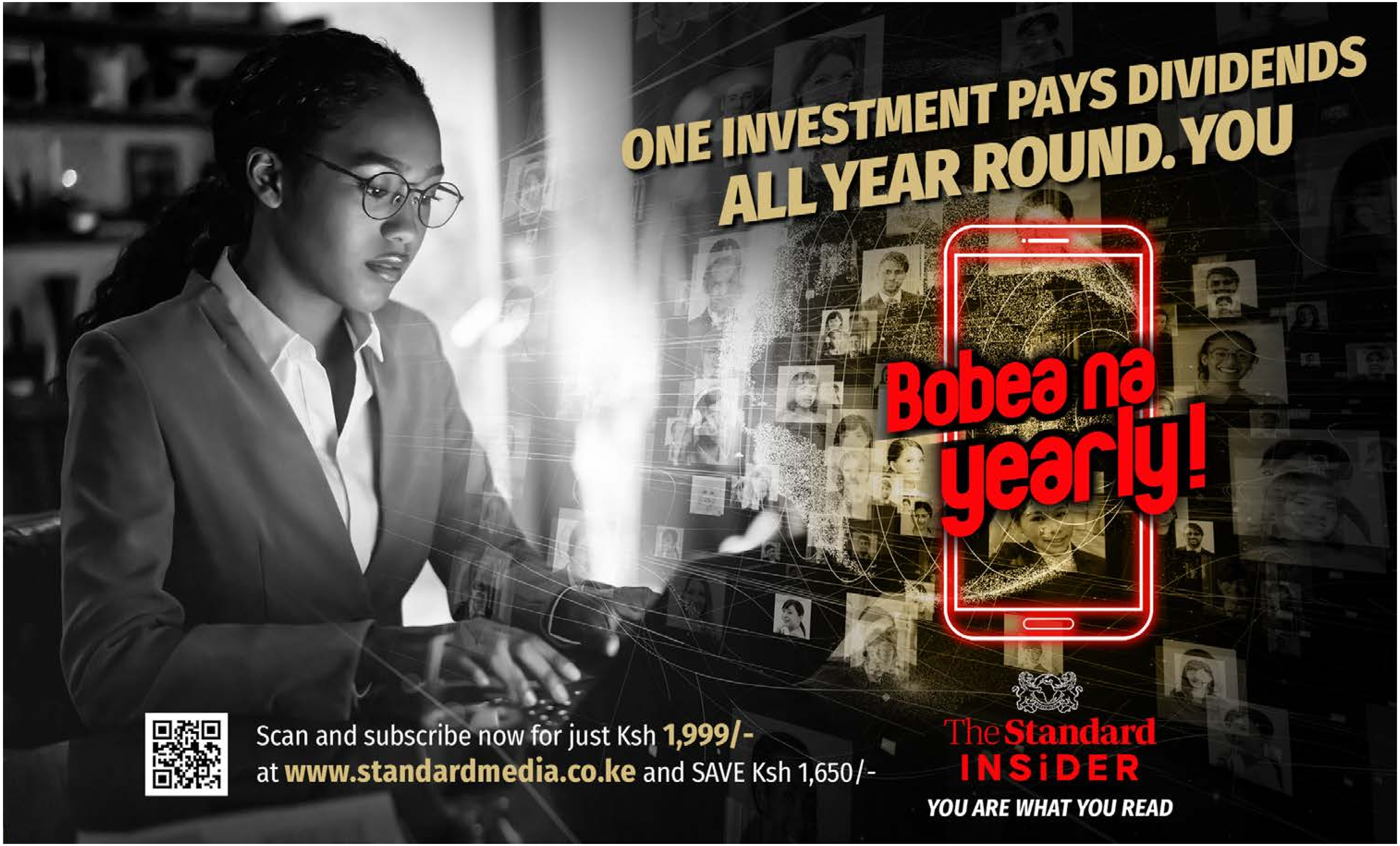
STANDARD GROUP | PLC

ANNUAL REPORT

& Financial Statements

For the Year Ended 31 December 2022

FORWARD TOGETHER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The Standard
INSiDER
YOU ARE WHAT YOU READ

OUR MEDIA PLATFORMS

The Standard, The Nairobian, Standard Digital, KTN, KTN News, KTN Farmers TV, Btv, Radio Maisha, Spice FM, Vybez Radio and Berur FM.

THE STANDARD GROUP PLC

WHO WE ARE

The Standard Group PLC is a leading multi-media organization in Kenya, with investments in platforms spanning print operations, television, radio, digital and courier services.

PURPOSE

To inspire lives through media and entertainment

MISSION

To disseminate media content that provides a voice to society

VISION

Voice of Society

OUR VALUES

- Achievement
- Agility
- Courage
- Excellence
- Innovation

OUR JOURNEY

1902

2022

120 Years of Journalistic Excellence

1902

The African Standard is founded

The Standard is the oldest newspaper in Kenya which was established in 1902 as The African Standard.

The African Standard First Edition

The first edition of The African Standard published by the Standard's founder, Alibhai Mulla Jeevanjee. The earliest copy available, which survived a fire, was 1903.

1905

The Standard is sold to two British businessmen

The Standard's founder, Mr. Jeevanjee sold the paper to two British businessmen in 1905, who changed the name to The East African Standard.

1910

The Standard becomes a daily newspaper

The Standard becomes a daily paper and its headquarters are moved from Mombasa to Nairobi.

1952

October 21, 1952

The Standard acquiescence to the colonial authorities was reflected by its publication of Governor Evelyn Baring's declaration of Emergency.

1963

Lonrho Group buys the newspaper

British-based Lonrho Group buys the newspaper, only a few months before Kenya's independence.

July 5, 1969

Installation of a new printing press on Likoni road.

1977

The paper changed its name to The Standard

1990

KTN is born

1995

The Standard Group is sold to Kenyan investors

2010

May 2010

Radio Maisha is Launched

It is the new kid on The Standard Group block!Radio Maisha, 102.7 FM took to the airwaves as the Group added yet another mass media outlet that strengthed its position as an independent and authoritative media leader.

June 2011

The Standard Digital Launched

February 2013

The Nairobian is Launched and takes the country by storm.

April 2013

Standard Digital Entertainment (SDE) is Launched

June 2015

The Standard Group launches 24-hour TV news channel KTN NEWS

2017

The Standard newspaper is redesigned.

December 2018

The Standard Group Celebrates 100 Years of incorporation

September 2018

Farm Kenya Initiative is launched.

September 2018

KTN Farmers TV is launched.

2019

July 2019

Btv goes on Air

August 2019

Spice FM and Vybez Radio go on Air

August 2019

The Standard Media Group Foundation is incorporated

2021

March 2021

Digger Classifieds revamped

April 2021

The Standard redesign launched

October 2021

Standard Courier Services begins operations

November 2021

Launch of Converged Newsroom and rebranded KTN News

January 2022

Berur FM and Sacco Hela launched

CORPORATE INFORMATION

DIRECTORS	Robin Sewell* Dr. Julius Kipngetich Orlando Lyomu Juliana Rotich Zehrabanu Janmohamed Dr. Evanson Gitahi Dr. James Mcfie Shaun Zambuni* Christopher Kulei Thomas Omondi (*Appointed 24.04.2023*) ** British*	- Chairman (*Resigned effective 27.04 .2023*) - Deputy Chairman - Group Chief Executive Officer
COMPANY SECRETARY	**Millicent Ng'etich** Certified Public Secretary (Kenya) The Standard Group Centre Mombasa Road P.O. Box 30080 - 00100 Nairobi.	
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	**The Standard Group Centre** Mombasa Road P.O. Box 30080 - 00100 Nairobi.	
AUDITOR	**PricewaterhouseCoopers LLP** Certified Public Accountants of Kenya PwC Towers Waiyaki Way P.O. Box 43963 - 00100 Nairobi.	
LEGAL ADVISORS	**TripleOKLaw Advocates LLP** ACK Garden House, 5 Floor First Ngong Avenue P.O. Box 43170 - 00100 Nairobi.	**Limo & Njoroge Advocates** Suite 62, Lower Hill Duplex Suites, Upper Hill P. O. BOX 9892 - 00100 Nairobi.
BANKERS	**Stanbic Bank Kenya Limited** Stanbic Bank Centre Westlands Road, Chiromo P.O. Box 72833 - 00200 Nairobi. **NCBA Bank Kenya PLC** NCBA Centre Upperhill Mara Rd, PO Box 44599 - 00100	**KCB Kenya Limited** Moi Avenue P.O. Box 48400 - 00100 Nairobi. **Equity Bank Kenya Limited** Equity Centre Hospital Road, Upperhill P.O. Box 75104 - 00200 Nairobi.
COMPANY REGISTRARS	Nairobi. **Image Registrars Limited** Absa Towers (formerly Barclays Plaza) 5th Floor, Loita Street P.O. Box 9287 - 00100 Nairobi.	

Contents

BUSINESS HIGHLIGHTS

8-digit
Courier revenues grew, achieving 8-digit revenues

SPICE FM
Revenues grew by
47%
From 2021

VYBEZ RADIO
Revenues grew by
35%
from 2021

EVENTS REVENUE

Grew by about 5 times from 2021, with the key event - Choma na Ngoma achieving 8-digit revenues

14%
E-paper circulation growth

YouTube VIEWERSHIP
STANDARD GROUP

2021
267.6M

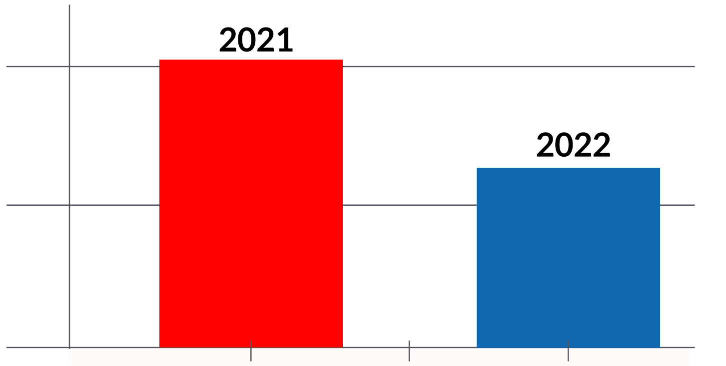
2022
408.8M

11
REGIONAL AWARDS

3200
Number of vendors and agents across the country

36
The number of Professional Trainings that were carried out

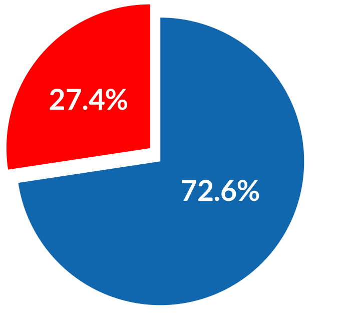
WEBSITE Subscriptions
The Standard
www.standardmedia.co.ke
Let's get it ON



2021	2022
• **39,314** Daily Buyers with 122,503 subscriptions • **13,069** Weekly Buyers with 26,162 subscriptions • **11,886** Monthly Buyers with 20,915 subscriptions • **4,675** yearly Subscriptions	• **32,996** Daily Unique Buyers with 131,703 subscriptions • **9,585** Weekly Unique Buyers with 20,978 subscriptions • **14277** Monthly Unique Buyers with 35072 subscriptions • **2,716** yearly subscriptions

871 STAFF
The number of employees across the country

Website Traffic
New Visitor Returning Visitor
1 Jan 2022 - 31 Dec 2022



BOARD OF DIRECTORS

Dr. Julius Kipngetich

Independent/Non-Executive Director and Deputy Chairman

Nationality: Kenyan

Position: Independent Non-Executive Director & Deputy Chairman since 7 October 2017. He is also the Chairman of the Editorial Committee and member of the Finance & Audit Committee.

Skills and experience: Dr. Kipngetich is the Regional Chief Executive Officer of Jubilee Holdings Ltd. Previously, he served as the Chief Executive Officer of Uchumi Supermarkets Ltd and Chief Operating Officer of Equity Group Holdings Ltd. He had an illustrious career as Director and CEO of Kenya Wildlife Service between December 2004 and September 2012. He holds a Masters Degree in Business Administration and a Bachelor of Commerce Degree from the University of Nairobi.

Other Directorships: Dr. Kipngetich is a member of the Board of Jubilee Holdings Ltd. He also serves as a member of the Board of The Standard Group PLC subsidiaries.

Mr. Orlando Lyomu

Executive Director, Group Chief Executive Officer & Managing Director

Nationality: Kenyan

Position: Mr. Orlando Lyomu was appointed the Group Chief Executive Officer at The Standard Group PLC in 2018. Since then, he has overseen the rapid transformation of the Group; expanding its portfolio by three radio and two television stations. He has also led the transformation of the media house into a modern converged news operation ensuring the company has an integrated, agile and 360 approach.

Skills and experience: Mr. Lyomu is a passionate leader, change agent and a seasoned professional with over two decades of experience in board and senior leadership levels. His diverse skills-set covers Strategy Formulation and Execution, Financial, Risk and Operations Management. He loves nurturing talent and embraces innovative ideas to transform businesses.

Mr. Lyomu joined The Standard Group PLC in 2013 as the Group Finance Director. Prior to his current role, he served as the Group Chief Operating Officer. Before his transition to media, he has held several senior roles having worked in the petroleum sector with Total Kenya and Gulf Energy Limited in downstream operations across Kenya, Uganda, Rwanda and Tanzania.

Other Directorships: He was the Honarary Secretary of the Media Owners Association (MOA) and a member of the Board of The Standard Group PLC subsidiaries.

Additionally, he serves as the chairman of the Board for eBee Kenya, an e-mobility company that promotes environment friendly mobility solutions. He is also a member of the Advisory Council for Carolina for Kibera (CFK), an international Non-Profit Organization based in Kibera, Kenya.

Dr. James Boyd McFie

Non-Executive Director

Nationality: Kenyan

Position: Non-Executive Director since July 2007, Member - Finance & Audit Committee and Human Resource & Remuneration Committee.

Skills and experience: Dr. McFie is a holder of a PhD. from the Graduate School of Business, University of Strathclyde, Glasgow, Scotland, and is a Certified Public Accountant (CPA-K).

He is currently a Senior Lecturer at Strathmore Business School with over forty (40) years lecturing experience. He previously served as a Director of the Capital Markets Authority and a member of the Value Added Tax Tribunal of Kenya.

Other Directorships: Dr. McFie serves as Chairman of Sasini PLC and Director of SBM Bank (Kenya)Limited. He is also a member of the Board of The Standard Group PLC subsidiaries.

Mr. Shaun Zambuni

Non-Executive

Nationality: British

Position: Non-Executive Director since 28 February 2014. Member of the following Board Committees: Finance & Audit, Human Resources & Remuneration, and Editorial committees.

Skills and experience: Mr. Zambuni has a BSc Degree in Management Systems from City University, London. He has extensive commercial and operational experience in businesses spanning energy, health care and business service sectors in the UK, Australia and Kenya. Mr. Zambuni is currently the CEO of a private investment group.

Other Directorships: Mr. Zambuni is also a Director at Sigiron Group Limited, SPC Properties Limited, Star Rental Limited, Mahathi Infra Uganda Limited, Sosian Energy Limited and Sosian Menengai Geothermal Power Limited. He is also a member of the Board of The Standard Group PLC Subsidiaries.

Ms. Zehrabanu Janmohamed

Non-Executive Director

Nationality: Kenyan

Position: Non-Executive Director since July 2007, Chair of the Human Resource and Remuneration Committee and member of the Editorial Committee.

Skills and experience: Ms. Janmohamed is an Advocate of the High Court of Kenya and a Barrister at Lincolns Inn (UK) with over twenty (20) years legal practice experience. She was recently conferred the title of Senior Counsel. She is a partner at Archer & Wilcock Advocates.

Ms. Janmohamed was awarded the 'Mzalendo Award' by the President of the Republic of Kenya in 2020 for her philanthropic works of food distribution to vulnerable families during the Covid-19 pandemic in Kenya.

Other Directorships: Ms. Janmohamed is a member of the Board of Lukiza Limited and the Chairperson of Cricket Kenya. She is also a member of The Standard Group PLC subsidiaries.

Dr. Githinji Gitahi

Independent/Non-Executive Director

Nationality: Kenyan

Position: Independent/Non-Executive Director since 16 March 2018, Chairman of the Finance and Audit Committee and Member of the Editorial Committee.

Skills and experience: Dr. Githinji is the current Group Chief Executive Officer of Amref Health Africa. Until his appointment to Amref Health Africa, he was the Vice President and Regional Director for Africa, Smile Train International. Prior to that, he was the Managing Director for Monitor Publications (a Nation Media Group subsidiary in Uganda) as well as General Manager for Marketing and Circulation in East Africa for NMG. He also held progressive senior positions at GlaxoSmithKline and worked at the Avenue Group and in the Insurance industry. Dr. Githinji is also the former International Co-Chair of the UHC2030 Steering Committee, a global World Bank and WHO initiative for Universal Health Coverage UHC. Dr. Githinji holds a Bachelor's Degree in Medicine from the University of Nairobi; a Master's Degree in Business Administration, majoring in Marketing, from USIU, and has a Certificate for Strategic Perspectives for Non-profit Management from Harvard University. In December 2018, Dr. Githinji was bestowed the 'Moran of the Order of the Burning Spear' (MBS) by the President of Kenya, in recognition of his outstanding contribution and commitment to the health sector.

Other Directorships: Dr. Githinji holds directorships in AMREF Flying Doctors, Amref Health Africa in Kenya, Amref Enterprises Limited, and Amref International University Board of Trustees.

He is also a Member of the Board of Trustees of Safaricom Foundation and member of the Governing Board of the Africa Centres for Disease Control and Prevention (Africa CDC) and member of the Board of The Standard Group PLC subsidiaries.

Ms. Juliana Rotich

Independent Non-Executive Director

Nationality: Kenyan

Position: Independent/Non-Executive Director since 16 March 2018, Member - Finance &Audit Committee and Editorial Committee.

Skills and experience: Ms. Rotich is a tech entrepreneur and strategic advisor based in Nairobi, Kenya.

She is Head of Fintech Integration Solutions at Safaricom PLC. She was previously a venture partner at Atlantica Ventures and also co-founded a Fintech Company in Kenya.

Ms. Rotich was previously the Managing Director and Country Cluster Head for BASF East Africa Ltd.

She Co-founded BRCK Inc, a hardware and services technology company formed to realize a vision for enabling communication in low infrastructure environments by developing useful, innovative, hardware-centered technologies in Kenya.

Ms. Rotich also co-founded Ushahidi Inc., a non-profit tech company, which specializes in developing free and open-source software for changing how information flows in the world.

Other Directorships: Ms. Rotich is a World Economic Forum Young Global Leader, TED Senior Fellow and serves on the Boards of Mookh Africa, Blue Consulting, Girl Effect, and Kenya's Vision 2030. She is also a member of the Board of The Standard Group PLC subsidiaries.

Mr. Christopher Kulei

Non-Executive Director

Nationality: Kenyan

Position: Non-Executive Director since 14 July 2020, Member - Human Resource & Remuneration Committee and Editorial Committee.

Skills and experience: Mr. Kulei holds a Masters Degree in International Politics & Economics from Kingston university (UK) and a Bachelor's Degree in Business Management from Hult International School, London. He is a business executive with diverse experience from banking, media, hospitality and agribusiness.

Other Directorships: Mr. Kulei is an Executive Director at the Sian Roses Group of Farms where he also sits in the Marketing and Operations Committee. He also serves as a Non-Executive Director of Chemusian Farm, Liasion Group Limited and the Kenya Flower Council. Mr. Kulei has experience in a broad spectrum of fields and has a passion for agriculture, having worked in one of Kenya's signature industries for the past decade.

He has a wealth of experience in agriculture, marketing, strategic analysis, partnership, leadership and Technology, having worked in the agriculture and insurance industries in Kenya, Uganda, Tanzania, and Rwanda. He travels, plays rugby, squash and football for fun.

Mr. Thomas Omondi Achola

Non-Executive Director

Nationality: Kenyan

Position: Non-Executive Director since 23 March 2023

Member-The Turnaround Committee .

Skills and experience: Mr. Achola holds a Master's degree in Business and Administration (MBA) majoring in Accounting and Finance from the University of Nairobi and an MBA in General Management from Instituto de Estudios Superiores de la Empresa (IESE) in Spain. He also holds a Bachelor of Science Degree in Mathematics from the University of Nairobi. Mr. Achola is a Certified Information System Auditor and a graduate of Executive Development Programs from Gordon Institute of Business Science-University of Pretoria, General Electric, Rolls-Royce and London Business School.

Other Directorships: Mr. Achola is a Partner, Portfolio Operations at Centum and currently oversees implementation of value creation plans in portfolio companies including sitting in several of their Boards as an Alternate Director to Centum Investment Company PLC.

He has a wealth of experience in strategy analysis, operations, leadership and technology having worked for over 13 years in the aviation industry in Kenya.

EXECUTIVE MANAGEMENT TEAM

Orlando Lyomu
Group Chief Executive Officer

Joe Munene
Managing Director - Broadcast

Irene Kimani
Commercial Director

Catherine Ndungu
Head of Finance

Charles Kimathi
Head of Corporate Affairs and Partnerships

Joy Kaguri
Human Resource Manager

Ochieng Rapuro
Editor-in-Chief

Millicent Ng'etich
Company Secretary & Head of Legal

Ken Muoki
Head of Internal Audit & Enterprise Risk

Robert Toroitich
Chief Technical Officer

Sam Koskei
Head of Security

CHAIRMAN’S STATEMENT

Dear Shareholders,

I am delighted to present the Annual Report and Audited Financial Statements for the year ended 31 December 2022, showcasing our company’s resilience and progress in a challenging operating environment.

Operating Environment and Challenges

The year 2022 posed significant challenges globally, with tightening monetary policies, the re-emergence of COVID-19 in China, and geopolitical tensions impacting economies worldwide. Sub-Saharan Africa, including Kenya, experienced a slowdown in GDP growth from 4.8% in 2021 to 3.9%. This was largely due to rising inflation and reduced household consumption and private investment.

Our local market encountered significant obstacles, including a weakened shilling, resulting in a high inflation rate of 9.06% by December 2022, and severe drought. Furthermore, as an election year, 2022 experienced slower-than-expected spending during the campaign season and post-election period. The ongoing Russia-Ukraine war had a global impact on the supply chain, leading to increased commodity prices. As a result of these macroeconomic events, Kenya’s economy experienced a slowed growth rate of 4.8% in 2022 compared to a revised growth rate of 7.6% in 2021.

104 TH Annual General Meeting 2022.

The challenging business environment led to a substantial 5% drop in advertising spend during the second half of 2022. Both government institutions and the private sector halted their advertising spends due to the political environment. Moreover, businesses reduced marketing budgets in response to poor economic performance, further impacting our financial performance.

Digital streaming, social media and other mobile-based solutions continue to gain popularity in Kenya, impacting legacy media. Our investment in digital platforms has shown promising growth, with subscriptions increasing steadily. However, revenue from these new income streams has grown at a slower pace.

Despite economic shocks, the media industry experienced growth and investment, with the number of TV frequencies increasing by 6 to 348 and radio frequencies by 25 to 978 in 2022. Streaming platforms gained popularity, resulting in a 4.8% increase in digital terrestrial TV subscriptions to 4.4 million. Internet penetration also grew, with a 3.3% rise in subscriptions per 100 inhabitants to 104.2.

Successes and Achievements

In the face of adversity, we made substantial progress in 2022, adapting to changing market dynamics and embracing a digital-first approach to our business. This strategic shift enabled us to capitalize on the growing popularity of streaming platforms and digital media consumption.

Our media played a vital role during the 2022 general election, delivering unbiased fact-based news to the public. Our teams demonstrated exceptional creativity,

DR. JULIUS KIPNGETICH | **AG. CHAIRMAN**

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efficiency, and teamwork throughout the campaign season and the transition of power. We upheld our commitment to inclusivity and the security of our employees, providing training and support to ensure their safety at the workplace and in the field. We continue to foster a positive working environment for our staff.

Strategic Approach

In a rapidly advancing digital age, we prioritize versatility and vigilance in this competitive space. Our 2022-2024 Strategic Plan focuses on six key pillars: Digital-first output, Customer centric products, Sustaining legacy products, Aggressive revenue growth, Cost efficiency, and an Engaged workforce. This plan aligns with the Business Transformation Initiative, to achieve a converged business and diversified revenue streams.

Our strategic objectives include monetizing new products, expanding customer reach, prioritizing innovation, improving user experience and engagement, and achieving continued growth in digital subscriptions.

To meet the evolving needs of our audience, plans are underway to rebrand our first TV station, **KTN Home**, and our print publication, **The Nairobian**.

Share Price and Market Capitalization

As of December 31, 2022, the Group's market capitalization stood at KShs0.85 billion, compared to KShs1.1 billion the previous year, with a total of 81.7 million shares in issue. During the period, the average share prices of the Nairobi Stock Exchange (NSE) all-share Index witnessed a decline of 23% compared to the close of 2021.

Dividends

The Board does not recommend a dividend for the year.

Board Changes

We welcome Mr. Thomas Omondi as our newest Independent/Non-Executive Director, effective March 24, 2023. Mr. Omondi has been appointed to lead the Board Transformation Committee, which will primarily focus on developing, coordinating, and managing the Company's financial recovery program in alignment with its strategic purpose, values, and commitment to sustainability. We look forward to his valuable contributions as we strive for future success.

The immediate former Chairman, Mr. Robin Sewell resigned from the Board on April 27, 2023. We extend our sincere gratitude to Mr. Sewell for his remarkable contributions during his tenure as a Non-Executive Director of the Board of Directors since 1995, including his role as Chairman from November 2000. His leadership and expertise have been invaluable to the business. We wish him the best in his future endeavors.

Prospects for the Coming Year

While the operating environment remains uncertain, we remain committed to implementing countermeasures to improve performance. Our integrated strategic plan incorporates a comprehensive turnaround strategy focused on implementing austerity measures and optimizing revenue generation. We are confident that these initiatives will drive our path to recovery and ensure future success.

Shareholders can expect a steadfast commitment to enhancing value and driving sustainable growth. While the share price and market capitalization experienced a decline, we are focused on implementing strategies to regain market confidence and improve financial performance.

Acknowledgments:

On behalf of the Board, I extend sincere gratitude to our employees, management, and executive team for their exceptional efforts in ensuring the company withstands these challenging times. We also appreciate our customers, clients, partners and other stakeholders for their contributions and support. I thank my fellow Board members for their valuable and timely inputs in making critical decisions.

In conclusion, I wish to assure shareholders that we are optimistic about our company's future prospects following the ongoing implementation of our turnaround strategy.

Dr. Julius Kipng'etich

Ag. Chairman

TAARIFA YA KAIMU MWENYEKITI

Wenye-hisa wapendwa,

Nina furaha kuiwasilisha Ripoti ya Mwaka na Takwimu za Fedha Zilizokaguliwa za mwaka unaotamatika tarehe 31 Desemba 2022, zikidhihirisha ustahimilivu na upigaji hatua wa kampuni yetu katika mazingira magumu.

Mazingira ya Kuendesha Biashara na Changamoto

Mwaka wa 2022 umekuwa na changamoto kubwa kote duniani, pakiwepo sera za kifedha zilizofinyika, kuchipuka tena kwa COVID-19 nchini Uchina na kukosekana utulivu wa kisiasa na Kijiographia kulikoathiri uchumi kote ulimwenguni. Eneo la Afrika, Kusini mwa jangwa la Sahara likiwemo taifa la Kenya lilishuhudia kushuka kwa ukuaji wa pato la taifa GDP kutoka asilimia 4.8 mwaka wa 2021 hadi asilimia 3.9. Hili lilitokana na mfumko wa bei na kupungua kwa uwezo wa watu kununua na kushuka uekezaji wa binafsi.

