
STANDARD
GROUP
bringing your world to you.

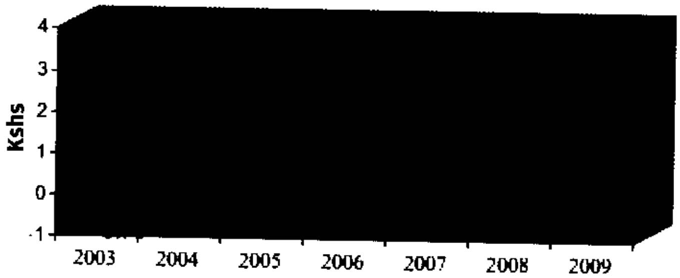
Contents

STANDARD GROUP
bringing your world to you.

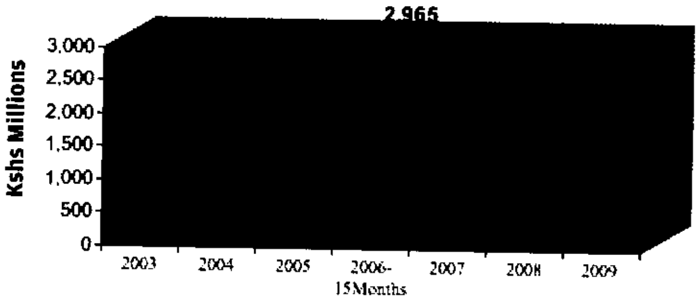
Financial Highlights

PERFORMANCE OVER 7 YEARS

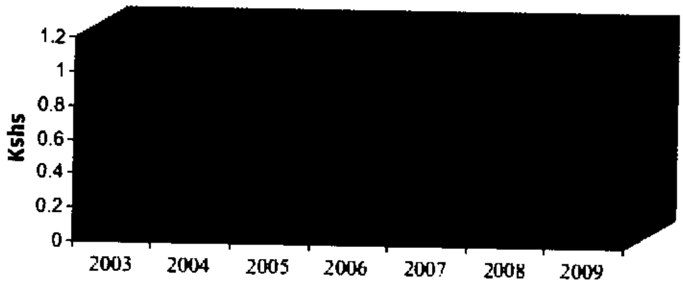
Earnings per share



Turnover

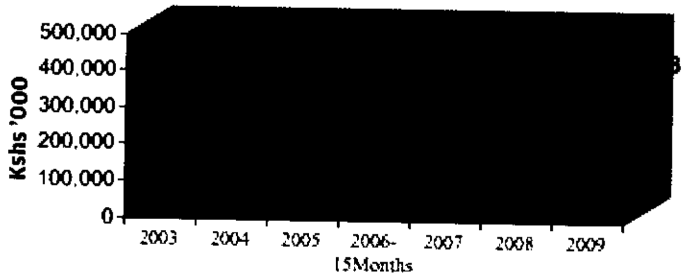


Dividend per share

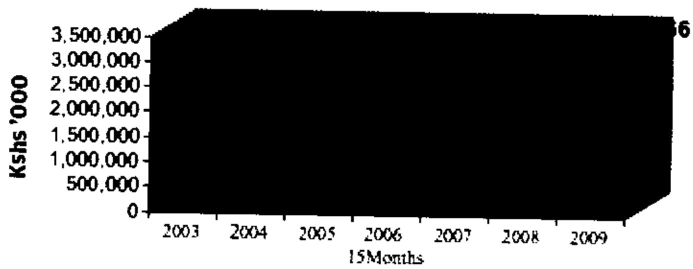


Shareholders Equity

Profit Before Tax



Movement in Total Assets



Corporate Information

DIRECTORS

Robin Sewell*	- Chairman
Paul Melly	- Deputy Chairman and Strategy Advisor
Paul Wanyagah	- Group Managing Director
Sarvjeet Channa	- Group Finance & Commercial Director
John Opiyo	- Group Operations & Technical Director
Zehrabanu Janmohamed	
Lerionka S. Tiampati	
James Boyd Mcfie	

* British

COMPANY SECRETARY
Nelly Matheka
Certified Public Secretary (Kenya)
Standard Group Centre
Mombasa Road
P O Box 30080 - 00100
Nairobi

REGISTERED OFFICE
Standard Group Centre
Mombasa Road
P O Box 30080 - 00100
Nairobi

AUDITORS
Deloitte & Touche
Certified Public Accountants (Kenya)
"Kirungii" Ring Road, Westlands
P O Box 40092 - 00100
Nairobi

ADVOCATES
Oraro & Company Advocates
ACK Garden House
P O Box 43170 - 00100
Nairobi

Ochieng', Onyango, Kibet and Ohaga
ACK Garden House
P O Box 43170 - 00100
Nairobi

PRINCIPAL PLACE OF BUSINESS
Standard Group Centre
Mombasa Road
P O Box 30080 - 00100
Nairobi

BANKERS
CfC Stanbic Bank Limited
Chiromo Road
P O Box 72833- 00200
Nairobi

Commercial Bank of Africa Limited
Wabera/Standard Street
P O Box 30437 - 00100
Nairobi

Kenya Commercial Bank Limited
Moi Avenue
P.O. Box 48400 - 00100
Nairobi

Standard Chartered Bank Kenya Limited
Kenyatta Avenue
P.O. Box 98683 - 00100
Nairobi

COMPANY REGISTRARS
Image Registrars
Transnational Plaza
Mama Ngina Street
P O Box 9287 - 00100
Nairobi

BOARD COMMITTEES

AUDIT COMMITTEE

James Mcfie	-Chairman
Lerionka S. Tiampati	
Zehrabanu Janmohamed	

REMUNERATION COMMITTEE

Lerionka S. Tiampati	-Chairman
Paul Melly	
Zehrabanu Janmohamed	

FINANCE & STRATEGY COMMITTEE

Paul Melly	- Chairman
Directors	
Assistant Directors	

Board of Directors

Seated from left,
Zehrabanu Janmohamed, Independent Director;
Paul Melly, Deputy Chairman and Strategy Adviser;
Robin Sewell*, Chairman;
Paul Wanyagah**, Group Managing Director;

Standing from left,
Sarvjeet Channa, Finance and Commercial Director;
Lerionka Tiampati, Independent Director;
Nelly Matheka, Company Secretary,
John Opiyo, Operations and Technical Director;
James McFie, Independent Director.

