



**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED
31st DECEMBER

2023

Navigating
Challenges

Building
Resilience



Our Brands



KENYA'S BOLD NEWSPAPER

The Standard



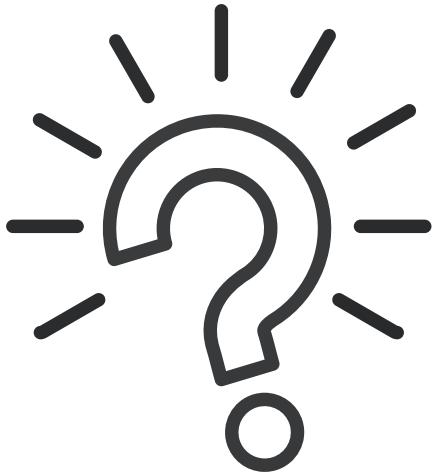
Get The **Whole** Story



**StandardMediaGroup
Foundation**

Your world is getting better

The Standard, The Nairobiian, Standard Digital, KTN, KTN News, KTN Farmers TV, Btv, Radio Maisha, Spice FM, Vybez Radio, Berur FM and The Standard Media Group Foundation.



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



VISION

Voice of Society



MISSION

To disseminate media content that provides a voice to society



OUR VALUES

- Achievement
- Agility
- Courage
- Excellence
- Innovation

Thank you for Tuning in



Stesheni Nambari Moja, Chaguo la Wakenya
Ahsante Msikilizaji

Kongoi bikab kalenjin eng chomnyengwong.
Kokiegu kabeelik Eng Kuza Award amu okwek.

RADIO MAISHA FREQUENCIES

NAIROBI 102.7 | KERicho 90.5 | KAPENGURIA 91.1 | NAROK 102.3 | VOI 107.4 | MALINDI 106.3 | NAKURU 104.5 | KISII 91.3 | WEBUYE 95.9 | KITUI 93.8 | WAJIR 91.3
ELDORET 97.1 | GARISSA 88.7 | MARSABIT 88.3 | LODWAR 93.1 | MaNDERA 91.1 | MERU 105.1 | NYERI 105.7 | KISUMU 105.3 | MOMBASA 105.1

BERUR FM FREQUENCIES

KERICHO/NANDI 90.0FM | NAKURU/NAROK/BOMET 91.1

Download the Radio Maisha App | Berur App



Company Information

DIRECTORS	Dr. Julius Kipngetich Mr. Joe Munene Ms. Zehrabanu Janmohamed Dr. James Mcfie Mr. Christopher Kulei Mr. Thomas Omondi Mr. Chaacha Mwita Mr. Albert Sigei Ms. Christine Muthui Ms. Leonie Von Elverfeldt Mr. Chris Otundo	- Chairman - Ag. Group Chief Executive Officer
COMPANY SECRETARY	Ms. Victoria Cherotich 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	Grant Thornton LLP Certified Public Accountant (Kenya) 5th Floor Avocado Towers 75 Muthithi Road Westlands PO Box 46986 - 00100 Nairobi.	
COMPANY REGISTRARS	Image Registrars Limited Absa Towers (formerly Barclays Plaza) 5th Floor, Loita Street P.O. Box 9287 - 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 Nairobi.
	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.

NOTICE OF THE 106TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the One Hundredth and Sixth (106th) Annual General Meeting of the shareholders of The Standard Group PLC ("the Company") shall be held via electronic communication on **Monday, 02nd September 2024 at 09.00 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 31st December 2023 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 31st December 2023.
- (c) **Election of Directors:**
 - (i) **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.
 - (ii) In accordance with Article 102 of the Company's Articles of Association, Mr. Albert Sigei, who was appointed to fill a casual vacancy retires by rotation, and being eligible, offers himself for re-election as Director of the Company
 - (iii) In accordance with Article 102 of the Company's Articles of Association, Ms. Christine Muthui, who was appointed to fill a casual vacancy retires by rotation, and being eligible, offers herself for re-election as Director of the Company
 - (iv) In accordance with Article 102 of the Company's Articles of Association, Ms. Leonie Von Elverfeldt, who was appointed to fill a casual vacancy retires by rotation, and being eligible, offers herself for re-election as Director of the Company.
 - (v) 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, subject to re-election as Board Members: **Mr. Albert Sigei, Ms. Christine Muthui, Mr. Chris Otundo and Dr. James McFie.**
- (d) To approve the remuneration of the Directors and Directors Remuneration Report and policy for the year ended 31st December 2023.
- (e) To appoint Grant Thornton LLP 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

4. SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

- i. "THAT the directors of the Company be and are hereby unconditionally authorised to increase the nominal share capital of the Company by the creation of two hundred and eighty three million, six hundred and sixty one thousand, one hundred and twenty (283,661,120) new ordinary shares of Kshs.5.00 each which shall rank pari passu with and have rights equal to the existing ordinary shares of the Company."
- ii. "THAT the Directors be and are hereby authorized, until the date of the next annual general meeting of the Company, to raise up to Kes.1.5 billion through a rights issue, subject to the receipt of any required regulatory approvals including but not limited to the approval of the Capital Markets Authority and the Nairobi Securities Exchange, by way of rights to the holders of the issued ordinary shares in the Company registered at the close of business on such date and at such prices as shall be determined by the directors and on such terms and conditions as the directors may determine."
- iii. "THAT subject to the limit as to the amount of capital being raised and period set out in the preceding resolution (i) above and subject also to any regulatory approvals the Directors be and are hereby authorised to do the following:
 - a) Rights Issue
TO offer shares by way of rights to holders of ordinary shares of the Company in such a proportion to the existing shares held by them at close of business on such a date to be fixed by the Directors and at such price as shall be determined by the Directors and to deal with fractional shares in such a manner as they deem fit.
 - b) Directors' powers to deal with untaken shares TO dispose off the shares not taken up by any shareholders or the shares not issued by reason of fractions of shares being disregarded, at such price and on such terms as they may consider expedient."
- iv. "THAT the Directors of the Company be and are hereby authorized to sign all documents and to do all such things as may be necessary to give effect to the above resolutions, subject to the provisions of The Companies Act, 2015, the Company's Articles of Association and The Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023."
- v. "THAT the Company Secretary be and is hereby instructed to file all such returns and make all such entries as required by law in order to give effect to the matters resolved or otherwise determined at this meeting."

BY ORDER OF THE BOARD

VICTORIA CHEROTICH

COMPANY SECRETARY

Date: 9th August 2024

NOTES:

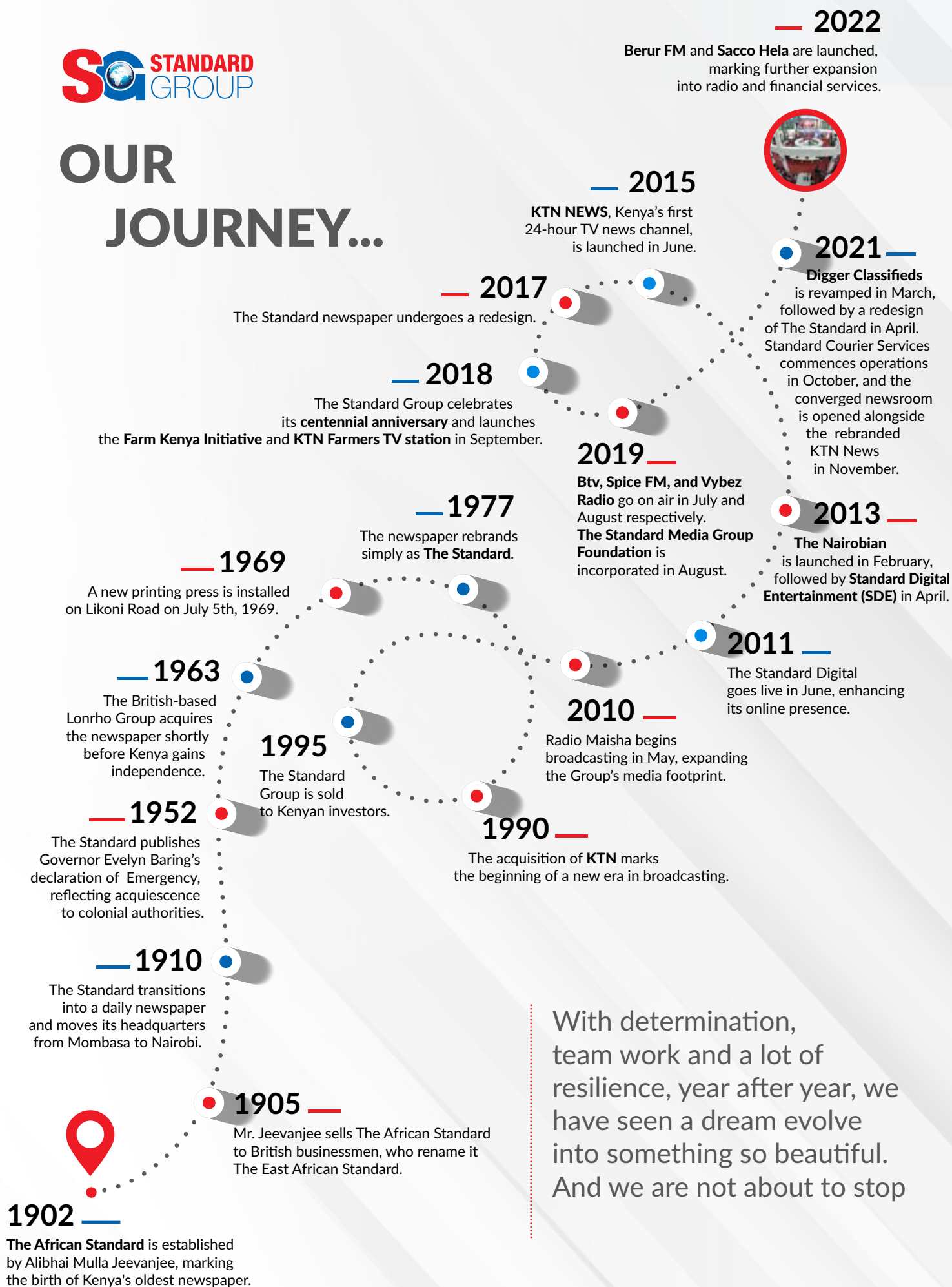
1. The Standard Group PLC has convened and is conducting this virtual annual general meeting pursuant to Article 56 of the Company's Articles of Association.
2. Any Shareholders wishing to participate in the meeting should register for the AGM by dialing *483*901# on all mobile networks and follow the 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 Friday, 9th August 2024 at 9:00 a.m. and will close on Tuesday, 30th August 2024 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 31st December 2023.
6. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
 - (a) Dialing the USSD code *483*901# and following the prompts to submit your questions;
 - (b) sending their written questions by email to agm@standardmedia.co.ke; or
 - (c) 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
 - (d) 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 24 hours following the conclusion of the annual 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 Friday, 30th August 2024 at 11:00 a.m. Any person appointed as a proxy should submit their mobile telephone number to the Company not later than Saturday, 31st August 2024 at 11:00 a.m. Any proxy registration that is rejected will be communicated to the shareholder concerned not later than Saturday, 31st August 2024, 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

OUR JOURNEY...



With determination, team work and a lot of resilience, year after year, we have seen a dream evolve into something so beautiful. And we are not about to stop

Contents

Page

Company Information	iv
Notice of Annual General Meeting	v-vi
Our Journey	vii
Corporate Governance Report	2-13
Board of Directors Profiles	14-15
Group Chairman's Statement	16-17
Executive Team	18
Group CEO's Statement	20-21
Strategy Overview	22-23
Year in Review	28-30
Environmental, Social and Governance Report	36-41
Report of the Directors	47-50
Directors' Remuneration Report	51-54
Statement of Directors' Responsibilities	55
Independent Auditor's Report	56-60
Financial Statements	61-123
Proxy Form	124

CORPORATE GOVERNANCE REPORT

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), 2003 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 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 directors' appointments are 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.

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 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 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.

In line with statutory provisions and the Board Charter, the Board can also seek independent professional

advice 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 2023, a total of nine (9) Board Meetings were held.

Board meetings and members' attendance for 2023

	Member:	Position:	3.1.23 (S)	18.1.23 (S)	16.2.23 (S)	15.3.23 (S)	28.4.23 (Q1)	23.6.23 (Q2)	26.6.23 (Q2)	25.8.23 (Q3)	1.12.23 (Q4)
1.	Mr. Robin Sewell	Chairman	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A
2.	Dr. Julius Kipngetch	Ag. Chairman	✓	×	✓	✓	✓	✓	✓	✓	✓
3.	Mr. Orlando Lyomu	Executive	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
4.	Dr. James Mcfie	Non-Executive	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Ms. Zehrabanu Janmohamed	Non-Executive	×	✓	✓	✓	✓	✓	✓	✓	×
6.	Mr. Shaun Zambuni	Non-Executive	✓	✓	✓	✓	✓	✓	✓	N/A	N/A
7.	Ms. Juliana Rotich	Independent	✓	✓	✓	✓	×	✓	×	✓	N/A
8.	Dr. Githinji Gitahi	Independent	✓	✓	✓	✓	✓	×	✓	×	N/A
9.	Mr. Christopher Kulei	Non-Executive	✓	✓	✓	✓	✓	✓	×	✓	✓
10.	Mr. Thomas Omondi	Non-Executive	N/A	N/A	N/A	N/A	✓	✓	✓	✓	✓
11.	Mr. Chaacha Mwita	Independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓
12.	Mr. Albert Sigei	Independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13.	Ms. Christine Muthui	Independent	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

^a Adjourned Q2 Board meeting

^b Mr. Robin Sewell Resigned effective 27th April 2023

^c Dr. Julius Kipngetch appointed Ag. Chairman effective 28th April 2023

^d Mr. Orlando Lyomu resigned effective 6th July 2023

^e Mr. Shaun Zambuni resigned effective 4th July 2023

^f Ms. Juliana Rotich resigned effective 18th September 2023

^g Dr. Githinji Gitahi resigned effective 10th November 2023

^h Mr. Thomas Omondi appointed effective 24th March 2023

ⁱ Mr. Chaacha Mwita appointed effective 4th July 2023

^j Mr. Albert Sigei appointed 19th December 2023

^k Ms. Christine Muthui appointed effective 19th December 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 organization 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 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 up to 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 2023 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 ten (10) non-executive directors, of whom six (6) 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 six (6) 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.

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 2023. 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 four (4) times during the year.

Finance and Audit Committee meetings and members' attendance for 2022

	Member:	Position:	21.4.23 (Q1)	16.6.23 (Q2)	18.8.23 (Q3)	24.11.23 (Q4)
1.	Dr. Githinji Gitahi	Chairman	✓	✓	✓	N/A
2.	Dr. James Mcfie	Non-Executive	✓	✓	✓	✓
3.	Mr. Shaun Zambuni	Non-Executive	✓	✓	N/A	N/A
4.	Ms. Juliana Rotich	Independent	×	✓	×	N/A
5.	Dr. Julius Kipngetich	Independent	✓	✓	✓	×
6.	Mr. Chris Kulei	Non-Executive	✓	✓	✓	✓
7.	Mr. Thomas Omondi	Non-Executive	N/A	✓	✓	✓
8.	Mr. Chaacha Mwita	Independent	N/A	N/A	✓	✓

Mr. Shaun Zambuni resigned effective **4th July 2023**

Ms. Juliana Rotich resigned effective **18th September 2023**

Dr. Githinji Gitahi resigned effective **10th November 2023**

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 four (4) times during the year.

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

	Member:	Position:	14.4.23 (Q1)	16.6.23 (Q2)	18.8.23 (Q3)	24.11.23 (Q4)
1.	Ms. Zehrabanu Janmohamed	Chairperson	×	✓	✓	✓
2.	Mr. Shaun Zambuni	Non-Executive	✓	✓	N/A	N/A
3.	Dr. James Mcfie	Non-Executive	✓	✓	✓	✓
4.	Mr. Chirs Kulei	Non-Executive	✓	✓	✓	✓
5.	Mr. Thomas Omondi	Non-Executive	N/A	✓	×	✓

Mr. Shaun Zambuni resigned effective **4th July 2023**

3. Editorial Committee

This Committee consists of eight (8) 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 four (4) times during the year.

	Member:	Position:	14.4.23 (Q1)	9.6.23 (Q2)	11.8.23 (Q3)	17.11.23 (Q4)
1.	Dr. Julius Kipnetich	Chairperson	✓	✓	✓	×
2.	Ms. Zehrabanu Janmohamed	Non-Executive	✓	✓	×	✓
3.	Mr. Shaun Zambuni	Non-Executive	✓	✓	N/A	N/A
4.	Dr. Githinji Gitahi	Independent	×	✓	✓	N/A
5.	Ms. Juliana Rotich	Independent	×	✓	×	N/A
6.	Mr. Christopher Kulei	Non-Executive	✓	×	✓	×
7.	Mr. Thomas Omondi	Non-Executive	N/A	N/A	N/A	✓
8.	Mr. Chaacha Mwita	Independent	N/A	N/A	✓	✓

Mr. Shaun Zambuni resigned effective **4th July 2023**

Ms. Juliana Rotich resigned effective **18th September 2023**

Dr. Githinji Gitahi resigned effective **10th November 2023**

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 2023 include:

The Committee met four (4) times during the year.

	Member:	Position:	21.3.23	3.7.23
1.	Dr. Julius Kipnetich	Chairman	✓	✓
2.	Dr. Githinji Gitahi	Independent	✓	✓
3.	Ms. Juliana Rotich	Independent	✓	✓
4.	Mr. Christopher Kulei	Non-Executive	✓	✓
5.	Ms. Zehrabanu Janmohamed	Non-Executive	N/A	✓
6.	Mr. Shaun Zambuni	Non-Executive	N/A	✓
7.	Dr. James Mcfie	Non-Executive	N/A	✓
8.	Mr. Thomas Omondi	Non-Executive	N/A	✓

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 bi-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 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.

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/ 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 2023..

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.

The Group did not undertake an audit in respect of the year ended 31 December 2023.

Corporate Governance Assessment Report

During the year 2023, the Capital Markets Authority (CMA) assessed the status of implementation of the CMA Code by the Company for the FY 2022 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 did not undertake an audit in respect of the year ended 31 December 2023.

