubuti wa mikopo na kuchuja wateja/miamala ya mikopo.</li> <li>Kuendelea kukagua ukusanyaji wa deni kila mara.</li> <li>Kuhusisha mamlaka za kukusanya deni ikifaa.</li> <li>Kutumia busara zaidi kuidhinisha mikopo kwa wateja.</li> <li>Kuwahitaji watoe wadhamini wa benki au bima.</li> </ul>
5. Hatari ya utekelezaji wa Mkakati wa Mageuzi ya Kidijitali Uwezo wa kutekeleza mkakati huo na uwezo wa kuvutia na kudumisha watumiaji ili kukuza mapato kutoka kwa wasomaji	<ul style="list-style-type: none"> <li>Ukuzaji wa ujuzi na uoanishaji wa utamaduni.</li> <li>Kutumia teknolojia ili kusaidia uchumaji kutokana na maudhui.</li> <li>Kutumia uchambuzi wa data na uerevu buniwa (AI) ili kusaidia katika kufanya maamuzi na kuzalisha maudhui.</li> <li>Kutekelezwa kwa utaratibu wenye makali ili kutia kasi kwa ukuzaji na uimarishaji wa ubora.</li> </ul>

## RIPOTI YA WAKURUGENZI WAKUU (inaendelea)

### MIGAO YA MAPATO

Wakurugenzi wanapendekeza malipo ya mgao wa mwisho wa mapato ya hisa wa Shs. 1.5 kwa kila hisa kwa mtaji wa hisa uliotolewa na uliolipwa kikamilifu kufikia tarehe 31 Desemba 2021 bila kujumuisha hisa za hazina ya kitaifa zilizounuliwa tena katika mwaka huo. (2020: Hakuna). Hakuna mgao wa mapato ya hisa ya muda uliolipwa katika mwaka huo.

### WAKURUGENZI

Wakurugenzi waliohudumu ofisini katika mwaka huo na kufikia tarehe ya ripoti hii wameorodheshwa kwenye ukurasa wa 60.

Prof. S. Sejjaaka kwa mujibu wa Kifungu cha 96 cha Taarifa ya Ushirika ya Kampuni, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena.

Bi. S. Hassan, Dkt. Y. Jetha na Mr. W. Mwangi ni wakurugenzi wanaostaafu kwa zamu kuambatana na Kifungu cha 110 cha Kanuni za Kiushirika za Kampuni na kwa kuwa wanastahiki kuteuliwa, basi wanajitosa uwanjani kuchaguliwa tena.

Dr. W. Kiboro, Prof. L. Huebner, Mr. A. Poonawala na Mr. F. Okello ni wakurugenzi ambao baada ya kufukisha umri wa miaka 70 wanastaafu kwa zamu na wanajitosa uwanjani kuchaguliwa tena.

### KUTOA TAARIFA KWA WAKAGUZI WA KIFEDHA

Wakurugenzi wakuu wanathibitisha kwamba kuambatana na kila mkurugenzi kufikia wakati wa uidhinishwaji wa ripoti hii:

- kulikuwa na, kama kila mkurugenzi anavyofahamu, hapakuwa na taarifa muhimu za kiukaguzi ambazo mkaguzi wa kampuni hakuzifahamu;
- kila mkurugenzi alichukua hatua zote zilizostahili kuchukuliwa kama mkurugenzi ili kujua taarifa muhimu za kiukaguzi na hali kadhalika kutambua kwamba mkaguzi wa kampuni anajua taarifa hiyo.

### MASHARTI YA UTEUZI WA WAKAGUZI WA KIFEDHA

PricewaterhouseCoopers wameonyesha nia ya kutaka kuendelea kutekeleza majukumu ya ukaguzi wa kifedha kulingana na Vifungu vya Ushirika wa Kampuni na Sehemu ya 721 ya Sheria ya Kampuni za Kenya, 2015.

Kamati ya Uzungatiaji, Ukaguzi na Hatari (ARCC) hutathmini ufanisi, malengo na uhuru wa mkaguzi. Jukumu hili unahusisha uidhinishaji wa mkataba wa shughuli za ukaguzi pamoja na ada.

### UIDHINISHAJI WA TAARIFA ZA KIFEDHA

Taarifa za kifedha ziliidhinishwa na Bodi ya Wakurugenzi Wakuu mnamo tarehe 19 Aprili, 2022.

Kwa amri ya Bodi



**A Namwakira**

Katibu wa Kampuni

Tarehe 19 Aprili, 2022



# DIRECTORS' REMUNERATION REPORT

## INFORMATION NOT SUBJECT TO AUDIT

### Annual Statement and Statement of company's policy on directors' remuneration

The Nation Media Group PLC non-executive directors' remuneration is recommended by the Human Resources and Remuneration Committee to the board. The directors' remuneration which was reduced by between 20% - 35% in 2020 was reinstated in 2021 following an improved business performance.

The executive directors comprise of the Group Chief Executive Officer and the Group Finance Director. Their remuneration is approved by the Chairman of the Board. They have annual performance targets, and an approved bonus policy which is in line with the rest of the employees.

The Group does not run any share option schemes.

### Contract of service

The non-executive directors are appointed under a three-year contract and are subject to retirement by rotation. However, they are eligible for re-election at the Annual General Meeting (AGM). Those above the age of 70 are required to retire at each AGM but are eligible for re-election.

The executive directors are employees who are on permanent and pensionable terms of employment.

### Statement of voting at general meeting

During the AGM held on 25th June 2021, the shareholders unanimously authorized the board to fix the remuneration of the non-executive directors.

### Summary of the remuneration policy in respect of Non-Executive Directors (NEDs)

The following are highlights of the Board remuneration policy for the Group:

1. All fees of NEDs are fixed and are reviewed after every two years to take into account factors such as the prevailing rate of inflation and the competitive environment to attract and retain suitably qualified individuals.
2. The fees are paid quarterly and those NEDs who need to allocate more time than the norm are compensated through payment of sitting allowances.
3. Different rates apply to the Board members, the Chairmen of the various Board Committees and the Board Chairman, proportionate to the services and responsibilities rendered.
4. NEDs are reimbursed for all business expenses relating to airfare, accommodation, taxis, and visa fees incurred on Company business on actual basis supported by official receipts.
5. The NEDs remuneration is approved by the shareholders in conformity with the Company's Articles of Association and the Capital Markets Authority Regulations.
6. The Company had in place a policy for payment on retirement for long serving NEDs. This policy was discontinued in 2012 and there are now only four NEDs, who were appointed prior to September 2008 eligible for such payment on retirement.

## DIRECTORS' REMUNERATION REPORT (continued)

### INFORMATION SUBJECT TO AUDIT

The following table shows a single figure remuneration for the executive, Chairman and non-executive directors in respect of qualifying services for the year ended 31 December 2021 together with the comparative figures for 2020.

The aggregate directors' emoluments are shown under Note 32(vi).

For the year ended 31 December 2021	Salary	Fees	Bonuses	Expense allowances	Long term/ terminal benefits	Total
	Shs m	Shs m	Shs m	Shs m	Shs m	Shs m
Stephen Gitagama	37.2	-	4.6	0.6	2.4	44.8
Richard Tobiko	19.9	-	2.2	-	1.2	23.3
Wilfred Kiboro	-	6.3	-	0.1	-	6.4
Francis Okello	-	2.3	-	-	-	2.3
Anwar Poonawala*	-	1.6	-	-	-	1.6
Lee Huebner	-	2.1	-	-	-	2.1
Yasmin Jetha	-	2.1	-	-	-	2.1
Dennis Aluanga	-	2.5	-	-	-	2.5
Sumayya Hassan	-	1.6	-	-	-	1.6
Al-Noor Ramji*	-	1.6	-	-	-	1.6
Leonard Mususa	-	2.4	-	-	-	2.4
Louis Otieno	-	2.1	-	-	-	2.1
Wangethi Mwangi	-	3.4	-	-	-	3.4
Stephen Dunbar-Johnson	-	1.6	-	-	-	1.6
<b>Totals</b>	<b>57.1</b>	<b>29.6</b>	<b>6.8</b>	<b>0.7</b>	<b>3.6</b>	<b>97.8</b>

\*Payments with respect to services provided by Anwar Poonawala and Al-Noor Ramji were paid to Aga Khan Fund for Economic Development (AKFED).

## DIRECTORS' REMUNERATION REPORT (continued)

### INFORMATION SUBJECT TO AUDIT (CONTINUED)

For the year ended 31 December 2020	Salary	Fees	Bonuses	Expense allowances	Long term/ terminal benefits	Total
	Shs m	Shs m	Shs m	Shs m	Shs m	Shs m
Stephen Gitagama	30.1	-	-	0.3	2.0	32.4
Richard Tobiko	16.5	-	-	-	1.0	17.5
Wilfred Kiboro	-	4.3	-	0.1	-	4.4
Francis Okello	-	2.3	-	0.1	-	2.4
Anwar Poonawala*	-	1.5	-	-	-	1.5
Lee Huebner	-	2.0	-	-	-	2.0
Yasmin Jetha	-	2.0	-	-	-	2.0
Dennis Aluanga	-	2.4	-	-	-	2.4
Sumayya Hassan	-	1.5	-	-	-	1.5
Al-Noor Ramji*	-	1.0	-	-	-	1.0
Leonard Mususa	-	2.4	-	-	-	2.4
Louis Otieno	-	2.0	-	-	-	2.0
Wangethi Mwangi	-	2.9	-	-	-	2.9
Stephen Dunbar-Johnson	-	1.5	-	-	-	1.5
<b>Totals</b>	<b>46.6</b>	<b>25.8</b>	<b>-</b>	<b>0.5</b>	<b>3.0</b>	<b>75.9</b>

\* Payments with respect to services provided by Anwar Poonawala and Al-Noor Ramji were paid to Aga Khan Fund for Economic Development (AKFED).

On behalf of the Board



**Chairperson,**

Human resources and Remuneration Committee

19 April 2022

## Executive Team



**Stephen Gitagama**  
Group Chief Executive Officer



**Richard Tobiko**  
Group Finance Director



**Mutuma Mathiu**  
Editor-in-Chief



**Oliver August**  
Chief Technology and  
Innovation Officer



**Monicah Ndung'u**  
Head of Broadcasting/Executive  
Director-Transformation



**Jane Muiruri**  
Head of Human Resources



**Tony Glencross**  
Managing Director Uganda



## Executive Team



**Sekou Owino**  
Head of Legal



**James Sogoti**  
General Manager-Commercial



**Clifford Machoka**  
Head of External Affairs



**Rachel Wanyoike**  
Head of Audit, Risk and Compliance



**Bakari Machumu**  
Managing Director, Mwananchi  
Communications Limited



**Philbert Mdindi**  
Head of Marketing





**Media of Africa for Africa**





“

**Our job is not to  
create content. Our  
job is to change the  
world of the people  
who consume it.”**

– Andrea Fryrear



→ **Financial  
Statements**



## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Kenyan Companies Act, 2015 requires the directors to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and Company at the end of the financial year and of their financial performance for the year then ended. The directors are responsible for ensuring that the Group and Company keep proper accounting records that are sufficient to show and explain the transactions of the Group and Company; disclose with reasonable accuracy at any time the financial position of the Group and Company; and that enable them to prepare financial statements of the Group and Company that comply with prescribed financial reporting standards and the requirements of the Kenyan Companies Act, 2015. They are also responsible for safeguarding the assets of the Group and Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act, 2015. They also accept responsibility for:

- i. Designing, implementing and maintaining internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error;
- ii. Selecting suitable accounting policies and then applying them consistently; and
- iii. Making judgements and accounting estimates that are reasonable in the circumstances.

Having made an assessment of the Group's and Company's ability to continue as a going concern, the directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Group's and Company's ability to continue as a going concern.

The directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibility.

Approved by the board of directors on 19 April 2022 and signed on its behalf by:



**Dr. W D Kiboro**  
Chairman



**R Tobiko**  
Group Finance Director



## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATION MEDIA GROUP PLC



### Report on the audit of the financial statements

#### Our opinion

We have audited the accompanying financial statements of Nation Media Group PLC (the Company) and its subsidiaries (together, the Group) set out on pages 84 to 134, which comprise the Group and Company statements of financial position at 31 December 2021 and the consolidated and company statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of Nation Media Group PLC give a true and fair view of the financial position of the Group and the Company at 31 December 2021 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2015.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under

those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the company in accordance with the International Ethics Standards Board for Accountants (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (the IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Determination of expected credit losses on trade receivables</b></p> <p>Trade receivables are significant to the consolidated and company financial statements. Calculations to determine the expected credit losses on trade receivables as required by IFRS 9, involves the use of significant judgements and estimates by management which is why this is an area of focus. Management have applied significant judgements and estimates in the following areas as described in note 3 and in note 4(b) of the financial statements:</p> <ul style="list-style-type: none"> <li>(i) The determination and application of IFRS 9 risk parameters i.e. probability of default (PD), loss given default (LGD) and definition of default for trade receivables; and</li> <li>(ii) Determination of expected timing for settlement of government trading debt.</li> </ul>	<p>We assessed and tested the key modelling assumptions for reasonableness and appropriateness</p> <p>We challenged management on the appropriateness of the expected timing of the settlement of receivables from the government.</p> <p>We tested the key inputs into the expected credit loss model to source documents/reports and checked for the mathematical accuracy of the model. We also challenged management's definition of default.</p> <p>We evaluated the adequacy of disclosures in the financial statements in accordance with the requirements of the International Financial Reporting Standards.</p>

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Partners: E Kerich B Kimacia M Mugasa A Murage F Muriu P Ngahu R Njoroge S O Norbert's B Okundi K Saiti

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATION MEDIA GROUP PLC (continued)



### *Other information*

The other information comprises the company information, the corporate governance statement, the chairman's statement, the directors' profiles, the report of the directors, the statement of directors responsibilities, the non-auditable part of the directors' remuneration report, the notice of the annual general meeting, and the report of principal shareholders which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information we have received prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the rest of the other information in the Annual Report and we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### *Responsibilities of the directors for the financial statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2015, 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 Group'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 Group or to cease operations, or have no realistic alternative but to do so.

### *Auditor's responsibilities for the audit of the financial statements*

Our 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 our 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, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATION MEDIA GROUP PLC (continued)



*Auditor's responsibilities for the audit of the financial statements (continued)*

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide the directors with a statement that we 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, we determine those matters that were of most significance in the audit of the Group's financial statements of the

current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other matters prescribed by the Companies Act, 2015**

#### *Report of the directors*

In our opinion the information given in the directors' report on page 66 to 68 is consistent with the financial statements.

#### *Directors' remuneration report*

In our opinion the auditable part of the directors' remuneration report on pages 74 to 75 has been properly prepared in accordance with the Companies Act, 2015.

