

LONGHORN

PUBLISHERS PLC

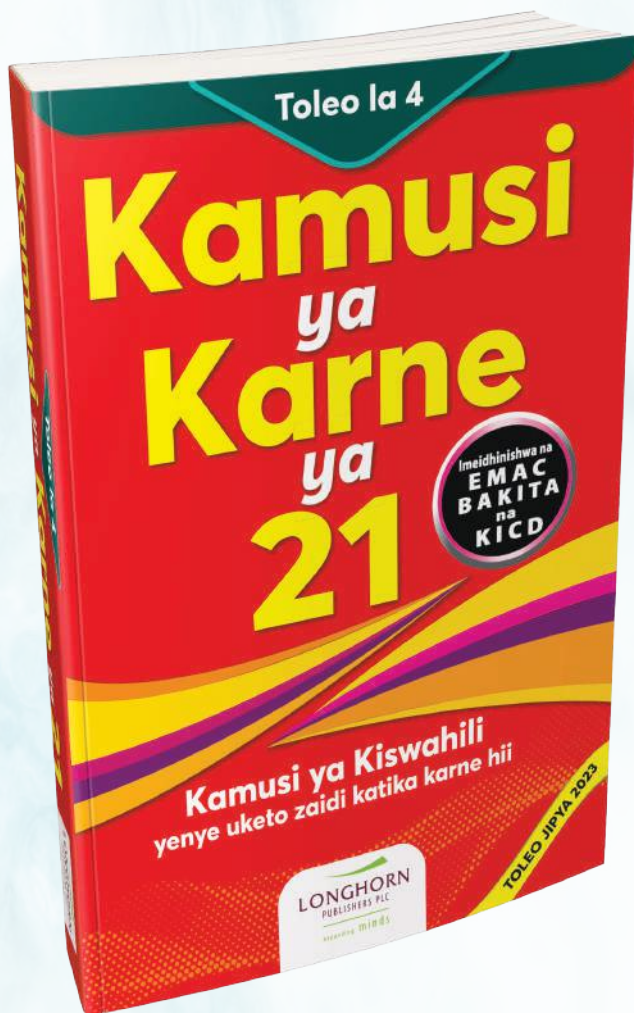
expanding minds

INTEGRATED REPORT & FINANCIAL STATEMENTS

2023



Revised Kamusi ya Karne ya 21



Key features of the 2023 Revised edition:

Expanded Vocabulary:

1

Over 48,000 headwords, with new entries not found in any other existing Kamusi e.g. *hingi/kasaga* (still birth), *king'ani* (biker/skintight), *ukechu* (perishable), *seezi* (finger joint), *ufukyunungu* (fistula), *ukurutooda* (acne), and many more.

Classification:

2

- Classification of synonyms (*visawe*), homophones (*vitawe*), antonyms (*viinyume*), verbs (*vitenzi*), creatures (*viuambe*), and their young ones (*vikembe*).
- Classification of different colors, clouds, trees, fruits, planets (*sayari*), nations, and nationalities.

Expansive Contextual Information and illustrations:

3

- Examples of sentences, proverbs, meanings of expressions, idioms (*nahau*), and similes (*tashibih*).
- Drawings to accompany unfamiliar concepts and sentences to aid in understanding the context of word usage.

Etymological Insight:

4

Additional etymological (origin) information for foreign words to provide a deeper understanding of linguistic roots.



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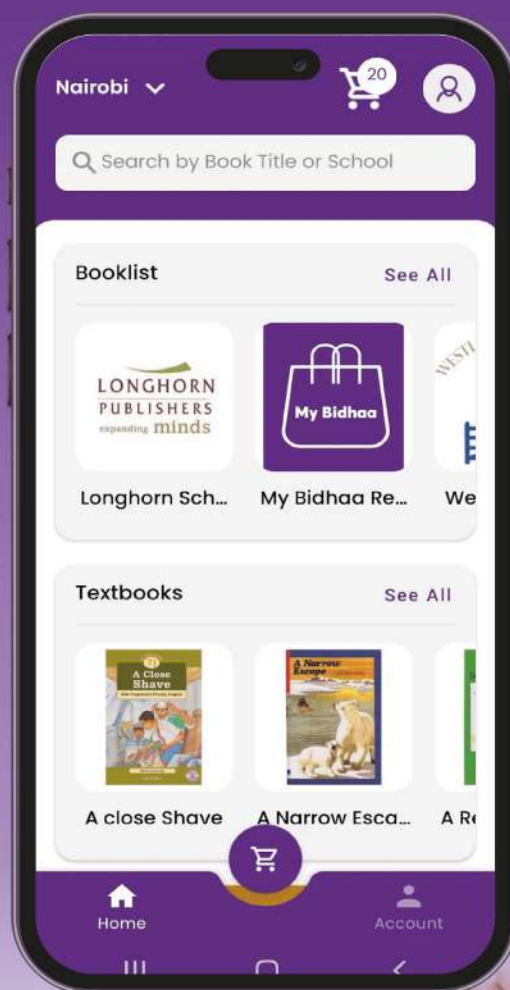
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About this Report



In this Annual Report, Longhorn Publishers PLC aims to present a holistic approach that goes beyond financial metrics to provide a comprehensive view of our performance. This approach not only aligns with our commitment to sustainability but also serves as a guide for stakeholders seeking a deeper understanding of our 3-year strategy.



In adopting integrated reporting, we aspire to foster a deeper understanding of our business among stakeholders, instilling confidence in our ability to navigate the complexities of the modern business landscape responsibly.



About Us



OUR PURPOSE

Expanding minds



OUR VISION

To be the number one provider of innovative learning solutions in Africa



OUR MISSION

To enrich lives through knowledge.



OUR VALUES

Integrity, Innovation, Professionalism, Get it done



HOW WE WILL GET THERE

Collaboration, Innovation, Fast execution and Customer first



OUR IDENTITY

Content creators and platform business provider

SUSTAINABLE DEVELOPMENT GOALS

4 QUALITY EDUCATION



Longhorn commits to provide quality books with up-to-date and relevant information to learners in the regions.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Longhorn provide digital content using innovative and user friendly platforms.

17 PARTNERSHIPS FOR THE GOALS

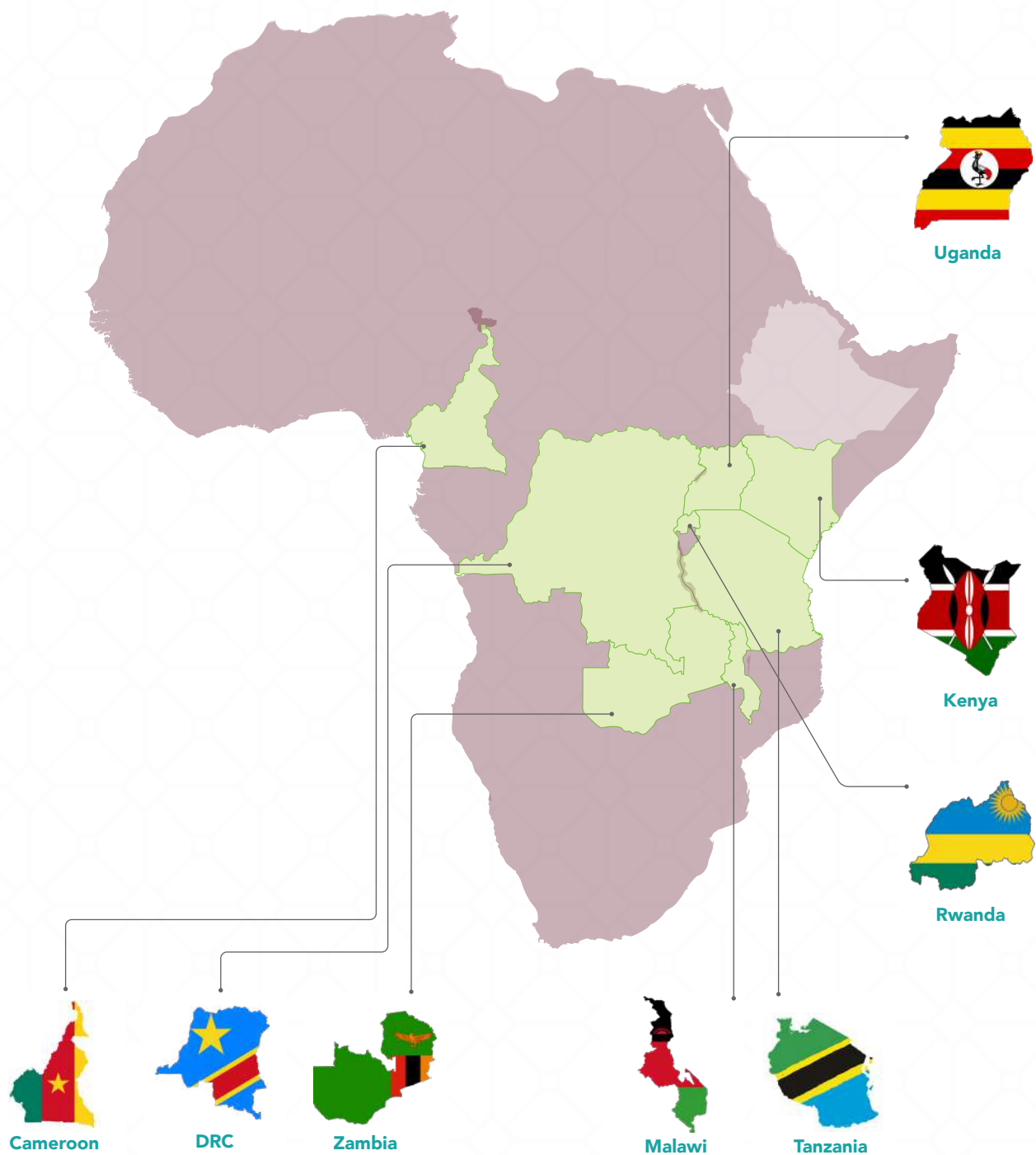


We guarantee that learners can access curriculum and non-academic titles through our technologies and partners.

About us

Where we operate

The Group operates in **8** markets with established subsidiaries in **Kenya, Uganda, Tanzania, Rwanda, Democratic Republic of the Congo (DRC), Cameroon** and partnerships in **Zambia & Malawi**.



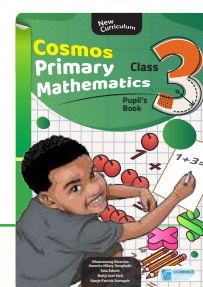
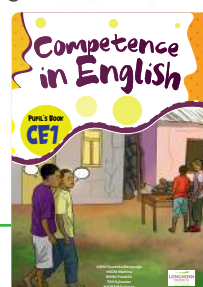
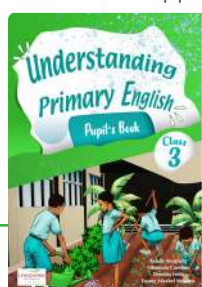
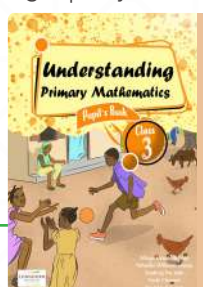
Regional Markets



Longhorn Cameroon

In line with our strategy of geographic diversification, we registered the entity in Yaounde, Cameroon

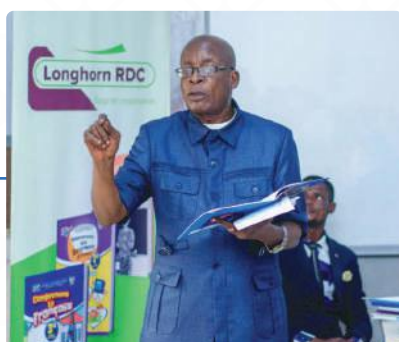
We have developed learning and teaching materials for the primary level and currently creating content for the Secondary level in English and French languages. According to our mission, we are committed to improving the standard of education by developing high quality, interactive books and supporting the educators in Cameroon.



Longhorn Congo SARL

Longhorn Congo SARL was established in August 2022.

Our books cover class 1 to 4 and were developed in line with the DRC Curriculum and approved by Directorate of School Programs and Teaching Materials (DIPROMAD). They have full coverage of the curriculum design, accurate information, well developed concepts, and have full colour illustrations for the learners.



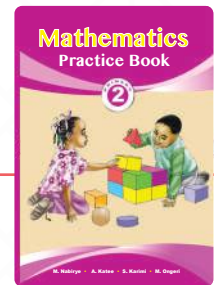
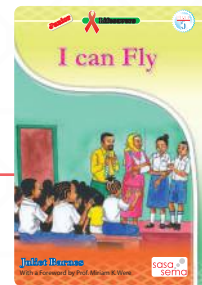
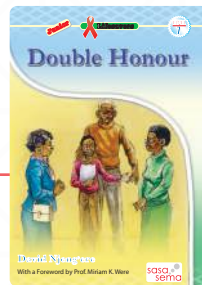
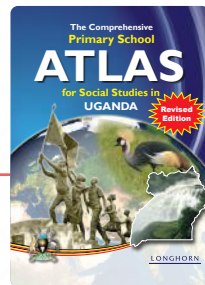
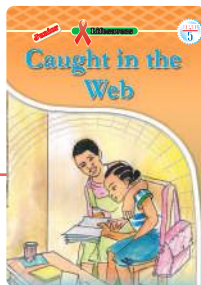
Regional Markets



Longhorn Publishers Uganda

The subsidiary was founded in 1995 and has since grown to be one of the leading publishers in Uganda. Over the years, we have published learning and teaching materials from Pre-primary to Secondary level which have been approved for use in schools in Uganda.

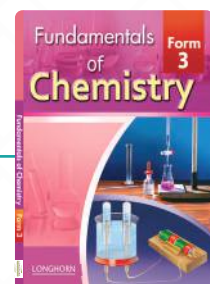
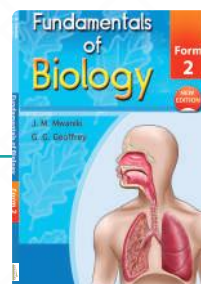
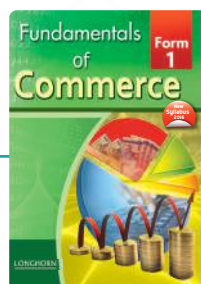
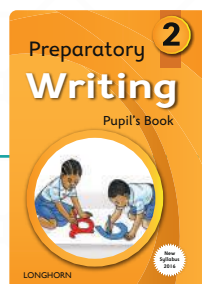
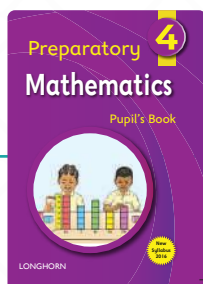
The team is dedicated to the creation and distribution of high-quality books and have established Longhorn Uganda as a reputable name in the industry.



Longhorn Publishers Tanzania

After the successful launch and establishment of Longhorn Publishers Uganda, in 2005 Longhorn Publishers Tanzania was opened. The entity is situated in Dar es Salaam, Tanzania and has extensive range of publications that cater to a diverse audience.

Our team consists of passionate professionals who bring a wealth of experience in the publishing industry and their expertise drives the success of the company.



Road Map

1965

ESTABLISHMENT

Longhorn was incorporated in May 1965 as Longmans of Kenya, a wholly owned subsidiary of Longman Group International of the United Kingdom

1995

UGANDA

Longhorn Publishers Uganda incorporated as a wholly owned subsidiary of Longhorn Kenya Limited.

2005

TANZANIA

Longhorn Publishers Tanzania registered as a subsidiary of Longhorn Kenya Limited.

2012

NAIROBI SECURITIES EXCHANGE

Longhorn Kenya Limited was listed in the Nairobi Securities Exchange and changed its name to Longhorn Publishers Limited.



2018

DIVERSIFICATION

Longhorn Publishers changes its name to Longhorn Publishers PLC
Launched Language Services in 2019



2016

DIGITAL LEARNING AND LAWAFRICA

Introduced digital content to the Kenyan market
Acquired LawAfrica Publishing Limited



2020

EXPANSION TO CENTRAL AFRICA

Registered entities in Cameroon and Democratic Republic of Congo



Present Day

We continue on our journey of enriching lives through knowledge.



2022

PLATFORMS

Launched Publishing Services
Launched mybidhaa



Business Model

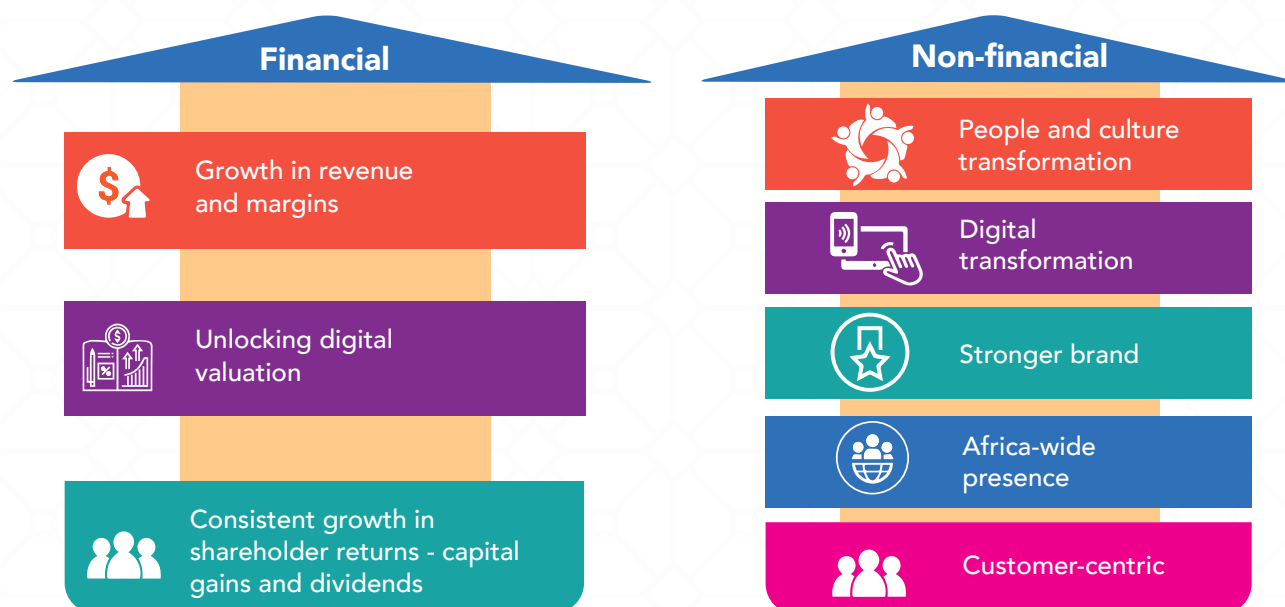


HOW WE CREATE LONG TERM VALUE TO OUR STAKEHOLDERS

- 01 Our consumers**
 We develop user friendly, high-quality and curriculum based learning and teaching materials to increase knowledge for the Learners and guide Teachers on planning and preparing for lessons. We work together with the teachers and/or educators to improve the learning outcomes.
- 02 Our people**
 We recognise that people are the key to the success of our business, and we value them by offering competitive benefits, continuous training and development, and workplace. We have four pillars that drive the mindset of our teams – customer first, innovation, fast execution and collaboration.
- 03 Government and regulators**
 We work closely with various government entities in the regions we have a presence to enhance the quality and relevance of education and integrate ICT into teaching and learning.
 We endeavor to uphold the set standards by the regulatory bodies in our business operations.
- 04 Our investors**
 We are committed to delivering good returns to our investors through efficient growth and streamlining of operations.
- 05 Our suppliers**
 We have effective, personalised, and long-term partnerships with our suppliers in order to maintain profitability and drive efficiencies.
- 06 Our communities**
 Education is an integral part of a community and Longhorn resonates with this as our mission is to enrich lives through knowledge. We have partnered with various NGOs to increase access to learning and teaching materials to learners and teachers countrywide.

Longhorn Strategy

Strategic Objectives



How we will get there



Longhorn Language Services

**Call us today
for professional
language services**



Accurate and professional language services.



We provide high quality language services in all related fields in English, Swahili, French, Arabic, German, Portuguese, Spanish, Amharic, Chinese and Indigenous African languages.



WHY CHOOSE US?

Competent and specialized translators and interpreters

We have a competent and specialized team of translators and interpreters who are professionally trained to handle different areas of both technical and non-technical nature.



Quality Services

Translation and interpretation in our company is taken as seriously and as delicately as brain surgery.

Longhorn language services allocates each task a project manager who oversees the process of translation and interpretation from end to end.

This ensures that all aspects unique to the project are taken care of and managed to the finest detail.



Management Process

Every project is unique and has its own defining characteristics. Every project is therefore managed from a central point while maintaining constant communication with the client to ensure a seamless flow of work and information that is critical and essential to the project.

There's therefore no time when a project delays or get stuck. This ensures the deadlines are met with perfect precision.



Quality control and assurance

Longhorn's principal driver is quality. We ensure that there is a 'third eye' that ensures the translated document is a perfect rendition of the source material and has no gaps or errors.

We work in a cycle with the client by making sure he/she verifies every stage or draft we make.