Shareholding Structure

TOP 10 GLOBAL INVESTORS AS AT 31 DECEMBER 2023

The ten largest shareholders of the Company as at 31 December 2023 were as follows:

Names	Address	Shares	Percentage
1 S.N.G HOLDINGS LIMITED	IBEX HOUSE- BAKER STREET, WEYBRIDGE SURREY KT13 8AH UNITED KINGDOM SURREY KT13 8AH	56,422,699	69.03%
2 TRADE WORLD KENYA LIMITED	P. O. BOX 45675-00100 NAIROBI KENYA	8,906,068	10.90%
3 MILLER TRUSTEES LIMITED	P O BOX 72133- NAIROBI KENYA	8,608,569	10.53%
4 ISMAIL,GULAMALI	P.O. BOX 90626-80100 MOMBASA KENYA	2,211,500	2.71%
5 THE STANDARD GROUP LIMITED ESOP TRUST	P.O. BOX 30080-00100 NAIROBI GPO KENYA	266,880	0.33%
6 DENROMA INVESTMENT LIMITED	P.O. BOX 5133-00200 NAIROBI KENYA	238,640	0.29%
7 SHAH,SAVITABEN VELJI RAICHAND	P.O. BOX 46101-00100 NAIROBI KENYA	228,070	0.28%
8 GOES,EUFRAZIO JULIAO	P.O BOX 493-00606 NAIROBI KENYA	220,000	0.27%
9 THUTHUMA LIMITED	49341-00100 Nairobi KENYA	219,774	0.27%
10 SARAJ PROPERTIES LIMITED	P.O. BOX 40127-00100 NAIROBI KENYA	186,900	0.23%
11 Others		4,222,708	5.17%
Grand Totals:		81,731,808	100.00%

Shares Distribution Schedule as at 31 December 2023

Range	Records	Range Total	Percentage
1 1 to 500	2,648	329,642	0.40%
2 501 to 1000	399	293,302	0.36%
3 1001 to 5000	558	1,107,954	1.36%
4 5001 to 10000	106	734,379	0.90%
5 10001 to 50000	73	1,388,353	1.70%
6 50001 to 100000	3	237,500	0.29%
7 100001 to 500000	7	1,491,842	1.83%
8 500001 to 1000000			
9 1000001 to 2000000000	4	76,148,836	93.17%
Grand Totals:	3,798	81,731,808	100.00%

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.

BOARD OF DIRECTORS



Dr. Julius Kipnetich

Chairman

Dr. Julius Kipnetich is the chairman of the board. He has served as Independent/Non-Executive Director and Deputy Chairman Nationality since October 7, 2017. He is also the Chairman of the Editorial Committee and member of the Finance & Audit Committee. Dr. Kipnetich 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. Dr. Kipnetich 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.



Ms. Zehrabanu Janmohamed

Non-Executive Director

Ms. Zehrabanu Janmohamed has been a Non-Executive Director since July 2007. She is the chair of the Human Resource and Remuneration Committee and member of the Editorial Committee. 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 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. Ms. Janmohamed has previously served as the first woman chair of the Kenya Cricket Association and the Pan African Cricket Association. She sits on the board of several companies, including Lukiza Limited and The Standard Group PLC subsidiaries.



Dr. James Boyd McFie

Non-Executive Director

Dr. James Boyd McFie has been a Non-Executive Director since July 2007. He is a Member - Finance & Audit Committee and Human Resource & Remuneration Committee. 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. 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. Christopher Kulei

Non-Executive Director

Mr. Christopher Kulei has been a Non-Executive Director since 14 July 2020. He is a Member - Human Resource & Remuneration Committee and Editorial Committee. 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. 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. Chaacha Mwita

Independent Director

Mr. Chaacha Mwita was an Independent/Non-Executive Director from July, 4 2023. He is a leadership, media and communication management, and policy engagement consultant with over 15 years' integrated international experience in Executive Management and Board relations; as well as research translation, and advocacy. A former journalist, Mr. Mwita's current efforts are focused on connecting African journalists, scientists, policy makers and civil society organisations, to best help shape the news agenda for policy, practice, and development. He has in recent years conducted in-depth media assessments in Mozambique, South Africa, Zambia, Botswana, eSwatini, Zimbabwe, Malawi and Uganda. Among others, Mr. Mwita has worked in leadership roles at the Nation Media Group PLC, The Standard Group PLC, the Aga Khan Foundation, the African Population and Health Research Centre (APHRC), and Thomson Foundation (London, UK). He has also served on the Boards of Inter-Region Economic Network (IREN-Kenya) and Ewaso Nyiro South Development Authority (ENSDA) and Co-Secretary of the Africa Means Business Advisory Panel. Mr. Mwita graduated with a Bachelor of Education (Arts) degree from the University of Nairobi in 1996. He also holds a Postgraduate Diploma in Mass Communication from the University of Nairobi's School of Journalism and an MBA from the University of St. Gallen, Switzerland, with Executive Development stints at the Haas School of Business (the University of California at Berkeley, USA), and the University of Luxembourg. A published author, Mr. Mwita is a former Fanning Fellow for Journalism at the Kettering Foundation, Dayton, Ohio, USA.



Mr. Thomas Omondi Achola

Non-Executive Director

Mr. Thomas Omondi Achola has been a Non-Executive Director since March 23, 2023. He is a member of the Transformation Committee. Mr. Achola holds a Master's Degree in Business 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. 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.



Ms. Christine Mueni Muthui

Independent Director

Ms. Christine Mueni Muthui has been an Independent/Non-Executive Director of the Company from December 19, 2023. She is a Director at Alpha Tax & Business Advisory Services Limited and has over 20 years of tax & business advisory experience where she works with organizations to implement and execute corporate tax strategies and with other stakeholders in reviewing tax legislation in Kenya and East Africa. Previously, she worked as a Tax Manager at Coca-Cola Central East and West Africa (CEWA) and KPMG. Ms. Muthui is an Advocate of the High Court of Kenya, a Certified Public Accountant of Kenya (CPA-K) and a Certified Public Secretary (CPS-K). She holds a Bachelor of Laws (LLB) Degree from the University of Nairobi, an MBA for Executives from Strathmore Business School and is currently pursuing a PHD in Commercial Law - Taxation at the University of Cape Town. She is also an accredited trainer. She is a member of the Public and Tax Committee of the Institute of Certified Public Accountants and a former member of the Tax Committee of the Law Society of Kenya. She also served as a Board Trustee and currently sits as an External Committee member of the Centre of Tax Studies in Africa - IBFD.



Ms. Leonie Von Elverfeldt

Independent Director

Ms. Leonie Von Elverfeldt is an Independent/Non-Executive Director. She was appointed on March 6, 2024. She has over 15 years of experience in media and advertising and has coached 50+ media brands around the world in audience and revenue growth. She is currently a consultant and coach at Elverfeldt Consulting where she works with well known legacy media brands on digitization, newsroom transformation, revenue schemes and rebranding. Ms. Elverfeldt is credited with developing and managing the first payroll in Germany (BILD/ Axel Springer) and founded a media company in East Africa (Pulse/Ringier). She holds an MBA from Technische University in Berlin, Germany.



Mr. Chris Otundo

Independent Director

Mr. Chris Otundo is an Independent/Non-Executive Director. He was appointed on March 6, 2024. Mr. Otundo is a seasoned business executive with over 15 years of experience largely in talent management. He has held several leadership positions over the years including his present role as CEO BrighterMonday Kenya. His previous roles have included leadership roles at Mastercard Foundation, Safaricom and General Electric, overseeing strategic talent acquisition across Sub-Saharan Africa and Canada. Mr. Otundo holds a Masters Degree in International Management (International Business) from Toulouse School of Management (France) and a BSc. in Business Information Technology from Limkokwing University of Creative Technology (Malaysia). He is also an Executive Coach accredited by the Academy of Executive Coaches UK.



Mr. Albert Sigei

Independent Director

Mr. Albert Sigei has been an Independent/Non-Executive Directors of the Company from December 19, 2023. He is a seasoned Senior Executive with more than 25 years' experience in business advisory and manufacturing sectors, including Chief Executive Officer in three countries across Africa. Mr. Sigei is the Chief Executive Officer for Pretoria Portland Cement - Zimbabwe. This follows a stint as the founding Managing Partner of STARTIFY Ltd, an Africa-focused business advisory firm focused on restructuring, turnaround and M&A transactions. He brings on board a multi-disciplinary background with a mix of skills including General Management, Business Development, Restructuring & Turnaround, M&A, Finance and Risk Management. He has wide Board experience having served as Executive and Independent Director for various companies. He is currently on the Board of Angaza Centre for Technology Literacy as a Non-Executive Director. Mr. Sigei holds a First-Class Honors degree in Mechanical Engineering from the University of Nairobi, is a fellow of the Association of Chartered Certified Accountants (ACCA) and graduated in leadership courses offered by Ivy league Business Schools - INSEAD, London Business School, HEC Paris and The Ivey Business School at Western University.



Marion Mwangi

Group Chief Executive Officer

Ms. Marion Mwangi is the Group Chief Executive Officer (GCEO) of the Standard Group PLC. She was appointed, effective August 5th, 2024. Additionally, she is the part-time Academic Director of the Women in Leadership program at Strathmore Business School and serves as a non-executive director at the Kenya Association of Manufacturers (KAM), Palmhouse Foundation, and BAT. With over 20 years of senior management experience, she previously served as the Director of Bulk and Onsite Services at Africa Oxygen (AFROX) and Managing Director of BOC Gases PLC where she drove significant business initiatives. Marion has held executive roles at Nestlé Foods (K) Limited, Bayer East Africa Limited, and other major companies, with expertise in Lean Manufacturing, Performance Management, and Trade Marketing. She is known for successfully leading business turnarounds across sectors such as industrial, FMCG, dairy, and professional services. Her qualifications include a Bachelor of Science (BSc) in International Business Administration from USIU, along with certifications from the European Business School, Cranfield School of Management, and Strathmore Business School (SBS). Recognized for her community impact and leadership, Marion is also a sought-after mentor, executive coach, and public speaker.



Ms. Victoria Cherotich

Company Secretary

Ms. Victoria Cherotich was appointed as the Company Secretary with effect from May 1, 2024. Ms. Cherotich is currently the Chief Executive Officer of Image Registrars Limited. She is a Certified Secretary registered with the Institute of Certified Secretaries (ICS) and an ICS Accredited Governance Auditor. She is also a Certified Public Accountant (CPA).



Dear Esteemed Shareholders,

On behalf of the Board of Directors and Management, I am delighted to present to you the audited financial statements for the Financial Year ended 31st December, 2023. This past year has been one of profound transformation and resilience, marked by both external challenges and internal evolution. It is against this backdrop that I share with you our journey, the obstacles we have navigated, and the strategic responses that have positioned us for sustained growth.

Navigating Economic Challenges

The Kenyan economy in 2023 has faced significant headwinds. The Gross Domestic Product (GDP) growth was constrained by multiple factors, including heightened inflation and volatile forex trading conditions. Inflation rates have soared, primarily driven by increased costs of essential goods and services, impacting the purchasing power of our consumers and the operational costs for businesses like ours.

The geopolitical landscape, notably the ongoing conflict in Ukraine, has further complicated our economic environment. The war has disrupted global supply chains, leading to increased costs and scarcity of key import products, including newsprint and other production materials vital for our operations. These disruptions have necessitated strategic adjustments in our procurement processes to mitigate the impact on our production capabilities and cost structures.



Together, we will continue to navigate the complexities of our industry and drive forward our vision for sustainable growth and excellence.”

DR. JULIUS KIPNGETICH
CHAIRMAN OF THE BOARD



Strategic Responses and Transformations

Internally, the group has undergone substantial transformation to address the evolving challenges. We have restructured several departments to enhance agility and responsiveness. Our talent development programs have been intensified, focusing on upskilling our workforce to navigate our operational complexities effectively. In response to these external pressures, the group has embarked on several transformative initiatives to strengthen our resilience and adaptability:

1. **Operational Efficiency:** We have implemented rigorous cost management and operational efficiency programs to offset rising costs and ensure the sustainability of our operations. Leveraging technology and process improvements has been central to these efforts.
2. **Digital Innovation:** Our continued investment in digital platforms has not only expanded our reach but also diversified our revenue streams. This strategic pivot towards digital media is crucial in mitigating the impacts of traditional market volatilities.
3. **Supply Chain Adaptation:** To counter the disruptions in import products, we have diversified our supplier base and explored alternative materials and local sourcing options, ensuring continuity in our production processes.

Board Changes and Governance

This year has also seen significant changes within our Board of Directors. We have bid farewell to several esteemed members who resigned after years of dedicated service. Their contributions have been invaluable, and we extend our deepest gratitude for their commitment

and leadership. Concurrently, we have welcomed new members whose expertise and fresh perspectives are set to drive our strategic vision forward. These appointments underscore our commitment to robust governance and strategic oversight.

Looking Ahead

As we move forward, we remain cautiously optimistic. The external economic environment is expected to remain challenging, but we are confident in our strategic direction and the resilience of our operations. Our commitment to innovation, operational excellence, and stakeholder value remains steadfast.

In conclusion, I extend my heartfelt thanks to our shareholders, board members, management team, and employees for their unwavering support and dedication. Your trust and commitment are the pillars of our success. Together, we will continue to navigate the complexities of our industry and drive forward our vision for sustainable growth and excellence.

Thank you for your continued confidence in The Standard Group PLC.

Sincerely,

Dr. Julius Kipngetich
Chairman of the Board

EXECUTIVE MANAGEMENT TEAM



Marion Mwangi
Group Chief Executive Officer



Joe Munene
Managing Director,
Broadcast



Wesley Kimosop
Chief Finance Officer



Ochieng Rapuro
Chief Content Officer



Robert Toroitich
Chief Technical Officer



Charles Kimathi
General Manager,
Corporate Affairs & Marketing



Denise Laila
General Manager, Innovation



Janet Martin
Ag. Chief Talent Officer

#FactsFirst

FACTS FOR MORE THAN 100 YEARS. (YOU CAN'T FAKE THAT)



In depth, fact-based journalism stands the test of time.

Standard Digital
ePAPER

epaper.standardmedia.co.ke | www.standardmedia.co.ke



The Standard

KENYA'S BOLD NEWSPAPER

AG. GROUP CEO'S STATEMENT

Dear Shareholders,

As we present the Annual Financial Report for the year ended December 2023, I would like to highlight briefly on the state of the media industry in Kenya and our achievements over the past year. Kenya's economic situation in 2023 was characterized by high inflation, deterioration of the Kenya Shilling, debt-related risks and other uncertainties. The continued delay in settling pending bills owed to the Media Companies by the Government further adversely impacted the media sector. Challenges arising out of fast-changing media consumption behaviors and increased media fragmentation further compounded the situation. However, despite this challenging operating environment, our business has shown great resilience driven by an unwavering commitment to serve our audiences and stakeholders.

Our Product Portfolio

Our diverse portfolio continues to set us apart in the media industry. In print media, Standard Newspaper remains a cornerstone of quality journalism, with a robust digital presence that extends our reach and influence internationally. Our broadcast division continues to thrive with an array of radio stations - Radio Maisha, Spice FM, Vybez Radio, and Berur FM - each catering to distinct audience preferences. In television, KTN News, KTN Home, BTV, and KTN Farmers consistently deliver top-tier content, making us leaders in both news and entertainment.

Customer Focus and Market Dynamics

Our customers remain at the heart of everything we do. We are deeply grateful for their loyalty and trust, which inspire us to continually innovate and improve. Our standing commitment is to continuously enhance our value proposition and win market share through superior service and engagement.

"Our customers remain at the heart of everything we do. We are deeply grateful for their loyalty and trust, which inspire us to continually innovate and improve."

JOE MUNENE
AG. GROUP CHIEF
EXECUTIVE OFFICER





We stand committed to creating value for our shareholders, providing exceptional experiences for our customers, and fostering a dynamic and inclusive work environment for our employees.”

Operational Excellence and Cost Management

In response to the evolving market landscape, we have undertaken various cost-cutting initiatives to streamline operations and ensure sustainability. This included a staff rationalization process. These measures were necessary to optimize our resources and maintain financial health. Our commitment to operational excellence is reflected in the enhanced efficiency of our systems and processes, positioning us well for future growth.

Transformation Process and Strategic Initiatives

Under the guidance of a Transformation Committee of the Board, a transformation process was kicked off in 2023. The transformation agenda was anchored on 4 main pillars; Cash Generation, Positive Profit After-tax Position, 100% maintenance of the License to Operate and Balance Sheet restructure.

The process entailed the development and implementation of a bankable plan and saw the Company embark on various projects and initiatives aimed at transforming the business, enhancing our digital capabilities, improving content delivery, increasing efficiency and fostering a culture of continuous improvement.

Looking Ahead

As the media industry continues to evolve it is imperative that we respond quickly and effectively. In line with this we have developed a new strategy aimed at ensuring that the business is fit for purpose, stays competitive and is very well-positioned to take advantage of the emergent opportunities in a digital- driven media environment.

Content is at the heart of all that we do, and we remain dedicated to our mission of delivering high-quality content and services to our audiences. Our extensive footprint, coupled with a strategic focus on digital innovation, positions us to navigate the future with confidence. We stand committed to creating value for our shareholders, providing exceptional experiences for our customers, and fostering a dynamic and inclusive work environment for our employees.

In closing, I would like to express my sincere gratitude to our board of directors, management team, all the employees, and partners for their unwavering support and dedication. Together, let us continue to pursue excellence and work towards achieving new heights of success..

Thank you.

Joe Munene
Ag. Group Chief Executive Officer

Future Outlook

Deep uncertainty has characterized the global landscape in recent years, and there is little prospect of a near-term return to greater predictability. International conflicts, growing social strains, technological shifts and tight financial conditions have all contributed to heightened volatility and continue to reshape patterns of economic activity. This makes for a particularly challenging environment for businesses and government to operate, with this heightened complexity being a growing challenge where businesses will adopt and develop corrective measures to respond to low growth and an unpredictable operating environment.

The media landscape continues to evolve rapidly, with digital advertising becoming dominant as businesses shift budgets from traditional media to online platforms. Social media, influencer marketing, and programmatic advertising are leading this charge. To succeed, brands will need to pivot from insight to foresight and present consumers with emotive and instinctive solutions that will dictate not only whether they prefer a brand but also if a brand even crosses their radar in an AI-filtered and culturally reshaped reality. Brands need to begin laying the foundation now to future-proof themselves, developing and adopting the predictive capabilities and anticipatory behaviours needed to differentiate and grow in this new era.

Consumers expect ever more relevant content and personalized experiences, and there is a significant shift in content consumption, with video-on-demand and streaming services gaining popularity. This and economic uncertainty are reshaping advertising strategies and leading to an increased focus on digital video content and data-driven marketing strategies that deliver targeted campaigns with better engagement and ROI.

As a Group, we are boldly re-inventing our business to compete robustly in the digital age. Our Strategic Plan is a critical first step in shaping the Group's future outlook and direction.

As we execute our strategic plan, key imperatives that will feature most prominently in our strategic goals include: 1) *Deeper focus on Innovation/R&D*, 2) *Revenue*, 3) *Improving internal efficiencies and regulatory compliance* 4) *Investing in human capital and promoting staff welfare to unlock productivity growth* and 5) *Capital Allocation from strategic investor financing* which will be essential for our sustainable growth in the evolving media landscape.