*Bernice Kimacia*

**CPA Bernice Kimacia, Practicing Certificate Number 1457  
Engagement partner responsible for the audit**

**For and on behalf of PricewaterhouseCoopers LLP  
Certified Public Accountants  
Nairobi**

19 April 2022

## Group and Company Statements of Comprehensive Income for the year ended 31 December 2021

	Notes	Group		Company	
		2021 Shs m	2020 Shs m	2021 Shs m	2020 Shs m
Revenue	5	7,613.7	6,812.8	5,354.5	5,016.1
Cost of sales		(1,212.0)	(1,148.0)	(843.9)	(825.9)
Gross profit		<b>6,401.7</b>	<b>5,664.8</b>	<b>4,510.6</b>	<b>4,190.2</b>
Distribution costs		(269.4)	(279.0)	(206.5)	(203.0)
Administrative expenses		(4,024.7)	(3,824.6)	(2,754.1)	(2,740.7)
Net impairment losses on financial assets	6	(33.5)	(143.2)	(0.5)	(143.1)
Other expenses		(1,579.4)	(1,511.4)	(1,116.4)	(1,161.4)
<b>Operating profit/(loss)</b>	6	<b>494.7</b>	<b>(93.4)</b>	<b>433.1</b>	<b>(58.0)</b>
Finance income	8	241.7	203.2	203.9	170.6
Finance costs	8	(44.6)	(42.0)	(41.7)	(36.4)
Share of profit after income tax of associate	17	38.9	52.1	-	-
<b>Profit before income tax</b>		<b>730.7</b>	<b>119.9</b>	<b>595.3</b>	<b>76.2</b>
Income tax expense	9	(237.6)	(72.0)	(209.0)	(39.5)
<b>Profit for the year</b>		<b>493.1</b>	<b>47.9</b>	<b>386.3</b>	<b>36.7</b>
<b>Other comprehensive income:</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
Currency translation differences		67.7	69.2	-	-
<b>Items that will not be subsequently reclassified to profit or loss</b>					
Other comprehensive income from associate	17	23.9	18.4	-	-
		<b>91.6</b>	<b>87.6</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>584.7</b>	<b>135.5</b>	<b>386.3</b>	<b>36.7</b>
<b>Profit for the year attributable to:</b>					
Owners of the parent		491.8	48.1	-	-
Non-controlling interest		1.3	(0.2)	-	-
		<b>493.1</b>	<b>47.9</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		578.3	129.9	-	-
Non-controlling interest		6.4	5.6	-	-
		<b>584.7</b>	<b>135.5</b>	<b>-</b>	<b>-</b>
<b>Basic earnings per share (Shs)</b>	10	2.5	0.2	-	-
<b>Diluted earnings per share (Shs)</b>	10	2.5	0.2	-	-



## Group and Company Statements of Financial Position at 31 December 2021

		Group		Company	
	Notes	2021 Shs m	2020 Shs m	2021 Shs m	2020 Shs m
CAPITAL EMPLOYED					
Attributable to the Company's equity holders					
Share capital	11	518.5	518.5	518.5	518.5
Other reserves	12	24.2	(57.7)	94.3	96.9
Retained earnings		7,613.7	7,402.7	5,645.9	5,542.4
Proposed dividends	28	285.4	-	285.4	-
Treasury shares reserve	11	(427.5)	-	(427.5)	-
		8,014.3	7,863.5	6,116.6	6,157.8
Non-controlling interest	19	75.9	69.5	-	-
Total equity		8,090.2	7,933.0	6,116.6	6,157.8
Non-current liabilities					
Deferred income tax	13	30.2	29.1	-	-
Lease liabilities	16	371.7	448.4	329.9	357.8
Post-employment benefit obligation	27	55.6	-	55.6	-
		457.5	477.5	385.5	357.8
Total equity and non-current liabilities		8,547.7	8,410.5	6,502.1	6,515.6
Non-current assets					
Land and buildings	14(a)	585.4	599.0	389.8	408.0
Plant and equipment	14(b)	1,106.9	1,372.2	836.4	1,054.2
Right of use asset	16	518.8	644.6	416.8	503.2
Intangible assets	15	239.9	292.9	213.8	266.6
Investment in associate	17	1,540.5	1,485.4	94.6	94.6
Investment in subsidiaries	18	-	-	702.8	702.8
Deferred income tax	13	481.1	366.9	371.5	290.8
Post-employment benefit obligation	27	-	27.5	-	27.5
Other assets	20	53.9	74.7	53.9	74.7
		4,526.5	4,863.2	3,079.6	3,422.4
Current assets					
Inventories	21	619.5	521.4	490.5	431.8
Receivables and prepayments	22	3,548.8	3,504.5	2,679.1	2,799.5
Cash and cash equivalents	23	2,111.9	1,344.2	1,633.5	1,063.2
Short-term investments	24	1,846.7	1,530.0	1,696.2	1,338.3
Current income tax	9(b)	-	57.3	-	26.9
		8,126.9	6,957.4	6,499.3	5,659.7
Current liabilities					
Payables and accrued expenses	25	3,356.3	2,720.6	2,381.8	1,933.7
Provisions	26	578.9	558.3	548.7	536.5
Lease liabilities	16	96.7	131.2	55.1	96.3
Current tax liability	9(b)	73.8	-	91.2	-
		4,105.7	3,410.1	3,076.8	2,566.5
Net current assets		4,021.2	3,547.3	3,422.5	3,093.2
Total assets less current liabilities		8,547.7	8,410.5	6,502.1	6,515.6

The financial statements on pages 84 to 134 were approved and authorised for issue by the board of directors on 19th April 2022 and signed on its behalf by:



**Dr. W D Kiboro**  
Chairman



**R Tobiko**  
Group Finance Director

## Group Statement of Changes in Equity

for the year ended 31 December 2021

Attributable to equity holders of the Company						
Notes	Share capital	Other reserves	Retained Earnings	Total	Non-controlling interest	Total equity
	Shs m	Shs m	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2020</b>						
<b>At start of year</b>	<b>471.4</b>	<b>(134.9)</b>	<b>7,397.1</b>	<b>7,733.6</b>	<b>63.9</b>	<b>7,797.5</b>
Profit for the year	-	-	48.1	48.1	(0.2)	47.9
<b>Other comprehensive income, net of tax</b>						
Currency translation differences	-	63.4	-	63.4	5.8	69.2
Transfer of excess depreciation	-	(6.5)	6.5	-	-	-
Deferred income tax on transfer	-	1.9	(1.9)	-	-	-
Share of comprehensive income in associate	17	-	18.4	18.4	-	18.4
<b>Total other comprehensive income</b>	-	<b>77.2</b>	<b>4.6</b>	<b>81.8</b>	<b>5.8</b>	<b>87.6</b>
<b>Total comprehensive income for the year</b>	-	<b>77.2</b>	<b>52.7</b>	<b>129.9</b>	<b>5.6</b>	<b>135.5</b>
<b>Transactions with owners</b>						
Bonus share issue	11	47.1	-	(47.1)	-	-
<b>At end of year</b>		<b>518.5</b>	<b>(57.7)</b>	<b>7,402.7</b>	<b>69.5</b>	<b>7,933.0</b>

## Group Statement of Changes in Equity

for the year ended 31 December 2021 (continued)

		Attributable to equity holders of the Company							
	Notes	Share capital	Treasury reserve	Other reserves	Retained Earnings	Proposed Dividends	Total	Non-controlling interest	Total equity
		Shs m	Shs m	Shs m	Shs m	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>									
<b>At start of year</b>		<b>518.5</b>	<b>-</b>	<b>(57.7)</b>	<b>7,402.7</b>	<b>-</b>	<b>7,863.5</b>	<b>69.5</b>	<b>7,933.0</b>
Profit for the year		-		-	491.8	-	491.8	1.3	493.1
<b>Other comprehensive income, net of tax</b>									
Currency translation differences		-	-	62.6	-	-	62.6	5.1	67.7
Transfer of excess depreciation		-	-	(6.5)	6.5	-	-	-	-
Deferred income tax on transfer		-	-	1.9	(1.9)	-	-	-	-
Share of comprehensive income in associate	17	-	-	23.9	-	-	23.9	-	23.9
<b>Total other comprehensive income</b>		<b>-</b>		<b>81.9</b>	<b>4.6</b>	<b>-</b>	<b>86.5</b>	<b>5.1</b>	<b>91.6</b>
<b>Total comprehensive income for the year</b>		<b>-</b>		<b>81.9</b>	<b>496.4</b>	<b>-</b>	<b>578.3</b>	<b>6.4</b>	<b>584.7</b>
<b>Transactions with owners</b>									
Share Buyback	11		(427.5)	-	-	-	(427.5)	-	(427.5)
Proposed final dividend for 2021	28	-	-	-	(285.4)	285.4	-	-	-
<b>At end of year</b>		<b>518.5</b>	<b>(427.5)</b>	<b>24.2</b>	<b>7,613.7</b>	<b>285.4</b>	<b>8,014.3</b>	<b>75.9</b>	<b>8,090.2</b>

## Company Statement of Changes in Equity for the year ended 31 December 2021

	Notes	Share capital	Treasury reserve	Other reserves	Retained earnings	Proposed dividends	Total equity
		Shs m	Shs m	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2020</b>							
At start of year		471.4	-	99.5	5,550.2	-	6,121.1
<b>Total comprehensive income</b>							
Profit for the year		-	-	-	36.7	-	36.7
<b>Other comprehensive income, net of tax</b>							
Transfer of excess depreciation		-	-	(3.7)	3.7	-	-
Deferred income tax on transfer		-	-	1.1	(1.1)	-	-
<b>Total other comprehensive income</b>		-	-	<b>(2.6)</b>	<b>2.6</b>	-	-
<b>Total comprehensive income for the year</b>		-	-	<b>(2.6)</b>	<b>39.3</b>	-	<b>36.7</b>
<b>Transactions with owners</b>							
Bonus share issue	11	47.1	-	-	(47.1)	-	-
<b>At end of year</b>		<b>518.5</b>	-	<b>96.9</b>	<b>5,542.4</b>	-	<b>6,157.8</b>
<b>Year ended 31 December 2021</b>							
At start of year		518.5	-	96.9	5,542.4	-	6,157.8
<b>Total comprehensive income</b>							
Profit for the year		-	-	-	386.3	-	386.3
<b>Other comprehensive income, net of tax</b>							
Transfer of excess depreciation		-	-	(3.7)	3.7	-	-
Deferred income tax on transfer		-	-	1.1	(1.1)	-	-
<b>Total other comprehensive income</b>		-	-	<b>(2.6)</b>	<b>2.6</b>	-	-
<b>Total comprehensive income for the year</b>		-	-	<b>(2.6)</b>	<b>388.9</b>	-	<b>386.3</b>
<b>Transactions with owners</b>							
Share Buyback	11	-	(427.5)	-	-	-	(427.5)
Proposed final dividends 2021	28	-	-	-	(285.4)	285.4	-
<b>At end of year</b>		<b>518.5</b>	<b>(427.5)</b>	<b>94.3</b>	<b>5,645.9</b>	<b>285.4</b>	<b>6,116.6</b>



## Group and Company Statements of Cash Flows

for the year ended 31 December 2021

		Group		Company	
	Notes	2021 Shs m	2020 Shs m	2021 Shs m	2020 Shs m
<b>Operating activities</b>					
Cash generated from operations	31	1,711.1	598.1	1,497.5	439.1
Income tax paid		(219.6)	(138.0)	(171.6)	(110.5)
Interest on lease	8	(44.6)	(42.0)	(41.7)	(36.4)
<b>Net cash generated from operating activities</b>		<b>1,446.9</b>	<b>418.1</b>	<b>1,284.2</b>	<b>292.2</b>
<b>Investing activities</b>					
Interest received	8	241.7	203.2	203.9	170.6
Purchase of property, plant and equipment	14	(95.9)	(78.0)	(65.1)	(31.6)
Purchase of intangible assets	15	(27.6)	(155.5)	(26.2)	(151.9)
Proceeds from sale of property, plant and equipment		8.6	19.8	5.9	16.5
Dividends received from associate	17	7.7	7.7	7.7	7.7
Long-term deposit	20	20.8	36.4	20.8	36.4
Short-term investments	24	(316.7)	(10.0)	(357.9)	23.7
<b>Net cash generated from / (used in) investing activities</b>		<b>(161.4)</b>	<b>23.6</b>	<b>(210.9)</b>	<b>71.4</b>
<b>Financing activities</b>					
Treasury shares purchase		(427.5)	-	(427.5)	-
Principal portion of lease liability payment	16	(128.5)	(162.4)	(75.5)	(117.7)
<b>Net cash used in financing activities</b>		<b>(556.0)</b>	<b>(162.4)</b>	<b>(503.0)</b>	<b>(117.7)</b>
<b>Net increase in cash and cash equivalents</b>		<b>729.5</b>	<b>279.3</b>	<b>570.3</b>	<b>245.9</b>
<b>Movement in cash and cash equivalents</b>					
At start of year		1,344.2	1,039.0	1,063.2	817.3
Increase in cash and cash equivalents		729.5	279.3	570.3	245.9
Exchange gains/(losses) on cash and cash equivalents		38.2	25.9	-	-
<b>At end of year</b>	<b>23</b>	<b>2,111.9</b>	<b>1,344.2</b>	<b>1,633.5</b>	<b>1,063.2</b>

## Notes to the financial statements

### 1. General information

Nation Media Group PLC (the "Company") is incorporated in Kenya under the Kenya Companies Act as a public limited liability company, and is domiciled in Kenya. The address of its registered office is:

Nation Media Group PLC  
Nation Centre  
Kimathi Street  
P O Box 49010 - 00100  
Nairobi

The Company's shares are listed on the Nairobi, Kampala, Dar es Salaam and Kigali Stock Exchanges.

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

### 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the Company and consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### (a) Basis of preparation

The financial statements are prepared on a going concern basis and in compliance with International Financial Reporting Standards (IFRS). The financial statements are presented in Kenyan Shillings (Shs m), rounded to the nearest one tenth of a million. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below.

Under the historical cost basis, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or, in some cases, at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires directors to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

#### Changes in accounting policy and disclosures

##### (i) New and amended standards adopted by the Group

The group applied the following standards and interpretations for the first time for their annual reporting period commencing 1 January 2021:

##### a). Interest Rate Benchmark Reform Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16 addresses the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one. The phase 2 amendments provide the following reliefs:

- i. When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of inter-bank offered rates (IBOR) reform and which is considered economically equivalent, will not result in an immediate gain or loss in the income statement.
- ii. The hedge accounting reliefs will allow most IAS 39 OR IFRS 9 hedge relationships that are directly affected by inter-bank offered rates (IBOR) reform to continue. However, additional ineffectiveness might need to be recorded.

Affected entities need to disclose information about the nature and extent of risks arising from inter-bank offered rates (IBOR) reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition.

These amendments had no impact on the financial statements of the Company and Group.

##### b) Covid-19-Related Rent Concessions - Amendment to IFRS 16

As a result of the Covid-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the International Accounting Standard Board (IASB) made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if there were not lease modifications.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognized in profit or loss arising from rent concessions. If lessee already applied the original expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If the lessee did not apply the original practical expedients to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment.

The group did not receive any rent concessions on existing/ongoing lease agreements in the year.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### *(ii) New and amended standards in issue but not yet effective as at 31<sup>st</sup> December 2021*

##### **a) Amendments to IAS 16, Property, Plant & Equipment – Proceeds before intended use (effective for annual periods beginning on or after 1 January 2022)**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

##### **b) Amendments to IAS 1, Classification of Liabilities as Current and Non-Current (effective for annual periods beginning on or after 1 January 2022)**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

##### **c) Amendments to IAS 37, Onerous contracts – cost of fulfilling a contract (effective for annual periods beginning on or after 1 January 2022)**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

These standards have not been early adopted in preparing the financial statements. None of these is expected to have a significant effect on financial statements of the Group.

#### **(b) Consolidation**

##### **i. Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets

transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the income statement.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost less impairment in the separate financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (b) Consolidation (continued)

##### i. Subsidiaries (continued)

##### a) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

##### (b) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

##### (ii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for by the equity method of accounting. Under the equity method, the investments are initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss as appropriate. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income, with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is

impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit/ (loss) of an associate' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognized in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising from investments in associates are recognized in profit or loss. Associates are stated at cost in the separate financial statements of the Company.