Soko letu la humu nchini lilikumbwa na vizingiti vingi kukiwemo kushuka kwa thamani ya shilingi na hivyo kusababisha mfumuko wa bei za bidhaa wa 9.06% kufikia Desemba mwaka wa 2022 na kiangazi cha kiwango cha juu. Zaidi, ukiwa mwaka wa uchaguzi, mwaka wa 2022 ulishuhudia matumizi ya kiwango cha chini mno cha pesa kuliko ilivyotarajiwa wakati wa kampeini na baada ya uchaguzi. Vita vinavyoendelea kati ya Urusi na Ukraine vimekuwa na athari kubwa kote ulimwenguni kwa mfumo wa usambazaji bidhaa na hivyo kusababisha bei ya juu ya bidhaa. Kutokana na matukio haya makubwa kiuchumi, uchumi wa Kenya ulishuhudia ukuaji wa kiwango cha chini mno wa 4.8% mwaka wa 2022 ikilinganishwa na kiwango kilichorekebishwa cha mwaka wa 2021 cha 7.6%.

Mazingira haya ya kibiashara yenye changamoto yalisababisha kushuka kwa mapato ya matangazo ya biashara kwa asilimia 5 katika sehemu ya pili ya mwaka wa 2022. Taasisi za serikali na sekta binafsi zilisitisha matumizi yake ya pesa kwa matangazo ya biashara kutokana na mazingira ya siasa. Zaidi biashara zilishusha matumizi yake ya pesa kama njia ya kukabiliana na kushuka kwa mapato ya kibiashara, hivyo kuathiri mapato yetu ya biashara.

Upeperushaji matangazo kidijitali, mitandao ya jamii na mifumo mingine ya simu ya mkononi inaendelea kupata umaarufu mkubwa nchini Kenya na hivyo kuathiri vyombo vya habari asili. Uekezaji wetu kwenye mifumo ya dijitali umeonesha ukuaji mkubwa, wateja wanaojisajili wakiongezeka kila siku. Hata hivyo, mapato kutoka kwa chaneli hizi yanakua kwa mwendo wa aste aste sana.

Licha ya ugumu wa kiuchumi, sekta ya Uanahabari na Vyombo vya Habari ilishuhudia ukuaji na uwekezaji, masafa ya TV yakiongezeka kwa 6 hadi 348 na yale ya radio yakiongezeka kwa 25 hadi 978 katika mwaka wa

2022. Mifumo ya kupeperusha matangazo moja kwa moja ilipata umaarufu na kusababisha kuongezeka kwa asilimia 4.8 idadi ya watu waliojisajili kwa runinga kidijitali hadi watu milioni 4.4. Idadi ya watu wanaofikia intaneti pia iliongezeka, kupanda kwa asilimia 3.3 kwa watu waliojisajili kwa kila wakazi 100 hadi 104.2.

Ufanisi na Hatua zilizoafikiwa

Successes and Achievements

Katika ugumu huu wote, tulipiga hatua katika mwaka wa 2022, na kufanya mabadiliko ili kuenenda na soko lililokuwa likibadilika na kukumbatia mfumo wa dijitali kwanza katika biashara yetu. Mabadiliko haya ya kimkakati yalitusaidia kutumia vema kuendelea kukua kwa umaarufu wa mifumo na kurasa za kupeperusha matangazo moja kwa moja na wateja kukumbatia vyombo vya habari vya dijitali.

Chombo chetu cha habari kilikuwa na wajibu muhimu wakati wa uchaguzi mkuu wa mwaka wa 2022, kikipeperusha taarifa zisizoegemea upande mmoja na zilizo za kweli kwa umma. Timu zetu zilionesha ubunifu wa hali ya juu, umahiri na umoja wakati wote wa kampeini na kukabidhi madaraka kwa serikali mpya. Tulidumisha kujitolea kwetu kwa ujumuishaji na usalama wa wafanyakazi wetu, kutoa mafunzo na uungaji mkono kuhakikisha usalama wao kazini na nyanjani. Tunaendelea kukuza mazingira mazuri ya kazi kwa wafanyakazi wetu.

Mbinu ya Kimkakati

Katika ulimwengu unaokua kwa kasi, tunafanya kipaumbele umakini na uhodari katika biashara hii yenye ushindani mkali. Mpango wetu wa Kimkakati wa miaka ya 2022-2024 unaangazia nguzo sita kuu: Utoaji wa habari wa dijitali Kwanza, Bidhaa Zinazowapa Kipaumbele Wateja, Kukuza bidhaa za aina yake, Ukuaji wa kasi wa Mapato, Gharama nafuu na Wafanyakazi wanaojishughulisha. Mpango huu unaendana na Mpango wa Kibiashara wa Mabadiliko kuafiki mikondo ya pamoja ya kibiashara na kimapato.

Malengo yetu ya kimkakati ni pamoja na bidhaa mpya kuvutia mapato, kupanua kufikiwa kwa wateja wetu, kufanya kipaumbele uvumbuzi, kuimarisha urahisi wa wateja kutumia bidhaa zetu na kutangamana nao na kuafiki ukuaji endelevu wa watu wanaojisajili kwenye mifumo yetu ya dijitali.

Kuafiki kuendelea kubadilika kwa hadhira yetu, kuna mipango ya kuzindua muonekano mpya wa runinga yetu ya kwanza KTN Home na gazeti letu la **The Nairobian**.

Thamani ya Hisa

Kufikia Desemba 31 2021, thamani ya kampuni ilikuwa Shilingi Bilioni 0.85, ikilinganisha na Shilingi Bilioni 1.1 mwaka tangulizi, pakiwepo jumla ya hisa milioni 81.7. Katika kipindi hicho, bei ya wastani ya hisa katika Soko la Hisa la Nairobi ilishuhudia kushuka kwa asilimia 23 ikilinganishwa na mwaka wa 2021.

Gawio la Faida yaani Dividends

Bodi haipendekezi kutolewa kwa magawio yaani dividends mwaka huu.

Mabadiliko Kwenye Bodi ya Kampuni

Tunamkaribisha Bwana Thomas Omondi kuwa Mkurugenzi wetu mpya aliye huru/Asiyekuwa na Majukumu ya Utendaji, kuanzia tarehe 24 Machi 2023. Omondi ameteuliwa kuongoza Kamati ya Kuwezesha Mabadiliko kwenye Bodi ambayo itaangazia ukuzaji, kusimamia na kuongoza mpango wa Kampuni kujifufua kifedha kulingana na malengo ya kimkakati, maadili na kujitolea kwake kwa maendeleo endelevu. Tunatarajia mchango wake utakuwa wa thamani kubwa tunapotazamia ufanisi wa siku za usoni.

Aliyekuwa Mwenyekiti Bw. Robin Sewell alijiuzulu kutoka wadhifa wake Aprili 27 mwaka wa 2023. Tunamshukuru mno kwa mchango wake mkubwa wakati wa hatamu yake akiwa Mkurugenzi asiyekuwa na majukumu ya utendaji wa Bodi ya Wakurugenzi tangu mwaka wa 1995, ikiwemo kuwa Mwneyekiti tangu Novemba mwaka wa 2000. Uongozi na ujuzi wake umekuwa wa thamani kubwa kwa kampuni hii. Tunamtakia kila la heri siku za usoni.

Matarajio Kwa Mwaka ujao

Licha ya mazingira ya kuendesha biashara kusalia kutokuwa hakika, tunaendelea kujitolea katika kutekeleza mikakati ya kukabiliana na hali iliyopo ili kuimarisha mapato. Mpango wetu mpana wa kimkakati unajumusiha mkakati wa kubadili mambo unaotilia mkazo utekelezaji wa mikakati ya kupunguza matumizi na kuboresha uzalishaji mapato. Tuna imani kuwa mipango hii itatusaidia kujikwamua na kuhakikisha ufanisi wa siku za usoni.

Wenyehisa watarajie kujitolea kwa dhati kwa kukuza ubora na ukuaji endelevu. Licha ya bei ya hisa na thamani ya kampuni kwenye soko ilishuka, tumejitolea katika kutekeleza mikakati ya kufufua imani sokoni na kuimarisha mapato.

Shukrani:

Kwa niaba ya Bodi, ningependa kuwashukuru wafanyakazi na usimamizi wa kampuni hii kwa juhudi zao za kupigiwa mfano za kuhakikisha kampuni hii inastahimili nyakati hizi ngumu. Pia tunawashukuru wateja wetu, washirika na washikadau wengine kwa mchango wao na uungaji mkono. Nawashukuru wanachama wenzangu wa Bodi ya usimamizi kwa mchango wao mkubwa na kwa wakati katika kufanya maamuzi muhimu.

Katika kuhitimisha, ningependa kuhakikishia wenyehisa kuwa tuna matumaini kuhusu mustakabali wa kampuni yetu kutokana na utekelezwaji wa mkakati wa kubadili mambo.

Dkt. Julius Kipng'etich

Kaimu Mwenyekiti.

GROUP CEO'S STATEMENT

ORLANDO LYOMU

GROUP CHIEF EXECUTIVE OFFICER

Dear Shareholders,

I am pleased to present The Standard Group's business highlights for the Financial Year ended December 31st, 2022. Despite facing daunting challenges, we remain optimistic about the future as our innovations and business diversification strategies take root.

Financial Performance

In the Financial Year 2022, our Group's turnover decreased by 13% to close at Ksh2.7 billion compared to Ksh3.1 billion in 2021. This was primarily due to the business slowdown during the 2022 Election Year, occasioning a significant drop in advertising revenues. This situation was compounded by the long drought that severely impacted production and earnings in key sectors of the economy.

Our cost of production went up by 15% due to a rise in the cost of materials, especially imported newsprint, with the weakening Kenya shilling further worsening an already dire situation.

Provision for expected revenue losses also rose significantly as pending government bills continued to increase. By the end of 2022, the Group was owed over Ksh1.5 billion by the Government Advertising Agency (GAA) and other government bodies.

Consequently, the Group closed the year at a loss after tax position of Ksh865 million, compared to Ksh74 million in the 2021 Financial Year.

Economic Environment

The East African Community's real GDP growth rate declined from 6.7 % in the 2021 Financial Year to 4.9% in 2022, largely caused by a decline in demand and contraction in the manufacturing and agricultural sectors. Rising public debt has caused jitters in the region, with governments taking a cautionary approach to spending.

In 2022, Kenya's GDP growth rate dropped from 7.6% in 2021 to 4.8%. Inflation increased from 5.73% to 9.06%, driven by higher food prices, sharply rising fuel prices and supply chain disruptions. The Kenya Shilling weakened by 9% against the dollar, closing at Ksh123.37. Fuel prices rose by 15% due to reduced subsidies, causing a sharp increase in the cost of transport, as electricity prices also spiked.

Product Performance

The media industry continued to grow, with TV subscribers increasing by 5.2% to 6.3 million in 2022. Subscriptions to digital platforms grew by 5.3% to 48.8 million in 2022. This boosted consumption of news digitally with online newspaper readers per day increasing by 13.7% to 4.7 million in 2022.

The Standard Group realised improved revenues from the e-paper and Reader Revenue Premium Subscription platform - *Standard Insider* - that was officially launched in November 2022. We also experienced a spike in video views across our social media channels. Digger Classified, that features Motors, Jobs, Real Estate and Tributes, also registered remarkable growth. We are optimistic of even better performance by Digger given the increasing uptake of e-commerce in Kenya.

Radio remained a critical part of the Group's performance, with Radio Maisha maintaining its leading position, winning the coveted KUZA People's Choice Award for the third year running. Spice FM and Vybez Radio - our audio-visual radio stations – posted strong growth in listenership, driven by a variety of popular shows. They recorded year-on-year increase in revenue of 47% for Spice FM and 35% for Vybez Radio. Berur FM also showed promise in the year under review and had a positive response in the market.

Hard copy sales of the newspapers declined in Financial Year 2022 as consumer trends continue to shift to digital platforms. Our digital platforms – including the E-Paper – have provided appropriate alternatives to the physical newspapers.

The Group continued to drive its thought-leadership agenda on issues of national importance through the Transform Kenya Forums and FarmKenya Breakfast Series hosted on KTN News, KTN Farmers TV, Radio and Digital platforms.

> Our staff are the pillar of our business. To ensure we maintain a pool of talent for sustainability of our brands, we continue to invest in human resource development and creation of a positive work culture. Our focus has been on mentorship, training, staff wellness, staff recognition and career growth."

Digital-First Approach

We have adopted a digital-first approach in our Editorial Operations, leveraging on our converged, data-driven newsroom. Video content has become a major driver of subscriptions to our online platforms, and these are continuously being enriched to satisfy varied consumer needs across sectors – ranging from news, agriculture, education and health, to fashion, entertainment and sports.

In the e-commerce space, our digital Digger Classifieds platform has gained traction, offering a unique marketplace to a growing number of buyers and sellers in the Jobs, Motor, Property and Tributes sectors.

Cost Efficiency

Various cost-management initiatives have been implemented across the company, resulting in significant cost-savings. Among this is the effective 10% reduction in fuel costs that was achieved in Financial Year 2022.

Revenue Diversification

As part of our revenue diversification strategy, we successfully held various events in the year under review. These included the Radio Maisha *Choma na Ngoma* festival, the Digger Motor Show, Digger Real Estate Expo, and the FarmKenya Farmer Trainings and Breakfast Forums.

Standard Courier, our newest business line, has shown great promise, posting impressive revenues in the 2022 Financial Year, its inaugural year. We expect this growth to continue at a faster pace as the Standard Courier brand becomes more established in the market.

Strategic Partnerships

Partnerships have played a vital role in expanding our revenue portfolio and in securing new markets. We have collaborated with our partners to produce content, co-host events and share resources, thereby reducing costs and improving operational efficiencies, while developing new revenue opportunities. Some of these partnerships have given rise to The Children's Summit, the Club Kiboko Festival, the Eldoret City Marathon, the Iten International Marathon and Scott Christian University Run.

People and Talent Management

Our staff are the pillar of our business. To ensure we maintain a pool of talent for sustainability of our brands, we continue to invest in human resource development and creation of a positive work culture. Our focus has been on mentorship, training, staff wellness, staff recognition and career growth. The company launched a mentorship programme whose focus is to help both women and men navigate the challenges they face in their careers and provide guidance on how to overcome them. We are proud that our staff continue to win prestigious industry awards and a number have been elected to leadership positions in media associations.

Future Sustainability

We remain steadfast in our commitment to create a sustainable future for the organisation and value for our shareholders. A number of initiatives are already underway to actualize this objective, including a solar power project that has so far reduced our electricity costs by about 40% and a water purification plant that is providing drinking water to all staff.

Additionally, we are at the pilot stage of a programme to gradually shift the company to E-Mobility, replacing our fleet of vehicles and motorcycles with 100% electric units, which will drastically cut our fuel costs and reduce our carbon footprint.

We have also launched the Standard Group Green Initiative to champion our environmental programmes, while promoting Climate-Smart Agriculture Initiatives with our partners through our FarmKenya Platforms.

Outlook

With Kenya's economy reeling from the triple impacts of debt, drought and post-Covid recession, we remain apprehensive, but hopeful, about the country's economic prospects in 2023.

Acknowledgment

I would like thank our staff and management for their contribution, dedication and sacrifice during these turbulent times.

I also wish to extend my sincere gratitude to the Board of Directors for their support throughout the 2022 Financial Year.

To our shareholders, customers and all stakeholders, I applaud your unwavering commitment to the Group.

Thank you.

Orlando Lyomu

Group Chief Executive Officer

TAARIFA YA AFISA MKUU MTENDAJI WA KAMPUNI

Kwa Wenyehisa,

Nina furaha kuwasilisha kwenu vipengele muhimu vya kibiashara vya Kampuni hii ya The Standard kwa Mwaka wa Kifedha unaotamatika Desemba 31 2022. Licha ya kukumbana na changamoto nyingi, tunasalia kuwa na imani kuhusu mustakabali wetu wakati mikakati yetu ya uvumbuzi na biashara mseto inaendelea kushika mizizi.

Matokeo ya Kifedha

Katika Mwaka wa Kifedha wa 2022, Mapato ya Kampuni yetu yalishuka kwa asilimia 13 hadi shilingi Bilioni 2.7 ikilinganishwa na shilingi bilioni 3.1 mwaka wa 2021. Hili lilitokana na kujikokota kwa biashara katika mwaka wa uchaguzi wa 2022, na kusababisha kushuka kwa mapato yanayotokana na matangazo ya biashara. Hali hii ilifanywa mbaya zaidi na kiangazi cha muda mrefu kilichoathiri uzalishaji na mapato katika sekta muhimu za uchumi.

Gharama yetu ya uzalishaji ilipanda kwa 15% kutokana na kupanda kwa bei ya bidhaa zinazohitajika katika uzalishaji hasa karatasi za kuchapisha magazeti zinazoagizwa kutoka nje ya nchi, na kudorora kwa thamani ya shilingi ya Kenya kukifanya hali kuwa mbovu zaidi.

Hasara ya kimapato ilipanda pia kutokana na serikali kushindwa kulipa madeni inayodaiwa na wazabuni. Kufikia mwisho wa mwaka wa 2022, Kampuni hii ilikuwa inaidai Shirika la Serikali la Matangazo ya Biashara GAA na taasisi nyingine za serikali zaidi ya shilingi bilioni 1.5.

Kutokana na hilo, kampuni hii ilimaliza mwaka ikiwa na hasara ya baada ya kulipa ushuru ya Shilingi Milioni 865 ikilinganishwa na Shilingi Milioni 74 katika Mwaka wa Kifedha wa 2021.

Mazingira ya Kiuchumi

Pato la Jumuiya ya Afrika Mashariki lilishuka kutoka 6.7% katika Mwaka wa Kifedha wa 2021 hadi 4.9% katika mwaka wa 2022, zaidi kutokana na kushuka kwa mahitaji na kupunguka kwa uzalishaji katika sekta za kilimo na Viwanda. Deni la taifa linaloendelea kuongezeka limesababisha wasiwasi katika eneo, serikali sasa zikichukua tahadhari katika matumizi ya pesa.

Mwaka wa 2022, GDP ya Kenya ilishuka kutoka 7.6% mnamo mwaka wa 2021 hadi 4.8%. Mfumko ulipanda kutoka 5.73% - 9.06%, kutokana na bei ya juu ya bidhaa, kupanda mno kwa bei ya mafuta na kuhitilafiwa kwa mkondo wa usambazaji bidhaa. Thamani ya shilingi ya Kenya ilishuka kwa 9% dhidi ya dola, kufikia 123.37 mwishoni mwa mwaka. Bei ya mafuta ilipanda kwa asilimia 15 kutokana na kupunguzwa kwa ruzuku na hivyo kusababisha kuongezeka kwa gharama ya uchukuzi, bei ya nguvu za umeme nayo ikipanda pia.

Nafasi na Ubora wa Bidhaa Zetu

Sekta ya uanahabari na Vyombo vya habari iliendelea kukua, watazamaji wa TV wakipanda kwa asilimia 5.2 hadi watu milioni 6.3 mwaka wa 2022. Sajili kwenye mifumo ya dijitali ilipanda kwa asilimia 5.3 hadi milioni 48.8 mwaka wa 2022. Hili liliimarisha matumizi ya habari kidijitali huku magazeti ya mtandaoni kwa siku yakipanda kwa asilimia 13.7 hadi milioni 4.7 mnamo mwaka wa 2022.

Kampuni ya Standard ilisajili kuimarika kwa mapato kutoka kwa gazeti la mtandaoni (e-paper) na mfumo wa utozaji wasomaji ada ili kusoma gazeti mtandaoni - *Standard Insider* – ambalo lilizinduliwa Novemba mwaka wa 2022. Pia tulishuhudia kupanda kwa idadi ya watu wanaotazama video zetu mtandaoni. Jarida la Digger Classified, ambalo huhusisha Magari, Nafasi za Ajira, Biashara ya Makazi na matangazo ya tanzia lilisajili ukuaji pia. Tuna imani kubwa ya kuimarika hata zaidi kwa mapato ya Digger kutokana na kuendelea kukumbatiwa biashara ya mtandaoni nchini Kenya.

Redio imesalia kuwa sehemu muhimu mno kwa Kampuni hii, Redio Maisha ikisalia katika nafasi ya juu zaidi, ikishinda tuzo za Kuza kitengo cha Chaguo la Watu kwa mwaka wa tatu mfululizo. Spice FM na Vybez Radio –vituo vyetu vya redio vinavyokumbatia sauti na video –vilisajili kuimarika kwa usikilizaji wake, kutokana na vipindi kadha wa kadha maarufu mno. Vilisajiliwa kupanda kwa kila mwaka kwa mapato 47% kwa Spice na 35% kwa Vybez. Kituo cha Berur FM nacho pia kimeonesha dalili nzuri katika mwaka wa 2022 na kimekuwa na mapokeo mazuri sokoni.

Mauzo ya nakala za magazeti halisi yalishuka katika Mwaka wa Kifedha wa 2022 kutokana na kubadilika kwa mienendo ya wateja wanaokumbatia zaidi mifumo ya dijitali. Mifumo yetu ya dijitali likiwemo jarida la mtandaoni la E-Paper – imetoa jawabu mbadala kwa magazeti halisi.

Kampuni hii iliendelea kuendesha ajenda yake ya uongozi wenye fikira kwa masuala ya umuhimu wa kitaifa kupitia kwa jukwa lake la Transform Kenya na Msururu wa Vipindi vya Staftahi vya FarmKenya kwenye KTN News, KTN Farmers TV, Redio na Mifumo ya Dijitali.

Mbinu ya Dijitali Kwanza

Tumekumbatia mbinu ya dijitali kwanza katika shughuli zetu za uanahabari, kwa kukutumia vema meza zetu za habari za pamoja na zinazoendeshwa na data. Video zimekuwa kiendeshaji kikubwa cha sajili katika majukwaa yetu ya mtandaoni na haya yameendelea kukuzwa ili kuridhisha mahitaji ya wateja katika sekta zote –kuanzia kwa habari, kilimo, elimu na afya, mitindo, burudani na michezo.

Katika ulingo wa biashara ya mtandaoni, jarida letu la mtandaoni la Digger Classifieds limevutia ufuatiliwaji mkubwa, hivyo kuwa soko la pekee kwa wateja na wanunuzi wanaoendelea kukua kwenye masuala ya ajira, Magari, Mali na tanzia.

Matumizi Yaliyopunguzwa ya Pesa

Mipango mbalimbali ya kupunguza gharama imefanywa kwenye kampuni hii na kusababisha kuokoa pesa. Miongoni mwa hizi ni kupunguzwa kwa asilimia 10 gharama kwa bei ya magari katika Mwaka wa Kifedha wa 2022.

Kuibuliwa mbinu mbalimbali za Kupata Mapato

Kama sehemu ya mkakati wa kupanua mbinu za kuapat mapato, tulifanya hafla mbalimbali katika mwaka huo. Hizi zilikuwa pamoja na Tamasha ya Radio Maisha ya *Choma na Ngoma*, Maonesho ya magari ya Digger Motor, Maonesho ya Makazi ya Digger Real Estate, na Mafunzo ya wakulima ya FarmKenya pamoja na vikao vya Staftahi.

Mbinu ya Usafirishaji Vifurushi ya Standard Courier, biashara yetu mpya zaidi, imeonesha matumaini makubwa ikisajili mapato mazuri katika Mwaka wa Kifedha wa 2022, mwaka wake wa kwanza. Tunatarajia ukuaji huu kupanuka zaidi na kwa kasi Standard Courier inapoendelea kujiweka kisawasawa sokoni.

Ushirika wa Kimkakati

Ushirikiano umekuwa na nafasi kubwa katika kupanua mapato ya kampuni hii na kunyakua masoko mapya. Tumeshirikiana na washirika wetu kuzalisha vipindi na Makala, kuandaa hafla pamoja na kugawana raslimali na hivyo kupunguza gharama na kuimarisha utendakazi na kukuza fursa mpya za mapato. Miongoni mwa ushirika huu umezalisha The Children's Summit, Tamasha ya Club Kiboko, Mbio za Masafa Marefu za Eldoret City Marathon, Mbio za Kimataifa za Iten na Scott Christian University Run.

Usimamiaji na Utunzaji Watu na Talanta

Wafanyakazi wetu ni nguzo ya biashara yetu. Kuhakikisha tunasalia kuwa na talanta za kufanikisha maendeleo ya biashara zetu, tunaendelea kuekeza katika ukuzaji wa raslimali ya watu na kubuni utamaduni chanya wa kikazi. Macho yetu ni kwa kutoa mwelekeo, mafunzo, utambuzi wa wafanyakazi na ukuaji wa kitaaluma. Kampuni hii ilizindua mpango wa utoaji mwelekeo na ushauri ambao unalenga kusaidia wanaume na wanawake kukumbana na changamoto wanakumbana nazo kwenye taaluma zao na kutoa mwongozo wa jinsi ya kuzikabili. Tunajivunia kuwa wafanyakazi wetu wameendelea kujishindia tuzo za hadhi ya aina yake na baadhi wamechaguliwa kushikilia nyadhifa mbalimbali katika miungano ya wanahabari.

Maendeleo ya Siku zijazo

Tunasalia kumaanisha katika kujitolea kwetu kujenga kesho endelevu kwa shirika hili na thamani kwa wenyehisa wetu. Tayari kuna mipango kadhaa ambayo inaendelezwa kufanikisha lengo hili, ukiwemo mradi wa nishati ya jua ambao umepunguza matumizi yetu ya pesa kwa nguvu za umeme kwa asilimia 40 na mradi wa kusafisha maji unaotoa maji kwa wafanyakazi wetu wote.

Zaidi tuko katika hatua ya majaribio ya mpango wa kukumbatia E-Mobility, magari na pikipiki zetu zianze kutumia nguvu za umeme kwa asilimia 100 na hivyo kupunguza gharama ya mafuta ya magari na kupunguza gesi ya kaboni.

Pia tumezindua Mpango wa Kijani wa kampuni ya Standard kupigia debe mipango yetu ya mazingira na kukuza kilimo cha Climate-Smart na washirika wetu kupitia majukwaa ya FarmKenya.

Muonekano

Uchumi wa Kenya ukiendelea kuumia kutokana na athari za deni, kiangazi na kudumaa kwa uchumi baada ya msimu wa Covid, tunasalia kuwa na wasiwasi, japo wenye tumaini kuhusu matarajio ya kiuchumi ya nchi hii katika mwaka wa 2023.

Shukrani

Ningependa kushukuru wafanyakazi na usimamizi wetu kwa mchango wao, kujitolea na kujinyima nyakati hizi ngumu.

Pia ningependa kushukuru Bodi ya Wakurugenzi kwa uungaji mkono wao katika Mwaka wote wa Kifedha wa 2022.

Kwa wenyehisa wetu, wateja na washikadau wote, nawapongeza kwa kuendelea kuunga mkono kampuni hii.

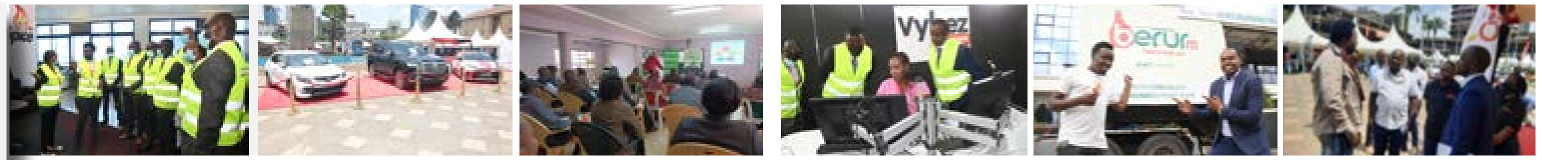
Asante

Orlando Lyomu

Afisa Mkuu Mtendaji

BUSINESS REVIEW

BUSINESS OVERVIEW



FUTURE GROWTH & INNOVATION

The Standard Group PLC, a leading multi-media organization in the region, is dedicated to creating and distributing authoritative, engaging, and entertaining content, along with other products and services, to consumers. Our portfolio of brands, including The Standard, The Nairobian, KTN News, KTN Home, KTN Farmers TV, Btv, Radio Maisha, Spice FM, Vybez Radio, and Berur FM, have established a reputation for delivering bold news content.

We have successfully capitalized on the digital consumption trend by focusing on quality and product innovation, allowing us to provide content and services in a more engaging, timely, and personalized manner. This shift has opened up new avenues for monetization and partnership opportunities, enabling us to further strengthen our position in the market.