*BRITISH
**LEFT THE BUSINESS ON 9TH MAY 2010

Present Directors Profile

a. **Mr. Robin Sewell - Chairman -** Mr. Sewell aged sixty one (61), is a partner in MGI Midgley Snelling, an English firm of Chartered Accountants. He is a fellow of the Institute of Chartered Accountants in England and Wales. He is the Chairman of the Group, a position he has held since 1st November, 2000.

b. **Mr. Paul Melly - Deputy Chairman and Chief Strategist -** Mr. Melly aged forty Eight (49), has been the Deputy Chairman and Strategy Adviser since April 2005 a position he held until May 14, 2010 when he was re-designated to become the Deputy Chairman and Chief Strategist. He has also served as an independent business consultant on corporate and financial markets. Prior to joining the Group, he was the Chief Executive Officer of the Capital Markets Authority for a period of 9 years besides, he held several senior accounting positions. He is a holder of a B.Com in Accounting and a Masters Degree in Accounting and Finance. He is also holder of postgraduate diplomas in Financial Management, Financial Modelling and Marketing. He has over twenty five (25) years working experience in various capacities in the public sector.

c. **Mr. Sarvjeet Singh Channa - Group Chief Operating Officer** - Mr. Channa aged thirty nine years (39), was ap pointed the Group Finance and Commercial Director on May 15, 2008 a position he held until May 14, 2010 when he was appointed to be the Group Chief Operating Officer. He holds a Master of Business Administration degree from the Edinburgh Business School, Heriot Watt University, Scotland. He is a Chartered Certified Accountant (FCCA) and a Certified Public Accountant of Kenya (CPA (K)). He has over fifteen (15) years experience in the Finance and Commercial fields. He has previously worked with the Sameer Group and Chandaria Industries.

d. **Mr. John Opiyo - Group Operations and Technical Director -** Mr. Opiyo aged forty six (46), is an Executive Director of the Group, a position he has held since April 2005. He is a holder of an MBA degree from Edinburgh Business School, Heriot Watt University, Scotland; a first class honours Bsc in Electrical/Electronics Engineering and Post Graduate Diploma in Computer Science from the University of Nairobi and a Higher Diploma in Human Resource Management. He has over twenty (20) years experience in both public and private sectors. He worked with Price Waterhouse as a Consultant both locally and internationally and as a Business Consultant in Zambia, South Africa and Kenya.

e. **Ms. Zehrabanu Janmohamed - Independent Director -** Ms. Janmohamed aged forty four (44), was appointed an Independent Director in July 2007. She is an Advocate of the High Court of Kenya and a Barrister at Lincolns Inn (UK) with over twenty (20) years legal practice experience. She is a partner at Archer & Wilcock Advocates.

f. **Mr. Samuel Lerionka Tiampati - Independent Director -** Mr. Tiampati aged forty six (46) was appointed an Independent Director in July 2007. He holds a Msc. Degree in Marketing and Product Management from Cranfield University, United Kingdom and a Bachelor of commerce degree from the University of Nairobi. He previously served as the Managing Director of Kenya Tea Packers Association (KETEPA). He is currently the Chief Executive Dfficer of the Kenya Tea Development Agency (KTDA).

g. **Dr. James Boyd Mcfie - Independent Director** - Mr. Mcfie aged sixty three (63), was appointed an Independent Director in July 2007. He is a holder of a PhD. from the Graduate School of Business, University of Strathclyde, Glasgow, Scotland and is currently a Senior Lecturer at Strathmore Business School with over forty (40) years lecturing experience. He has also previously served as a Director of the Capital Markets Authority and a member of the Value Added Tax Tribunal of Kenya.

Report of the Directors

The directors present their report together with the audited financial statements of the company and its subsidiaries for the year ended 31 December 2009 which disclose the state of affairs of the group and the company.

PRINCIPAL ACTIVITIES

The principal activities of the group are the publishing of The Standard, Saturday Standard and The Sunday Standard newspapers, the distribution of selected local and international newspapers, magazines and periodicals, and television broadcasting under the name of Kenya Television Network (KTN).

GROUP RESULTS

	Sh'000
Profit before taxation	376,493
Taxation charge	(113,109)
Profit for the year transferred to retained earnings	263,384
Attributable to:	
Non-controlling interests	25,474
Owners of the parent company	237,910
	263,384

DIVIDEND

The directors recommend payment of a scrip dividend of Sh 0.50 for each share for the year subject to shareholders' and regulatory approval. In the year 2008, an interim dividend of Sh 1.10 per share amounting to Sh 80,602,532 was paid in respect of the year.

DIRECTORS

The present membership of the directors is set out on page 4.

AUDITORS

Deloitte & Touche, having expressed their willingness, continue in office in accordance with section 159(2) of the Kenyan Companies Act.

BY ORDER OF THE BOARD

NMatheka

COMPANY SECRETARY

Dated March 23, 2010

Assistant Directors

FROM LEFT:
Lawrence Njiru, Assistant Director Commercial; Holds a Bachelor of Commerce Degree in Accounting from Kenyatta University; He is a qualified accountatnt, CPA (K) and is in his final stages of acquiring his Master of Business Administration degree. Prior to his appointment, Lawrence has served as the Group Financial Controller, supporting the finance portfolio after joining the Group in 2004 as the Internal Audit Manager. He also worked as an Auditor at KPMG for 7 years.