As a Group, we are boldly re-inventing our business to compete robustly in the digital age. Our Strategic Plan is a critical first step in shaping the Group's future outlook and direction.



Standard Group team during AACOSE 2023, social enterprise conference at Tangaza University.



A team from Standard Group with partners at a tree planting event at Lenana School during the National Tree Planting Day.



Standard Group management during a strategy workshop at company headquarters.

We remain confident that our brands, products and services will deliver long-term shareholder value for our customers and shareholders. In our strategic intent that focuses on innovation and customer satisfaction, we continue to be guided and stand by the values of fact-checking, journalism independence, and editorial integrity. The Group remains committed to improving the quality of people's lives through innovative solutions, driving accountability by being the voice of society.

Together with our shareholders, stakeholders, customers, local and international communities, and strategic partners we are committed to pursuing a strategy that will deliver positive shareholder equity. With a rich legacy spanning over a century, we are dedicated to delivering quality content driven by free and fair independent journalism.

Consumers expect ever more relevant content and personalized experiences, and there is a significant shift in content consumption, with video-on-demand and streaming services gaining popularity.

STANDARD GROUP JOURNALISTS SHINE



Isaiah Gwengi's investigation into the detrimental impact of cage culture on Nyanza's landing sites earned him the Best Print Story accolade at the AJEA 2024.



Steve Ondieki's podcast, "The Blue Gold Rush: Race to Control Kenya's Shrinking Water Towers," won the Podcast of the Year at the AJEA 2024.



Standard Group's Anthony Ndiema and Edwin Kwambai celebrate winning at the 2023 KUZA Awards.



Journalist Caroline Chebet received a prestigious award by Internews' Earth Journalism Network for her exceptional reporting on biodiversity.



Andy Kagwa received the Earth Journalism Network award for his great work in mentoring journalists to better their craft.

#TatuSure!



ZULLY, CHRIS NA SHUGABOY

MAISHA ASUBUHI



RadioMaisha

MON - FRI 6AM-10AM

NAIROBI 102.7 | MALINDI 106.3 | WEBUYE 95.9 | GARISSA 88.7 | TAITA/ VOI 107.4 | NAROK 102.3 | NYERI 105.7
MERU 105.1 | NAKURU 104.5 | KISII 91.3 | KISUMU 105.3 | MOMBASA 105.1 | KERicho 90.5 | ELDORET 97.1 | MARSABIT 88.3
KAPENGURIA 91.1 | MANDERA 91.1 | WAJIR 91.1 | LODWAR 93.1 | NYAHURURU 103.3 | KITUI 93.8



Lukenya University Marathon 2nd Edition Cheque Presentation Ceremony at the Standard Group: Pauline Mutwa Sammy, winner of the 42km Women's Race, receives her award from Lukenya University leadership, witnessed by the marathon's sponsors.



Media & Entertainment Cooperation MoU Signing Ceremony



Standard Group and Huawei Kenya leadership during a partnership signing on cloud technology.

YEAR IN REVIEW

Navigating Challenges, Building Resilience, and Embracing Growth

Amidst the whirlwind of changes in the media landscape, The Standard Group PLC has not only weathered the storms but has emerged as a beacon of resilience and innovation. Despite facing formidable challenges, including disruptions in traditional media and evolving consumer habits, the company has demonstrated remarkable adaptability and unwavering commitment to delivering value to its consumers.

In the face of adversity, and the hostile business environment, caused largely by the problem of pending bills and a slowdown in the overall economy, we continue to transform our business to best serve our customers. The company has risen to the occasion, embracing innovation, fostering impactful partnerships, and driving sustainable growth. Our relentless pursuit of excellence has not only sustained our operations but has also positioned us for future success in an ever-evolving industry landscape. As we reflect on the achievements of 2023, our priority remains to serve our customers with the best media products, improve the welfare of our staff, and fulfil our obligations to all our stakeholders.

The evolution of the media landscape has been unrelenting with rapid increase in the disruptions in radio, print and TV and the advent and growing impact of digital platforms. The context of this assertion is the need therefore to adapt with the changing trends in the consumer habits, to ensure that Standard Group brands deliver great value to the consumers. Admittedly, we have had to adjust how we do business to meet the consumer needs, as informed by changing consumer demands.

Whereas the business environment remained challenging, as attributed to many factors, practical yet efficient approaches were adopted to ensure the key goal of recruiting and retaining audiences across all the Group's platforms is sustained. Specific focus was on execution of brand campaigns, content marketing, consumer engagement activities and robust brand visibility on integrated media platforms.

The activities were aligned with the marketing strategy of "audience first".

KTN Home was rebranded and assumed the best foundational colours for the entertainment industry, which are purple and yellow. The new look is dynamic, refreshing, aspirational and inspires hope, and is indeed the home of entertainment. It remains a family channel, it's fun, its captivating, inspirational and puts the audiences first in its content offering on all platforms. The new look and brand unveiled was a recommitment to our audiences that this reawakened KTN Home will focus on local Swahili drama shows such as Njoro wa Uba and Hullabaloo, NIA, and so much more.

The Group has sustained its brand campaign of Facts First which is the editorial-driven messaging of reaffirming our integrity to our audiences. As the world battles with misinformation and disinformation, The Standard and KTN News brands have stood tall by being unflinching in dissemination of news by providing all the insights, context and perspectives.



Members of the Board of Directors welcome the new Group CEO Marion Gathoga-Mwangi to the Standard Group.



The 9th edition of Pulse Music Video Awards was very successful in recruiting youthful audiences for the entertainment brands. The overall winner received 1M worth of medical insurance and the event cemented the position of Standard Group as the home of entertainment for the youth.

The focus for Radio Maisha was promotion of new talents who joined the station and through major brand events such as Choma na Ngoma. Additionally, English Premier League activations in clubs have sustained the momentum for the brand by maintaining the brand relevance and furthered the connections with the audiences. The Lokole Festival graced by Rhumba maestro Ferre Gola and other local artists, accorded Radio Maisha the energy that propelled the brand to second place in the country in 2023, according to IPSOS data. Radio Maisha was voted as the best radio station in the prestigious KUZA Awards, held by Communication Authority of Kenya.

There was an intense promotion of the Group's brands on billboards across the country. This was a significant achievement that increased top of mind awareness of brands, cultivated brand equity and the impact could be felt in the growth of audiences.



Building Bridges: Fostering Meaningful Connections and Partnerships

The Standard Group PLC is committed to fostering meaningful partnerships and engaging with stakeholders to drive positive impact across various sectors. These engagements have not only strengthened our relationships but have also contributed significantly to our corporate social responsibility efforts and revenue generation.

Here are some highlights of our key partnerships and stakeholder engagements for the year:

High-Level Visitors and Meetings:

- Hosted several high-level government officials and corporate executives, including Nobel Laureate Prof Muhammad Yunus, Mombasa Governor Abdulswamad Nassir, former British High Commissioner Jane Marriott, CS for Land, Public Works, Housing and Urban Development Zachariah Mwangi Njeru, British High Commissioner to Kenya Neil Wigan, and The Nairobi Hospital CEO James Nyamongo among others.
- Paid a courtesy call to the new Kenya Re Managing Director Dr. Hillary Wachinga, discussing mutual areas of collaboration.

Other Engagements and Activities:

- In partnership with the Global Peace Foundation Kenya, hosted the 2nd edition of the Transform Education summit in Nairobi. The forum brought together stakeholders in the education sector to



deliberate on education trends and share best practices and recommendations aimed at improving the quality of learning in Kenya.

- Sponsored by UNFPA, the Standard Group Women Network (SGWN) Mentorship Workshop was held on May 31, with more than 60 staff enrolled in the Cohort 2 Programme.
- Hosted the Transform Kenya Forum on E-Mobility in partnership with the Ministry of Transport.
- Social Entrepreneurship Project - Partnered with Tangaza University College and Ashoka Africa to host the East Africa Social Business Conference and the 6th Annual Africa Conference on Social Entrepreneurship, featuring Nobel Peace Laureate Prof Muhammad Yunus. The highlight was the launch of SAT Innovation Awards to recognize and reward social entrepreneurs.
- UNICEF Kenya partnership for World Children's Day – hosted the World Children's Day event in Kisumu, including the 2nd edition of the Children's Essay and Video competition.
- Hosted the inaugural Climate Action Forum.

FarmKenya Initiative: Empowering Agriculture Through Innovation

The Standard Group PLC continues to foster impactful partnerships and pursue diverse revenue streams through its FarmKenya initiative. Despite funding challenges, collaborations were established with key entities such as Food and Land Use Coalition (FOLU), Ecological Organic Agriculture Initiative (EOA-I), Share Screen Africa, Kenchic, Alliance for Science, Farm Forest, and KALRO. These partnerships aimed at enhancing agricultural communication, promoting sustainable practices, co-creating and disseminating content through various channels and countering misinformation.

Notable events and revenue-generating activities included the successful hosting of the FarmKenya Breakfast focusing on food security and safety, as well as the launch of the Global Hunger Index (GHI) report, generating significant revenue. Additionally, strategic initiatives like the Real IPM marketing drive, AYUTE Challenge launch, and coverage of the Sustainable Agriculture College of East Africa (CSAEA) contributed to revenue generation and awareness building.

Furthermore, FarmKenya continued to explore opportunities for collaboration and revenue generation through events like the World MSME Day focusing on agribusiness, and joint proposals such as the partnership with Bio-vision Africa Trust (BvAT) for agro-ecology farming stories, reflecting the initiative's commitment to innovative partnerships and sustainable growth.

FarmKenya continued to explore opportunities for collaboration and revenue generation



To mark World Children's Day, Precious Ng'andu, 13, guest anchored on KTN News at One, on November 20, 2023.



#FactsFirst

FACTS COME FIRST. WE SET THE STANDARD



The integrity of our news and reporting will never come second.



epaper.standardmedia.co.ke | www.standardmedia.co.ke



The Standard

KENYA'S BOLD NEWSPAPER



Nairobi Governor Johnson Sakaja poses with Spice FM Situation Room presenters.



Children pose for a picture during Club Kiboko Festival.



Standard Group staff participate at the Scott Christian University's Campus to Campus Run.



Prince Indah receives his award at the 2023 PMVA awards.



Standard Group sponsored 2023 East African Safari Classic.



Standard Group's Seth Enos and Media Council of Kenya CEO David Omwoyo at The Standard Group PLC stand during the second edition of the Global Media Congress in Abu Dhabi, UAE.



Cars showcased during the 2023 Digger Motor Show at the KICC.



The winner of The Standard County Golf Classic in Eldoret celebrates.



Ktn News Studio visit by high school students.



Performances during Lokole Festival.



Ktn News Studio visit by high school students.



New Standard Group CEO Marion Mwangi (third left) with part of the senior management team and guests.



End of year client engagement event.



Conversation on social entrepreneurship with legendary Nobel laureate and recently appointed interim Bangladesh Prime Minister Prof. Muhammad Yunus (third right) at the Standard Group.





US Ambassador to Kenya Meg Whitman planting a fruit seedling at Muongoiya Primary School in Kiambu during a Fruity School Initiative.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

With a legacy spanning over a century of journalistic excellence, The Standard Group takes pride in its pivotal role of informing, educating, and entertaining audiences across various platforms. Recognizing our responsibility towards societal commitments, we are dedicated to ensuring the long-term viability of our business, benefitting not only our consumers but also the communities we serve. As an organization, we have focused our efforts on impactful areas such as health, education, and the environment, leveraging the power of media to foster dialogue and drive meaningful action.

The Standard Group remains steadfast in its commitment to environmental stewardship, social responsibility, and ethical governance. Through strategic initiatives and partnerships, we strive to make a positive impact on society while ensuring the sustainability and resilience of our business operations.

Environment

- **Fruity Schools Initiative:** In collaboration with Fruity Schools Africa, The Standard Group PLC embarked on an ambitious project aimed at utilizing underutilized spaces in over 35,000 public schools to plant and care for over 1,000,000 fruit trees. This initiative not only promotes healthy nutrition among learners but also underscores the vital role of trees in supporting biodiversity and environmental health. We have planted over 50,000 fruity trees in various educational institutions through the Green Initiative in collaboration with Fruity Schools Africa, US Embassy, Global Peace Foundation among partners, promoting environmental sustainability.



- **SG Green Initiative:** Climate change poses one of the most urgent challenges to our planet today, affecting every corner of the globe. In Kenya, a nation heavily reliant on tourism and rainfed agriculture, climate change and extreme weather events threaten economic stability and human well-being. The Standard Group has championed environmental awareness through

extensive reporting and educational campaigns over the years. Our SG Green Initiative embodies a comprehensive agenda encompassing multi-platform journalism, partnerships, and operational initiatives aimed at combating climate change, restoring the planet, and securing a better future for generations to come.

A monthly pullout magazine, "Planet Action," within The Standard Newspaper features news, special features, and outstanding climate journalism. Additionally, we host bespoke events designed to facilitate crucial conversations on climate solutions. Our initiatives have included the inaugural Standard Group Climate Action forum in partnership with the Pan-African Climate Justice Alliance (PACJA), setting the stage for Kenya's commitments at COP28.

We also engage in tree planting exercises as part of sporting activities such as Eldoret City Marathon, Lukenya University Marathon and the Standard County Golf Classic, Eldoret Edition to promote climate adaptation and mitigation across Kenya, uniting corporate leaders and policymakers as active climate advocates.



Making a Difference: Impacting Communities Through Corporate Social Responsibility (CSR)

The Standard Group PLC remains committed to its mission of making a positive impact on society through various Corporate Social Responsibility (CSR) initiatives. Our efforts spanned across diverse areas including education, healthcare, environmental sustainability, and empowerment of persons with disabilities.

Through strategic partnerships and impactful initiatives, we strive to create a sustainable and positive impact on the communities we serve. We remain dedicated to upholding our values of social responsibility and corporate citizenship in the years to come.

Healthcare:

- Supported St. Luke's Orthopaedic Hospital in Eldoret in launching the production of Trans-Humeral prosthetic limbs, contributing to healthcare accessibility.
- Participated in health awareness walk with St. John's Ambulance, promoting community wellness.
- Collaborated with Nairobi Pinktober Fest to raise awareness about breast cancer; Used media platforms to raise awareness on early detection and prevention of cancer.
- Sponsored a golf tournament that was aimed at raising funds to support the Coast Hospice, a facility in Mombasa that provides palliative care to patients with life limiting illnesses.

Advocacy for Persons with Disability:

- Supported initiatives for persons with special needs, including raising awareness about autism through partnerships with Andy Speaks4Persons with Special Needs and Step Up4Autism organization.
- Partnership with Step Up4Autism organization- Used our media platforms to raise awareness on autism; Supported the World Autism Awareness Day Marathon in Eldoret.

Bomb Blast Commemoration:

- Sponsored the August 7th Memorial Trust to commemorate the Silver Jubilee since the August 7th terror attack in Nairobi.

Education:

Academic Media Tours



We hosted 1,703 learners from 55 schools including primary, secondary and tertiary institutions, on our Academic Tour Programme, among them Kabarak University, NLA University- Norway, and Mombasa Aviation College. We hosted a group of 25 editors attending a professional development course at the Aga Khan University's Graduate School of Media and Communications, showcasing our multimedia nature business and Converged Newsroom.

Newspapers in Education (NiE) Programme



The Newspaper in Education (NiE) program aims to cultivate a robust reading culture in learning institutions as well as improving writing skills among learners. We have partnered with over 250 schools.

Since its inception, the NiE program has been a beacon of educational support, delivering tailored educational content to schools. For a nominal fee of Ksh.14,400 per term or Ksh.43,200 per year, enrolled schools receive 22 copies of The Standard newspaper every Tuesday. Each edition is meticulously curated to include educational content such as:



- **Test Papers:** Crafted by renowned examiners, providing students with valuable practice opportunities.
- **Exam Tips:** Columns offering strategic advice on how to excel in examinations.
- **Guidance and Counselling:** Articles aimed at supporting students' mental and emotional well-being.



Other education engagements:

1. Collaborated with KCA University for the Vice Chancellor & CEO Cycling Tour, raising funds for needy students.
2. Launched the Campus to Campus Run in partnership with Scott Christian University to raise funds for needy students.
3. Hosted the 4th edition of the Annual Great Places to School initiative in collaboration with Global Peace Foundation, promoting quality education.
4. Supported various charity events including the Starehe Girls' Centre charity walk and Laibon Society's Annual Charity Golf Day, raising funds for educational support.



The Standard Media Group Foundation

Our commitment to social impact is further embodied through The Standard Media Group Foundation, an autonomous body tasked with developing and managing impactful social programs in partnership with various organizations. Key focus areas include environmental sustainability, healthcare access, education equity and disability rights. The Foundation has been instrumental in responding to national emergencies, including mobilising support during the recent flood relief efforts.





Employee Engagement

Employee engagement at The Standard Group is a continuous process essential to our company's performance and culture. We prioritize an open-door policy that encourages employees to voice their opinions without fear of discrimination or retaliation. This policy also provides a safe channel for resolving conflicts or addressing issues effectively. Quarterly staff forums serve as pivotal platforms for fostering dialogue, sharing updates, and gathering feedback from our team members.

Our comprehensive grievance procedure ensures that concerns related to social, financial, emotional, or physical well-being are promptly addressed, reinforcing our commitment to employee welfare. Additionally, our whistleblowing policy offers a secure mechanism for reporting unethical practices, behaviors, or violations of our Code of Ethics and Business Conduct.

We recognize that our employees are our greatest assets. We are dedicated to nurturing a supportive work environment where every individual can thrive and contribute effectively.

Mentorship and Training

The Standard Group fosters skills enhancement and professional growth through various training programs, particularly in journalistic skills.

Our training initiatives are designed to enhance journalistic skills and keep our teams abreast of emerging trends and technologies in media. We offer a diverse range of workshops, seminars, and online courses tailored to the needs of different departments and career levels within the organization. These programs not only strengthen technical competencies but also cultivate leadership qualities and strategic thinking among our staff.

The Standard Group Women Network plays a pivotal role in mentoring both women and men in media, promoting gender diversity and inclusion. The network spearheads a mentorship program that pairs experienced professionals, both men and women, with mentees to provide guidance, support career development, and foster a collaborative work environment.

Through these initiatives, The Standard Group empowers



its employees to excel in their roles, adapt to industry changes, and contribute effectively to our mission of journalistic excellence and societal impact. We are committed to investing in our team members' professional growth, ensuring they remain at the forefront of media innovation and leadership.

Employee Well-being

At the heart of our business are our employees, whom we value as our greatest assets. We uphold equal employment opportunities and merit-based decisions across recruitment, promotion, development, career progression, and remuneration. The Group is committed to building a future-ready workforce through continuous development and support.