Our 2022-2024 Strategic Plan aims to build upon our achievements thus far and expedite the monetization of new products and services, particularly by delivering superior content through data journalism. To fully exploit these opportunities, we are pursuing multiple strategies, including leveraging new technologies, data, a global audience, and sound business practices.

Throughout the year, we concentrated on revenue diversification through the introduction of new and emerging products. These included the new radios, the expansion of our Courier Business, the Agriculture-focused initiative FarmKenya, and additional revenue pillars in Development, Education, Events, Health, Sports, and SME sectors. Additionally, we focused on enhancing our digital, e-commerce, and financial technology solutions. In the short term, we prioritized strategic initiatives to maximize opportunities in broadcast, editorial subscription revenue, and customer-focused events. In the medium term, our aim is to scale our e-business and revenue pillars.

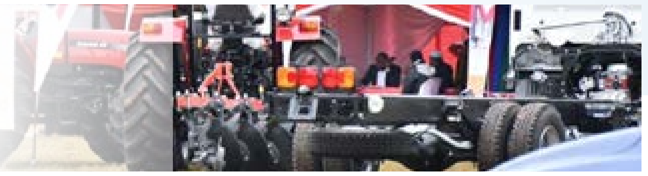
To improve revenue collection, we have intensified our debt collection strategies. Moreover, we have implemented various initiatives to drive sales and revenue, including empowering our staff through programs like the 'Tujitume Inabidi' initiative, which aims to recognize and reward exceptional performance among the commercial teams. In the past financial year, we provided professional and leadership development training to equip our employees with the skills needed to navigate the changing business landscape, enhance productivity, and deliver exceptional service to clients and customers.

we have implemented various initiatives to drive sales and revenue, including empowering our staff through programs like the *"Tujitume Inabidi"* initiative, which aims to recognize and reward exceptional performance among the commercial teams."

In the financial year 2023, our focus will be on accelerating new revenue frontiers, implementing the turnaround plan, and establishing Business Transformation, an ongoing initiative. Our strategic objectives include achieving cost leadership, fostering innovation, driving revenue growth through broadcast and digital transformation, improving credit and debt management, optimizing our product portfolio, and forging strategic partnerships.

We are committed to delivering value to our shareholders by executing our emergent strategy to harness future growth and drive innovation in the multi-media landscape. With our unwavering dedication to quality, innovation, and strategic partnerships, we are poised to capitalise on emerging opportunities and further enhance our market position.

Furthermore, we implemented a Visitor Management System, streamlining the booking process and enhancing efficiency in serving our customers. This system, developed internally, ensures seamless communication between staff and visitors, provides real-time updates, and generates comprehensive reports. By prioritizing visibility and effectiveness, we strive to deliver exceptional customer experiences at every interaction.



FarmKenya, the umbrella entity for all agriculture-related channels, activities, and investments within the Standard Group, aims to drive agricultural transformation in Kenya by becoming the premier fully integrated platform. It provides credible and up-to-date aggregated agricultural content, offers agri-training and edutainment, fosters partnerships, and operates a digital marketplace for farmers.

FarmKenya utilizes Standard Group's extensive media reach to distribute its content across multiple platforms. These platforms include KTN Farmers TV, which broadcasts over 10 weekly shows covering various aspects of agriculture; Smart Harvest, a weekly pullout published in the Saturday Standard newspaper; the website www.farmers.co.ke; Spice FM's AgriTalk, an informative show on Kenya's agriculture sector; Vybez Radio's Grind na Agribusiness, targeting youth involved in agriculture; and the popular Maisha Kilimo weekly show on Radio Maisha.

We accelerated our strategic partnerships space and successfully implemented various partner projects. The partners included: Kenya Agricultural and Livestock Research Organization (KALRO), National Potato Council of Kenya (NCPK), Bio-vision Africa Trust (BvAT), Kenya Organic Agriculture Network (KOAN) and Jomo Kenyatta University of Agriculture and Technology (JKUAT).

In 2022, we successfully utilized allocated funds on key activities. This included training targeted farmers in Chia seeds and tomato value chains in Busia and Kirinyaga counties, respectively. A total of 327 farmers were reached with information on Ecological Organic Agriculture.

Further, we secured funding for two projects through proposal writing. These projects were supported by WAN-IFRA and URAIA Trust. The projects were:

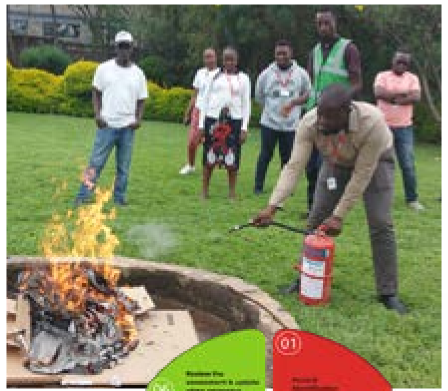
1. We conducted a project on human-led climate change, specifically focusing on the adverse effects of the rapid growth of Eucalyptus trees on water resources. We published an article highlighting how the growth of Eucalyptus trees in the 1990s, initially intended to benefit the rural population, resulted in dried water springs and diminishing wetlands, causing long-term environmental damage.
2. Women in agriculture and innovation in finance management project was approved and successfully implemented.

In 2022, the FarmKenya YouTube channel surpassed 100,000 subscribers, experiencing significant growth. This popularity has translated into increased revenue.

Despite 2022 being an election year, FarmKenya successfully conducted various events. They included:

1. Farmers' training sessions were held in Meru and Murang'a.
2. FarmKenya expo, in collaboration with Kiambu County, focused on the dairy sector. The exhibition took place on 8th and 9th September 2022 at Ndumberi Stadium, attracting over 1,000 farmers.

These achievements demonstrate FarmKenya's commitment to advancing agricultural practices and supporting the farming community in Kenya.



SG SAFETY INITIATIVE:

The International Labour Organisation (ILO) estimates that daily 6,400 people, globally, die from occupational accidents or diseases while 860,000 others suffer work-related injuries. This translates to over 2.3 million deaths annually from occupational injuries or diseases. At Standard Group, we prioritize the safety of our staff, contractors, and the public.

The objective of the SG Safety Initiative is to call for urgent and enhanced public awareness and education on the critical need for different stakeholders to invest more in Occupational Safety and Health (OSH) as a pre-emptive measure of averting incidents of occupational accidents and diseases. Through our Occupational Health and Safety Department, we have organized a series of activities to promote a safety and health culture within the organization, with a view to reducing workplace accidents and diseases.

Standard Group has implemented a strong safety culture called '*We Care*' throughout all departments and operations nationwide. The OSH team has taken proactive and systematic measures to reduce the likelihood and impact of workplace incidents that could lead to injuries or illnesses. This includes conducting regular risk assessments on our daily operations, inspecting workplaces and equipment, as well as performing audits for OSH and fire safety, environment and radiation, and electrical safety.

Additionally, we have implemented various interventions to prevent fire disasters, reduce workplace injuries, and promote overall well-being. These measures include continuous first aid, fire and road safety trainings, regular medical check-ups for staff, and engaging in outdoor activities to foster a healthy and active lifestyle.

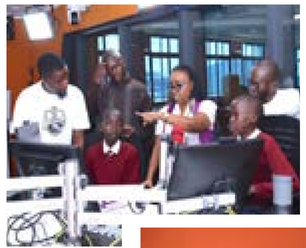
EDUCATION INITIATIVES:

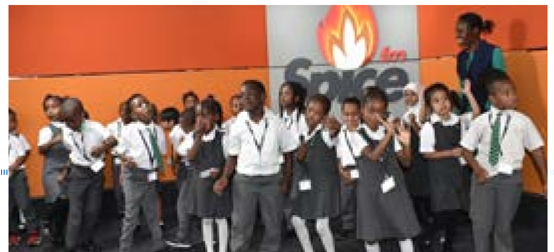
In line with SDG 4 on quality education, we have collaborated with the Global Peace Foundation to host the annual Great Places to School Awards. This initiative aims to enhance the transformation of the education system by recognizing and appreciating exceptional schools.

We launched the new-look monthly TVET Journal with support from our TVET partner institutions and expert content contributions.

We also partnered with the TVET Authority for the World Skills Show (Africa) Competition in Namibia and the First East African TVET Conference in Arusha, Tanzania, organized by our partner, the Association of Technical Universities and Polytechnics in Africa (ATUPA).

Additionally, we promote literacy through the Newspapers in Education initiative and organize academic tours, inspiring and motivating students.





PEOPLE AND CULTURE:

We value our workforce and thus invested in their development, resulting in several awards and staff appointments to prestigious positions. We focused on productivity, staff development, culture transformation, and a converged newsroom model.

The Standard Group has implemented diverse plans to enhance staff morale and promote career development through engaging activities. One such initiative is TGIF (*Thank God It's Friday*), where the Greenpark area is utilized every Friday after work as a recreational space for staff to unwind, bond, and enjoy games and music. Additionally, the company conducted regular staff communication sessions and barazas to ensure employees remained informed about project and the Group's performance, fostering teamwork and business momentum.

To acknowledge and appreciate employee efforts and achievements, the company organizes quarterly staff awards that align with its core values of achievement, courage, excellence, agility, and innovation. Moreover, a special initiative titled "*Tujitume Inabidi*" was introduced to reward the sales team, with the Salesperson of the Year set to be awarded a Toyota Aqua in partnership with CFAO Motors.

In the past year, the Group organized and facilitated a total of 36 professional trainings, which were conducted by our business partners as well as our own staff.

Q1 Training 2022

Name of Training	Trainer
Financial Literacy Training	Patrick Wameyo – External
Kenya Connect BBC/KTN Elections Training	BBC
Security Preparedness Training	Mr. Cheboi (National Counter Terrorism Centre); Atieno Owade; Sam Koskei; Andy Kagwa
Departmental Medical Awareness Sessions	APA & Liaison Team
Training of Trainers- Election Coverage for Journalists	Aga Khan University
How to Create Viral Content Training	Yusuf Omar/ VOA/USAGM
Election Coverage on Social Media Training	Yusuf Omar/ VOA/USAGM
Media Managers Bootcamp	Aga Khan University GSMC
Cyber Security Awareness Training	Herman Agida

Q2 Training 2022

Name of Training	Trainer
Libel Training	Atieno Owade
Performance Appraisal Training	Julia Owino
Leave Management System	Grace Ngige; Stanley Onchari; Patrick Muhanga
Customer Service Training	Julia Owino & Chebet Kosgey
Fact Checking Training	VOA/ USAGM

Q3 Training 2022

Name of Training	Trainer
Sensitization of Management on the Disciplinary Process	Legal Team
Libel & Defamation Training	Libel Management Committee
Men and Money Training	Standard Chartered Bank
Security and Safety Training (Nairobi Staff)	OSH and HR
Defamation in Elections Reporting	TripleOKLaw Advocates LLP
Leadership Training	Ian Dennis
Commercial Sales Training	Julia Owino
Customer Service Training	Julia Owino
Live Defamation Training	Libel Management Committee
BSC/ Success Factors Training	Janet Martin & Julia Owino

Q4 Training 2022

Name of Training	Trainer
Finance for Non-Finance Managers Training	Joseph Kiruri & Marie Munyiri
Guest Management System UAT	Patrick Muhanga
SG Women Mentors Training and Orientation	WAN-INFRA
Mentee Orientation	WAN-INFRA
News Management Training	VOA
Data Protection Act	TripleOKLaw Advocates LLP
How to Re-energize Your Money in Tough Economic Times	Standard Chartered Bank
Life Planning for Retirement	Liaison
Leadership Development Programme	WAN-INFRA
S F Non - Managers Training	Janet Martin & Grace Ngige
Cyber security awareness Month Training	Herman Agida
Pre redundancy Counselling-Group Theraphy	Edith Sakwa, Brian Muchanga, Jamila Mary and Nancy Karwitha

STAFF AWARDS

Q1 2022

Excellence Award – Libel Committee; Andrew Kagwa, Nzau Musau, Catherine Ndungu, Joy Kaguri, Melvin Owade

Achiever Award – Situation Room Trio; Ndu Okoh, CT Muga, Eric Latiff

Agility Award – OB Team; Lawrence Musembi, Sammy Wendo, Simon Oiro, Robert Gathitu

Courage Award – Freshiah Irungu

Q2 2022

Excellence Award – Maria Okoth

Achiever Award – Lilian Njeri

Innovation Award – Reina Kimeu, Clinton Musau, Wanjiru Chege

Best Leader – Lydia Murage

Q3 2022

Excellence Award – Kelley Boss

Achiever Award – Mike Ekutan

Q4 2022

Excellence Award – Mactilda Mbwenye

Achiever Award – DJ Darius

Agility Award – Jackie Okullo

Innovation Award – Pauline Kuria

Best Leader –Benjamin Maasai

REGIONAL AND INTERNATIONAL AWARDS

Moses Wakhisi - Emerged number 3 in Africa and 12 in the International Sports Press Association (AIPS) in the Video Short Feature Category

Ann Njogu - Winner- Merck Foundation Film Awards 2022

Gardy Chacha - AJEA Awards 2022- Best in Print Agriculture and Food Security (The Standard)

Hezron Kimari - AJEA Awards 2022- Best in TV Agriculture and Food Security (KTN News)

Ali Hassan & Irene Kaimuri - AJEA Awards 2022- Best in Radio Production (Radio Maisha)

Cynthia Gichuhi - AJEA Awards 2022- Best in TV Development Reporting (KTN News)

Hudson Ngumbihi - AJEA Awards 2022- Best in Print Environment Reporting (The Standard)

Kelvin Maina - AJEA Awards 2022- Best in Digital, ICT & Telecommunications Reporting (Standard Digital)

John Muthoni - AJEA Awards 2022- Best in Print ICT & Telecommunications Reporting (The Standard)

Rosa Agutu - AJEA Awards 2022- Best in Print Special Topic (The Standard)

STANDARD GROUP WOMEN NETWORK (SGWN)

The Standard Group Women Network (SGWN) is a non-profit membership network that empowers women in the workplace and promotes gender equality. Since its establishment in 2018, the network has grown to over 350 women and 10 men from various departments.

SGWN has empowered women to assume leadership positions. One such example is Zubeida Koome, who became the president of the Kenya Editors Guild and a board member of Eastern Africa's Editors Society while serving as Senior TV Anchor/Programme Editor on KTN News.

The network focuses on innovative strategies to challenge gender disparities in the media industry. SGWN partnered with WAN-IFRA Women in News (WIN) to launch the Standard Group Mentorship Academy, providing mentoring opportunities to female staff.

Other key milestones the network has achieved, include having Standard Group being ranked as the best media house

for gender equality principles by Equileap. SGWN has prioritized staff welfare by establishing two nursing rooms, initiating the creation of a maternity/paternity policy, and organizing health awareness campaigns. The Group has a zero-tolerance policy for sexual harassment and has provided training to over 850 staff, including management, on sexual harassment, revamped the Sexual Harassment Policy, and conducted a survey on sexual harassment in African newsrooms with the City University of London.

SGWN promotes balanced editorial coverage through the gender desk and partnerships with organizations like

the BBC 50:50 Gender Equality Project. The Network has also launched a TV show called 'Her Standards' on KTN Home to promote Gender Inclusion and Diversity, Standard Group is now a member of UN Women Media Compact and UN Global Compact.

MARKETING HIGHLIGHTS

Pulse Music Video Awards

Pulse Music Video Awards (PMVA) 2022 was held at the Panari Hotel in a colorful event attended by a rich variety of Kenyan celebrities. PMVA serves as a tool to promote Kenyan music to the African continent and the rest of the world. It is a platform to recognize and appreciate key stakeholders in the Kenyan lifestyle scene and industry, as well as reward the creative excellence of Kenyan talents. Additionally, it aims to inspire and encourage the youth to embrace their talents and pursue them.

Choma na Ngoma

Choma na Ngoma is one of the biggest musical extravaganzas in the Kenyan events calendar. This concert aims to showcase key artists who reflect the music appreciated by Kenyan audiences. It brings together local and international artists and serves as a major event pillar of The Standard Group, offering not only entertainment but also an emotional and sentimental connection with the audience. In 2022, it was held at the Carnivore Grounds in Nairobi. Hundreds of revelers were treated to the best of homegrown music talent by top music stars. The beautiful musical experience showcased the best of contemporary African music. The concert is anchored by Radio Maisha, a leading radio station in Kenya, and offers great dance, drinks, and food in addition to the music.

Radio Maisha Saka Chapaa

Saka Chapaa, the 2022 edition, was bigger and better. Saka Chapaa is a national consumer promotion in the form of a treasure hunt activation by Radio Maisha, which involves rewarding lucky listeners across the country with cash prizes. The promotion took place through a series of roadshows and events held over 12 weeks across the entire country.

FarmKenya/Berur FM Roadshow

The FarmKenya/Berur FM roadshow is an initiative that aims to bring valuable information and resources to farmers across Kenya. It serves as a platform to educate farmers on best practices, modern farming techniques, and available resources to enhance their agricultural activities. The roadshow was flagged off at the Standard Group Headquarters and covered the South Rift region. The roadshow was powered by both Berur FM (Vernacular radio under TSG) and KTN Farmers TV.

Digger Motor show

Digger Motor Show is an annual event that brings together motor enthusiasts, car dealers, asset financing institutions, car accessories dealers, insurance companies, and all players in the motor vehicle industry to showcase the latest innovations in the industry. The 2022 Digger Motor Show was held at the Kenyatta International Conference Centre (KICC) under the theme "Innovation in Motion." It featured current automobile models, support accessories, and an entertainment component powered by Spice FM. The event also included experiential spaces and learning opportunities for attendees, showcasing the latest automotive technologies and trends, as well as various companies' products and services.

Launch of English Premier League 2022/23 Season

The Standard Group is committed to bringing top-notch entertainment to ardent football fans. Last year, we acquired the radio broadcasting rights for the English Premier League in 2022. EPL live matches are relayed on all our radio platforms, including Radio Maisha, Spice FM, Vybez FM, Berur FM, and our digital platforms. The 2022/23 season launch took place at K1 Klub House in Nairobi, marking the beginning of another exciting season for football enthusiasts.

Club Kiboko Festival

The Club Kiboko Festival is a kids festival that provides the ultimate playground for every child. It promises lots of smiles, laughter, and fun for everyone. The festival is anchored by the Club Kiboko show, a leading children's TV show in Kenya that airs every Saturday on KTN. The inaugural kids festival took place in December 2022 in collaboration with our partners, offering a memorable experience for children.

Other events held in 2022 include:

1. **Home Expo** – held on April 1st and 2nd, at the KICC.
2. **Career Fair** – held on May 13th-14th, at KICC targeting students joining universities.
3. **Beauty Expo** – held on July 29th - 30th, at Sarit Centre. Targeting players in the Beauty and Hair industry.
4. **Career Fair** – held on July 29th – 30th, at the Central Primary School in Eldoret.
5. The East African Classic Safari Rally 2022 official media partner.
6. 11th ICT Authority Connected Kenya Summit in Diani, Kwale County.
7. Eldowas Climate Action Conference and Expo in Eldoret.
8. Eldoret City Marathon
9. Iten International Marathon

General Elections Media Coverage

During the election period, Standard Group received praise for its unbiased election coverage, starting from the political campaigns to the transition of the new government. This was particularly noteworthy as media outlets were often criticized for being biased and taking political sides. KTN News was ranked as the most trusted news source in Kenya, according to the Reuters Institute Digital News Report 2022, with a trust level of 85%.

We held the KTN News Townhall – The first of its kind was held on July 7th at Serena Nairobi, where KTN News' Sophia Wanuna and Zubeida Kananu, hosted Presidential Candidate William Samoei Ruto, Deputy President of the Republic of Kenya, in front of a live audience.

Despite the challenges associated with election coverage, we implemented measures to ensure national coverage in all county units and hot zones while prioritizing the safety of our staff and investing in the latest technology. Prior to the elections, we conducted intense training for our staff to ensure their safety and promote ethical conduct in election reporting. During this period, we launched Kivumbi 2022, a niche program dedicated to election coverage, which featured across all our platforms, including a newspaper insert, a TV show, and a dedicated elections tab on our website. This program received various accolades, including praise from Uganda's President Yoweri Museveni when giving his speech during the inauguration of President Dr. William Ruto.

SG GREEN INITIATIVE PLATFORMS

An all-embracing agenda of multi-platform, journalistic products, partnership engagements and SG operational initiatives that will work together to combat climate change, help restore the planet and create a better life for future generations.

SG Green INITIATIVE

SG Green MAGAZINE

A **monthly pullout** Magazine in The **Standard Newspaper** called **Planet Action** with a signature theme, news reporting, special features and a selection of the best climate journalism. It will also appear on the **Standard Digital e-PAPER.**

SG Green WATCH

One hour weekly segments on **KTN News, Spice FM, Vybez Radio, Radio Maisha, KTN Farmers TV** and **Standard Digital** that integrate video series and podcasts focusing on innovations, activities, business opportunities, policies, news and other developments related to the environment, water, energy and associated sectors.

SG Green BUSINESS

A one-hour weekly segment on **Spice FM**, where climate thought leaders interrogate developments and discuss business opportunities in the climate change space including green financing, investing and clean energy.

SG Green LINK

Dedicated **Facebook** and **Instagram** pages sharing easily digestible climate change facts and news. Including a high performing **Instagram Story/Live Feed** with special data visualisations for younger audiences.

SG Green EVENTS

A series of unique, **bespoke events** curated by Standard Group, that host key conversations on the solutions needed to inspire, create and activate meaningful climate action.

SG Green AWARDS

In collaboration with partners, co-host **Climate Awards** that recognise individuals and organisations making significant contribution to climate change mitigation and adaptation.

ENVIRONMENT, SOCIAL, AND GOVERNANCE SUSTAINABILITY REPORT

At Standard Group, we are a responsible corporate citizen committed to inspiring lives through media and entertainment, fostering societal transformation, and promoting inclusivity. Our purpose is to deliver high-quality content, facilitate access to information, and explore opportunities in Health, Environment, and Education. We manage our operations ethically and responsibly to create a positive impact.

Standard Group continues to be committed to embedding sustainability in its operations as part of its business strategy. We actively contribute to the achievement of multiple Sustainable Development Goals (SDGs) such as SDG 3 (good health and well-being), SDG 4 (quality education), SDG 6 (clean water and sanitation), SDG 8 (Decent work and economic growth), SDG 10 (reduced inequalities), SDG 13 (climate action), and SDG 17 (partnerships for sustainable development).

Standard Group upholds its Environment, Social, and Governance (ESG) responsibilities, focusing on sustainability to generate a positive influence on the environment, society, and stakeholders. Together, we strive to build a better future for all.

Environmental Conservation Efforts:

Addressing climate change is crucial to preserving the natural and economic ecosystems that sustain life on Earth. Through our Green Initiative, we recognize the urgency to protect our planet and ourselves. We are committed to reducing our carbon footprints by making sustainable investments, adopting renewable energy sources, and safeguarding forests, water systems, and other dwindling resources.

In collaboration with our partners, Standard Group has actively supported various environmental conservation initiatives. Our efforts include widespread tree planting initiatives, such as the Annual Eldoret City Marathon, The Standard County Golf Classic, Lukenya One Million Tree Marathon, and the Fruity Schools Initiative. These initiatives not only contribute to the national tree cover target but also address the nutritional needs of children and youth across the country.

On World Earth Day, we proudly launched the Planet Action Initiative, a significant step towards driving conversations around Climate Action. Through FarmKenya, we successfully established partnerships for the first monthly Planet Action Magazine, enabling us to educate and inspire individuals to take tangible steps towards environmental sustainability.

Embracing E-Mobility:

To reduce our carbon footprint, Standard Group has entered the e-mobility space. We have partnered with JAC Motors, EVChaja Kenya Limited, Ampersand, and Kiri Limited to incorporate electric vehicles into our distribution and editorial operations. This transition towards sustainable transportation is an important step for our organization.

Harnessing Solar Energy:

We have invested in a solar plant that caters to 40% of our daytime power requirements.

The company has an average daily power consumption of 193kWh. With the solar project in place, we generate an average of 180kWh for a duration of seven hours per day. This means that only a deficit of 13kWh needs to be sourced from the grid.

Our goal is to transition to 100% solar-powered daytime operations. This not only helps us reduce our reliance on non-renewable energy sources but also contributes to a cleaner and greener future.

Water Treatment Initiative:

Through the implementation of a water treatment plant, Standard Group has achieved significant cost savings for our operations. The plant has the capacity to produce 5,000 litres of clean water per hour.

We supply to all our bureaus and offices across the country, ensuring access to clean and affordable water for our staff.

SOCIAL IMPACT

At the Standard Group, we believe in making a positive impact in society. We don't just strive for success; we aim to make a difference. Through our dedicated engagement with customers and stakeholders, our commitment to community collaboration, and our impactful CSR initiatives, we continue to shape a better future for all. Together, we can achieve greatness and create lasting change.Our CSR efforts focus on Health, Environment, Education, and Disability.

We provided support to various causes through Promo Print Ads and media coverage. By lending our platform to initiatives such as the FIDA Kenya Fundraising Golf, Coast Hospice Charity Golf, and the Archdiocese of Nyeri Drought Appeal, we amplified their voices and contributed to their noble efforts.

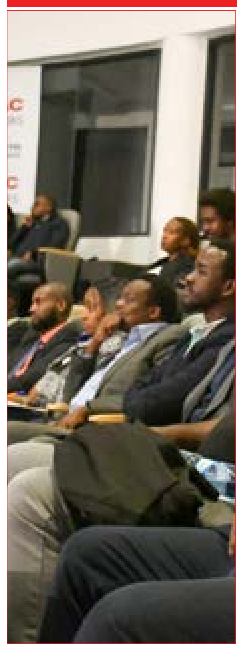
During the challenging drought situation in Kenya, we actively participated in the Pamoja Tuungane Campaign, led by Safaricom, in April. Alongside other corporate leaders, we united our efforts to address this pressing issue and provide assistance to those affected. By working together, we demonstrated the power of collective action and the importance of supporting our communities during times of need.

Health & Disability Support:

The Standard Group has taken on the mission of advancing the health agenda in Kenya and beyond, displaying a steadfast dedication to this cause. We established the Health and Science Desk with Andy Speaks organisation, which has since evolved into a highly reputable source of knowledge on health, nutrition, and overall well-being. Our platform serves as a pivotal hub for the public, providing access to credible health and science content through various channels such as newspapers, television, radio, and digital platforms.

During Autism Awareness Month, we partnered with Andy Speaks4Persons with Special Needs to raise awareness and support individuals with autism. Engaging in events like the Ride4Autism and the World Autism Awareness Day Marathon, we demonstrated our commitment to inclusivity and understanding.

THOUGHT LEADERSHIP



Business Advocacy and Thought Leadership

Standard Group actively collaborates with various organizations to advocate for important causes:

UNICEF – Children's Rights: We leverage our products and services to promote children's rights, organizing events such as Children's Debates, essay competitions, and conferences.In 2022, we held the inaugural Face the Children Debate in partnership with UNICEF, which saw us host 60 children from various schools to meet and debate four political contestants. We had Abdulswamad Nassir, Glady Shollei, Esther Passaris, and Isaac Mwaura, who had a 2-hour session with the children and met the winners of the essay contest.

UNFPA – We collaborate with UNFPA to advance the sexual and reproductive health agenda by promoting awareness and action on gender-based violence, maternal health, and female genital mutilation among other issues.

UNGC – As a signatory of the United Nations Global Compact, we integrate sustainability principles into our business processes. This commitment allows us to inspire widespread adoption of sustainability solutions among businesses worldwide.

Blue Company – We are a proud member of the Blue Company Project, demonstrating our dedication to running a corruption-free business.

The Group continued to drive its thought leadership agenda with our Transform Kenya and FarmKenya Breakfast series hosted on KTN News, KTN Farmers TV and our digital platforms that focused on various topical issues on the development agenda.

STAKEHOLDER ENGAGEMENTS

At the Standard Group, our customers and stakeholders are at the heart of everything we do. We value their feedback and strive to create meaningful opportunities for engagement across the country, allowing us to foster strong relationships and continually improve our products and services.

We hosted the Standard County Golf Classic, a remarkable event held in Nakuru, Eldoret, and Kisumu. With the theme "On the Green Course for a Green Cause," this initiative not only showcased the passion for golf but also raised awareness about environmental conservation. Additionally, we proudly partnered with Kenya Seed Company Limited for the Kenya Seed Classic Golf Series in Kitale, further emphasizing our commitment to community collaboration.