#### (c) Property, plant and equipment

All categories of property, plant and equipment are initially recorded at cost. Freehold land and buildings are subsequently shown at market value, based on valuations that are conducted at least every five years by external independent valuers, less subsequent depreciation. All other property, plant and equipment is stated at historical cost less depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

Freehold land is not depreciated. Depreciation on other assets is calculated on the straight line method to write off the cost of each asset, or the revalued amounts, to their residual values over their estimated useful life. The annual rates used for this purpose are as follows:

Buildings	40 years
Plant and equipment	5 – 15 years
Computers and software	3 – 5 years
Motor Vehicles	3 – 5 years
Leasehold land	over the remaining lease term



## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (c) Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each statement of financial position date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Property, plant and equipment are periodically reviewed for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

#### (d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The executive management team, which is responsible for strategic decision, allocating resources and assessing performance of the operating segments, has been identified as the CODM. All transactions between business segments are conducted on an arm length basis. Income and expenses associated with each segment as included in determining business segment performance.

#### (e) Revenue and income recognition

The Group recognizes revenue for direct sales of goods and rendering of services. Revenue is recognized as and when the Group satisfies a performance obligation by transferring control of a product or service to a customer. The amount of revenue recognized is the amount the Group expects to receive in accordance with the terms of the contract, and excludes amounts collected on behalf of third parties, such as Value Added Tax (VAT).

Circulation revenue from the sale of newspapers is recognized on delivery of the newspapers to appointed distributors based on approved allocation list, net of returns of unsold newspapers. Advertising revenue is recognized on publication of the related advertisement on print, online or airing. Contract printing revenue recognition is based on the performance of the service agreed with the customers. E-paper revenue is recognized on delivery of electronic version of the newspaper to the customer.

The Group recognizes revenue at a point in time or over time depending on the nature of goods and services and mode of fulfilling performance obligations.

Interest income is recognized using the effective interest method.

Dividends are recognized as income in the period the right to receive payment is established.

#### (f) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a weighted average principle. Net realizable value is the estimate of the selling price in the

ordinary course of business, less the costs of completion and selling expenses. Goods in transit are stated at cost. Specific provisions are made for obsolete, slow moving and defective inventories.

#### (g) Financial instruments

##### (i) Initial recognition

Financial instruments are recognized when, and only when, the Group becomes party to the contractual provisions of the instrument. All financial assets are recognized initially using the trade date accounting which is the date the Group commits itself to the purchase or sale.

##### (ii) Classification

The Group classifies its financial instruments into the following categories:

- a) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which 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, are classified and measured at amortized cost.
- b) Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which 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, are classified and measured at fair value through other comprehensive income.
- c) All other financial assets are classified and measured at fair value through profit or loss.
- d) Financial liabilities that are held for trading, financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Company may also, on initial recognition, irrevocably designate a financial liability as at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.
- e) All other financial liabilities are classified and measured at amortized cost.

#### Financial instruments held during the year were classified as follows:

- Demand and term deposits with banking institutions, trade and other receivables, and short term investments were classified as at amortized cost.
- Trade and other liabilities were classified as at amortized cost.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (g) Financial instruments (continued)

##### (iii) Initial measurement

On initial recognition:

- Financial assets or financial liabilities classified as at fair value through profit or loss are measured at fair value.
- Trade receivables are measured at their transaction price.
- All other categories of financial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument.

##### (iv) Subsequent measurement

Financial assets and financial liabilities after initial recognition are measured either at amortized cost, at fair value through other comprehensive income, or at fair value through profit or loss according to their classification.

Exchange gains and losses on monetary items, interest income and dividend income are recognized in profit or loss.

Fair value is determined as set out in Note 4(e). Amortized cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

##### (v) Impairment

The Group recognizes a loss allowance for expected credit losses on debt instruments that are measured at amortized cost or at fair value through other comprehensive income. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables and for financial instruments (Note 4(b)) for which: (a) the credit risk has increased significantly since initial recognition; or (b) there is observable evidence of impairment (a credit-impaired financial asset). All changes in the loss allowance are recognized in profit or loss as impairment gains or losses.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument. Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

##### (vi) Presentation

All financial assets are classified as non-current except those that are held for trading, those with maturities of less than 12

months from the reporting date, those which management has the express intention of holding for less than 12 months from the reporting date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

All financial liabilities are classified as non-current except those held for trading, those expected to be settled in the Group's normal operating cycle, those payable or expected to be paid within 12 months of the reporting date and those which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

##### (vii) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial asset have expired, when the Group has transferred substantially all risks and rewards of ownership, or when the Group has no reasonable expectations of recovering the asset. Financial liabilities are derecognized only when the obligation specified in the contract is discharged or cancelled or expires.

When a financial asset measured at fair value through other comprehensive income, other than an equity instrument, is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. For equity investments for which an irrevocable election has been made to present changes in fair value in other comprehensive income, such changes are not subsequently transferred to profit or loss.

##### (viii) Offsetting

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

#### (h) Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values in the financial statements. However, the deferred tax liabilities are not recognized if they

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (h) Current and deferred income tax (continued)

arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the end of reporting period and are expected to apply when the related deferred income tax liability is settled. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis

#### (i) Intangible assets

##### (i) Goodwill

Goodwill represents the difference between the aggregate of (i) the value of the consideration transferred (generally at fair value), (ii) the amount of any non-controlling interest (NCI), and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investment in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for purposes of impairment testing.

The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose and are identified according to operating segments.

##### (ii) Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. The costs are amortized over their estimated useful lives (three to five years). Costs associated with developing or maintaining computer software programmes are recognized as an expense incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads. Acquired computer software and computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding five years).

##### (iii) Transmission frequencies

Acquired transmission frequencies are capitalized on the basis of the costs incurred to acquire and to bring them to use. Transmission frequencies are tested annually for impairment and carried at cost less accumulated impairment losses.

#### (j) Employee benefits

##### (i) Post employment benefit obligations

The Group operates a defined contribution retirement benefit scheme for its employees. For defined contribution plans, the group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Company and all its employees also contribute to the National Social Security Funds in the countries which they operate, which are defined contribution schemes. The Group's contributions to the defined contribution schemes are charged to profit or loss in the year to which they relate. The Company has no further obligation once the contributions have been paid.

In addition, the Group operates a gratuity scheme where the group makes contributions to a special purpose vehicle that is administered independently. The employees are entitled to specified benefits as per the scheme's rules. The gratuity scheme is a defined benefit scheme. The liability or asset recognized in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The present value of the defined benefit obligation and related service costs is determined using the 'projected unit credit method', which sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately in building up the final obligation. The defined benefit obligation is calculated every three years by independent actuaries.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (j) Employee benefits (continued)

##### (ii) Other entitlements

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

##### (iii) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognizes termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

##### (iv) Profit-sharing and bonus plans

The group recognizes a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### (k) Functional currency and translation of foreign currencies

##### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Kenyan Shillings (Shs m), rounded to the nearest one tenth of a million which is the Company's functional currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income/costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

##### (iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each income statement amount are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is partially disposed or sold, exchange differences that are recorded in equity are recognized in profit or loss as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

#### (l) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

#### (m) Dividends

Dividend on ordinary shares are charged to equity in the period in which they are declared. Proposed dividend are shown as separate component of equity until declared.

#### (n) Share Capital

Ordinary shares are classified as equity.

#### (o) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investment with original maturities of three months or less, and bank overdrafts.



## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (p) Provisions

Provisions for legal claims are recognized when (1) the Group has a present legal or constructive obligation as a result of past events; (2) it is probable that an outflow of resources will be required to settle the obligation; and 3) the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Any increase in the provision due to passage of time is recognized as an expense.

#### (q) Leases

At inception of a contract, the group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

#### Definition of Lease

At inception of a contract, the Group assesses whether a contract is or contains a lease based on the definition of a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset to a customer for a period of time in exchange for consideration

#### The Group as a Lessee

As a lessee, the Group leases various assets, mainly offices. These lease contracts are typically made for fixed periods of 1 to 6 years but may have extension/termination options. The Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognises right-of-use assets and lease liabilities for the qualifying leases (i.e. these leases are on statement of financial position).

Contracts may contain both lease and non-lease components. At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the group where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the group.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option. Low-value assets comprise IT equipment and small items of office furniture.

## Notes to the financial statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (q) Leases (continued)

##### Lease modifications

The Group accounts for a lease modification as a separate lease if both:

- The modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- The consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

#### (r) Treasury Shares

These are shares acquired on the open market and are held by the company. These shares are deducted from contributed equity and disclosed as treasury shares. Where a company purchases the company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the shareholders. Treasury shares are not taken into account when calculating the basic earnings per share.

### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

#### (i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### a) Impairment losses on financial assets

The measurement of the expected credit loss allowance for financial assets measured at amortized cost is an area that requires the use of models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements and estimations are also required in applying the accounting requirements for measuring ECL, such as:

- The determination and application of IFRS 9 risk parameters i.e. probably of default (PD), loss given at default (LGD) and definition of default to trade receivables; and
- Determination of expected future payment pattern for government advertising debt.

The assumption, estimates and judgement made by management are disclosed in note 4b.

##### b) Provision for claims and other liabilities

The Group faces exposure to claims and other liabilities arising in the normal course of business. There is uncertainty as to how present and future claims and other liabilities will be resolved and therefore significant judgement is required in assessing the likely outcome and the potential liability for such matters. Management in consultation with the legal advisers estimates a provision based on past precedents. The assumptions and estimates made are disclosed in note 26.

##### c) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on projected product lifecycles for its assets. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. The useful lives for the various asset classes is shown under note 2c. Assuming a reduction in useful lives of property, plant and equipment by one year, the consolidated post tax profit for the year and equity would have been Shs 73.2 million lower.

##### d) Income taxes

The Group is subject to income taxes in various jurisdictions. Significant judgment is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

#### (ii) Critical judgements in applying the entity's accounting policies

In the process of applying the Group's accounting policies, management has made judgements in determining the classification of financial assets and whether assets are impaired.

## Notes to the financial statements (continued)

### 4. Financial risk management

The Group's and the Company's activity expose it to a variety of financial risks comprising market risk (including foreign exchange risks, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize adverse effects on its financial performance within the options available in East Africa to hedge against such risks.

Risk management is carried out by management under policies approved by the Board of Directors. Management identifies, evaluates and mitigates against financial risks. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group and the Company make significant purchases of raw materials in foreign currency, principally newsprint, inks and plates used in newspaper production, and TV programming used in broadcasting. This exposes the Group and the Company to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar.

Management manages this risk by making the significant foreign currency purchases within periods when the exchange rates are favourable. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investment in foreign operations.

At 31 December 2021, if the shilling had weakened/strengthened against the US dollar and Euro by 5%, with all other variables held constant, the consolidated post tax profit for the year and equity would have been Shs 8.4 million higher/ lower for the US dollar whereas the Euro effect would have been Shs 2.9 million higher/ lower (2020: Shs 5.7 million for the US dollar and Shs 1.0 million for the Euro) higher/ lower mainly as a result of foreign exchange gains/losses on translation of US\$ and Euro-denominated trade receivables, payables and bank balances. The US dollar denominated trade receivables, payables and bank balances in 2021 amounted to Shs 168.9 million (2020: Shs 113.1 million) while Euro denominated amounted to Shs 57.8 million (2020: Shs 19.5 million)

##### (ii) Price risk

The Group and the Company do not hold any investments subject to price risk.

##### (iii) Interest rate risk

The Group and the Company do not hold any borrowing and therefore not subject to interest rate risk.

#### (b) Credit risk and expected credit losses

Credit risk arises from cash and short term investments as well as trade and other receivables. The Group has policies in place to ensure that sales are made to customers with an appropriate credit history. The credit controllers assess the credit quality of each customer, taking into account its financial position, past experience and other factors. For banks and financial institutions, only reputable well established financial institutions are accepted. The utilization of credit limits is regularly monitored.

The amounts that represent the Group's maximum exposure to credit risk is equal to the carrying amount of financial assets in the statement of financial position.

The Group has adopted the Expected Credit Losses (ECL) model to determine the impairment of trade receivables. The Group opted to adopt the simplified approach of determining the impairment provision. This model includes some operational simplifications for trade and other receivables because they are often held by entities that do not have sophisticated credit risk management systems. These simplifications eliminate the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. Forward looking information has not been taken into account for other advertising debtors because of their short term nature. Using the simplified approach, management has segmented their accounts receivable balances into Government advertising debtors, other advertising debtors, and circulation and subscription debtors. This segmentation is based on the characteristics of respective debtors. The credit period for trade receivables extended to our customers is 45 days for agencies and 30 days for all the other categories.

For the Government advertising debtors, management uses the Government debt collection trends in the past to determine the expected cash flows from these debts and discounts them to the present value to determine the provision.

For the other advertising debtors, management determines probabilities of default (PD) using collection trends in the past. The average PDs are then used to determine the provision. However, any debt with the exception of Government debt over 180 days is fully impaired.

For circulation and subscription debtors, management determines the portion of the debt not secured by a bank guarantee and applies a PD based on average collection trends in the past on this unsecured portion to compute the provision. Dormant accounts are fully provided for in addition to any other debt over 120 days.

Related party receivable balances are assessed for impairment based on the counterparty's ability to settle on demand. Cash balances and long-term deposits have been assessed for credit loss based on the credit rating of the financial institutions holding the assets.

## Notes to the financial statements (continued)

### 4. Financial risk management (continued)

#### (b) Credit risk and expected credit losses (continued)

The amount that best represents the Group's and Company's maximum exposure to credit risk at 31 December is made up as follows:

##### Trade receivables (Note 22)

Group	Current	30 Days	60 Days	90 days	120+ days	Total
<b>2021</b>	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>
Gross carrying amount	569.5	379.1	205.1	115.0	3,178.6	4,447.3
Expected credit losses	(45.7)	(48.2)	(30.0)	(23.3)	(2,247.5)	(2,394.7)
<b>Carrying amount</b>	<b>523.8</b>	<b>330.9</b>	<b>175.1</b>	<b>91.7</b>	<b>931.1</b>	<b>2,052.6</b>
<b>2020</b>						
Gross carrying amount	407.0	298.4	194.6	142.3	3,523.0	4,565.3
Expected credit losses	(46.2)	(40.5)	(39.5)	(28.2)	(2,377.8)	(2,532.2)
<b>Carrying amount</b>	<b>360.8</b>	<b>257.9</b>	<b>155.1</b>	<b>114.1</b>	<b>1,145.2</b>	<b>2,033.1</b>

Company	Current	30 Days	60 Days	90 days	120+ days	Total
<b>2021</b>	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>
Gross carrying amount	393.2	282.0	150.5	87.8	2,341.4	3,254.9
Expected credit losses	(29.3)	(33.2)	(18.2)	(14.0)	(1,471.2)	(1,565.9)
<b>Carrying amount</b>	<b>363.9</b>	<b>248.8</b>	<b>132.3</b>	<b>73.8</b>	<b>870.2</b>	<b>1,689.0</b>
<b>2020</b>						
Gross carrying amount	273.4	205.0	151.2	118.1	2,687.3	3,435.0
Expected credit losses	(35.4)	(31.0)	(30.7)	(20.2)	(1,573.7)	(1,691.0)
<b>Carrying amount</b>	<b>238.0</b>	<b>174.0</b>	<b>120.5</b>	<b>97.9</b>	<b>1,113.6</b>	<b>1,744.0</b>

Trade receivables aging is based on customers' payment terms and expected collection trends.