Nelly Matheka, Assistant Director HR, Legal & Adminstration: Certified Public Secretary CPS Number 1795 (ICPSK); Advocate of the High Court of Kenya, Commissioner for Oaths and Notary Public; Post Graduate Diploma in Human Resource Management - Kenya Institute of Management and Member of the Institute of Human Resource Management; Diploma in Capacity building for Lawyers: Alternative dispute resolution and Arbitration; Masters of International Law (LLM) University of Lund, Sweden; Post Graduate Diploma in International Human Rights Law. University of Lund, Sweden; Post Graduate Diploma in International Law and Organization for Development, Institute of Social Studies, The Hague, Netherlands majoring in Economic law; Post Graduate Diploma in Legal Education, Kenya School of Law, Nairobi, Kenya; Bachelor of Laws Degree, Honors, University of Nairobi, Kenya.

John Bundotich, Assistant Director and Group Chief Editor; Holds a Bachelor of Arts degree from Kenyatta University and post-graduate in human resource management from the University of Nairobi, besides extensive post-graduate training in journalism both locally and abroad. He has previously served in various senior positions in the Group and elsewhere, including as Chief Sub Editor, Associate Editor, Managing Editor and Group Managing Editor. He has over 12 years experience in the media industry.

Peter Gichui, Assistant Director, Broadcasting & Creatives Services: Holds a Bachelor of Arts in Multimedia Design and Communication - Grand Canyon University, Phoenix, Arizona and is currently pursuing his Master of Business Administration degree - KCA University, Nairobi, Kenya; Post Graduate Diploma in Visual Arts and Technology Studies - College of Liberal Arts, phoenix, Arizona; Diploma in Design and Communication - The Kenya Polytechnic (University) College, Nairobi, Kenya; He has previously held various other senior positions in the Group and related fields and has over 12 years experience in media and communication.

Statement of the Directors' Responsibilities

The Kenyan Companies Act requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and of the company as at the end of the financial year and of the operating results of the group for that year. It also requires the directors to ensure that the group and the company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company. They are also responsible for safeguarding the assets of the group.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Kenyan Companies Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the group and the company and of the group's operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company and its subsidiaries will not remain going concerns for at least the next twelve months from the date of this statement.

Director

Director
Date: 23 March, 2010

CONVERGED EDITORIAL NEWS ROOM

The Standard Group converged newsroom at the new headquarters on Mombasa Road.

Independent Auditors' Report to The Members Of The Standard Group Limited

Report on the Financial Statements

We have audited the accompanying financial statements of The Standard Group Limited and its subsidiaries, set out on pages 15 to 49 which comprise the consolidated and company statements of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, consolidated and company statements of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Kenyan Companies Act. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered the internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of financial affairs of the group and of the company as at 31 December 2009 and of the group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and with the requirements of the Kenyan Companies Act.

Report on Other Legal Requirements

As required by the Kenyan Companies Act we report to you, based on our audit, that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) in our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books; and

iii) the company 's statement of financial position is in agreement with the books of account.

Deloitte & Touche

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Certified Public Accountants (Kenya)
Date: 23 March, 2010
Nairobi

Chairman's Statement

Chairman's Report

Dear Shareholders,

It gives me great pleasure to report on behalf of the directors on the performance of your company and submit this Annual Report and the Audited Financial Statements of the Standard Group for the year ended 31 December 2009.

I am pleased to report that we have now completed the first phase of the strategic transformation of the Group into a multimedia house which began five years ago. This strategy has resulted in the shareholders equity in the Standard Group increasing from Kshs 289 million in 2004 to Kshs 1.261 billion as at 31st December 2009. This equates to a 336% growth in the value of shareholders equity in the Group, with the revenue reserve standing at Kshs 601.6 million as at 31st December 2009 compared to a deficit of Kshs 192.8 million in 2004.

During the period, the Group has also heavily invested in productive assets, which should underpin the growth in the Groups business for many years to come. The Group's fixed assets have grown from Kshs 391.7 million in 2D04 to Kshs1.922 billion as at 31st December 2009, representing a 490% increase.

The trading results for the year ended 31st December 2009 saw a mixed performance with a marginal reduction in turnover from Kshs 2.818 billion in 2008 to Kshs 2.767 billion in 2009 and a small reduction in advertising revenues however the Group's newspaper circulation has continued to grow. Profit before tax for the period was Kshs 376.4 million compared to Kshs 428.7 million, a decline of 12%, primarily due to the extremely difficult operating environment.

Chairman
Robin Sewell

The year 2009 was a particularly challenging one, not only domestically but also globally due to the extraordinary recessionary pressures brought about by the financial meltdown, which affected developed and emerging economies alike. This of necessity saw many advertising clients scale down their advertising spend. The volatility in the international markets saw a depreciation of the Kenya shilling from an average rate of Kshs 70.30/US$ in 2008 to Kshs 77.30/US$ in 2009, which translates to a 10 per cent depreciation. This had a direct bearing on raw material costs, including programming and newsprint, whose global prices increased.

Fortunately the cost containment measures implemented by the Group resulted in a 1% reduction in operating costs compared to the previous year however finance costs due to the investment programme, rose to Kshs 101.4 million during the year compared to Kshs 85.1 million in the previous year.

Radio

The Group's diversification programme is on course and it is expected that Radio Maisha will soon become a leading brand. Radio Maisha is expected to have gone live by the date of the Group's AGM and will broadcast in Kiswahili, the national language spoken by many Kenyans.

Dividend

The Board is committed to paying a dividend to the shareholders in future and the growth in revenue reserves should allow for this. As I mentioned above, the value of the Group has increased enormously over the past five years however this has required the reinvestment of significant cash resources therefore subject to your approval as shareholders and the necessary regulatory approvals, the Board is recommending the payment of a scrip dividend of 50 cents per share for the year ended 31st December 2009. The details of this scrip dividend are contained in a separate information memorandum enclosed in this report which we invite you to read and from which you will see that you have the option of electing for a cash dividend or the equivalent value in shares in the Group.