Confidentiality

We ensure that during the translation process, the rights of the client are well protected and respected.

This we do by ensuring that all the confidential information pertaining to the content being translated is strictly kept confidential.

Where necessary, a non-disclosure agreement is signed between us and the client to ensure that confidentiality is guaranteed.



For more information, please contact us at:

✉ languageservice@longhornpublishers.com
majuoga@longhornpublishers.com

☎ +254 793 269 699

Our people



Our success would not have been possible without the hard work and dedication of our talented team. We are proud of our diverse community of individuals who bring unique perspectives and expertise to our publishing endeavors.

In 2023, Longhorn invested in employee engagement, culture transformation and employee wellness initiatives, which yielded significant outcomes in terms of productivity, innovation, customer experience, and employee retention.

Employee engagement

We endeavor to provide a supportive work environment that values individuals' input and encourages collaboration. There are various initiatives that have created opportunities where employees can take an active role in shaping workplace culture, policies, and practices, empowering them to take a sense of ownership over their professional life. These initiatives include coaching & mentorship programs, reward and recognition programs, promotion of diversity, equity, and inclusion and team building exercises.

We have also cultivated a culture of recognition which is essential for fostering employee engagement and productivity. It involves acknowledging and appreciating employees' accomplishments, both big and small, and creating a supportive atmosphere where recognition is a regular practice.

Culture transformation

The Longhorn culture is founded on four pillars – collaboration, customer first, fast execution and innovation. These pillars drive the mindset of a Longhorneer and have been attributed to several outcomes such as improved customer service, data-driven decision making, building connections and trust among team

Employee Wellness

We prioritise employee wellness, which encompasses physical, mental, and emotional health, creating a harmonious balance that not only benefits individuals but also contributes to the overall success of the organization. During the year under review, we partnered with financial and health institutions to address the team on various topics on financial, mental, and physical wellbeing.

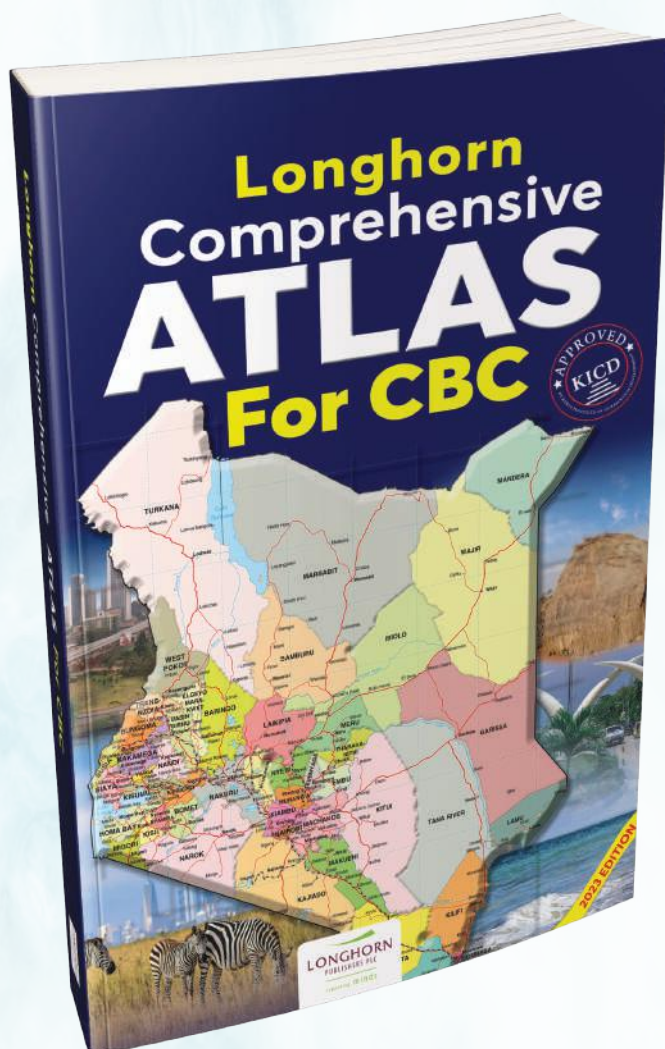
Our people



Partnerships



Revised CBC Primary Atlas



Key features of the Longhorn Comprehensive Atlas for CBC:

- Comprehensively covers CBC content.
- Up to date information on the arms of government.
- Additional notes in point form for learners to revise.
- Detailed maps to help learners in exploring the geography of Kenya, Eastern Africa, Africa and the World at large.
- Colorful, attractive pictures and illustrations for an enjoyable learning experience.



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Growth catalysts: digital transformation and key partnerships

Innovation has been the LawAfrica mantra for the financial year ended 30th June 2023.

For the last 12 months, our production team embarked on a digital transformation journey aimed at availing alternative products to the market. We became cognizant of the changing consumer preferences and the rapid rise in demand for digital solutions.

In April 2023, we officially launched the LawAfrica eBooks platform where our flagship partner was The Kenya School of Law. Through this platform, readers can access a wide array of eBooks published by LawAfrica at a subsidized fee. The scalability of the eBooks platform has seen LawAfrica onboard 3 more learning institutions within 3 months, pointing towards the immense market potential for this solution.

We have also remained consistent in pushing and closing strategic partnerships with key stakeholders. Besides the eBooks deal with the Kenya School of Law, we also clinched a partnership with The Judiciary of Kenya where the Hon. Chief Justice Martha Koome directed all courts in the country to be stocked with some of our products (eBooks and East African Law Reports). This partnership with The Judiciary is aimed at ensuring fair judgements supported by reliable reference materials, delivered speedily and efficiently.



The LawAfrica team led by the MD Mr. Martin Wafula, paid a courtesy call to the Chief Justice and the President of The Judiciary, Hon. Martha Koome at her offices. The discussions centered around the opportunities to equip all courts with LawAfrica reference materials. The team was joined by the Longhorn Publishers Group CEO Mr. Maxwell Wahome. Also in attendance was Justice GW Odunga who is one of our authors.

Future outlook

With the rapid uptake of the eBooks platform, our priority for the new financial year will entail scaling the solution to institutions outside Kenya while developing and rolling out the B2C functionalities of the platform.

We will also work to ensure the partnership with The Judiciary is fully executed and other opportunities are identified and negotiated for a continuous mutual benefit.

These efforts will ensure fulfilment of our mission to uplift the standards of legal research by providing up to date and relevant decision support information.

Law Reports

These are records of a judicial decision on a point of law that sets a precedent. Not all decisions taken in a court of law set a precedent, however interesting they may be in terms of the facts of the case or its consequences. A decision is only reportable if it lays down a new principle of law, or changes or clarifies the existing law and commentaries



Statutes

This is a formal written enactment of a legislative authority that governs the legal entities of a city, state, or country by way of consent. Typically, statutes command or prohibit something, or declare policy.



Commentaries

These focus on one particular subject area of law and usually provide a summary of the law, background and analysis of legal topics, citations to important laws, regulations and court cases on a particular topic.

- Commentaries provide comprehensive coverage of administrative law, arbitration law, banking and finance law, civil law and procedure, commercial law, company law, constitutional law, contract law, criminal law, customary law, employment law, environmental law, family law and succession, law on ethics, evidence, equity and trusts, etc.
- The company's commentaries are written by legal professionals and academics in the subject area, and are updated on a regular basis, making them a reliable source of up-to-date, expert information.



Electronic Division

The platforms available are Online Law Reports and an eBookstore.

Online Law Reports

The platform has the LawAfrica Law Reports, East Africa Law Reports, East Africa Court of Appeal Reports and East Africa Protectorate Law Reports.

We are planning to include Uganda Law Reports (ULR), Tanzania Law Reports (TLR), Southern Sudan Law Reports and Journal (SSLRJ), East Africa General Reports (EAGR), Zanzibar Protectorate Law Reports (ZPLR).

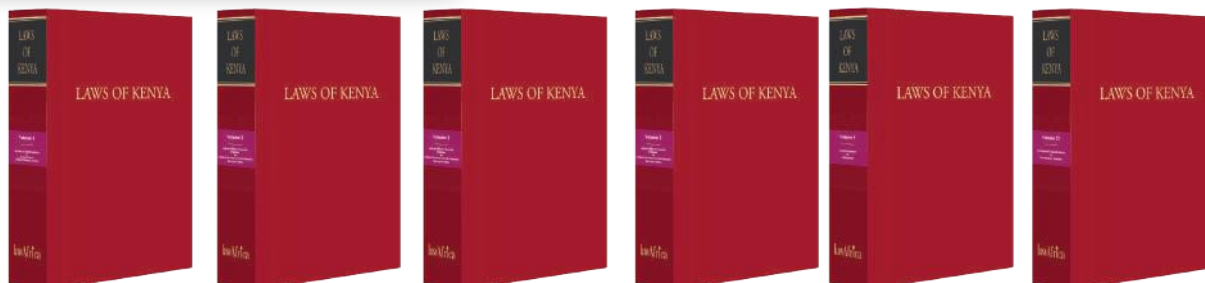
eBookstore

Customers can purchase our hardbound and paperback versions and pay through Pesapal to enable payment through MPESA, Airtel Money, Mastercard and Visa.

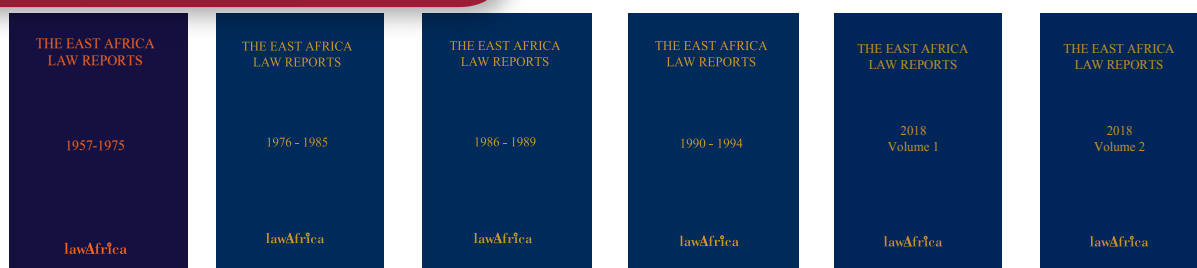


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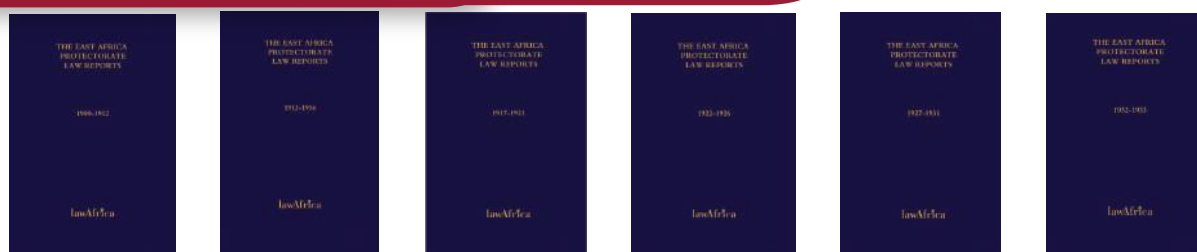
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LoHo Learning

// LoHo Learning is committed to revolutionizing education in Africa. We offer an AI-powered e-Learning Platform called **Kalamu** formerly Longhorn eLearning and tailor-made interactive **LH eBooks**. Our platform is designed to provide personalized support for teachers and learners, making education more engaging and accessible.



eLearning:

Kalamu is an innovative eLearning platform that provides a tailored and holistic learning experience with a repository of short notes, interactive quizzes, eBooks, and AI-powered personalization. It signifies the fusion of technology and education, empowering students and educators alike to embrace a future where learning is more accessible, engaging, and individually optimized.



eBooks:

This is an application that offers fun, interactive and curriculum approved content for ages 3 to 18 years. Our web-based eBook platform is built on the latest technology featuring offline capability and providing learners with a dynamic learning experience.

Key Features:

Our solutions are equipped with the following essential features:



High-Quality Content:

Our eBooks are approved by the Kenya Institute of Curriculum Development (KICD) and contain curriculum-aligned educational content from PP1 to Form 4.

01



Immersive Simulations:

Interactive STEM simulations for Junior Secondary Schools (CBC) and Secondary Schools (8-4-4) to empower students to explore, experiment and deepen their understanding of STEM concepts.

02



Engaging Learning

Experience: We offer interactive content, videos, quizzes, simulations, and adaptive learning techniques to maintain student motivation.

03

LoHo Learning



Accessibility and portability:

Our solutions are flexible, allowing learning on devices with or without internet connectivity. Readers can carry an entire library with them on a single device, be it a smartphone, tablet, or e-reader. This has made reading more convenient for individuals who are always on the go.

04



Affordability:

We provide cost-effective solutions tailored to the needs of educational institutions and learners.

05



Teacher Dashboard:

This feature enables educators to effectively monitor learner performance.

06

Components of the Teacher Dashboard:

1. **Reports:** Access various reports on learners' competencies.
2. **Content Library:** Find subject-specific questions in our content bank.
3. **Content Creation Tool:** Easily generate enriched content.
4. **Gamification:** We have educational games within the app to make learning more fun, interactive and enjoyable.

Target Primary Audience:

1. **Students** of all ages (K-12).
2. **Teachers and educators** interested in supplementary teaching materials and resources to enhance their classroom instruction.
3. **Schools and educational institutions** seeking innovative technology solutions to improve their teaching methods and curriculum.
4. **Government agencies and Ministry of education** in supporting and implementing educational technology initiatives.

Target Secondary Audience:

1. **Investors and organizations** interested in investing in or partnering with LoHo Learning to support its growth and mission.
2. **NGOs** focused on education and literacy programs in underserved communities.



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Education
through Innovative
Technology

Environmental, Social and Governance (ESG)

This report outlines the Environmental, Social, and Governance (ESG) commitment of Longhorn Publishers.

We strive to build sustainable, equitable, healthy, and diverse communities through a combination of innovative learning solutions and exemplary environmental, social and governance (ESG) performance. This commitment informs every aspect of our business, including how we design and commercialize new projects, operate our portfolio, collaborate with stakeholders and report progress.

Our Nominations and Governance Committee oversees our policies and operational controls for environmental, health, safety and social risks. The Committee meets regularly to set goals, budgets, and implementation timelines and monitor progress and results.

1

Environmental Stewardship



1.1 Overview

We aim to embed environmental stewardship in everything we do. We believe we have a responsibility to minimize the energy, carbon, water and waste impacts of our business and recognize that these impacts occur not just in the daily operations of our portfolio but also through our entire value chain. As a result, we strive to reduce environmental impacts across the full life cycle of our buildings and our corporate operations.



1.2 Statement on Climate Change

We are committed to driving down our energy and carbon impacts, as we believe that climate change is one of the greatest risks to our world and know that buildings contribute 40% of global greenhouse gas (GHG) emissions. Our sustainability program is committed to environmentally sustainable initiatives that deliver near-term efficiency, value, and health for our business, tenants and community.



1.3 Energy & Water Consumption and Efficiency

We have a long-term environmental performance target that addresses energy and water consumption. To achieve our targets, our building is monitored periodically by our third party consultants and the results are reviewed by our Management Committee. Our energy consumption initiatives include energy management system upgrades and equipment upgrades. Our water consumption initiatives include water-efficient fixtures.



1.4 Waste management

We seek to implement practices to reduce, reuse, and recycle materials, as well as minimizing overall environmental impact. These practices include:

- Reducing paper usage by introducing digital platforms (LoHo eLearning and eBooks)
- Partnering with local recycling facilities to ensure proper disposal and recycling of materials.
- Use of eco-friendly packaging materials.

Environmental, Social and Governance (ESG)

2

Social Responsibility

2.1. Overview

A deep commitment to social responsibility is core to who we are as a company. We believe people are at the heart of our business and take pride in our outstanding work culture. We strive to be an optimal employer to our workforce, as well as a valued partner to our communities.

2.2. Compensation and Benefits

We know that the first step in hiring and retaining the best talent is to create safe and inspiring workplaces where people feel valued. We offer competitive compensation and benefits to all regular full-time employees, including but not limited to sick leave, retirement savings plans and medical, dental, and vision coverage. We also offer a very generous equity compensation program that empowers our team members to act and feel like owners, not just employees.

2.3. Culture, Engagement and Growth

We create fun, spirited work environments that reward innovation and collaboration at all levels. Every new employee is given a copy of the Human Resource Policy which is a set of key operating principals that we all strive to embody every day. Leaders are encouraged to demonstrate an "open door policy" and employees can provide feedback through their annual performance reviews. We hold periodic employee events such as the annual staff party, luncheon and game parties. We also aim to foster both personal and professional growth for employees at all levels of the organization through annual performance reviews, role-specific training and professional development opportunities.

2.4. Health and Safety

The health and safety of our employees and suppliers is of the utmost importance to us. We adhere to leading health and safety standards across our portfolio, and each year, we conduct various health seminars and require our all employees to complete safety training.

2.5. Diversity and Inclusion

We embrace and value diversity in all its forms, whether gender, age, ethnicity or cultural background. Equal opportunity is integral to our recruitment process, as we aim to develop a community of diverse talent. We seek to maintain a positive workplace, free from discrimination and harassment. We champion pay equity and mutual respect, promoting an environment of fairness and equality. Our commitment to diversity and inclusion applies to the highest levels of the organization, including at the board level, where we recognize that diversity strengthens board performance and promotes long-term shareholder value.

2.6. Community Engagement

We have a long history of providing meaningful, and often transformational, support to the communities in which we operate. We also provide charitable support to key industry and professional organizations, often in the form of event sponsorships and book donations.

2.7. Support for human rights and labour laws

Our Human Resource Policy reflects our dedication to the adherence of labour laws in the countries we operate in and preservation of basic rights and human dignity.

3

Governance

3.1. Overview

We view good governance as essential to creating and preserving value for our shareholders and other stakeholders. This includes a sound approach to corporate governance that complies with all applicable laws, rules, regulations and policies as well as unwavering adherence to our values.

3.2. Corporate Governance and Transparency

3.2.1. Corporate Governance

We have an effective and highly skilled Board of Directors with three committees: Audit and Risk, Nominations and Governance, and Operations and Strategy. We promote board independence and embrace board diversity in all its facets, including skills, experience, gender, ethnicity, and race. Our *Corporate Governance Guidelines* outline key principles and rules to help our Board of Directors exercise its responsibilities and serve the interests of the company and its stockholders.

3.2.2. Transparency

We believe that financial transparency improves stakeholder relations. It empowers employees with the knowledge and tools to participate in company finances and productivity metrics, it can initiate a substantial cultural shift within Longhorn. This is done through the publication of the annual reports, monthly townhall meetings.

3.3. Ethical business practices

Our directors and all employees, including senior management, conduct themselves in accordance with the highest moral and ethical standards, informed by a robust *Code of Business Conduct and Ethics*. We are committed to ensuring a fair workplace for our employees as well as partners with whom we do business. We have strict policies to protect against unlawful discrimination and harassment. We have an Open-Door Policy to encourage honest and direct communication to resolve issues and concerns in an expeditious manner. We also have an Whistleblower Hotline that provides an alternative and anonymous method of reporting suspected compliance violations, unlawful or unethical behavior, or fraud.

Risk Management

Introduction

Risk management practice is integrated in all business activities from strategy setting to operational activities. At strategy level, risk management is central to intelligent and informed decision analysis in the pursuit of business opportunities. At operational level, risk management directs the efficient design and Implementation of the system of Internal control to avoid or mitigate adverse

outcomes relating to process failure. We view risk as the effect of uncertainty on objectives and maintain an agile, collaborative approach in keeping ahead of the evolution of risks to optimize business performance.

Risk management methodology

Our risk management methodology is grounded on the principles and components of COSO Enterprise Risk Management Framework (ERM) as depicted below.



The COSO ERM framework promotes a top down approach in the management of risks by aligning strategic objectives with operational plans and activities and thereby sustaining a focus on the business risks that matter the most. This ensures that the allocation of limited resources is consistently optimized for the achievement of business objectives.

Corporate Strategic Plan



The Board of Directors is ultimately responsible for setting up and monitoring the organization's risk management framework that includes the risk appetite. The risk appetite takes into account both quantitatively and qualitatively, the nature and extent of the risks that the organization is willing to take to achieve its strategic objectives, and seeks to strike a balance between business development and growth, and potentially adverse risk. The Board also considers the risk appetite in its evaluation of the sufficiency and

effectiveness of actions planned or taken to address the current and emerging principal risks that may impact the achievement of strategic objectives. To support this evaluation, senior management assesses the risk appetite for each of the principal risks. The assessed risk appetite is used to define the risk tolerance levels at tactical and operational levels of the business, and along with the core values and code of conduct, provide clarity on the organizational risk culture.

Risk management structure

Tool and methodologies, Standards, policy and Procedures

The business has a risk management policy and framework approved by the Board of Directors. The policy and framework affirms the risk management objectives and principles, assigns roles and responsibilities for the management of risks and describes the risk management methodology. Scenario analysis is widely adopted in decision making. A corporate risk register is maintained, regularly updated and reviewed for the effectiveness of actions planned and taken to address the risks.