The overall reduction in the provision for Expected Credit Losses (ECL) results from lower Loss Given Default (LGD) rates on application of IFRS 9 model particularly with respect to private sector debt for the company. The management approved a write off of old debts within the year which had been fully impaired.

Shs 174.9 million was held as collateral in the form of bank guarantees for trade receivables as at 31 December 2021 (2020: Shs 204.5 million). The stated bank guarantee amounts approximate their fair value.



## Notes to the financial statements (continued)

### 4. Financial risk management (continued)

#### (b) Credit risk and expected credit losses (continued)

##### Bank deposits and short-term investments

	Group		Company	
	2021 Shs m	2020 Shs m	2021 Shs m	2020 Shs m
Deposits with banks (Notes 20, 23 & 24)	3,440.1	2,367.7	2,811.2	1,895.0
Other short-term investments (Note 24)	600.6	600.1	600.6	600.1
Expected credit losses	(28.2)	(18.9)	(28.2)	(18.9)
<b>Total carrying value</b>	<b>4,012.5</b>	<b>2,948.9</b>	<b>3,383.6</b>	<b>2,476.2</b>

Cash balances and long-term deposits have been assessed for credit loss based on the credit rating of the financial institutions holding the assets. The calculated impairment is as shown in the table above.

##### Other receivables

	Group		Company	
	2021 Shs m	2020 Shs m	2021 Shs m	2020 Shs m
Due from related parties (Note 32)	2.5	4.0	420.8	604.6
Expected credit losses	-	-	(360.9)	(364.8)
	2.5	4.0	59.9	239.8
Other receivables and prepayments	1,493.7	1,467.4	930.2	815.7
<b>Total carrying value</b>	<b>1,496.2</b>	<b>1,471.4</b>	<b>990.1</b>	<b>1,055.5</b>

#### (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the board of directors, which together with management, closely monitor the Group's and Company's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below analyses the Group and the Company's financial liabilities that will be settled on a net basis into the relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

## Notes to the financial statements (continued)

### 4. Financial risk management (continued)

#### (c) Liquidity risk (continued)

Group	Less than 1 year	Over 1 year	Total
2021	Shs m	Shs m	Shs m
Payables and accrued expenses (Note 25)	3,356.3	-	3,356.3
Lease liabilities	152.8	415.0	567.8
<b>Total financial liabilities</b>	<b>3,509.1</b>	<b>415.0</b>	<b>3,924.1</b>
2020			
Payables and accrued expenses (Note 25)	2,720.6	-	2,720.6
Lease liabilities	173.0	567.8	740.8
<b>Total financial liabilities</b>	<b>2,893.6</b>	<b>567.8</b>	<b>3,461.4</b>

Company	Less than 1 year	Over 1 year	Total
2021	Shs m	Shs m	Shs m
Payables and accrued expenses (Note 25)	2,381.8	-	2,381.8
Lease liabilities	104.0	378.6	482.6
<b>Total financial liabilities</b>	<b>2,485.8</b>	<b>378.6</b>	<b>2,864.4</b>
2020			
Payables and accrued expenses (Note 25)	1,933.7	-	1,933.7
Lease liabilities	117.2	482.6	599.8
<b>Total financial liabilities</b>	<b>2,050.9</b>	<b>482.6</b>	<b>2,533.5</b>

#### (d) Capital management

The Group's and Company's objectives when managing capital are to safeguard the Group and the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, issue new capital or sell assets to manage capital.

The capital structure of the Group and Company consists of equity attributable to equity holders, comprising issued capital and retained earnings. The Group and Company had no borrowings at year end (2020: Nil).

#### (e) Fair value estimation

The different level of fair value measurement hierarchy is described as follows:

- Quoted prices (unadjusted) in active markets for identical assets (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset that are not based on observable market data (that is, unobservable data) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the year-end date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques such as discounted cash flow analysis. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The carrying amounts of all assets and liabilities at the year-end date approximate their fair values.

## Notes to the financial statements (continued)

### 4. Financial risk management (continued)

#### (e) Fair value estimation (continued)

The following table shows an analysis of financial and non- financial instruments measured at fair value by level of the fair value hierarchy:

Group	Level 1	Level 2	Level 3	Total
	Shs m	Shs m	Shs m	Shs m
<b>At 31 December 2021</b>				
<b>Non- financial assets</b>				
Freehold land and buildings	-	585.4	-	585.4
<b>At 31 December 2020</b>				
<b>Non- financial assets</b>				
Freehold land and buildings	-	599.0	-	599.0
<b>Company</b>				
<b>At 31 December 2021</b>				
<b>Non- financial assets</b>				
Freehold land and buildings	-	389.8	-	389.8
<b>At 31 December 2020</b>				
<b>Non- financial assets</b>				
Freehold land and buildings	-	408.0	-	408.0

Land and buildings are categorized under Level 2 fair value hierarchy as their value is based on inputs other than quoted prices, or inputs that are observable for the asset or liability, either directly as prices or indirectly as derived from prices. There were no transfers between the various levels during the year.

The group freehold land and buildings are revalued every 5 years by independent professional valuers. The last revaluation was done in in 2017 and was based on market value for the existing use. There was no change in the valuation technique.

### 5. Segmental information

Management has determined the operating segments based on the various products or section's performance that are used by Executive Management Team that are used to make strategic decisions. The Group considers the business from a product perspective;

- (i) Newspapers and Digital
- (ii) Broadcasting

Newspapers and Digital – Incorporating sale of newspapers, advertisements published in the newspapers, advertisements in the digital platforms and subscriptions of e-paper.

Broadcasting – Incorporating advertisements and other content aired on television.

The Executive Management team considers the East African countries in which the Group operates as one geographical segment because of similarities in the risks and returns in the four countries.

Other Group operations mainly comprise courier operations and third party printing services. Neither of these constitute a separately reportable segment and have therefore been included as part of Newspapers, and Digital on the basis that the said operations are closely related and have similar economic characteristics. There are no significant transactions between the two reportable segments.

## Notes to the financial statements (continued)

### 5. Segmental information (continued)

#### Entity-wide information

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines;

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Advertising revenue	5,187.8	4,416.4	3,724.1	3,257.5
Circulation revenue	1,603.4	1,761.5	1,191.3	1,345.1
Other	822.5	634.9	439.1	413.5
<b>Total</b>	<b>7,613.7</b>	<b>6,812.8</b>	<b>5,354.5</b>	<b>5,016.1</b>
Timing of revenue recognition:				
- At a point in time	7,613.7	6,812.8	5,354.5	5,016.1

#### Segment performance

Nation Media Group is domiciled in Kenya. The revenue attributed to Kenya was Shs 5,354.5 million (2020: Shs 5,016.1 million) while the revenues attributed to all foreign countries in total from which the entity derives revenues was Shs 2,259.2 million (2020: Shs 1,796.7 million). The Group does not derive revenues in excess of 10% of the total Group's revenue from any individual customer except the Government of Kenya.

Segment assets comprise primarily property, plant and equipment, inventories and receivables. They exclude operating cash, intangible assets, income taxes and investments. Segment liabilities comprise operating liabilities. Capital expenditure comprises additions to property, plant and equipment and intangible assets.



## Notes to the financial statements (continued)

### 5. Segmental information (continued)

#### Statement of comprehensive income

	Newspapers and Digital	Broadcasting	Unallocated	Total
2021	Shs m	Shs m	Shs m	Shs m
Revenue	5,938.0	1,675.7	-	7,613.7
Cost of sales	(843.6)	(368.4)	-	(1,212.0)
Gross profit	5,094.4	1,307.3	-	6,401.7
Depreciation and amortization of RoU assets	(415.1)	(129.7)	-	(544.8)
Amortization of intangible assets	(71.2)	(9.7)	-	(80.9)
Provision for expected credit losses	(63.7)	30.2	-	(33.5)
Other operating costs	(3,851.6)	(985.5)	(410.7)	(5,247.8)
Total operating expenses	(4,401.6)	(1,094.7)	(410.7)	(5,907.0)
Operating profit	692.8	212.6	(410.7)	494.7
Finance income	-	-	241.7	241.7
Finance cost	(42.7)	(1.9)	-	(44.6)
Share of results of associate	-	-	38.9	38.9
<b>Contribution/profit before income tax</b>	<b>650.1</b>	<b>210.7</b>	<b>(130.1)</b>	<b>730.7</b>
<b>2020</b>				
Revenue	5,477.9	1,334.9	-	6,812.8
Cost of sales	(845.4)	(302.6)	-	(1,148.0)
Gross profit	<b>4,632.5</b>	<b>1,032.3</b>	<b>-</b>	<b>5,664.8</b>
Depreciation and amortization of RoU assets	(466.3)	(135.2)	-	(601.5)
Amortization of intangible assets	(45.4)	(9.0)	-	(54.4)
Provision for expected credit losses	(93.7)	(49.5)	-	(143.2)
Other operating costs	(3,611.0)	(808.0)	(540.1)	(4,959.1)
Total operating expenses	<b>(4,216.4)</b>	<b>(1,001.7)</b>	<b>(540.1)</b>	<b>(5,758.2)</b>
Operating profit	416.1	30.6	(540.1)	(93.4)
Finance income	-	-	203.2	203.2
Finance cost	(38.7)	(3.3)	-	(42.0)
Share of results of associate	-	-	52.1	52.1
<b>Contribution/profit before income tax</b>	<b>377.4</b>	<b>27.3</b>	<b>(284.8)</b>	<b>119.9</b>

## Notes to the financial statements (continued)

### 5. Segmental information (continued)

#### Statement of financial position

	Newspapers and Digital	Broadcasting	Unallocated	Total
	Shs m	Shs m	Shs m	Shs m
<b>2021</b>				
<b>Current assets</b>				
Inventories	573.1	46.4	-	619.5
Receivables and prepayments	1,406.2	1,553.9	588.7	3,548.8
Other assets	-	-	3,958.6	3,958.6
	1,979.3	1,600.3	4,547.3	8,126.9
<b>Non-current assets</b>				
Property, plant and equipment	1,456.6	233.5	2.2	1,692.3
Right of Use Asset	400.9	50.9	67.0	518.8
Investment in associate	-	-	1,540.5	1,540.5
Other assets	-	-	774.9	774.9
	1,857.5	284.4	2,384.6	4,526.5
<b>Total assets</b>	3,836.8	1,884.7	6,931.9	12,653.4
<b>Current liabilities</b>				
Payables and accrued expenses	994.4	2,540.1	(178.2)	3,356.3
Lease liability	84.7	12.0	-	96.7
Other liabilities	-	-	652.7	652.7
	1,079.1	2,552.1	474.5	4,105.7
<b>Non-current liabilities</b>				
Lease liability	-	-	371.7	371.7
Other liabilities	-	-	85.8	85.8
	-	-	457.5	457.5
<b>Total liabilities</b>	1,079.1	2,552.1	932.0	4,563.2
Capital expenditure	59.5	64.0	-	123.5
<b>2020</b>				
<b>Current assets</b>				
Inventories	470.3	51.1	-	521.4
Receivables and prepayments	1,260.7	1,577.9	665.9	3,504.5
Other assets	-	-	2,931.5	2,931.5
	1,731.0	1,629.0	3,597.4	6,957.4
<b>Non-current assets</b>				
Property, plant and equipment	1,688.3	280.7	2.2	1,971.2
Right of Use Asset	499.7	77.4	67.5	644.6
Investment in associate	-	-	1,485.4	1,485.4
Other assets	-	-	762.0	762.0
	2,188.0	358.1	2,317.1	4,863.2
<b>Total assets</b>	3,919.0	1,987.1	5,914.5	11,820.6
<b>Current liabilities</b>				
Payables and accrued expenses	588.6	2,355.5	(223.5)	2,720.6
Lease liability	111.6	19.6	-	131.2
Other liabilities	-	-	558.3	558.3
	700.2	2,375.1	334.8	3,410.1
<b>Non-current liabilities</b>				
Lease liability	-	-	448.4	448.4
Other liabilities	-	-	29.1	29.1
	-	-	477.5	477.5
<b>Total liabilities</b>	700.2	2,375.1	812.3	3,887.6
Capital expenditure	176.6	56.9	-	233.5

## Notes to the financial statements (continued)

### 6. Expenses by nature

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
The following items have been charged/(credited) in arriving at operating profit:				
Profit on disposal of property, plant and equipment	(6.3)	(19.6)	(5.9)	(16.0)
Employee benefits expense (Note 7)	3,200.6	3,106.8	2,196.1	2,267.4
Trade receivables-provision for impairment (Note 22)	24.2	124.3	(8.8)	124.2
Cash and cash equivalent impairment	9.3	18.9	9.3	18.9
	33.5	143.2	0.5	143.1
Depreciation of property, plant & equipment (Note 14)	401.0	450.9	301.1	345.0
Amortization of leases (Note 16)	143.8	150.6	92.8	95.5
Amortization of intangible assets (Note 15)	80.9	54.4	79.0	53.0
Consumption of inventories	787.4	801.6	559.4	586.3
Exchange (gains)/losses	(31.0)	(20.2)	(37.2)	(16.6)
Provision for inventory	4.3	1.5	3.5	1.0
Auditors' remuneration	23.4	23.4	13.3	13.3
Repairs and maintenance expenditure on property, plant and equipment	59.8	43.3	41.4	34.9

### 7. Employee benefits expense

Salaries and wages	3,013.2	2,965.8	2,077.6	2,185.2
Defined contribution benefit scheme	71.4	71.9	65.2	66.2
National Social Security Fund	66.0	56.6	3.3	3.5
Post-employment benefit obligation (Note 27)	50.0	12.5	50.0	12.5
	<b>3,200.6</b>	<b>3,106.8</b>	<b>2,196.1</b>	<b>2,267.4</b>

	2021	2020
	Number	Number
The number of persons employed by the Group at the year-end was:		
Full time	891	930
Part time	392	388
	<b>1,283</b>	<b>1,318</b>

### 8. Finance cost and income

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
<b>Finance income:</b>				
Interest income	241.7	203.2	203.9	170.6
<b>Finance costs:</b>				
Interest on leases (Note 16)	(44.6)	(42.0)	(41.7)	(36.4)

## Notes to the financial statements (continued)

### 9. Income tax expense

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Current income tax:				
- Current year charge to profit or loss	352.3	150.0	289.7	121.1
- Under/(over) provision of current tax in prior years	(1.6)	4.5	-	3.2
Deferred income tax (Note 13):	(113.1)	(82.5)	(80.7)	(84.8)
<b>Total income tax expense</b>	<b>237.6</b>	<b>72.0</b>	<b>209.0</b>	<b>39.5</b>

The tax on the Group and Company's profit before income tax differs from the theoretical amount that would arise using the tax rate of the home country as follows:

#### 9. (a) Income tax expense

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Profit before income tax	730.7	119.9	595.3	76.2
Tax calculated at the statutory tax rate of 30% (2020: 25% & 30%)	218.0	42.2	178.6	19.1
Tax effect of:				
- Income not subject to tax	(19.4)	(24.6)	(7.7)	(1.5)
- Expenses not deductible for tax purposes	42.3	19.9	31.6	14.6
Effect of change in tax rate	-	(17.9)	-	(17.9)
Under/(over) provision of deferred tax in prior years	(1.7)	27.9	6.5	22.0
Under/(over) provision of current tax in prior years	(1.6)	4.5	-	3.2
Deferred tax derecognized	-	20.0	-	-
<b>Income tax expense</b>	<b>237.6</b>	<b>72.0</b>	<b>209.0</b>	<b>39.5</b>

The statutory tax rate in Kenya was reviewed upwards from 25% to 30% effective January 2021. The tax rate in other countries in which the Group operates remained at 30%.