**SHINE
SO BRIGHT**
*With glitz, glamour
and amazing style*

At KTN Home, we're doing our best 24/7 to make your place the most musical, inspiring, stylish, connected, caring, suspenseful, adventurous, crazy, funny and outrageous place to be. Turn on to KTN. Your home of entertainment.

Championing Safety at The Standard Group

At The Standard Group, our commitment to Occupational Health and Safety (OSH) isn't just a priority; it's a way of life. We embarked on a journey to not just meet industry standards but to set new benchmarks in workplace safety, recognizing the invaluable role it plays in the well-being of our employees and the efficiency of our operations.

Safety Week Celebration: Every year, we celebrate our much-anticipated Safety Week in April, a vibrant extravaganza of safety activities. From mastering first aid techniques to honing fire safety skills, from road safety awareness to comprehensive medical check-ups, every aspect of safety was meticulously covered.



Safety Training Initiatives: Throughout the year, we invested in empowering our team with essential skills. First aid training ensured that our staff were equipped to handle emergencies confidently. Road safety training aimed to instill responsible habits on the road, while fire safety sessions and drills fortified our preparedness for any unforeseen circumstances. Our OSH Committee underwent specialized training, reinforcing our internal network of safety advocates.



Fitness and Wellness: Understanding that physical fitness and mental well-being are pillars of a productive workforce, we prioritized access to a gym within the premises at the Standard Group Centre, on Mombasa Road. Additionally, we organized invigorating hikes, immersing ourselves in the rejuvenating embrace of nature at Oloolua Nature Trail, Karura Forest and Kijabe Trail among other adventures.

Our fitness enthusiasts didn't stop there. They enthusiastically participated in renowned marathons and walks, not just for the thrill of competition but to champion health and wellness. From the Standard Chartered Marathon to the Mater Heart Run, from the Lukenya University Marathon to the Campus to Campus Run, our team left footprints of commitment and resilience.

Mental Health Awareness: Recognizing the importance of mental well-being, we embarked on a series of initiatives to foster a supportive environment. From enlightening webinars to dynamic dance collaborations with Dance Klan, we celebrated World Mental Health Awareness Day with vigor. We also introduced Men's Hub, providing a safe space for men to connect, share, and support each other through life's challenges.



Industry Collaboration: In collaboration with The Workplace Safety Professionals Association of Kenya (WSPAK), we hosted the inaugural Conference themed "Capacity Building in the Occupational Safety & Health Profession." This milestone event brought together industry leaders to exchange insights and advance the cause of workplace safety.

Community Engagement: Our commitment to safety extended beyond our walls. Preceding the World Day of Safety, we convened at Karura Forest for a day of impactful activities. From a spirited first aid competition to empowering mental health talks, from exhilarating team-building exercises to nurturing our environment through tree planting, every moment was a testament to our dedication to safety and community stewardship.



THE HOTTEST ENTERTAINMENT BRAND PRESENTS

PULSE MUSIC VIDEO AWARDS 2023

The only way to get a life

WINNERS

BEST CHOREOGRAPHY
OF THE YEAR



NONINI FT MTEMI

BEST COLLABORATION
OF THE YEAR



NASHA TRAVIS
& TRIO MIO

BEST GROUP
OF THE YEAR



VIJANA BARUBARU

BREAKTHROUGH VIDEO
SONG OF THE YEAR



SOUNDKRAFT
FT. GODY TENNOR

DJ OF THE YEAR



DJ GIBBZ

FEMALE ARTIST
OF THE YEAR



SSARU

MALE ARTIST
OF THE YEAR



PRINCE INDAH

NEW ARTIST
OF THE YEAR



PRINCESS RECHO

SONG OF THE YEAR



WAKADINALI

TIKTOK CHALLENGE
OF THE YEAR



NASIEKU

VERNACULAR SONG
OF THE YEAR



TOBY BISENGO

VIDEO DIRECTOR
OF THE YEAR



OMOKE

VIDEO VIXEN
OF THE YEAR



KATE THUKU

Infinix

Jubilee
HEALTH INSURANCE

Amor
Treats
Healthy Bliss

NAIROBI
STREET
KITCHEN

PULSE KENYA'S BOLD NEWSPAPER
The Standard
FREE COPY WITH THE STANDARD ON FRIDAY

ktn
Welcome Home

STR8UP

THE STANDARD GROUP PLC
CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

Contents	Pages
Corporate information	2 – 3
Directors' report	4 – 7
Directors remuneration report	8 – 11
Statement of directors' responsibilities	12
Independent auditor's report	13 – 17
Consolidated statement of profit or loss and other comprehensive income	18
Company statement of profit and loss and other comprehensive income	19
Consolidated statement of financial position	20
Company statement of financial position	21
Consolidated statement of changes in equity	22
Company statement of changes in equity	23
Consolidated statement of cash flows	24
Company statement of cash flows	25
Notes to the financial statements	26 - 82

THE STANDARD GROUP PLC CORPORATE INFORMATION

DIRECTORS

Dr. Julius Kipngetich	Chairman
Zehrabanu Janmohamed	
Dr. James Mcfie	
Christopher Kulei	
Thomas Omondi	Appointed 24th March 2023
Chaacha Mwita	Appointed 4th July 2023
Albert Sigei	Appointed 19th December 2023
Christine Muthui	Appointed 19th December 2023
Leonie Von Elverfeldt**	
Chris Otundo	

COMPANY SECRETARY

Victoria Cherotich
Image Registrars Limited
Absa Towers (formerly Barclays Plaza)
5th Floor, Loita Street
PO Box 9287 - 00100
Nairobi.

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

The Standard Group Centre
Mombasa Road
PO Box 30080 - 00100
Nairobi.

INDEPENDENT AUDITOR

Grant Thornton LLP
Certified Public Accountant (Kenya)
5th Floor Avocado Towers
75 Muthithi Road Westlands
PO Box 46986 - 00100
Nairobi.

LEGAL ADVISORS

TripleOKLaw Advocates LLP
ACK Garden House, 5 Floor
First Ngong Avenue
PO Box 43170 - 00100
Nairobi.

**German

PRINCIPAL BANKERS

Stanbic Bank Kenya Limited
Stanbic Bank Centre
Westlands Road, Chiromo
PO Box 72833 – 00200
Nairobi.

NCBA Bank Kenya PLC
NCBA Centre Upperhill
Mara Rd,
PO Box 44599 - 00100
Nairobi.

KCB Bank Kenya Limited
Moi Avenue
PO Box 48400 - 00100
Nairobi.

Equity Bank Kenya Limited
Equity Centre
Hospital Road, Upperhill
PO Box 75104 - 00200
Nairobi.

COMPANY REGISTRARS

Image Registrars Limited
Absa Towers (formerly Barclays Plaza)
5th Floor, Loita Street
PO Box 9287 - 00100
Nairobi.

THE STANDARD GROUP PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2023, 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, The Nairobiian and The Standard Courier. 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

	2023	2022
	KES 000	KES 000
Loss before income tax	(722,538)	(1,023,463)
Income tax credit /(expense)	<u>(538,902)</u>	<u>158,259</u>
Loss for the year	<u>(1,261,440)</u>	<u>(865,204)</u>
<i>Attributable to:</i>		
Non-controlling interests	(95,039)	(44,184)
Owners of the Company	<u>(1,166,401)</u>	<u>(821,020)</u>
	<u>(1,261,440)</u>	<u>(865,204)</u>

3. Dividend

The directors do not recommend a dividend payment for the year ended 31 December 2023 (2022 – Nil).

4. Directors

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

Robin Sewell*	-Chairman	Resigned 27th April 2023
Dr. Julius Kipngetich	- Deputy Chairman	
Orlando Lyomu	-Chief Executive Officer	Resigned 6th July 2023
Zehrabanu Janmohamed		
Dr. James Mefie		
Juliana Rotich		Resigned 18th September 2023
Dr. Evanson Gitahi		Resigned 10th November 2023
Shaun Zambuni*		Resigned 4th July 2023
Christopher Kulei		
Thomas Omondi		Appointed 24th March 2023
Chaacha Mwita		Appointed 4th July 2023
Albert Sigei		Appointed 19th December 2023
Christine Muthui		Appointed 19th December 2023
Leonie Von Elverfeldt**		Appointed 6th March 2024
Chris Otundo		Appointed 6th March 2024

* British

**German

5. Statement of 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 are aware, no relevant audit information of which the Group's and Company's auditor is unaware; and
- b. the directors have 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

Grant Thornton LLP have been appointed and are willing to continue in office in accordance with the Company's Articles of Association and Section 723 of the Kenyan 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.

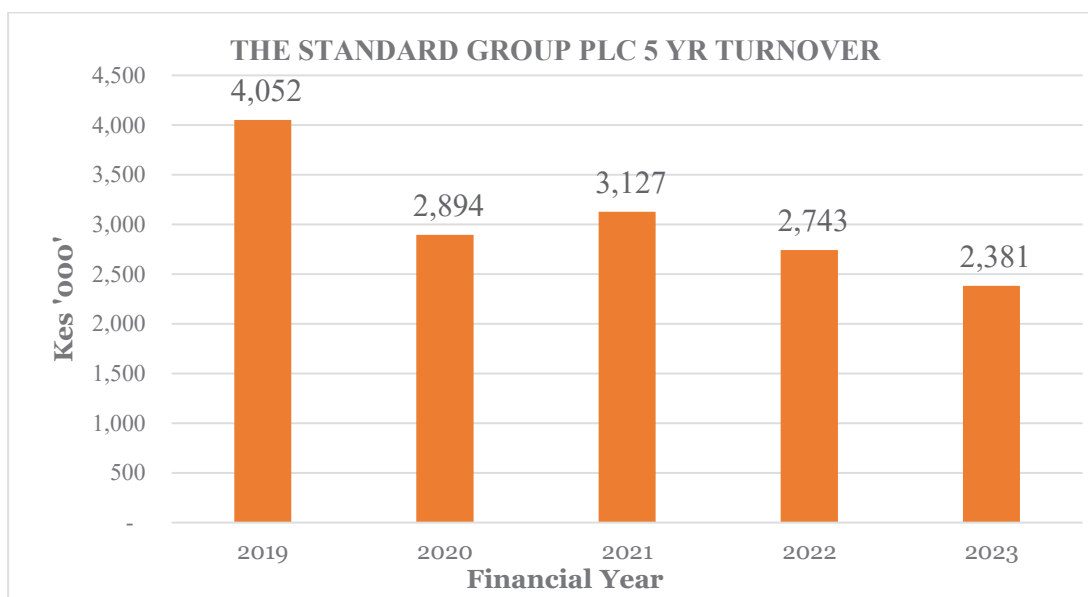
7. Business overview

Summary of results

The Group operates on various platforms which include:

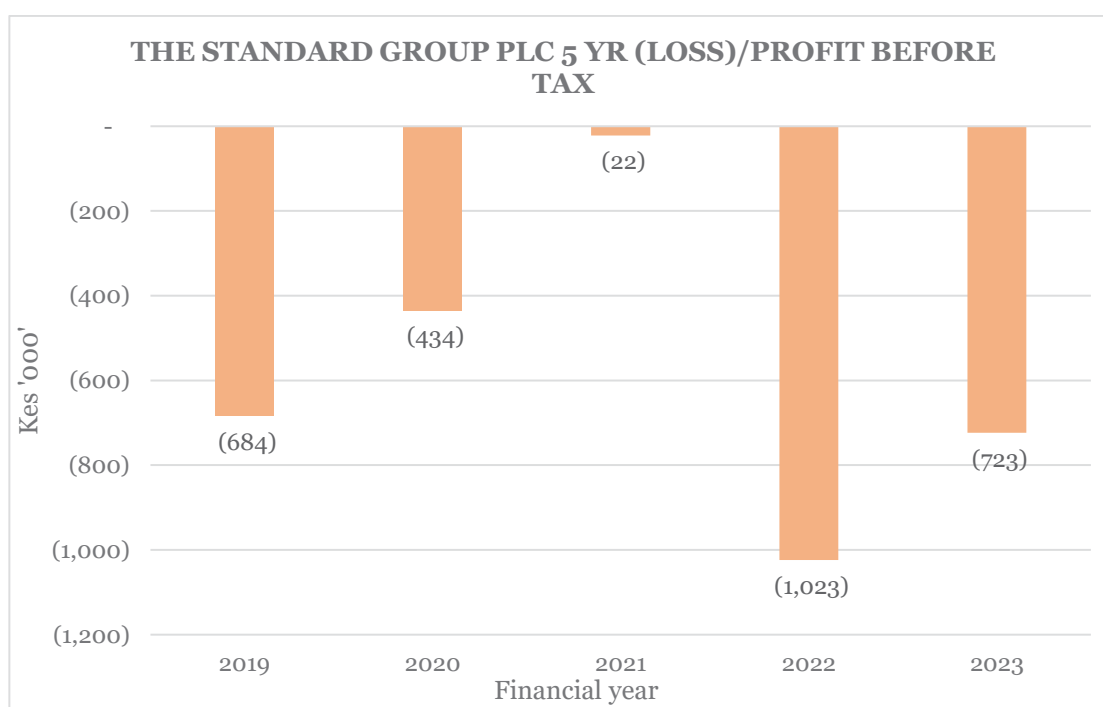
- (a) Print platform. This platform has two main publications; The Standard and The Nairobiian. Revenue from this platform is generated from the sale of newspaper copies and advertisements on the publications.
- (b) Broadcast platform. This includes television and radio platforms.
 - i. The television 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 4 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 13% to KES 2.3 billion from KES 2.7 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, there was experience of decline in audience engagement which was a factor of revenue decline. Government institutions minimised their marketing activities and that negatively impacted the Group's revenues.



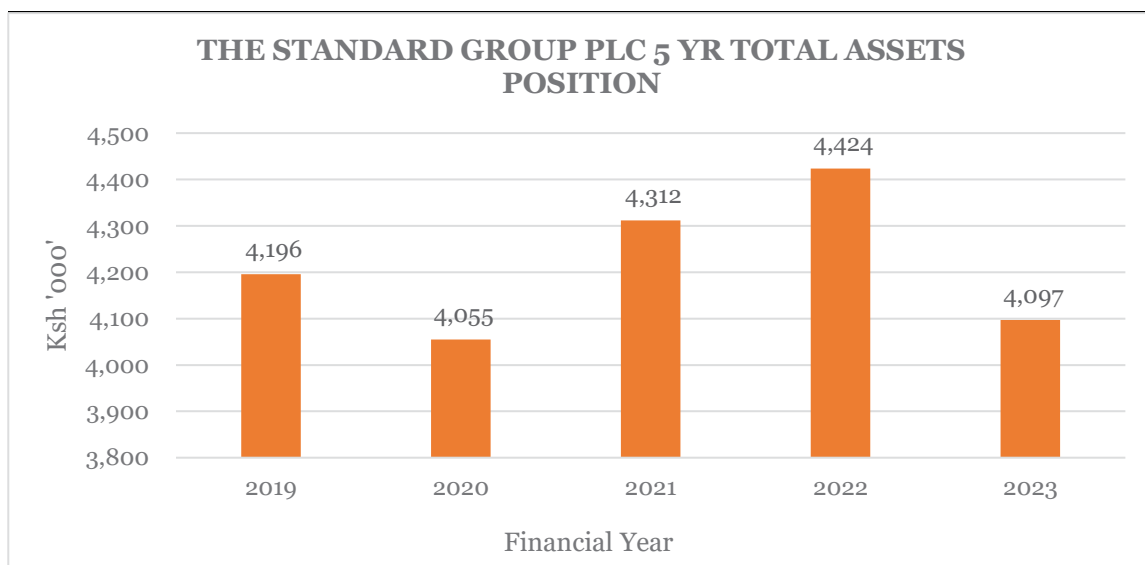
Group direct costs slightly increased compared to 2022 largely due to changes in newsprint prices and electricity costs. Group overhead costs closed at 25% lower than 2022 largely from staff cost reduction measures and variation of fuel prices.

The Group incurred a loss before tax of KES 723 million compared to a loss before tax of KES 1 billion in 2022. This was driven by the factors mentioned above on revenue and overhead costs.



Financial position

The Group's total assets have decreased to KES 4.09 billion year (2022: KES 4.43 billion). as a result of the derecognition of the deferred tax asset of KES 539 million in the year.



Principal risk:

The principal risk facing the business were high level of inflation, audience engagement and rising cost of doing business. Increased inflation, from rising cost of food, electricity, and fuel, increased the cost of doing business. Being a post electioneering year, the speed of recovery from the loss of income from the slowed economic activities was a risk as there were uncertainties on the policies that came 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 29th June 2024.

BY ORDER OF THE BOARD

Victoria Cherotich

Victoria Cherotich
Certified Public Secretary (Kenya)
Company Secretary

Date 29th June 2024



THE STANDARD GROUP PLC DIRECTORS REMUNERATION REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The Standard Group PLC is pleased to present the Director's Remuneration report for the year ended 31 December 2023. 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	Resigned 27th April 2023
Dr. Julius Kipngetich	-Deputy Chairman	
Orlando Lyomu	-Chief Executive Officer	Resigned 6th July 2023
Zehrabanu Janmohamed	-Non-Executive Director	
Dr. James Mcfie	-Non-Executive Director	
Shaun Zambuni*	-Non-Executive Director	Resigned 4th July 2023
Christopher Kulei	-Non-Executive Director	
Thomas Omondi	-Non-Executive Director	Appointed 24th March 2023
Juliana Rotich	-Independent/Non-Executive Director	Resigned 18th September 2023
Dr. Evanson Gitahi	-Independent/Non-Executive Director	Resigned 10th November 2023
Chaacha Mwita	-Independent/Non-Executive Director	Appointed 4th July 2023
Albert Sigei	-Independent/Non-Executive Director	Appointed 19th December 2023
Christine Muthui	-Independent/Non-Executive Director	Appointed 19th December 2023
Leonie Von Elverfeldt**	-Independent/Non-Executive Director	Appointed 6th March 2024
Chris Otundo	-Independent/Non-Executive Director	Appointed 6th March 2024

*British

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 Nominations Committee of the Board is responsible for setting and administering the directors Remuneration Policy. The Nominations 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.

Remuneration structure for Executive Directors (continued)

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 3 Non executive directors forewent full fees and sitting allowances. (2022: 100% forfeiture for all except for Robin Sewell who resigned).