Risk Management

Board

As part of its oversight responsibility, the Board of Directors approves changes to the risk management policy and framework and reviews its implementation effectiveness as well as the effectiveness of the overall system of Internal control. The Board of Directors accomplishes this by:

- Engaging with stakeholders to monitor their interests and communicate transparently on the achievement of objectives.
- Nurturing a culture promoting ethical behaviour and accountability.
- Establishing structures and processes for governance, including auxiliary committees as required.
- Delegating responsibility and providing resources to senior management for achieving the objectives of the organization.
- Determining organizational appetite for risk and exercises oversight of risk management (including internal control).
- Maintaining oversight of compliance with legal, regulatory, and ethical expectations.
- Establishing and overseeing an independent, objective, and competent internal audit function.

Senior management

The senior management team is primarily responsible for managing business risks and designing and implementing an effective system of internal control which includes but is not limited to appropriate organization structures, effective

policies, processes and procedures, adequate information flows, ideal culture, ethics and behaviour, suitable people, skills and competencies and a reliable information technology infrastructure.

Risk management

The risk management function provides complementary expertise, support, monitoring, and challenge related to the management of risk, including:

- the development, implementation, and continuous improvement of risk management practices (including internal control) at a process, systems, and entity level.
- the achievement of risk management objectives, such as: compliance with laws, regulations, and acceptable ethical behaviour; internal control; information and technology security; sustainability; and quality assurance.

Additionally, the risk management function provides analysis and reports on the adequacy and effectiveness of risk management (including internal control).

Internal audit

The Internal audit function communicates independent and objective assurance, advice and insights to senior management and the Board of Directors on the adequacy and effectiveness of governance and risk management (including internal control) to support the achievement of organizational objectives and to promote and facilitate continuous improvement.

Types of Risk	Mitigation
Business Risk The rapidly changing landscape of the publishing industry exposes the Group to factors that would lower its profits, threaten the Group's ability to meet its target and achieve its financial goals. Uncertainties attributed to the changing landscape include shift towards digital publishing, change in curriculum, growing competition and economic downturn.	Digital Publishing – The Group has invested in a well-trained, highly knowledgeable and dedicated team of editors, content providers and digital sales and marketing team that work on the development and provision of digital content. Curriculum Change – The Group has invested significantly in skill development and training of staff to ensure our publishing team is conversant with the demands of the new curriculum. Competition – The Group has adapted strategies to stay ahead of competition such as producing high-quality content, digital platforms, strategic partnerships, consumer engagement, etc.
Information Risk The confidentiality, integrity and continued availability of the Group's intellectual property is the source of its competitive advantage. As a consequence, events that may potentially compromise these attributes of our intellectual property, including but not limited to, piracy and sabotage, are continuously monitored and protected against to safeguard the Group's competitive advantage.	Piracy – The Group has added anti-piracy features on its books in order to reduce piracy of Longhorn Publishers PLC products. Additionally, there continues to be active participation in anti-piracy activities that discourage piracy. Information security –Through the stringent ICT policy, the Group ensures data and information movement is centralized and monitored to ensure that proprietary information is not inadvertently shared. Additional measures have already been taken to boost the Group's cyber security posture.

Risk Management

Types of Risk	Mitigation
Operational Risk The reliability and effectiveness of the Group's people, processes and information systems determines the consistency and predictability with which the strategy is executed.	Processes and Systems – The Group is ISO 9001:2015 Quality Management Systems certified. This means that it has documented its processes and systems to enforce consistency in all our operations.
Reputational Risk This is the potential that negative public perception with regard to the Group's generated content on either the print or digital products will cause a decline in the customer and investor confidence, costly litigation or revenue reduction.	Content Editing – The Group continues to Invest in a dedicated team of content editors who work to ensure that all content released from the Group meets the Group's quality assurance standards.
Financial Risk The Group's activities expose it to a variety of financial risks key among which are Credit Risk and Liquidity Risk. Credit Risk arises out of the sale of products on credit terms. As a result, the credit customer may fail to pay a credit invoice when it falls due. Liquidity Risk arises when the business cannot meet its short term debt obligations from a failure to convert assets into cash.	Credit Risk – The Group undertakes a rigorous distributor on-boarding process to ensure that the right kind of distributors are included. The distributors' creditworthiness is continuously monitored and appropriate adjustments made. Liquidity Risk – The Group maintains adequate cash balances in the bank by continuously monitoring, forecasting actual cash flows and matching the maturity profiles. The Group also maintains cordial relationships with its trade partners to amicably resolve delays whenever they arise.

Risk management structure



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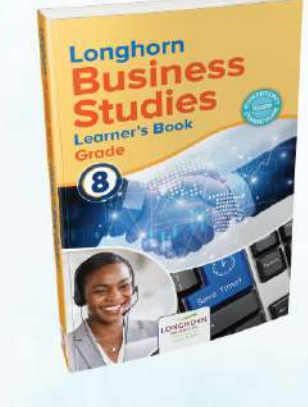
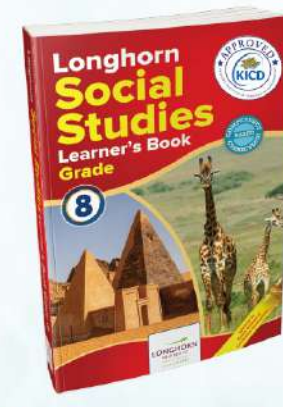
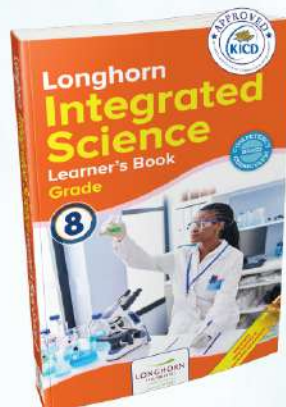
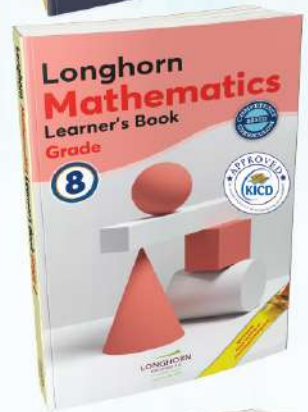
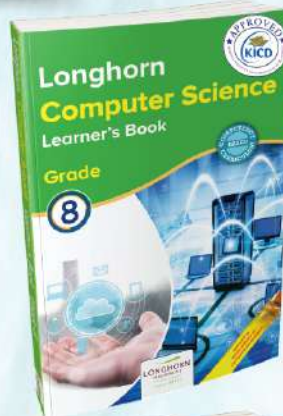
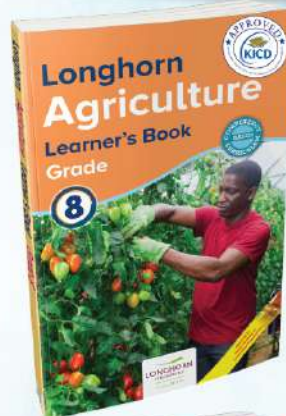
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Group Chairman's Statement



Hon. F.T Nyammo,
OGW, MBS
Group Chairman



We have a dedicated team, a rich legacy, and a clear vision for the future.

Dear Shareholders,

As we review the financial year ended 30th June 2023, I wish to affirm that we remain steadfast in our commitment to enrich lives through knowledge and to be the number one provider of innovative learning solutions in Africa. The year has presented significant challenges, ultimately leading to a decline in revenue by 27% compared to the previous year.

Business Performance

This downturn is primarily attributable to several macro-economic factors alongside currency depreciation, increase in printing costs and economic downturn which has resulted in a drop in spending on books.

In the face of these headwinds, we have adapted our strategy to meet the evolving needs of our consumers and partners. We've made substantial investments in digital platform development (LOHO Learning and LawAfrica eLearning), eCommerce platform (My-Bidhaa) and Competency-Based Curriculum. We're also streamlining operations and exploring new revenue streams to ensure long-term sustainability and reduced debt levels.

The Path Forward

While the immediate future may have its uncertainties, I remain confident in our ability to navigate these challenges and emerge stronger. We have a dedicated team, a rich legacy, and a clear vision for the future. Looking ahead, our key focus areas are:

- Content excellence: Delivering high-quality, engaging content that resonates with our diverse audience and exploring innovative ways to monetize our content.
- Building a robust digital presence: Investing in our digital platforms and content distribution channels.
- Deepening our regional presence: Focusing on growing our markets across Africa and building a strong connection to our brand.
- Maintaining operational efficiency: Continuously seeking ways to streamline our operations and optimize resources.
- Strengthening of partnerships and alliances with key stakeholders.

Group Chairman's Statement

Board Changes

There were Board changes in the previous year.

Mr. Raymond Nyamweya Ondieki retired from the Longhorn Board after 19 years. During this period, he was a member of the Audit & Risk and Operations & Strategy Committees. We extend our sincere gratitude to Mr. Ondieki for his commitment and contributions during his tenure.

Dr. Dancan Njagi Irungu joined the Longhorn Board as an Independent Director, effective 18th May 2023. Mr. Irungu has vast experience and expertise as a practitioner and scholar in the fields of Strategic Planning, Organization Development, Entrepreneurship and Project Management. He is the current Dean of Graduate School, Amref International and Director of Entrepreneurship. We look forward to his significant contributions to the Group.

Future outlook

The publishing industry is undergoing a transformation, and we are determined to be at the forefront of that change. I am confident that our unwavering commitment to our core values, combined with our adaptability and innovation, will ensure our continued success.

On behalf of the Board of Directors, I take this opportunity to recognise and appreciate the management and staff for their zealous endeavours to ensure that Longhorn is the preferred provider of education solutions.

I also thank our shareholders, consumers, suppliers and partners for their unwavering support and confidence.



Hon. F.T Nyammo, OGW, MBS
Group Chairman

Kauli ya Mwenyekiti



Mhe. F.T Nyammo,
OGW, MBS
Mwenyekiti wa Bodi



Tumewekeza pakubwa katika ukuzaji wa mifumo ya kidijitali (LOHO Learning na LawAfrica eLearning), jukwaa la Biashara la kielektroniki (My-Bidhaa) na Mtaala unaotegemea Umilisi.

Kwa Wanahisa,

Tunapokagua mwaka wa fedha uliomalizika tarehe 30 Juni 2023, ningependa kuthibitisha kwamba tunasalia kuwa thabiti katika dhamira yetu ya kuboresha maisha kupitia kwa maarifa na kuwa watoa huduma nambari moja wa masuluhisho ya ubunifu ya kujifunza Barani Afrika. Mwaka umekuwa na changamoto nyingi, na hatimaye kupelekea kushuka kwa mapato kwa asilimia 27 ikilinganishwa na mwaka uliopita.

Utendaji wa Biashara

Anguko hili kimsingi linatokana na sababu kadhaa za uchumi mkuu pamoja na kushuka kwa thamani ya sarafu, kuongezeka kwa gharama za uchapishaji na kuzorota kwa uchumi ambao umesababisha ununuzi wa vitabu kushuka.

Katika kukabiliana na wimbi hili, tumerekebisha mkakati wetu ili kukidhi mahitaji yanayochipuka ya watumiaji na washirika wetu. Tumewekeza pakubwa katika ukuzaji wa mifumo ya kidijitali (LOHO Learning na LawAfrica eLearning), jukwaa la Biashara la kielektroniki (My-Bidhaa) na Mtaala unaotegemea Umilisi. Tunarahisisha pia shughuli na kuchunguza vyanzo vipya vya mapato ili kuhakikisha uendeleu wa muda mrefu na kupunguza viwango vya madeni.

Njia iliyo Mbele

Ingawa wakati ujao unaweza kuwa na ukosefu wa uhakika, ninasalia na ukakamavu katika uwezo wetu wa kukabiliana na changamoto hizi na kuibuka kuwa wenye nguvu zaidi. Tuna timu iliyojitolea kwa hali na mali, urithi mzuri, na maono wazi ya siku zijazo. Kuangalia mbele, maeneo yetu makuu ya kuzingatia ni:

- Ubora wa kazi: Kuwasilisha kazi za hali ya juu, zinazoshirikisha ambazo zinawavutia watazamaji wetu mbalimbali na kuchunguza njia bunifu za kuchuma mapato kutokana na kazi zetu.
- Kujenga uwepo thabiti wa kidijitali: Kuwekeza katika mifumo yetu ya kidijitali na njia za usambazaji wa kazi.
- Kukuza uwepo wetu wa kikanda: Kuzingatia kukuza masoko yetu kote Barani Afrika na kujenga uhusiano thabiti na chapa yetu.
- Kudumisha ufanisi wa kazi: Kuendelea kutafuta njia za kurahisisha shughuli zetu na kuboresha rasilimali.
- Kuimarishwa kwa uhusiano na ushirikiano na wadau wakuu.

Kauli ya Mwenyekiti

Mabadiliko ya Bodi

Kulikuwa na mabadiliko ya Bodi katika mwaka uliopita. Bw. Raymond Nyamweya Ondieki alistaafu kutoka kwenye Bodi ya Longhorn baada ya miaka 19. Katika kipindi hiki, alikuwa mjumbe wa Kamati za Ukaguzi & Hatari na Uendeshaji na Mikakati. Tunatoa shukrani zetu za dhati kwa Bw. Ondieki kwa kujitolea na michango yake wakati wa uongozi wake.

Dkt. Dancan Njagi Irungu alijiunga na Bodi ya Longhorn kama Mkurugenzi Huru, kuanzia tarehe 18 Mei 2023. Bw. Irungu ana uzoefu na utaalamu mkubwa kama mtaalamu na msomi katika nyanja za Mipango ya Kimkakati, Maendeleo ya Shirika, Ujasiriamali na Usimamizi wa Miradi. Yeye ndiye Mkuu wa sasa wa Shule ya Wahitimu, Amref International na Mkurugenzi wa Ujasiriamali. Tunatazamia kwa hamu mchango wake muhimu kwa Kikundi.

Mtazamo wa siku zijazo

Sekta ya uchapishaji inapitia mabadiliko, na tumeazimia kuwa mstari wa mbele katika mabadiliko hayo. Nina uhakika kwamba dhamira yetu isiyoyumba kwa maadili yetu ya msingi, pamoja na uwezo wetu wa kubadilika na uvumbuzi, itahakikisha mafanikio yetu yanayoendelea.

Kwa niaba ya Bodi ya Wakurugenzi, ninachukua fursa hii kutambua na kuthamini wasimamizi na wafanyakazi kwa juhudi zao za kuhakikisha kuwa Longhorn ndiye mtoaji anayependelewa wa masuluhisho ya elimu.

Ninawashukuru pia wanahisa wetu, wateja, wasambazaji na washirika wetu kwa usaidizi wao usioyumba na kujiamini.



Mhe. F. T. Nyammo, OGW, MBS

Mwenyekiti wa Bodi

Group Managing Director/ CEO Statement



We are
confident of
a return to
profitability
in the coming
year.

It is with both candor and unwavering optimism that I present our annual report for the financial year ended June 2023. The year witnessed undeniable hurdles, it also underscored the resilience and adaptability that define our company.

Our revenue declined by Shs 402 million to close at Shs 1 billion compared Shs 1.4 billion in 2022. The reduction in revenue was primarily attributed to accounting restatements guided by the International Financial Reporting Standards which shifted revenue generated in current year to prior years. In addition, we saw a decline in government revenue due to a delay in the commencement of distribution of Grade 7 text books. Economic anxieties and a volatile global market have impacted consumer spending, squeezing book purchases. In addition, printing costs increased by over 70% over the last 12 months resulting in a significant shrinkage of our gross margins from 32% in the prior year to 18% this year.

Our operating expenses increased by Shs 198 million compared to the previous year. This was mainly attributable to one-off costs including goodwill impairment, restructuring costs and pre-publication costs write-offs from the old curriculum which are not expected to recur.

Amidst these challenges, we are confident of a return to profitability in the coming year due to the following interventions:

- Government revenue is back on track and we have successfully completed the delivery of Grade 7 and Grade 8 which will enable us recognize the revenue.
- Additional government projects are in the pipeline following the release of the Presidential Working Party Report on Education which requires curriculum revisions in several classes. This creates opportunities for us to supply textbooks in more areas in 2024.
- Diversifying our revenue streams through digital channels: During the year, we successfully spun out a new business LOHO learning which provides interactive E-books and other multimedia content online and offline. We expect to grow this in the coming year to generate higher margin revenue. Other digital products that we have launched include, MyBidhaa, an ecommerce platform providing text books from all publishers.
- Regional growth: Our markets in Uganda and Cameroon have continued to grow profitably. We aim to scale these markets in order to bridge the declining revenue in Kenya.

I firmly believe that by embracing these strategies, we will weather the current industry headwinds and emerge stronger, profitable and more adaptable than ever. I am confident that our commitment to effectively execute our 3-year strategic plan focusing on a sustainable financial model, digital transformation, customer-centricity, Africa-wide presence, people and culture transformation will secure our continued success.

I would like to thank our staff and management for their contribution, dedication and resilience during this challenging period. I also wish to extend my sincere gratitude to the Board of Directors for their support throughout the 2023 Financial Year.

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

Thank you.

Maxwell Wahome
Group Managing Director/CEO

Kauli ya Mkurugenzi Mkuu



**Tuna uhakika
wa kurejea kwa
faida katika
mwaka ujao.**

Kwa uwazi na matumaini mema, ningependa kuwawasilishia ripoti ya kila mwaka ya mwaka wa kifedha uliokamilika Juni 2023. Mwaka huo ulikuwa na changamoto nyingi hadi kutoafiki viwango vya uthabiti na mabadiliko yanayoibainisha kampuni yetu.

Mapato yetu yalipungua kwa shilingi milioni 402. Jumla ya mapato yetu ilikuwa shilingi bilioni moja (1) ikilinganishwa na bilioni moja nukta nne (1.4) za mwaka wa 2022. Kupungua huku kwa mapato kulichangiwa kikubwa na kurejelewa kwa uhasibu kwa kuzingatia Viwango vya Kimataifa vya Kuripoti Taarifa za Kifedha, hali ambayo ilirejesha mapato yaliyozalishwa mwaka huo hadi miaka ya awali. Mbali na hayo, tulishuhudia upunguaji wa mapato kutoka serikalini kufuatia kuchelewa kwa shughuli ya usambazaji wa vitabu vya Gredi ya 7. Msukosuko wa kiuchumi na soko tete la kimataifa limeathiri matumizi ya watumiaji, hali ambayo imepunguza ununuzi wa vitabu. Zaidi ya hayo, gharama za uchapishaji ziliongezeka kwa zaidi ya asilimia 70% katika kipindi cha miezi 12 iliyopita na kusababisha upungufu mkubwa wa mapato yetu kutoka asilimia 32% mwaka uliopita hadi asilimia 18% mwaka huu.

Gharama za uendeshaji shughuli zetu ziliongezeka kwa shilingi milioni 198 ikilinganishwa na mwaka uliopita. Hii ilichangiwa zaidi na gharama za kulipwa mara moja ikiwa ni pamoja na malipo ya ukarimu na nia njema, gharama za mabadiliko katika upangaji upya wa kazi na gharama za awali za uchapishaji kutokana na uondoaji wa mtaala wa zamani; gharama ambazo hazitarajiwi kujirudia.

Licha ya changamoto hizi, tuna uhakika wa kurejea kwa faida katika mwaka ujao kutokana na mikakati ifuatayo:

- Mapato kutoka serikalini yamerejelea hali thabiti na tumefanikiwa kusambaza vitabu vya Gredi ya 7 na 8; jambo ambalo litatuwezesha kutambua mapato hayo.
- Miradi zaidi ya serikali inaendelea kufuatia kutolewa kwa ripoti kuhusu elimu iliyoipendekeza mabadiliko katika mtaala wa viwango mbalimbali vya elimu. Hili linatuma fursa zaidi ya kusambaza vitabu katika maeneo mengi zaidi mwaka huu.
- Kuzidisha chaneli za mapato yetu kupitia mfumo ya kidijitali. Tulifanikiwa kuanzisha biashara mpya kupitia LOHO learning; mfumo wa kidijitali unaotoa mafunzo mtandaoni na nje ya mtandao. Tunatarajia kukuza mfumo huu katika mwaka ujao ili kupata mapato ya juu zaidi. Bidhaa nyingine za kidijitali ambazo tumezindua ni pamoja na; MyBidhaa ambalo ni jukwaa linalouza vitabu kutoka kwa mashirika mbalimbali ya uchapishaji.
- Ukuaji wa kikanda: Masoko yetu nchini Uganda na Cameroon yameendelea kukua. Tunalenga kukuza masoko haya ili kuziba mianya inayosababishwa na upungufu wa mapato nchini Kenya.

Ninaamini kwamba kwa kukumbatia mikakati hii, tutasonga mbele na kuibuka dhabiti, wenye faida na wa wenye uwezo mkubwa wa kukabiliana na misukosuko iliyo katika uwanja wa uchapishaji. Nina hakika kwamba dhamira yetu ya kutekeleza mpango wetu wa kimkakati wa miaka 3 unaolenga mtindo endelevu wa kifedha, mabadiliko ya kidijitali, uzingatiaji wa wateja, uwepo mkuu wa Afrika nzima pamoja na mabadiliko ya watu na tamaduni itafanikiwa.