#### 9. (b) Current income tax movement

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Opening balance	57.3	73.8	26.9	40.7
Current tax liability charge for the year	(352.3)	(150.0)	(289.7)	(121.1)
Under/(over) provision of current tax in prior years	1.6	(4.5)	-	(3.2)
Tax paid	219.6	138.0	171.6	110.5
<b>Closing balance</b>	<b>(73.8)</b>	<b>57.3</b>	<b>(91.2)</b>	<b>26.9</b>

## Notes to the financial statements (continued)

### 10. Earnings per share

#### a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The ordinary shares in 2021 have been adjusted for treasury shares bought within the year (2020 is weighted average of shares after issue of bonus shares).

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
Net profit attributable to shareholders (Shs million)	491.8	48.1
Weighted average number of ordinary shares in issue (million)	198.5	197.9
<b>Basic earnings per share (Shs)</b>	<b>2.5</b>	<b>0.2</b>

#### b) Diluted earnings per share

There were no dilutive/potentially dilutive ordinary shares at 31 December 2021 and therefore diluted earnings per share is equal to basic earnings per share.

### 11. Share capital

	<b>Group &amp; Company</b>	
	<b>Number of shares (million)</b>	<b>Ordinary shares Shs m</b>
Authorised (par value of Shs 2.5 per share)	240.0	600.0
Issued and fully paid:		
31 December 2020	207.4	518.5
31 December 2021	207.4	518.5

Movement of share capital is as follows:

	<b>2021</b>	<b>2020</b>
	<b>Shs m</b>	<b>Shs m</b>
At the start of the year	518.5	471.4
Bonus share issue	-	47.1
At the end of the year	518.5	518.5

	<b>Number of shares (million)</b>	
	<b>2021</b>	<b>2020</b>
Movement in number of shares is as follows:		
Issued and fully paid shares	207.4	188.5
Bonus shares issued	-	18.9
Treasury shares purchased	(17.1)	-
Adjusted outstanding shares	190.3	207.4

#### b) Share buy back

The Shareholders during an AGM held on 25 June 2021 approved purchase of up to ten percent (10%) of its issued and paid-up share capital in a share Buyback Programme in accordance with the provisions of the Companies Act 2015 of the Laws of Kenya. The shares repurchased through the share Buyback totaling 17.1 million are held by the company as Treasury shares.



## Notes to the financial statements (continued)

### 12. Other Reserves

Group	Revaluation reserve on buildings	Controlling Interest	Currency translation	Total
	Shs m	Shs m	Shs m	Shs m
<b>As at 1 January 2020</b>	<b>173.0</b>	<b>(69.4)</b>	<b>(238.5)</b>	<b>(134.9)</b>
Share of comprehensive income from associate	-	18.4	-	18.4
Currency translation differences	-	-	63.4	63.4
Transfer of excess depreciation	(6.5)	-	-	(6.5)
Deferred income tax on transfer of depreciation	1.9	-	-	1.9
	(4.6)	-	-	(4.6)
<b>Balance as at 31 December 2020</b>	<b>168.4</b>	<b>(51.0)</b>	<b>(175.1)</b>	<b>(57.7)</b>
<b>As at 1 January 2021</b>	<b>168.4</b>	<b>(51.0)</b>	<b>(175.1)</b>	<b>(57.7)</b>
Share of comprehensive income from associate	-	23.9	-	23.9
Currency translation differences	-	-	62.6	62.6
Transfer of excess depreciation	(6.5)	-	-	(6.5)
Deferred tax on transfer of depreciation	1.9	-	-	1.9
	(4.6)	-	-	(4.6)
<b>Balance as at 31 December 2021</b>	<b>163.8</b>	<b>(27.1)</b>	<b>(112.5)</b>	<b>24.2</b>

Company	Revaluation reserve on buildings	Total
	Shs m	Shs m
<b>As at 1 January 2020</b>	<b>99.5</b>	<b>99.5</b>
Transfer of excess depreciation	(3.7)	(3.7)
Deferred tax on transfer of depreciation	1.1	1.1
	(2.6)	(2.6)
<b>Balance as at 31 December 2020</b>	<b>96.9</b>	<b>96.9</b>
<b>As at 1 January 2021</b>	<b>96.9</b>	<b>96.9</b>
Transfer of excess depreciation	(3.7)	(3.7)
Deferred tax on transfer of depreciation	1.1	1.1
	(2.6)	(2.6)
<b>Balance as at 31 December 2021</b>	<b>94.3</b>	<b>94.3</b>

## Notes to the financial statements (continued)

### 13. Deferred income tax

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
<b>At start of year</b>	<b>(337.8)</b>	<b>(255.3)</b>	<b>(290.8)</b>	<b>(206.0)</b>
(Credit) to profit or loss (Note 9)	(113.1)	(82.5)	(80.7)	(84.8)
<b>At end of year</b>	<b>(450.9)</b>	<b>(337.8)</b>	<b>(371.5)</b>	<b>(290.8)</b>
<b>Presented by:</b>				
Deferred income tax liabilities	30.2	29.1	-	-
Deferred income tax assets	(481.1)	(366.9)	(371.5)	(290.8)
<b>At end of year</b>	<b>(450.9)</b>	<b>(337.8)</b>	<b>(371.5)</b>	<b>(290.8)</b>

Deferred income tax assets and liabilities are attributable to the following items:

Group	2020	Charged/ (credited) to P&L	Charged/ (credited) to OCI	2021
	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>				
<b>Deferred income tax liabilities</b>				
Property, plant and equipment	141.6	(71.8)	-	69.8
Buildings	75.4	(0.2)	-	75.2
Right of use asset	172.4	(36.9)	-	135.5
Unrealized exchange gains	40.4	(17.1)	-	23.3
	<b>429.8</b>	<b>(126.0)</b>	<b>-</b>	<b>303.8</b>
<b>Deferred income tax assets</b>				
Provisions	(544.0)	(40.2)	-	(584.2)
Tax losses	(3.8)	1.7	-	(2.1)
Lease liability	(177.1)	36.6	-	(140.5)
Unrealized exchange losses	(42.7)	14.8	-	(27.9)
	<b>(767.6)</b>	<b>12.9</b>	<b>-</b>	<b>(754.7)</b>
<b>Net deferred income tax (asset)</b>	<b>(337.8)</b>	<b>(113.1)</b>	<b>-</b>	<b>(450.9)</b>

Group	2019	to P&L	to OCI	2020
	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2020</b>				
<b>Deferred income tax liabilities</b>				
Property, plant and equipment	184.9	(43.3)	-	141.6
Buildings	75.5	(0.1)	-	75.4
Right of use asset	208.9	(36.5)	-	172.4
Unrealized exchange gains	2.6	37.8	-	40.4
	<b>471.9</b>	<b>(42.1)</b>	<b>-</b>	<b>429.8</b>
<b>Deferred income tax assets</b>				
Provisions	(500.1)	(43.9)	-	(544.0)
Tax losses	(2.2)	(1.6)	-	(3.8)
Lease liability	(213.2)	36.1	-	(177.1)
Unrealized exchange losses	(11.7)	(31.0)	-	(42.7)
	<b>(727.2)</b>	<b>(40.4)</b>	<b>-</b>	<b>(767.6)</b>
<b>Net deferred income tax (asset)</b>	<b>(255.3)</b>	<b>(82.5)</b>	<b>-</b>	<b>(337.8)</b>

## Notes to the financial statements (continued)

### 13. Deferred income tax (continued)

Company	2020	Charged/ (credited) to P&L	Charged/ (credited) to OCI	2021
	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>				
<b>Deferred income tax liabilities</b>				
Property, plant and equipment	119.8	(51.8)	-	68.0
Buildings	43.3	-	-	43.3
Right of use asset	139.1	(25.5)	-	113.6
Unrealized exchange gains	42.1	(16.2)	-	25.9
	<b>344.3</b>	<b>(93.5)</b>	<b>-</b>	<b>250.8</b>
<b>Deferred income tax assets</b>				
Provisions	(476.4)	(22.7)	-	(499.1)
Lease liability	(136.2)	20.7	-	(115.5)
Unrealized exchange losses	(22.5)	14.8	-	(7.7)
	<b>(635.1)</b>	<b>12.8</b>	<b>-</b>	<b>(622.3)</b>
<b>Net deferred income tax (asset)</b>	<b>(290.8)</b>	<b>(80.7)</b>	<b>-</b>	<b>(371.5)</b>

Company	2019	Charged/ (credited) to P&L	Charged/ (credited) to OCI	2020
	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2020</b>				
<b>Deferred income tax liabilities</b>				
Property, plant and equipment	151.7	(31.9)	-	119.8
Buildings	43.3	-	-	43.3
Right of use asset	165.3	(26.2)	-	139.1
Unrealized exchange gains	4.0	38.1	-	42.1
	<b>364.3</b>	<b>(20.0)</b>	<b>-</b>	<b>344.3</b>
<b>Deferred income tax assets</b>				
Provisions	(410.1)	(66.3)	-	(476.4)
Lease liability	(168.7)	32.5	-	(136.2)
Unrealized exchange losses	8.5	(31.0)	-	(22.5)
	<b>(570.3)</b>	<b>(64.8)</b>	<b>-</b>	<b>(635.1)</b>
<b>Net deferred income tax (asset)</b>	<b>(206.0)</b>	<b>(84.8)</b>	<b>-</b>	<b>(290.8)</b>

## Notes to the financial statements (continued)

### 14(a) Land and buildings

Group	Freehold land	Buildings	Total
	Shs m	Shs m	Shs m
<b>As at 1 January 2020</b>			
Valuation	9.1	803.8	812.9
Accumulated depreciation	-	(217.7)	(217.7)
<b>Net book value</b>	<b>9.1</b>	<b>586.1</b>	<b>595.2</b>
<b>Year ended 31 December 2020</b>			
Opening net book value	9.1	586.1	595.2
Addition	-	0.6	0.6
Reclassification	-	13.6	13.6
Depreciation charge	-	(22.3)	(22.3)
Currency translation differences	-	11.9	11.9
<b>Closing net book value</b>	<b>9.1</b>	<b>589.9</b>	<b>599.0</b>
<b>Year ended 31 December 2021</b>			
Opening net book value	9.1	589.9	599.0
Depreciation charge	-	(23.8)	(23.8)
Currency translation differences	-	10.2	10.2
<b>Closing net book value</b>	<b>9.1</b>	<b>576.3</b>	<b>585.4</b>
<b>As at 31 December 2021</b>			
Valuation	9.1	840.1	849.2
Accumulated depreciation	-	(263.8)	(263.8)
<b>Net book value</b>	<b>9.1</b>	<b>576.3</b>	<b>585.4</b>

Company	Freehold land	Buildings	Total
	Shs m	Shs m	Shs m
<b>Year ended 31 December 2020</b>			
Opening net book value	9.1	417.1	426.2
Depreciation charge	-	(18.2)	(18.2)
<b>Closing net book value</b>	<b>9.1</b>	<b>398.9</b>	<b>408.0</b>
<b>As at 31 December 2020</b>			
Valuation	9.1	570.8	579.9
Accumulated depreciation	-	(171.9)	(171.9)
<b>Net book value</b>	<b>9.1</b>	<b>398.9</b>	<b>408.0</b>
<b>Year ended 31 December 2021</b>			
Opening net book value	9.1	398.9	408.0
Depreciation charge	-	(18.2)	(18.2)
<b>Closing net book value</b>	<b>9.1</b>	<b>380.7</b>	<b>389.8</b>
<b>As at 31 December 2021</b>			
Valuation	9.1	570.8	579.9
Accumulated depreciation	-	(190.1)	(190.1)
<b>Net book value</b>	<b>9.1</b>	<b>380.7</b>	<b>389.8</b>

## Notes to the financial statements (continued)

### 14(a) Land and buildings (continued)

The Group's freehold land and buildings were revalued in 2017 by independent professional valuers. Valuations were made on the basis of open market value for existing use. The book values of the revalued assets were adjusted to the revalued amounts. Increase/ (decrease) arising on the revaluation was recognized in other comprehensive income and accumulated in the revaluation surplus. There was no change in the valuation technique.

If the buildings were stated on historical cost basis, the amounts would be as follows:

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Cost	560.7	560.7	411.0	411.0
Accumulated depreciation	(225.4)	(211.8)	(206.6)	(188.4)
<b>Net book value</b>	<b>335.3</b>	<b>348.9</b>	<b>204.4</b>	<b>222.6</b>

If freehold land was to be stated on historical cost basis, the amount would be as follows:

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Cost	1.8	1.8	1.8	1.8

### 14(b) Plant and equipment

Group	Plant and equipment	Motor vehicle	Total
	Shs m	Shs m	Shs m
<b>As at 1 January 2020</b>			
Cost	8,630.8	530.6	9,161.4
Accumulated depreciation	(6,974.4)	(477.0)	(7,451.4)
<b>Net book value</b>	<b>1,656.4</b>	<b>53.6</b>	<b>1,710.0</b>
<b>Year ended 31 December 2020</b>			
Opening net book value	1,656.4	53.6	1,710.0
Additions	58.8	18.6	77.4
Reclassification	(13.6)	-	(13.6)
Disposals	(1.7)	-	(1.7)
Depreciation charge	(389.6)	(39.0)	(428.6)
Currency translation differences	28.7	-	28.7
<b>Closing net book value</b>	<b>1,339.0</b>	<b>33.2</b>	<b>1,372.2</b>



## Notes to the financial statements (continued)

### 14(b) Plant and equipment (continued)

Group	Plant and equipment	Motor vehicle	Total
	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>			
Opening net book value	1,339.0	33.2	1,372.2
Additions	67.8	28.1	95.9
Disposals	(1.1)	(0.5)	(1.6)
Depreciation charge	(342.9)	(34.3)	(377.2)
Currency translation differences	17.6	-	17.6
<b>Closing net book value</b>	<b>1,080.4</b>	<b>26.5</b>	<b>1,106.9</b>
<b>As at 31 December 2021</b>			
Cost	8,788.4	577.3	9,365.7
Accumulated depreciation	(7,708.0)	(550.8)	(8,258.8)
<b>Net book value</b>	<b>1,080.4</b>	<b>26.5</b>	<b>1,106.9</b>

Company	Plant and equipment	Motor vehicle	Total
	Shs m	Shs m	Shs m
<b>Year ended 31 December 2020</b>			
Opening net book value	1,295.0	54.6	1,349.6
Additions	19.1	12.5	31.6
Disposals	(0.2)	-	(0.2)
Depreciation charge	(296.4)	(30.4)	(326.8)
<b>Closing net book value</b>	<b>1,017.5</b>	<b>36.7</b>	<b>1,054.2</b>
<b>As at 31 December 2020</b>			
Cost	6,615.7	466.3	7,082.0
Accumulated depreciation	(5,598.2)	(429.6)	(6,027.8)
<b>Net book value</b>	<b>1,017.5</b>	<b>36.7</b>	<b>1,054.2</b>

<b>Year ended 31 December 2021</b>			
Opening net book value	1,017.5	36.7	1,054.2
Additions	52.6	12.5	65.1
Depreciation charge	(252.5)	(30.4)	(282.9)
<b>Closing net book value</b>	<b>817.6</b>	<b>18.8</b>	<b>836.4</b>
<b>As at 31 December 2021</b>			
Cost	6,668.3	478.8	7,147.1
Accumulated depreciation	(5,850.7)	(460.0)	(6,310.7)
<b>Net book value</b>	<b>817.6</b>	<b>18.8</b>	<b>836.4</b>

## Notes to the financial statements (continued)

### 15. Intangible assets

Group	Goodwill	Computer software	Transmission frequencies	Total
	Shs m	Shs m	Shs m	Shs m
<b>As at 1 January 2020</b>				
Cost	187.9	736.6	27.2	951.7
Impairment/ accumulated amortization	(164.9)	(568.0)	(27.2)	(760.1)
<b>Net book value</b>	<b>23.0</b>	<b>168.6</b>	<b>-</b>	<b>191.6</b>
<b>Year ended 31 December 2020</b>				
Opening net book value	23.0	168.6	-	191.6
Additions	-	155.5	-	155.5
Amortization	-	(54.4)	-	(54.4)
Currency translation differences	-	0.2	-	0.2
<b>Closing net book value</b>	<b>23.0</b>	<b>269.9</b>	<b>-</b>	<b>292.9</b>
<b>Year ended 31 December 2021</b>				
Opening net book value	23.0	269.9	-	292.9
Additions	-	27.6	-	27.6
Amortization	-	(80.9)	-	(80.9)
Currency translation differences	-	0.3	-	0.3
<b>Closing net book value</b>	<b>23.0</b>	<b>216.9</b>	<b>-</b>	<b>239.9</b>
<b>As at 31 December 2021</b>				
Cost	187.9	920.2	27.2	1,135.3
Impairment/ accumulated amortization	(164.9)	(703.3)	(27.2)	(895.4)
<b>Net book value</b>	<b>23.0</b>	<b>216.9</b>	<b>-</b>	<b>239.9</b>

The goodwill arose from the historical acquisition of various entities and is allocated to the newspaper and broadcasting segments. The directors monitor goodwill impairment at the level of the acquired entity, being the cash generating unit (CGU). The recoverable amount of the cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions.