Directors' Shareholding

Directors can purchase or sell shares of the Company in the open market subject to the regulations of the Kenyan 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 KES 000
Orlando Lyomu	25/05/2022	Resigned	6 months	15,300

	2023 KES 000				2022 KES 000			
Name	Basic pay	Insurance	Gratuity	Total	Basic pay	Insurance	Gratuity	Total
Orlando Lyomu	15,810	118	1,860	17,788	27,000	228	3,600	30,828

Non-Executive Directors

	Fees and sitting allowance	
	2023	2022
	KES '000	KES '000
Robin Sewell*	660	1,320
Dr. James Mefie	-	-
Zehrabanu Janmohamed	1,625	-
Shaun Zambuni*	1,355	-
Dr. Julius Kipngetich	2,015	-
Juliana Rotich	1,090	-
Dr. Evanson Gitahi	-	-
Christopher Kulei	-	-
Thomas Omondi	2,415	-
Chaacha Mwita	1,350	-
Albert Sigei	-	-
Christine Muthui	-	-
Total	10,510	1,320

* 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. Julius Kipngetich

Date: 29th June 2024

THE STANDARD GROUP PLC

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 29th June 2024 and signed on its behalf by:


Dr. James Mefie
Director


Dr. Julius Kipngelich
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 The Standard Group Plc (the "Company") and its subsidiaries (together, the "Group") set out on pages 18 to 82, which comprise the consolidated statement of financial position at 31 December 2023 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 2023, 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, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated and separate annual financial statements give a true and fair view of the financial position of The Standard Group Plc and its subsidiaries as at December 31, 2023, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act, 2015.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE STANDARD GROUP PLC (continued)

Key Audit Matters (continued)

Credit risk and estimation of expected credit losses on financial assets	How our audit addressed the Key Audit Matter
<p>The Group is exposed to credit risk arising, mainly, from credit sales of goods and services to customers and investment in subsidiaries.</p> <p>The recognition of credit loss allowances on financial assets, as required by IFRS 9, involves the use of significant judgements and estimates by management.</p> <p>Management apply significant judgements and estimates in the following areas as described in note 6 of the financial statements:</p> <ul style="list-style-type: none"> • The determination and application of IFRS 9 risk parameters i.e. probability of default (PD), and loss given default (LGD) on trade receivables; and • The definition of default and determination of probability of default. • Determination of expected timing for settlement of government trading debt. <p>The disclosures on the application of IFRS 9 in the determination of expected credit losses is in notes 3(l) and 5(b) of the financial statements.</p>	<p>We evaluated the Group's accounting policies for compliance with the principles of IFRS 9.</p> <p>We assessed and tested the key modelling assumptions for reasonableness, including the expected timing of the settlement of receivables from the government and other financial assets.</p> <p>We validated the key inputs into the expected credit loss model against source documents/ reports and checked for mathematical accuracy of the model.</p> <p>We evaluated the adequacy of disclosures in the financial statements in accordance with the requirements of the International Financial Reporting Standards.</p>
Adequacy and completeness of the libel provision	How our audit addressed the Key Audit Matter
<p>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.</p> <p>The Directors apply significant judgement when considering whether, and how much, to provide for the potential exposure of each litigation.</p> <p>The disclosures on the determination of expected provisions and contingent liabilities are in note 34 of the financial statements.</p>	<p>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; including holding discussions with Group's in house legal counsel to understand the nature of ongoing claims, and to assess the latest status.</p> <p>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</p> <p>We evaluated the adequacy of disclosures in the financial statements in accordance with the requirements of the International Financial Reporting Standards.</p>

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE STANDARD GROUP PLC (continued)

Other Matter

The consolidated and separate financial statements of the Group and company for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 28 April 2023.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the consolidated and separate financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate 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 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.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Kenyan 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 group using the going concern basis of accounting unless the directors either intend to liquidate the group or company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the group's financial reporting process.

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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE STANDARD GROUP PLC (continued)

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

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 and company internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or company ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- 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 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.



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE STANDARD GROUP PLC
(continued)**

Report on other matters prescribed by the Kenyan Companies Act, 2015

As required by Kenyan Companies Act, 2015, we report to you based on our audit, that in our opinion the information given in the report of directors on page 4–7 is consistent with the consolidated and separate annual financial statements.

The engagement partner responsible for the audit resulting in this independent auditor's report was CPA Alfred Siele, Practicing Certificate No. 1690



Grant Thornton LLP
Certified Public Accountants

For and on behalf of Grant Thornton LLP
Certified Public Accountants (Kenya)
Nairobi

K/1635/0623/640/1123/AUD

29TH JUNE 2024

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 KES 000	2022 KES 000
Revenue	8	2,381,425	2,726,063
Direct costs	9	(749,880)	(749,386)
Other gains or (losses)	10	(8,489)	22,749
Selling and distribution costs	11	(239,517)	(257,202)
Administrative expenses	12(a)	(1,971,167)	(2,320,891)
Movement in expected credit losses	12(b)	(46,167)	(246,323)
Finance costs	13	<u>(88,743)</u>	<u>(215,676)</u>
Loss before taxation	14	(722,538)	(1,023,463)
Income tax credit /(expense)	15	<u>(538,902)</u>	<u>158,259</u>
Total loss after tax for the year		<u>(1,261,440)</u>	<u>(865,204)</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u>(1,261,440)</u>	<u>(865,204)</u>
Attributable to:			
Non-controlling interests	26	(95,039)	(44,184)
Owners of the parent		<u>(1,166,401)</u>	<u>(821,020)</u>
		<u>(1,261,440)</u>	<u>(865,204)</u>
Earnings per share for profit attributable to the ordinary equity holders of the company	16	(14.27)	(10.05)

**COMPANY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 KES 000	2022 KES 000
Revenue	8	1,821,464	2,050,731
Direct costs	9	(569,538)	(574,767)
Other gains or (losses)	10	(25,512)	7,122
Selling and distribution costs	11	(190,710)	(199,196)
Administrative expenses	12(a)	(1,547,366)	(1,809,605)
Movement in expected credit losses	12(b)	(48,254)	(228,364)
Finance costs	13	<u>(65,777)</u>	<u>(184,399)</u>
Loss before taxation	14	(625,693)	(938,477)
Income tax (credit)/expense	15	<u>(441,789)</u>	<u>163,445</u>
Loss after tax for the year		<u>(1,067,482)</u>	<u>(775,032)</u>
Other comprehensive income		=	=
Comprehensive loss for the year		<u>(1,067,482)</u>	<u>(775,032)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

ASSETS		2023	RESTATED 2022	RESTATED 2021
Non-current assets	Notes	KES 000	KES 000	KES 000
Property, plant and equipment	17(a)	1,220,258	1,394,546	1,542,554
Leasehold land	18	299,845	303,987	308,128
Right of use assets	19(a)	17,290	23,346	52,014
Intangible assets	20(a)	524,486	538,712	521,626
Deferred income tax	28(a)	<u>-</u>	<u>538,902</u>	<u>380,642</u>
		<u>2,061,879</u>	<u>2,799,493</u>	<u>2,804,964</u>
Current assets				
Inventories	22(a)	105,824	99,913	158,406
Trade and other receivables	23(a)	1,856,229	1,455,098	1,322,297
Cash and bank balances	32(i)(b)	49,251	45,422	8,320
Current income tax	15(a)	<u>23,973</u>	<u>23,973</u>	<u>18,075</u>
		<u>2,035,277</u>	<u>1,624,406</u>	<u>1,507,098</u>
TOTAL ASSETS		<u>4,097,156</u>	<u>4,423,899</u>	<u>4,312,062</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	24(a)	408,654	408,654	408,654
Share premium	24(a)	39,380	39,380	39,380
Investment in joint operation	21(b)	(42,250)	(42,250)	(42,250)
Capital redemption reserve	25(a)	102	102	102
Retained earnings	25(b)	<u>(1,578,590)</u>	<u>(412,189)</u>	<u>408,831</u>
Attributable to owners of the company		(1,172,704)	(6,303)	814,717
Non-controlling interests	26	<u>50,232</u>	<u>145,271</u>	<u>189,455</u>
Total equity		<u>(1,122,472)</u>	<u>138,968</u>	<u>1,004,172</u>
Non-current liabilities				
Borrowings	29(a)	279,649	-	-
Lease Liabilities	19(b)	18,847	6,537	31,144
Due to related parties	27(b)	<u>748,840</u>	<u>351,949</u>	<u>-</u>
		<u>1,047,336</u>	<u>358,486</u>	<u>31,144</u>
Current liabilities				
Borrowings	29(a)	183,921	849,919	1,204,705
Trade and other payables	30(a)	3,891,508	2,969,272	1,688,074
Lease liabilities	19(b)	1,416	16,937	37,504
Due to related parties	27(b)	<u>95,447</u>	<u>90,317</u>	<u>346,463</u>
		<u>4,172,292</u>	<u>3,926,445</u>	<u>3,276,746</u>
TOTAL EQUITY AND LIABILITIES		<u>4,097,156</u>	<u>4,423,899</u>	<u>4,312,062</u>

The financial statements on pages 18 to 82 were approved and authorised for issue by the Board of Directors on 29th June 2024.


Dr. James Mefie
Director


Dr. Julius Kipng'etich
Director

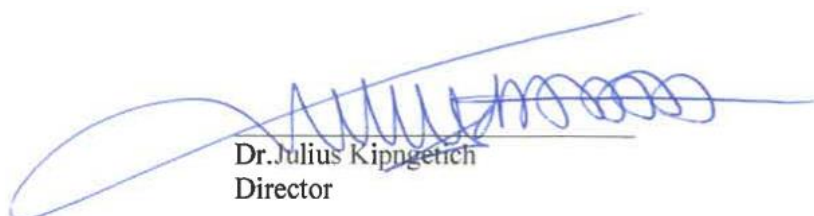
COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

ASSETS

		2023	RESTATED 2022	RESTATED 2021
	Notes	KES 000	KES 000	KES 000
Non-current assets				
Property, plant and equipment	17(b)	1,108,975	1,257,096	1,395,376
Leasehold land	18	299,845	303,987	308,128
Right of use assets	19(a)	17,290	23,346	52,015
Intangible assets	20(b)	434,520	445,478	429,807
Deferred income tax	28(b)	-	441,789	278,343
Investment in subsidiaries	21(a)	<u>70,367</u>	<u>70,367</u>	<u>70,367</u>
		<u>1,930,997</u>	<u>2,542,063</u>	<u>2,534,036</u>
Current assets				
Inventories	22(b)	104,601	98,498	154,467
Trade and other receivables	23(b)	1,481,548	1,174,033	1,064,693
Current income tax	15(b)	16,500	16,500	12,318
Cash and bank balances	32(ii)(b)	<u>32,197</u>	<u>45,222</u>	<u>8,120</u>
		<u>1,634,846</u>	<u>1,334,253</u>	<u>1,239,598</u>
TOTAL ASSETS		<u>3,565,843</u>	<u>3,876,316</u>	<u>3,773,634</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	24(a)	408,654	408,654	408,654
Share premium	24(b)	39,380	39,380	39,380
Investment in joint operation	21(b)	(42,250)	(42,250)	(42,250)
Capital redemption reserve	25(a)	102	102	102
Retained earnings	25(b)	<u>(1,637,972)</u>	<u>(570,490)</u>	<u>204,542</u>
Shareholders' (deficit)/equity		<u>(1,232,086)</u>	<u>(164,604)</u>	<u>610,428</u>
Non-current liabilities				
Borrowings	29(b)	279,649	-	-
Lease liabilities	19(b)	18,847	6,537	31,144
Due to related parties	27(b)	<u>748,840</u>	<u>351,949</u>	<u>-</u>
		<u>1,047,336</u>	<u>358,486</u>	<u>31,144</u>
Current liabilities				
Borrowings	29(b)	99,762	590,363	1,006,558
Bank overdraft	29(b)	74,014	232,137	167,380
Trade and other payables	30(b)	3,061,510	2,399,426	1,304,514
Lease liabilities	19(b)	1,416	16,937	37,504
Due to related parties	27(b)	<u>513,891</u>	<u>443,571</u>	<u>616,106</u>
		<u>3,750,593</u>	<u>3,682,434</u>	<u>3,132,062</u>
TOTAL EQUITY AND LIABILITIES		<u>3,565,843</u>	<u>3,876,316</u>	<u>3,773,634</u>

The financial statements on pages 18 to 82 were approved and authorised for issue by the Board of Directors on 29th June 2024.


 Dr. James Mcfie
 Director


 Dr. Julius Kipng'etich
 Director

THE STANDARD GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital KES 000	Share premium KES 000	Capital redemption reserve KES 000	Investment in Joint Operations KES 000	Retained earnings KES 000	Attributable to equity holders of parent KES 000	Non-controlling interest KES 000	Total Shareholders' equity KES 000
Year ended 31 December 2022								
At start of year	408,654	39,380	102	(42,250)	408,831	814,717	189,455	1,004,172
Total comprehensive loss								
Loss for the year	-	-	-	-	(821,020)	(821,020)	(44,184)	(865,204)
At end of year	<u>408,654</u>	<u>39,380</u>	<u>102</u>	<u>(42,250)</u>	<u>(412,189)</u>	<u>(6,303)</u>	<u>145,271</u>	<u>138,968</u>
Year ended 31 December 2023								
At start of year	408,654	39,380	102	(42,250)	(412,189)	(6,303)	145,271	138,968
Total comprehensive loss								
Loss for the year	-	-	-	-	(1,166,401)	(1,166,401)	(95,039)	(1,261,440)
At end of year	<u>408,654</u>	<u>39,380</u>	<u>102</u>	<u>(42,250)</u>	<u>(1,578,590)</u>	<u>(1,172,704)</u>	<u>50,232</u>	<u>(1,122,472)</u>

THE STANDARD GROUP PLC
COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital KES 000	Share premium KES 000	Capital redemption reserve KES 000	Investment in Joint Operations KES 000	Retained earnings KES 000	Total KES 000
Year ended 31 December 2022						
At start of year	408,654	39,380	102	(42,250)	204,542	610,428
Total comprehensive loss						
Loss for the year	-	-	-	-	(775,032)	(775,032)
At end of year	408,654	39,380	102	(42,250)	(570,490)	(164,604)
Year ended 31 December 2023						
At start of year	408,654	39,380	102	(42,250)	(570,490)	(164,604)
Total comprehensive loss						
Loss for the year	-	-	-	-	(1,067,482)	(1,067,482)
At end of year	408,654	39,380	102	(42,250)	(1,637,972)	(1,232,086)

THE STANDARD GROUP PLC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 KES 000	2022 KES 000
Cash flows from operating activities			
Cash generated from operations	32(i) (a)	491,437	734,434
Interest expense on other loans		(83,408)	(207,326)
Interest expense on lease	19(b)	(5,335)	(8,350)
Income tax paid	15(c)	<u>-</u>	<u>(5,898)</u>
Net cash flows from operating activities		<u>402,694</u>	<u>512,860</u>
Cash flows from investing activities			
Purchase of intangible assets	20(a)	-	(37,717)
Purchase of property, plant and equipment	17(a)	-	(38,613)
Proceeds from disposal of property, plant and equipment		<u>7,044</u>	<u>532</u>
Net cash flows from investing activities		<u>7,044</u>	<u>(75,798)</u>
Cash flows from financing activities			
Principal elements of lease payments	19(c)	(19,559)	(45,174)
Proceeds from borrowings	29(a)	703,375	1,986,524
Loan repayment	29(a)	<u>(914,328)</u>	<u>(2,402,719)</u>
Net cash flows from financing activities		<u>(230,512)</u>	<u>(461,369)</u>
Net decrease in cash and cash equivalents		179,226	(24,307)
Cash and cash equivalents at start of the year		<u>(214,134)</u>	<u>(189,827)</u>
Cash and cash equivalents at end of year	32(i)(b)	<u>(34,908)</u>	<u>(214,134)</u>

THE STANDARD GROUP PLC
COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 KES 000	2022 KES 000
Cash flows from operating activities			
Cash generated from operations	32(ii) (a)	420,813	672,197
Interest expense on other loans	13	(46,913)	(176,049)
Interest expense on lease liability	19(b)	(5,335)	(8,350)
Income tax paid	15(c)	—	(4,182)
Net cash flows from operating activities		<u>368,565</u>	<u>483,616</u>
Cash flows from investing activities			
Purchase of intangible assets	20(b)	-	(29,723)
Purchase of property, plant and equipment	17(b)	-	(20,712)
Proceeds from disposal of property, plant and equipment		<u>7,044</u>	<u>533</u>
Net cash flows from investing activities		<u>7,044</u>	<u>(49,902)</u>
Cash flows from financing activities			
Principal elements of lease payments	19(c)	(19,559)	(45,174)
Proceeds from borrowings	29(b)	703,375	1,986,524
Loan repayment	29(a)	<u>(914,327)</u>	<u>(2,402,719)</u>
Net cash flows from financing activities		<u>(230,511)</u>	<u>(461,369)</u>
Net decrease in cash and cash equivalents		145,098	(27,655)
Cash and cash equivalents at start of year		<u>(186,915)</u>	<u>(159,260)</u>
Cash and cash equivalents at end year	32(ii) (b)	<u>(41,817)</u>	<u>(186,915)</u>

THE STANDARD GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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 Nairobiian; 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 (KES 000), which is the Company’s functional currency. All financial information presented has been rounded to the nearest thousand (KES 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 in the current year incurred a loss after tax of KES 1.261 Billion (2022: KES 865 million) and KES 1.067 Billion (2022: 775 million) respectively during the year ended 31 December 2023 and, as of that date, the Group's and Company's current liabilities exceeded the current assets by KES 2.1 billion (2022: KES 2.3 billion) and KES 2.1 billion (2022: KES 2.3 billion) respectively. As at year end the Group had total negative equity of KES 433 million (2022: positive KES 139 million) whilst the Company had a negative equity of KES 648 million (2022: negative equity KES 165 million).

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. Due to financial constraints the group has been unable to settle some amounts due to key suppliers, statutory bodies, and employee related costs. Management does not foresee any new sources of uncertainty that will impact the business in a materially negative way. The business still enjoys immense goodwill and confidence and this demonstrated by the market share it commands across its product offering.

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 35% in 2024 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 2024 thus able to meet its 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.
 - v. Organizational right sizing and staff rationalization as part of cost cutting measures
- 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 in the first quarter. 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 2024 results of the group have seen positive growth and improved performance compared to prior year with a positive EBITDA of KES 1.1 million and KES 32 million for the months of February and March. With April & May also reporting positive EBITDAs of KES 8.2 million and KES 1.7 million respectively.

The Directors have reviewed the projections 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. The shareholders also indicated their willingness to support the business which is demonstrated by the willingness of the majority shareholders to inject funds into the business as and when the need arises as evidenced by the KES 392 million given in the current year. The group is also at an advanced stage to secure another KES 300 million to ease the cashflow constraints as we gear up for further capital.

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. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment. The group 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.

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.