Ningependa kuwashukuru wafanyakazi, wanunuzi na wasimamizi wote kwa mchango, kujitolea na ustahimilivu wao katika kipindi hiki kigumu. Pia, ningependa kutoa shukrani zangu za dhati kwa bodi ya wakurugenzi kwa usaidizi wao katika mwaka wa kifedha wa 2023.

Kwa wenye hisa, wateja na washikadau wetu wote, ninawapongeza kwa kujitolea kwenu.

Asanteni.

Maxwell Wahome
Mkurugenzi Mkuu

Board of Directors



Hon. F.T Nyammo,
OGW, MBS
Group Chairman

Board of Directors



Maxwell Wahome
Group Managing Director



Truphosa Kwaka-Sumba
Director (Non-Executive, Independent)



Thomas Omondi
Director (Non-Executive)



Fredrick Murimi
Director (Non-Executive)



Emma Miloyo
Director (Non-Executive, Independent)



Ali Hussein Kassim
Director (Non-Executive, Independent)



Muigai Githu
Director (Non-Executive)



Dancan Irungu
Director (Non-Executive, Independent)



Enid Muriuki
Company Secretary

Management Team



Maxwell Wahome
Group Managing Director



Charles Sseruwu
Country Manager, Uganda



Martin Wafula
MD - LawAfrica Publishing Ltd



Michael Mwaura
Chief Operations Officer



Anna Mlaki
Country Manager, Tanzania



Patricia Mganda
Quality Assurance Manager



Keziah Waiganjo
Senior HR Business Partner

Corporate Governance Statement

1. Introduction

The objective of Longhorn's corporate governance framework is to enhance long-term stakeholder value without compromising on ethical standards and corporate social responsibilities. At Longhorn, we believe that good corporate governance is essential as a reflection of our value system that upholds the highest standards of governance, encompassing our culture, policies, and relationship with our stakeholders who include our shareholders, regulatory authorities, employees, customers, suppliers, distributors, the government, and the community at large. We further believe that corporate governance is more than just adherence to the regulatory and statutory requirements and recognize the critical importance of corporate governance principles in fostering transparency, integrity, and accountability within our business operations. This statement outlines our commitment to upholding high standards of corporate governance, aiming to protect the interests of shareholders, enhance transparency, and create long-term sustainable value.

2. Board of Directors

The Board of Directors is committed to the highest standards of corporate governance and business ethics as set out in the Code of Corporate Governance Practices for Issuers of Securities to the Public 2015. The Board recognizes that good corporate governance is key to the enhancement of business performance.

The Board of Longhorn is at the heart of Longhorn's system of corporate governance and is ultimately accountable and responsible for the performance and affairs of the Company. The Board has oversight over the implementation of internal control systems that support good governance, as well as systems that ensure that business partners are also complying with the highest standards of integrity and business ethics.

Longhorn continues to apply the following key principles of good corporate governance which have in return supported its growth as one of the market leaders in the publishing industry:-



Fairness: We aim to ensure equal treatment and fairness in dealing with all our stakeholders including employees, shareholders, customers, suppliers, and other third parties.



Accountability: We take seriously the obligation and responsibility to give an explanation for Longhorn's actions and conduct in a balanced and understandable manner as we execute our business purpose. We have taken the responsibility for determining the nature and extent of the significant risks the Board is willing to take with sound risk management and internal control systems. The Board has also established formal and transparent arrangements for corporate reporting and communication with stakeholders at regular intervals.



Responsibility: The Board of Directors having been given authority to act on behalf of the Company has accepted full responsibility for the powers that it is given and the authority that it exercises. The Longhorn Board of Directors is responsible for overseeing the management of the business and affairs of the company, appointing the chief executive and monitoring the performance of the company. In doing so, it aims to act in the best interests of the company.



Transparency: At Longhorn, we endeavor to ensure that stakeholders are informed about the Company's activities in terms of what it plans to do in the future and any risks involved in its business strategies. The Board is always open and willing to provide clear information to shareholders and other stakeholders. This includes disclosure of material matters concerning the Company's performance and activities in a timely and accurate manner.



Sustainability: The Board ensures that Longhorn conducts its business with meaningful regard for environmental, health, safety, and other sustainability issues relevant to its operations. This also includes monitoring trends relating to economic, social, and environmental sustainability issues and mapping out the issues that are most important to the company's business.

Corporate Governance Statement

3. Board Charter and Committees' Charters

The Board Charter defines the governance parameters within which the Board operates, sets out specific responsibilities to be discharged by the directors collectively, as well as certain roles and responsibilities of directors as individuals. Some of the salient aspects outlined in the Board Charter are but not limited to the following:-

- Board Structure and Composition
- Board Roles and Responsibilities
- Board Operations
- Transparency and Disclosure

In addition, each of the Board Committees has a Charter which stipulates its mandate in carrying out the roles delegated by the Board.

4. Board Roles and Responsibilities

In performing its roles and duties, Longhorn's Board continually endeavors to:-

- define and chart out the Company's vision, mission and values taking cognizance that the Board has ultimate responsibility for the attainment of the Company's objectives;
- determine the business strategies and plans that underpin the corporate strategy;
- discuss and approve strategic plans and annual budgets;
- monitor management's implementation of the strategic plans and financial objectives as defined by the Board;
- define levels of materiality, reserving specific powers to itself and delegating other matters, with the necessary written authority, to management;
- continually monitor the exercise of delegated power by management;
- ensure that a comprehensive system of policies and procedures is in place and that appropriate governance structures exist to ensure the smooth, efficient and prudent stewardship of the Company;
- ensure that the business of the Company is managed with a view to ensuring that the Company is ethical in all its dealings and exercises corporate social responsibility;
- ensure compliance by the Company with all relevant laws and regulations, audit and accounting principles, and such other principles as may be established by the Board from time to time;
- identify key risks, opportunities and strengths relating to the Company;
- ensure that the Company's organizational structure and capability are appropriate for implementing the chosen strategies;
- set policies on internal control and obtain regular assurance that the internal control system is functioning effectively and is effective in managing risks;
- appoint Board members who will add value to the Company;
- appoint the Managing Director, Heads of Departments, External Auditors, Company Secretary and other key consultants;
- review and approve annual audited accounts and related reports;
- communicate key policies and strategy issues to senior management;
- identify all stakeholders and ensure effective management of engagements with the stakeholders.

5. Board Composition

The Board is composed of nine (9) directors comprising one executive director and eight non-executive directors. Three of the non-executive directors are independent directors. The Chairman of the Board who is a non-executive director, and the Managing Director roles are separate, ensuring independent oversight.

Board members have diverse skills, experience, and expertise relevant to the business and a summary of the variety of skills and expertise includes business management, information technology, marketing and public relations, governance and leadership, legal, banking and finance, accounting, strategy and human resources management.

Corporate Governance Statement

The structure of the Board of Directors is as outlined below:-

Name of Director	Nationality	Description	Date of appointment
Hon Francis T Nyammo	Kenyan	Non-Executive	01/07/1977
Centum Investment Company PLC	Body Corporate	-	22/02/2008
Mr Ali Hussein Kassim	Kenyan	Non-Executive	01/03/2014
Mrs Truphosa Kwaka-Sumba	Kenyan	Independent Non-Executive	01/12/2014
Mr Muigai Githu	Kenyan	Non-Executive	20/08/2015
Mr Fredrick Murimi	Kenyan	Non-Executive	21/04/2017
Mr Maxwell Wahome	Kenyan	Executive – Group Managing Director	04/09/2018
Ms Emma Miloyo	Kenyan	Independent Non-Executive	01/04/2020
Dr Dancan Njagi Irungu	Kenyan	Independent Non-Executive	18/05/2023
Mr Thomas Omondi	Kenyan	Alternate Director to Centum Investment Company PLC Investment Company PLC	1/05/2022

**Raymond Nyamweya retired as a director with effect from 24th November 2022.*

6. Board Operations

The role of the Board is to exercise leadership, integrity, and judgment in directing the affairs of the Company so as to achieve continuing prosperity for the Company and its shareholders. The Board endeavors to, at all times, act in the best interests of the Company.

The Board meets at least once every quarter but may meet over and above the quarterly meetings as circumstances warrant. An Annual Board Work Plan is generated with input from the Chairman, Company Secretary, and Group Managing Director. The agenda for Board meetings is prepared in consensus with the Chairman and Group Managing Director.

A summary of attendance at Board meetings held in the course of the financial year 2022/2023 is shown below:-

Director	30 August 2022	17 November 2022	16 February 2023	8 June 2023
F T Nyammo (Board Chairman)	√	√	√	√
M Wahome	√	√	√	√
T Kwaka-Sumba	√	√	√	√
Centum Investment Company PLC (Represented by T Omondi)	√	√	√	√
R Nyamweya*	√	√		
A K Hussein	√	√	√	√
M Githu	-	√	√	√
F Murimi	√	√	√	√
E Miloyo	√	√	-	√
D Irungu**				√

**R Nyamweya retired as a director with effect from 24th November 2022.*

***D Irungu was appointed as a director with effect from 18th May 2023.*

The Group Managing Director ensures that non-executive directors receive reports and information on a quarterly basis, or

Corporate Governance Statement

on a more regular basis if warranted, which enables them to scrutinize the Company's operations and performance. Directors may also suggest items for discussion at meetings as well as request additional information or a briefing on any topic prior to meetings.

The Board of Directors is committed to continually improving its effectiveness and has put in place a programme for continuous Board development. New directors are appropriately inducted regarding the Company's business and the operating environment, their roles and responsibilities to various stakeholders, including their statutory obligations. Directors can also take independent professional advice should they deem it necessary.

7. Committees of the Board

The Board has approved and delegated certain authorities to its Board Committees. The Committees have specific mandates that are documented in their respective Terms of Reference as well as in the Board Charter to ensure accountability. The minutes of meetings of the Board Committees are tabled at subsequent Board meetings and Committee decisions and recommendations ratified or approved by the Board as may be applicable.

The Board has constituted three standing committees as follows:-

7.1 Audit and Risk Committee

The role of the Audit and Risk Committee is to assist the



Ali Hussein Kassim
Chairperson

Board in discharging its duties relating to the safeguarding of assets, ensuring adequate systems and control processes, and the preparation of accurate financial statements in compliance with all applicable legal requirements and accounting standards. The Audit and Risk Committee also regularly reviews the effectiveness of the controls. Specifically, the Committee has oversight over the following areas:-

- Financial reporting and disclosure matters which includes review of periodic accounts before their publishing as well as considering the internal and external audit findings in order to identify any material weaknesses in financial and accounting control systems.
- Risk Management and Internal Controls which includes review of the Company's risk management processes and assessing the adequacy of the overall control environment, as well as monitoring compliance with relevant legislation.
- Oversight over External Audit/Auditors activities including the independence, objectivity and effectiveness of the External Auditor.
- Oversight over Internal Audit activities including, review of the Internal Audit Charter, internal audit plans and reports, as well as the structuring and resourcing of the team.

The Audit and Risk Committee has four members, three of whom are



Truphosa Kwaka-Sumba
Member



Emma Miloyo
Member



Thomas Omondi
Member

Corporate Governance Statement

independent non-executive directors.

A summary of attendance at the Audit & Risk Committee meetings held in the course of the year is shown below:-

Member	30 August 2022	27 October 2022	26 January 2023	4 May 2023	8 June 2023
A K Hussein (Chair)	√	√	√	-	√
T Kwaka-Sumba	√	√	√	√	√
R Nyamweya*	√	-			
E Miloyo	√	√	√	√	√
Centum Investment Company PLC (Represented by T Omondi)	√	√	√	√	√

*R Nyamweya retired as a director with effect from 24th November 2022.

7.2 Operations and Strategy Committee

The Operations and Strategy Committee is responsible for oversight over strategic and financial planning for the business including supporting the development of the plans and monitoring their implementation. The Committee also guides the development and implementation of corporate and social investment policies, and in assessing the Company's merger and acquisition opportunities.

- Strategic Planning: The Committee reviews, evaluates and, when appropriate, makes recommendations to the Board with respect to the Company's mission and core strategy, the Company's strategic plan objectives and the strategy development processes.
- Mergers and Acquisitions: The Committee reviews, evaluates and, when appropriate, makes recommendations to the Board with respect to major acquisition and disposition opportunities.
- Financial Planning: The Committee reviews and when appropriate, makes recommendations to the Board with respect to the capital structure of the Company, financial plans, dividend policy and other financing proposals.
- Investment Policy: The Committee reviews and makes recommendations on corporate investment policies.
- Corporate Investment: The Committee reviews, evaluates and provides advice to Management with respect to the Company's corporate social investment activities.



Thomas Omondi
Member



Ali Hussein Kassim
Member



Muigai Githu
Member



Fredrick Murimi
Chairperson

Corporate Governance Statement

The Committee is comprised of four (4) members who are non-executive directors.

A summary of attendance at the Operations and Strategy Committee meetings held in the course of the financial year 2022/2023 is indicated below:-

Director	20 July 2022	26 October 2022	7 November 2022	25 January 2023	3 May 2023	7 June 2023
F Murimi (Chair)	√	√	√	√	√	√
Centum Investment Company PLC (Represented by T Omondi)	√	√	√	√	√	√
R Nyamweya*	√	√	-			
A K Hussein	√	√	-	√	-	√
M Githu	√	√	√	√	√	√

*R Nyamweya retired as a director with effect from 24th November 2022.



7.3 Nominations, Governance and Human Resources Committee

The role of the Nominations, Governance and Human Resource Committee is to make recommendations regarding the composition, operations and performance of the Board as well as the Company's human resources. Specifically, the Committee is responsible for:-

- Assessing and recommending to the Board for its selection, suitable candidates to serve on the Board;
- Making recommendations as to the size, composition, structure, operations, performance and effectiveness of the Board;
- Recommending the level of remuneration of directors and any reviews to the Board of Directors;
- Leading the Board in the annual review of its performance as well as the performance of the Board Committees;
- Overseeing the performance and succession planning process for the Managing Director and the Senior Management team;
- Reviewing and monitoring the Company's Human Resources management strategy to determine whether the Human Resource plans and initiatives will enable the Company to achieve its strategic objectives;
- Reviewing and when appropriate, recommending to the Board the Company's Human Resources policies as well as making recommendations to the Board regarding incentive-compensation plans;
- Developing and recommending to the Board a set of corporate governance principles, including independence standards; and
- Otherwise taking a leadership role in shaping the corporate governance of the Company.



Fredrick Murimi
Member



Ali Hussein Kassim
Member



Emma Miloyo
Member



Muigai Githu
Member

Corporate Governance Statement

The Nominations, Governance and Human Resource Committee has five members, three of whom are independent non-executive directors.

A summary of attendance at the Nominations, Governance and Human Resources Committee meetings held in the course of the financial year 2022/2023 is indicated below:-

Member	21 July 2022	27 October 2022	26 January 2023	1 February 2023	9 February 2023	27 April 2023	8 June 2023
T Kwaka-Sumba (Chair)	√	√	√	√	√	√	√
A K Hussein	√	√	√	√	√	√	√
F Murimi	√	√	√	√	√	-	√
M Githu	√	√	√	√	-	-	√
E Miloyo	√	√	√	√	√	√	√

8. Separation of oversight and managing roles

The Board of Directors of Longhorn has ensured that there is a clear separation of roles between the Board of Directors and Management, as well as between the Chairman and Group Managing Director. The roles of the Chairman and Group Managing Director are not executed by the same person.

9. Company Secretary

The Company Secretary guides the Board of Directors on matters of statutory and regulatory compliance, and good governance. The Secretary also provides guidance to the Directors as to how their responsibilities should be properly discharged in the best interests of the Company, facilitates the induction of new Directors and assists with Directors' professional development as required.

In consultation with the Chairman and the Group Managing Director, the Company Secretary ensures effective information flow within the Board and its Committees, between Senior Management and non-executive Directors. This includes the distribution of Board papers and minutes and the communication of resolutions from Board meetings.

The Secretary also guides the Company in taking the initiative to not only disclose corporate governance matters as required by law but also information that is of importance to shareholders and stakeholders in decision-making.

The Secretary also ensures that formal records of Board discussions are maintained and follows up to ensure timely

execution of agreed actions. The Company Secretary is a registered Practicing Member of the Institute of Certified Secretaries and an Accredited Governance Auditor by the Institute of Certified Secretaries.

10. Board Policies

In addition to the Board Charter, the Board has put in place a number of other policy and procedure documents to guide the Directors and Management on the execution of their roles and responsibilities and the effective running of the Group's businesses. The Board policies and related governance documents are summarized hereunder in line with the Board's desire to ensure adequate disclosures to stakeholders.

10.1 Conflict of Interest Policy

The directors of the Company are under a fiduciary duty to act honestly and in the best interest of the Company. Directors should avoid putting themselves in positions where their self-interest conflicts with their duty to act in the best interest of the Company.

It is the responsibility of every director to disclose to the Board any real or potential conflicts of interest which come to their attention, whether direct or indirect. The Board Charter provides ways of resolving conflict of interest situations including disclosure and refraining from voting or from discussions, exclusion from portions of board meetings where the matter is being discussed, or resignation in the case of a permanent conflict of interest. The Board ensures that business transactions are conducted at arm's length.

Corporate Governance Statement

10.2 Anti-Bribery and Corruption Policy

The Company has developed an Anti-Bribery and Corruption policy stipulating the ethical values, standards as well as specific guidelines that the Company adheres to in its interaction with its internal and external stakeholders.

The Board has ensured that proper mechanisms are in place to monitor and assess adherence to the prescribed Anti-Bribery and Corruption policy and ensures that all Directors and employees adhere to the prescribed Anti-Bribery and Corruption policy.

10.3 Whistle Blowing Policy

The Board has established whistle-blowing mechanisms to encourage stakeholders to bring out information helpful in enforcing good corporate governance practices and adherence to the Anti-Bribery and Corruption policy for the overall benefit of the Company.

10.4 Board Recruitment and Remuneration Policy

The Board has established policies to guide the recruitment and remuneration of the Board in line with the prevailing best practices.

10.5 Communication Policy

The Board has established a Communications Policy to guide the Company's internal and external corporate communication amongst the various stakeholders.

10.6 Stakeholders Engagement and Management Policy

The Board has established a Stakeholder Engagement and Management Policy to encourage the identification and proactive engagement of all its key stakeholders.

10.7 Environmental Social and Governance Policy

The Board has established the Environmental Social and Governance Policy whose commitment is to build sustainable, equitable, healthy, and diverse communities through a combination of innovative learning solutions and exemplary environmental, social and governance (ESG) performance. This commitment now informs every aspect of the business, including how we design and commercialize new projects, implement ongoing projects, collaborate with stakeholders and report progress.

11. Communication with Shareholders

Longhorn is committed to ensuring that shareholders, investors, and the financial markets are provided with appropriate and timely information about its performance. This is achieved through the release of our half-year and annual results in the local press, distribution of annual reports and holding of investor and other briefings.

The Annual General Meeting provides a good opportunity for shareholder engagement and, in particular, for the Chairman and the Group Managing Director to inform shareholders of the Company's performance and the projected future for the Company and respond to the shareholders' queries. The Company, through the office of the Company Secretary and the Chief Operations Officer, responds to any queries from the shareholders from time to time. The Company also communicates with its shareholders through its Share Registrar. Pertinent information on the Company's performance and other activities is posted on the Company's website.

12. Board Induction and Development

The Board ensures that new directors receive a comprehensive, formal and tailored induction to ensure familiarization with the Company's business and therefore be able to effectively contribute to the Board of Directors in the early days of their appointment.

Additionally, the directors receive continuous training to extend and refresh their knowledge and skills, which will add to their credibility and effectiveness in the discharge of their responsibilities. The Company provides the necessary resources for implementing these training programmes.

During the period under review, various directors undertook online/virtual training on areas of interest that are expected to enhance their board leadership and effectiveness.

13. Board Performance Evaluation

Longhorn is committed to the ongoing improvement of our corporate governance practices. Regular evaluations of the Board's performance are undertaken in line with the provisions of the Code for Corporate Governance for Issuers of Securities to the Public, 2015.

The Board members normally undertake an evaluation of their performance as a Board on an annual basis and a Board Evaluation Report is compiled with an action

Corporate Governance Statement

plan from the resulting recommendations. The Board Evaluation Report is tabled at a Board meeting and areas of improvement are highlighted in an action plan whose implementation is tracked through the Board Committees. The Board in September 2022 engaged an Independent Consultant to undertake an evaluation of the performance of the Board and its subsidiaries for the financial year ended 30 June 2022. The recommended actions were effected in the financial year 2022/23.

14. Principal Activity

Longhorn Publishers Plc is a pan-African publishing house whose shares are listed on the Nairobi Securities Exchange (NSE). The Company has grown its dominance in the publishing sector by establishing its presence throughout the region. In the East African region, the Company has fully incorporated subsidiaries in Uganda, Rwanda and Tanzania, and has operations across other African countries including Malawi, Cameroon, Zambia, DRC, and Ghana through distributor partnerships.