In May, we had the privilege of joining the Rotary District 9212 leaders and club members at their Annual International Conference in Diani, Kwale. Our partnership with Rotary District 9212 extended to various activities, including a 5-day Fundraising Cycling event, a Golf tournament, the Annual District Conference and Assembly, and the One Love Music Concert. By collaborating on these initiatives, we aimed to make a positive impact and contribute to the betterment of society.

CEO Orlando Lyomu with UNFPA Country Representative Anders Thomsen.

In April, we had the opportunity to engage with Principals, Directors, Deputy Principals, Liaison Officers, and Quality Assurance Officers of TVET Institutions at their national conference in Mombasa. This conference, hosted by the Kenya Association of Technical Training Institutions (KATTI), allowed us to connect with key stakeholders in the education sector, exchange insights, and contribute to the advancement of technical training in Kenya.

Mr. Lyomu with Makueni Governor Mutula Kilonzo.

The Standard Group CEO Orlando Lyomu with Safaricom CEO Peter Ndegwa during his visit at the Standard Group Centre.

Mr. Lyomu shares a light moment with Trans Nzoia Governor George Natembeya.

US Ambassador Meg Whitman celebrates Thanksgiving Day at the KTN News studios.

Corporate Visits

Throughout the year, we hosted several high-level delegations and paid courtesy calls to CEOs of important institutions across the country. These interactions provided valuable opportunities for networking and collaboration, further strengthening our relationships and fostering a sense of unity in pursuing common goals.

Among them; Merck Foundation CEO, Senator, Dr. Rasha Kelej, UNFPA Country Representative, Royal Thai Ambassador H.E. Miss Sasirit Tangulrat, Argentine Ambassador H.E. Amb. Gabriela Martinic and Devki Group of Companies chairman, Dr Narendra Raval (Guru).

We also paid courtesy calls on CEOs of other important institutions in different parts of the country: Kenya Ports Authority, East African Safari Classic Rally (EASCR) Board, Eldowas Eldoret Polytechnic.

CEO Lyomu with PS Kirimi Kaberia.

Mr. Lyomu and the Chief Justice of the Supreme Court of Kenya take a walk around the Newsroom .

The Standard Group team tours Menengai Oil refinery in Nakuru county.

Senior Military officers during their visit study tour to the Standard Group Centre.

The Standard Group CEO takes a selfie with Unilever team that paid him a courtesy call.

Mombasa Governor Abdulswamad Nassir.

Kakamega Governor Fernandes Barasa.

SG County Tour

We successfully visited several counties in the North Rift and Coast regions to meet the governors, as part of an ongoing drive to build business relationships and have the counties prioritise payment of our debts. The governors met by the CEO-led Management Team so far are Trans Nzoia, Elgeyo Marakwet, West Pokot and Baringo in North Rift, and Mombasa and Kilifi in the Coast.

Vihiga County Governor Dr Wilber Ottichilo.

West Pokot Governor Simon Kachapin.

Elgeyo Marakwet Governor Wisley Rotich.

Kilifi Governor Gideon Mung'aro.

Customer Service team presents a gift to a visitor during Customer Service Week.

Customer Service Week

As part of our commitment to excellent customer service, we celebrated a successful Customer Service Week in October. Through various activities and themes, we demonstrated our appreciation for our customers and aimed to create memorable experiences from targeted messages across different platforms to surprise gifts and engaging events, we made sure our customers felt valued and supported.

The Customer Service week culminated in presentation of a Treasure Hunt Hamper to the overall winner and a hike to Mt. Longonot for staff to raise awareness on mental health through fitness, organized by the OSH Team and SG gym.

The Standard Group PLC ("the Group or Company") Board of Directors ("the Board") is steadfast in its belief that good corporate governance creates shared value by underpinning responsive thinking and protects shareholder value by ensuring responsible behaviour through effective leadership, enhanced accountability, heightened transparency and a robust risk management. The Board has embraced principles of good corporate governance in steering the Group to effectively achieve its mandate for sustainable growth in shareholder value and to meet stakeholder expectations.

As a company listed in the Nairobi Securities Exchange, we remain steadfast in complying with statutory and regulatory requirements as outlined in the Constitution of Kenya,2010, the Companies Act 2015, the Capital Markets Authority's Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (the Code), the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002 -Amended 2019 and other applicable laws in all areas of the Company's operations. Besides complying with the Code, the Board has committed to embed internal rules of engagement to support corporate governance. These internal guidelines are constituted in the *Code of Conduct and Ethics* to which every Director and employee attests their adherence.

This corporate governance statement provides necessary information to enable stakeholders and investors evaluate how the Company has applied the principles embedded in the Code besides the self -assessment that the Company is expected to complete on its level of compliance with the Code and also outlining key corporate governance practices and arrangements of the Group. The Group remains committed to the highest standards of corporate governance and business ethics which are essential to the delivery of long term and sustainable stakeholder and shareholder value. The Board regularly reviews its corporate governance structure and practices to ensure that the same reflects the regulatory changes, best practice and stakeholder's expectation.

The Board of Directors

The Board is collectively responsible for the overall strategic direction of the Group with oversight and review of the management, administration and overall governance. The Board provides leadership necessary for the Group to meet its business objectives within a robust framework of internal controls. The Board exercises its oversight role by setting appropriate business strategy and overseeing delivery against the set strategy. The composition of the Board is stipulated in the Group's *Articles of Association* which provides that the board shall comprise of a maximum of twelve (12) directors.

The Board currently consists of nine (9) directors, one (1) executive director and eight (8) non-executive directors including the deputy chairman, of whom three (3) are independent directors. The Corporate Governance & Nomination Committee is responsible for recommending directors for election by shareholders at the Annual General Meeting (AGM). Nominated directors undergo screening by the Corporate Governance and Nomination Committee guided by the *Board Appointment Guidelines* duly approved by the Board. All the director's appointment is subject to confirmation by shareholders at the AGM except for the Group Chief Executive Officer. At every AGM, at least one third of the non-executive directors must retire from the Board and where eligible stand for re-election.

At the Company's next AGM to be held on 23 June 2023, the Company will submit the following eligible Directors for re-election: Dr. Julius Kipngetich, Dr. James Mcfie, Mr. Shaun Zambuni and Mr. Thomas Omondi. The Corporate Governance & Nominations Committee confirms that the performance of the directors being proposed for re-election continues to be effective and that they continue to demonstrate commitment to their roles including expending adequate time for Board and Committee meetings and other duties.

Board Operations

The Board has in place an annual work plan that sets out the Board activities for the year. To adequately cover the Board's annual work plan, board and committee meeting dates are agreed on and circulated in December for the preceding year. This enables the Board to have a detailed review of the Group's operation and strategy, approve business plans, budgets and financial statements. The Board meets at least four (4) times a year and additionally as may be necessary in response to business needs. The Board continues to tap on the digital platforms and most Board and Committee meetings during the year were held virtually.

The Board chairman, in conjunction with the Group Chief Executive Officer and the Company Secretary, sets the agenda for each meeting. The Board receives all information relevant to the discharge of its obligations in an accurate and timely manner enabling it to maintain effective control over strategic, financial, operational and compliance issues. Board and Committee packs are circulated atleast seven (7) days in advance to give directors ample time to review the content and request clarification before any meeting. This also allows the directors to undertake an appropriate review of the Board and Committee papers to facilitate full and effective discussions at the meetings. Information on agenda items is also provided prior to meetings and additionally through presentations to the Board. The Board may in addition seek briefing from management on specific matters. This serves to give the Board greater insights into the business area. Non-Executive directors are also occasionally invited to attend senior leadership's strategic and operation review meetings to gain further insights into different aspects of the business operation.

In line with statutory provisions and the Board Charter, the Board can also seek independent professional advice at the Company's expense on any matter connected with the discharge of its responsibilities and have access to any internal resources that may be required. Procedures are also in place, through the Chairman and Company Secretary enabling directors to have reasonable access at all times, to all relevant Company information and senior management to assist them in the discharge of their duties and responsibilities and to enable them make informed decisions.

Board Charter

The Board has adopted a *Board Charter* that provides a framework for the effective operation of the Board within the confines of the Company's Memorandum and Articles of Association. The Charter is continuously reviewed and amended to ensure it is aligned to the current corporate governance best practices and evolving operating environment in the industry. The Board Charter is critical for the Company's framework and offers guidance on matters including but not limited to the following:

- Board's roles, composition and responsibilities;
- Relationship and interaction between the Board and Management; and
- Authority delegated by the Board to Management and Board Committees.

The Charter is not a substitute or a replacement of any laws and regulations that govern the running of the Company. The Charter will be reviewed annually and amended further as need arises to ensure it remains consistent with regulatory requirements and the Board's objectives. A copy of the Charter is available on the Company's website (http://www.standardmedia.co.ke/corporate/investors).

Board of Directors Responsibilities

The Board is responsible for ensuring that the business is financially viable and properly managed so as to protect and enhance the company's interest over time. To achieve continued prosperity for the Company, the Board exercises leadership, enterprise, integrity and good judgement and shall always act in the best interest of the company. The following are the roles and responsibilities of the Board:

- Provide effective leadership and collaborate with the Executive Management in articulating the organization's values, vision, mission and strategies and developing the strategic plan and ordering strategic priorities of the Company that are sustainable.
- Develop an organizational structure to support the achievement of strategic objectives; monitor the operational performance and establish policies and processes that ensure the integrity of the Company's internal controls and risk management.
- Review and approve the business plans and annual budget proposed by the Executive Management and evaluate the outcomes thereof.
- Establish such Committees, Policies and Procedures that will facilitate effective discharge of the Board's fiduciary and leadership functions.
- Establish and oversee the Company's corporate governance framework that promotes standards of ethical behavior.
- Ensure the Company's compliance with all applicable laws, regulations, governance codes, guidelines and regulations and establish systems to effectively monitor and control compliance across the Company.
- Ensure that systems and procedures are in place for the Company to run effectively and efficiently.
- Establish appropriate staffing and remuneration policies for all employees.
- Appoint and evaluate the performance of the Group Chief Executive Officer (GCEO).
- Act in the best interest of the Company and its business taking into consideration the interest of the Company's shareholders and stakeholders.
- Ensure that the Group is, and is seen to be, a responsible corporate citizen by having regard to not only the financial aspects of the business of the Group, but also the impact the business operations have on the environment and the society within which it operates.

Board Meetings

The Board has a schedule of its meetings and the agenda for each Board meeting is prepared and circulated to members at least seven (7) days in advance. Board Meetings are held every quarter and in exceptional circumstances as dictated by requirements of business operations. The meetings are structured in a way that allows for open discussions. During the year ended 31 December 2022, a total of five (5) Board Meetings were held.

Board meetings and members' attendance for 2022

Member:	Position:	29.4.22	27.5.22*	03.6.22	26.8.22	09.12.22
Robin Sewell**	Chairman	√	√	√	√	√
Dr. Julius Kipngetich	Dep. Chairman	√	√	√	√	√
Orlando Lyomu	Executive	√	√	√	√	√
Dr. James Mcfie	Non-Executive	√	√	√	√	√
Zehrabanu Janmohamed	Non-Executive	√	√	√	√	√
Shaun Zambuni	Non-Executive	√	√	√	√	√
Juliana Rotich	Independent	√	×	√	√	×
Dr. Githinji Gitahi	Independent	√	√	×	√	√
Christopher Kulei	Non-Executive	√	√	×	×	√

**Special meeting*

*** Resigned effective 27.04.2023*

Board Skills and Diversity

The Board recognizes and embraces the benefits of diversity in bringing different perspective into Board meetings in offering better anticipation of the risks that are inherent in the business and the opportunities that the Group pursues. The Group seeks to have a Board that has a diverse mix of individuals with synergistic range of attributes skills, knowledge, experience, professional and industry knowledge and expertise aligned to the needs of the business. The directors of the Group come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the business. The areas of expertise of the current Board are general management, finance, marketing, media, IT and legal.

The Board as presently constituted has the appropriate mix of skills, knowledge and experience to deal with current and emerging issues and effectively guide management in attainment of its strategic objectives. Women constitute 20% of our Board and the Corporate Governance & Nomination Committee has been tasked to take this into consideration in its subsequent nominations. The Board is fully committed to enhancing its gender balance in the Board to increase women representation in the Board. Short biographies of the Directors, including details of their relevant, skills, experience, nationalities and other directorship, are set out in the Directors and Statutory Information and Directors Profile pages.

The Board appreciates the benefits of diversity in all of its forms (gender, age, ethnicity and welfare), within its own membership and across the Company. Talent is our competitive advantage and diversity is a critical component of our success, providing better understanding, connectivity and insight to our consumers and our employees. The Board encourages initiatives to improve gender diversity in management and this has resulted in the establishment of The Standard Group Women Network which continues to articulate the voice of women within the organisation and position them for leadership.

Board Induction and Development

Each new director on appointment receives a comprehensive induction programme tailored to their individual needs to acquaint them with their responsibilities including legal and regulatory responsibilities and appraise them of the Company's strategy and operations. The induction program consists of detailed presentations and briefings from the Chairman, Executive Management and the Company Secretary on the Company operations. The directors are also provided with all the requisite Company documents. The newly appointed director, Mr. Thomas Omondi, who was appointed effective 24 March 2023, was inducted in Q1 of 2023.

The Board members undergo regular training and education to enable them continuously develop knowledge and skills required to discharge their responsibilities effectively. Directors receive regular briefings from the Executive Management on developments in the media industry both locally and globally. The Board and its Committee's also receive briefings and participates in deep dive sessions on various matters such as risks and their mitigations, legal and regulatory developments that directly impact the operations of the Group.

During the year under review, the Board attended webinars on areas of Corporate Governance as prescribed by the Code conducted by external facilitators. Continuous development training requirements of the Board are determined by the Board, the changing business environment, business needs and or regulatory changes. The program of continuing education ensures the Board is kept upto date with developments in the industry.

Board Evaluation

In line with the provisions of the Code, the Board reviews its performance and that of its Committees, the Group Chief Executive Officer and Non-Executive Directors, the Chairman and Company Secretary, on an annual basis. The evaluation in respect of the financial year 2022 was conducted internally by the Chairman through the coordination of the Company Secretary. The evaluation was conducted by each Director completing a Board Evaluation Form which is designed to obtain feedback on the Board's performance in key thematic areas. The Evaluation also seeks to identify development opportunities and areas of improvement. Results were collated confidentially by the Company Secretary and reviewed by the Chairman. The evaluation established that the Board understood its role and that the Board members have a good understanding of the business and receive the information they need to inform decisions on a timely and accurate manner. The Board demonstrated collegiality and alignment of vision. Implementation of the recommendations arising out of the feedback from the Board Evaluation is ongoing.

Board Independence and Conflicts of Interest

The Board comprises of eight (8) non-executive directors, of whom three (3) are independent as defined in the Code and the Board Charter. As per the Board Charter, the Board only considers directors to be independent where they have served for a period of less than nine (9) years and are independent of management and free of any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the directors' capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the Group or the shareholders generally.

The directors are obligated to fully disclose to the Board any real or potential conflict of interest, which comes to the directors' attention, whether direct or indirect. All business transactions with all parties, directors or their related parties are carried out at arm's length. Directors are required to give advance notice of any conflict of interest to the Chairman or Company Secretary and exclude themselves from any discussions or decisions over the matter in question.

The Board maintains a Conflict of Interest register and this is tabled as the first agenda item in all Board and Committee meetings. Directors are excluded from the quorum and vote in respect of any matters in which they have an interest. During the year 2022, the following three (3) directors of the Company were considered independent: Dr. Julius Kipngetich, Dr. Githinji Gitahi and Juliana Rotich. The statutory duty which mandates directors to avoid situations in which the directors have or may have interests that conflict with those of the Group. No incidences of conflict of interest were recorded or reported during the year under review.

Board Committees

The Board has approved the delegation of certain authorities to Board Committees where applicable, and to management. The Board has established five (5) Board Committees namely; Finance & Audit Committee, Corporate Governance & Nominations Committee, Human Resources & Remuneration Committee, Editorial Committee and The Turnaround Committee. The Board receives a report from the Chairman of each Committee on significant areas of discussion and key decisions at subsequent Board meetings. The Committees execute their functions in accordance with the terms of reference which defines its mandate, roles and responsibilities.

The terms of reference for the respective Committees are continuously reviewed and amended to ensure it is aligned to the current corporate governance best practices and evolving roles. The terms of reference for the committees are to be reviewed on an annual basis or as need arise. Copies of the committee's terms of reference are available on the Company's website (http://www.standardmedia.co.ke/corporate/investors). The Committees are instrumental in monitoring Group operations, conduct of business, systems and internal controls.

1. Finance and Audit Committee

This Committee consists of five (5) directors and in compliance with the Code, is comprised of three (3) independent non-executive directors. The Chairman is an independent non-executive director and one (1) member holds professional qualification in accounting and is a member of good standing with ICPAK. The Committee meets quarterly or as required and reports to the Board on a quarterly basis. The Committee regularly invites the Executive Management to the Committee's meetings. External auditors are also invited to attend the meetings when necessary.

The Committee plays a vital role in ensuring the integrity of the financial statements. It assists the Board in evaluating financial and management controls and recommending improvements. The Committee further ensures that the financial reporting is accurate and timely. To further strengthen and ensure independent reports on internal audit, the Board has hired internal auditors. The head of Internal Audit holds professional qualification in accounting and is a member of good standing with ICPAK.

The Committee is responsible for monitoring and reviewing the effectiveness of the Internal Audit function. Internal audit reports, findings and recommendations are presented to the Committee quarterly and these are monitored to ensure implementation. The Committee also reviews the performance of Internal Audit and approves the Audit Plan for the year.

The Committee is also responsible for reviewing and assessing the Group's risk management process and the adequacy of the overall control environment. Risk registers, based on a standardized methodology, are used to identify, assess and monitor the key risks (both financial and non-financial) faced by the Group each quarter. All identified risks are assessed at three (3) levels (high/medium/low) by reference to their impact and likelihood. Mitigation plans are put in place to manage the risks identified and the risk registers and mitigation plans are reviewed on a quarterly basis.

The Finance and Audit Committee oversees the external audit function. This includes approving the external audit financials, review/engagement of the management letters and assessing their performance. The external auditor provides a further level of protection on the integrity of the financial statements. The external auditor reports independently and directly to the Board. PwC Kenya is the Company's external auditor following their re-appointment by the shareholders in the last AGM. The Finance and Audit Committee considers its relationship with the external auditor worked well during the year under review and was satisfied with its effectiveness.

The Board, with advice from its Finance & Audit Committee, has completed its annual review of the effectiveness of the system of risk management and internal control for the period ended 31 December 2022. No significant failings or weaknesses were identified, and the Board is satisfied that, where specific areas for improvement have been identified, processes are in place to ensure that the necessary remedial action is taken and that progress is monitored.

The Committee met nine (9) times during the year.

The current members of the Committee are:

1. Dr. Githinji Gitahi - Chairman
2. Shaun Zambuni
3. Juliana Rotich
4. Dr. Julius Kipngetich
5. Dr. James Mcfie

Finance and Audit Committee meetings and members' attendance for 2022

Member:	Position:	26.04.22	20.05.22	18.07.22*	19.08.22	16.09.22*	29.09.22*	17.10.22*	25.11.22	05.12.22**
Dr. Githinji Gitahi	Chairman	√	√	√	×	√	√	√	√	√
Dr. James Mcfie	Non-Executive	√	√	√	√	√	√	√	√	√
Shaun Zambuni	Non-Executive	√	√	√	√	√	√	√	√	√
Juliana Rotich	Independent	√	√	√	√	√	×	×	√	√
Julius Kipngetich	Independent	√	×	√	√	√	√	√	√	√
Chris Kulei***	Non-Executive	N/A	√	N/A	N/A	√	√	√	√	√

**Special meeting*

*** Adjourned Q4 Meeting*

**** In-Attendance by invitation*

2. Human Resources and Remuneration Committee

This Committee consists of four (4) directors, comprising the Chairperson who is a non-executive director and other directors. The Committee regularly invites the Executive Management to the Committee's meetings. The Committee meets quarterly or as required. The Committee reviews and ensures that the Human Resources and Remuneration policies and practices in the Company support the overall objectives of the Group and enable the recruitment, development and retention of highly skilled staff in line with the business needs.

The Committee is also responsible for reviewing the Group's organizational structure and ensuring that the Group's human resources and remuneration offering are sufficiently competitive to attract and retain the desired talent pool. The Committee further reviews and monitors policies and principles for selection, retention and termination of executive management and setting the terms of service for executive management and their remuneration structure covering salary and benefits; performance-based variable rewards; pensions and/or gratuity. The Committee is also responsible for reviewing and monitoring the Group's Succession Plan and appraising the performance of Executive Management.

The Committee met six (6) times during the year.

The current members of the Committee are:

1. Zehrabanu Janmohamed - Chairperson
2. Dr. James Mcfie
3. Shaun Zambuni
4. Christopher Kulei

Human Resources and Remuneration Committee meetings and members' attendance for 2022

Member:	Position:	01.4.22	07.4.22*	20.5.22	19.8.22	25.10.22 *	25.11.22
Zehrabanu Janmohamed	Chairperson	√	√	√	√	√	√
Shaun Zambuni	Non-Executive	√	√	√	√	√	√
James Mcfie	Non-Executive	√	√	√	√	×	√
Christopher Kulei	Non-Executive	√	√	√	×	√	√

**special meeting*

3. Editorial Committee

This Committee consists of six (6) directors, comprising of a Chairman who is an independent non-executive director and other directors and regularly invites the Executive management and the respective Managing Editors. The Committee meets quarterly or as required. The role of the Committee is to develop the Group's Editorial Policies and provide overall leadership and oversight over the Group's journalism and media content.

The Committee met five (5) times during the year.

The current members of the committee are:

1. Dr. Julius Kipngetich- Chairman
2. Zehrabanu Janmohamed
3. Shaun Zambuni
4. Christopher Kulei
5. Juliana Rotich
6. Dr. Githinji Gitahi

Editorial Committee meetings and members' attendance for 2022

Member:	Position:	25.3.22	19.4.22*	27.5.22	18.8.22	18.11.22
Dr. Julius Kipngetich	Chairperson	√	√	√	√	√
Ms. Zehrabanu Janmohamed	Non-Executive	√	√	√	√	√
Mr. Shaun Zambuni	Non-Executive	√	√	√	√	√
Dr. Githinji Gitahi	Independent	√	√	√	×	√
Ms. Juliana Rotich	Independent	√	√	×	√	√
Mr. Christopher Kulei	Non-Executive	√	√	√	×	×

**Special meeting*

4. Corporate Governance & Nomination Committee

The Corporate Governance & Nomination Committee is an *ad hoc* Committee that assists the Board in discharging corporate governance responsibilities in relation to appointment and re-election of directors, evaluation of the Board, its Committees and individual directors and remuneration of the directors. The Committee keeps under review the structure, size, composition and development of the Board as well as succession planning for directors. The Committee oversees a transparent process for recruitment of directors to the Board in line with the *Board Appointment Guidelines* approved by the Board.

The Committee is also charged with the responsibility of evaluating and reporting to the Board on an annual basis, the effectiveness and performance of the Board and the Directors in the discharge of their responsibilities. The Committee is also responsible for reviewing and proposing the remuneration structures and policies for Non-Executive members of the Board.

Key activities undertaken by the Committee during the financial year ended 31 December 2022 include:

- Directors' annual appointment and re-election at the 104 AGM held on 12 July 2022.
- Reviewing the effectiveness of the Board and its Committees following the Board Evaluation exercise for the year ended 31 December 2021.
- Reviewing the Corporate Governance Report and Remuneration report in respect of the Annual Report for year 31 December 2021.
- Reviewing the CMA Corporate Governance Compliance and Code Reporting requirements.

The Committee holds meetings at least once per year or as necessary to consider issues within the scope of its terms of reference. The composition of the Committee shall be determined by the Board from time to time as and when the Committee is constituted, provided the membership shall comprise of at least three (3) Independent Directors.

The Committee met once (1) during the year.

Member:	Position:	18.3.22
Dr. Julius Kipngetich	Chairman	√
Dr. Githinji Gitahi	Independent	√
Juliana Rotich	Independent	√
Christopher Kulei	Non-Executive	√

5. The Turnaround Committee

The Turnaround Committee has been established on a time-limited basis, for an initial period of one year. Their term may be extended for such longer period as may be necessary to ensure attainment of its objectives and recovery of the business. Membership to the committee comprises of Non-Executive Directors appointed by the Board and its membership shall consist of not less than two (2) members. The committee meets weekly or as maybe required. The Committee is also responsible for developing, coordinating and managing the Company's financial recovery program in line with its strategic purpose and values as well as its sustainability.

The committee did not meet during the year under review having been established in Q1 of 2023.

The Company Secretary

The Company Secretary is appointed by the Board and is responsible for advising and providing practical support to the directors. The Company Secretary provides a central source of guidance and advice to the Board on matters of governance, statutory compliance and compliance with regulatory requirements. The Company Secretary is responsible for monitoring compliance with board procedures and facilitating good flow of information with the Board, its Committees and management. The Company Secretary is a member in good standing with the Institute of Certified Secretaries (ICS).

Role of the Company Secretary

- Ensure that the Board complies with its obligations under the law and the Company's Articles of Association.
- Ensure that the Board agenda is developed in a timely and effective manner for review and approval by the Chairperson.
- Ensuring, in conjunction with the GCEO, that Board papers are developed in a timely and effective manner.
- Coordinating, organizing and attending meetings of the Board and shareholders and ensuring that correct procedures are followed.
- Drafting and maintaining minutes of Board meetings.
- Meeting statutory reporting requirements in accordance with relevant legislation.
- Assist the Board with the Board Evaluation exercise.
- To coordinate the Governance Audit and Board Evaluation exercise.
- To maintain and update the register of conflict of interest.
- To carry out any other duties as may be assigned by the Board and the GCEO from time to time.
- Advising the Board on all corporate governance matters.
- Facilitating effective communication between the Company and the shareholders.

Code of Ethics and Conduct

The Group continues to promote an ethical culture among the Board, staff and key stakeholders to inculcate a value-based approach in business operations and decision making. The *Code of Conduct and Ethics* enables the Board and employees conduct business and embodies their commitment to pursue the highest standards of ethical behaviour when dealing with customers, suppliers, regulatory authorities and other stakeholders.

The *Code of Conduct and Ethics* binds all directors and has been integrated into the Company's operations through the development of various policies and practices aimed at promoting a culture of compliance, honesty, ethical behaviour and reporting mechanisms. The Company has adopted zero tolerance approach to corruption, bribery and unethical business practices. Initiatives to ensure its application include training, monitoring, mechanisms for whistle blowing, taking disciplinary actions amongst other measures.

Shareholder Relations

To ensure transparency and fairness in line with corporate governance best practice and enhance investor relations, the Board maintains active communication and engagements with shareholders and the public by providing regular as well as *ad hoc* information regarding Group strategy, operations and performance and addressing areas of concern. The engagement programme was adapted to make full use of digital interaction, enabling more extensive shareholder communication with shareholders. This was achieved through the following:

- The Group publishes its half-year and full year trading results in newspapers with nationwide circulation. The Group additionally posts all material information on its website www.standardmedia.co.ke and stakeholders are encouraged to visit the website for general information. The Group additionally releases material information to the Capital Markets Authority and the Nairobi Securities Exchange in line with all disclosure requirements in the Capital Markets Acts as well as all other regulatory requirements.
- The Annual General Meeting (AGM) is held annually where shareholders engage the Company directors and Executive Management on matters relating to our business. Shareholders are notified at least 21 days before the AGM and copies of the Annual Report made available to enable them review the proposed agenda and prepare to attend. A shareholder may appoint a proxy to attend and vote on his or her behalf during the AGM if unable to attend in person. At the meeting, a reasonable opportunity is allowed

for shareholders to ask questions about or make comments on the management and performance of the Group. During the 2022 AGM which was held virtually, shareholders were given the opportunity to submit and ask questions on the Agenda of the AGM prior and during the meeting and responses to the queries received, published on the Company's website.