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. Programmes are 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 2023

New standard or amendments	Effective for annual periods beginning on or after
— International tax reform - Pillar two model rules - amendments to IAS 12	1 January 2024
— Initial application of IFRS 17 and IFRS 9 - Comparative information	1 January 2023
— Deferred tax related to assets and liabilities arising from a single transaction - Amendments to IAS 12	1 January 2023
— Disclosure of accounting policies: Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
— Definition of accounting estimates: Amendments to IAS 8	1 January 2023
— IFRS 17 Insurance Contracts	1 January 2023
— Classification of Liabilities as Current or Non-Current - Amendment to IAS 1	1 January 2023

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

(ii) *New and amended standards and interpretations not yet effective*

New standard or amendments	Effective for annual periods beginning on or after
— Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
— Lack of exchangeability - amendments to IAS 21	1 January 2025
— Supplier finance arrangements - amendments to IAS 7 and IFRS 7	1 January 2024
— Non-current liabilities with covenants - amendments to IAS 1	1 January 2024
— Lease liability in a sale and leaseback	1 January 2024

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	USD KES 000	EURO KES 000	GBP KES 000	Total KES 000
2023:				
Financial assets				
Cash at bank	(3,708)	2,027	6,006	4,325
Foreign debtors	23,745	-	-	23,745
Financial liabilities				
Trade payables	(281,568)	(37,126)	(9,266)	(327,960)
Net foreign currency liability	(261,531)	(35,099)	(3,260)	(299,890)
2022:				
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)

At 31 December 2023, 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 KES 2,998,905 (2022: KES 2,271,943).

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

	Average		Closing	
	2023	2022	2023	2022
USD	138.6	117.5	156.5	123.4
EURO	149.8	124.1	173.8	131.3
GBP	172.2	145.9	199.8	148.5

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 KES 105 million (2022: KES 185 million) at rates determined by prevailing market conditions.

As at 31 December 2023, an increase/decrease of 1% on average borrowing rates would have resulted in an increase/decrease in profit before taxation for Group by KES 2,998,905 (2022: KES 8,499,000).

(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 2023

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 2023 and 2022. The amounts on the table represent the maximum exposure to credit risk.

(i) Trade receivables

Group

Year ended 31 December 2023

Aging bucket	Loss rate	Gross amount	Loss allowance	Credit impaired
		KES 000	KES 000	
0–30 days past due	6%	833,918	48,324	No
31–60 days past due	7%	73,992	5,142	No
61–90 days past due	13%	51,617	6,872	No
More than 90 days past due	64%	<u>1,808,460</u>	<u>1,162,141</u>	Yes
		<u>2,767,986</u>	<u>1,122,479</u>	

Year ended 31 December 2022

Aging bucket	Loss rate	Gross amount	Loss allowance	Credit impaired
		KES 000	KES 000	
0–30 days past due	10%	828,110	77,839	No
31–60 days past due	16%	61,427	7,584	No
61–90 days past due	29%	27,558	8,628	No
More than 90 days past due	68%	<u>1,645,177</u>	<u>1,082,261</u>	Yes
		<u>2,562,273</u>	<u>1,176,312</u>	

Company

Year ended 31 December 2023

Aging bucket	Loss rate	Gross amount	Loss allowance	Credit impaired
		KES 000	KES 000	
0–30 days past due	6%	625,899	36,247	No
31–60 days past due	6%	58,767	3,498	No
61–90 days past due	11%	35,451	3,965	No
More than 90 days past due	63%	<u>1,500,714</u>	<u>951,519</u>	Yes
		<u>2,220,831</u>	<u>995,229</u>	

Year ended 31 December 2022

Aging bucket	Loss rate	Gross amount	Loss allowance	Credit impaired
		KES 000	KES 000	
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%	<u>1,374,032</u>	<u>869,451</u>	Yes
		<u>2,063,513</u>	<u>946,975</u>	

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 KES 43,092,000 and KES 26,037,600 respectively (2022: Group and Company – KES 45,222,000 and KES 45,222,000 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:

	2023	2022
Group:	KES 000	KES 000
At start of year	1,176,312	956,359
Charge/(credit) for the year	46,167	246,324
Bad debt write offs and credit notes	<u>-</u>	<u>(26,370)</u>
At end of year	<u>1,222,479</u>	<u>1,176,312</u>
Company:		
At start of year	946,975	744,981
Charge/(credit) for the year	48,254	228,364
Bad debt write offs and credit notes	<u>-</u>	<u>(26,370)</u>
At end of year	<u>995,229</u>	<u>946,975</u>

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:

	2023 KES 000	2022 KES 000
Group:		
Bank and cash balances (Note 32(i)(b))	49,251	45,422
Other receivables (Note 23(a))	<u>49,493</u>	<u>42,653</u>
	<u>98,744</u>	<u>88,075</u>
Company:		
Bank and cash balances (Note 32(ii)(b))	32,197	45,222
Other receivables (Note 23(b))	<u>37,536</u>	<u>31,440</u>
	<u>69,733</u>	<u>76,662</u>

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 KES 105 million (2022: KES 185 million).

The table below analyses the Group's financial liabilities and assets that will be settled or realized 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

	Within 1 year KES 000	Over 1 year KES 000	Total KES 000
Liabilities			
At 31 December 2023			
Related party loans	126,640	748,840	875,480
Bank borrowings	238,045	279,649	517,694
Lease liabilities	1,607	21,391	22,998
Trade and other payables	<u>3,891,508</u>	-	<u>3,891,508</u>
	<u>4,257,800</u>	<u>1,049,880</u>	<u>5,307,680</u>
Assets			
At 31 December 2023			
Inventories	105,824		105,824
Trade and other receivables	1,856,229		1,856,229
Bank and cash balances	<u>49,251</u>	-	<u>49,251</u>
	<u>2,011,304</u>	-	<u>2,011,304</u>

Liabilities	Within 1 year	Over 1 year	Total
At 31 December 2022	KES 000	KES 000	KES 000
Related party balances	464,916	-	464,916
Bank borrowings	904,043	-	904,043
Lease liabilities	19,224	7,419	26,643
Trade and other payables	<u>2,969,272</u>	<u>-</u>	<u>2,969,272</u>
	<u>4,357,455</u>	<u>7,419</u>	<u>4,364,875</u>
Assets			
At 31 December 2022			
Inventories	99,913	-	99,913
Trade and other receivables	1,455,098	-	1,455,098
Bank and cash balances	<u>45,422</u>	<u>-</u>	<u>45,422</u>
	<u>1,600,433</u>	<u>-</u>	<u>1,600,433</u>
Company			
Liabilities			
At 31 December 2023			
Related party loans	545,084	748,840	1,293,924
Bank borrowings	227,901	279,649	507,549
Lease liabilities	1,607	18,847	20,454
Trade and other payables	<u>3,061,510</u>	<u>-</u>	<u>3,061,510</u>
	<u>3,836,102</u>	<u>1,047,336</u>	<u>4,883,437</u>
Assets			
At 31 December 2023			
Inventories	104,601	-	104,601
Trade and other receivables	1,481,548	-	1,481,548
Bank and cash balances	<u>32,197</u>	<u>-</u>	<u>32,197</u>
	<u>1,618,346</u>	<u>-</u>	<u>1,618,346</u>
At 31 December 2022			
Liabilities			
Related party loans	818,170	-	818,170
Bank borrowings	876,625	-	876,625
Lease liabilities	-	-	-
Trade and other payables	<u>2,399,426</u>	<u>-</u>	<u>2,399,426</u>
	<u>4,094,221</u>	<u>-</u>	<u>4,094,221</u>
Assets			
At 31 December 2022			
Inventories	98,498	-	98,498
Trade and other receivables	1,174,033	-	1,174,033
Bank and cash balances	<u>45,222</u>	<u>-</u>	<u>45,222</u>
	<u>1,317,753</u>	<u>-</u>	<u>1,317,753</u>

(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

	Financial liabilities at amortised cost KES 000	Financial assets at amortised cost KES 000	Total carrying value KES 000	Fair value KES 000
2023				
Financial assets				
Trade and other receivables	-	1,856,229	1,856,229	1,856,229
Cash and bank balances	-	49,251	49,251	49,251
	<u>-</u>	<u>1,905,480</u>	<u>1,905,480</u>	<u>1,905,480</u>
Financial liabilities				
Borrowings	463,570		463,570	463,570
Trade and other payables	3,891,507		3,891,507	3,891,507
Lease liabilities	20,263		20,263	20,263
Amount due to related parties	95,447	-	95,447	95,447
	<u>4,470,787</u>	<u>-</u>	<u>4,470,787</u>	<u>4,470,787</u>
2022				
Financial assets				
Trade and other receivables	-	1,455,099	1,455,099	1,455,099
Cash and bank balances	-	45,422	45,422	45,422
	<u>-</u>	<u>1,500,521</u>	<u>1,500,521</u>	<u>1,500,521</u>
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	90,317	-	90,317	90,317
	<u>3,932,982</u>	<u>-</u>	<u>3,932,982</u>	<u>3,932,982</u>

Company				
2023	Financial liabilities at amortised cost KES 000	Financial assets at amortised cost KES 000	Total carrying value KES 000	Fair value KES 000
Financial assets				
Trade and other receivables	-	1,481,548	1,481,548	1,481,548
Cash and bank balances	<u>-</u>	<u>32,197</u>	<u>32,197</u>	<u>32,197</u>
	<u><u>-</u></u>	<u><u>1,513,745</u></u>	<u><u>1,513,745</u></u>	<u><u>1,513,745</u></u>
Financial liabilities				
Borrowings	453,425		453,425	453,425
Trade and other payables	3,061,509		3,061,509	3,061,509
Lease liabilities	20,263		20,263	20,263
Amount due to related parties	<u>1,262,731</u>	<u>-</u>	<u>1,262,731</u>	<u>1,262,731</u>
	<u><u>4,797,928</u></u>	<u><u>-</u></u>	<u><u>4,797,928</u></u>	<u><u>4,797,928</u></u>
2022				
Financial assets				
Trade and other receivables	-	1,174,034	1,174,034	1,174,034
Cash and bank balances	<u>-</u>	<u>45,222</u>	<u>45,222</u>	<u>45,222</u>
	<u><u>-</u></u>	<u><u>1,219,256</u></u>	<u><u>1,219,256</u></u>	<u><u>1,219,256</u></u>
Financial liabilities				
Borrowings	822,500	-	822,500	822,500
Lease liabilities	2,399,426	-	2,399,426	2,399,426
Amount due to related parties	23,474	-	23,474	23,474
Trade and other payables	<u>795,520</u>	<u>-</u>	<u>795,520</u>	<u>795,520</u>
	<u><u>4,040,920</u></u>	<u><u>-</u></u>	<u><u>4,040,920</u></u>	<u><u>4,040,920</u></u>

(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	
	2023	2022	2022	2022
	KES 000	KES 000	KES 000	KES 000
Equity	<u>(1,122,472)</u>	<u>138,968</u>	<u>(1,232,086)</u>	<u>(164,604)</u>
Total borrowings	463,570	849,919	453,425	822,500
Less: cash balances	<u>(49,251)</u>	<u>(45,422)</u>	<u>(32,197)</u>	<u>(45,222)</u>
Net debt	<u>414,319</u>	<u>804,497</u>	<u>421,228</u>	<u>777,278</u>
Gearing	<u>(37)%</u>	<u>579%</u>	<u>(34)%</u>	<u>(472)%</u>

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.

Contingent liabilities

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 crystallise.

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 country. 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.

	2023			2022		
	Print KES 000	Broadcasting KES 000	Total KES 000	Print KES 000	Broadcasting KES 000	Total KES 000
Revenue	1,448,715	932,710	2,381,425	1,641,473	1,084,590	2,726,063
Direct Costs	(509,580)	(240,300)	(749,880)	(492,774)	(256,612)	(749,386)
Other gains and (losses)	(30,072)	21,583	(8,489)	20,956	18,996	39,952
Selling and distribution	(155,817)	(83,700)	(239,517)	(164,500)	(92,702)	(257,202)
Administrative expenses	(1,350,635)	(587,356)	(1,937,991)	(1,655,422)	(755,810)	(2,411,232)
Depreciation and amortisation expense	(35,075)	(44,268)	(79,343)	(102,387)	(53,595)	(155,982)
Finance costs	(61,218)	(27,525)	(88,743)	(181,776)	(33,900)	(215,676)
Segment (loss)/profit before tax	(693,682)	(28,856)	(722,538)	(934,430)	(89,033)	(1,023,463)
Income tax (expense)/credit	(441,789)	(97,113)	(538,902)	162,231	3,972	158,259
Total comprehensive loss for the year	(1,135,471)	(125,969)	(1,261,440)	(772,199)	(93,005)	(865,204)
<u>Segment assets and liabilities</u>						
Segment assets	3,154,496	942,659	4,097,155	3,572,410	893,739	4,466,149
Segment liabilities	4,379,481	840,147	5,219,628	3,687,663	597,269	4,284,932
Capital expenditure	47,543	(30,717)	16,827	43,689	32,642	76,331

	GROUP		COMPANY	
	2023	2022	2023	2022
	KES 000	KES' 000	KES 000	KES 000
8. REVENUE				
Revenue recognised at a point in time				
Print	1,448,715	1,658,675	1,448,715	1,658,675
Broadcasting	<u>932,710</u>	<u>1,084,590</u>	<u>372,749</u>	<u>392,056</u>
	<u>2,381,425</u>	<u>2,743,265</u>	<u>1,821,464</u>	<u>2,050,731</u>
9. DIRECT COSTS				
Material cost	336,536	286,356	336,534	286,153
Programmes	83,613	135,303	33,191	56,030
Depreciation	79,785	84,079	79,785	84,079
News contribution costs	73,678	75,560	65,290	64,954
News service	10,051	23,365	63	2,887
Operating lease	5,267	11,622	5,095	9,594
TV licenses	101,163	60,740	-	-
Maintenance	25,394	42,521	25,394	42,521
Production salaries	8,905	5,803	8,905	5,803
Events	25,488	23,503	15,281	22,746
Other costs	<u>-</u>	<u>534</u>	<u>-</u>	<u>-</u>
	<u>749,880</u>	<u>749,386</u>	<u>569,538</u>	<u>574,767</u>
10. OTHER GAINS OR (LOSSES)				
Miscellaneous income	33,722	33,239	15,419	17,558
Sale of newspaper returns, production waste and other income	16,653	14,808	16,653	14,808
Printing services	(115)	35	(115)	35
Gain on disposal of property and equipment	7,044	534	7,044	535
Unrealised forex losses	(109,853)	(9,498)	(97,002)	(6,795)
Realised Forex Gains	60,164	1,722	47,845	(933)
Realised Forex Losses	<u>(16,104)</u>	<u>(18,091)</u>	<u>(15,356)</u>	<u>(18,085)</u>
	<u>(8,489)</u>	<u>22,749</u>	<u>(25,512)</u>	<u>7,122</u>
11. SELLING AND DISTRIBUTION				
Commission on bad debt	2,995	11,114	2,995	11,114
Marketing and promotion	7,277	22,311	5,084	21,764
Advertising commission	161,733	151,719	115,120	95,771
Transport and distribution	<u>67,511</u>	<u>72,059</u>	<u>67,511</u>	<u>70,547</u>
	<u>239,517</u>	<u>257,202</u>	<u>190,710</u>	<u>199,196</u>

12. a) ADMINISTRATIVE EXPENSES

	GROUP		COMPANY	
	2023	2022	2023	2023
	KES 000	KES 000	KES 000	KES 000
Staff costs	1,276,597	1,542,866	971,857	1,178,714
Rent	60,777	48,569	55,742	39,223
Property operations	38,172	45,090	28,057	33,210
Depreciation charge	94,503	102,542	68,336	74,913
Depreciation recharge	-	-	(12,319)	(36,454)
Amortisation of intangible assets	14,226	20,633	10,958	14,054
Right of use amortisation	18,253	28,668	18,253	28,668
Leasehold land amortisation	4,141	4,141	4,141	4,141
Professional fees	105,075	51,197	103,556	49,248
Repairs and maintenance	41,809	81,727	38,102	73,916
Vehicle expenses	53,386	72,710	51,305	70,786
Communication expense	9,353	37,972	8,452	35,487
Travel and accommodation	1,853	8,730	1,830	8,543
General insurance	57,232	67,764	40,492	48,734
Licences	3,946	39,456	3,946	39,456
Penalties	123,173	45,900	93,077	31,950
Bank charges	15,293	34,966	13,345	32,972
Electricity and water	36,426	42,764	31,700	39,104
Training	2,865	4,292	2,540	2,995
Subscription and donation	(135)	6,884	(135)	6,884
Printing and stationery	2,316	8,692	2,225	8,070
Directors' fees	10,510	983	10,510	983
AGM board meeting	1,334	1,697	1,334	1,360
Others	<u>62</u>	<u>22,648</u>	<u>62</u>	<u>22,648</u>
	<u>1,971,167</u>	<u>2,320,891</u>	<u>1,547,366</u>	<u>1,809,605</u>
Staff costs include:				
Salaries and wages	1,101,459	1,364,749	838,211	1,051,473
Staff welfare	145,207	138,741	110,359	97,145
Pension contributions	18,608	36,939	13,939	28,323
NSSF	11,323	2,437	9,348	1,773
	<u>1,276,597</u>	<u>1,542,866</u>	<u>971,857</u>	<u>1,178,714</u>

Average number of employees

	Number	Number	Number	Number
Management	17	25	16	22
Others	<u>714</u>	<u>842</u>	<u>576</u>	<u>651</u>
Total	<u>731</u>	<u>867</u>	<u>592</u>	<u>673</u>

12. b) MOVEMENT IN EXPECTED CREDIT LOSSES

	GROUP		COMPANY	
	2023	2022	2023	2022
	KES 000	KES 000	KES 000	KES 000
Provision for expected credit losses	<u>(46,167)</u>	<u>246,323</u>	<u>(48,254)</u>	<u>228,364</u>

13. FINANCE COSTS

	GROUP		COMPANY	
	2023	2022	2023	2022
	KES 000	KES 000	KES 000	KES 000
Interest on term loans	35,031	153,247	15,720	125,312
Interest on bank overdrafts	17,151	31,125	13,504	27,837
Interest on shareholders loans	31,193	22,650	31,193	22,650
Interest on asset financing	33	304	25	250
Interest on lease liabilities	<u>5,335</u>	<u>8,350</u>	<u>5,335</u>	<u>8,350</u>
	<u>88,743</u>	<u>215,676</u>	<u>65,777</u>	<u>184,399</u>

14. LOSS BEFORE INCOME TAX

GROUP

The loss before taxation is arrived at after charging the following items:

	2023	2022
	KES 000	KES 000
Depreciation for PPE	174,288	186,621
Right of use asset amortisation	18,254	28,668
Amortisation - intangible assets	14,226	20,633
Directors' emoluments:		
- Fees - non-executive	10,510	1,320
- Executive directors	17,788	30,828
Auditors' remuneration - current year	-	6,779
Gain on disposal of plant and equipment	<u>7,044</u>	<u>535</u>

COMPANY

The loss before taxation is arrived at after charging the following items

	2023	2022
	KES 000	KES 000
Depreciation for PPE	148,121	158,992
Right of use asset amortisation	18,254	28,668
Amortisation - Intangible assets	10,958	14,054
Directors' emoluments:		
- Fees - non-executive	10,510	983
- Executive directors	17,788	30,828
Auditors' remuneration - current year	-	6,779
Gain on disposal of plant and equipment	<u>7,044</u>	<u>535</u>

15. INCOME TAX

	2023 KES 000	2022 KES 000
Group		
Deferred tax (credit)/expense (Note 28(a))		
Deferred tax (credit)/expense	<u>(150,289)</u>	<u>(158,259)</u>

The current year income tax expense has arisen largely from deferred tax movements

	2023 KES 000	2022 KES 000
Company		
Deferred tax (credit)/expense (Note 28(a))		
Deferred tax (credit)/expense	<u>(142,252)</u>	<u>(163,445)</u>

The current year income tax expense has arisen largely from deferred tax movements.