15. Compliance

Longhorn's shares are listed on the NSE and the Company operates within the requirements of the Companies Act of Kenya and is regulated by the Capital Markets Authority (CMA), NSE listing guidelines and continuing obligations, among other regulations, and adopts certain universally accepted principles in the areas of human rights, employment/labour standards, and environment in its commitment to best practice. Additionally, Longhorn

prepares its financial statements in accordance with International Financial Reporting Standards (IFRS).

Compliance Audits: During the period under review, Longhorn was granted exemption from undertaking the governance audit for the year ending 30 June 2023 by the CMA.

In line with the requirements of the Code of Corporate Governance Practices for Issuers of Securities to the Public (the Code), 2015 requires a Legal and Compliance Audit to be conducted every two years, the next audit is due in the year 2024.

The Board members are made aware of the CMA Code through the Annual Board Workplan on activities touching on compliance with the Code.

16. Going Concern

After assessing a wide range of information relating to present and projected future conditions of profitability, cashflows, capital, and other resources, the Directors confirm that they are satisfied that Longhorn has adequate resources to continue in business for the foreseeable future. For this reason, Longhorn continues to adopt the going concern basis when preparing its financial statements.

17. Capital Structure

The issued and fully paid-up share capital of Longhorn Publishers Plc is KES 272,440,473.00 made up of 272,440,473 Ordinary Shares of KES 1.00 each.

18. Top Ten Shareholders as at 30 June 2023

No.	Name of Shareholder	No. of Shares	%
1	Stanbic Nominees Ltd A/C R98301	164,014,078	60.20%
2	Pacific Futures and Options Limited	35,011,750	12.85%
3	Francis Thombe Nyammo	16,018,000	5.88%
4	Halifax Capital Corporation Limited	12,238,484	4.49%
5	Kamami Investments Limited	3,114,050	1.14%
6	Gurbir Singh Amrik Singh Heer	1,713,900	0.63%
7	Mrs Jane Kaari Mugiri (Deceased)	1,513,600	0.56%
8	Charles Esonga Onduso	1,504,194	0.55%
9	George Ileri Mbaabu	1,500,000	0.55%
10	Kestrel Capital Nominees Limited A/c 8	1,479,400	0.54%
11	Others	34,333,017	12.60%
Total Issued Shares		272,440,473	100.00%

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19. Directors' shareholding

Name of Director	No. of Shares	%
Stanbic Nominees Ltd A/C R98301*	164,014,078	60.20
Francis Thombe Nyammo**	16,018,000	5.88
Total	180,032,078	66.08

* Centum Investment Company Plc has a beneficial interest in 164,014,078 shares (60.2%) held by Stanbic Nominees Ltd A/c R98301.

** Hon. Francis Thombe Nyammo has a beneficial interest 35,011,750 shares (12.85%) held by Pacific Futures and Options Limited.

It is highlighted that Muigai Githu has a beneficial interest in Halifax Capital Corporation Limited which holds 12,238,484 shares (4.49%) in the Company.

20. Distribution of shareholders as at 30 June 2023

	No. of shareholders	No. of shares	%
Less than 500	1,542	271,684	0.10%
501 – 1,000	366	310,179	0.11%
1,001 – 5,000	669	1,734,924	0.64%
5,001 – 10,000	234	1,760,811	0.65%
10,001 – 50,000	257	5,940,839	2.18%
50,001 – 100,000	38	2,765,667	1.02%
100,001 – 500,000	31	7,301,543	2.68%
500,001 – 1,000,000	6	4,076,150	1.50%
Above 1,000,000	18	248,278,676	91.13%
Totals	3,161	272,440,473	100.00%

21. Shareholder Rights

Longhorn is committed to protecting shareholder rights and ensures equitable treatment of all shareholders. Shareholders are encouraged to participate in general meetings and exercise their voting rights.

22. Conclusion

Longhorn is dedicated to maintaining and enhancing its corporate governance practices to serve the best interests of its stakeholders. We will continue to adapt to changes in regulations, market dynamics, and emerging best practices to ensure a sustainable and successful future.

Financials

For the year ended 30 June 2023

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Directors' Report

For the year ended 30 June 2023

The directors submit their report together with the audited financial statements for the year ended 30 June 2023. These financial statements are consolidated financial statements for the Group consisting of Longhorn Publishers Plc and its subsidiaries. A list of subsidiaries is included in note 14.

BUSINESS REVIEW

The principal activity of Longhorn Publishers Plc continues to be the publishing of high quality educational and general books and provision of innovative digital learning solutions.

OPERATING ENVIRONMENT

Various macro-economic headwinds over the past year have had a significant impact on our business. We have seen rising inflation, an increase in interest rates, currency depreciation and a general economic slowdown across our markets which has resulted in a drop in spending on textbooks. In addition, printing costs rose by 70% over the last 12 months resulting in a significant shrinkage of our gross margins from 32% in the prior year to 18% this year. There has been an upsurge of book piracy and the secondhand textbooks market as consumers moved to cheaper unregulated alternatives.

FINANCIAL HIGHLIGHTS

Revenue for the year decreased by Shs 402,455,000 representing a 27% decline compared to the previous year. The reduction in revenue was primarily attributed to delays in government procurement processes and restatements made in prior years.

The increase in operating expenses was mainly attributable to one-off costs including goodwill impairment, restructuring cost and pre-publication costs write-offs from the old curriculum that are not expected to recur. Management's strategy remains creation of a versatile business model with a lean cost structure, fewer distributors in order to manage credit risk, outsourcing of non-core functions, discontinuation of non-performing businesses and strategic alliances with other publishers to manage product development costs.

Finance costs increased by 37% from the prior year on account of increased borrowings to fund curriculum development across the region and interest rate hikes from January 2023.

Loss for the year was Shs 571,331,000 compared to loss of Shs 84,501,000 for the prior year.

Key performance ratios

The table below highlights some of the key performance indicators:

	Group		Company	
Performance ratios	2023	2022 Restated	2023	2022 Restated
Revenue in (Shs'000)	1,071,031	1,473,486	883,113	1,046,804
Gross profit margin	18%	31%	18%	32%
Operating (loss)/profit margin	(42%)	2%	(37%)	3%
Loss before income tax (Shs'000)	(630,117)	(102,878)	(510,567)	(105,105)
Net assets (Shs '000)	289,780	862,622	484,438	936,444

FUTURE OUTLOOK

We are firmly on course to achieving our digital business goals. During the year, we created the Longhorn Digital Ventures which is our corporate venture studio that incubates education technology ideas and spins out the business once a product -market fit has been achieved. Our first successful spin-out, LOHO learning, has already been selected for the Mastercard Foundation accelerator program and received grant funding to build its product. Our focus is building the largest education technology

business having a strong base of content for various markets and wide penetration across Africa. Adaptive content driven by Artificial Intelligence and great User experience remains our key drivers of success. We believe that this radical shift in approach will provide a foundation for an entirely new Longhorn business that builds on our key asset, Intellectual Property and the teacher/student ecosystem. Other businesses that we are incubating are My-bidhaa, an online market store that will enable parents to conveniently purchase textbooks, as well as an online platform targeting tertiary level content through Law Africa.

Directors' Report (continued)

For the year ended 30 June 2023

Our approved products continue to increase across the Group as we invest in new curriculum in the countries we operate in. These investments are critical for the future of the Group and the associated economic benefits will be realised for many years once the development is completed by 2026.

We are confident that the business will recover in the coming year as we fully implement our lean business model and digital strategy.

RESTATEMENT OF PRIOR YEAR RESULTS

The Group's financial statements include a restatement of the statement of profit or loss and other comprehensive income for the year ended 30 June 2022 and the statement of financial position as of that date and 1 July 2021 to correct a prior period error. This is explained in Note 27 of the financial statements.

DIVIDEND

The loss for the year attributable to equity shareholders of the Company of Shs 570,111,000 (2022: Restated loss of Shs 84,366,000) has been applied to retained earnings. The directors do not recommend a final dividend for the year (2022: Shs Nil).

DIRECTORS

The directors who held office during the year and to the date of this report were:

Hon. F. T. Nyammo	- Group Chairman
Maxwell Wahome	- Group MD and CEO
Raymond Nyamweya	- Retired in November 2022
Truphosa Kwaka-Sumba (Mrs)	
Emma Miloyo (Ms)	
Ali Hussein Kassim	
Muigai Githu	
Fred Murimi	
Dr Dancan Njagi	- Appointed in May 2023
Centum Investment Plc, represented by Thomas Omondi	

DISCLOSURES TO AUDITOR

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

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

TERMS OF APPOINTMENT OF AUDITOR

The Board Audit and Risk Committee has recommended appointment of a new auditor of Longhorn Publishers Plc for the financial year ending 30 June 2024. The appointment of the new auditor will be put to the shareholders of Longhorn Publishers Plc at the annual general meeting scheduled for March 2024.

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.

By order of the Board



Secretary
28 December 2023



Our approved products continue to increase across the Group as we invest in new curriculum in the countries we operate in. //



Directors' Responsibilities

For the year ended 30 June 2023

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

The directors accept responsibility for the preparation and presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the 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 apply them consistently; and
- iii) Making judgements and accounting estimates that are reasonable in the circumstances.

The directors have disclosed in note 2 of the financial statements matters relating to the use of going concern basis of preparation of the financial statements.

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

Approved by the board of directors on 28 December 2023 and signed on its behalf by:



Hon. F. T. Nyammo
Group Chairman



Maxwell Wahome
Group Managing Director & CEO

Directors' Remuneration Report

For the year ended 30 June 2023

Information not subject to audit

The remuneration for non-executive directors is determined by the Nominations and Governance Committee and reviewed on an annual basis based on the Group's performance. The remuneration comprises of a monthly allowance, sitting allowances for board and committee meetings and a travel allowance.

The Executive director's remuneration is fixed in the employment contract and reviewed periodically by the Nominations and Governance Committee.

Information subject to audit

The following table shows the remuneration for the directors in respect of qualifying services for the year ended 30 June 2023 together with the comparative figures for the year ended 30 June 2022.

For the year ended 30 June 2023	Salary	Fees	Total
	Shs'000	Shs'000	Shs'000
Hon. F. T. Nyammo	-	2,392	2,392
Maxwell Wahome*	18,480	-	18,480
Muigai Githu	-	1,196	1,196
Raymond Nyamweya	-	462	462
Emma Miloyo	-	1,287	1,287
Ali Hussein Kassim	-	1,606	1,606
Truphosa Kwaka-Sumba	-	1,151	1,151
Dr Dancan Njagi	-	130	130
Centum Investment Plc**	-	2,711	2,711
	18,480	10,933	29,413

For the year ended 30 June 2022			
Hon. F. T. Nyammo	-	2,366	2,366
Maxwell Wahome*	18,480	-	18,840
Muigai Githu	-	1,426	1,426
Raymond Nyamweya	-	1,009	1,009
Emma Miloyo	-	1,335	1,335
Ali Hussein Kassim	-	1,980	1,980
Truphosa Kwaka-Sumba	-	1,199	1,199
Centum Investment Plc**	-	3,125	3,125
	18,480	12,440	30,920

*Executive director. The rest of the directors are non-executive.

**Centum Investment Plc is represented by Thomas Omondi.

On behalf of the Board



28 December 2023

Hon. F. T. Nyammo

Group Chairman



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LONGHORN PUBLISHERS PLC

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of Longhorn Publishers Plc (the Company) and its subsidiaries (together, the Group) set out on pages 55 to 93, which comprise the consolidated statement of financial position at 30 June 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 30 June 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, which include significant accounting policies and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2023 and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2015.

Basis for opinion

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

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

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

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report.

Other information

The other information comprises the Directors' report, Statement of directors' responsibilities and Directors' Remuneration report which we obtained prior to the date of this auditor's report, and the rest of the other information in the Annual Report which are expected to be made available to us after that date, but does not include the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in this report, we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LONGHORN PUBLISHERS PLC (CONTINUED)

Report on the audit of the financial statements (continued)

Other information (continued)

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

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

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2015, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LONGHORN PUBLISHERS PLC (CONTINUED)

Report on the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group's financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so.

Report on other matters prescribed by the Companies Act, 2015

Report of the directors

In our opinion the information given in the report of directors' report on pages 48 to 49 is consistent with the financial statements.

Directors' remuneration report

In our opinion the auditable part of the directors' remuneration report on page 51 has been properly prepared in accordance with the Companies Act, 2015.

CPA Brian Ngunjiri Practising certificate No. 2451

Engagement partner responsible for the audit

For and on behalf of PricewaterhouseCoopers LLP

Certified Public Accountants

Nairobi

28 December 2023

Financial Statements

For the year ended 30 June 2023

Consolidated statement of profit or loss and other comprehensive income

		2023	2022 Restated*
	Notes	Shs'000	Shs'000
Revenue from contracts with customers	5 (b)	1,071,031	1,473,486
Cost of sales		(881,120)	(1,016,078)
Gross profit		189,911	457,407
Other income		4,040	16,707
Selling and distribution costs		(66,848)	(61,605)
Provisions for expected credit losses	19	(49,979)	(24,299)
Administrative expenses	7	(525,059)	(357,750)
Operating (loss)/ profit		(447,935)	30,461
Finance costs	6	(182,182)	(133,339)
Loss before income tax		(630,117)	(102,878)
Income tax credit	9	58,786	18,377
Loss for the year		(571,331)	(84,501)
Loss attributable to:			
Owners of the parent		(570,111)	(84,366)
Non-controlling interest		(1,220)	(135)
		(571,331)	(84,501)
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference on translation of foreign operations, net of tax		(1,511)	2,032
Total comprehensive loss for the year		(572,842)	(82,469)
Loss per share attributable to equity holders of the Company			
Basic and diluted loss per share	10	(2.09)	(0.31)

*The restatement has been explained in note 27.

Financial Statements

For the year ended 30 June 2023

Company statement of profit or loss and other comprehensive income

		2023	2022 *Restated
	Notes	Shs'000	Shs'000
Revenue from contracts with customers	5 (b)	883,113	1,046,804
Cost of sales		(724,989)	(711,247)
Gross profit		158,124	335,557
Other income		3,897	1,934
Selling and distribution costs		(40,710)	(51,351)
Provisions for expected credit losses	19	(3,234)	-
Administrative expenses	7	(446,726)	(258,344)
Operating (loss)/ profit		(328,649)	27,796
Finance costs	6	(181,918)	(132,901)
Loss before income tax		(510,567)	(105,105)
Income tax credit	9	58,561	18,393
Loss for the year		(452,006)	(86,712)
Other comprehensive income		-	-
Total comprehensive loss for the year		(452,006)	(86,712)

* The restatement has been explained in note 27.

Financial Statements

For the year ended 30 June 2023

Consolidated statement of financial position

	Notes	2023 Shs'000	2022 *Restated Shs'000	1 July 2021 *Restated Shs'000
ASSETS				
Non-current assets				
Property and equipment	12	180,405	187,802	182,955
Intangible assets (Software)	13 (a)	3,017	7,846	9,959
Pre-publishing costs	13 (b)	963,478	861,924	802,370
Other assets	15	39,731	39,731	39,731
Goodwill	16	-	125,786	125,786
Deferred income tax	17	100,400	41,597	24,298
		1,287,031	1,264,686	1,185,099
Current assets				
Inventories	18	734,975	564,366	466,740
Trade and other receivables	19 (a)	265,196	464,064	787,083
Contract asset	19 (b)	413,141	332,005	623,887
Current income tax		4,374	6,500	10,214
Cash and bank balances	20	83,075	160,414	54,018
		1,500,761	1,527,349	1,941,942
TOTAL ASSETS		2,787,792	2,792,035	3,127,041
EQUITY AND LIABILITIES				
Equity attributable to owners				
Share capital	21	272,440	272,440	272,440
Share premium	21	368,289	368,289	368,289
(Accumulated losses)/ retained earnings		(293,684)	276,427	360,793
Translation reserve, net of tax		(55,521)	(54,010)	(56,042)
		291,524	863,146	945,480
Non-controlling interest		(1,744)	(524)	(389)
Total equity		289,780	862,622	945,091
Liabilities				
Current liabilities				
Trade and other payables	22	1,263,185	949,414	987,796
Borrowings	23	1,220,485	979,999	1,177,002
Bank overdraft	20	14,342	-	17,152
		2,498,012	1,929,413	2,181,950
TOTAL EQUITY AND LIABILITIES		2,787,792	2,792,035	3,127,041

* The restatement has been explained in note 27.

The financial statements on pages 55 to 93 were approved for issue by the board of directors on 28 December 2023 and signed on its behalf by:



Hon. F. T. Nyammo
Group Chairman



Maxwell Wahome
Group Managing Director & CEO

Financial Statements

For the year ended 30 June 2023

Company statement of financial position

	Notes	2023 Shs'000	2022 *Restated Shs'000	1 July 2021 *Restated Shs'000
ASSETS				
Non-current assets				
Property and equipment	12	121,408	130,276	127,721
Intangible assets (Software)	13 (a)	2,870	6,784	8,084
Pre-publishing costs	13 (b)	665,335	605,210	567,071
Other assets	15	39,731	39,731	39,731
Investment in subsidiaries	14	42,465	166,594	166,594
Deferred income tax	17	100,174	41,597	23,120
		971,983	990,192	932,321
Current assets				
Inventories	18	328,882	309,127	284,975
Trade and other receivables	19 (a)	144,942	281,896	667,165
Contract asset	19 (b)	413,141	332,005	623,887
Due from subsidiary companies	26 (a)	685,151	719,698	643,456
Current income tax		5,969	5,969	6,055
Cash and bank balances	20	69,352	153,584	47,437
		1,647,437	1,802,279	2,272,975
TOTAL ASSETS		2,619,420	2,792,471	3,205,296
EQUITY AND LIABILITIES				
Equity attributable to owners				
Share capital	21	272,440	272,440	272,440
Share premium	21	368,289	368,289	368,289
(Accumulated losses)/ retained earnings		(156,291)	295,715	382,427
Total equity		484,438	936,444	1,023,156
Liabilities				
Current liabilities				
Trade and other payables	22	872,692	851,277	965,739
Due to subsidiary company	26 (b)	69,083	69,083	69,083
Borrowings	23	1,178,865	935,667	1,130,166
Bank overdraft	20	14,342	-	17,152
		2,134,982	1,856,027	2,182,140
TOTAL EQUITY AND LIABILITIES		2,619,420	2,792,471	3,205,296

* The restatement has been explained in note 27.

The financial statements on pages 55 to 93 were approved for issue by the board of directors on 28 December 2023 and signed on its behalf by:



Hon. F. T. Nyammo
Group Chairman



Maxwell Wahome
Group Managing Director & CEO

Financial Statements

For the year ended 30 June 2023

Consolidated statement of changes in equity

	Share capital Shs'000	Share premium Shs'000	Retained earnings/ (accumulated losses) Shs'000	Translation reserve Shs'000	Non-controlling interest Shs'000	Total equity Shs'000
Year ended 30 June 2022						
Balance at 1 July 2021 – as previously reported						
	272,440	368,289	156,623	(56,042)	(389)	740,921
Prior year adjustment (net of tax)	-	-	204,170	-	-	204,170
Restated total equity at start of year	272,440	368,289	360,793	(56,042)	(389)	945,091
Loss for the year (restated*)	-	-	(84,366)	-	(135)	(84,501)
Other comprehensive income	-	-	-	2,032	-	2,032
Total comprehensive loss for the year (restated*)	-	-	(84,366)	2,032	(135)	(82,469)
Balance at 30 June 2022 (restated*)	272,440	368,289	276,427	(54,010)	(524)	862,622
Year ended 30 June 2023						
Balance at 30 June 2022 – as previously reported						
	272,440	368,289	196,676	(54,010)	(524)	782,871
Prior year adjustment (net of tax)	-	-	79,751	-	-	79,751
Restated total equity at start of year	272,440	368,289	276,427	(54,010)	(524)	862,622
Loss for the year	-	-	(570,111)	-	(1,220)	(571,331)
Other comprehensive loss	-	-	-	(1,511)	-	(1,511)
Total comprehensive loss for the year	-	-	(570,111)	(1,511)	(1,220)	(572,842)
At end of year	272,440	368,289	(293,684)	(55,521)	(1,744)	289,780

*The restatement has been explained in note 27.

Financial Statements

For the year ended 30 June 2023

Company statement of changes in equity

	Share capital	Share premium	Retained earnings/ (accumulated losses)	Total equity
	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 30 June 2022				
Balance at 1 July 2021 – as previously reported	272,440	368,289	178,257	818,986
Prior year adjustment (net of tax)	-	-	204,170	204,170
Restated total equity at start of year	272,440	368,289	382,427	1,023,156
Loss and total comprehensive loss for the year (restated*)	-	-	(86,712)	(86,712)
Balance at 30 June 2022 (restated*)	272,440	368,289	295,715	936,444
Year ended 30 June 2023				
Balance at 30 June 2022 – as previously reported	272,440	368,289	215,964	856,693
Prior year adjustment (net of tax)	-	-	79,751	79,751
Restated total equity at start of year	272,440	368,289	295,715	936,444
Loss and total comprehensive loss for the year	-	-	(452,006)	(452,006)
At end of year	272,440	368,289	(156,291)	484,438

* The restatement has been explained in note 27.