- The Company has also retained Image Registrars Limited to provide shares registrar services. The firm handles day to day requirements of shareholders. The registrar's offices are located at 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street, P. O. Box 9287 - 00100, Nairobi or through the email address info@image.co.ke and also through the telephone numbers 0709170000, 0724699667, 0735565666.
- The Group's website also has a specific dedicated page dedicated to the information requirements of the shareholders and investment analysis.
- The Group also regularly responds to numerous queries from shareholders and interested parties on a wide range of issues.

Restrictions on Insider Trading

The Group has a policy on insider trading. Directors, employees and contractors are made aware that they ought not to trade in the company's shares while in possession of any material insider information that is not available to the public or during a closed period. To ensure compliance with the Companies Act, 2015 the Group communicates 'open' and 'closed' periods for trading in its shares to its employees and directors on an annual basis. To the best of the Group's knowledge, there was no insider dealing in the financial year ended 31 December 2022.

Whistle Blowing Policy

The Group has a *Whistleblowing Policy* available at the Company's website which provides a platform for employees, suppliers, customers and contractors to raise concerns regarding any suspected wrongdoing. The Policy also outlines the framework through which such concerns are identified and addressed. The Group encourages the reporting of such wrongdoing in a way that protects and supports whistle-blowers. The programme provides confidential and anonymous communication channels to raise concerns. Reasonable steps have been put in place to protect a person who makes disclosure of any inappropriate behaviour. Further the Group has also in place an anonymous whistle blowing platform managed by an Independent Accredited and external institution.

The Board ensures that risks arising from any ethical issues are identified and managed in the risk management process. Further, there is zero tolerance for any actual or threatened act against any whistle blower and the Group takes reasonable steps to protect a person who makes disclosure of any inappropriate behaviour.

Procurement Policy

The Group maintains a *Procurement Policy* which governs the procedures for purchase of goods and services within the Group. The Policy seeks to ensure that the most appropriate and effective controls are applied in the purchase of goods and services for the company. The Policy also advocates for fair and transparent procurement procedures in the purchase and disposal of goods and services.

Information Technology policy

The Group has established an *IT Policy* which aims to protect the information technology infrastructure (including IT equipment, mobile facilities, data/ telecommunications networks and software) and maintain the highest standards of cyber security, while protecting the Group's confidential and sensitive information. The policy aims to facilitate ease of use of IT systems by staff, business partners and other stakeholders while mandating the responsible use of IT systems.

Governance Audit

The Board is committed to the highest standards of corporate governance and strives to ensure adherence to legal and regulatory requirements while adopting global best practices. Recognizing the role of management, the Board also ensures that Group's management is fully aware of Code requirements and that the same are implemented in all spheres of the business.

In line with the Capital Markets Authority (CMA) Circular No. 1 of 2020 reviewing the Governance Audit cycle from one (1) year to two (2) years, the Group did not undertake an audit in respect of the year ended 31 December 2022. This was on the background that the Company had undertaken a Governance Audit for the year ended 31 December 2021 in 2022.

Corporate Governance Assessment Report

During the year 2022, the Capital Markets Authority (CMA) assessed the status of implementation of the CMA Code by the Company for the FY 2021 and awarded an overall rating of 82% which is a testament of the Board's commitment to sound corporate governance practices. The Company continues to implement the recommendations received from CMA to improve its level of compliance with the Code.

Legal Audit

The Group in complying with the CMA Code is conducting an internal Legal Audit for the year ended 31 December 2022 with the objective of ascertaining the level of adherence to applicable laws, regulations and standards.

TOP 10 GLOBAL INVESTORS AS AT FRIDAY 31 DECEMBER 2022

The ten largest shareholders of the Company as at 31 December 2022 were as follows:

No.	Name of Shareholders	No. of Shares	% Shareholding
1.	S.N.G Holdings Limited	56,422,699	69.03%
2.	Trade World Kenya Limited	8,906,068	10.90%
3.	Miller Trustees Limited	8,608,569	10.53%
4.	Ismail,Gulamali	2,211,500	2.71%
5.	The Standard Group Limited Esop Trust	266,880	0.33%
6.	Denroma Investment Limited	238,640	0.29%
7.	Shah,Savitaben Velji Raichand	228,070	0.28%
8.	Thuthuma Limited	220,793	0.27%
9.	Goes,Eufrazio Juliao	220,000	0.27%
10.	Saraj Properties Limited	186,900	0.23%
11.	Others	4,221,689	5.17%
		81,731,808	**100.00%**

Shares Distribution Schedule as at 31 December 2022

	Range	Number of Shareholders	Number of Shares held	Percentage
1	1 to 500	2,608	327,198	0.40%
2	501 to 1000	392	286,104	0.35 %
3	1001 to 5000	566	1,127,012	1.38%
4	5001 to 10000	108	748,064	0.92%
5	10001 to 50000	71	1,364,233	1.67%
6	50001 to 100000	3	237,500	0.29%
7	100001 to 500000	7	1,492,861	1.83%
8	500001 to 1000000	-	-	- %
9	1000001 to 2000000000	4	76,148,836	93.17%
	Total	**3,759**	**81,731,808**	**100.00%**

DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2022, which disclose the state of affairs of the Group and the Company.

1. Principal activities

The principal activity of the Group is gathering and disseminating information through Print, Television, Radio and Digital Media. The print products are The Standard and The Nairobian. Radio products include Radio Maisha, Spice FM, Vybez radio and Berur FM. Television products include KTN Home, KTN News, Btv and KTN Farmers TV. Digital offerings include the E-paper, Reader revenue, Standardmedia.co.ke website, Digger Classifieds and Value Added Services.

2. Group results

	2022 KShs'000	2021 KShs'000
Loss before income tax	(1,023,463)	(21,959)
Income tax credit/(expense)	158,259	(51,197)
Loss for the year	(865,204)	(73,156)
Attributable to:		
Non-controlling interests	(44,184)	(7,356)
Owners of the Company	(821,020)	(65,800)
	(865,204)	(73,156)

3. Dividend

The directors do not recommend a dividend payment for the year ended 31 December 2022 (2021 – Nil).

4. Directors

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

5. Statement as to disclosure to the company's auditor

With respect to each director at the time this report was approved:

a. There is, so far as the director is aware, no relevant audit information of which the Group's and Company's auditor is unaware; and
b. the director has taken all steps that the director ought to have taken as a director to be aware of any relevant audit information and to establish that the Group's and Company's auditor is aware of that information.

6. Terms of appointment of auditors

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

The directors monitor the effectiveness, objectivity and independence of the auditor. This responsibility includes the approval of the audit engagement contract and the associated fees on behalf of the shareholders.

7. Business overview

Summary of results

The Group operates on various platforms which include:

(a) Print platform. This platform has two main publications; The Standard and The Nairobian. Revenue from this platform is generated from the sale of newspaper copies and advertisements on the publications.

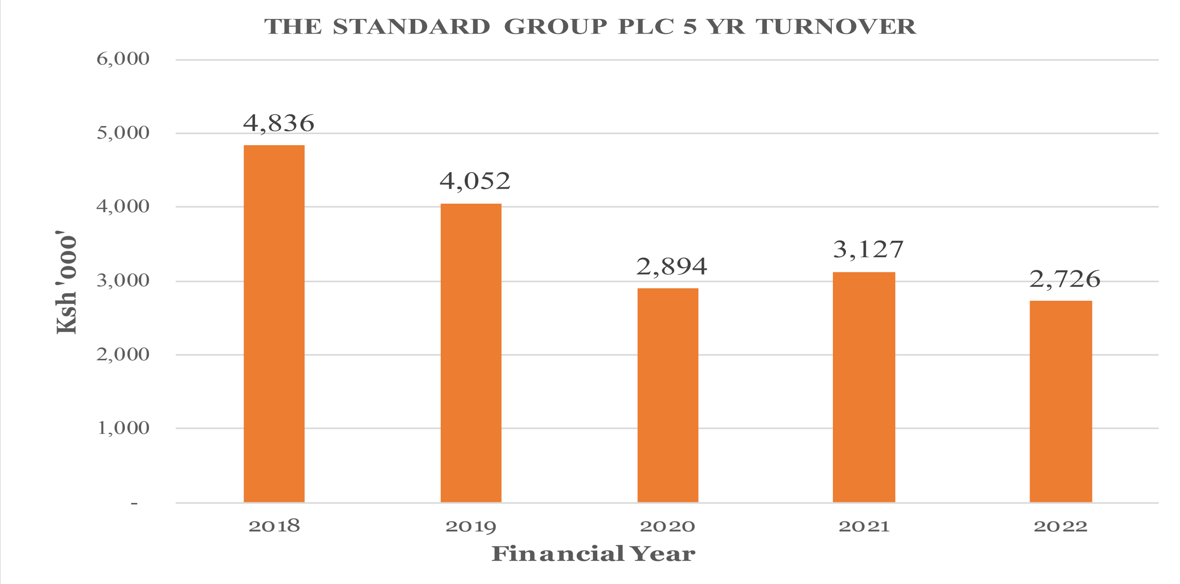
(b) Broadcast platform. This includes television and radio platforms.

i. The television platform comprises 4 television stations which include; KTN-Home, KTN-News, Btv and KTN Farmers TV. KTN Home is a station providing all round entertainment and news for general audiences. KTN-News is the first 24 hour news channel in East Africa.Btv is a station catering for the sports and entertainment needs of the youth. KTN Farmers TV was rolled out as part of the Group's Farm Kenya Initiative; and aims to connect all stakeholders in the agribusiness sector. Revenue from the television platforms is generated through advertisements on the television stations.

ii. The radio platform comprises 3 radio stations which are Radio Maisha, Spice FM, Vybez Radio and Berur FM. Revenue from the radio platforms is generated through advertisements on the radio stations.

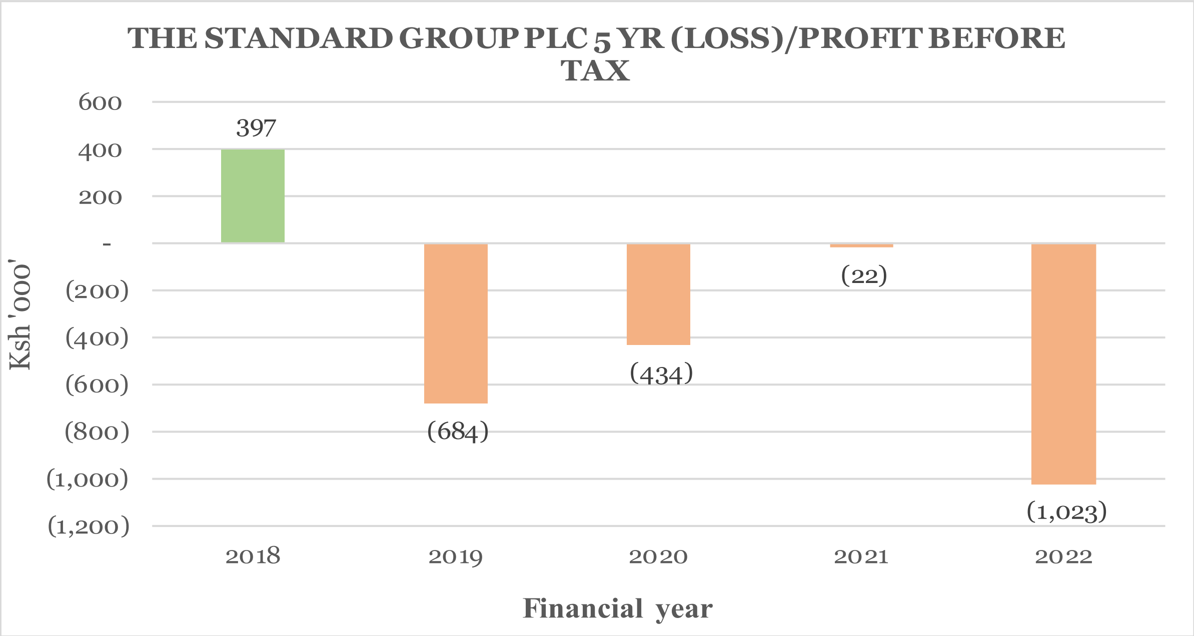
(c) Digital platform. Digital platforms include the Standard Digital website, Value Added Services (VAS), Digger Classifieds and social media pages. Revenue is generated through advertisements ran on these platforms, subscriptions to access content on these platforms and sale of digital copies of the newspaper.

The Group revenue decreased by 14% to KShs 2.7 billion from KShs 3.1 billion in the prior year. The decline was a result of decreased revenue from advertising clients. Owing to the tough economic conditions, companies reduced their marketing spends to avail funds for other critical expenses, to keep businesses afloat. Further, being an election year, multinationals clients distanced themselves from political environment in a bid to maintain neutrality. 2022 being a transition year, government institutions minimised their marketing activities and that negatively impacted the Group's revenues.



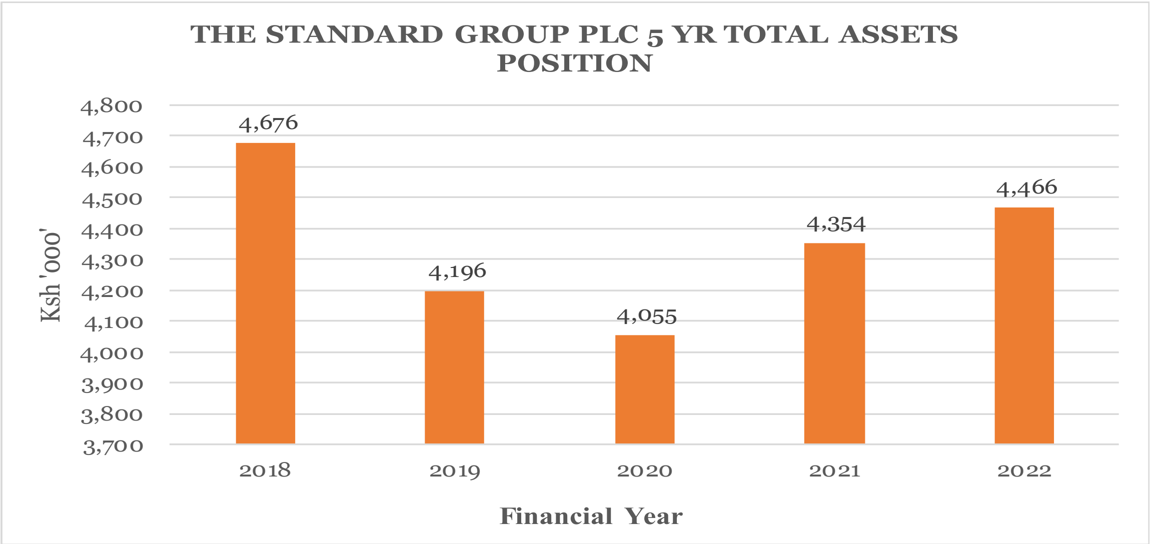
Group direct costs decreased by 7% compared to 2021 largely due to decreased foreign news expenses and increased use of inhouse programme production, which are less expensive compared to acquired content. Group overhead costs closed at 11% higher than 2022 largely from increased salaries after resumption of 100% pay mid 2021 and increased fuel prices prices.

The Group incurred a loss before tax of Kshs 1 billion compared to a loss before tax of KShs 22 million in 2021. This was driven by the factors mentioned above on revenue and overhead costs.



Financial position:

The Group's total assets have increased to Kshs 4.5 billion as a result of decrease in inventory compared to prior year (2021:Ksh 4.4 billion).



Directors' Report (continued)

Principal risk:

The principal risk facing the business were high level of inflation, election uncertainties and rising cost of doing business. Increased inflation, from rising cost of food and fuel, increased the cost of doing business. Being an electioneering year, the speed of recovery from the loss of income from the slowed economic activities was a risk as there were uncertainties on both the results of the elections and the policies that would come in with the new government. We are positive with the economic stabilisation after the close of elections and resumption of business activities, clients will recommence their advertising spends to grow our revenues. Further, with the new government institutions having settled in, there is renewed optimism of growth in advertising spends and consequently our revenues.

8. Approval of financial statements

The financial statements were approved and authorised for issue at a meeting of the Board of Directors held on 28 April 2023.

BY ORDER OF THE BOARD

Millicent Ng'etich
Certified Public Secretary (Kenya)
Company Secretary

Date: 28 April 2023

DIRECTORS REMUNERATION REPORT

The Standard Group PLC is pleased to present the Director's Remuneration report for the year ended 31 December 2022. The report sets out the remuneration arrangements for the Directors for the year under review.

Information not subject to audit

DETAILS OF DIRECTORS

The Board comprises Non-Executive and Executive Directors who served during the year (collectively referred to as Directors), as follows:

Name	Position
Robin Sewell*	Chairman (Non-Executive Director)**
Dr. Julius Kipngetich	Deputy Chairman (Independent/Non-Executive Director)
Orlando Lyomu	Group Chief Executive Officer
Zehrabanu Janmohamed	Non-Executive Director
Dr.James Mcfie	Non-Executive Director
Shaun Zambuni *	Non-Executive Director
Juliana Rotich	Independent/Non-Executive Director
Dr.Evanson Gitahi	Independent/Non-Executive Director
Christopher Kulei	Non-Executive Director

**British*
***Resigned on 27 April 2023*

Remuneration Policy

The Group has an approved Remuneration Policy for the Board which defines the remuneration and related privileges received by the director of the Company. The policy seeks to recognize the contribution the directors make to the success of the Group while reflecting the value of the roles they play, as well as the level to which they perform them. Our approach to recognizing our director's contribution to the business is based on the following principles:

- **Competitive remuneration -** The remuneration is sufficient to attract and retain highly experienced directors to effectively direct the affairs of the Group.
- **Affordability and sustainability -** Our remuneration is sustainable and affordable in the face of the Group's performance in the industry.
- **Equitable -** The reward is equitable and commensurate to the amount of time and skill in delivering the Group's strategic objectives.

The Corporate Governance & Nomination Committee of the Board is responsible for setting and administering the directors Remuneration Policy. Corporate Governance & Nomination Committee continuously reviews the entitlements under the policy to ensure these are aligned to the market.

Remuneration structure for Executive Directors

The remuneration of the Executive Director is based on the terms of engagement negotiated and outlined in the contract of employment. The Group's Policy is to appoint the Executive Director for an initial four-year period, which may be extended for a further term by mutual consent. The initial appointments and any subsequent reappointments are subject to annual performance review by the Human Resources and Remuneration Committee.

The salary for the Executive Director is set at a level which is considered appropriate to attract an individual with the necessary skills, experience and ability to oversee the business. Judgement is used but consideration is given to a number of internal and external factors including responsibilities, market positioning, inflation and The Standard Group PLC reward policies. The salary is subject to annual reviews upon attainment of specific objectives.

Other benefits provided include: medical cover, gratuity and club membership which are payable as per The Standard Group PLC reward policies in force from time to time. Travel and other reasonable expenses incurred in the course of performing duty are paid as per the Group's travel and subsistence Policies. These ensure the package is competitive.

Remuneration structure for Non-Executive Directors

The remuneration of the Non-Executive Directors is determined by the Board upon recommendation by the Nomination Committee in line with the Remuneration Policy. In determining the remuneration for Non-Executive Directors, the Board considers the nature and extent of their contribution and responsibilities. In addition, Director's remuneration is subject to regular reviews and external benchmarking to ensure that we continually offer a competitive package commensurate with the remuneration for other Non-Executive Directors in the same industry.

Non-Executive Directors receive honoraria fees in recognition of the services rendered to the Group, which is payable quarterly in arrears. In addition, the Non-Executive Directors are paid an attendance fee in recognition of the time spent attending Board and Committee meetings.

The Group also provides for travel and accommodation costs incurred by the Non-Executive Directors in connection with the Group's business in line with the Group's travel and subsistence policies in force from time to time.

Non-Executive Directors are not entitled to any performance related pay or pension. These Directors do not have service contracts and their appointment, reappointment and retirement is subject to terms of the Group's Articles of Association.

Changes to Directors' remuneration

During the year the Non-Executive Directors forewent full fees and sitting allowances except for Robin Sewell who resigned. (2021:50% until June 2021 and 100% thereafter).

Directors' Shareholding

Directors can purchase or sell shares of the Company in the open market subject to the regulations Companies Act, 2015. During the year under review, none of the Directors held shares in the Company.

Information subject to audit

Remuneration structure for Executive Directors

The remuneration for the year is as set out below:

Name	Date of contract	Unexpired term	Notice period	Amount payable on termination KShs'000
Orlando Lyomu	25/05/2022	41 months	6 months	15,300

	2022 KShs'000				2021 KShs'000			
Name	Basic pay	Insurance	Gratuity	Total	Basic pay	Insurance	Gratuity	Total
Orlando Lyomu	27,000	228	3,600	30,828	24,863	213	3,600	28,676

Non-Executive Directors

Fees and sitting allowance	2022 KShs'000	2021 KShs'000
Robin Sewell**	1,320	1,260
Dr.James Mcfie*	-	1,395
Zehrabanu Janmohamed	-	1,390
Shaun Zambuni**	-	1,610
Dr. Julius Kipngetich	-	1,735
Juliana Rotich	-	1,440
Dr. Evanson Gitahi	-	1,450
Christopher Kulei	-	1,445
Total	**1,320**	**11,725**

*** British*

Approval of the Directors' remuneration report

The Directors confirm that this report is in compliance with the Capital Markets Authority guidelines on Director's Remuneration and Companies Act, 2015.

By order of the board

Dr Evanson Gitahi

Date: 28 April 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Act, 2015 requires the directors to prepare financial statements for each financial year that give a true and fair view of the financial position of the Group and Company as at the end of the financial year and of their profit or loss for that year. It also requires the directors to ensure that the Company keeps proper accounting records that:

(a) show and explain the transactions of the Group and Company;
(b) disclose, with reasonable accuracy, the financial position of the Group and Company; and
(c) enable the directors to ensure that every financial statement required to be prepared complies with the requirements of the Companies Act, 2015.

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 Kenya 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.

The Directors have assessed the Company's ability to continue as a going concern, and highlighted their assessment in note 2(e) of the financial statements.

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 28 April 2023 and signed on its behalf by:

Dr. Evanson Gitahi
Director

Orlando Lyomu
Director

Independent auditor's report to the shareholders of The Standard Group Plc

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Standard Group Plc (the Company) and its subsidiaries (together, the Group) set out on pages 64 to 118, which comprise the consolidated statement of financial position at 31 December 2022 and the consolidated statement of profit or loss, and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, together with the Company statement of financial position at 31 December 2022, and the Company statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and the notes to the financial statements, which include significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2022 and of their financial performance and their 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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (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.

Material uncertainty relating to going concern

We draw attention to Note 2(e) in the financial statements, which indicates that the Group and Company incurred a loss after tax of Shs 865 million (2021: Shs 73 million) and Shs 775 million (2021: 58 million) respectively during the year ended 31 December 2022 and, as of that date, the Group's and Company's current liabilities exceeded the current assets by Shs 2.6 billion (2021: Shs 1.8 billion) and Shs 2.7 billion (2021: Shs 1.9 billion) respectively. As at year end the Group had total equity of Shs 181 million (2021: Shs 1 billion) whilst the Company had a shareholders' deficit of Shs 122 million (2021: shareholders' equity of Shs of 653 million).

These events or conditions, along with other matters as set forth in Note 2(e), indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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

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

In addition to the matters described in the material uncertainty related to going concern section, we have determined the matters below to be the key audit matters to be communicated in the report.

Credit risk and estimation of expected credit losses on trade receivables	How our audit addressed the key audit matter
The Group is exposed to credit risk arising, mainly, from credit sales of goods and services to customers. The recognition of credit loss allowances on financial assets, as required by IFRS 9, involves the use of significant judgements and estimates by management. Management apply significant judgements and estimates in the following areas as described in note 6 of the financial statements: (i) The determination and application of IFRS 9 risk parameters i.e. probability of default (PD), and loss given default (LGD) on trade receivables; and (ii) The definition of default and determination of probability of default. (iii) Determination of expected timing for settlement of government trading debt. The disclosures on the application of IFRS 9 in the determination of expected credit losses are in note 3(l) and 5(b) of the financial statements.	We evaluated the Group's accounting policies for compliance with the principles of IFRS 9. We assessed and tested the key modelling assumptions for reasonableness, including the expected timing of the settlement of receivables from the government. We validated the key inputs into the expected credit loss model against source documents/ reports and checked for mathematical accuracy of the model. We evaluated the adequacy of disclosures in the financial statements in accordance with the requirements of the International Financial Reporting Standards.

Adequacy and completeness of the libel provision	How our audit addressed the key audit matter
The Group is subject to civil claims arising from content in the electronic and print media, broadcasts and publications. There is uncertainty as to how claims will be resolved and therefore significant judgement is required in assessing the likely outcome and the potential liability for such matters. The Directors apply significant judgement when considering whether, and how much, to provide for the potential exposure of each litigation. The disclosures on the determination of expected provisions and contingent liabilities are in note 34 of the financial statements.	We obtained and reviewed documents relating to significant legal cases filed against the Group to develop an independent assessment of the potential exposure and compared this against provisions made; We held discussions with the Group's in-house legal counsel to understand the nature of ongoing claims, and to assess the latest status. We obtained the relevant historical information and recent judgments made by the courts of law alongside confirmations from external lawyers to challenge the basis used for the provisions recorded as well as the completeness of the cases provided for by management;and We evaluated the adequacy of disclosures in the financial statements in accordance with the requirements of the International Financial Reporting Standards.

Other information

The other information comprises Corporate information, the Directors report, the Directors remuneration report and the Statements of directors' responsibilities, which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which is 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 scepticism 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to

continueas 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.

- 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 related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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 report of directors' report on pages 52 to 55 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the directors' remuneration report on pages 56 to 58 has been properly prepared in accordance with the Companies Act, 2015.

FCPA Richard Njoroge, Practicing Certificate Number 1244

Engagement partner responsible for the audit

Richard Njoroge

For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

28 April 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 KShs'000	2021 KShs'000
Revenue	8	2,726,063	3,126,615
Direct costs	9	(749,386)	(805,856)
Other Income	10	39,952	81,539
Selling and distribution costs	11	(257,202)	(325,124)
Administrative expenses	12(a)	(2,320,891)	(2,128,503)
Provision for expected credit losses	12(b)	(246,323)	192,195
Finance costs	13	(215,676)	(162,825)
Loss before taxation	14	(1,023,463)	(21,959)
Income tax expense/ (credit)	15	158,259	(51,197)
Total loss after tax for the year		(865,204)	(73,156)
Other comprehensive income		-	-
Total comprehensive loss for the year		(865,204)	(73,156)
Attributable to:			
Non-controlling interests	26	(44,184)	(7,356)
Owners of the parent		(821,020)	(65,800)
		(865,204)	(73,156)
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company	16	(10.05)	(0.81)

COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 KShs'000	2021 KShs'000
Revenue	8	2,033,529	2,207,113
Direct costs	9	(574,767)	(470,857)
Other Income	10	24,325	72,033
Selling and distribution costs	11	(199,196)	(247,194)
Administrative expenses	12(a)	(1,809,605)	(1,592,418)
Provision for expected credit losses	12(b)	(228,364)	129,668
Finance costs	13	(184,399)	(121,041)
Loss before taxation	14	(938,477)	(22,696)
Income tax expense/(credit)	15	163,445	(35,447)
Loss after tax for the year		(775,032)	(58,143)
Other comprehensive income		-	-
Comprehensive loss for the year		(775,032)	(58,143)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022	2021
ASSETS			
Non-current assets	**Notes**	**KShs'000**	**KShs'000**
Property, plant and equipment	17(a)	1,394,546	1,542,554
Leasehold land	18	303,987	308,128
Right of use assets	19(a)	23,346	52,014
Intangible assets	20(a)	538,712	521,626
Investment in joint operation	21(b)	42,250	42,250
Deferred income tax	28(a)	538,902	380,642
		2,841,743	2,847,214
Current assets			
Inventories	22(a)	99,913	158,406
Trade and other receivables	23(a)	1,455,098	1,322,297
Current income tax	15(c)	23,973	18,075
Cash and bank balances	32(i)(b)	45,422	8,320
		1,624,406	1,507,098
TOTAL ASSETS		**4,466,149**	**4,354,312**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	24(a)	408,654	408,654
Share premium	24(b)	39,380	39,380
Capital redemption reserve	25(a)	102	102
Retained earnings	25(b)	(412,189)	408,831
Attributable to owners of the company		35,947	856,967
Non-controlling interests	26	145,271	189,455
Total equity		**181,218**	**1,046,422**
Non-current liabilities			
Lease Liabilities	19(b)	6,537	31,144
		6,537	31,144
Current liabilities			
Borrowings	29(a)	849,919	1,204,705
Trade and other payables	30(a)	2,969,272	1,688,073
Lease liabilities	19(b)	16,937	37,504
Due to related parties	27(a)	442,266	346,463
		4,278,394	3,276,746
TOTAL EQUITY AND LIABILITIES		**4,466,149**	**4,354,312**

The financial statements on pages 64 to 118 were approved and authorised for issue by the Board of Directors on 28 April 2023.