A segment-level summary of the goodwill allocated is presented below:

	Operating Segment	2021	2020
		Shs m	Shs m
Monitor Publications Limited (MPL)	Newspapers	23.0	23.0
<b>Movement in goodwill</b>		<b>2021</b>	<b>2020</b>
		<b>Shs m</b>	<b>Shs m</b>
At start of year		23.0	23.0
Impairment of goodwill		-	-
<b>At end of year</b>		<b>23.0</b>	<b>23.0</b>

Significant estimates : key assumptions used for value-in-use calculations.

## Notes to the financial statements (continued)

### 15. Intangible assets (continued)

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of goodwill has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the media industry in which the CGU operates.

The following table sets out the key assumptions for those CGUs that have significant goodwill allocated to them;

	Monitor Publications Limited	
	2021	2020
Pre-tax Discount rate	19.1%	17.7%
Long term growth rate	1.6%	4.8%
Gross profit margin	87%	85%

Management has determined the values assigned to each of the above key assumptions as follows;

- *Pre-tax Discount rate* - reflects the specific risks relating to the relevant segments and the countries in which they operate. The rate is consistent with the investors expected returns (the weighted average cost of capital) bearing in mind the country risk premiums.
- *Long term growth rate* - is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports eg inflation rate.
- *Gross profit margin* - is based on past performance and management's expectations for the future.

No impairment was noted from the calculations done by management. Sensitivity analysis conducted by management did not result in impairment upon applying reasonable possible shifts in key assumptions.

## Notes to the financial statements (continued)

### 15. Intangible assets (continued)

Company	Computer software	Transmission Frequencies	Total
	Shs m	Shs m	Shs m
<b>As at 1 January 2020</b>			
Cost	670.8	27.2	698.0
Accumulated amortization	(503.1)	(27.2)	(530.3)
<b>Net book value</b>	<b>167.7</b>	<b>-</b>	<b>167.7</b>
<b>Year ended 31 December 2020</b>			
Opening net book value	167.7	-	167.7
Additions	151.9	-	151.9
Amortization	(53.0)	-	(53.0)
<b>Closing net book value</b>	<b>266.6</b>	<b>-</b>	<b>266.6</b>
<b>As at 31 December 2020</b>			
Cost	822.7	27.2	849.9
Accumulated amortization	(556.1)	(27.2)	(583.3)
<b>Net book value</b>	<b>266.6</b>	<b>-</b>	<b>266.6</b>
<b>Year ended 31 December 2021</b>			
Opening net book value	266.6	-	266.6
Additions	26.2	-	26.2
Amortization	(79.0)	-	(79.0)
<b>Closing net book value</b>	<b>213.8</b>	<b>-</b>	<b>213.8</b>
<b>As at 31 December 2021</b>			
Cost	848.9	27.2	876.1
Accumulated amortization	(635.1)	(27.2)	(662.3)
<b>Net book value</b>	<b>213.8</b>	<b>-</b>	<b>213.8</b>

## Notes to the financial statements (continued)

### 16. Leases

#### (i) Right of Use Asset

Group	Land	Buildings	Plant and Equipment	Motor Vehicle	Total
	Shs m	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>					
At start of year	67.5	557.6	7.7	11.8	644.6
Additions	-	9.3	-	-	9.3
Amortization for the year	(1.8)	(132.5)	(4.3)	(5.2)	(143.8)
Currency translation differences	1.3	5.7	-	1.7	8.7
<b>At end of year</b>	<b>67.0</b>	<b>440.1</b>	<b>3.4</b>	<b>8.3</b>	<b>518.8</b>
<b>Year ended 31 December 2020</b>					
At start of year	67.4	783.6	8.1	12.5	871.6
Additions	-	32.2	3.9	14.7	50.8
Amortization for the year	(1.8)	(136.2)	(4.3)	(8.3)	(150.6)
Lease Modifications	-	(132.9)	-	(7.3)	(140.2)
Currency translation differences	1.9	10.9	-	0.2	13.0
<b>At end of year</b>	<b>67.5</b>	<b>557.6</b>	<b>7.7</b>	<b>11.8</b>	<b>644.6</b>

Amounts charged to profit and loss account during the year in relation to short term leases amounted to Shs 2.9 million.

Company	Land	Buildings	Plant and Equipment	Motor Vehicle	Total
	Shs m	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>					
At start of year	39.5	456.1	7.6	-	503.2
Additions	-	6.4	-	-	6.4
Amortization for the year	(1.4)	(87.2)	(4.2)	-	(92.8)
<b>At end of year</b>	<b>38.1</b>	<b>375.3</b>	<b>3.4</b>	<b>-</b>	<b>416.8</b>
<b>Year ended 31 December 2020</b>					
At start of year	40.9	653.2	8.1	-	702.2
Additions	-	23.7	3.8	-	27.5
Amortization for the year	(1.4)	(89.8)	(4.3)	-	(95.5)
Lease modification	-	(131.0)	-	-	(131.0)
<b>At end of year</b>	<b>39.5</b>	<b>456.1</b>	<b>7.6</b>	<b>-</b>	<b>503.2</b>

The company does not have any short-term leases.



## Notes to the financial statements (continued)

### 16. Leases (continued)

#### ii) Lease liabilities

The movement in the lease liabilities over the year was as follows:

Group	Buildings	Plant and Equipment	Motor Vehicle	Total
	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>				
At start of year	557.6	8.4	13.6	579.6
Additions	9.3	-	-	9.3
Interest on lease liability	43.5	0.7	0.4	44.6
Interest payment	(43.5)	(0.7)	(0.4)	(44.6)
Principal portion of lease payment	(118.5)	(4.3)	(5.7)	(128.5)
Currency translation differences	7.0	-	1.0	8.0
<b>At end of year</b>	<b>455.4</b>	<b>4.1</b>	<b>8.9</b>	<b>468.4</b>

<b>Year ended 31 December 2020</b>				
At start of year	800.5	8.5	13.0	822.0
Additions	32.2	3.8	14.8	50.8
Interest on lease liability	40.9	0.9	0.2	42.0
Lease modification	(133.1)	-	(9.7)	(142.8)
Interest payment	(40.9)	(0.9)	(0.2)	(42.0)
Principal portion of lease payment	(153.0)	(3.9)	(5.5)	(162.4)
Currency translation differences	11.0	-	1.0	12.0
<b>At end of year</b>	<b>557.6</b>	<b>8.4</b>	<b>13.6</b>	<b>579.6</b>

Company	Buildings	Plant and Equipment	Motor Vehicle	Total
	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>				
At start of year	445.7	8.4	-	454.1
Additions	6.4	-	-	6.4
Interest on lease liability	41.0	0.7	-	41.7
Interest payment	(41.0)	(0.7)	-	(41.7)
Principal portion of lease payment	(71.2)	(4.3)	-	(75.5)
<b>At end of year</b>	<b>380.9</b>	<b>4.1</b>	<b>-</b>	<b>385.0</b>

<b>Year ended 31 December 2020</b>				
At start of year	666.3	8.5	-	674.8
Additions	23.7	3.8	-	27.5
Interest expense	35.5	0.9	-	36.4
Interest payment	(35.5)	(0.9)	-	(36.4)
Principal portion of lease payment	(113.8)	(3.9)	-	(117.7)
Lease modification	(130.5)	-	-	(130.5)
<b>At end of year</b>	<b>445.7</b>	<b>8.4</b>	<b>-</b>	<b>454.1</b>

## Notes to the financial statements (continued)

### 16. Leases (continued)

#### ii) Lease liabilities (continued)

The split of the lease liabilities is as follows:

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Current	96.7	131.2	55.1	96.3
Non-current	371.7	448.4	329.9	357.8
<b>At end of year</b>	<b>468.4</b>	<b>579.6</b>	<b>385.0</b>	<b>454.1</b>

#### iii) Net debt reconciliation

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Cash and cash equivalent	2,111.9	1,344.2	1,633.5	1,063.2
Short-term investments	1,846.7	1,530.0	1,696.2	1,338.3
Lease liabilities	(468.4)	(579.6)	(385.0)	(454.1)
<b>Net cash and cash equivalent/(net debt)</b>	<b>3,490.2</b>	<b>2,294.6</b>	<b>2,944.7</b>	<b>1,947.4</b>

#### Net debt movement

Group	Leases	Cash and Cash Equivalent	Short-term Investment	Total
	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>				
At start of year	(579.6)	1,344.2	1,530.0	2,294.6
Financing cash flows	-	729.5	316.7	1,046.2
New leases	(9.3)	-	-	(9.3)
Principal portion of lease payment	128.5	-	-	128.5
Interest payment	44.6	-	-	44.6
Interest expense	(44.6)	-	-	(44.6)
Currency translation differences	(8.0)	38.2	-	30.2
<b>At end of year</b>	<b>(468.4)</b>	<b>2,111.9</b>	<b>1,846.7</b>	<b>3,490.2</b>
<b>Year ended 31 December 2020</b>				
At start of year	(822.0)	1,039.0	1,520.0	1,737.0
Financing cash flows	-	279.3	10.0	289.3
New leases	(50.8)	-	-	(50.8)
Principal portion of lease payment	162.4	-	-	162.4
Interest payment	42.0	-	-	42.0
Interest expense	(42.0)	-	-	(42.0)
Lease modification	142.8	-	-	142.8
Currency translation differences	(12.0)	25.9	-	13.9
<b>At end of year</b>	<b>(579.6)</b>	<b>1,344.2</b>	<b>1,530.0</b>	<b>2,294.6</b>

## Notes to the financial statements (continued)

### 16. Leases (continued)

#### iii) Net debt reconciliation (continued)

##### Net debt movement (continued)

Company	Leases	Cash and Cash Equivalent	Short-term Investment	Total
	Shs m	Shs m	Shs m	Shs m
<b>Year ended 31 December 2021</b>				
At start of year	(454.1)	1,063.2	1,338.3	1,947.4
Financing cash flows	-	570.3	357.9	928.2
New leases	(6.4)	-	-	(6.4)
Principal portion of lease payment	75.5	-	-	75.5
Interest payment	41.7	-	-	41.7
Interest expense	(41.7)	-	-	(41.7)
<b>At end of year</b>	<b>(385.0)</b>	<b>1,633.5</b>	<b>1,696.2</b>	<b>2,944.7</b>
<b>Year ended 31 December 2020</b>				
At start of year	(674.8)	817.3	1,362.0	1,504.5
Financing cash flows	-	245.9	(23.7)	222.2
New leases	(27.5)	-	-	(27.5)
Principal portion of lease payment	117.7	-	-	117.7
Interest payment	36.4	-	-	36.4
Interest expense	(36.4)	-	-	(36.4)
Lease modification	130.5	-	-	130.5
<b>At end of year</b>	<b>(454.1)</b>	<b>1,063.2</b>	<b>1,338.3</b>	<b>1,947.4</b>

## Notes to the financial statements (continued)

### 17. Investment in associate

	Group	
	2021 Shs m	2020 Shs m
At start of year	1,485.4	1,422.6
Share of profit before income tax	59.5	75.0
Share of income tax expense	(20.6)	(22.9)
	38.9	52.1
Dividends received	(7.7)	(7.7)
Share of other comprehensive income	23.9	18.4
<b>At end of year</b>	<b>1,540.5</b>	<b>1,485.4</b>

Reconciliation of summarised financial information to investment in associate

PDM net assets	8,089.6	7,816.2
Group's 20% interest in associate	1,617.9	1,562.8
Fair value adjustment on acquisition	(77.4)	(77.4)
<b>Investment in associate at year end</b>	<b>1,540.5</b>	<b>1,485.4</b>

Property Development and Management Limited (PDM) principle activity is property investment, development and management. PDM operates primarily in the East African region. The associate company leases one of its property to the group as disclosed in note 32.

Investment in associate is carried in the consolidated statement of financial position at amounts that reflect the Group's share of the net assets of the associate and includes goodwill on acquisition.

Other comprehensive income from associate relates to the net fair value (loss)/gain on financial assets (quoted and unquoted investments).

The group holds an interest of 20% in PDM. Key financial information on the associate, PDM which was incorporated in Kenya and is unlisted, was as follows:

	Current assets	Non- Current assets	Current liabilities	Non- current liabilities	Revenues	Profit/(loss)	Other Comprehensive income
	Shs m	Shs m	Shs m	Shs m	Shs m	Shs m	Shs m
<b>Year 2021</b> PDM	508.2	9,525.7	582.8	1,361.5	935.7	194.7	119.7
<b>Year 2020</b> PDM	342.2	9,794.4	728.3	1,592.1	939.5	262.1	92.1

There were no changes in the interest held in the unlisted associate during the year. The initial investment in associate carried in the Company's statement of financial position is Shs 94.6 million (2020: Shs 94.6 million).