Outlook for 2010

The Board is optimistic that barring unforeseen circumstances the Group will maintain its growth in profitability and in shareholder value. The Group will continue to explore business opportunities both within and outside the region in addition to the organic growth of the business as part of the next stage of the Groups strategic reorientation aimed at increasing both the influence of the Standard Group and shareholder value.

ROBIN SEWELL
CHAIRMAN
Date: 23 March, 2010

Corporate Governace Statement

Standard Group as a public and listed company is committed to ensuring adoption and compliance with best corporate governance practices being necessary condition towards creating and sustaining shareholders' value with fiduciary responsibility to the shareholders. The Board of Directors is responsible for formulation of the overall strategic direction, policies and objectives. In furtherance of this position it has the responsibility of advising and implementing to an executive management team led by the Deputy Chairman and Strategy Adviser, a position created in April 2005. The Board is also responsible to ensure effective controls are in place to safeguard the assets of the Group.

Composition of the Board

The Board comprises eight directors, four independent directors including the Chairman and four executive directors including the Deputy Chairman and Strategy Adviser. The Board therefore satisfies the balance criteria with at least a third comprising of Independent Directors as prescribed. The Directors who held Office during the year and up to the date of this report are set out on the Directors Report.

The Directors possess broad a range of expertise, diverse professional backgrounds and are drawn from various sectors from persons with demonstrated experiences considered necessary to provide invaluable input in the management and future growth of the Group.

The remuneration of Executive Directors has a fixed and variable elements link to performance comparable to the best remuneration practices.

The Group's Company Secretary advises the Board on all corporate governance matters and statutory requirements as well as attends all the Board meetings and Committee meetings. The company Secretary is a member of the Institute of Certified Public Secretaries of Kenya in compliant with the prescribed legal requirements. The Assistant Directors who are division heads also sit in the Board to offer any technical input as may become necessary. The Head of accounting and finance function serving as Chief Financial officer holds an internationally recognized professional qualification and is a member of the Institute of Certified Public Accountants established under the Accountants Act as required under the capital markets regulations.

The Board sets out the timetable of calendar dates for Board Meetings at the beginning of each year and at least one meeting is held every three months.

Board Committees.

The Board's established committees comprise the Audit Committee, Remuneration Committee, Nomination Committee and a Finance and Strategy Committee.

Audit Committee

The Committee comprises mainly independent directors and the Chairman is an independent Director. This Committee meets a minimum of four times in a year. The committee plays a vital role in ensuring the integrity of the financial statements. It assists the Board in evaluating financial and management controls and recommending improvements. Further in order to strengthen and ensure independent reports on internal audit, the Board has outsourced the internal audit function to currently KPMG. Internal audit reports, findings and recommendations are presented to the Committee to ensure implementation. The Committee further ensures that the financial reporting is accurate and timely.

The Deputy Chairman and Strategy Advisor is an ex-official member and Executive Directors sits in the committee o provide necessary explanation. The committee has discretion to sit with the outsourced internal auditors or External editors without the presence of all Executive directors.

Remuneration Committee:

The Chairman is an independent Director with the membership comprises, one other Independent Director and the Deputy Chairman and Strategy Adviser. This Committee assists the Board in addressing issues relating to remuneration of Executive Directors, Assistant Directors and remuneration structures including any benefits. It also ensures that the remuneration set is within the principles of equity and appropriateness.

Finance and Strategy Committee:

This is mainly a top management Committee and is headed by the Deputy Chairman who is also the Strategy Advisor to the Group. The committee comprises mainly the Executive Directors and Assistant Directors who head various business divisions. The Independent Directors attends on invitation. The Committee assists the Board in reviewing of budgets, financial plans, development of strategic directions, management decisions and monitoring of implementation of management measures aimed at enhancing the Group's operating performance, efficiency and growth. It identifies risks facing the Group and mitigating strategies to cushion the Group against adverse effects.

Matters deliberated by all these Committees are placed before the full Board in the form of Reports from the Committees for noting, information or approval as appropriate.

Director	Board (Out of 4)	Audit (Out of 4)	Remuneration (Out of 1)	Finance and Strategy) (Out of 31
Robin Sewell	3	1		
Paul Melly	4	4	1	28
Paul Wanyagah	3	4	1	29
James Mcfie	4	4	1	
Zehrabanu Janmohamed	4	3		
Samuel Lerionka	4	4	1	
John Opiyo	4	4	1	29
Sarvjeet Channa	4	4	1	28

List of Top Ten Shareholders and sharehoiding:

Shareholders	No. of shares	Percentage
1. S.N.G HOLDINGS LIMITED	50,179,898	69.22%
2. TRADE WORLD KENYA LIMITED	8,000,938	10.92%
3. MILLER TRUSTEES LIMITED	7,733,675	10.55%
4. KIRTESH PREMCHAND SHAH	386,044	0.53%
5. BALOOBHAI CHHOTABHAI PATEL	369,700	0.50%
6. DENROMA INVESTMENT LIMITED	235,050	0.32%
7. JULIUS GECAU	198,354	0.27%
8. SAVITABEN VELJI RAICHAND SHAH	186,925	0.26%
9. EUFRAZIO JULIAO GOES	160,000	0.22%
10. SHERALI GULAM HUSSEIN PARPIA	119,617	0.16%