Dr. Evanson Gitahi
Director

Orlando Lyomu
Director

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		2022	2021
ASSETS			
Non-current assets	**Notes**	**KShs'000**	**KShs'000**
Property, plant and equipment	17(b)	1,257,096	1,395,376
Leasehold land	18	303,987	308,128
Right of use assets	19(b)	23,346	52,014
Intangible assets	20(b)	445,478	429,807
Deferred income tax	28(b)	441,789	278,344
Investment in subsidiaries	21(a)	70,367	70,367
Investment in joint operation	21(b)	42,250	42,250
		2,584,313	2,576,286
Current assets			
Inventories	22(b)	98,498	154,467
Trade and other receivables	23(b)	1,174,033	1,064,693
Current income tax	15(c)	16,500	12,318
Cash and bank balances	32(ii)(b)	45,222	8,120
		1,334,253	1,239,598
TOTAL ASSETS		**3,918,566**	**3,815,884**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	24(a)	408,654	408,654
Share premium	24(b)	39,380	39,380
Capital redemption reserve	25(a)	102	102
Retained earnings	25(b)	(570,490)	204,542
Shareholders' (deficit)/equity		(122,354)	652,678
Non-current liabilities			
Lease liabilities	19(b)	6,537	31,144
		6,537	31,144
Current liabilities			
Borrowings	29(b)	822,500	1,173,938
Trade and other payables	30(b)	2,399,426	1,304,513
Lease liabilities	19(b)	16,937	37,504
Due to related parties	27(b)	795,520	616,106
		4,034,383	3,132,062
TOTAL EQUITY AND LIABILITIES		**3,918,566**	**3,815,884**

The financial statements on pages 64 to 118 were approved and authorised for issue by the Board of Directors on 28 April 2023.

Dr. Evanson Gitahi
Director

Orlando Lyomu
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital KShs'000	Share premium KShs'000	Capital redemption reserve KShs'000	Retained earnings KShs'000	Attributable to equity holders of parent KShs'000	Non-controlling interest KShs'000	Total Shareholders' equity KShs'000
Year ended 31 December 2021							
At start of year	408,654	39,380	102	474,631	922,767	196,811	1,119,578
Total comprehensive loss							
Loss for the year	-	-	-	(65,800)	(65,800)	(7,356)	(73,156)
At end of year	409,654	39,380	102	408,831	856,967	189,455	1,046,422
Year ended 31 December 2022							
At start of year	408,654	39,380	102	408,831	856,967	189,455	1,046,422
Total comprehensive loss							
Loss for the year	-	-	-	(821,020)	(821,020)	(44,184)	(865,204)
At end of year	408,654	39,380	102	(412,189)	35,947	145,271	**181,218**

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital KShs'000	Share premium KShs'000	Capital redemption reserve KShs'000	Retained earnings KShs'000	Total KShs'000
Year ended 31 December 2021					
At start of year	408,654	39,380	102	262,685	710,821
Total comprehensive loss					
Loss for the year	-	-	-	(58,143)	(58,143)
At end of year	408,654	39,380	102	204,542	652,678
Year ended 31 December 2022					
At start of year	408,654	39,380	102	204,542	652,678
Total comprehensive loss					
Loss for the year	-	-	-	(775,032)	(775,032)
At end of year	408,654	39,380	102	(570,490)	(122,354)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
Cash flows from operating activities	**Notes**	**KShs'000**	**KShs'000**
Cash generated from operations	32(i) (a)	734,434	358,244
Interest expense on other loans		(207,326)	(151,694)
Interest expense on lease	19(b)	(8,350)	(11,131)
Income tax paid	15(c)	(5,898)	-
Net cash flows from operating activities		512,860	195,419
Cash flows from investing activities			
Purchase of intangible assets	20(a)	(35,264)	-
Purchase of property, plant and equipment	17(a)	(41,067)	(188,318)
Proceeds from disposal of property, plant and equipment		533	3,424
Net cash flows from investing activities		(75,798)	(184,894)
Cash flows from financing activities			
Principal elements of lease payments	19(c)	(45,174)	(40,294)
Proceeds from borrowings	29(a)	1,986,524	4,266,285
Loan repayment	29(a)	(2,402,719)	(4,266,778)
Net cash flows from financing activities		(461,369)	(40,787)
Net decrease in cash and cash equivalents		(24,307)	(30,262)
Cash and cash equivalents at start of the year		(189,827)	(159,565)
Cash and cash equivalents at end of year	32(i)(b)	(214,134)	(189,827)

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
Cash flows from operating activities	**Notes**	**KShs'000**	**KShs'000**
Cash generated from operations	32(ii) (a)	672,197	312,114
Interest expense on other loans	13	(176,049)	(109,910)
Interest expense on lease liability	19(b)	(8,350)	(11,131)
Income tax paid	15(c)	(4,182)	-
Net cash flows from operating activities		483,616	191,073
Cash flows from investing activities			
Purchase of intangible assets	20(b)	(27,270)	-
Purchase of property, plant and equipment	17(b)	(23,166)	(179,861)
Proceeds from disposal of property, plant and equipment		534	3,429
Net cash flows from investing activities		(49,902)	(176,432)
Cash flows from financing activities			
Principal elements of lease payments	19(c)	(45,174)	(40,294)
Proceeds from borrowings	29(b)	1,986,524	4,266,285
Loan repayment	29(a)	(2,402,719)	(4,266,778)
Net cash flows from financing activities		(461,369)	(40,787)
Net decrease in cash and cash equivalents		(27,655)	(26,146)
Cash and cash equivalents at start of year		(159,260)	(133,114)
Cash and cash equivalents at end year	32(ii) (b)	(186,915)	(159,260)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1. REPORTING ENTITY

The Standard Group PLC ("the Company") is a limited liability Company incorporated in Kenya under the Kenya Companies Act, 2015 and is domiciled in Kenya. The financial statements comprises the consolidated and separate financials statements. The consolidated financial statements of the Company as at and for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group"). The subsidiaries are presented on Note 21. The Group is primarily involved in the gathering and disseminating of information through print, television, radio and digital media. The Group products include; The Standard and The Nairobian; Radio Maisha, Spice FM, Vybez radio and Berur FM; KTN Home, KTN News, Btv and KTN Farmers TV; and Standard Courier, Digital offering include the E-paper, Standardmedia.co.ke website, Digger classified and Value added Services.

The address of its registered office and principal place of business is as follows:

The Standard Group Centre

Mombasa Road

PO Box 30080 – 00100

Nairobi.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). Changes in significant accounting policies are detailed in Note 4. Details of the Group and Company significant accounting policies are included in Note 3.

For the Companies Act, 2015 reporting purposes in these financial statements, the balance sheet is represented by the statement of financial position and profit and loss account is represented by the statement of profit or loss and other comprehensive income.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except where stated otherwise.

(c) Functional and presentation currency

These Financial Statements are presented in Kenya shillings (KShs), which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand ("KShs'000") except where otherwise indicated.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 6.

(e) Going concern

The Group and Company incurred a loss after tax of Shs 865 million (2021: Shs 73 million) and Shs 775 million (2021: 58 million) respectively during the year ended 31 December 2022 and, as of that date, the Group's and Company's current liabilities exceeded the current assets by Shs 2.6 billion (2021: Shs 1.8 billion) and Shs 2.7 billion (2021: Shs 1.9 billion) respectively. As at year end the Group had total equity of Shs 181 million (2021: Shs 1 billion) whilst the Company had a negative equity of Shs 122 million (2021: positive equity Shs 653 million).

The Group continues to rely on external financiers to meet short – term obligations. The Group did not attain some of the debt covenants requirement due to the tough economic environment experienced in the year. Due to financial constraints the Company has been unable to settle some amounts due to key suppliers, statutory and employee related costs. The current liquidity constraints in the economy have caused The Group to struggle to collect from its current debtors thus impacting the liquidity of the Company.

The directors remain confident that the Group and Company will remain a going concern over the next 12 months. In making this assessment, the directors have considered in detail all pertinent facts as outlined below:

(a) A thorough review of the budgetary and forecasting process to ensure that appropriate assumptions have been considered in developing the Group's forecast. The key areas of focus will include:

  i. Review of the revenue strategy to ensure that the investments in the broadcast and digital platforms continue to grow in revenue generation. This will drive the revenue up by about 20% - 50% in 2023 with a projected growth there on.
  ii. Cost containment measures to ensure that the operations are run efficiently which include full utilization of all editorial staff; travel expenses, rental expenses and aggressive collection measures to reduce the utilization of the financing facilities thus lower finance cost.
  iii. Continuous engagement with creditors to agree on payment plans based on paying ability of the company and in line with projected cash flows.
  iv. The Group expects to start generating positive operating cashflows in 2023 thus able to meets is current and future obligations including payment of its statutory deductions.

(b) The Group's board and management have implemented initiatives that are geared towards improving the cash collection cycle that include but are not limited to:

  i. Reduce the number of days to collect from the open market by encouraging select clients to forward pay for services rendered.
  ii. Ensure continuous engagement with government officers to enhance debt collections.
  iii. Engage various debt collection agencies to fast-track debt collection.
  iv. Continuous engagement with creditors to ensure continued service delivery and increased number of credit days.

(c) The Group has been heavily reliant on borrowing to fund expansion and capital investments. To ensure that investments have been maintained even as performance is expected to improve the shareholders have extended a loan in the first quarter of 2023. Further the NCBA facility was restructured after the year end. Subsequent to the year end the Group still has enough unutilized borrowing facilities and is thus able to meet its working capital requirements. The Shareholders have committed continued support if need be.

(d) The largest impact on revenue has been caused by changes in government policies and regulations. The Group is thus focusing on investing and diversifying in Broadcast (TV and Radio) and digital as these platforms are impacted much less than the print platform of The Group.

(e) Subsequent to the year end, the Q1 results of the Group have seen growth in the topline and improved performance compared to prior year.

The Directors have reviewed the projections as based on the above strategies and the medium-term plan. Based on the implementation of the various turnaround initiatives outlined above, the directors consider it appropriate to prepare the financial statements on the going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

(a) Basis of consolidation

Subsidiaries

Subsidiaries are investees controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The holding Company accounts for dividends from subsidiary companies only when the right to receive the dividends is established.

Non-controlling interests:

The Group recognises non-controlling interests at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. recognises non-controlling interests at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

Joint operations

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses.

Separate financial statements

In the separate financial statements, investments in subsidiaries are accounted for at cost less impairment and investment in associates is accounted for using the equity method. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Group
- Fair value of any asset or liability resulting from a contingent consideration agreement; and
- Fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

i. consideration transferred,
ii. amount of any non-controlling interest in the acquired entity, and
iii. acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

b) Revenue and other income recognition

Revenue comprises of income from print and broadcasting segments. The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines: circulation and advertising. Revenue from print arises from the sale of newspapers and magazines. The Group uses vendors and agents in the sale of newspapers and magazines. The Group has been assessed as the principal in this arrangement, and therefore recognises revenue on the gross amount.E-paper revenue is recognized on delivery of electronic version of the newspaper to the customer. Advertising income is earned from both print and broadcasting. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer.

Revenue from the sale of newspapers and magazines is recognised upon the delivery of goods to customers or when title has passed to customers. Advertising revenue is recognised when advertisements are published in the newspaper or aired on television or radio. Revenue is measured at the fair value of the consideration received or receivable, net of VAT and discounts. There are no significant estimates made in revenue recognition.

Interest income is recognised as it accrues in profit or loss using the effective interest method, unless its collectability is in doubt.

Other income is recognised once control of the goods or service is passed to the customers and largely includes sale of newspaper returns, production waste,broadcast content and courier services.

c) Income tax

Income tax expense in profit or loss for the year comprises current income tax and the change in deferred tax.

Current income tax is provided on the basis of the results for the year, as shown in the financial statements, adjusted in accordance with tax legislation.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised for unused tax losses and deductible temporary differences to the extent that is probable that future profits will be available against which the tax asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is calculated on the basis of the tax rates enacted or substantively enacted at the reporting date and expected to apply when the asset is recovered or the liability is settled.

d) Provisions

A provision is recognised in the financial statements when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

e) Segmental reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. The Group's chief decision maker is the chief executive officer. The Group organizes its activity by business lines and these are defined as the Group's reportable segments. The business segments are Print and Broadcast.

Notes to the financial statements for the year ended 31 December2022 (continued)
3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) Property, plant and equipment

(i) Recognition and measurement

Initial recognition of items of property, plant and equipment is at cost and are consequently measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, capitalised borrowing costs.

Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(ii) Subsequent costs

The cost of replacing a component of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation on property, plant and equipment is calculated to write off the cost in equal annual instalments over their expected useful lives. The annual rates used are:

Buildings	2%
Plant and machinery	12.5%
Motor vehicles	25%
Furniture, fittings and equipment	10%-33⅓%

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

(iv) ***Disposal of property, plant and equipment***

Gains and losses on disposal of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

g) Intangible assets

(i) ***Software***

Computer software and other intangible assets are measured at cost less accumulated amortisation and impairment losses. The costs are amortised over the expected useful lives of the software on the straight line basis. The annual rates used for amortisation are:

Computer software	20%

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

(ii) ***Trademark and broadcasting frequencies***

Trademarks and frequency are initially recognised at cost. At each reporting date, the Group reviews the carrying amount of the trademarks and broadcasting frequency to determine whether there is any indication that these assets have suffered an impairment loss. Such indicators include decline in market value or negative changes in technology, markets, economy or laws. The trademarks and broadcasting frequency have indefinite useful lives and are tested for impairment at each reporting date.

h) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

i) Leases

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group and Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group and Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group and Company will exercise a purchase option.

In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group and Company's incremental borrowing rate. Generally, the Group and Company uses its incremental borrowing rate as the discount rate.

The Group and Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and Company is reasonably certain to exercise, lease payments in an optional renewal period if the Group and Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group and Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group and Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group and Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and Company classifies leases that transfer substantially all of the risks and rewards of ownership as finance leases. When this is the case, the leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments are the payments over the lease term that the lessee is required to make, excluding any contingent rent. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and the overheads incurred in bringing the inventories to their present location and condition. Costs of direct materials and general consumable stores are determined on the weighted average cost basis. Net realisable value represents the estimated selling price less the estimated cost to completion and costs to be incurred in marketing, selling and distribution. Film stock is expensed when aired.

(k) Foreign currency translations

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Gains and losses on exchange are dealt with in the profit or loss.

(l) Financial instruments

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or liability.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Classification and subsequent measurement

Financial assets

The Group and Company classify their financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The classification of financial assets and their subsequent accounting will be determined by the application of dual tests examining the contractual cash flow characteristics of the financial instruments and the Group's business model for managing the assets.

Financial assets may be held at amortised cost only where both:

(a) the asset is held in a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that consist solely of principal and interest on the outstanding principal.

Financial assets – Business model assessment

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. In determining the business model, the information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Offsetting financial instruments

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

(iv) Impairment of financial assets

The Group recognises a loss allowance for expected on investments in debt instruments that are measured at amortised cost or at FVOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The "incurred loss" model was replaced by the "expected credit loss" model in IFRS 9. This applies to all financial assets not held at fair value through profit and loss (FVTPL) – certain investments, trade receivables and other receivables.

For financial assets carried at amortised cost (including receivables such as trade debtors), impairment losses should be recognised under the "expected loss model", building up a debtors' provision / allowance account against credit losses over the life of the financial asset (including an estimate of initial credit risk).

Under the impairment approach in IFRS 9 it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group will account for expected credit losses, and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

The Group considers the probability of default upon initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

(v) De-recognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(vi) Write-off

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expenses.

(m) Employee benefits

(i) Defined contribution plan

The Group operates a defined contribution retirement benefit scheme for its permanent and pensionable employees. The assets of the scheme are held in separate trustee administered fund, which is funded by contributions from both the Group companies and employees. The Group and all its employees also contribute to the National Social Security Fund, which is a defined contribution scheme. The Group's contributions to the defined contribution schemes are recognised in the profit or loss in the period which related services are rendered by employees. The Group has no further obligation once the contributions have been paid.

(ii) ***Staff gratuity***

The Group also has a gratuity plan for senior management staff. The Group's net obligation in respect of the gratuity plan is calculated at a agreed rate of the salary of the employees under the plan.The provision for liability recognised in the financial statements is the estimated entitlement as a result of services rendered by employees up to the financial reporting date. The Group recognises all expenses related to the gratuity plan in employee costs in profit or loss.

(iii) Short term employee benefits

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(n) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include short term liquid investments which are readily convertible to known amounts of cash and which were within three months to maturity when acquired less advances from banks repayable within three months from date of disbursement or confirmation of the advance.

(o) Related party transactions

The Group discloses the nature, volume and amounts outstanding at the end of each financial year from transactions with related parties, which include transactions with the directors, executive officers and Group or related companies.

(p) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(q) Share capital

Ordinary shares are classified as 'share capital' in equity. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a reduction from equity.

(r) Finance income and finance costs

Interest expense on borrowings is recognized in profit or loss using the effective interest rate unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalized to that asset.

Foreign exchange gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

(s) Leasehold land

The leasehold land relates to the land where the Standard Group Centre is located. Payments to acquire leasehold interest in land are amortised over the period of the lease.

4. CHANGES IN ACCOUNTING POLICY

New standards, amendments and interpretations

(i) New standards, amendments and interpretations effective and adopted during the year

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2022

New standard or amendments	Effective for annual periods beginning on or after
Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16	I January 2022
Reference to the Conceptual Framework – Amendments to IFRS 3	I January 2022
Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37	I January 2022
Annual Improvements to IFRS Standards 2018–2020	I January 2022

These amendments have not had significant impact on the financial statements.

(ii) New and amended standards and interpretations in issue but not yet adopted

New standard or amendments	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts	1 January 2023
Classification of Liabilities as Current or Non-current –Amendments to IAS 1	I January 2023
Disclosure of Accounting Policies Amendments to IAS 1 and IFRS Practice Statement 2	I January 2023
Definition of Accounting Estimates Amendments to IAS 8	I January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	I January 2023

All standards and interpretations will be adopted at their effective date (except for those standards and interpretations that are not relevant to the entity). None of these standards are expected to have a material impact on the financial statements.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk, foreign currency exchange rates, interest rates and capital risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by the Finance department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investing excess liquidity.

(a) Market risk

i. Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, Euro, and GBP. Foreign exchange risk arises from the purchase of materials and inputs in foreign currency. These include programs, newsprint and items of property plant and equipment. Foreign denominated revenue is insignificant.

The Group mitigates this risk through cashflow planning where payments of purchased denominated in foreign currency are scheduled at strategic points in the year, and also made in bulk so as to increase the bargaining power of the Group when negotiating for foreign exchange rates.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

Group and Company 2022:	USD KShs'000	EURO KShs'000	GBP KShs'000	Total KShs'000
Financial assets				
Cash at bank	3,700	584	281	4,565
Foreign debtors	25,718	4,783	-	30,502
Financial liabilities				
Trade payables	(209,912)	(42,489)	(9,860)	(262,261)
Net foreign				
currency liability	(180,493)	(37,122)	(9,579)	(227,194)
2021:	**USD KShs'000**	**EURO KShs'000**	**GBP KShs'000**	**Total KShs'000**
Financial assets				
Cash at bank	56	143	-	199
Foreign debtors	15,656	-	-	15,656
Financial liabilities				
Trade payables	(121,118)	(33,732)	(4,251))	(159,101)
Net foreign				
currency liability	(105,406)	(33,589)	(4,251))	(143,246)

At 31 December 2022, if the Shilling had weakened/strengthened by 1% against the foreign currencies with all other variables held constant, the impact on profit before taxation for the year would have been KShs 2,271,943 (2021: KShs 1,432,457).

The following significant exchange rates have been applied during the year:

	Average		Closing	
	2022	**2021**	**2022**	**2021**
USD	117.5	109.7	123.4	113.1
EURO	124.1	130.1	131.3	128.0
GBP	145.9	150.8	148.5	152.1

ii. ***Price risk***

The Group does not hold financial instruments that would be subject to price risk.

iii. Cash flow and fair value interest rate risk

The Group has borrowings in the form of overdraft facilities and 5 year term loans with two banks namely NCBA Bank Kenya PLC and Stanbic Bank Kenya Limited with a combined overdraft limit of KShs 185 million (2021: KShs 185 million) at rates determined by prevailing market conditions.

As at 31 December 2022, an increase/decrease of 1% on average borrowing rates would have resulted in an increase/decrease in profit before taxation for Group by Kshs 8,499,000 (2021: Kshs 12,047,000).

(b) Credit risk

Credit risk is managed on a Group-wide basis. Credit risk arises from trade receivables, cash at bank and other receivables. The credit committee assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

Expected credit loss (ECL) assessment as at 1 January and 31 December 2022

The Group uses a provision matrix to measure the ECLs of trade receivables from customers. The loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. The provision matrix is based on an entity's historical default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. Roll rates are calculated separately for exposures in different segments. The Group uses historical patterns to determine the future payment patterns for government advertising debt. The expected future payments are then discounted to take into account the time value of money.

The following table provides information about the maximum exposure to credit risk and ECLs for trade receivables as at 31 December 2022 and 2021.The amounts on the table represent the maximum exposure to credit risk.

(i) Trade receivables

Group
Year ended 31 December 2022

Aging bucket	Loss rate	Gross amount KShs' 000	Loss allowance KShs' 000	Credit impaired
0–30 days past due	9%	828,110	77,839	No
31–60 days past due	12%	61,427	7,584	No
61–90 days past due	31%	27,558	8,628	No
More than 90 days past due	66%	1,645,177	1,082,261	Yes
		2,562,273	1,176,312	

Year ended 31 December 2021

Aging bucket	Loss rate	Gross amount KShs' 000	Loss allowance KShs' 000	Credit impaired
0–30 days past due	10%	894,757	89,385	No
31–60 days past due	16%	45,772	7,415	No
61–90 days past due	29%	23,942	7,045	No
More than 90 days past due	68%	1,255,905	852,514	Yes
		2,220,376	956,359	

Company
Year ended 31 December 2022

Aging bucket	Loss rate	Gross amount KShs' 000	Loss allowance KShs' 000	Credit impaired
0–30 days past due	9%	618,090	63,750	No
31–60 days past due	12%	50,095	6,018	No
61–90 days past due	31%	21,296	7,757	No
More than 90 days past due	64%	1,374,032	869,451	Yes
		2,063,513	946,975	

Year ended 31 December 2021

Aging bucket	Loss rate	Gross amount KShs' 000	Loss allowance KShs' 000	Credit impaired
0–30 days past due	10%	668,487	66,578	No
31–60 days past due	14%	38,703	5,423	No
61–90 days past due	35%	16,816	5,810	No
More than 90 days past due	65%	1,033,671	667,170	Yes
		1,757,677	744,981	

Loss rates are based on actual credit loss experience over the past 3 years, current conditions plus the Group's view of economic conditions such as commercial bank lending interest rates as guided by IFRS 9.

(ii) Cash and cash equivalents

The Group and Company held cash and cash equivalents of KShs 45,422,000 and KShs 45,222,000 respectively (2021: Group and Company – KShs 8,320,000 and 8,120,000 respectively). These amounts represent the maximum exposure to credit risk for cash and cash equivalent balances. The cash and cash equivalents are held with banks and financial institution counterparties.

Impairment on cash and cash equivalents has been measured on a 12-month expected credit loss basis and reflects the short maturities of the exposures and the resulting amounts are not material.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2022 KShs'000	2021 KShs'000
At start of year	956,359	1,161,426
Charge /(Credit)for the year	246,324	(192,195)
Bad debt write offs and credit notes	(26,370)	(12,872)
At end of year	1,176,312	956,359
Company:		
At start of year	744,981	887,522
Charge /(Credit)for the year	228,364	(129,668)
Bad debt write offs and credit notes	(26,370)	(12,873)
At end of year	946,975	744,981

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

The debt that is overdue is not impaired and continues to be paid. The credit control department is actively following this debt. Further, for circulation, the debt is partially covered by cumulative cash deposits by vendors and agents.

The debt that is impaired has been provided for based on the expected credit loss assessment model. However, debt collectors as well as the legal department are following up on the impaired debt.

Other financial instruments for which the Group and Company is exposed to credit risk are as follows:

Group	2022 KShs'000	2021 KShs'000
Bank and cash balances (Note 32(i)(b))	45,422	8,320
Other receivables (Note 23(a))	51,382	34,756
	96,804	43,076
Company:		
Bank and cash balances (Note 32(ii)(b))	45,222	8,120
Other receivables (Note 23(b))	39,970	28,328
	85,192	36,448

There was no significant credit risk exposure on bank and cash balances and other receivables which comprises staff advances and prepaid rent.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash to meet Group obligations. The treasury function reviews the cash forecast monthly and determines the cash requirement. Cash generated from operations is healthy but if a heavy cash requirement is necessary, there exists overdraft facilities with NCBA Bank Kenya PLC and Stanbic Bank Kenya Limited with a combined limit of KShs 185 million (2021: KShs 185 million).

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the end of the reporting period 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.

Group At 31 December 2022	Within 1 year KShs'000	Over 1 year KShs'000	Total KShs'000
Related party loans	464,916	-	464,916
Bank borrowings	904,043	-	904,043
Lease liabilities	19,224	7,419	26,643
Trade and other payables	2,969,272	-	2,969,272
	4,337,455	7,419	4,364,875

Group At 31 December 2022	Within 1 year KShs'000	Over 1 year KShs'000	Total KShs'000
Related party balances	346,463	-	346,463
Bank borrowings	1,290,402	-	1,290,402
Lease liabilities	37,504	33,880	71,384
Trade and other payables	1,688,073	-	1,688,073
	3,362,443	33,880	3,396,323

Company At 31 December 2022	Within 1 year KShs'000	Over 1 year KShs'000	Total KShs'000
Related party loans	818,170	-	818,170
Bank borrowings	876,625	-	876,625
Lease liabilities	19,224	6,537	26,643
Trade and other payables	2,399,426	-	2,399,426
	4,113,444	6,537	4,120,864
At 31 December 2021			
Related party loans	616,106	-	616,106
Bank borrowings	1,231,855	-	1,231,855
Lease liabilities	37,504	33,880	71,384
Trade and other payables	1,304,513	-	1,304,513
	3,189,979	33,880	3,223,859

Notes to the financial statements for the year ended 31 December2022 (continued)
5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Fair values

(i) Valuation hierarchy

The valuation hierarchy, and types of instruments classified into each level within that hierarchy, is set out below:

	Level 1	Level 2	Level 3
Fair value determined using:	Unadjusted quoted prices in an active market for identical assets and liabilities	Valuation models with directly or indirectly market observable inputs	Valuation models using significant non-market observable inputs

(ii) Fair values for financial assets and financial liabilities

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities.