## Notes to the financial statements (continued)

### 18. Investment in subsidiaries

The Company's interest in its subsidiaries, all of which are unlisted and all of which have the same year end as the Company, were as follows as at 31 December 2021 and 2020:

	Company				
	Country of incorporation	Principal Activity	Holding %	2021 Shs m	2020 Shs m
Trading subsidiaries:					
Nation Marketing & Publishing Limited	Kenya	Magazines Distribution	100.0	0.5	0.5
Monitor Publications Limited	Uganda	Print Publication	83.3	75.1	75.1
Mwananchi Communications Limited	Tanzania	Print Publication	100.0	569.3	569.3
Nation Holdings Tanzania Limited	Tanzania	Property Development	100.0	150.4	150.4
Africa Broadcasting Uganda Limited	Uganda	Television Broadcasting	100.0	347.7	347.7
Nation Holdings Rwanda Limited	Rwanda	Print Circulation	100.0	8.3	8.3
Kenya Buzz Limited	Kenya	Ticketing	51.0	2.0	2.0
				1,153.3	1,153.3
Non trading subsidiaries:					
Nation Carriers Limited	Kenya	Dormant	100.0	3.0	3.0
Nation Infotech Limited	Kenya	Dormant	100.0	1.5	1.5
East African Televisions Network Limited	Kenya	Dormant	100.0	-	-
Africa Broadcasting Limited	Kenya	Dormant	100.0	-	-
Nation Newspapers Limited	Kenya	Dormant	100.0	-	-
Nation Carriers Uganda Limited	Uganda	Dormant	100.0	-	-
Nation Carriers Tanzania Limited	Tanzania	Dormant	100.0	-	-
Africa Broadcasting Tanzania Limited	Tanzania	Dormant	100.0	-	-
Nation Printers and Publishers Limited	Kenya	Dormant	100.0	-	-
Radio Uhuru Limited	Tanzania	Dormant	100.0	20.5	20.5
				1,178.3	1,178.3
Provision for impairment on investment in:					
Mwananchi Communications Limited				(416.8)	(416.8)
Africa Broadcasting Uganda Limited				(17.5)	(17.5)
Radio Uhuru Limited				(20.5)	(20.5)
Nation Holdings Rwanda Limited				(8.3)	(8.3)
Nation Holdings Tanzania Limited				(12.4)	(12.4)
				(475.5)	(475.5)
Net investment in subsidiaries				702.8	702.8



## Notes to the financial statements (continued)

### 18. Investment in subsidiaries (continued)

The company tests whether investment in subsidiaries has suffered any impairment whenever indicators are noted. The Directors performed a valuation exercise on Mwananchi Communications Limited. The recoverable value of the entity has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The following table sets out the key assumptions:

	<b>Mwananchi Communications Limited</b>	
	<b>2021</b>	<b>2020</b>
Pre-tax Discount rate	17.1%	16.7%
Long term growth rate	6.0%	5.9%
Gross profit margin	71%	72%

Management has determined the values assigned to each of the above key assumptions as follows;

- *Pre-tax Discount rate* - reflects the specific risks relating to the entity and the countries in which the subsidiary operates. The rate is consistent with the investors expected returns (the weighted average cost of capital) bearing in mind the country risk premiums.
- *Long term growth rate* - is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports e.g. inflation rate.
- *Gross profit margin* - is based on past performance and management's expectations for the future.

Following the above exercise, there was no additional provision for impairment made on the Company's investment in Mwananchi Communications Limited.

## Notes to the financial statements (continued)

### 19. Non-controlling interest

Group	2021	2020
	Shs m	Shs m
At start of the year	69.5	63.9
Share of profit/ (loss)	1.3	(0.2)
Currency translation difference	5.1	5.8
<b>At end of the year</b>	<b>75.9</b>	<b>69.5</b>

#### Subsidiary with material non-controlling interest

16.7% equity interest is held by other individuals in Monitor Publications Limited

Monitor Publications Limited which has a 16.7% non-controlling interest operates as a Print Publication and Radio Broadcasting Company in Uganda. A summary of its financial performance is set out below:

#### Monitor Publications Limited summarised statement of financial position

	2021	2020
	Shs m	Shs m
Current assets	565.9	606.0
Current liabilities	(239.0)	(315.6)
<b>Total current net assets</b>	<b>326.9</b>	<b>290.4</b>
Non-current assets	195.3	199.7
Non-current liabilities	(13.1)	(28.2)
<b>Total non-current net assets</b>	<b>182.2</b>	<b>171.5</b>
<b>Total net assets</b>	<b>509.1</b>	<b>461.9</b>

#### Monitor Publications Limited summarised statement of comprehensive income

	2021	2020
	Shs m	Shs m
Revenue	835.2	675.0
Profit before income tax	23.4	14.8
Income tax expense	(7.3)	(6.0)
<b>Profit for the year</b>	<b>16.1</b>	<b>8.8</b>
Other comprehensive income	30.6	34.8
<b>Total comprehensive income</b>	<b>46.7</b>	<b>43.6</b>

## Notes to the financial statements (continued)

### 19. Non-controlling interest (continued)

#### Monitor Publications Limited summarised cash flows

	2021	2020
	Shs m	Shs m
Net cash (used in)/ generated from operating activities	(5.5)	36.4
Net cash generated from/ (used in) investing activities	10.1	(18.7)
Net cash used in financing activities	(15.8)	(16.5)
Net (decrease)/ increase in cash and cash equivalents	(11.2)	1.2
Cash and cash equivalents at start of year	21.5	17.1
Effect of exchange rates	1.2	3.2
<b>At end of year</b>	<b>11.5</b>	<b>21.5</b>

The profit allocated to NCI in Monitor Publications Limited is Shs 2.7 million (2020: Shs 1.5 million) while the cumulative NCI balance was Shs 85.0 million (2020: Shs 77.1 million).

### 20. Other assets

	Group & Company	
	2021	2020
	Shs m	Shs m
Gross long-term deposits	58.4	77.8
Expected credit loss	(4.5)	(3.1)
<b>Net carrying value</b>	<b>53.9</b>	<b>74.7</b>
Movement of long-term deposit is as below:		
Opening balance	74.7	111.1
Interest earned	3.5	3.6
Redemption	(22.9)	(36.9)
Expected credit loss	(1.4)	(3.1)
<b>Closing balance</b>	<b>53.9</b>	<b>74.7</b>

The balance relates to long-term deposits held with a bank as back up funds for staff mortgage scheme. The long-term deposits have been assessed for credit loss based on the credit rating of the financial institution holding the assets. The calculated impairment is as shown in the table above.

### 21. Inventories

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Raw materials	507.6	407.3	403.8	345.7
Engineering spares	233.3	229.7	205.1	199.9
Other stock	67.8	69.3	67.1	68.2
Gross inventory	<b>808.7</b>	<b>706.3</b>	<b>676.0</b>	<b>613.8</b>
Less: provision for obsolete stock	(189.2)	(184.9)	(185.5)	(182.0)
	<b>619.5</b>	<b>521.4</b>	<b>490.5</b>	<b>431.8</b>

Inventories are held at cost using the weighted average costing method. The cost of inventories recognized as an expense and included in the consolidated 'cost of sales' amounted to Shs 787.4 million (2020: Shs 801.6 million). The cost of sales for the company for the company amounted to Shs 559.4 million (2020: Shs 586.3).

## Notes to the financial statements (continued)

### 22. Receivables and prepayments

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Trade receivables	4,447.3	4,565.3	3,254.9	3,435.0
Less: provision for impairment	(2,394.7)	(2,532.2)	(1,565.9)	(1,691.0)
	2,052.6	2,033.1	1,689.0	1,744.0
Due from related parties (Note 32)	2.5	4.0	420.8	604.6
Less: provision for impairment	-	-	(360.9)	(364.8)
	2.5	4.0	59.9	239.8
Other receivables and prepayments	1,493.7	1,467.4	930.2	815.7
	<b>3,548.8</b>	<b>3,504.5</b>	<b>2,679.1</b>	<b>2,799.5</b>

Movement on the provision for impairment of trade receivables is as follows:

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
At start of year	2,532.2	2,449.6	1,691.0	1,566.8
Charge for the year	24.2	124.3	(8.8)	124.2
Debt write off	(161.7)	(41.7)	(116.3)	-
<b>At end of year</b>	<b>2,394.7</b>	<b>2,532.2</b>	<b>1,565.9</b>	<b>1,691.0</b>

The carrying amounts of the above receivables approximate their fair values.

### 23. Cash and cash equivalents

For the purposes of cash flow statements, cash and cash equivalents comprise cash and bank balances and term deposits held with banks, maturing in less than 90 days from origination. The year-end cash and cash equivalent comprise the following:

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Cash and bank balances	577.5	341.7	493.7	272.0
Fixed deposits with banks	1,534.4	1,002.5	1,139.8	791.2
	<b>2,111.9</b>	<b>1,344.2</b>	<b>1,633.5</b>	<b>1,063.2</b>

### 24. Short-term investments

Fixed deposits with banks	1,246.1	929.9	1,095.6	738.2
Other short-term investments	600.6	600.1	600.6	600.1
	<b>1,846.7</b>	<b>1,530.0</b>	<b>1,696.2</b>	<b>1,338.3</b>

The short term investments include term deposits, treasury bills and other short term investments with maturity more than 90 days but less than one year. Included in the other short term investments is a commercial paper and fixed deposits with related parties. Refer to Note 32 (vii) for further details.

The weighted average effective interest rate on the bank deposits during the year was 8.3% (2020: 7.2%) and that of the other short term investments was 8.6% (2020: 9.7%). The carrying amounts of the above short term investments approximate their fair values.

## Notes to the financial statements (continued)

### 25. Payables and accrued expenses

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Trade payables	567.5	416.1	364.9	280.0
Due to related parties (Note 32)	7.3	9.3	10.6	60.6
Accrued expenses	1,820.9	1,358.3	1,418.4	1,068.1
Other payables	960.6	936.9	587.9	525.0
	<b>3,356.3</b>	<b>2,720.6</b>	<b>2,381.8</b>	<b>1,933.7</b>

The carrying amounts of the above payables and accrued expenses approximate their fair values. The average credit terms extended by key creditors is 90 days.

### 26. Provisions for claims and other liabilities

	Group		Company	
	Shs m	Shs m	Shs m	Shs m
	2021	2020	2021	2020
At 1 January	558.3	537.9	536.5	515.1
Payments in the year	(20.6)	(43.5)	(19.5)	(40.4)
Charge for the year	41.2	63.9	31.7	61.8
<b>At 31 December</b>	<b>578.9</b>	<b>558.3</b>	<b>548.7</b>	<b>536.5</b>

The Group makes specific provisions for claims and other liabilities arising in the normal course of business. Specific provisions are made for estimated claims and other liabilities to the extent that the Group considers it probable that there will be an outflow of economic benefits and the amount can be reliably estimated. Any insurance reimbursements in relation to claims and other liabilities are only recognized when the Group is certain of reimbursement. Typically, this will only occur when a reimbursement claim is accepted by the insurer.

Due to the nature of these provisions, management is unable to estimate the timing of their settlement with certainty. The impact of discounting on the provision is not considered to be material.



## Notes to the financial statements (continued)

### 27. Post-employment benefit obligation

The Group maintains a gratuity scheme under which qualifying employees are entitled to receive remuneration equal to the sum of two weeks' pay for every year of service completed upon leaving the Group.

The amount included in the statement of financial position arising from the post-employment benefit obligation is arrived at as follows:

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>Shs m</b>	<b>Shs m</b>
Opening balance	(27.5)	6.0
Payments in the year	(3.4)	(46.0)
Charge to P&L	50.0	12.5
Received from scheme	36.5	-
<b>Closing balance</b>	<b>55.6</b>	<b>(27.5)</b>
Present value of funded obligations	(146.6)	(88.0)
Fair value of plan assets (fixed term deposit)	91.0	115.5
<b>Deficit/Surplus on funded plan</b>	<b>(55.6)</b>	<b>27.5</b>
Movement of fair value asset	<b>2021</b>	<b>2020</b>
	<b>Shs m</b>	<b>Shs m</b>
Opening balance	115.5	113.5
Interest earned	12.0	2.0
Transfers	(36.5)	-
<b>Closing balance</b>	<b>91.0</b>	<b>115.5</b>
Movement of funded obligations	<b>2021</b>	<b>2020</b>
	<b>Shs m</b>	<b>Shs m</b>
Opening balance	(88.0)	(119.5)
Charge for the year	(13.8)	(12.5)
Prior year deficit (based on valuation)	(36.2)	-
Interest earned	(12.0)	(2.0)
Payments	3.4	46.0
<b>Closing balance</b>	<b>(146.6)</b>	<b>(88.0)</b>

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is not significant for 2021 and 2020.

The scheme was last valued by an independent actuary as at 31 December 2020. The significant actuarial assumptions were as follows;

	<b>2020</b>
Discount rate	10%
Inflation rate	5%
Current service cost (% salary)	1.6%
Assumed retirement age	60 years

A slight increase or reduction in the actuarial assumptions does not result in a material change in the liability and the Group adopted the most conservative resultant liability.

#### *Risk exposure*

The plan is not exposed to any significant risk.

## Notes to the financial statements (continued)

### 28. Dividends

During the year, no interim dividend was paid (2020: Nil). At the annual general meeting to be held in June 2022, a final dividend in respect of the year ended 31 December 2021 of Shs 1.5 per share amounting to Shs 285.4 million will be proposed, excluding treasury shares repurchased during the year. The payment of dividend is subject to withholding tax at the rate of 5% for resident and 15% for non-resident tax payers.

### 29. Commitments

#### Capital expenditure

Commitments for capital expenditure at the reporting date are as follows:

	Group	
	2021 Shs m	2020 Shs m
Contracted for but not provided for	20.4	1.7

### 30. Contingent liabilities

The Group is a defendant in various claims brought against the Group in the normal course of business. The Group has made provisions were deemed appropriate in line with group policy and legal advice. In the directors' opinion after taking appropriate legal advice, no significant additional liability will arise from the resolution of these matters beyond what has been provided for in the financial statements.

### 31. Cash generated from operations

	Group		Company	
	2021 Shs m	2020 Shs m	2021 Shs m	2020 Shs m
Reconciliation of profit before tax to cash generated from operations				
Profit before income tax	730.7	119.9	595.3	76.2
Adjustments for:				
Depreciation of property, plant and equipment (Note 14)	401.0	450.9	301.1	345.0
Amortization of leases (Note 16)	143.8	150.6	92.8	95.5
Amortization of intangible assets (Note 15)	80.9	54.4	79.0	53.0
Profit on sale of property, plant and equipment	(6.3)	(19.7)	(5.9)	(16.1)
Interest income (Note 8)	(241.7)	(203.2)	(203.9)	(170.6)
Lease finance cost (Note 8)	44.6	42.0	41.7	36.4
Share of result after tax of associate (Note 17)	(38.9)	(52.1)	-	-
Dividend received from associate (Note 17)	-	-	(7.7)	(7.7)
Post-employment benefit obligation changes (Note 27)	50.0	12.5	50.0	12.5
Bad debts written off (Note 22)	161.7	41.7	116.3	-
Trade receivables – provision for impairment (Note 22)	(24.2)	(124.3)	8.8	(124.2)
Provision for claims payment (Note 26)	(20.6)	(43.5)	(19.5)	(40.4)
Exchange (gain)s/losses (Note 6)	(31.0)	(20.2)	(37.2)	(16.6)
Changes in working capital:				
- inventories	(98.1)	135.3	(58.7)	77.1
- receivables and prepayments	(181.8)	201.1	(4.7)	198.8
- payables and accrued expenses, and provisions	707.9	(101.3)	517.0	(33.8)
Post-employment benefit – payments made (Note 27)	(3.4)	(46.0)	(3.4)	(46.0)
Post-employment benefit – funds received from scheme (Note 27)	36.5	-	36.5	-
Cash generated from operations	<b>1,711.1</b>	<b>598.1</b>	<b>1,497.5</b>	<b>439.1</b>

## Notes to the financial statements (continued)

### 32. Related parties

Aga Khan Fund for Economic Development, S.A (AKFED) incorporated in Switzerland is the principal shareholder of the Company. There are various other companies which are related to the Group through common shareholdings and directorships.