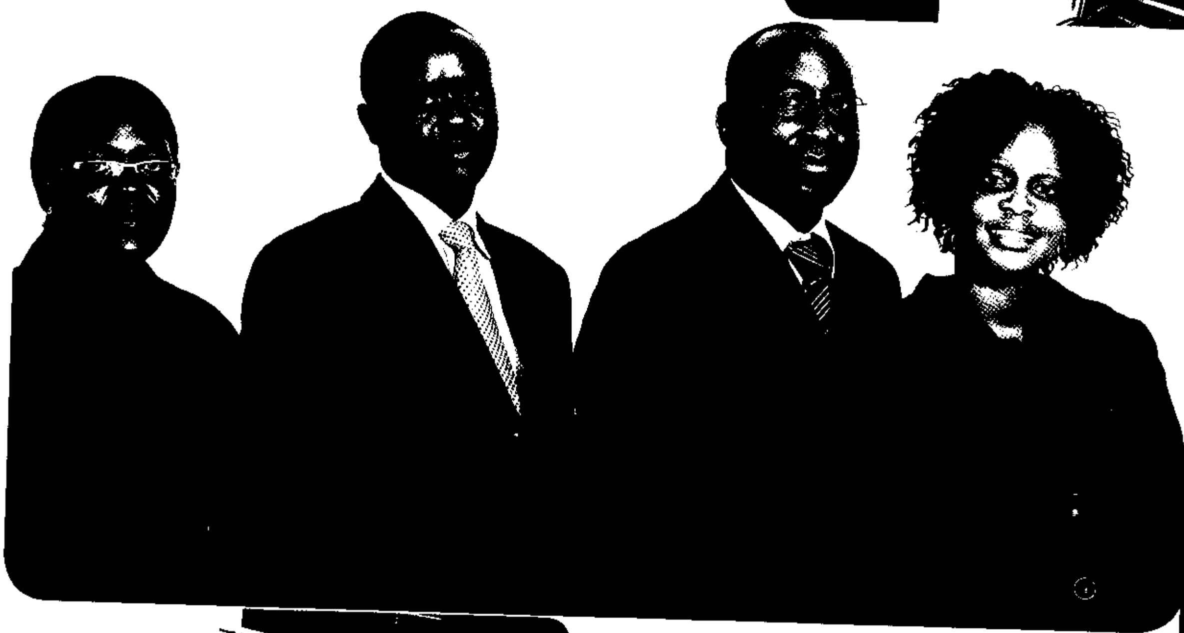
Compliance

The Group is compliant with the Companies Act, Capital Markets Act, and the International Financial Reporting Standards and adheres to the regulations guiding the Media Industry in Kenya.

John Kamonde, ICT Manager

ABOVE: **George Okoth,** Print Production Manager;

RIGHT: Senior Business Managers, **Veronica Ocholla, James Sogoti, Robert Nderitu** and **Betty Kuremwa.**



Thomas Owuor, Technical Manager

Ronald Kimaiyo, Assistant Manager, Human Resource

Moses Ochola, Sales and Distribution Manager

ABOVE: Mike Ndetei, TV Production Manager

LEFT: **Waithera Ng'ang'a,** Assistant Brand Manager

RIGHT: **Frank Ojoo,** Head of Broadcst Design

Managing Editors

Seated from left:
Katua Nzile, Managing Editor-KTN English Service; **Zipporah Musau**, Managing Editor **The Standard** Magazines; **Kizito Namulanda**, Managing Editor-Swahili Services,

Standing from left:
Okech Kendo, Managing Editor-**The Standard** Production & Quality; **Kipkoech Tanui,** Managing Editor-**The Standard** Daily Editions; **Woka Nyagwoka** Deputy Managing Editor, **The Standard** Weekend Editions

Consolidated Statement of comprehensive Income for the year ended 31 December 2009

	Notes	2009 Sh'000	2008 Sh'000
Revenue		2,767,835	2,818,860
Direct Costs		(980,022)	(959,686)
Other Income	3	101,292	71,725
Other (Losses)/gains	4	(4,861)	5,215
Selling And Distribution Costs		(190,808)	(182,405)
Administrative Expenses		(1,215,482)	(1,239,752)
Finance Costs	5	(101,461)	(85,183)
Profit Before Taxation	6	376,493	428,774
Taxation Expense	8	(113,109)	(142,582)
Profit For The Year	9	263,384	286,192
Other Comprehensive Income		-	-
Total Comprehensive Income		263,384	286,192
Attributable To:			
Non-controlling Interests	20	25,474	24,448
Owners Of The Parent Company		237,910	261,744
		263,384	286,192
		Sh	Sh
Earnings Per Share - Basic	10(a)	3.25	3.57
Earnings Per Share - Diluted	10(b)	3.24	3.56

Consolidated Statement of Financial Position
31st December 2009

	Notes	2009 Sh '000	2008 Sh '000
ASSETS			
Non current assets			
Property, plant and equipment	11(a)	1,763,121	1,442,001
Prepaid operating lease rentals	12	85,753	86,628
Intangible assets	13(a)	73,294	3,429
		1,922,168	1,532,058
Current assets			
Inventories	16	163,783	303,562
Trade and other receivables	17	888,092	776,632
Due from a group company	21(b)	14,828	-
Taxation recoverable	8(c)	9,062	1,965
Bank and cash balances	18	6,033	3,671
		1,081,798	1,085,830
Plant and machinery held for sale	15	-	68,325
Total assets		3,003,966	2,686,213
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	19(a)	366,375	366,375
Share premium		3,765	3,765
Retained earnings		601,660	363,750
Attributable to owners of the company		971,800	733,890
Non-controlling interests	20	289,628	264,154
Total equity		1,261,428	998,044
Non current liabilities			
Due to related parties	21(a)	115,507	115,507
Deferred tax liability	22	364,509	255,194
Borrowings	23	411,454	467,267
Preference shares	19(b)	102	102
		891,572	838,070
Current liabilities			
Borrowings	23	423,672	357,094
Trade and other payables	24	427,294	486,307
Taxation payable	8(c)	-	1,808
Due to a group company	21(a)	-	4,890
		850,966	850,099
Total equity and liabilities		3,003,966	2,686,213

The financial statements on pages 15 to 49 were approved by the board of directors on 23rd March 2010 and were signed on its behalf by:

) Director
)
) Director

Company Statement Of Financial Position
31 December 2009

	Notes	2009 Sh '000	2008 Sh '000
A55ETS			
Non current assets			
Property, plant and equipment	11(b)	1,441,729	1,173,352
Prepaid operating lease	12	85,753	86,628
Intangible assets	13(b)	6,419	3,429
Investments	14(a)	70,367	3,492
		1,604,268	1,266,901
Current assets			
Inventories	16	133,539	253,469
Trade and other receivables	17	671,827	556,683
Due from a group company	21(b)	14,828	-
Tax recoverable		204	-
Bank and cash balances	18	5,843	3,669
		B26,241	813,821
Plant and machinery held for sale	15	-	68,325
Total assets		2,430,509	2,149,047
EQUITY AND LIABILITIES			
Capital and reserves			
5hare capital	19(a)	366,375	366,375
5hare premium		3,765	3,765
Retained earnings		285,132	73,735
5hareholders' equity		655,272	443,875
Non current liabilities			
Due to related parties	21(a)	300,170	294,174
Deferred tax liability	22	301,132	210,375
Borrowings	23	408,761	449,683
Preference shares	19(b)	102	102
		1,010,165	954,334
Current liabilities			
Borrowings	23	389,138	315,431
Trade and other payables	24	375,934	428,709
Taxation payable		-	1,808
Due to group companies	21(a)	-	4,890
		765,072	750,838
Total equity and liabilities		2,430,509	2,149,047

The financial statements on pages 15 to 49 were approved by the board of directors on 23rd March 2010 and were signed on its behalf by:

) Director
)
) Director

Consolidated Statement Of Changes In Equity For The Year Ended 31 December 2009

	Share capital Sh'000	Share premium Sh'000	Retained earnings Sh'000	Attributable to owners of the company Sh'000	Non controlling Interests Sh,000	Equity Total Sh,000
At 1 January 2008	366,375	3,765	182,609	552,749	239,706	792,455
Interim dividends paid	-	-	(80,603)	(80,603)	-	(80,603)
Profit for the year	-	-	261,744	261,744	24,448	286,192
At 31 December 2008	366,375	3,765	363,750	733,890	264,154	998,044
At 1 January 2009	366,375	3,765	363,750	733,890	264,154	998,044
Profit for the year	-	-	237,910	237,910	25,474	263,384
At 31 December 2009	366,375	3,765	601,660	971,800	289,628	1,261,428

Company Statement Of Changes In Equity For The Year Ended 31 December 2009

	Share Capital Sh'000	Share premium Sh'000	Retained earnings/ (accumulated deficit) Sh'000	Total Sh'000
At 1 January 2008	366,375	3,765	(81,961)	288,179
Interim dividend paid	-	-	(80,603)	(80,603)
Profit for the year	-	-	236,299	236,299
At 31 December 2008	366,375	3,765	73,735	443,875
At 1 January 2009	366,375	3,765	73,735	443,875
Profit for the year	-	-	211,397	211,397
At 31 December 2009	366,375	3,765	285,132	655,272

CAFETERIA
The ultra-modern staff cafeteria at the Standard Group Centre.

Consolidated Statement of Cashflows
For The Year Ended 31 December 2009

	Note	2009 Sh '000	2008 Sh '000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	25(a)	561,396	562,311
Interest paid	5	(101,461)	(85,183)
Tax paid	8(c)	(12,699)	(40,130)
Net cash generated from operating activities		447,236	436,998
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	25(c)	(404,074)	(403,051)
Acquisition of subsidiary	14(d)	(66,875)	-
Proceeds from disposal of plant and machinery held for sale		34,000	22,154
Proceeds from disposal of property, plant and equipment		2,310	-
Purchase of leasehold land	12	-	(44,000)
Purchase of intangible assets	13	(6,000)	-
Net cash used in investing activities		(440,639)	(424,897)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shareholders' loans repaid		-	(1,698)
Bank loans received	23	149,000	156,796
Bank loans repaid	23	(168,561)	(136,599)
Dividends paid		-	(80,603)
Net cash used in financing activities		(19,561)	(62,104)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(12,964)	(50,003)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		(209,358)	(159,355)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	25(b)	(222,322)	(2D9,358)

Notes To The Consolidated Financial Statements For The Year Ended 31 December 2009

1 ACCOUNTING POLICIES

Statement of compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards.

For the Kenyan Companies Act reporting purposes the balance sheet represents by/equivalent to the statement of financial position and the profit and loss account is represented in the statement of comprehensive income.

Adoption of new and revised International Financial Reporting Standards (IFRSs)

(i) Standards and interpretations effective on or after 1 January 2009.

The following standards, amendments and interpretations, which became effective in 2009 are relevant to the group:

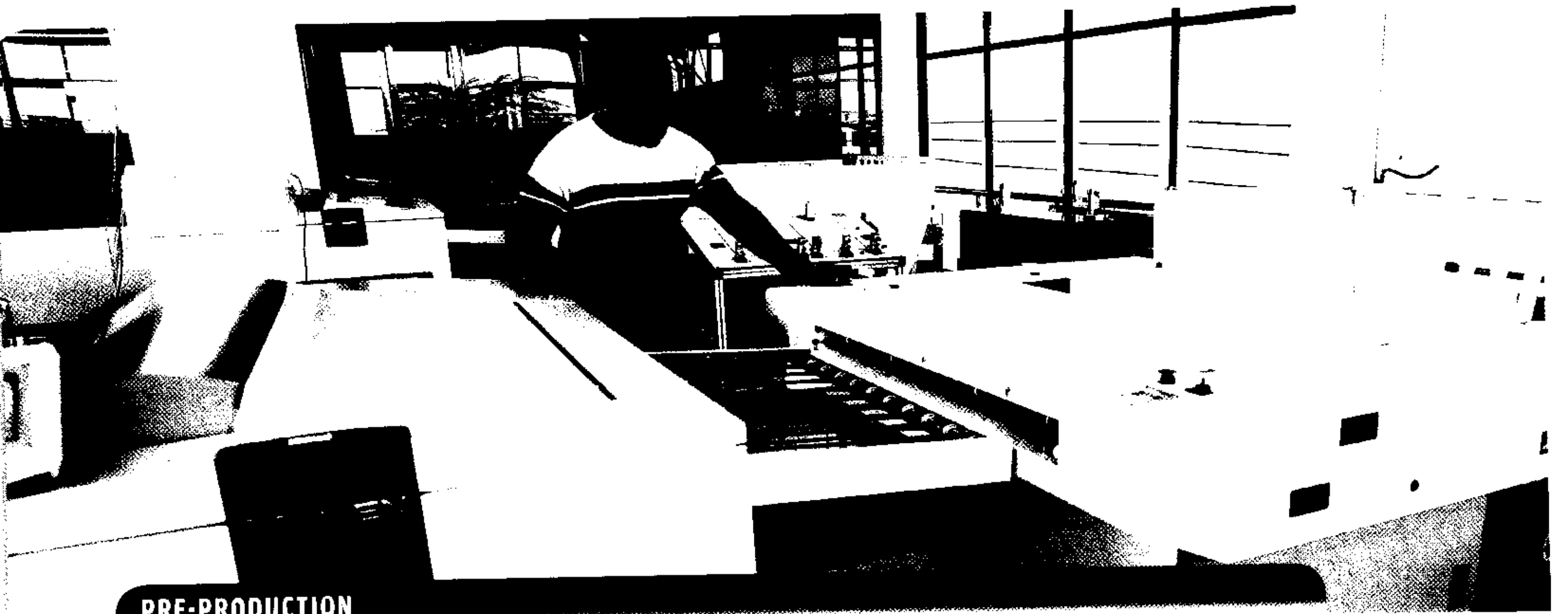
IFRS 7 'Financial instruments - Disclosures' (amendment) - effective 1 January 2009.
The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. The adoption of the amendment results in additional disclosures but does not have an impact on the financial position or the comprehensive income of the group.

IAS 1 (revised) 'Presentation of financial statements' - effective 1 January 2009.
A revised version of IAS 1 was issued in September 2007. It prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. As a result, the company presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income. According to the amendment of IAS 1 in January 2008, each component of equity, including each item of other comprehensive income, should be reconciled between carrying amount at the beginning and the end of the period. The adoption does not have any impact on retained earnings.

The company also elected to use the titles per revised IAS 1 of 'statement of comprehensive income' 'statement of financial position' and 'statement of cash flow' to described the 'income statement', 'balance sheet' and cash flows statement respectively.

IFRS 8 Operating segments
IFRS 8, 'Operating segments', replaces IAS 14, 'Segment reporting'. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The segments will be reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The application of IFRS 8 does not have any material effect for the Group.

IAS 23 Borrowing costs
A revised version of IAS 23 was issued in March 2007. It eliminates the option of immediate recognition of borrowing costs as an expense for assets that require a substantial period of time to get ready for their intended use. The application of IAS 23 amendment will not give rise to any changes in the Group and company's financial statements.



PRE-PRODUCTION
The Standard newspapers Pre-Press Section

Notes To The Consolidated Financial Statements For The Year Ended 31 December 2009

1 ACCOUNTING POLICIES (Continued)

Adoption of new and revised International Financial Reporting Standards (IFRSs) (continued)

(ii) Standards and interpretations effective in 2009, but not relevant for the company's operations:

The following new and revised standards and interpretations are effective in the current financial year but are not relevant to the company.

■ IFRS 1: First-Time Adoption of International Financial Reporting Standards - Amendment relating to cost of an investment on first-time adoption (effective for accounting periods beginning on or after 1 January 2009);

■ IFRS 2 Share-based payment - Amendments relating to vesting conditions and cancellations (effective for annual periods beginning on or after 1 January 2009)

■ IAS 27: Consolidated and Separate Financial Statements -Amendments relating to cost of an investment on first time adoption (effective for annual periods beginning on or after 1 January 2009)

■ IAS 31: Interest in Joint Ventures - Consequential amendments arising from amendments to IFRS 3 (effective for accounting periods beginning on or after 1 January 2009

■ IAS 32: Financial Instruments - Presentation amendments relating to puttable instruments and obligations arising on liquidation (effective for accounting periods beginning on or after 1 January 2009).

■ IAS 39: Financial Instruments: Recognition and Measurement - Amendments for embedded derivatives when reclassifying financial instruments (effective for annual periods ending on or after 30 June 2009)

■ IFRIC 15: Agreement for the Construction of Real Estate (effective for accounting periods beginning on or after 1 January 2009)

(iii) Standards and interpretations issued but not yet effective
The following standards and interpretations have been issued and are effective for accounting periods beginning on or after 1 July 2009 or later periods:

■ IFRS 3, 'Business combinations'
The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice, on an acquisition-by-acquisition basis, to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The group will apply IFRS 3 (revised) prospectively to all business combinations from 1 January 2010.

■ IAS 27, 'Consolidated and separate financial statements'
The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost; any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply IAS 27 (revised) prospectively to transactions with non-controlling interests from 1 January 2010. In the future, this guidance will also tend to produce higher volatility in equity and/or earnings in connection with the acquisition of interests by the group.

■ IFRS 2: Share based payment - Ammendments relating to company cash settled share based payments transactions (effective for annual periods beginning on or after 1st January 2010)

■ IFRS 9: Financial instruments (effective for accounting periods beginning on or after 1 January 2013;

■ IAS 28: Investment in Associates - Consequential amendments arising from amendments to IFRS 3 (effective for accounting periods beginning on or after 1 July 2009)

■ IAS 39: Financial Instruments: Recognition and Measurement - Amendments for eligible hedged items (effective for accounting periods beginning on or after 1 July 2009);

■ IFRIC 17: Distribution of non-cash assets to owners (effective for accounting periods beginning on or after 1 July 2009);

■ IFRIC 18 Transfers of assets from customers (effective for accounting periods beginning on or after 1 July 2009);

■ IFRIC 19: Extinguishing financial liabilities with equity instruments (effective for accounting periods beginning on or after 1 July 2010).