Group 2022	Financial liabilities at amortised cost KShs'000	Financial assets at amortised cost KShs'000	Total carrying value KShs'000	Fair value KShs'000
Financial assets				
Trade and other receivables	-	1,455,098	1,455,098	1,455,098
Cash and bank balances	-	45,422	45,422	45,422
	-	1,500,520	1,500,520	1,500,520
Financial liabilities				
Borrowings	849,919	-	849,919	849,919
Trade and other payables	2,969,272	-	2,969,272	2,969,272
Lease liabilities	23,474	-	23,474	23,474
Amount due to related parties	442,266	-	442,266	442,266
	4,284,931	-	4,284,931	4,284,931
2021				
Financial assets				
Trade and other receivables	-	1,322,297	1,322,297	1,322,297
Cash and bank balances	-	8,320	8,320	8,320
	-	1,330,617	1,330,617	1,330,617
Financial liabilities				
Borrowings	1,204,705	-	1,204,705	1,204,705
Trade and other payables	1,688,073	-	1,688,073	1,688,073
Lease liabilities	68,648	-	68,648	68,648
Amount due to related parties	346,464	-	346,464	346,464
	3,307,890	-	3,307,890	3,307,890

Company 2022	Financial liabilities at amortised cost KShs'000	Financial assets at amortised cost KShs'000	Total carrying value KShs'000	Fair value KShs'000
Financial assets				
Trade and other receivables	-	1,174,033	1,171,033	1,171,033
Cash and bank balances	-	45,222	45,222	45,222
	-	1,219,255	1,219,256	1,219,256
Financial liabilities				
Borrowings	822,500	-	822,500	822,500
Trade and other payables	2,399,426	-	2,399,426	2,399,426
Lease liabilities	23,474	-	23,474	23,474
Amount due to related parties	795,520	-	795,520	795,520
	4,040,920	-	4,040,920	4,040,920
2021				
Financial assets				
Trade and other receivables	-	1,064,693	1,064,693	1,064,693
Cash and bank balances	-	8,120	8,120	8,120
	-	1,072,813	1,072,813	1,072,813
Financial liabilities				
Borrowings	1,173,938	-	1,173,938	1,173,938
Lease liabilities	68,648	-	68,648	68,648
Amount due to related parties	616,107	-	616,107	616,107
Trade and other payables	1,304,513	-	1,304,513	1,304,513
	3,163,206	-	3,163,206	3,163,206

(e) Capital risk management

The Group's objectives when managing capital are to safeguard the Group'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 may adjust the amount of dividends paid to shareholders or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents.

The constitution of capital managed by The Standard Group PLC is as shown below:

	GROUP		COMPANY	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
Equity	181,218	1,046,422	(122,354)	652,678
Total borrowings	849,919	1,204,705	822,500	1,173,938
Less: cash balances	(45,422)	(8,320)	(45,222)	(8,120)
Net debt	804,497	1,196,385	777,278	1,165,818
Gearing	444%	114%	(635)%	179%

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies, management has made estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These are dealt with below:

Useful lives of property, plant and equipment and residual values

The company tests annually whether the useful lives and residual values are appropriate and in accordance with its accounting policy. Judgement is required in determining the useful lives of property, plant and equipment. Useful lives and residual values of property, plant and equipment have been determined based on previous experience and anticipated disposal values when the assets are disposed. 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.

Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. Judgement is required in making this determination. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Critical estimates are made by management in assessment of impairment for non-financial assets. Significant estimates relate to the determination of the projected cash flows and the discount rate.

As disclosed in Note 34 of these financial statements, the Group is exposed to various contingent liabilities in the normal course of business including a number of legal cases. 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 evaluate the status of these exposures on a regular basis to assess the probability of the Group incurring related liabilities. Provisions are made in the financial statements where, based on the Directors' evaluation, a present obligation has been established and it is probable that a liability will crystalise.

Income tax

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises 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.

Trade receivables

The Group uses a provision matrix to measure the ECLs of trade receivables from customers. The loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments. A number of significant judgements and estimations are also required in applying the accounting requirements for measuring ECL, such as:

- The application of IFRS 9 risk parameters i.e. probably of default (PD), loss given at default (LGD) and exposure at default (EAD) to trade receivables; and
- The definition of default, determination of probability of default matrix and identification of exposures with significant deterioration in credit quality.

The Group uses historical patterns to determine the future payment patterns for government advertising debt. The expected future payments are then discounted to take into account the time value of money.

Lease term and discount rates determination on adoption of IFRS 16

Critical estimates are made by management in determining lease terms in lease contracts. Specifically, in determining which leases will be extended and renewed on expiry of the non-cancellable lease term. Estimates are also made on the discount rate.

7. OPERATING SEGMENTS

(a) Products and services from which reportable segments derive their revenues

Information reported to the operating segment decision makers for the purposes of resource allocation and assessment of segment performance is focused on the means of delivery of the good or service to the customer. The goods and services are delivered through publishing and broadcasting. The Group's reportable segments under IFRS 8 are print and broadcasting.

(b) Segment revenues and results

The Standard Group Plc is domiciled in Kenya and its revenue is generated in the coutry. The Group derives revenue from the transfer of goods and services at a point in time. 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.The Group's assets are also held in Kenya. The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	2022			2021		
	Print KShs'000	Broadcasting KShs'000	Total KShs'000	Print KShs'000	Broadcasting KShs'000	Total KShs'000
Revenue	1,641,473	1,084,590	2,726,063	1,792,911	1,333,704	3,126,615
Direct Costs	(492,774)	(256,612)	(749,386)	(447,786)	(358,070)	(805,856)
Other gains and losses	20,956	18,996	39,952	67,334	14,205	81,539
Selling and distribution	(164,500)	(92,702)	(257,202)	(205,496)	(119,628)	(325,124)
Administrative expenses	(1,655,422)	(755,810)	(2,411,232)	(1,060,091)	(698,386)	(1,758,477)
Depreciation and amortisation expense	(102,387)	(53,595)	(155,982)	(114,813)	(63,018)	(177,831)
Finance costs	(181,776)	(33,900)	(215,676)	(110,532)	(52,293)	(162,825)
Segment (loss)/profit before tax	(934,430)	(89,033)	(1,023,463)	(78,473)	56,514	(21,959)
Income tax credit/(expense)	162,231	3,972	158,259	(18,714)	(32,483)	(51,197)
(Loss)/profit after tax	(772,199)	(93,005)	(865,204)	(97,187)	24,031	(73,156)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive (loss)/profit for the year	(772,199)	(93,005)	(865,204)	(97,187)	24,031	(73,156)
Segment assets and liabilities						
Segment assets	3,572,410	893,739	4,466,149	3,553,338	800,974	4,354,312
Segment liabilities	3,687,663	597,269	4,284,932	2,893,558	414,332	3,307,890
Capital expenditure	43,689	32,642	76,331	378,521	10,434	388,955

8. REVENUE	GROUP 2022 KShs'000	GROUP 2021 KShs' 000	COMPANY 2022 KShs'000	COMPANY 2021 KShs' 000
Revenue recognised at a point in time				
Print	1,641,473	1,792,911	1,641,473	1,792,911
Broadcasting	1,084,590	1,333,704	392,056	414,202
	2,726,063	3,126,615	2,033,529	2,207,113

9. DIRECT COSTS

Material cost	286,356	220,906	286,153	219,711
Programmes	135,303	247,062	56,030	27,826
Depreciation	84,079	86,351	84,079	86,351
News contribution costs	75,560	65,377	64,954	56,521
News service	23,365	11,661	2,887	50
Operating lease	11,622	37,290	9,594	34,540
TV licenses	60,740	91,297	-	-
Maintenance	42,521	35,844	42,521	35,844
Production salaries	5,803	8,795	5,803	8,795
Events	23,503	1,273	22,746	1,219
Other costs	534	-	-	-
	749,386	805,856	574,767	470,857

10. OTHER INCOME

Miscellaneous income	33,239	62,573	17,558	52,720
Courier services	17,202	1,056	17,202	1,056
Sale of newspaper returns, production waste and other income	14,808	24,317	14,808	24,317
Printing services	35	575	35	575
Gain on disposal of property and Equipment	535	3,249	535	3,370
Net foreign exchange loss	(25,867)	(10,231)	(25,813)	(10,005)
	39,952	81,539	24,325	72,033

11. SELLING AND DISTRIBUTION

Commission on bad debt	11,114	32,219	11,114	32,219
Marketing and promotion	22,311	21,721	21,764	24,260
Advertising commission	151,719	221,630	95,771	144,910
Transport and distribution costs	72,059	49,554	70,547	45,805
	257,202	325,124	199,196	247,194

12. (a) ADMINISTRATIVE EXPENSES

	GROUP 2022 KShs'000	GROUP 2021 KShs'000	COMPANY 2022 KShs'000	COMPANY 2021 KShs'000
Staff costs	1,542,866	1,394,326	1,178,714	1,043,210
Rent	48,569	51,448	39,223	26,616
Property operations	45,090	47,830	33,210	36,766
Depreciation charge	102,542	115,685	74,913	80,780
Depreciation recharge	-	-	(36,454)	(39,768)
Amortisation of intangible assets	20,633	29,315	14,054	21,161
Right of use amortisation	28,668	31,199	28,668	31,199
Leasehold land amortisation	4,141	1,633	4,141	1,633
Professional fees	51,379	36,504	49,248	28,956
Repairs and maintenance	81,727	88,343	73,916	76,190
Vehicle expenses	72,710	61,628	70,786	55,494
Communication expense	37,972	53,304	35,487	49,262
Travel and accommodation	8,730	2,444	8,543	2,049
General insurance	67,764	51,236	48,734	36,283
Licences	85,356	40,775	71,406	34,253
Bank charges	34,966	38,175	32,972	37,013
Electricity and water	42,764	45,984	39,104	40,877
Training	4,292	5,324	2,995	4,212
Subscription and donation	6,700	7,002	6,884	6,264
Printing and stationery	8,694	9,290	8,070	8,541
Directors' fees	1,320	11,725	983	8,270
AGM board meeting	1,360	3,554	1,360	1,378
Others	22,648	1,779	22,647	1,779
	2,320,891	2,128,503	1,809,605	1,592,418
Staff costs include:				
Salaries and wages	1,364,749	1,246,896	1,051,473	939,330
Staff welfare	138,741	145,204	97,145	102,189
Pension contributions	36,939	-	28,323	-
NSSF	2,437	2,216	1,773	1,681
Others	-	10	-	10
	1,542,866	1,394,326	1,178,714	1,043,210

Average number of employees

	Number	Number	Number	Number
Management	25	43	22	39
Others	842	835	651	730
Total	867	878	673	769

12. (b) PROVISION FOR EXPECTED CREDIT LOSSES

	GROUP		COMPANY	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
Provision for expected credit losses	246,323	(192,195)	228,364	(129,668)

13. FINANCE COSTS

	GROUP		COMPANY	
	2022 KShs'000	2021 KShs'000	2022 KShs'000	2021 KShs'000
Interest on term loans	153,247	121,371	125,312	82,742
Interest on overdrafts	31,125	22,937	27,837	20,073
Interest on shareholder loans	22,650	5,290	22,650	5,290
Interest on asset financing	304	2,096	250	1,805
Interest on lease liabilities	8,350	11,131	8,350	11,131
	215,676	162,825	184,399	121,041

14. LOSS BEFORE INCOME TAX

GROUP

The loss before taxation is arrived at after charging the following items:	2022 KShs '000	2021 KShs '000
Depreciation for continuing operations – PPE	186,621	202,036
Right of use asset amortisation	28,668	32,832
Amortisation - intangible assets	20,633	29,315
Directors' emoluments:		
- Fees - non-executive	1,320	11,725
- Executive directors	30,828	28,676
Auditors' remuneration - current year	6,779	6,786
Gain on disposal of plant and equipment	535	3,249

COMPANY

The loss before taxation is arrived at after charging the following items:		
Depreciation for continuing operations – PPE	158,992	167,131
Right of use asset amortisation	28,668	32,832
Amortisation - Intangible assets	14,054	21,161
Directors' emoluments:		
- Fees - non-executive	983	8,270
- Executive directors	30,828	28,676
Auditors' remuneration - current year	6,779	5,768
Gain on disposal of plant and equipment	535	3,370

Notes to the financial statements for the year ended 31 December2022 (continued)

15. INCOME TAX

GROUP

(a) Income tax expense	2022 KShs '000	2021 KShs '000
Deferred tax (credit)/expense (Note 28(a))		
Deferred tax (credit)/expense	(158,259)	51,197
The current year income tax expense has arisen largely from deferred tax movements.		

COMPANY

Deferred tax (credit)/ expense (Note 28(a))		
Deferred tax (credit)/expense	(163,445)	35,447
The current year income tax expense has arisen largely from deferred tax movements.		

(b) Reconciliation of expected tax based on accounting loss to taxation credit

GROUP	2022 KShs'000	2021 KShs'000
Loss before income tax	(1,023,463)	(21,959)
Tax at the applicable rate of 30% (2021:30%)	(307,039)	(6,588)
Tax effect of non-deductible costs	88,589	57,784
Under provision of deferred tax in prior year	60,191	-
	(158,259)	51,197

COMPANY	2022 KShs'000	2021 KShs'000
Loss before tax	(938,477)	(22,696)
Tax at the applicable rate of 30% (2021:30%)	(281,543)	(6,809)
Tax effect of non-deductible costs	61,191	-
Under provision of deferred tax in prior year	57,907	42,256
	(163,445)	35,447

15. INCOME TAX (CONTINUED)
(b) Reconciliation of expected tax based on accounting loss to taxation credit(continued)

Notes to the financial statements for the year ended 31 December2022 (continued)

(c) Current income tax recoverable

GROUP	KShs'000 2022	KShs'000 2021
At beginning of the year	(18,076)	(18,075)
Tax paid in the year	(5,897)	-
At 31 December	(23,973)	(18,075)
Comprising:		
Tax payable	-	-
Tax recoverable	(23,973)	(18,075)
	(23,973)	(18,075)

COMPANY	2022 KShs'000	2021 KShs'000
At beginning of the year	(12,318)	(12,318)
Current tax - charge for the year		-
- tax paid in the year	(4,182)	-
At 31 December	(16,500)	(12,318)

16. BASIC AND DILUTED EARNINGS PER SHARE

Loss attributable to owners of the Company		2022 KShs'000	2021 KShs'000
- Continuing operations		(821,020)	(65,800)
Total loss attributable to owners		(821,020)	(65,800)
Number of shares during the year		81,731,808	81,731,808
Earnings per share – continuing operations – Basic and diluted (KShs)	16	(10.05)	(0.81)

17. PROPERTY, PLANT AND EQUIPMENT

(a) Group

31 December 2022	Buildings KShs'000	Plant & machinery KShs'000	Motor vehicles KShs'000	Furniture fittings & equipment KShs'000	Capital work in progress KShs'000	Total KShs'000
Cost						
At start of year	934,291	2,541,455	185,813	698,006	3,489	4,363,054
Additions	1,246	2,466	-	30,775	6,579	41,067
Disposals	-	-	(2,907)	-	-	(2,907)
Transfer from CWIP* and to intangible assets	-	4,398	-	-	(6,852))	(2,454)
At end of year	935,537	2,548,319	182,906	728,781	3,216	4,398,760
Depreciation						
At start of year	166,370	1,894,286	161,031	598,813	-	2,820,500
Charge for the year	18,752	136,535	10,297	21,036	-	186,621
Disposal	-	-	(2,907)	-	-	(2,907)
At end of year	185,122	2,030,821	168,421	619,849	-	3,004,214
Net book value	750,415	517,498	14,485	108,932	3,216	1,394,546

31 December 2021	Buildings KShs'000	Plant & machinery KShs'000	Motor vehicles KShs'000	Furniture fittings & equipment KShs'000	Capital work in progress KShs'000	Total KShs'000
Cost						
At start of year	759,674	2,534,081	184,430	671,533	89,357	4,239,075
Additions	750	12,255	21,365	1,566	152,382	188,318
Disposals	-	(32,523)	(19,982)	(11,686)	-	(64,191)
Transfer from CWIP*	173,867	27,642	-	36,593	(238,102)	-
Disposal	-	-	-	-	(148)	(148)
At end of year	934,291	2,541,455	185,813	698,006	3,489	4,363,054
Depreciation						
At start of year	148,260	1,777,320	165,111	591,791	-	2,682,482
Charge for the year	18,110	149,485	15,902	18,539	-	202,036
Disposal	-	(32,519)	(19,982)	(11,517)	-	(64,018)
At end of year	166,370	1,894,286	161,031	598,813	-	2,820,500
Net book value	767,921	647,169	24,782	99,193	3,489	1,542,554

At 31 December 2022, property, plant and equipment with cost of KShs 2,168,640,595 (2021: KShs 1,853,734,113) were fully depreciated. The notional depreciation charge on these assets would have been KShs 488,082,705 (2021: KShs 405,221,746).

CWIP* - Capital Work in Progress. The CWIP majorly comprises building under construction, as well as furniture and equipment.

Assets pledged as security for liabilities are dislosed under Note 29.

(b) Company

31 December 2022	Buildings KShs'000	Plant & machinery KShs'000	Motor vehicles KShs'000	Furniture fittings & equipment KShs'000	Capital work in progress KShs'000	Total KShs'000
Cost						
At start of year	853,686	1,799,166	184,301	596,991	3,489	3,437,633
Additions	1,246	205	-	15,136	6,579	23,166
Disposals	-	-	(2,907)	-	-	(2,907)
Transfer from CWIP* and to intangible assets	-	4,398	-	-	(6,852)	(2,454)
At end of year	854,932	1,803,769	181,394	612,127	3,216	3,455,438
Depreciation						
At start of year	147,303	1,269,249	158,908	466,797	-	2,042,257
Charge for the year	17,140	112,764	10,297	18,791	-	158,992
Elimination on disposal	-	-	(2,907)	-	-	(2,907)
At the end of year	164,443	1,382,013	166,298	485,588	-	2,198,342
Net book Value	690,489	421,756	15,096	126,539	3,216	1,257,096
31 December 2021:						
Cost						
At start of year	679,069	1,769,424	182,918	569,228	89,357	3,289,996
Additions	750	4,238	21,365	1,126	152,382	179,861
Disposals	-	(2,138)	(19,982)	(9,956)	-	(32,076)
Transfer from CWIP*	173,867	27,642	-	36,593	(238,102)	-
Write-off	-	-	-	-	(148)	(148)
At end of year	853,686	1,799,166	184,301	596,991	3,489	3,437,633
Depreciation						
At start of year	130,805	1,154,177	163,177	458,987	-	1,907,146
Charge for the year	16,498	117,206	15,713	17,714	-	167,131
Elimination on disposal	-	(2,134)	(19,982)	(9,904)	-	(32,020)
At the end of year	147,303	1,269,249	158,908	466,797	-	2,042,257
Net book Value	706,383	529,917	25,393	130,194	3,489	1,395,376

At 31 December 2022, property, plant and equipment with cost of KShs 1,531,866,524 (2021: KShs 1,287,591,676) were fully depreciated. The notional depreciation charge on these assets would have been KShs 392,702,255 (2021: KShs 317,220,430).

CWIP* - Capital Work in Progress. The CWIP majorly comprises building under construction.

Assets pledged as security for liabilities are dislosed under Note 29.

18. LEASEHOLD LAND

	2022 KShs' 000	2021 KShs' 000
At 1 January	308,128	109,127
Additions	-	200,637
Disposal	-	(3)
Charge for the year	(4,141)	(1,633)
	303,987	308,128

19. RIGHT OF USE ASSETS AND LEASE LIABILITIES

These assets and liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The weighted average lessee's incremental borrowing rate applied to the lease liabilities during the year was 13%.

The Group leases offices and motor vehicles. The leases for motor vehicles run for 2 years. The leases for offices typically run for a period ranging between 5 – 9 years. Information about leases for which the Group is a lessee is presented below.

In order to identify whether the Group's contracts gave rise to a lease the, the Group looked out for the following;

- The lease is a contract.
- The parties to the contract are lessor and lessee.
- The lease contract specifies the period of contract.
- The lessee uses the assets.
- The lessee, in consideration, pays the lease rentals to the lessor.
- The lessor is the owner of the asset and is entitled to the benefit of depreciation and other allied benefits e.g., Tax payable under the Income Tax Act.
- The lessee claims the rentals as expenses chargeable to his income.

(a) Right-of-use assets

GROUP AND COMPANY

2022	Rental leases KShs' 000	Printers KShs' 000	Vehicles KShs' 000	Total KShs' 000
At 1 January	22,417	3,118	26,479	52,014
Charge for the year	(9,878)	(1,102)	(17,688	(28,668)
At end of year	12,539	2,016	8,791	(23,346)
2021				
At 1 January	42,634	4,220	-	46,854
Additions	8,396	-	35,376	43,772
Disposal	(19,189)	-	-	(19,189)
Elimination through Disposal	11,776	-	-	11,776
Charge for the year	(21,200)	(1,102)	(8,897)	(31,199)
At end of year	22,417	3,118	26,479	52,014

(b) Lease liabilities

GROUP AND COMPANY

2022	Rental leases KShs'000	Vehicles KShs'000	Printers KShs'000	Total KShs'000
Less than one year	6,112	9,857	969	16,937
Greater than one year	5,633	-	904	6,537
At end of year	11,744	9,857	1,873	23,474

GROUP AND COMPANY

2021	Rental leases KShs'000	Vehicles KShs'000	Printers KShs'000	Total KShs'000
Less than one year	17,659	18,587	1,258	37,504
Greater than one year	19,180	10,142	1,822	31,144
At end of year	36,839	28,729	3,080	68,648

(c) Amounts recognised in cashflow and profit or loss - Group and Company

Lease liabilities under IFRS 16	2022 KShs' 000	2021 KShs' 000
Interest on lease liability	8,350	11,131
Principal on lease liability	45,174	40,294
Total cash flows for lease liabilities	53,524	51,425

(d) Movement in lease liabilities is as follows - Group and Company

2022	Rental leases KShs'000	Vehicles KShs'000	Printers KShs'000	Total KShs'000
At start of year	36,839	28,729	3,080	68,648
Repayment of interest on lease liability	(4,789)	(3.160)	(400)	(8,350)
Repayment of principal on lease liability	(25,095)	(18,872)	(1,207)	(45,174)
Interest expense	4,789	3,160	400	8,350
At end of year	11,744	9,857	1,873	23,474

2021	Rental leases KShs'000	Vehicles KShs'000	Printers KShs'000	Total KShs'000
At start of year	51,506	-	4,138	55,644
Reclassification from trade payables	9,526	-	-	9,526
Additions	8,396	35,376	-	43,772
Repayment of interest on lease liability	(9,066)	(1,514)	(551)	(11,131)
Repayment of principal on lease liability	(32,589)	(6,647)	(1,058)	(40,294)
Interest expense	9,066	1,514	551	11,131
At end of year	36,839	28,729	3,080	68,648

20. INTANGIBLE ASSETS

a) Group

For the year ended 31 December 2022	Software KShs'000	Trademark KShs'000	Broadcasting licenses KShs'000	Total KShs'000
Cost				
At start of year	674,499	22,281	458,738	1,155,518
Additions	8,264	-	27,000	35,264
Transfers from CWIP	2,453	-	-	2,453
At end of year	685,216	22,281	485,738	1,193,235
Amortisation				
At start of year	(633,890)	-	-	(633,890)
Charge for the year	(20,633)	-	-	(20,633)
At end of year	(654,523)	-	-	(654,523
Carrying amount at end of year	30,693	22,281	485,738	538,712
For the year ended 31 December 2021				
Cost				
At start of year	674,499	39,531	458,738	1,172,768
Write off	-	(17,250)	-	(17,250)
At end of year	674,499	22,281	458,738	1,155,518
Amortisation	(604,577)			
At start of year	(29,315)	-	-	(604,577)
Charge for the year	(633,892)	-	-	(29,315)
At end of year		-	-	(633,892)
	40,607			
Carrying amount at end of year	40,607	22,281	458,738	521,626

20. INTANGIBLE ASSETS(CONTINUED)

(b) Company

For the year ended 31 December 2022	Trademark KShs'000	Software KShs'000	Broadcasting licenses KShs'000	Total KShs'000
Cost				
At start of year	6,000	633,664	391,863	1,031,527
Additions	-	270	27,000	27,270
Transfers from CWIP	-	2,453	-	2,453
At end of year	6,000	636,387	418,863	1,061,250
Amortisation				
At start of year	-	601,718	-	601,718
Charge for the year	-	14,054	-	14,054
At end of year	-	615,772	-	615,772
Carrying amount at end of year	6,000	20,615	418,863	445,478
For the year ended 31 December 2021				
Cost				
At start of year	23,250	633,664	391,863	1,048,777
Write off	(17,250)	-	-	(17,250)
At end of year	6,000	633,664	391,863	1,031,527
Amortisation				
At start of year	-	(580,559)	-	(580,559)
Charge for the year	-	(21,161)	-	(21,161)
At end of year	-	(601,720)	-	(601,720)
Carrying amount at end of year	6,000	31,944	391,863	429,807

CWIP* - capital work in progress PPE** - property, plant and equipment

The trademarks and broadcasting licences have been accounted for as intangible assets with an indefinite useful life. Management estimate that the products will generate net cash inflows for the group for an indefinite period, therefore carring them at cost without amortisation, but for which an impairment assessment is carried out on an annual basis.

The Group acquired the rights to distribute the Eve trademark on 17 April 2009. An agreement was signed transferring full title and guaranteeing all rights, titles and interest in the publication to the Group. The carrying value of these rights is Kshs 6,000,000. The additional trademarks relate to Farmers TV.

The write off in the prior year relates to trademarks held for Pambazuko and Mount Kenya Star publications.

The Group acquired licenses for radio frequencies through its subsidiary, Toads Media Group Limited and additional frequencies acquired directly by the parent. The Group made reference to the cash generating ability of Radio Maisha and projected consistent revenue growth for the foreseeable future and assessed these as not impaired.

At the end of the year, the Group assessed the recoverable amounts of both its investments in trademarks and the frequency for impairment. The Group used reference to their cash generating ability and assessed the frequencies as not impaired. For trademarks, the assumption made was that they will continue to accrue commercial benefits in the foreseeable future.

21. INVESTMENTS

(a) Investment in subsidiaries (unquoted)	Principal activity	Shareholding %	2022 KShs'000	2021 KShs'000
The Standard Limited	Dormant	100%	3,398	3,398
Baraza Limited	Broadcasting	51%	92	92
Agency Sales and Promotion Limited	Dormant	100%	2	2
Toads Media Group Limited	Leasing	100%	66,875	66,875
			70,367	70,367

The investments in the subsidiaries are carried at cost. Toads Media Group Limited holds the licence for the frequencies for Radio Maisha, which operates as a division of The Standard Group Plc. All subsidiaries above are incorporated in Kenya.

(b) Investment in joint operation

The Group has an investment in a Special Purpose Vehicle (Lancia Digital Broadcast Limited) that holds a digital broadcasting license. The operations of the SPV are treated as a joint operation where the Group recognises its direct right to the jointly held assets, liabilities, revenues and expenses. The balance represents the Standard Group Plc's share of the carrying amount of the digital broadcasting licence asset in the joint operation.

At the end of the year, the Group assessed the recoverable amounts of its share of the digital broadcasting license for impairment, using reference to its cash generating ability and assessed it as not impaired.

22. INVENTORIES

(a) Group	2022 KShs'000	2021 KShs'000
Raw materials	23,715	77,631
Consumables	76,006	79,895
Broadcast programmes	192	880
	99,913	158,406
Inventories expensed during the year	320,615	422,865

(b) Company		
Raw materials (Newsprint,inks & plates)	23,715	77,631
Consumables	74,782	76,836
	98,498	154,467
Inventories expensed during the year	288,700	225,925

23. TRADE AND OTHER RECEIVABLES

(a) Group	2022 KShs'000	2021 KShs'000
Trade receivables	2,562,273	2,220,376
Provision for expected credit losses	(1,176,312)	(956,359)
	1,385,961	1,264,017
Other receivables	51,382	34,756
Prepayments	17,755	23,524
	1,455,098	1,322,297

(b) Company	2022 KShs'000	2021 KShs'000
Trade receivables	2,063,513	1,757,677
Provision for expected credit losses	(946,975)	(744,981)
	1,116,538	1,012,696
Other receivables	39,970	28,328
Prepayments	17,525	23,669
	1,174,033	1,064,693

The movement in the provision for expected credit losses during the year is included under note 5(b).