	Group		Company	
<b>i) Sale of goods and services</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>	<b>Shs m</b>
<b>Subsidiaries:</b>				
Monitor Publications Limited	-	-	9.2	9.7
Mwananchi Communications Limited	-	-	8.9	19.7
<b>Other related parties:</b>				
Property Development and Management Limited	0.3	1.5	0.3	1.5
TPS Eastern Africa Limited	1.9	3.3	1.3	1.6
Jubilee Holdings Limited	9.1	9.4	7.9	8.0
	<b>11.3</b>	<b>14.2</b>	<b>27.6</b>	<b>40.5</b>
<b>ii) Purchase of goods and services</b>				
<b>Subsidiaries:</b>				
Monitor Publications Limited	-	-	15.0	7.8
Mwananchi Communications Limited	-	-	26.3	27.6
<b>Other related parties:</b>				
Property Development and Management Limited	124.9	88.9	124.9	88.9
TPS Eastern Africa Limited	32.4	17.1	1.6	0.6
Jubilee Holdings Limited	206.7	215.1	173.0	181.3
	<b>364.0</b>	<b>321.1</b>	<b>340.8</b>	<b>306.2</b>

## Notes to the financial statements (continued)

### 32. Related parties (continued)

#### iii) Purchase of treasury shares

The company purchased treasury shares in a share Buyback programme concluded in 2021. See details in note 11.

#### iv) Outstanding balances from transactions with related parties

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
<b>Amounts due from related parties</b>				
<b>Subsidiaries:</b>				
Mwananchi Communications Limited	-	-	23.8	41.1
Monitor Publications Limited	-	-	-	159.0
Nation Infotech Limited	-	-	0.9	0.9
Radio Uhuru Limited	-	-	4.9	4.9
Nation Marketing and Publishing Limited	-	-	18.2	37.0
Nation Holdings Rwanda Limited	-	-	342.7	327.8
Kenya Buzz Limited	-	-	10.5	12.7
Nation Holdings Tanzania Limited	-	-	19.2	19.1
<b>Other related parties:</b>				
TPS Eastern Africa Limited	2.1	1.9	0.3	0.1
Jubilee Holdings Limited	0.4	0.6	0.3	0.5
Property Development and Management Limited	-	1.5	-	1.5
	<b>2.5</b>	<b>4.0</b>	<b>420.8</b>	<b>604.6</b>
<b>Provision for impairment</b>				
Nation Holdings Rwanda Limited	-	-	(342.7)	(327.8)
Nation Marketing and Publishing Limited	-	-	(18.2)	(37.0)
	<b>2.5</b>	<b>4.0</b>	<b>59.9</b>	<b>239.8</b>
<b>Amounts due to related parties</b>				
<b>Subsidiaries:</b>				
Africa Broadcasting Uganda Limited	-	-	8.2	57.0
Monitor Publications Limited	-	-	0.3	-
<b>Other related parties:</b>				
Property Development and Management Limited	0.8	0.7	0.8	1.3
Jubilee Insurance	3.3	7.8	0.6	1.7
TPS Eastern Africa Limited	3.2	0.8	0.7	0.6
	<b>7.3</b>	<b>9.3</b>	<b>10.6</b>	<b>60.6</b>

## Notes to the financial statements (continued)

### 32. Related parties (continued)

#### v) Key management compensation

Key management includes executive directors. The compensation paid or payable to key management for employee services is shown below.

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Salaries and other short term employment benefits	191.8	149.6	166.9	128.5
Post-employment benefits (Defined contribution)	11.1	10.2	9.6	7.7
	<b>202.9</b>	<b>159.8</b>	<b>176.5</b>	<b>136.2</b>

#### vi) Directors' remuneration

	Group		Company	
	2021	2020	2021	2020
	Shs m	Shs m	Shs m	Shs m
Fees for services as director	29.6	25.8	27.4	24.0
Salaries and other short term employment benefits	57.1	46.6	57.1	46.6
Other benefits	11.1	3.5	11.1	3.5
	<b>97.8</b>	<b>75.9</b>	<b>95.6</b>	<b>74.1</b>

#### vii) Other related party transactions

Included as part of short-term investments (Note 23) are the following balances with related parties:

	Group and Company	
	2021	2020
	Shs m	Shs m
Term deposit with Diamond Trust Bank Kenya Limited	422.5	610.0
Short term note investment with Industrial Promotion Services (K) Limited	400.0	400.0
	<b>822.5</b>	<b>1,010.0</b>

The short term investment note with Industrial Promotion Services (K) Limited is for a duration of 3 months each (renewable), attracting interest rate of 8.5% per annum for 2021 and 7.8% per annum for 2020.



## Principal Shareholders and their respective Shareholding At 31 December 2021

No.	Name of shareholder	No. of shares held	%
1	THE AGA KHAN FUND FOR ECONOMIC DEVELOPMENT (AKFED)	92,618,177	44.66
2	ALPINE INVESTMENTS LIMITED	21,050,222	10.15
3	NATION MEDIA GROUP (TREASURY SHARES)	17,101,352	8.25
4	KIMANI JOHN KIBUNGA	7,344,116	3.54
5	STANBIC NOMINEES LIMITED	2,677,871	1.29
6	STANDARD CHARTERED NOMINEES RESD A/C KE11450	2,512,210	1.21
7	KENYA COMMERCIAL BANK NOMINEES LIMITED A/C 915B	2,492,636	1.20
8	SHAH,KANAIYALAL MANSUKHLAL;SHAH,LALITABEN KANAIYALAL	1,140,036	0.55
9	KENYA REINSURANCE CORPORATION LIMITED	1,054,152	0.51
10	MWANGI,PETER KINGORI	947,038	0.46

## Distribution of Shareholding At 31 December 2021

No. of shares	No. of shareholders	No. of shares held	% of shareholding
1 - 500	5,244	905,828	0.44
501 - 5,000	5,183	10,764,495	5.19
5,001 - 10,000	802	5,805,789	2.80
10,001 - 100,000	1,075	25,736,976	12.41
100,001 - 1000,000	70	16,192,655	7.81
Over 1,000,000	9	147,990,772	71.36
TOTAL	12,383	207,396,515	100.00

## Directors Shareholding

Name	No. of shares held	% of Shareholding
Yasmin Jetha	15,000	0.0072
Wangethi Mwangi	7,450	0.0036
Stephen Gitagama	1,025	0.0005

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## PROXY FORM

I/WE

\_\_\_\_\_

\_\_\_\_\_

of

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*(include email address and mobile number)*

a member of NATION MEDIA GROUP PLC hereby appoint

\_\_\_\_\_

of

\_\_\_\_\_

*(include email address and mobile number)*

(delete below text as appropriate if The Chairman of the Meeting is not the alternate proxy) or in his/her place THE CHAIRMAN OF THE MEETING as my/our proxy and/or representative to vote at his/her discretion for me/us and on my/our behalf at the Annual General Meeting to be held on Thursday, 30th June 2022 and at every adjournment thereof

AS WITNESS my/our hand(s) this ----- day of ----- 2022.

USUAL SIGNATURES (S)

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## PROXY FORM

Please clearly mark the box below to instruct your proxy how to vote

RESOLUTION	FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS			
1. To receive the financial statements for the year ended 31 December 2021, and the Chairman's, Directors' and Auditors' reports thereon.			
2. To receive, consider and if thought fit approve the Directors' Remuneration Report and the remuneration paid to the Directors for the year ended 31 December 2021 and to authorise the Board to fix the remuneration of the Non-Executive Directors.			
3. To approve the payment of a first and final dividend of Shs 1.50 per share amounting to Shs 285,552,745 for the year ended 31 December 2021, as recommended by the Directors.			
4. To re-elect Directors:			
a. in accordance with Article 96 of the Company's Articles of Association, Prof. Samuel Sejjaka retires by rotation and being eligible, offers himself for re-election;			
b. in accordance with Article 110 of the Company's Articles of Association, Ms. Sumayya Hassan retires by rotation and being eligible, offers herself for re-election;			
c. in accordance with Article 110 of the Company's Articles of Association, Dr. Yasmin Jetha retires by rotation and being eligible, offers herself for re-election;			
d. in accordance with Article 110 of the Company's Articles of Association, Mr. Wangethi Mwangi retires by rotation and being eligible, offers himself for re-election;			
e. Dr. Wilfred Kiboro, having attained the age of 70 years, retires by rotation and offers himself for re-election;			
f. Prof. Lee Huebner, having attained the age of 70 years, retires by rotation and offers himself for re-election;			
g. Mr. Anwar Poonawala, having attained the age of 70 years, retires by rotation and offers himself for re-election;			
h. Mr. Francis. O. Okello, having attained the age of 70 years, retires by rotation and offers himself for re-election;			
5. To appoint the members of the Company's Audit, Risk and Compliance Committee: In accordance with the provisions of section 769(1) of the Companies Act 2015, the following Directors being members of the Company's Audit, Risk and Compliance Committee be re-elected to continue to serve as members of the said Committee:			
a. Mr. Leonard Mususa			
b. Mr. Anwar Poonawala			
c. Mr. Al-Noor Ramji			
d. Prof. Samuel Sejjaka			
6. To confirm that the Auditors, PricewaterhouseCoopers LLP having expressed their willingness, continue in office as the Company's Auditors in accordance with section 721(2) of the Kenyan Companies Act 2015 and to authorise the Directors to fix the remuneration of the Auditors for the ensuing financial year.			

### Notes

- Proxy Forms can be emailed to [NMGAGM@image.co.ke](mailto:NMGAGM@image.co.ke) or delivered to the physical offices of the Company or the Company's Registrar at the following address:  
Image Registrars Limited,  
5th Floor Absa Towers (formerly Barclays Plaza),  
Loita Street, Nairobi  
P.O. Box 9287 – 00100 GPO, Nairobi, Kenya
- Proxy Forms must reach the registered office of the Company or the Company's Registrar no later than 3.00p.m. on Tuesday, 28 June 2022.
- Proxy Forms must be sent/scanned with a copy of the ID of the Shareholder and the appointed Proxy.

## FOMU YA MSHIRIKA

MIMI/SISI

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wa

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*(jumuisha anwani ya barua pepe na nambari ya simu ya rununu)*

mwanachama wa SHIRIKA LA NATION MEDIA GROUP PLC ninamteua

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wa

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*(jumuisha anwani ya barua pepe na nambari ya simu ya mkononi)*

(futa matini yaliyo hapo chini ifaavyo ikiwa Mwenyekiti wa Mkutano sio mshirika mbadala) au kwa niaba ya MWENYEKITI WA MKUTANO kama mshirika wangu/wetu na/au mwakilishi kupiga kura kwa hiari yake mwenyewe na ajili yangu/yetu na kwa niaba yangu/yetu katika Mkutano Mkuu wa Kila Mwaka utakaofanyika Alhamisi, tarehe 30 Juni 2022 na kila uhairishaji wake utakaotokea

KAMA SHAHIDI mkono/mikono yangu/yetu siku hii ya ----- ya -----  
2022.

SAINI YA/ZA KAWAIDA

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## FOMU YA MSHIRIKA

Tafadhali weka alama kwenye kisanduku kilicho hapa chini ili kumuelekeza mshirika wako jinsi ya kupiga kura

UAMUZI	KUUNGA MKONO	KUPINGA	KUTOSHIRIKI
SHUGHULI YA KAWAIDA			
1. Kupokea taarifa za kifedha za mwaka uliokamilika tarehe 31 Desemba 2021, na ripoti za Mwenyekiti, Wakurugenzi Wakuu na Wakaguzi wa Hesabu.			
2. Kupokea, kuzingatia na ikionekana kuwa sawa, iidhinisha Ripoti ya Malipo ya Wakurugenzi Wakuu na malipo yaliyolipwa kwa Wakurugenzi Wakuu kwa mwaka uliokamilika tarehe 31 Desemba 2021 na kuidhinisha Bodi kurekebisha malipo ya Wakurugenzi Wasio Watendaji.			
3. Kuidhinisha malipo ya mgao wa kwanza na wa mwisho wa mapato ya hisa wa Shs 1.50 kwa kila hisa wa kima cha Shs 285,552,745 kwa mwaka uliokamilika tarehe 31 Desemba 2021, kama iliyopendekezwa na Wakurugenzi.			
4. Kuchagua tena Wakurugenzi Wakuu:			
a. kwa mujibu wa Kifungu cha 96 cha Taarifa ya Ushirika ya Kampuni, Prof. Samuel Sejjaaka, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;			
b. kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bi. Sumayya Hassan, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;			
c. kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Dkt. Yasmin Jetha, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;			
d. kwa mujibu wa Kifungu cha 110 cha Taarifa ya Ushirika ya Kampuni, Bw. Wangethi Mwangi, anastaafu kwa zamu na kwa kuwa anastahiki, amejitosa ulingoni ili kuchaguliwa tena;			
e. Dkt. Wilfred Kiboro, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;			
f. Prof. Lee Huebner, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;			
g. Bw. Anwar Poonawala, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;			
h. Mr. Francis. O. Okello, kwa kufikisha umri wa miaka 70, anastaafu kwa zamu na amejitosa ulingoni ili kuchaguliwa tena;			
5. Kuteua wanachama wa Kamati ya Ukaguzi, Hatari na Utiifu ya Kampuni: Kwa mujibu wa kifungu cha 769(1) cha Sheria ya Kampuni ya 2015, Wakurugenzi wafuatao kwa kuwa wanachama wa Kamati ya Bodi ya Ukaguzi, Hatari na Utiifu wachaguliwe tena ili kuendelea kuhudumu kama wanachama wa Kamati iliyotajwa:			
a. Bw. Leonard Mususa			
b. Bw. Anwar Poonawala			
c. Bw. Al-Noor Ramji			
d. Prof. Samuel Sejjaaka			
6. Kuthibitishia Wakaguzi wa Hesabu kwamba kampuni ya PricewaterhouseCoopers LLP, baada ya kuonyesha nia yake, itaendelea kuhudumu kama Mkaguzi wa Kampuni kwa mujibu wa kifungu cha 721(2) cha Sheria ya Kampuni ya Kenya 2015 na kuidhinisha Wakurugenzi Wakuu kurekebisha mshahara wa Wakaguzi.			

### Vidokezo

- Fomu za Washirika zinaweza kutumwa kwa [NMGAGM@image.co.ke](mailto:NMGAGM@image.co.ke) au kufikishwa kwenye ofisi za Kampuni au katika ofisi ya Msajili wa Kampuni hiyo kwa anwani ifuatayo:  
Image Registrars Limited,  
Ghorofa ya 5, Jumba la Absa (lililokuwa Jumba la Barclays),  
Barabara ya Loita, Nairobi  
S.L.P 9287 – 00100 GPO, Nairobi, Kenya
- Ni sharti Fomu za Washirika zifike katika ofisi iliyosajiliwa ya Kampuni au Msajili wa Kampuni mwisho saa 9 jioni siku ya Jumanne, tarehe 28 Juni 2022.
- Ni sharti Fomu za Washirika zitumwe/zichanganuliwe pamoja na nakala ya Kitambulisho cha Mwenyehisa na Mshirika aliyeteuliwa.

## This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal blue lines across its entire width. The background is a solid off-white color, typical of standard notebook or legal pad paper. There are no margins, text, or other markings present.





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NAIROBI

101.5<sup>FM</sup>  
MOMBASA

102.1<sup>FM</sup>  
KISUMU

102.7<sup>FM</sup>  
ELDORET

97.7<sup>FM</sup>  
NAKURU

104.9<sup>FM</sup>  
NYERI

93.9<sup>FM</sup>  
MERU





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