Financial Statements

For the year ended 30 June 2023

Consolidated statement of cash flows

		2023	2022 Restated*
	Notes	Shs'000	Shs'000
Cash flows from operating activities			
Cash generated from operations	24	21,491	557,793
Net cash generated from operating activities		21,491	557,793
Cash flows from investing activities			
Purchase of property and equipment	12	(753)	(18,071)
Proceeds from disposal of property and equipment		-	2,309
Purchase of intangible assets (software)	13 (a)	(852)	(3,800)
Proceeds from disposal of intangible assets (software)	13 (a)	1,577	-
Spend on pre-publishing costs	13 (b)	(190,393)	(91,165)
Net cash used in investing activities		(190,421)	(110,727)
Cash flows from financing activities			
Proceeds from borrowings	23	1,724,040	1,249,145
Repayments - Principal	23	(1,512,491)	(1,464,979)
Repayments - Interest	23	(128,245)	(114,508)
Net cash used in financing activities		83,304	(330,342)
Net (decrease)/ increase in cash and cash equivalents		(85,626)	116,724
At start of year		160,414	36,866
Translation differences on cash and cash equivalents		(6,055)	6,824
At end of year	20	68,733	160,414

* The restatement has been explained in note 27.

Financial Statements

For the year ended 30 June 2023

Company statement of cash flows

		2023	2022 Restated*
	Notes	Shs'000	Shs'000
Cash flows from operating activities			
Cash generated from operations	24	(62,650)	525,038
Net cash generated from operating activities		(62,650)	525,038
Cash flows from investing activities			
Purchase of property and equipment	12 (b)	(753)	(11,386)
Proceeds from disposal of property and equipment		-	1,651
Purchase of intangible assets (software)	13(a)	(709)	(4,478)
Proceeds from disposal of intangible assets (software)	13(a)	829	-
Spending on pre-publishing costs	13(b)	(121,572)	(60,127)
Net cash used in investing activities		(122,205)	(74,340)
Cash flows from financing activities			
Proceeds from borrowings	23	1,724,040	1,249,145
Repayments - Principal	23	(1,509,779)	(1,462,396)
Repayments - Interest	23	(127,980)	(114,149)
Net cash used in financing activities		86,281	(327,400)
Net (decrease)/increase in cash and cash equivalents		(98,574)	123,298
At start of year		153,584	30,286
At end of year	20	55,010	153,584

* The restatement has been explained in note 27.

Financial Statements

For the year ended 30 June 2023

Notes

1 General information

Longhorn Publishers Plc is a limited liability company incorporated in Kenya under the Companies Act, 2015 and is domiciled in Kenya. The Company's shares are listed on the Nairobi Securities Exchange.

The address of its registered office is:

LR No. 209/5604

Funzi Road, Industrial Area

P O Box 18033 – 00500

Nairobi

The consolidated financial statements as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (which together are referred to as the 'Group').

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

2 Significant accounting policies

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

(a) Basis of preparation

(i) Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in compliance with the Companies Act, 2015. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies.

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

(ii) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'Functional Currency'). The financial statements are presented in Kenya Shillings in thousands (Shs) which is the Company's Functional Currency.

All financial information presented in Kenya Shillings have been rounded to the nearest thousand except when otherwise indicated.

(iii) Going concern

The Group recorded a loss of Shs 571,331,000 for the year ended 30 June 2023 (2022 restated: Loss of Shs 84,501,000) and as of the year-end date, current liabilities exceeded current assets by Shs 997,251,000 (2022 restated: Shs 402,064,000). The loss is attributed to:

- reduction in revenue as a result of delays in government procurement processes,
- costs including goodwill impairment and pre-publication costs write-offs from old curriculum that are not expected to recur, and
- finance costs of Shs 182,182,000 (2022: Shs 133,339,000).

The net current liability position is attributed to the use of short-term financing to carry out curriculum development projects whose economic benefits will be realised over the long-term and financing of the working capital cycle due to the time taken to verify deliveries to schools and therefore, receive payment from Government. The net current liability includes Shs 388,493,000 of a long-term loan which has been reclassified from non-current to current following a covenant breach at 30 June 2023.

The details of the breach are disclosed in note 23. There has been no default of loan repayments.

To satisfy themselves as to the going concern of the Group, the Directors have considered the following:

- The Government remains a key customer of the Group. Through our quality educational material in support of the implementation of the Competency-Based Curriculum (CBC), we have already secured a significant portion of our FY24 revenue target. Expected Government revenues from supplies to public schools in FY24 is at least Shs 815,000,000. Between year end and the date of release of this report, the Group has received Shs 128,883,000 from Government.

Financial Statements

For the year ended 30 June 2023

2 Significant accounting policies (continued)

(a) Basis of preparation (continued)

(iii) *Going concern (continued)*

- Limited printing for the upcoming bulk season compared to prior years with a focus on destocking. This, coupled, with improved commercial model of prominent presence and engagements in schools and other customer groups, will lead to improved sales and collections in all countries. This trend is expected to continue based on sales projections, barring any further disruptions to the business.
- Our regional markets continue to grow. Cameroon has grown tremendously in a short period of time, recording a 38% annual growth from Shs 168,842,000 in prior year to Shs 232,662,000. Uganda crossed the Shs 300,000,000 mark in the prior year. Further, 95% of open market revenue was cash or near cash, a vindication of the new sustainable commercial model we employed in the year.
- The Group recorded cumulative operating profit over the past 5 years of Shs 275,375,000. This demonstrates that the underlying business is profitable. The net loss position over the same period is mainly attributable to finance costs which have been incurred to fund our regional expansion plans and new curricula, critical investments to secure our long-term future and returns to shareholders. Once this process is completed in

2026/7 or earlier depending on timing of revenues from new books, there will be a significant decline in finance costs and borrowings.

- The Group had undrawn funding available as at 30 June 2023 of Shs 101,298,000 (2022: Shs 99,713,000) as disclosed in Note 23. Our existing revolving bank facilities means that the available amounts will increase as scheduled repayments are made. Further, our bank term loan repayments are now on a quarterly basis which eases monthly cashflow pressure when compared with the prior year.
- The Group continues to enjoy favourable trading terms with its suppliers owing to the long-term view of the business.

Based on the above, the directors are satisfied that the Group will return to profitability and generate or access sufficient funds to meet all its obligations over the next twelve-month period from the date of the financial statements.

(b) Changes in accounting policy and disclosures

The table below provides a summary of relevant (i) new standards and amendments that are effective for the first time for periods commencing on or after 1 July 2022, and (ii) forthcoming requirements, being standards and amendments that will become effective on or after 1 July 2022.

(i) *New and amended standards not adopted by the Group*

Number	Executive summary
Annual improvements cycle 2018 -2020	<p>This amendment is applicable for annual periods on or after 1 January 2022. These amendments include minor changes to:</p> <ul style="list-style-type: none"> IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives.

Financial Statements

For the year ended 30 June 2023

Notes (continued)

2 Significant accounting policies (continued)

(b) Changes in accounting policy and disclosures (continued)

(ii) New and amended standards in issue but not yet effective in the year ended 30 June 2023

Number	Executive summary
Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
Amendment to IFRS 3, 'Business combinations'	The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination.
Asset or liability in a business combination clarity	In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.
Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.
Amendments to IAS 12, Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
Narrow scope amendments to IAS 1 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

Financial Statements

For the year ended 30 June 2023

Notes (continued)

2 Significant accounting policies (continued)

(b) Changes in accounting policy and disclosures (continued)

(ii) New and amended standards in issue but not yet effective in the year ended 30 June 2023 (continued)

Number	Executive summary
IFRS 17, 'Insurance contracts'	<p>The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators.</p> <p>Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period.</p> <p>Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less.</p> <p>For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.</p>
IFRS 17, Insurance contracts Amendments	<p>In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.</p>

(c) Consolidation

The consolidated financial statements include the results of the Company and its subsidiaries. A subsidiary is an entity controlled by Longhorn Publishers Plc. Control is the power to direct the relevant activities of the subsidiary that significantly affects the subsidiary's return so as to have rights to the variable return from its activities.

Where the Group has the ability to exercise joint control over an entity but has rights to specified assets

and obligations for liabilities of that entity, the entity is consolidated on the basis of the Group's rights over those assets and liabilities.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Investments in subsidiaries are accounted for at cost in the Company's financial statements.

Financial Statements

For the year ended 30 June 2023

Notes (continued)

2 Significant accounting policies (continued)

(c) Consolidation (continued)

(ii) Non-controlling interest (NCI)

NCI are initially measured at their proportionate share of the acquired identifiable net assets at the acquisition date.

(iii) Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair values of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(iv) Balances and transactions eliminated at consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iv) 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.

(d) Revenue recognition

The Group recognises revenue for sales of books, rights and digital material. Revenue is recognised as and when the Group satisfies a performance obligation by transferring control of a product to a customer.

The Group applies the five-step model as per IFRS 15 - *Revenue from contracts with customers*, to determine when to recognise revenue and at what amount. The following approach is used:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, such as Value Added Tax (VAT).

The Group accounts for a contract with a customer only when; there is evidence of an arrangement, the Group can identify each party's rights regarding the goods and services to be transferred, the contract has commercial substance and collectability is reasonably assured.

The performance obligation is the delivery of the books, rights and digital material.

For each of the revenue streams, the Group recognises revenue at a point in time specifically after the performance obligation to the customer has been fulfilled.

The Group policy is to allocate the total transaction price to the performance obligations in the product offer / contract by reference to their relative stand-alone selling prices e.g. books at standard cost price grossed up for margins.

The Group has contract assets due to unbilled revenue from government contracts.

(e) Current and deferred income tax

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

Financial Statements

For the year ended 30 June 2023

Notes (continued)

2 Significant accounting policies (continued)

(e) Current and deferred income tax (continued)

a) Current income tax

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

b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

(f) Property and equipment

All property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Leasehold property	2.5%
Furniture	10%
Motor vehicles	25%
Computers	30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(g) Pre-publishing costs

Pre-publishing costs represent direct costs such as editorial, type-setting and staff costs incurred in the development of titles prior to their publication. These costs are carried forward in current intangible assets where the title will generate future economic benefits and costs can be measured reliably. These costs are amortised upon publication of the title over estimated economic lives of twenty years or more, being an estimate of the expected operating life cycle of the title. The amortization is calculated using the reducing balance method.

(h) Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess consideration transferred over interest in fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Financial Statements

For the year ended 30 June 2023

Notes (continued)

2 Significant accounting policies (continued)

(h) Intangible assets (continued)

Goodwill (continued)

For the purposes of impairment testing, goodwill acquired in business combination is allocated to each of the cash generating units (CGUs) or Groups of cash generating units CGUs that is expected to benefit from the synergies of the combination. Each unit or Group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of the value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Computer software

Expenditure on acquisition or development of computer software is initially recognised at cost as intangible assets and subsequently at cost less any accumulated amortisation and accumulated impairment losses. Amortisation is calculated on the straight-line basis over the estimated useful lives of 3 years.

Intellectual property

Intellectual property relates to brand names, publishing titles and licences and copyrights acquired. Intellectual properties are initially recognised at cost of acquisition and carried at their cost less any accumulated amortisation and any impairment losses. Amortisation of intellectual properties is calculated on the straight-line basis over their estimated useful life of ten years.

Impairment

At the end of each reporting period, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. 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.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises purchase price and expenditure incurred in bringing them to their existing location and condition.

Net realisable value represents the estimated selling price in the ordinary course of business, less selling expenses. Provision are made for obsolete, slow moving and defective inventories.

(j) Dividends

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which they are declared. Dividends are declared upon approval at the annual general meeting.

(k) Employee benefits

(i) Group's defined contribution retirement benefits scheme

The Group operates a defined contribution pension scheme for its eligible employees. The assets of the scheme are held in a separate trustee administered fund. The scheme is funded by contributions from both the employees and the Group. The contributions to the defined contribution plan are charged to profit or loss in the year to which they relate.

(ii) Statutory defined contribution pension scheme

The Group also contributes to a statutory defined contribution pension scheme, the National Social Security Fund (NSSF). Contributions are determined by local statute and are currently at Shs 1,080 per employee per month in Kenya, 10% of the basic pay per employee per month in Uganda and 20% of the basic pay per employee per month in Tanzania.

Financial Statements

For the year ended 30 June 2023

Notes (continued)

2 Significant accounting policies (continued)

(k) Employee benefits (continued)

(iii) Other employee entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability in respect of annual leave accrued at the end of the reporting year.

The Group's obligations to retirement benefit schemes are recognised in the profit or loss as they fall due.

(l) Financial instruments

(i) Initial recognition

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

(ii) Classification

The Group classifies its financial instruments into the following categories:

- a) Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost.
- b) Financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at fair value through other comprehensive income.
- c) All other financial assets are classified and measured at fair value through profit or loss.
- d) Financial liabilities that are held for trading, financial guarantee contracts, or commitments to provide a loan at a below-market interest rate are classified and measured at fair value through profit or loss. The Group may also, on initial recognition, irrevocably designate a financial liability as at fair value through

profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

- e) All other financial liabilities are classified and measured at amortised cost.

Financial instruments held during the year were classified as follows:

- Trade and other receivables, cash and bank balances and amounts due to subsidiary companies were classified as at amortised cost.
- Trade and other liabilities were classified as at amortised cost.

(iii) Initial measurement

On initial recognition:

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

(iv) Subsequent measurement

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

Interest income, dividend income and exchange gains and losses are recognised in profit or loss.

(v) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables.

Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Financial Statements

For the year ended 30 June 2023

Notes (continued)

2 Significant accounting policies (continued)

(l) Financial instruments (continued)

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

All changes in the loss allowance are recognised in profit or loss.

(vi) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when it is extinguished, cancelled or expires.

(vii) Offsetting

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

(m) Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income or expenses'.

Foreign currency translation exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Consolidation of Group entities

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at actual rates at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve except to the extent that the translation difference is allocated to Non-controlling interest (NCI).

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold, such exchange differences are recognised in the profit or loss as part of the gain or loss on sale. If the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, then the relevant proportion of the cumulative amount is reattributed to NCI. The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into presentation currency at the closing exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at actual exchange rates at the dates of the transactions.

Financial Statements

For the year ended 30 June 2023

Notes (continued)

2 Significant accounting policies (continued)

(n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances and short-term liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, less advances from the bank repayable within three months from the date of advance.

(o) Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

(p) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any differences between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method.

(q) Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing Director who makes strategic decisions.

(s) Earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Contract asset

Contract asset is recognised when the Group has fulfilled its performance obligation that has been recognised as revenue to date but has not yet issued an invoice or received payment for that work.

3 Critical accounting estimates and judgements

(i) Critical accounting estimates and assumptions

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

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

Financial Statements

For the year ended 30 June 2023

Notes (continued)

3 Critical accounting estimates and judgements (continued)

Impairment of trade receivables

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Note 4 sets out information about the impairment of financial assets and the Group's exposure to credit risk.

(ii) Critical judgements in applying accounting policies

In the process of applying the group's accounting policies, directors have made judgements in determining:

- The classification of financial assets; and
- Whether financial and non-financial assets are impaired.

4 Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks. The Group's overall risk management programme focuses on the unpredictability of the operating environment and markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out by senior management under policies approved by the board of directors. Senior management identify, evaluate and mitigate financial risks. The board of directors provide guidance on the overall risk management.

Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign

exchange risk arises from future commercial transactions and recognised assets and liabilities.

Management's policy to manage foreign exchange risk is to hold foreign currency bank accounts to hedge against any foreign currency denominated amounts payable.

At 30 June 2023, if the currency had weakened/strengthened by 4% (2022: 4%) against the US dollar with all other variables held constant, post-tax profit for the year and equity would have been increased/reduced by Shs 14,120,159 (2022: Shs 7,436,982), mainly as a result of US dollar denominated trade payables and bank balances.

The impact of balances related to other currencies such as TZS are not material to the financial statements.

(ii) Price risk

The Group does not hold price sensitive financial instruments hence does not face price risk.

(iii) Interest rate risk

The Group is not exposed to interest rate risk as it borrows funds at fixed interest rates.

The average interest rates for the current period were 13.5% (2022: 12.5%).

Credit risk

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

The Group has two types of financial assets that are subject to the expected credit loss model, i.e. trade and other receivables and cash and cash equivalents. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial.

Financial Statements

For the year ended 30 June 2023

Notes (continued)

4 Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables, contract assets and related party receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 6 years and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted for factors that are specific to the customers, general economic conditions in which the customers operate and an assessment of both the current as well as forecast direction of conditions at the reporting date.

In determination of significant increase in credit risk, the Group applies the following qualitative factors, amongst others, the failure of the customer to meet the agreed payment plans, severe financial difficulties faced by the customer and the debtor has been declared insolvent. Trade receivables are written off when there is no reasonable expectation of recovery.

Refer to below summary of loss rates.

Loss rates for 2023:

Country	KE		UG		TZ		RW	
Classification / Ratios	LGD	PD	LGD	PD	LGD	PD	LGD	PD
Active customers	19%	20%	39%	42%	31%	34%	100%	100%
Inactive customers	37%	100%	80%	81%	87%	83%	100%	100%
Government	0%	23%	14%	8%	-	-	-	-
Staff	46%	52%	39%	38%	56%	45%	-	-
Export customers	67%	5%	-	-	-	-	-	-

Loss rates for 2022:

Country	KE		UG		TZ		RW	
Classification / Ratios	LGD	PD	LGD	PD	LGD	PD	LGD	PD
Active customers	10%	13%	19%	47%	34%	30%	100%	100%
Inactive customers	70%	53%	28%	75%	88%	75%	100%	100%
Government	1%	23%	1%	11%	-	-	-	-
Staff	30%	23%	-	-	90%	75%	-	-

PD-Probability of default, LGD-Loss given default

Financial Statements

For the year ended 30 June 2023

Notes (continued)

4 Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables, Contract assets and Related party receivables (continued)

The table below details the maximum exposure to credit risk:

		Gross amounts	Expected credit loss (ECL)	Total
Group		Shs'000	Shs'000	Shs'000
30 June 2023	Note			
Trade receivables	19	296,224	(118,546)	177,678
Contract assets	19	414,154	(1,013)	413,141
Staff receivables	19	4,179	(2,736)	1,443
Other receivables	19	12,477	-	12,477
Bank balances	20	83,075	-	83,075
		810,109	(122,295)	687,814
30 June 2022				
Trade receivables	19	506,979	(131,473)	375,506
Contract assets	19	332,825	(820)	332,005
Staff receivables	19	8,046	(2,376)	5,670
Other receivables	19	12,777	-	12,777
Bank balances	20	160,414	-	160,414
		1,021,041	(134,669)	886,372
Company				
30 June 2023				
Trade receivables	19	125,444	(21,067)	104,377
Contract assets	19	414,154	(1,013)	413,141
Staff receivables	19	3,310	(611)	2,699
Other receivables	19	12,477	-	12,477
Due from subsidiaries	27	708,487	(23,336)	685,151
Bank balances	20	69,352	-	69,352
		1,333,224	(46,027)	1,287,197
30 June 2022				
Trade receivables	19	268,381	(78,629)	189,752
Contract assets	19	332,825	(820)	332,005
Staff receivables	19	6,339	(886)	5,453
Other receivables	19	18,822	-	18,822
Due from subsidiaries	27	719,698	-	719,698
Bank balances	20	153,584	-	153,584
		1,499,649	(80,335)	1,419,314

The movement in expected credit loss provisions has been disclosed under Note 19.

Financial Statements

For the year ended 30 June 2023

Notes (continued)

4 Financial risk management objectives and policies (continued)

Credit risk (continued)

Other receivables

Other receivable balances are assessed for impairment based on the counterparty's ability to settle on demand. The expected credit loss was immaterial.

Cash and bank balances

For cash at bank, management assesses the expected credit loss based on probability of default attached to the various banks by external rating agencies or the Central Bank of Kenya. The expected credit loss was immaterial.

Liquidity risk

The Group manages liquidity risk by maintaining adequate cash balances in the bank by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Excess cash is invested in call deposits which are readily convertible to liquid cash whenever need arises.

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

Group		Less than 12 months	Between 1-2 years	Between 3-5 years	Total
	Note	Shs'000	Shs'000	Shs'000	Shs'000
At 30 June 2023					
Trade and other payables	22	1,263,185	-	-	1,263,185
Borrowings	23	1,413,711	-	-	1,413,711
Bank overdraft	20	14,342	-	-	14,342
		2,691,238	-	-	2,691,238
At 30 June 2022					
Trade and other payables	22	949,414	-	-	949,414
Borrowings	23	1,015,027	-	-	1,015,027
		1,964,441	-	-	1,964,441

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For the year ended 30 June 2023

Notes (continued)

4 Financial risk management objectives and policies (continued)

Liquidity risk (continued)

Company		Less than 12 months	Between 1-2 years	Between 3-5 years	Total
	Note	Shs'000	Shs'000	Shs'000	Shs'000
At 30 June 2023					
Trade and other payables	22	872,692	-	-	872,692
Due to related party	26 (b)	69,083	-	-	69,083
Borrowings	23	1,372,091	-	-	1,372,091
Bank overdraft	20	14,342	-	-	14,342
		2,328,208	-	-	2,328,208
At 30 June 2022					
Trade and other payables	22	851,277	-	-	851,277
Due to related party	26 (b)	69,083	-	-	69,083
Borrowings	20	970,695	-	-	970,695
		1,891,055	-	-	1,891,055

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity mix.