24. SHARE CAPITAL

(a) Ordinary shares	2022 KShs'000	2021 KShs'000
Authorised: 103,979,600 ordinary shares of KShs 5 each	519,898	519,898
Issued and fully paid: 81,731,808 Ordinary shares of KShs 5 each	408,654	408,654

The holders of ordinary shares are entitled to receive dividends when declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Share premium	2022 KShs'000	2021 KShs'000
Share premium comprises: Ordinary shares at 31 December	39,380	39,380

Share premium arose when the shares of the company were issued at a price higher than the par value. There was no increase in share capital during the year.

(b) Movement in fully paid ordinary shares

	No. of shares	Share capital KShs'000	Share premium KShs'000	Total KShs'000
At 31 December 2022	81,731,808	408,654	39,380	448,034
At 31 December 2021	81,731,808	408,654	39,380	448,034

25. RESERVES

(a) Capital redemption reserve
The redemption of the preference share capital was made through a transfer to a capital redemption reserve fund. The reserve is non-distributable.

(b) Retained earnings
Retained earnings represent accumulated profits retained by the Group and company after payment of dividends to shareholders

26. NON-CONTROLLING INTERESTS

Baraza Limited is incorporated as a limited company in Kenya under the Kenya Companies Act, 2015 and is domiciled in Kenya. The address of its registered office is as follows:

The Standard Group Centre

Mombasa Road

PO Box 30080 – 00100

Nairobi

The Company is a subsidiary of The Standard Group PLC, which is incorporated in Kenya

The proportion of ownership interests held by non-controlling interests is 49%

	2022 KShs'000	2021 KShs'000
At 1 January	189,455	196,811
Share of results for the year	(44,184)	(7,356)
At 31 December	145,271	189,455

Set out below are the summarised financial information for Baraza Limited for which the non-controlling interest is material to the Group.

Summarised financial information on subsidiary with material non- controlling interest

The summarised financial information below represents amounts before intragroup eliminations.

Baraza Limited

As at 31 December

	2022 KShs'000	2021 KShs'000
Non-controlling interest	**49%**	**49%**
Assets	893,738	800,974
Liabilities	(597,217)	(414,334)
Net assets	296,467	386,640
Net assets attributable to NCI	145,271	189,455
Revenue	692,534	919,502
Expenses	(772,334)	(903,015)
Profit for the year	(79,800)	16,487
Total comprehensive income	(79,800)	16,487
Total comprehensive income attributable to non-controlling interest	(44,184)	(7,356)
Net cash inflow from operating activities	29,243	4,222
Net cash outflow from investing activities	(25,895)	(8,338)
Net cash outflow	3,348	(4,116)

27. RELATED PARTY BALANCES

(a) Transactions with related parties

Group	2022 KShs'000	2021 KShs'000
Interest expense	22,650	8,250
Additions	74,000	-
WHT Tax	(847)	-
Provisions	-	(30,638)
Amount payable to Standard Production Services Limited	-	200,636
	95,803	178,248
Company		
Administrative expense recharge to subsidiary	83,611	22,420
Interest expense	22,650	4,497
Additions	74,000	-
WHT Tax	(847)	-
Provisions	-	(30,638)
Amount payable to Standard Production Services Limited	-	200,636
	179,414	196,915

The additional cost to leasehold land in 2021 is part of the final settlement by Standard Group Plc to Standard Production Services Limited in relation to their contribution of development of the Standard Group premises. The directors resolved to fully compensate SPSL for their contribution towards the premises. The amounts are due and will accrue interest at 10% per annum for each year it remains outstanding.

(b) Due to related parties

The balances due to related parties are based on the following terms.

Current Liabilities	Effective Interest rate %	2022 KShs'000	2021 KShs'000
The Standard Media Group Holdings			
Limited (common shareholding)		14,887	14,887
Trade World (K) Limited (shareholders)	8.0	9,006	8,432
Miller Trustees (shareholders)	8.0	66,425	62,196
SNG		73,999	-
Standard Production Services Ltd		277,949	260,948
		442,266	346,463
Company			
Current Liabilities			
Standard Media Group Holdings Limited		14,887	14,887
Trade World (K) Limited	8.0	9,006	8,432
Miller Trustees Limited	8.0	66,425	62,196
Baraza Limited		342,664	259,053
The Standard Limited		10,590	10,590
SNG		73,999	-
Standard Production Services Ltd		277,949	260,948
		795,520	616,106

(c) Key management compensation

The remuneration of Directors and members of key management during the year were as follows:

	2022 KShs'000	2021 KShs'000
Fees for services as a director		
Non-executive director	1,320	11,725
Other emoluments		
Salaries and other short-term employment benefits:		
Executive director / key management		
Basic pay	27,000	24,863
Insurance	228	213
Gratuity	3,600	3,600
	30,828	28,676
	32,148	40,401

(d) Interest expense

Interest on shareholder loan	22,650	5,290

28. DEFERRED INCOME TAX ASSET

(a) Group	2022 KShs'000	2021 KShs'000
Movement on the deferred income tax asset:		
At 1 January	(380,643)	(431,839)
Deferred income tax credit - current year	(158,259)	51,197
At 31 December	(538,902)	(380,642)

The net deferred income tax asset is attributable to the following items;

	2022 KShs'000	2021 KShs'000
Property, plant and equipment	109,720	126,446
Other temporary differences	(359,227)	(294,362)
Unrealised exchange gains and losses	(3,714)	2,411
Lease liabilities	(7,042)	(20,594)
Right-of-use asset	98,200	47,852
Tax losses carried foward	(376,838)	(242,396)
At 31 December	(538,902)	(380,642)

(b) Company	2022 KShs'000	2021 KShs'000
The movement on the deferred income tax asset:		
At 1 January	(278,344)	(313,791)
Deferred income tax credit - current year	(163,445)	35,447
At 31 December	(441,789)	(278,344)
Deferred tax (asset)/liability		
Property, plant and equipment	121,976	137,676
Other temporary differences	(7,243)	(7,510)
Unrealised exchange loss	(2,776)	2,172
Provisions	(284,093)	(223,495)
Lease liabilities	(7,042)	(20,594)
Right-of-use-assets	98,200	47,852
Tax losses carried foward	(360,811)	(214,445)
Net deferred income tax asset	(441,789)	(278,344)

29. BORROWINGS

(a) Group

	Asset financing KShs'000	Term loans KShs'000	Overdrafts KShs'000	Supplier finance KShs'000	2022 Total KShs'000	2021 Total KShs'000
Current	28,074	562,289	259,556		849,919	1,204,705
Non current	-	-	-	-	-	-
	28,074	562,289	259,556	-	849,919	1,204,705

Movement in the year:						
At start of year	24,481	705,956	198,147	276,121	1,204,705	1,180,961
Additions	3,593	488,353	-	1,494,578	1,986,524	4,266,285
Interest expense	304	163,419	-	20,953	184,676	146,404
Movement in overdrafts	-	-	61,409	-	61,409	24,237
Interest repayment	(304)	(163,419)	-	(20,953)	(184,676)	(146,404)
Repayments	-	(632,020)	-	(1,770,699)	(2,402,719)	(4,266,778)
At end of year	28,074	562,289	259,556	-	849,919	1,204,705

Loan category per Financial Institution

At 31 December 2022:	Asset finance KShs'000	Term loans KShs'000	Supplier finance KShs'000	Overdrafts KShs'000	Total KShs'000
Stanbic Bank Kenya Limited	-	43,989		84,819	128,808
Stanbic Bank Kenya Limited-(Short term)	-	48,300	-	-	48,300
NCBA Bank Plc-(Short term)	-	74,582	-	-	74,582
NCBA Bank Plc	28,074	395,417	-	174,738	598,230
NCBA Bank Supplier Finance	-	-	-	-	-
	28,074	562,289	-	259,556	849,919

At 31 December 2021:					
Stanbic Bank Kenya Limited	-	111,513	-	95,877	207,390
Stanbic Bank Kenya Limited -(Short term)	-	65,937	-	-	65,937
NCBA Bank Plc -(Short term)	24,481	120,000	-	102,270	246,751
NCBA Bank Supplier finance	-	-	276,121	-	276,121
NCBA Bank Plc	-	408,506	-	-	408,506
	24,481	705,956	276,121	198,147	1,204,705

(b) Company

	Asset financing KShs'000	Term loans KShs'000	Supplier finance KShs'000	Overdrafts KShs'000	2022 Total KShs'000	2021 Total KShs'000
Current	28,074	562,289	-	232,137	822,500	1,173,938
Non current	-	-	-	-	-	-
	28,074	562,289	-	232,137	822,500	1,173,938

Movement in the year						
At start of the year	24,481	705,956	276,121	167,380	1,173,938	1,154,308
Additions	3,593	488,353	1,494,578	-	1,986,524	4,266,285
Interest expense	250	132,196	20,953	-	153,399	104,620
Movement in overdrafts	-	-	-	64,757	64,757	20,123
Interest repayment	(250)	(132,196)	(20,953)	-	(153,399)	(104,620)
Repayments	-	(632,020)	(1,770,699)	-	(2,402,719)	(4,266,778)
At end of year	28,074	562,289	-	232,137	822,500	1,173,938

Loan category per Financial Institution

At 31 December 2022:	Asset financing KShs'000	Term loans KShs'000	Supplier finance KShs'000	Overdrafts KShs'000	Total KShs'000
Stanbic Bank Kenya Limited	-	43,989	-	65,102	109,091
Stanbic Bank Kenya Limited	-	48,300	-	-	48,300
(Short term)	28,074	74,582	-	-	102,656
NCBA Bank Plc		395,417	-	167,035	562,453
(Short term)			-		
NCBA Bank Supplier Finance	-	-	-	-	-
NCBA Bank Plc	28,074	562,289	-	232,137	822,500

At 31 December 2021:					
Stanbic Bank Kenya Limited	-	111,513	-	75,359	186,872
Stanbic Bank Kenya Limited					
(Short term)	-	65,937	-	-	65,937
NCBA Bank Plc					
(Short term)	24,481	120,000	-	92,021	236,502
NCBA Bank Supplier Finance			276,121		276,121
NCBA Bank Plc	-	408,506	-	-	408,506
	24,481	705,956	276,121	167,380	1,173,938

The Group and Company were not compliant with the bank covenants with respect to the bank borrowings as at 31 December 2022. The bank borrowings have therefore been classified under current liabilities as they were effectively payable on demand as at 31 December 2022.

(c) Facilities and securities

The bank facilities are denominated in Kenya shillings with variable interest rates. The term loans and over drafts from the Group's bankers are utilised as follows;

Year ended December 2022

	NCBA Bank Plc KShs'000	Stanbic Bank KShs'000	Total KShs'000
Total facility	1,326,968	490,300	1,817,268
Utilisation	(700,740)	(200,771)	(901,511)
Available head room	626,228	289,529	915,757
% Utilisation	**53%**	**41%**	**50%**

The increased utilisation is as a result of the funds used in the business transformation project, with the converged newsroom.

Year ended December 2021

	NCBA Bank Plc KShs'000	Stanbic Bank KShs'000	Total KShs'000
Total facility	1,174,287	490,000	1,664,287
Utilization	(948,820)	(297,059)	(1,245,879)
Available head room	225,467	192,941	418,408
% Utilisation	**81%**	**61%**	**75%**

The bank facilities are denominated in Kenya shillings with variable interest rates. The term loans and overdrafts for both NCBA Kenya Plc and Stanbic Bank Kenya Limited are secured as follows:

	2022 NCBA Bank KShs '000	2021 NCBA Bank KShs '000
Joint and several debentures	890,000	890,000
Joint and several debentures	110,000	110,000
Legal charge on property (LR. 209/18213)	890,000	890,000
	Stanbic Bank KShs '000	**Stanbic Bank KShs '000**
Joint and several debentures	490,000	490,000
Legal charge on property (LR. 209/18213)	490,000	490,000

Corporate guarantees

	NCBA Bank KShs '000	NCBA Bank KShs '000
Baraza Limited	890,000	890,000
Toads Limited	110,000	110,000
	Stanbic Bank KShs '000	**Stanbic Bank KShs '000**
The Standard Group Plc	25,000	25,000
Baraza Limited	877,000	877,000
The Standard Limited	25,000	25,000

Further to the above securities;

i. The banks have executed an inter-lenders agreement between the two banks and the borrower, ranking each bank parri passu.
ii. Asset finance loans are guaranteed on deed of agreement on assignment of all the right of the assets to the financier.

(d) Effective Interest rates
The effective interest rates on the borrowings for Asset financing, Term loans and Overdraft were as follows:

Year ended 31 December 2022

Stanbic Bank Kenya Limited	CBR (8.90%) + Bank's Margin (4%)= 12.90%
NCBA Bank Kenya Plc	CBR(8.90%)+ Bank's Margin (3.35%)= 12.25%

Year ended 31 December 2021

Stanbic Bank Kenya Limited	CBR (8.90%) + Bank's Margin (4%)= 12.90%
NCBA Bank Kenya Plc	CBR (8.90%) + Bank's Margin (3.35%)= 12.25%

30. TRADE AND OTHER PAYABLES

(a) Group

	2022 KShs'000	2021 KShs'000
Trade payables	1,795,813	944,375
Other payables and accrued expenses	869,080	500,057
Provisions for liabilities	285,910	222,527
Value Added Tax payable	18,469	21,114
	2,969,272	1,688,073

Movement of Provision	2022 KShs'000	2021 KShs'000
At start of year	222,527	240,103
Charge to profit or loss	427,626	-
Utilised in the year	(364,243)	(17,576)
At end of year	285,910	222,527

(b) Company

	2022 KShs'000	2021 KShs'000
Trade payables	1,410,591	681,664
Other payables and accrued expenses	733,991	417,189
Provisions liabilities	247,069	193,727
Value Added Tax payable	7,775	11,933
	2,399,426	1,304,513
Movement of Provision		
As at 1 January	193,727	205,123
Charge to profit or loss	53,342	-
Utilised in the year	-	(11,396)
At end of year	247,069	193,727

31. EMPLOYEE BENEFITS

(a) Pension

The Group contributes to a pension plan established for the benefit of its employees. The pension plan is a defined contribution scheme, whereby the Group matches contributions to the fund made by employees up to 7.5% of the employee's pensionable salary.

During the year the Group temporarily suspended contributions in cognizance of changes in the operating environment.

(b) Gratuity

Senior management staff on a fixed term contract are entitled to gratuity payments from the company at a rate of 15% for every year worked. The company contributes the monies to a defined contribution plan.

The assumptions made are that all the employees will reach the end of the contract period and that there will be no decrease in salaries paid over the duration of the contracts. Due to the short term nature of the contracts the impact on discounting will be very limited.

32. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Group

(a) Reconciliation of loss before tax to cash generated from operations		2022 KShs'000	2021 KShs'000
Loss before tax		(1,023,463)	(21,959)
Adjustments for:			
Depreciation – property, plant and equipment	17(a)	186,621	202,036
Right of use asset depreciation	19(a)	28,668	31,199
Amortisation - intangible assets	20(a)	20,633	29,315
Amortisation – leasehold land		4,141	1,633
Gain on sale of plant and equipment		(535)	(3,249)
Loss on write off of plant and equipment		-	148
Disposal of right of use asset		-	7,413
Intangible asset write off	20(a)	-	17,250
Interest expense	13	215,676	162,825
Operating profit before tax before working capital changes		(568,259)	426,611

Changes in working capital

		2022 KShs'000	2021 KShs'000
Transfer of lease to trade payables		-	9,526
Inventories	22(a)	58,493	65,793
Trade and other receivables	23(a)	(132,801)	(278,930)
Trade and other payables	30(a)	1,281,198	157,633
Related party balances		95,803	(22,389)
Cash generated from operations		734,434	358,244

(b) Cash and cash equivalents

	2022 KShs'000	2021 KShs'000
Bank and cash balances	45,422	8,320
Bank overdraft	(259,556)	(198,147)
	(214,134)	(189,827)

Net debt reconciliation

Cash and cash equivalents	45,422	8,320
Liquid Investments		
Borrowings (including overdraft)	(849,919)	(1,204,705)
Lease liabilities	23,474	(68,648)
Net debt	(781,023)	(1,127,737)

(ii) Company

(a) Reconciliation of loss before tax to cash generated from operations	Notes	2022 KShs'000	2021 KShs'000
Loss before tax		(938,477)	(22,696)
Adjustments for:			
Depreciation – property, plant and equipment	17(b)	158,992	167,131
Right of use asset depreciation	19(a)	28,668	31,199
Amortisation - intangible assets	20(b)	14,054	21,161
Gain on sale of plant and equipment		(535)	(3,370)
Loss on write off of plant and equipment	13	-	148
Intangible asset write off	20(b)	-	17,250
Disposal of right of use asset		-	7,413
Amortisation – leasehold land		4,141	1,633
Interest expense		184,399	121,041
Operating profit before tax before		(548,758)	340,910
working capital changes			
Changes in working capital			
Transfer of lease to trade payables		-	9,526
Inventories	22(b)	55,969	60,738
Trade and other receivables	23(b)	(109,340)	(224,085)
Trade and other payables	30(b)	1,094,912	128,747
Related party balances		179,414	(3,722)
Cash generated from operations		672,197	312,114

(b) Cash and cash equivalents

	2022 KShs'000	2021 KShs'000
Bank and cash balances	45,222	8,120
Bank overdraft	(232,137)	(167,380)
	(186,915)	(159,260)

Net debt reconciliation

	2022 KShs'000	2021 KShs'000
Cash and cash equivalents	45,222	8,120
Liquid Investments		
Borrowings	(822,500)	(1,173,938)
Lease liabilities	(23,474)	(68,648)
Net debt	800,752	(1,234,466)

33. CAPITAL COMMITMENTS

	2022 KShs'000	2021 KShs'000
Authorised and contracted for	53,677	52,787
Authorised but not contracted for	328,815	181,211
	382,492	233,998

Capital commitments mainly relate to acquisition of new equipment and expansion of radio and television reach

34. CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2022, the Group has provided a total of KShs 170,152,594 (2021; KShs 164,473,156) in respect of on-going litigation mainly relating to libel charges arising in the normal course of business. This covers both the balance and the cost of professional legal services. This provision is included in Note 30. As at 31 December 2022, the total cases classified as not probable and in respect of which no provision has been made amounted to Kshs 67,000,000 (2021: Kshs 70,500,000).

Legal opinions obtained from the Group's advocates show that no additional liability will arise from contingent liabilities that have not been provided for.

As at 31 December 2022, the Group had contingent assets held in Joint Interest accounts amounting to KShs 49,218,922 (2021; KShs 49,218,922) in respect of on-going litigation mainly relating to libel cases that are pending hearing and determination after an appeal has been raised by the group.

NOTICE OF THE 105TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the One Hundredth and Fifth (105th) Annual General Meeting of the shareholders of The Standard Group PLC ("the Company") shall be held via electronic communication on **Friday, 23 June 2023** at **11.00 a.m**. to transact the business set out below:

1. **CONSTITUTION OF THE MEETING**

   To read the notice convening the meeting and determine if a quorum is present.

2. **ORDINARY BUSINESS:**

   (a) To receive, consider and if thought fit, adopt the audited Consolidated Financial Statements for the year ended 31 December 2022 together with the reports of the Chairman, the Group Chief Executive Officer and the Auditors' thereon.

   (b) To note that the Directors do not recommend payment of a Dividend for the year ended 31 December 2022.

   (c) **Election of Directors:**

   (i) In accordance with Article 102 of the Company's Articles of Association, Mr. **Thomas Omondi,** who was appointed to fill a casual vacancy retires by rotation, and being eligible, offer himself for re-election as Director of the Company.
   (ii) In accordance with Article 101 of the Company's Article of Association, the following Directors retire by rotation, and being eligible, offer themselves for re-election as Directors of the Company: **Dr. Julius Kipngetich and Mr. Shaun Zambuni.**
   (iii) **Dr. James Boyd Mcfie** having attained the age of seventy years, retires in accordance with the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 and being eligible, offers himself for re-election as Director of the Company.
   (i) Pursuant to the provisions of Section 769 of the Companies Act 2015, the following Directors being members of the Finance & Audit Committee, be elected to continue to serve as members of the said Committee: **Dr. Githinji Gitahi, Mr. Shaun Zambuni, Ms. Juliana Rotich, Dr. Julius Kipngetich** and **Dr. James Boyd Mcfie.**

   (d) To approve the remuneration of the Directors and Directors Remuneration Report for the year ended 31 December 2022.

   (e) To re-appoint PwC Kenya to continue in office as the Company's External Auditors for the ensuing financial year by virtue of Section 721(2) of the Companies Act 2015 and to authorize the Directors to fix their remuneration.

3. **ANY OTHER BUSINESS**

   To transact any other business of the Company for which due notice has been received

BY ORDER OF THE BOARD

MILLICENT NG'ETICH
COMPANY SECRETARY

Date: 1 June 2023

NOTES:

1. The Standard Group PLC has convened and is conducting this virtual annual general meeting pursuant to Article 56 of the Company's Articles of Association.

2. Any Shareholders wishing to participate in the meeting should register for the AGM by dialing ***483*885#** on all mobile networks and follow the various prompts on the registration process. Shareholders will not incur any cost for such registration.

3. To complete the registration process, shareholders will be required to have their ID/Passport Number used to purchase share(s) and/or their CDSC Account Number. For assistance shareholders should dial the following helpline number: (+254) 709 170 000 from 9:00 a.m. to 4:00 p.m. from Monday to Friday. Any shareholder domiciled outside Kenya can dial the helpline number or send an email to Image Registrars via info@image.co.ke providing their details i.e. Name, Passport/ID No, CDS No and Mobile telephone number requesting to be registered. Image Registrars shall register the shareholder and send them an email link once registered.

4. Registration for the AGM opens on Thursday, 1 June 2023 at 9:00 a.m. and will close on Wednesday, 21 June 2023 at 11.00 a.m. Shareholders will not be able to register after this time.

5. The following documents may be viewed on the Company's website http://www.standardmedia.co.ke/corporate/investors (i) a copy of this Notice and the Proxy Form; (ii) and the Company's Annual Report and Audited Financial Statements for the year ended 31 December 2022.
6. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so on or before Wednesday, 21 June 2023, at 5.00 p.m. by:

   (a) sending their written questions by email to agm@standardmedia.co.ke; or
   (b) to the extent possible, physically delivering their written questions with a return physical address or email address to the registered office of the Company at The Standard Group Centre, along Mombasa Road, or to Image Registrars offices at 5th floor, Absa Towers (formerly Barclays Plaza), Loita Street; or
   (c) sending their written questions with a return physical address or email address by registered post to the Company's registered address at P. O. Box 30080-00100, Nairobi or Image Registrars at P. O. Box 9287-00100, Nairobi.

   Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and or clarifications.

   The Directors of the Company shall provide written responses to the questions received, via the return address (physical, postal or email) provided by the Shareholder no later than 12 hours before the start of the AGM. A full list of all questions received and the answers thereto will also be published on the Company's website not later than 12 hours before the start of the general meeting.

7. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. Such proxy need not be a member of the Company.

8. A proxy form is attached to this Notice and is available on the Company's website via the link: http://www.standardmedia.co.ke/corporate/investors. The proxy form can also be obtained from Image Registrars Limited offices, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street. A proxy must be signed by the appointer or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate. A completed form of proxy should be emailed to info@image.co.ke or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 - 00100 GPO, Nairobi, so as to be received not later than Wednesday, 21 June 2023 at 11:00 a.m. Any person appointed as a proxy should submit their mobile telephone number to the Company not later than Wednesday, 21 June 2023 at 11:00 a.m. Any proxy registration that is rejected will be communicated to the shareholder concerned not later than Thursday, 22 June 2023, to allow time to address any issues.

9. The AGM will be streamed live via a link which shall be provided to all shareholders who will have successfully registered to participate in the AGM. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM acting as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, as a reminder that the AGM will begin in an hour and provide a link to the live stream. By registering to attend the AGM, a Shareholder opts in to receive these messages.
10. Duly registered shareholders and proxies may follow the proceedings of the AGM using the live stream platform, access the agenda and vote (when prompted by the chairman) via the USSD prompts or via the vote tab on the livestream link.
11. A poll shall be conducted for all the resolutions put forward in the Notice.
12. Results of the AGM shall be published on the Company's website http://www.standardmedia.co.ke/corporate/investors within 24 hours following conclusion of the AGM.

PROXY FORM

The Company Secretary
The Standard Group PLC
P.O. Box 30080 - 00100
NAIROBI, KENYA

I/WE...

Mobile Number .... P. O Box ....

Email address ....

CDS Account Number .... Number of Shares held .... being a shareholder(s) of **THE STANDARD GROUP PLC** hereby appoint:

Name: ....

Mobile Number .... P. O Box ....

National ID/Passport No...or failing him/her, the Chairman of the meeting as my/our proxy, to vote for my/our behalf at the Virtual Annual General Meeting (AGM) to be held electronically on **Friday, 23 June 2023** at **11.00 a.m.** or any adjournment thereof.

I/We direct my/our proxy to vote on the following resolutions as I/We have indicated by marking the appropriate box with an “X”. If no indication is given, my/our proxy will vote or withhold his/her vote at his/her discretion and I/We authorize my/our proxy to vote (or withhold his/her vote) as he/she thinks fit in relation to any other matter which is properly put before the Meeting.

As witness my/our hand/s this .... day of..2023

....
Signature(s)

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

NO.	RESOLUTION:	FOR	AGAINST	WITHHELD
1.	To receive, consider and if thought fit, adopt the audited Consolidated Financial Statements for the year ended 31 December 2022 together with the reports of the Chairman, the Group Chief Executive Officer and the Auditors’ thereon.			
	Election of Directors:			
2.	In accordance with Article 102 of the Company’s Articles of Association, Mr. **Thomas Omondi,** who was appointed to fill a casual vacancy retires by rotation, and being eligible, offer himself for re-election as Director of the Company.			
3.	In accordance with Article 101 of the Company’s Article of Association, **Dr. Julius Kipngetich** retires by rotation, and being eligible, offers himself for re-election as Director of the Company.			
4.	In accordance with Article 101 of the Company’s Article of Association, **Mr. Shaun Zambuni** retires by rotation, and being eligible, offers himself for re-election as Director of the Company.			
5.	Pursuant to the provisions of Section 769 of the Companies Act 2015, the following Directors being members of the Finance & Audit Committee, be elected to continue to serve as members of the said Committee: **Dr. Githinji Gitahi, Mr. Shaun Zambuni, Ms. Juliana Rotich, Dr. Julius Kipngetich and Dr. James Boyd Mcfie.**			
6.	To approve the remuneration of the Directors and Directors Remuneration Report for the year ended 31 December 2022.			
8.	To re-appoint PwC Kenya to continue in office as the Company’s External Auditors for the ensuing financial year by virtue of Section 721(2) of the Companies Act 2015 and to authorize the Directors to fix their remuneration.			

Electronic Communications Preference Form

Full Name of Proxy (s): ______________________________

Address: ______________________________

Mobile Number : ______________________________

Date: ________________

Signature: ________________

Please tick **ONE** of the boxes below and return to Image Registrars at P.O. Box 9287-00100 Nairobi or 5th floor, Absa Towers (formerly Barclays Plaza), Loita Street:

Approval of Registration:

I/WE approve to register to participate in the virtual Annual General Meeting to be held on Friday, 23rd June 2023.

Consent for use of the Mobile Number provided:

I/WE would give my/our consent for the use of the mobile number provided for purposes of voting at the AGM

Notes:

1. As a member of the Company you are entitled to appoint a proxy or proxies to exercise all or any of your rights to participate and vote at the Virtual AGM of the Company. You can only appoint a proxy using the procedures set out hereunder and/or in the notes to the AGM Notice.
2. Appointment of a proxy does not preclude you from participating in the meeting and voting in person. If you have appointed a proxy and participate in the meeting in person and vote, your proxy appointment will automatically be terminated.
3. To be valid, the proxy form should be completed, signed and delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to **Image Registrars, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street and address P.O. Box 9287-00100, Nairobi,** or emailed to info@image.co.ke not later than Wednesday, 21st June 2023 at 11.00 am or, in the case of a poll taken subsequent to the date of the meeting, or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll.
4. A proxy form must be in writing and in case of an individual shall be signed by the shareholder and in the case of a body corporate, the proxy form must be either under its common seal or the hand of an officer or duly authorized attorney of such corporate body.
5. A "vote withheld" option has been included on the form of proxy. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.