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

Group

	2023 KES 000	2022 KES 000
Derecognized deferred Tax	(538,902)	
Loss before income tax	(722,538)	(1,023,463)
Tax at the applicable rate of 30% (2022:30%)	(216,762)	(307,039)
Tax effect of non-deductible costs	70,559	88,589
Tax effect of under provision of lease liabilities in the prior years	(4,087)	-
Under provision of deferred tax in prior year	-	60,191
Unrecognised deferred tax	<u>(388,612)</u>	<u>-</u>
	<u>(538,902)</u>	<u>(158,259)</u>

Company

Derecognized deferred Tax	(441,788)	
Loss before income tax	(625,693)	(938,477)
Tax at the applicable rate of 30% (2022:30%)	(187,708)	(281,543)
Tax effect of non-deductible costs	49,543	57,907
Tax effect of under provision of lease liabilities in the prior years	(4,087)	-
Under provision of deferred tax in prior year	-	61,191
Unrecognised deferred tax	<u>(299,536)</u>	<u>-</u>
	<u>(441,788)</u>	<u>(162,445)</u>

Comprising:

Tax payable

Tax recoverable

-
(23,973) (23,973)

Company

At 01 January

(16,500) (12,318)

Current tax - charge for the year

- tax paid in the year

- (4,182)

At 31 December

(16,500) (16,500)

16. BASIC AND DILUTED EARNINGS PER SHARE

Loss attributable to owners
of the Company – KES 000

(1,166,401) (821,020)

Total loss attributable to owners

(1,166,401) (821,020)

Number of shares during the year

81,731,808 81,731,808

Earnings per share – continuing operations – Basic
and diluted

16

(14.27) (10.05)

17. PROPERTY, PLANT AND EQUIPMENT

(a) Group

	Buildings	Plant & machinery	Motor vehicles	Furniture fittings & equipment	Capital work in progress	Total
31 December 2023						
Cost	KES 000	KES 000	KES 000	KES 000	KES 000	KES 000
At start of year	935,537	2,548,319	182,906	728,781	3,216	4,398,760
Additions	-	-	-	-	-	-
Disposals	-	-	(14,545)	-	-	(14,545)
Transfer from CWIP* to intangible assets	-	1,537	(1)	(2,971)	1,632	197
At end of year	<u>935,537</u>	<u>2,549,856</u>	<u>168,360</u>	<u>725,810</u>	<u>4,848</u>	<u>4,384,412</u>
Depreciation						
At start of year	185,122	2,030,821	168,421	619,849	-	3,004,214
Charge for the year	18,766	126,951	7,029	21,542	-	174,288
Adjustment	(25)	(37,898)	(611)	38,732	-	197
Disposal	-	-	(14,545)	-	-	(14,545)
At end of year	<u>203,863</u>	<u>2,119,875</u>	<u>160,294</u>	<u>680,122</u>	<u>-</u>	<u>3,164,154</u>
Net book value	<u>731,674</u>	<u>429,981</u>	<u>8,066</u>	<u>45,688</u>	<u>4,848</u>	<u>1,220,258</u>

31 December 2022**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*	-	4,398	-	-	(6,852)	(2,454)
At end of year	<u>935,537</u>	<u>2,548,319</u>	<u>182,906</u>	<u>728,781</u>	<u>3,216</u>	<u>4,398,760</u>

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	<u>185,122</u>	<u>2,030,821</u>	<u>168,421</u>	<u>619,849</u>	<u>-</u>	<u>3,004,214</u>

Net book value	<u>750,415</u>	<u>517,498</u>	<u>14,485</u>	<u>108,932</u>	<u>3,216</u>	<u>1,394,546</u>
----------------	----------------	----------------	---------------	----------------	--------------	------------------

At 31 December 2023, property, plant and equipment with cost of KES 2,390,332,676 (2022: KES 2,168,640,595) were fully depreciated. The notional depreciation charge on these assets would have been KES 525,756,082 (2022: KES 488,082,705).

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 disclosed under Note 29.

(b) Company

	Buildings	Plant & machinery	Motor vehicles	Furniture fittings & equipment	Capital work in progress	Total
31 December 2023	KES 000	KES 000	KES 000	KES 000	KES 000	KES 000
Cost						
At start of year	854,932	1,803,769	181,394	612,127	3,216	3,455,438
Additions	-	1	-	-	-	1
Disposals	-	-	(14,545)	-	-	(14,545)
Adjustment	-	1,537	(1)	(2,974)	1,632	194
At end of year	<u>854,932</u>	<u>1,805,306</u>	<u>166,848</u>	<u>609,153</u>	<u>4,848</u>	<u>3,441,087</u>
Depreciation						
At start of year	164,443	1,382,013	166,298	485,588	-	2,198,342
Charge for the year	17,154	107,817	7,028	16,121	-	148,120
Adjustment	-	(70,897)	1	71,091	-	194
Elimination on disposal	-	-	(14,545)	-	-	(14,545)
At the end of year	<u>181,597</u>	<u>1,418,933</u>	<u>158,783</u>	<u>572,800</u>	<u>-</u>	<u>2,332,111</u>
Net book Value	<u>673,335</u>	<u>386,373</u>	<u>8,066</u>	<u>36,353</u>	<u>4,848</u>	<u>1,108,975</u>

31 December 2022:**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*	-	4,398	-	-	(6,852)	(2,454)
At end of year	<u>854,932</u>	<u>1,803,769</u>	<u>181,394</u>	<u>612,127</u>	<u>3,216</u>	<u>3,455,438</u>

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	<u>164,443</u>	<u>1,382,013</u>	<u>166,298</u>	<u>485,588</u>	<u>-</u>	<u>2,198,342</u>
Net book Value	<u>690,489</u>	<u>421,756</u>	<u>15,096</u>	<u>126,539</u>	<u>3,216</u>	<u>1,257,096</u>

At 31 December 2023, property, plant and equipment with cost of KES 1,668,303,696 (2022: KES 1,531,866,524) were fully depreciated. The notional depreciation charge on these assets would have been KES 417,162,481 (2022: KES 392,702,255).

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

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

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 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

	Rental leases	Printers	Vehicles	Total
2023	KES 000	KES 000	KES 000	KES 000
At 1 January	12,539	2,016	8,791	23,346
Additions	16,827			16,827
Disposals	(4,630)			(4,630)
Adjustment	(2,017)	2	2,015	0
Charge for the year	<u>(6,346)</u>	<u>(1,101)</u>	<u>(10,806)</u>	<u>(18,253)</u>
At end of year	<u>16,373</u>	<u>918</u>	<u>-</u>	<u>17,290</u>
2022				
At 1 January	22,417	3,118	26,479	52,014
Charge for the year	<u>(9,878)</u>	<u>(1,102)</u>	<u>(17,688)</u>	<u>(28,668)</u>
At end of year	<u>12,539</u>	<u>2,016</u>	<u>8,791</u>	<u>23,346</u>

(b) Lease liabilities

Group and Company

2023	Rental leases	Vehicles	Printers	Total
	KES 000	KES 000	KES 000	KES 000
Less than one year		-	1,416	1,416
2-5 years	<u>18,847</u>			<u>18,847</u>
At end of year	<u>18,847</u>	<u>-</u>	<u>1,416</u>	<u>20,263</u>
2022	Rental leases	Vehicles	Printers	Total
	KES 000	KES 000	KES' 000	KES 000
Less than one year	6,112	9,857	969	16,937
2-5 years	<u>5,633</u>	<u>-</u>	<u>904</u>	<u>6,537</u>
At end of year	<u>11,744</u>	<u>9,857</u>	<u>1,873</u>	<u>23,474</u>

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

	2023	2022
	KES 000	KES 000
Lease liabilities under IFRS 16		
Interest on lease liability	5,335	8,350
Principal on lease liability	<u>19,559</u>	<u>45,174</u>
Total cash flows for lease liabilities	<u>24,894</u>	<u>53,524</u>

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

2023	Rental leases KES 000	Vehicles KES 000	Printers KES 000	Total KES 000
At start of year	11,744	9,857	1,873	23,474
Additions	16,827			16,827
Disposal	(9,962)			(9,962)
Repayment of interest on lease liability	(3,600)	(1,375)	(360)	(5,335)
Repayment of principal on lease liability	(5,815)	(12,496)	(1,248)	(19,559)
Interest expense	3,600	1,375	360	5,335
Adjustment	<u>6,054</u>	<u>2,639</u>	<u>791</u>	<u>9,483</u>
At end of year	<u>18,847</u>	<u>(0)</u>	<u>1,416</u>	<u>20,262</u>

2022	Rental leases KES 000	Vehicles KES 000	Printers KES 000	Total KES 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	<u>4,789</u>	<u>3,160</u>	<u>400</u>	<u>8,350</u>
At end of year	<u>11,744</u>	<u>9,857</u>	<u>1,873</u>	<u>23,474</u>

20. INTANGIBLE ASSETS

a) Group

	Software	Trademark	Broadcasting licenses	Total
As at 31 December 2023	KES 000	KES 000	KES 000	KES 000
Cost				
At start of year	685,216	22,281	485,738	1,193,235
Additions	—	—	—	—
At end of year	<u>685,216</u>	<u>22,281</u>	<u>485,738</u>	<u>1,193,235</u>
Amortisation				
At start of year	(654,522)	-	-	(654,522)
Charge for the year	<u>(14,227)</u>	—	—	<u>(14,227)</u>
At end of year	<u>(668,749)</u>	—	—	<u>(668,749)</u>
Carrying amount at end of year	<u>16,467</u>	<u>22,281</u>	<u>485,738</u>	<u>524,486</u>
As at 31 December 2022				
Cost				
At start of year	674,499	22,281	458,738	1,155,518
Additions	8,264	-	27,000	35,264
Transfers from CWIP	<u>2,453</u>	—	—	<u>2,453</u>
At end of year	<u>685,216</u>	<u>22,281</u>	<u>485,738</u>	<u>1,193,235</u>
Amortisation				
At start of year	(633,890)	-	-	(633,890)
Charge for the year	<u>(20,633)</u>	—	—	<u>(20,633)</u>
At end of year	<u>(654,523)</u>	—	—	<u>(654,523)</u>
Carrying amount at end of year	<u>30,693</u>	<u>22,281</u>	<u>485,738</u>	<u>538,712</u>

(b) Company

	Trademark	Software	Broadcasting licenses	Total
As at 31 December 2023	KES 000	KES 000	KES 000	KES 000
Cost				
At start of year	6,000	636,387	418,863	1,061,250
Additions	-	-	-	-
Transfers from CWIP	—	—	—	—
At end of year	<u>6,000</u>	<u>636,387</u>	<u>418,863</u>	<u>1,061,250</u>
Amortisation				
At start of year	-	615,772	-	615,772
Charge for the year	—	<u>10,958</u>	—	<u>10,958</u>
At end of year	—	<u>626,730</u>	—	<u>626,730</u>
Carrying amount at end of year	<u>6,000</u>	<u>9,658</u>	<u>418,863</u>	<u>434,520</u>

As at 31 December 2022	Trademark	Software	Broadcasting licenses	Total
Cost	KES 000	KES 000	KES 000	KES 000
At start of year				
Additions	-	270	27,000	27,270
Transfers from CWIP	-	2,453	-	2,453
At end of year	<u>6,000</u>	<u>636,387</u>	<u>418,863</u>	<u>1,061,250</u>
Amortisation				
At start of year	-	601,718	-	601,718
Charge for the year	-	14,054	-	14,054
At end of year	-	<u>615,772</u>	-	<u>615,772</u>
Carrying amount at end of year	<u>6,000</u>	<u>20,615</u>	<u>418,863</u>	<u>445,478</u>

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 carrying 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 KES 6,000,000. The additional trademarks relate to Farmers TV.

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	2023 KES 000	2022 KES 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%	<u>66,875</u>	<u>66,875</u>
			<u>70,367</u>	<u>70,367</u>

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

	2023 KES 000	2022 KES 000
Raw materials	30,792	23,715
Consumables	75,032	76,006
Broadcast programmes	-	192
	<u>105,824</u>	<u>99,913</u>
Inventories expensed during the year	<u>385,267</u>	<u>320,615</u>

(b) Company

	2023 KES 000	2022 KES 000
Raw materials (Newsprint, inks & plates)	30,792	23,715
Consumables	<u>73,809</u>	<u>74,782</u>
	<u>104,601</u>	<u>98,498</u>
Inventories expensed during the year	<u>337,261</u>	<u>288,700</u>

23. TRADE AND OTHER RECEIVABLES

	2023 KES 000	2022 KES 000
(a) Group		
Trade receivables	2,993,015	2,490,152
Adjustments	19,410	80,850
Provision for expected credit losses	<u>(1,222,479)</u>	<u>(1,176,312)</u>
	<u>1,789,946</u>	<u>1,394,690</u>
Other receivables	49,493	42,653
Prepayments	<u>16,790</u>	<u>17,756</u>
	<u>1,856,229</u>	<u>1,455,098</u>
(b) Company		
Trade receivables	2,416,305	2,006,350
Adjustment	5,814	65,694
Provision for expected credit losses	<u>(995,229)</u>	<u>(946,975)</u>
	<u>1,426,890</u>	<u>1,125,069</u>
Other receivables	37,536	31,440
Prepayments	<u>17,122</u>	<u>17,524</u>
	<u>1,481,548</u>	<u>1,174,033</u>

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

24. SHARE CAPITAL

	2023 KES 000	2022 KES 000
(a) Ordinary shares		
<i>Authorised:</i>		
103,979,600 ordinary shares of KES' 5 each	<u>519,898</u>	<u>519,898</u>
<i>Issued and fully paid:</i>		
81,731,808 Ordinary shares of KES' 5 each	<u>408,654</u>	<u>408,654</u>

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.

	2023 KES 000	2022 KES 000
Share premium		
Share premium comprises:		
Ordinary shares at 31 December	<u>39,380</u>	<u>39,380</u>

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 KES 000	Share premium KES 000	Total KES 000
At 31 December 2023	<u>81,731,808</u>	<u>408,654</u>	<u>39,380</u>	<u>448,034</u>
At 31 December 202	<u>81,731,808</u>	<u>408,654</u>	<u>39,380</u>	<u>448,034</u>

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%

	2023 KES 000	2022 KES 000
At 1 January	145,271	189,455
Share of results for the year	<u>(43,516)</u>	<u>(44,184)</u>
At 31 December	<u>101,755</u>	<u>145,271</u>

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

	2023	2022
	KES '000	KES '000
Non-controlling interest	49%	49%
Assets	942,659	893,738
Liabilities	(840,150)	(597,217)
Net assets	<u>102,509</u>	<u>296,467</u>
Net assets attributable to NCI	<u>50,232</u>	<u>145,271</u>
Revenue	559,961	692,534
Expenses	(559,693)	(772,334)
Profit for the year	268	(79,800)
Total comprehensive income	<u>268</u>	<u>(79,800)</u>
Total comprehensive income attributable to non-controlling interest	<u>(95,039)</u>	<u>(44,184)</u>
Net cash inflow from operating activities	34,128	29,243
Net cash outflow from investing activities	<u>-</u>	<u>(25,895)</u>
Net cash outflow	<u>34,128</u>	<u>3,348</u>

27. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

Group

	Millers Trustees Limited	Trade World (K) Limited	Oakside Loan	SPSL Loan	SNG Loan	Arboretum Heights Ltd Loan	Total 2023
As at 01 January 2023	66,425	9,006	14,887	277,949	74,000	-	442,266
Interest expense	5,314	720	-	17,000	-	-	23,034
Additions	-	-	-	-	-	391,892	391,892
Reclassification	-	-	-	-	(12,000)	-	(12,000)
WH Tax	(797)	(108)	-	-	-	-	(905)
As at 31 December 2023	<u>70,942</u>	<u>9,618</u>	<u>14,887</u>	<u>294,948</u>	<u>62,000</u>	<u>391,892</u>	<u>844,287</u>

	Millers Trustees Limited	Trade World (K) Limited	Oakside Loan	SPSL Loan	SNG Loan	Total 2023
As at 01 January 2022	62,196	9,006	14,887	260,949	-	347,037
Interest expense	4,976	675	-	17,000	-	22,650
Additions	-	-	-	-	74,000	74,000
WH Tax	(746)	(101)	-	-	-	(848)
As at 31 December 2022	<u>66,425</u>	<u>9,579</u>	<u>14,887</u>	<u>277,949</u>	<u>74,000</u>	<u>442,839</u>

Company	Millers Trustees Limited	Trade World (K) Limited	Oakside	SPSL	SNG	Arboretum Heights Ltd Loan	Baraza Ltd	The Standard Limited	Total 2023
KES 000									
As at 01 January 2023	66,425	9,006	14,887	277,949	74,000	-	342,664	10,590	795,520
Interest expense	5,314	720	-	17,000	-	-	-	-	23,034
Additions	-	-	-	-	-	391,892	-	-	391,892
Reclassification	-	-	-	-	(12,000)	-	-	-	(12,000)
Administrative expense recharge to subsidiary	-	-	-	-	-	-	65,190	-	65,190
WH Tax	(797)	(108)	-	-	-	-	-	-	(905)
As at 31 December 2023	<u>70,942</u>	<u>9,618</u>	<u>14,887</u>	<u>294,948</u>	<u>62,000</u>	<u>391,892</u>	<u>407,854</u>	<u>10,590</u>	<u>1,262,731</u>