The capital structure of the group consists of debt, which includes the borrowings less cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and retained earnings. The gearing ratios at 30 June 2023 and 30 June 2022 were as follows:

	2023	Group 2022	2023	Company 2022
	Shs'000	Shs'000	Shs'000	Shs'000
Total equity	289,780	862,622	484,438	936,444
Borrowings	1,220,485	979,999	1,178,865	935,667
Bank overdraft	14,342	-	14,342	-
Less: Cash and bank balances	(83,075)	(160,414)	(69,352)	(153,584)
Net debt	1,151,752	819,585	1,123,855	782,083
Gearing ratio	397%	95%	232%	84%

Borrowings support the investments the Group is making in product diversification and the regional expansion plans. The borrowings will reduce significantly over the next 4 years when we anticipate to have finalised the said investments.

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For the year ended 30 June 2023

Notes (continued)

5 (a) Operating segments

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 (CODM) in order to allocate resources to the segments and to assess their performances. The CODM is the Group Managing Director.

Only geography applies as products are homogenous. The Group's operations are within four geographical segments; Kenya, Tanzania, Uganda and Rwanda. The table below contains segmental information provided to the CODM for the year ended 30 June 2023.

The CODM assesses the performance of the operating segments based on a measure of profit before tax. There is no inter segment revenue reported in the financial information provided to the CODM.

	Kenya Shs'000	Tanzania Shs'000	Uganda Shs'000	Rwanda Shs'000	Inter- segment transactions Shs'000	Total Shs'000
30 June 2023						
Sales and other income	905,864	30,963	137,289	954	-	1,075,070
Cost of sales and other expenditure	(1,431,905)	(85,479)	(186,857)	(948)	-	(1,705,189)
Loss before income tax	(526,041)	(54,516)	(49,568)	6	-	(630,119)
Income tax credit	(58,561)	-	-	-	-	(58,561)
Assets	2,681,862	138,190	567,206	11,260	(610,726)	2,787,792
Liabilities	2,266,051	294,218	562,061	12,184	(636,502)	2,498,012
30 June 2022 (restated)						
Sales and other income	1,085,883	41,127	362,968	216	-	1,490,194
Cost of sales and other expenditure	(1,192,678)	(88,091)	(313,238)	936	-	(1,593,071)
Loss before tax	(106,795)	(46,964)	49,730	1,152	-	(102,877)
Income tax credit	(18,393)	-	16	-	-	(18,393)
Assets	2,884,879	151,398	409,589	11,478	(665,309)	2,792,035
Liabilities	1,994,709	235,636	359,029	12,362	(672,323)	1,929,413

Inter segment transactions relates to intercompany inventory transactions.

5 (b) Revenue from contracts with customers

	2023 Shs'000	Group 2022 Restated Shs'000	2023 Shs'000	Company 2022 Restated Shs'000
Recognised at a point in time:				
Sale of books and e-learning materials	1,046,204	1,464,156	858,286	1,037,474
Sale of rights	24,827	9,330	24,827	9,330
	1,071,031	1,473,486	883,113	1,046,804

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For the year ended 30 June 2023

Notes (continued)

6 Finance costs

	2023	Group 2022	2023	Company 2022
	Shs'000	Shs'000	Shs'000	Shs'000
Interest expense	157,182	133,339	156,918	132,901
Loan facility restructuring fee	25,000	-	25,000	-
	182,182	133,339	181,918	132,901

7 Administrative expenses

Depreciation (Note 12)	14,803	13,224	9,621	8,831
Amortisation of intangible assets (Note 13)	4,104	5,913	3,794	5,778
Goodwill impairment	125,786	-	125,786	-
Auditors' remuneration	6,696	6,611	3,490	4,409
Staff costs (Note 8)	226,083	230,118	170,861	162,187
Directors' emoluments (Note 27)	30,294	31,748	29,413	30,919
Telephone, email and internet	4,987	5,863	3,556	3,333
Professional fees	22,786	15,937	18,569	12,709
Utilities	8,850	10,396	7,460	8,821
Unrealized forex loss	19,052	-	17,346	-
Other expenses	61,618	37,940	56,830	21,357
	525,059	357,750	446,726	258,344

8 Staff costs

	2023	Group 2022	2023	Company 2022
	Shs'000	Shs'000	Shs'000	Shs'000
Salaries and wages	149,692	146,462	113,678	102,137
Pension costs - NSSF	3,571	4,197	401	223
Pension costs – defined contribution scheme	7,942	9,010	7,863	8,995
Leave expense	(1,793)	3,573	(1,194)	2,756
Other staff costs	48,775	44,995	37,747	33,022
Staff medical expenses	17,896	21,881	12,366	15,054
	226,083	230,118	170,861	162,187

The average number of employees during the year was as follows:

	2023	Group 2022	2023	Company 2022
Number of employees	111	155	74	103

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For the year ended 30 June 2023

Notes (continued)

9 Income tax credit

	2023 Shs'000	2022 Restated Shs'000	2023 Shs'000	2022 Restated Shs'000
Current income tax charge	17	101	16	85
Deferred income tax credit (Note 17)	(58,803)	(18,478)	(58,577)	(18,478)
Income tax credit	(58,786)	(18,377)	(58,561)	(18,393)

The tax on the Group's and Company's loss before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Group		Company	
	2023 Shs'000	2022 Restated Shs'000	2023 Shs'000	2022 Restated Shs'000
Loss before income tax	(630,117)	(102,878)	(510,567)	(105,105)
Tax at the applicable rate of 30%	(189,035)	(30,863)	(153,170)	(31,532)
Tax effects of:				
Expenses not deductible for tax purposes	130,249	12,486	94,609	13,139
Income tax credit	(58,786)	(18,377)	(58,561)	(18,393)

10 Earnings per share - Basic and diluted

	2023	2022 Restated
Loss attributable to ordinary shareholders (Shs'000)	(570,111)	(84,366)
Ordinary/weighted average number of ordinary shares in issue	272,440,000	272,440,000
Basic and diluted loss per share (Shs)	(2.09)	(0.31)

11 Dividends per share

The directors do not recommend payment of dividends for the year (2022: Nil).

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For the year ended 30 June 2023

Notes (continued)

12 Property and equipment

Group	Land and buildings	Motor vehicles	Furniture and equipment	Total
	Shs'000	Shs'000	Shs'000	Shs'000
At 30 June 2021				
Cost	209,560	30,899	85,608	326,067
Accumulated depreciation	(49,304)	(30,831)	(62,977)	(143,112)
Net book value	160,256	68	22,631	182,955
Year ended 30 June 2022				
Opening net book value	160,256	68	22,631	182,955
Additions	962	11,444	5,665	18,071
Disposals	-	(3,460)	-	(3,460)
Depreciation charge	(5,399)	(1,563)	(6,262)	(13,224)
Depreciation on disposals	-	3,460	-	3,460
Closing net book value	155,819	9,949	22,034	187,802
At 30 June 2022				
Cost	210,522	38,883	91,273	340,678
Accumulated depreciation	(54,703)	(28,934)	(69,239)	(152,876)
Net book value	155,819	9,949	22,034	187,802
Year ended 30 June 2023				
Opening net book value	155,819	9,949	22,034	187,802
Additions	-	-	753	753
Depreciation charge	(5,600)	(3,069)	(6,134)	(14,803)
Exchange adjustment	5,285	72	1,296	6,653
Closing net book value	155,504	6,952	17,949	180,405
At 30 June 2023				
Cost	210,522	38,883	92,026	341,432
Accumulated depreciation	(55,018)	(31,931)	(74,077)	(161,026)
Net book value	155,504	6,952	17,949	180,405

Assets pledged as security for borrowings are disclosed under Note 23.

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For the year ended 30 June 2023

Notes (continued)

12 Property and equipment (continued)

Company	Land and buildings	Motor vehicles	Furniture and equipment	Total
	Shs'000	Shs'000	Shs'000	Shs'000
Year ended 30 June 2022				
Opening net book value	113,295	(39)	14,465	127,721
Additions	-	10,298	1,088	11,386
Depreciation charge	(3,947)	(1,076)	(3,808)	(8,831)
Closing net book value	109,348	9,183	11,745	130,276
At 30 June 2022				
Cost	155,496	31,260	77,256	264,012
Accumulated depreciation	(46,148)	(22,077)	(65,511)	(133,736)
Net book value	109,348	9,183	11,745	130,276
Year ended 30 June 2023				
Opening net book value	109,348	9,183	11,745	130,276
Additions	-	-	753	753
Depreciation charge	(3,903)	(2,534)	(3,184)	(9,622)
Closing net book value	105,445	6,649	9,314	121,408
At 30 June 2023				
Cost	155,496	31,260	78,009	264,765
Accumulated depreciation	(50,051)	(24,611)	(68,695)	(143,357)
Net book value	105,445	6,649	9,314	121,408

Assets pledged as security for borrowings are disclosed under Note 23.

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For the year ended 30 June 2023

Notes (continued)

13 (a) Intangible assets – Software

	Group Shs'000	Company Shs'000
Year ended 30 June 2022		
Opening net book value	9,959	8,084
Additions	3,800	4,478
Amortisation charge	(5,913)	(5,778)
Closing net book value	7,846	6,784
At 30 June 2022		
Cost	51,928	82,862
Accumulated amortisation	(44,082)	(76,078)
Net book value	7,846	6,784
Year ended 30 June 2023		
Opening net book value	7,846	6,784
Additions	852	709
Disposal	(1,577)	(829)
Amortisation charge	(4,104)	(3,794)
Closing net book value	3,017	2,870
At 30 June 2023		
Cost	51,203	82,742
Accumulated amortisation	(48,186)	(79,872)
Net book value	3,017	2,870

13 (b) Pre-publishing costs

Year ended 30 June	2023 Shs'000	Group 2022 Shs'000	2023 Shs'000	Company 2022 Shs'000
Opening balance	861,924	802,370	605,210	567,071
Additions	190,393	91,165	121,572	60,127
Amortisation	(51,113)	(31,611)	(35,350)	(21,988)
Write-off	(37,725)	-	(26,097)	-
Closing balance	963,478	861,924	665,335	605,210

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For the year ended 30 June 2023

Notes (continued)

13 (b) Pre-publishing costs (continued)

At 30 June	Group		Company	
	2023	2022	2023	2022
	Shs'000	Shs'000	Shs'000	Shs'000
Cost	1,014,591	893,535	700,685	627,198
Accumulated amortisation	(51,113)	(31,611)	(35,350)	(21,988)
Net book value	963,478	861,924	665,335	605,210

Amortisation of pre-publishing costs is included in the statement of profit or loss under cost of sales.

14 Investment in subsidiaries – Company

	Country of incorporation	% interest held	2023	2022
			Shs'000	Shs'000
Longhorn Publishers Uganda Limited	Uganda	100%	440	440
Longhorn Publishers Tanzania Limited	Tanzania	100%	41,688	41,688
Longhorn Publishers Rwanda Limited	Rwanda	100%	-	-
Longhorn Publishers Zambia Limited	Zambia	100%	337	337
Longhorn Grey Matter	DRC	50%	-	-
Law Africa Publishers (K) Limited	Kenya	92%	-	124,129
Longhorn Digital Ventures Limited	Kenya	100%	-	-
			42,465	166,594

The investment in Law Africa Publishers (K) Limited was impaired in the year ended 30 June 2023 (2022: nil). No other investments are impaired.

15 Other assets

The Group has registered a company in Delaware, United States of America, Somo Learning Inc, to support the development and rollout of digital learning products.

The other assets of Shs 39,731,000 relates to funds used in developing the first product called SOMO. SOMO is an upskilling platform that provides learners with critical 21st century skills and connects them to opportunities to use those skills. SOMO uses modern pedagogical principles to design learning experiences that create demonstrable outcomes.

Somo partners with organizations to increase engagement across their businesses by transforming parts of their customer and employee journeys with learning experiences. The product is still undergoing development.

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For the year ended 30 June 2023

Notes (continued)

16 Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the net identifiable assets of the subsidiary at the date of acquisition. It relates to the acquisition of a 92% stake in Law Africa Publishing (K) Limited (LAP) effective 1 July 2016.

The directors monitor goodwill impairment at the level of the acquired entity, being the cash generating unit (CGU). The recoverable amount of the CGU is determined based on fair value calculations using cash flow projections covering a five-year period approved by management.

The net cashflows are discounted using the pre-tax weighted average cost of capital. Cashflows beyond the five-year period are extrapolated using the estimated terminal growth rate.

The carrying amount of goodwill at year end was as follows:

	2023	2022
	Shs'000	Shs'000
Law Africa Publishing (K) Limited	-	125,786

The key assumptions used in the fair value less cost to sell (FVLCS) model for 2022 and 2023 are as follows:

Assumption	Rate		Approach used to determine values:
	2023	2022	
Long term growth rate	5%	5%	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rate is based on long term growth rate forecasts for the market.
Pre-tax discount rate	21%	17%	Based on specific risks relating to the industry and country.

Using the above assumptions, the carrying amount of the CGU exceeded the recoverable amount at 30 June 2023. As a result, the Group has recognised a full impairment loss of Shs 125,786,000 (2022: Nil).

17 Deferred income tax

Deferred income taxes are calculated on all temporary differences under the liability method using the enacted tax rate of 30%.

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

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	Shs'000	Shs'000	Shs'000	Shs'000
Liabilities				
Accelerated capital allowances	25,004	22,560	25,230	22,560
Assets				
Provisions	(37,619)	(39,768)	(37,619)	(39,768)
Tax losses	(87,785)	(24,389)	(87,785)	(24,389)
Net deferred income tax asset	(100,400)	(41,597)	(100,174)	(41,597)

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For the year ended 30 June 2023

Notes (continued)

17 Deferred income tax (continued)

The movement on the deferred tax account is as follows:

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	(41,597)	(23,119)	(41,597)	(23,119)
Credit to profit or loss (Note 9)	(58,803)	(18,478)	(58,577)	(18,478)
At end of year	(100,400)	(41,597)	(100,174)	(41,597)

Deferred tax asset relating to subsidiary companies has been recognised to the extent that is recoverable from future profits.

18 Inventories

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	Shs'000	Shs'000	Shs'000	Shs'000
Books – government orders	362,420	439,691	65,083	168,747
Books – other	462,391	211,825	310,982	183,963
Provision for obsolete inventories	(89,836)	(87,150)	(47,183)	(43,583)
	734,975	564,366	328,882	309,127

The cost of inventories recognised as an expense and included in cost of sales for the Group and Company amounted to Shs 639,101,358 (2022: Shs 753,134,230) and Shs 551,758,635 (2022: Shs 523,928,492), respectively.

The movement in provision was as follows:

	Group		Company	
	2023	2022	2023	2022
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	87,150	100,495	43,583	66,410
Write-offs	(20,691)	(18,636)	(26,617)	(35,230)
Increase in provision	23,377	5,292	30,217	12,402
At end of year	89,836	87,150	47,183	43,583

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For the year ended 30 June 2023

Notes (continued)

19 (a) Trade and other receivables

	2023	Group 2022	2023	Company 2022
	Shs'000	Shs'000	Shs'000	Shs'000
Gross trade receivables	296,224	506,979	125,444	268,381
Less: Expected credit losses	(118,546)	(131,473)	(21,067)	(78,629)
Net trade receivables	177,678	375,506	104,377	189,752
Staff receivables	4,179	8,046	3,310	6,339
Less: Expected credit losses	(2,736)	(2,376)	(611)	(886)
Net staff receivables	1,443	5,670	2,699	5,453
Prepayments	73,598	70,112	25,389	67,869
Other receivables	12,477	12,776	12,477	18,822
	265,196	464,064	144,942	281,896

The carrying value of the above trade and other receivables approximates their fair value.

Movements on expected credit losses on trade receivables are as follows:

	2023	Group 2022	2023	Company 2022
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	133,849	109,550	79,515	79,515
Bad debts write off	(62,546)	-	(61,071)	-
Increase in provision	49,979	24,299	3,234	-
At end of year	121,282	133,849	21,678	79,515

19 (b) Contract assets

The Group has recognised the following assets related to contracts with customers:

	2023	Group 2022 Restated	2023	Company 2022 Restated
	Sh'000	Shs'000	Shs'000	Shs'000
Contract assets	414,154	332,825	414,154	332,825
Less: Expected credit losses	(1,013)	(820)	(1,013)	(820)
Net contract assets	413,141	332,005	413,141	332,005

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For the year ended 30 June 2023

Notes (continued)

19 (b) Contract assets (continued)

Movements on expected credit losses on contract assets are as follows:

	2023	Group	2023	Company
	2022	2022	2022	2022
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	820	1,526	820	1,526
Increase in provision	193	(706)	193	(706)
At end of year	1,013	820	1,013	820

Revenue recognised in the reporting period relating to performance obligations already fulfilled yet to be billed:

	2023	Group	2023	Company
	2022	2022	2022	2022
	Shs'000	Shs'000	Shs'000	Shs'000
Government contracts	313,664	497,546	313,664	497,546

20 Cash and cash equivalents

Cash at bank and in hand	83,075	160,414	69,352	153,584
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For purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2023	Group	2023	Company
	2022	2022	2022	2022
	Sh'000	Shs'000	Shs'000	Shs'000
Cash at bank and in hand	83,075	160,414	69,352	153,584
Bank overdraft	(14,342)	-	(14,342)	-
	68,733	160,414	55,010	153,584

21 Share capital - Group and company

	Number of shares	Ordinary shares	Share premium
	'000	Shs'000	Shs'000
Balance at 1 July 2021, 30 June 2022 and 30 June 2023	272,440	272,440	368,289

Ordinary shares have a par value of Shs 1. They entitle the holder to participate in dividends and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

The total authorised number of ordinary shares is 272,440,000 with a par value of Shs 1 per share. All issued shares are fully paid up.

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For the year ended 30 June 2023

Notes (continued)

22 Trade and other payables

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	Shs'000	Shs'000	Shs'000	Shs'000
Trade payables	533,157	498,063	382,268	445,698
Royalty accruals	322,618	289,246	260,568	239,410
Payroll accruals	44,639	21,725	22,815	5,294
Other payables	362,771	140,380	207,041	160,875
	1,263,185	949,414	872,692	851,277

The carrying value of the above trade and other payables approximates their fair value.

23 Borrowings

The borrowings are made up as follows:

	Group		Company	
	2023	2022	2023	2022
	Shs'000	Shs'000	Shs'000	Shs'000
Short-term loans	261,912	274,274	220,291	229,942
Term loans	488,825	-	488,826	-
Commercial paper	207,428	197,042	207,428	197,042
Supplier finance	262,320	508,683	262,320	508,683
Total borrowings	1,220,485	979,999	1,178,865	935,667
Of which:				
Payable within 12 months	1,220,485	979,999	1,178,865	935,667

Movement in borrowings	Group		Company	
	2023	2022	2023	2022
	Shs'000	Shs'000	Shs'000	Shs'000
At start of year	979,999	1,177,002	935,667	1,130,166
Additions - Principal	1,724,040	1,249,145	1,724,040	1,249,145
Additions - Interest	157,182	133,339	156,917	132,901
Payments in the year - Principal	(1,512,491)	(1,464,979)	(1,509,779)	(1,462,396)
Payments in the year - Interest	(128,245)	(114,508)	(127,980)	(114,149)
At end of year	1,220,485	979,999	1,178,865	935,667

- Short term loans mature within twelve (12) months and bear an average interest rate of 13.5% (2022: 12.5%).
- Term loans mature within sixty (60) months and bear an average interest rate of 13.5% (2022: Nil).
- Commercial papers mature at either six (6) or twelve (12) months and bear an average interest rate of 15% (2022: 16%).
- Supplier finance mature within two hundred and seventy (270) days and bear an average interest rate of 13.5% (2022: 12.5%).

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For the year ended 30 June 2023

Notes (continued)

23 Borrowings (continued)

All borrowings are denominated in Kenya Shillings.

Bank borrowings are secured by an all-asset debenture of Shs 700,000,000 and a legal charge over LR. No. 209/5604, Funzi Road, Industrial area for Shs 325,000,000.

The undrawn facilities borrowing facilities at 30 June 2023 totalled Shs 101,298,000 (2022: Shs 99,713,000). All facilities are subject to review annually in February.

As part of the borrowing conditions for the term loans, the Company is required to comply with specific covenants. The Company was in breach of the debt coverage ratio requirement of 0.1 at 30 June 2023, when it's ratio stood at -1.5. As a consequence of the breach, the non-current portion of the term loan of Shs 388,493,000 has been reclassified from non-current to current. There has been no default of loan repayments.

