

The Standard Group PLC

Audited Group Results for the year ended 31 December 2020

The Board of Directors of The Standard Group PLC is pleased to announce the audited results for the year ended 31 December 2020.

The results below have been extracted from the audited consolidated financial statements of The Standard Group Plc for the year ended 31 December 2020. The financial statements were audited by PricewaterhouseCoopers LLP who expressed an unqualified opinion.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020

	31-Dec-2020 Kshs'000	31-Dec-2019 Kshs'000
Revenue	2,893,929	4,051,870
Total operating Costs	(3,253,374)	(4,687,331)
Other income	89,377	140,650
Finance Costs (net)	(164,362)	(189,152)
Loss before income tax	(434,430)	(683,963)
Income tax credit	82,238	222,508
Total comprehensive loss (continuing operations)	(352,192)	(461,455)
Total comprehensive profit/(loss) (discontinued operations)	50,560	(22,612)
Total comprehensive loss for the year	(301,632)	(484,067)
Earnings per share Basic and Diluted- Continuing operations	(3.79)	(4.98)
Earnings per share- Discontinued operations	0.62	(0.28)
Dividend per Share - Kshs	-	-

Consolidated Statement of Financial Position as at 31 December 2020

	31-Dec-2020 Kshs'000	31-Dec-2019 Kshs'000
ASSETS		
Non Current Assets	2,754,854	2,810,667
Current Assets	1,299,986	1,385,279
Total Assets	4,054,840	4,195,946
EQUITY AND LIABILITIES		
Capital and Reserves		
Share Capital	408,654	408,654
Share Premium	39,380	39,380
Revenue Reserve	474,631	733,965
Capital Redemption Reserve	102	102
	922,767	1,182,101
Minority Interest	196,811	239,109
Total Shareholders Equity	1,119,578	1,421,210
Non Current Liabilities	372,297	454,076
Current Liabilities	2,562,965	2,320,660
Total Equity and Liabilities	4,054,840	4,195,946

GROUP RESULTS

The country's economy was acutely affected by the COVID-19 pandemic, as is evident in the projected 0.3% contraction in GDP in 2020 as per the World Bank statistics. Containment measures taken in combating the virus such as travel restrictions and country wide curfews dampened economic activities in the country. The government deployed both fiscal and monetary measures to support the economy such as tax reliefs, bank loan moratoriums and Central Bank of Kenya (CBK) lowered the Central Bank Rate (CBR) by 100 basis points in March 2020.

The Group's performance was against a difficult environment for the media industry. The industry experienced a decline in amounts spent by most of the clients as they put in place cost cutting measures as a response to the pandemic.

The Group's performance for year ended 31 December 2020 was adversely impacted, resulting in a revenue decline of 29% to Kshs. 2.9 billion compared to Kshs. 4.1 billion in 2019.

The Group consequently put in place stringent cost cutting measures leading to a total operating costs reduction of 31%

driven by a drop in direct costs and overheads of 44% and 25% respectively.

Consequently, the Group incurred a loss before tax of Kshs. 434 million compared to a loss before tax of Kshs. 684 million for the same period last year, representing a 36% decline.

Outlook

The Board and management continue to invest in the growth of digital platforms, products and revenues while strengthening print and broadcast platforms. Towards this end, the Group launched the first converged newsroom in the country which aims to focus on better content and a digital first approach. We are therefore confident we will deliver the right products to our customers, our readers, our listeners and our viewers, as we work towards remaining profitable.

BY ORDER OF THE BOARD

Millicent Ng'etich
 Company Secretary
 29 April 2021

Condensed Consolidated Statement of Cashflows for the year ended 31 December 2020

	31-Dec-2020 Kshs'000	31-Dec-2019 Kshs'000
Cashflow from operating activities		
Cash generated from operations	330,762	837,328
Interest Paid	(164,362)	(189,152)
Tax paid	(3,765)	(140,453)
Net cash flows from operating activities	162,635	507,723
Cashflows: Investing activities	(130,392)	(124,616)
Cashflows: Financing activities	(119,871)	(303,367)
Net (decrease)/increase in cash and cash equivalents	(87,628)	79,740
Cash and cash equivalents at the beginning of the year	(71,937)	(151,677)
Cash and cash equivalents at the end of the year	(159,565)	(71,937)

Consolidated Statement of Changes in Equity for the year ended 31 December 2020

	Share Capital Kshs'000	Share Premium Kshs'000	Capital Redemption Reserve Kshs'000	Retained earnings Kshs'000	Shareholders equity Group Kshs'000	Minority Interest Kshs'000	Total Shareholders' Equity Kshs'000
As at 1 January 2019	408,654	39,380	102	1,212,482	1,660,618	293,698	1,954,316
Loss for the year	-	-	-	(429,478)	(429,478)	(54,589)	(484,067)
Dividend declared	-	-	-	(49,039)	(49,039)	-	(49,039)
At 31 December 2019	408,654	39,380	102	733,965	1,182,101	239,109	1,421,210
As at 1 January 2020	408,654	39,380	102	733,965	1,182,101	239,109	1,421,210
Loss for the year	-	-	-	(259,334)	(259,334)	(42,298)	(301,632)
At 31 December 2020	408,654	39,380	102	474,631	922,767	196,811	1,119,578