Company	Millers Trustees Limited	Trade World (K) Limited	Oakside	SPSL	SNG	Arboretum Heights Ltd Loan	Baraza Ltd	The Standard Limited	Total 2022
KES 000									
As at 01 January 2022	62,196	9,006	14,887	260,949	-	-	259,053	10,590	616,680
Interest expense	4,976	675	-	17,000	-	-	-	-	22,650
Additions	-	-	-	-	74,000	-	-	-	74,000
Administrative expense recharge to subsidiary	-	-	-	-	-	-	83,611	-	83,611
WH Tax	(746)	(101)	-	-	-	-	-	-	(848)
As at 31 December 2022	<u>66,425</u>	<u>9,579</u>	<u>14,887</u>	<u>277,949</u>	<u>74,000</u>	<u>-</u>	<u>342,664</u>	<u>10,590</u>	<u>796,093</u>

(b) Due to related parties

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

Group	Effective Interest rate %	2023 KES 000	2022 KES 000
Non Current Liability			
Standard Production Services Ltd- SPSL		294,948	277,949
Standard Newspaper Group Payable		62,000	74,000
Arboretum Heights Ltd Loan		<u>391,892</u>	<u>-</u>
		<u>748,840</u>	<u>351,949</u>
Current Liabilities			
The Standard Media Group Holdings Limited (common shareholding)	-	14,887	14,887
Trade World (K) Limited (shareholders)	8.0	9,618	9,005
Miller Trustees (shareholders)	8.0	<u>70,942</u>	<u>66,425</u>
		<u>95,447</u>	<u>90,317</u>
Company			
Non Current Liability			
Standard Production Services Ltd- SPSL		294,948	277,949
Standard Newspaper Group Payable		62,000	74,000
Arboretum Heights Ltd Loan		<u>391,892</u>	<u>-</u>
		<u>748,840</u>	<u>351,949</u>
Current Liabilities			
Standard Media Group Holdings Limited	-	14,887	14,887
Trade World (K) Limited	8.0	9,618	9,005
Miller Trustees Limited	8.0	70,942	66,425
Baraza Limited		407,854	342,664
The Standard Limited	-	<u>10,590</u>	<u>10,590</u>
		<u>513,891</u>	<u>443,571</u>

(c) Key management compensation

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

	2023 KES 000	2022 KES 000
<i>Fees for services as a director</i>		
Non-executive director	<u>10,510</u>	<u>1,320</u>
<i>Other emoluments</i>		
Salaries and other short-term employment benefits:		
Executive director / key management		
Basic pay	15,810	27,000
Insurance	118	228
Gratuity	<u>1,860</u>	<u>3,600</u>
	<u>17,788</u>	<u>30,828</u>
	<u>28,298</u>	<u>32,148</u>

28. DEFERRED INCOME TAX ASSET

(a) Group	2023 KES 000	2022 KES 000
The Movement on the deferred income tax asset:		
At 1 January	(538,902)	(380,643)
Deferred income tax credit - current year	<u>(150,197)</u>	<u>(158,259)</u>
At 31 December	<u>(689,099)</u>	<u>(538,902)</u>

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

	At 01 Jan 2023	Movement	At 31 Dec 2023
Accelerated capital allowances	109,720	(14,855)	94,864
Other temporary differences	(359,227)	(12,416)	(372,744)
Unrealised exchange gains and losses	(2,612)	(19,212)	(21,824)
Lease liabilities	(7,042)	964	(6,079)
Right-of-use asset	98,200	(3,059)	95,141
Tax losses carried forward	<u>(377,941)</u>	<u>(101,618)</u>	<u>(478,458)</u>
At 31 December	<u>(538,902)</u>	<u>(150,197)</u>	<u>(689,099)</u>

(b) Company

The movement on the deferred income tax asset:

	2023 KES 000	2022 KES 000
At 1 January	(441,789)	(278,344)
Deferred income tax credit - current year	<u>(142,160)</u>	<u>(163,445)</u>
At 31 December	<u>(583,949)</u>	<u>(441,789)</u>

Deferred tax (asset)/liability	At 01 Jan 2023	Movement	At 31 Dec 2023
Accelerated capital allowances	121,976	(13,774)	108,201
Other temporary differences	(291,599)	(12,331)	(303,930)
Unrealised exchange gains and losses	(2,512)	(18,032)	(20,544)
Lease liabilities	(7,042)	964	(6,079)
Right-of-use-assets	98,200	(3,059)	95,141
Tax losses carried forward	<u>(360,811)</u>	<u>(95,928)</u>	<u>(456,739)</u>
Net deferred income tax asset	<u>(441,789)</u>	<u>(142,160)</u>	<u>(583,949)</u>

The deferred income tax asset has not been recognised as the company is yet to record a taxable profit therefore, the availability of future taxable profits to utilise the net asset is in doubt. The net deferred income not recognised is attributable to the above.

29. BORROWINGS

(a) Group

			2023	2022
	Term loans	Overdrafts	Total	Total
	KES 000	KES 000	KES 000	KES 000
Current	99,762	84,159	183,921	849,919
Non current	<u>279,649</u>	<u>-</u>	<u>279,649</u>	<u>-</u>
	<u>379,411</u>	<u>84,159</u>	<u>463,570</u>	<u>849,919</u>
Movement in the year				
Start of year	590,363	259,556	849,919	1,204,705
Additions	703,662		703,662	1,986,524
Adjustment	(8,183)		(8,183)	
Interest expense	15,720		15,720	184,676
Movement in overdrafts	-	(175,397)	(175,397)	61,409
Interest repayment	(15,720)		(15,720)	(184,676)
Repayments	<u>(906,431)</u>	<u>-</u>	<u>(906,145)</u>	<u>(2,402,719)</u>
At 31 December	<u>379,411</u>	<u>84,159</u>	<u>463,570</u>	<u>849,919</u>

Loan category per Financial Institution

	Term loans	Overdrafts	Total
	KES 000	KES 000	KES 000
At 31 December 2023:			
Stanbic Bank Kenya Limited	4,363	-	4,363
Stanbic Bank Kenya Limited (Short term)	26,300	74,014	100,314
NCBA Bank Plc-(Short term)	73,463	10,145	83,608
NCBA Bank Plc	<u>275,285</u>	<u>-</u>	<u>275,285</u>
	<u>379,411</u>	<u>84,159</u>	<u>463,570</u>
At 31 December 2022:			
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	<u>423,492</u>	<u>174,738</u>	<u>598,230</u>
	<u>590,363</u>	<u>259,556</u>	<u>849,919</u>

(b) **Company**

	Term loans	Overdrafts	2023 Total	2022 Total
	KES 000	KES 000	KES 000	KES 000
Current	99,762	74,014	173,776	822,500
Non current	<u>279,649</u>	<u>-</u>	<u>279,649</u>	<u>-</u>
	<u>379,411</u>	<u>74,014</u>	<u>453,425</u>	<u>822,500</u>

	Term loans	Overdrafts	2023 Total	2022 Total
	KES 000	KES 000	KES 000	KES 000
Movement in the year				
Start of year	590,363	232,137	822,500	1,173,938
Additions	703,662		703,662	1,986,524
Adjustment	(8,183)		(8,183)	
Interest expense	15,720		15,720	153,399
Movement in overdrafts		(158,123)	(158,123)	64,757
Interest repayments	(15,720)		(15,720)	(153,399)
Repayments	<u>(906,431)</u>	<u>-</u>	<u>(906,431)</u>	<u>(2,402,719)</u>
At 31 December	<u>379,411</u>	<u>74,014</u>	<u>453,425</u>	<u>822,500</u>

Loan category per Financial Institution

	Term loans	Overdrafts	Total
At 31 December 2023:	KES 000	KES 000	KES 000
Stanbic Bank Kenya Limited	4,363	-	4,363
Stanbic Bank Kenya Limited (Short term)	26,300	74,014	100,314
NCBA Bank Plc (Short term)	73,463	-	73,463
NCBA Bank Plc	<u>275,285</u>	<u>-</u>	<u>275,285</u>
Totals	<u>379,411</u>	<u>74,014</u>	<u>453,425</u>

At 31 December 2022:			
Stanbic Bank Kenya Limited	43,989	65,102	109,091
Stanbic Bank Kenya Limited (Short term)	48,300	-	48,300
NCBA Bank Plc			
(Short term)	102,656	167,035	269,691
NCBA Bank Plc	<u>395,418</u>	<u>-</u>	<u>395,418</u>
	<u>590,363</u>	<u>232,137</u>	<u>822,500</u>

(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 2023

	NCBA Bank Plc KES 000	Stanbic Bank Kenya Limited KES 000	Total KES 000
Total facility	120,000	48,300	168,300
Utilization	<u>(73,463)</u>	<u>(22,000)</u>	<u>(95,462)</u>
Available head room	<u>46,537</u>	<u>26,300</u>	<u>72,838</u>
% Utilisation	61%	46%	57%

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

Year ended December 2022

	NCBA Bank Plc KES 000	Stanbic Bank Kenya Limited KES 000	Total KES 000
Total facility	1,326,968	490,300	1,817,268
Utilization	<u>(700,740)</u>	<u>(200,771)</u>	<u>(901,511)</u>
Available room	<u>626,228</u>	<u>289,529</u>	<u>915,757</u>
% Utilisation	53%	41%	50%

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:

	2023 NCBA Bank KES '000	2022 NCBA Bank KES '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 KES '000	Stanbic Bank KES '000
Joint and several debentures	490,000	490,000
Legal charge on property (LR. 209/18213)	490,000	490,000

Corporate guarantees

	NCBA Bank KES 000	NCBA Bank KES 000
Baraza Limited	890,000	890,000
Toads Limited	110,000	110,000
	Stanbic Bank KES 000	Stanbic Bank KES 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 2023

Stanbic Bank Kenya Limited	CBR (11%) + Bank's Margin (4%) = 14.5%
NCBA Bank Kenya Plc	CBR(11%) + Bank's Margin (3.35%) = 14.5%

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%

30. TRADE AND OTHER PAYABLES

	2023 KES 000	2022 KES 000
(a) Group		
Trade payables	2,539,704	1,863,802
Accruals and other payables	728,155	464,459
Payroll Accruals	350,319	296,582
Provisions	255,866	325,960
Value Added Tax payable	17,464	18,469
	<u>3,891,508</u>	<u>2,969,272</u>

Movement of provision for liabilities	2023	2022
	KES 000	KES 000
At 01 January	285,910	222,527
Charge to profit or loss	393,277	427,626
Utilised in the year	<u>(423,321)</u>	<u>(364,243)</u>
At 31 December	<u>255,866</u>	<u>285,910</u>

(b) Company

Trade payables	1,974,660	1,478,578
Accruals and other payables	563,488	458,151
Payroll Accruals	292,778	207,853
Provisions	220,201	247,069
Value Added Tax payable	<u>10,383</u>	<u>7,775</u>
	<u>3,061,510</u>	<u>2,399,426</u>

Movement of provision for liabilities

As at 1 January	247,069	193,727
Charge to profit or loss	325,677	336,747
Utilised in the year	<u>(352,545)</u>	<u>(283,405)</u>
At 31 December	<u>220,201</u>	<u>247,069</u>

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

		2023 KES 000	2022 KES 000
(a)	Reconciliation of loss before tax to cash generated from operations		
	Loss before tax	(722,538)	(1,023,463)
	Adjustments for:		
	Depreciation – property, plant and equipment	17(a) 174,287	186,621
	Right of use asset depreciation	19(a) 18,253	28,668
	Amortisation - intangible assets	20(a) 14,227	20,633
	Amortisation – leasehold land	4,142	4,141
	Gain on sale of plant and equipment	(7,044)	(535)
	Loss on write off of plant and equipment	-	-
	Disposal of right of use asset	4,630	-
	Intangible asset write off	20(a) -	-
	Interest Lease	5,335	8,350
	Interest expense	13 <u>83,408</u>	<u>207,326</u>
	Operating profit before tax before working capital changes	(425,300)	(568,259)
	Changes in working capital		
	Transfer of lease to trade payables	(478)	-
	Inventories	22(a) (5,911)	58,493
	Trade and other receivables	23(a) (401,131)	(132,801)
	Trade and other payables	30(a) 922,236	1,281,198
	Related party balances	<u>402,021</u>	<u>95,803</u>
	Cash generated from operations	<u>491,437</u>	<u>734,434</u>
(b)	Cash and cash equivalents		
	Bank and cash balances	49,251	45,422
	Bank overdraft	<u>(84,159)</u>	<u>(259,556)</u>
		<u>(34,908)</u>	<u>(214,134)</u>
	Net debt reconciliation		
	Cash and cash equivalents	49,251	45,422
	Liquid Investments		
	Borrowings (including overdraft)	(463,570)	(849,919)
	Lease liabilities	<u>20,263</u>	<u>23,474</u>
	Net debt	<u>(394,056)</u>	<u>(781,023)</u>

(ii) Company

		2023	2022
(a) Reconciliation of loss before tax to cash generated from operations		KES 000	KES 000
Loss before tax		(625,693)	(938,477)
Adjustments for:			
Depreciation – property, plant and equipment	17(b)	148,120	158,992
Right of use asset depreciation	19(a)	18,253	28,668
Amortisation - intangible assets	20(b)	10,959	14,054
Gain on sale of plant and equipment		(7,044)	(535)
Loss on write off of plant and equipment	13	-	-
Intangible asset write off	20(b)	-	-
Disposal of right of use asset		4,630	-
Amortisation – leasehold land		4,141	4,141
Interest on lease liabilities		5,335	8,350
Interest expense		<u>46,913</u>	<u>176,049</u>
Operating profit before tax before working capital changes		(394,386)	(548,758)
Changes in working capital			
Transfer of lease to trade payables		(478)	-
Inventories	22(b)	(6,103)	55,969
Trade and other receivables	23(b)	(307,515)	(109,340)
Trade and other payables	30(b)	662,084	1,094,912
Related party balances		<u>467,211</u>	<u>179,414</u>
Cash generated from operations		<u>420,813</u>	<u>672,197</u>
(b) Cash and cash equivalents			
Bank and cash balances		32,197	45,222
Bank overdraft		<u>(74,014)</u>	<u>(232,137)</u>
		<u>(41,817)</u>	<u>(186,915)</u>
Net debt reconciliation			
Cash and cash equivalents		32,197	45,222
Liquid Investments			
Borrowings		(453,425)	(822,500)
Lease liabilities		(20,263)	<u>(23,474)</u>
Net debt		<u>(441,491)</u>	<u>800,752</u>

33. CAPITAL COMMITMENTS

	2023 KES 000	2022 KES 000
Authorised and contracted for	-	53,677
Authorised but not contracted for	<u>113,447</u>	<u>328,815</u>
	<u>113,447</u>	<u>382,492</u>

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 2023, the Group has provided a total of KES 210,202,594 (2022; KES'170,152,594) 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. 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 2023, the Group had contingent assets held in Joint Interest accounts amounting to KES 49,218,922 (2022; KES 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.

35. CORRECTION OF ERRORS.

During 2023 the Group discovered that the investment in joint operations had been erroneously accounted for as a joint venture. Consequently, the non-current asset and equity position had been overstated. The errors have been corrected by restating each of the affected financial statement line items for prior periods. The following tables summarise the impacts on the Group's consolidated financial statements.

i. Group

01 January 2022	As previously Reported	Adjustments	As restated
In KES 000			
Non current Assets	2,841,743	(42,250)	2,799,493
Current Assets	<u>1,624,406</u>	<u>-</u>	<u>1,624,406</u>
Total Assets	<u>4,466,149</u>	<u>(42,250)</u>	<u>4,423,899</u>
			-
Total Liabilities	<u>4,284,931</u>	<u>-</u>	<u>4,284,931</u>
			-
Retained Earnings	(412,189)		(412,189)
Equity accounted investee	-	(42,250)	(42,250)
Others	<u>593,407</u>	<u>-</u>	<u>593,407</u>
Total Equity	<u>181,218</u>	<u>(42,250)</u>	<u>138,968</u>

35. CORRECTION OF ERRORS (CONTINUED)

ii. Company

01 January 2022	As previously Reported	Adjustments	As restated
In KES 000			
Non current Assets	2,584,313	(42,250)	2,542,063
Current Assets	<u>1,334,253</u>		<u>1,334,253</u>
Total Assets	<u>3,918,566</u>	<u>(42,250)</u>	<u>3,876,316</u>
			-
Total Liabilities	<u>4,040,920</u>	<u>-</u>	<u>4,040,920</u>
			-
Retained Earnings	(570,490)		(570,490)
Equity accounted investee	-	(42,250)	(42,250)
Others	<u>448,136</u>	<u>-</u>	<u>448,136</u>
Total Equity	<u>(122,354)</u>	<u>(42,250)</u>	<u>(164,604)</u>

There is no material impact on the Group's basic or diluted earnings per share and no impact on the total operating, investing or financing cash flows for the years ended 31 December 2022 and 2023

PROXY FORM

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

I/WE
of mobile number and of 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 **Monday, 02nd**
September 2024 at **9.00 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 2024

.....
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 2023 together with the reports of the Chairman, the Group Chief Executive Officer and the Auditors' thereon.			
	Election of Directors:			
2.	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.			
3.	In accordance with Article 102 of the Company's Articles of Association, Mr. Alert Sigei , who was appointed to fill a casual vacancy retires by rotation, and being eligible, offers himself for re-election as Director of the Company.			
4.	In accordance with Article 102 of the Company's Articles of Association, Ms. Christine Muthui , who was appointed to fill a casual vacancy retires by rotation, and being eligible, offers himself for re-election as Director of the Company			
5.	In accordance with Article 102 of the Company's Articles of Association, Ms. Leonie Von Elverfeldt , who was appointed to fill a casual vacancy retires by rotation, and being eligible, offers herself for re-election as Director of the Company			
6.	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: Mr. Albert Sigei, Ms. Christine Muthui, Mr. Chris Otundo, and Dr. James McFie.			
7.	To approve the remuneration of the Directors and Directors Remuneration Report ad Policy for the year ended 31 December 2023.			
8.	To re-appoint Grant Thornton LLP 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

Please complete in BLOCK CAPITALS

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 **Monday, 02nd September 2024**.

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 Friday, 30th August 2024 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.

KENYA'S BIGGEST CONVERSATION

CT MUGA | NDU OKOH | ERIC LATIFF



the
Situation
room

MONDAY - FRIDAY | 6AM - 10AM

LIVESTREAM: YouTube LIVE

NAIROBI 94.4 · NAKURU 96.0 · NYERI 90.9 · KISUMU 102.5 · MALINDI 97.7 · MOMBASA 87.9 · ELDORET 96.7

Standard Group Plc HQ Office,
📍 The Standard Group Center,
Mombasa Road.
P.O Box 30080-00100,
Nairobi, Kenya.

☎ 0719012111

✉ corporate@standardmedia.co.ke

🌐 www.standardmedia.co.ke