24 Cash generated from operations

Reconciliation of loss before income tax to cash generated from operations:

	Group		Company	
	2023	2022 Restated	2023	2022 Restated
	Shs'000	Shs'000	Shs'000	Shs'000
Loss before income tax	(630,117)	(102,878)	(510,567)	(105,105)
Adjustments for:				
Depreciation (Note 12)	14,803	13,224	9,621	8,831
Amortisation of intangible assets (Note 13)	4,104	5,913	3,794	5,778
Amortisation of pre-publishing costs (Note 13(b))	88,839	31,611	61,447	21,988
Goodwill impairment (Note 7)	125,786	-	125,786	-
Gain disposal of property and equipment	-	(2,309)	-	(1,651)
Interest expense (Note 6)	157,182	133,339	156,918	132,901
Working capital changes:				
- inventories	(170,609)	(97,626)	(19,755)	(24,152)
- trade and other receivables	198,868	323,019	136,954	385,269
- contract assets	(81,136)	291,882	(81,136)	291,882
- trade and other payables	313,771	(38,382)	21,398	(114,461)
- amounts due from subsidiaries	-	-	32,890	(76,242)
Cash generated from/(used in) operations	21,491	557,793	(62,650)	525,038

25 Contingent liabilities

There are currently claims arising in the normal course of business. The directors, based on advice received from the Group's lawyers, are of the opinion that no significant liabilities will crystallize. The Company had outstanding performance bonds of Shs 100,000 as at 30 June 2023 (2022: Shs Nil).

Financial Statements

For the year ended 30 June 2023

Notes (continued)

26 Related party transactions

The immediate and ultimate parent of the Group is Centum Investment Company Plc, incorporated in Kenya. There are other companies that are related to Longhorn Publishers Plc through common shareholdings or common directorships.

A related party for the purposes of these financial statements is a company which, directly or indirectly, has common ownership with Longhorn Kenya Plc. The amounts due from and due to related parties are in respect of transactions arising in the normal course of business.

	2023	2022
	Shs'000	Shs'000
(a) Due from subsidiaries - Company		
Longhorn Publishers Uganda Limited	227,465	241,525
Longhorn Publishers Tanzania Limited	202,940	199,505
Longhorn Publishers Rwanda Limited	100,851	100,359
Law Africa Publishing (K) Limited	177,231	178,309
	708,487	719,698
Less: Expected credit losses	(23,336)	-
	685,151	719,698
The movement in provision was as follows:		
At start of year	-	-
Increase in provision	23,336	-
At end of year	23,336	-
(b) Due to subsidiaries - Company		
Longhorn Publishers Rwanda Limited	69,083	69,083

(c) Key management compensation

The remuneration of key management during the year was as follows:

	2023	Group	2023	Company
	Sh'000	2022	2023	2022
	Sh'000	Sh'000	Shs'000	Shs'000
Salaries and other benefits	46,310	59,739	37,222	59,739
(d) Directors' emoluments				
Fees for services as directors	11,814	13,268	10,933	12,440
Salary	18,480	18,480	18,480	18,480
	30,294	31,748	29,413	30,920

Financial Statements

For the year ended 30 June 2023

Notes (continued)

27 Correction of prior error in revenue recognition

The comparative figures in the financial statements have been restated to correct errors arising from incorrect revenue recognition. The adjustments have been made to the prior year financial statements as follows:

Group

Statement of profit or loss extract

	2022 Shs'000	Increase / (decrease) Shs'000	2022 Restated Shs'000
Revenue	1,724,401	(250,915)	1,473,486
Cost of sales	(1,089,514)	73,436	(1,016,078)
Profit/(loss) before income tax	74,602	(177,480)	(102,878)
Income tax credit/(expense)	(34,684)	53,060	18,377
Profit/(loss) for the year	39,918	(124,420)	(84,501)
Profit/(loss) attributable to:			
- Owners of the parent	40,053	(124,285)	(84,366)
- Non-controlling interest	(135)	(135)	(135)
Other comprehensive income/(loss)	39,918	(124,420)	(84,501)

Statement of financial position extract

	30 June 2022 Shs'000	Increase / (decrease) Shs'000	30 June 2022 Restated Shs'000	30 June 2021 Shs'000	Increase / (decrease) Shs'000	1 July 2021 Restated Shs'000
Deferred income tax	37,386	4,211	41,597	73,147	(48,849)	24,298
Inventories	748,697	(184,331)	564,366	684,516	(217,776)	466,740
Trade and other receivables	487,184	(23,120)	464,064	873,136	(86,053)	787,083
Contract asset	-	332,005	332,005	-	623,887	623,887
Current income tax	28,397	(21,897)	6,500	32,111	(21,897)	10,214
Total assets	2,685,167	106,868	2,792,035	2,877,729	249,312	1,912,222
Retained earnings	196,676	79,751	276,427	156,623	204,170	360,793
Trade and other payables	922,297	27,117	949,414	942,654	45,142	987,796
Total equity and liabilities	2,685,167	106,868	2,792,035	2,877,729	249,312	1,348,589

Company

Statement of profit or loss extract

	2022 Shs'000	Increase / (decrease) Shs'000	2022 Restated Shs'000
Revenue	1,297,719	(250,915)	1,046,804
Cost of sales	(784,682)	73,436	(711,246)
Profit/(loss) before tax	72,375	(177,480)	(105,105)
Income tax credit/(expense)	(34,668)	53,060	18,393
Profit/(loss) for the year	37,707	(124,419)	(86,712)

Financial Statements

For the year ended 30 June 2023

Notes (continued)

27 Correction of prior error in revenue recognition (continued)

Company						
Balance sheet extract	30 June 2022	Increase / (decrease)	30 June 2022 Restated	30 June 2021	Increase / (decrease)	1 July 2021 Restated
	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000	Shs'000
Deferred income tax	37,386	4,211	41,597	71,969	(48,849)	23,120
Inventories	493,458	(184,331)	309,127	502,751	(217,776)	284,975
Trade and other receivables	305,016	(23,120)	281,896	753,218	(86,053)	667,165
Contract asset	-	332,005	332,005	-	623,887	623,887
Current income tax	27,866	(21,897)	5,969	27,952	(21,897)	6,055
Total assets	2,685,603	106,868	2,792,471	2,955,984	249,312	1,605,202
Retained earnings	215,964	79,751	295,715	178,257	204,170	382,427
Trade and other payables	824,160	27,117	851,277	920,597	45,142	965,739
Total equity and liabilities	2,685,603	106,868	2,792,471	2,955,984	249,312	1,348,166

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Notes

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Notes



Notice

97 - 99 Notice of Annual General Meeting

100 - 101 Proxy form

102 - 103 Electronic Communications Consent Form

Notice

TO ALL SHAREHOLDERS

LONGHORN PUBLISHERS PLC

NOTICE is hereby given that the year 2023 Annual General Meeting of the Company will be held via electronic means on **Friday, 15 March 2024 at 11:00 a.m.** to transact the following business:-

ORDINARY BUSINESS

1. The Secretary to read the notice convening the meeting and confirm the presence of quorum.
2. To receive, consider and adopt the Financial Statements for the financial year ended 30 June 2023 together with the Chairman's Statement, and the Directors' and Auditors' reports thereon.
3. To note that the Directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2023.
4. To elect Directors:-
 - 4.1 Directors retiring by rotation:
 - (i) Ms Emma Miloyo, who retires in accordance with the provisions of Article 96 of the Company's Articles of Association and, being eligible, offers herself for re-election.
 - (ii) Mr Ali Hussein Kassim, who retires in accordance with the provisions of Article 96 of the Company's Articles of Association and, being eligible, offers himself for re-election.
 - 4.2 Director appointed to fill a casual vacancy
 - (i) Dr Dancan Irungu, who retires in accordance with the provisions of Article 98(a) of the Company's Articles of Association and, being eligible, offers himself for re-election.
 - 4.3 Retirement and appointment of Directors
 - (i) Ms Truphosa Kwaka-Sumba, who retires at this meeting having completed her nine-year term of service in accordance with the provisions of Clause 2.4.2 of the Capital Markets Code of Corporate Governance, and does not offer herself for re-election.
 - (ii) Dr Shikoh Gitau, be appointed as a Director in accordance with the provisions of Articles 96(d) and 97 of the Company's Articles of Association, to fill the vacancy to be left by the retirement of Ms Truphosa Kwaka-Sumba, as recommended by the Directors.
5. Pursuant to Section 769 (1) of the Companies Act 2015, to elect the following directors to serve as members of the Board Audit & Risk Committee:-
 - Dr Dancan Irungu – Chairperson
 - Fredrick Murimi
 - Thomas Omondi
 - Dr Shikoh Gitau – subject to her appointment by the shareholders as outlined in 4.3 (ii).
6. To approve the Directors Remuneration Report for the financial year ended 30 June 2023.
7. To appoint Messrs KPMG Kenya as Auditors of the Company in place of Messrs PricewaterhouseCoopers who will cease to hold office at the conclusion of the Annual General Meeting, in accordance with the provisions of Section 721(2) and 723(1) of the Companies Act, 2015, and to authorize the Directors to fix their remuneration for the ensuing financial year.

SPECIAL BUSINESS

8. To consider and, if thought fit, to pass the following Resolution as a Special Resolution as recommended by the Directors:

Registration of Longhorn Digital Ventures Studio Kenya Limited

"That the registration of a subsidiary in Kenya in the name of Longhorn Digital Ventures Studio Kenya Limited be and is hereby ratified."
9. Any other business of which due notice has been given.

BY ORDER OF THE BOARD

ENID MURIUKI (MRS)
COMPANY SECRETARY

Date 21st February 2024

Notice

NOTES:

1. Longhorn Publishers PLC has convened and is conducting the 2023 virtual Annual General Meeting (AGM) pursuant to the provisions of its Articles of Association.
2. Shareholders wishing to participate in the meeting should register for the AGM by dialing ***483*809#** for all Kenyan telephone networks and following the various registration prompts. In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance, shareholders should dial the following helpline number: (+254) 709 170 000 from 9:00 am to 5:00pm East African time from Monday to Friday. Any shareholder outside Kenya should send their details to **longhornagm@image.co.ke**.

Registration for the AGM will open on Thursday, 22nd February 2024 at 11:00 am and will close on Wednesday, 13th March 2024 at 11:00 a.m. East African time.

3. In accordance with Section 283 (2) (c) of the Companies Act, the following documents may be viewed on the Company's website **www.longhornpublishers.com** (i) a copy of this Notice and the proxy form; (ii) the Company's audited financial statements for the year ended 30 June 2023.
4. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:-
 - a. sending their written questions by email to **longhornagm@image.co.ke**; or
 - b. shareholders who will have registered to participate in the meeting will be able to ask questions via SMS by dialing the USSD code above and selecting the option 'Ask Question' on the prompts; or
 - c. to the extent possible, physically delivering their written questions with a return postal address or email address to the registered office of the Company, Longhorn Publishers Plc, Funzi Road, Industrial Area, Nairobi or to Image Registrars Limited offices at 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street; or
 - d. sending their written questions with a return postal address or email address by registered post to the Company Registrars' address: Image Registrars Limited, P. O. Box 9287, 00100 GPO, Nairobi.
5. Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.
6. All questions and clarifications must reach the Company on or before Wednesday, 13th March 2024 at 11:00 a.m. East African Time. Following receipt of the questions and clarifications, the Directors of the Company will provide written responses to the return postal address or email address provided by the Shareholder not later than 12 hours before the start of the general meeting. A full list of all questions received, and the answers thereto will be published on the Company's website not later than 48 hours after 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. A proxy need not be a member of the Company. If the Proxy appointed is not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone.
8. A proxy form is available on the Company's website via the link: **www.longhornpublishers.com**. Physical copies of the proxy form are also available at the Longhorn Publishers Plc offices on Funzi Road, Industrial Area, Nairobi, or from Image Registrars Limited offices, 5th Floor Absa Towers (Formerly Barclays Plaza), Loita Street.
9. Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.

A proxy must be signed by the appointor, 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 **longhornagm@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 48 hours before the time of holding the meeting i.e. Wednesday, 13th March, 2024 at 11:00 a.m. East African time.

Notice

NOTES:

Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than Wednesday, 13th March 2024 at 11:00 a.m. East African time. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Thursday, 14th March 2024 to allow time to address the issues.

10. The AGM will be streamed live through a link which shall be provided to all shareholders and proxies who will have registered to participate in the Annual General Meeting. Duly registered shareholders and proxies will receive a short message service (SMS/USDD) prompt on their registered mobile numbers, 24 hours prior to the AGM as a reminder of the AGM. A second SMS/USDD prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time and providing a link to the live stream.

Duly registered shareholders and proxies may vote (when prompted by the Chairman) via the USDD prompts. Results of the poll shall be published within 48 hours following the conclusion of the AGM on the Company's website.

11. Shareholders are encouraged to continue monitoring the Company's website www.longhornpublishers.com for updates relating to the AGM.

Proxy Form

LONGHORN PUBLISHERS PLC

PROXY FORM

I/WE _____

OF _____

Being a member of the above Company, hereby appoint:

OF _____

or failing him, the Chairman of the Meeting, as my/our proxy, to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, 15th March 2024 and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2024

Signed _____

Signed _____

Kindly mark the box below to instruct your proxy how to vote

RESOLUTION	FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS			
1. To receive, consider and adopt the Financial Statements for the financial year ended 30 June 2023 together with the Chairman's Statement, and the Directors' and Auditors' reports thereon.			
2. Re-election of Ms Emma Miloyo, who retires at this meeting in accordance with the provisions of Article 96 of the Company's Articles of Association and, being eligible, offers herself for re-election.			
3. Re-election of Mr Ali Hussein Kassim, who retires in accordance with the provisions of Article 96 of the Company's Articles of Association and, being eligible, offers himself for re-election.			
4. Re-election of Dr Dancan Irungu, who retires in accordance with the provisions of Article 98(a) of the Company's Articles of Association and, being eligible, offers himself for re-election.			



Proxy Form

5. Appointment of Dr Shikoh Gitau, as a Director in accordance with the provisions of Articles 96(d) and 97 of the Company's Articles of Association, to fill the vacancy to be left by the retirement of Ms Truphosa Kwaka-Sumba, as recommended by the Directors.			
6. Pursuant to Section 769 (1) of the Companies Act 2015, to elect the following directors to serve as members of the Board Audit & Risk Committee:- <ul style="list-style-type: none"> • Dr Dancan Irungu – Chairperson • Fredrick Murimi • Thomas Omondi • Dr Shikoh Gitau – subject to her appointment by the shareholders. 			
7. To approve the Directors Remuneration Report for the financial year ended 30 June 2023.			
8. To appoint Messrs KPMG Kenya as Auditors of the Company in place of Messrs PricewaterhouseCoopers who will cease to hold office at the conclusion of the Annual General Meeting, in accordance with the provisions of Section 721(2) and 723(1) of the Companies Act, 2015, and to authorize the Directors to fix their remuneration for the ensuing financial year.			
SPECIAL BUSINESS			
9. To consider and, if thought fit, to pass the following Resolution as a Special Resolution as recommended by the Directors: "That the registration of a subsidiary in Kenya in the name of Longhorn Digital Ventures Studio Kenya Limited be and is hereby ratified."			

Electronic Communications Consent Form

Please complete in **BLOCK CAPITALS**

Full name of the Shareholder _____

Name of the appointed Proxy (ies): _____

Address: _____

Mobile Number

Date: _____

Signature: _____

Please tick **ONE** of the boxes below and return to Image Registrars Limited at P.O. Box 9287- 00100 Nairobi, 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 15th March 2024.

☐

Consent for use of the Mobile Number provided

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

☐

Notes:

1. If a member is unable to attend personally, this Proxy Form should be completed and emailed to **longhornagm@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 no later than 48 hours before the time of holding the meeting i.e. Wednesday, 13th March, 2024 at 11:00 a.m. East African time, or any adjournment thereof.
2. In the case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorized attorney of such a corporate body.
3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as a proxy has been included for convenience. To appoint as a proxy any other person, delete the words “the Chairman of the Meeting or” and insert the full name of your proxy in the space provided. A proxy need not be a shareholder of the Company.
4. Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.

Electronic Communications Consent Form

5. To be valid the form of proxy should be completed, signed, and emailed/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 **longhornagm@image.co.ke** or to Image Registrars Limited, Absa Towers (formerly Barclays Plaza), 5th Floor, Loita Street and address P.O. Box 9287- 00100 Nairobi not later than 11.00 a.m. on Wednesday, 13th March, 2024, before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll.
6. In the case of a Company being a shareholder then this proxy form must be executed under its common seal or signed on its behalf by an officer of that company or an authorized attorney for that Company.
7. An “abstain” vote option has been included on the proxy form. 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.

Corporate Information

Registered Office,

Funzi Rd, Industrial Area

P.O Box 18033-00500, Nairobi, Kenya.

Tel: +254 26532579/81, +2542558551, +254708282260, +254722204608

Website: www.longhornpublishers.com

Email: enquiries@longhornpublishers.com

Auditor

PricewaterhouseCoopers LLP

PwC Tower, Waiyaki Way, Westlands

P.O Box 43963-00100 Nairobi

Tel +254 (20) 285 5000

Fax: + 254 (20)285 5001

Email: PwC.kenya@ke.PwC.com

Registrars

Image Registrars Limited

5th Floor, ABSA Plaza, Loita St, Nairobi

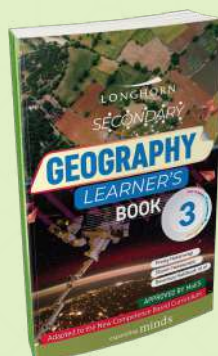
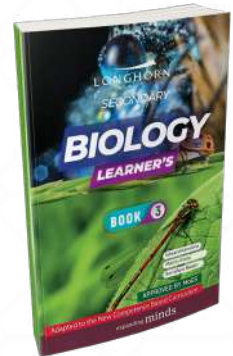
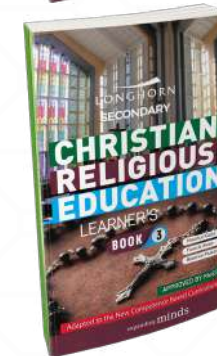
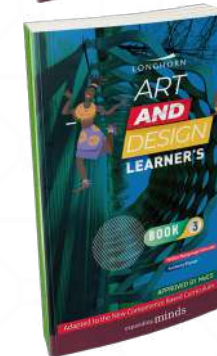
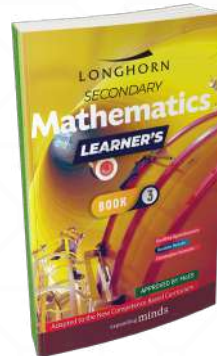
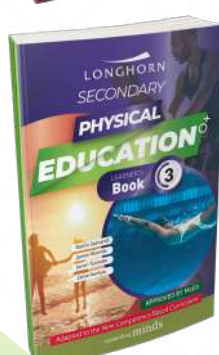
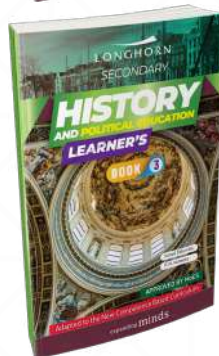
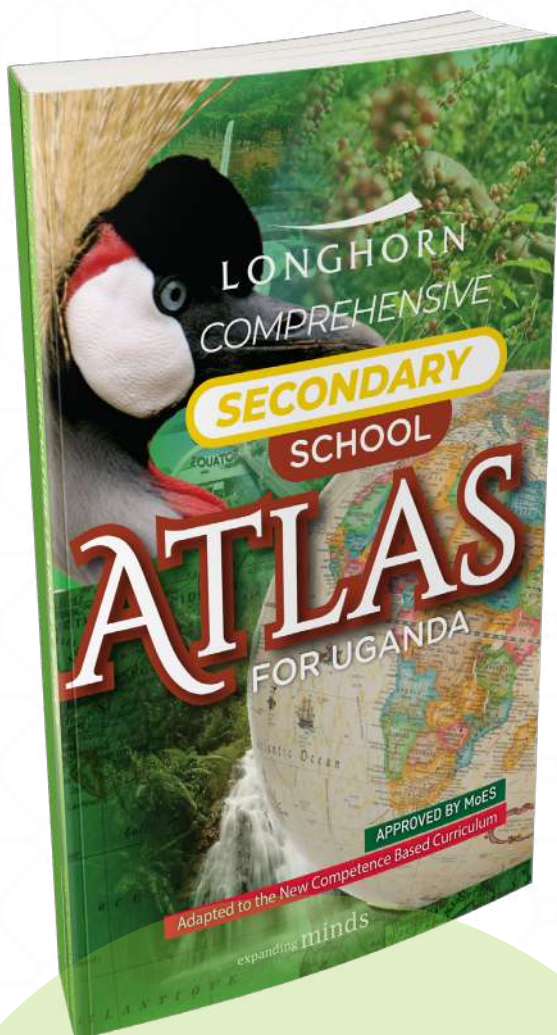
P.O Box 9287-00100, Nairobi

Tel; +254 709 170 000

Website: www.image.co.ke

Email: info@image.co.ke

Uganda Senior 3





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PUBLISHERS PLC

expanding minds

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Longhorn Publishers 

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