The adoption of these standards and interpretations, when effective, is not expected to have material impact on the financial statements of the group.

(iv) Early adoption of standards

Notes To The Consolidated Financial Statements For The Year Ended 31 December 2009

1 ACCOUNTING POLICIES (Continued)

Basis of preparation

The financial statements have been prepared under the historical cost convention. The principal accounting policies are set out below.

Basis of consolidation

Subsidiary undertakings, being those companies in which the group either directly or indirectly has an interest of more than 50% of the voting rights or otherwise has power to exercise control over the operations, have been consolidated. Subsidiaries are consolidated from the date on which effective control is transferred to the group and are no longer consolidated as from the date of disposal. All inter company balances and unrealised surpluses and deficits on transactions with the subsidiary companies have been eliminated.

The consolidated financial statements incorporate the financial statements of the company and its subsidiaries: The Standard Limited, Baraza Limited, Agency Sales and Promotion Limited and Toads Media Group Limited, all made up to 31 December.

Non-controlling interests in the net assets of the consolidated subsidiaries are identified separately from the group's entity therein. Non-controlling interests consist of the amount of these interests at the date of the original business combination and the non-controlling interest's share of the changes in equity since the date of the combination.

Revenue recognition

Revenue from the sale of newspapers and magazines is recognised upon the delivery of goods to customers or when title has passed to customers. Advertisement revenue is recognised when advertisements are published in the newspaper or aired on television. All revenue is stated net of VAT and discounts.

Interest income is recognised as it accrues, unless its collectability is in doubt.

Other income is recognised on an accrual basis.

Taxation

Tax on the profit or loss for the year comprises current tax and the change in deferred tax.

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

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred income tax.

Operating Segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Business Combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant IFRSs. Changes in the fair value of contingent consideration classified as equity are not recognised.

Notes To The Consolidated Financial Statements (Continued)

1 ACCOUNTING POLICIES (Continued)

Depreciation

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

Plant and machinery	10%
Motor vehicles	25%
Furniture, fittings and equipment	10% - 33 1/3%

Intangible assets

Computer software costs are stated at cost less amortisation. The costs are amortised over the expected useful lives of the software on the straight line basis.

Trademarks

Trademarks are initially recognised at cost. At each financial position date, the group reviews the carrying amount of its the trademarks to determine whether there is any indication that these assets have suffered an impairment loss.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all risks and rewards of ownership to the group as the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are amortised on the straight line basis over the term of the relevant lease.

Leasehold land

Payments to acquire leasehold interest in land are treated as prepaid operating lease rentals and amortised over the period of the lease.

Investment in subsidiaries

Investment in subsidiaries is stated at cost less any impairment losses. The holding company accounts for dividends from subsidiary companies only when they are received

Impairment

At each statement of financial position date, the group reviews the carrying amounts of its tangible and 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.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets classified as held for sale are measured at the lower of the assets' previous carrying amount and fair value less costs to sell.

Inventories

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

Currency translations

Assets and liabilities that are denominated in foreign currencies are translated into Kenya shillings at the rates of exchange ruling on the statement of financial position date. Transactions during the year, which are expressed in foreign currencies, are translated at the rates ruling on the dates of the transactions. Gains and losses on exchange are dealt with in the statement of income.

Financial instruments

A financial asset or liability is recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets

(i) Classification

The group classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans, advances and receivables, held-to-maturity investments and available-for-sale assets. Management determines the appropriate classification of its investments at initial recognition.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading.

Trade receivables

Trade receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the period-end. Bad debts are written off when all reasonable steps to recover them have failed.

Ali Manzu

Mwanaisha Chidzuga

Ahmed Dharwesh

Beatrice Marshall

KTN NEWS ANCHORS

Cynthia Makuyu

Mahia Mutua

Ann Ngugi

Larry Madowo

Robert Soi

Notes To The Consolidated Financial Statements (Continued)

1 ACCOUNTING POLICIES (Continued)

Held to maturity investments

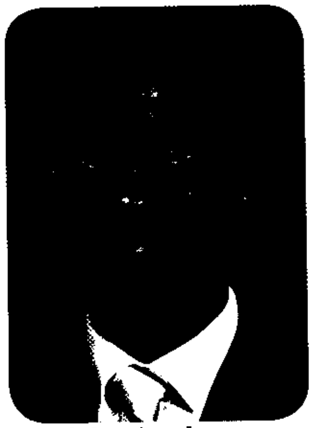
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Held to maturity investments are amortised using the effective interest method less any impairment. Where a sale occurs other than an insignificant amount of held-to-maturity assets, the entire category is classified as available for sale.

Available-for-sale financial assets

These are financial assets that are not financial assets at fair value through profit or loss, loans, advances and receivables, or financial assets held to maturity. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses.

(ii) Recognition and derecognition

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the company has transferred substantially all risks and rewards of ownership.



Michael Oyier

Notes To The Consolidated Financial Statements (Continued)

1 ACCOUNTING POLICIES (Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

(ii) Recognition and de-recognition (Continued)

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans, advances and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of "financial assets at fair value through profit or loss" are included in the statement of income in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the statement of comprehensive income.

Impairment and uncollectability of financial assets

At each statement of financial position date, all financial assets are subject to review for impairment.

If it is probable that the group will not be able to collect all amounts due (principal and interest) according to the contractual terms of loans, receivables, or held-to-maturity investments carried at amortised cost, an impairment loss has occurred. The amount of the loss is the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instrument's original effective interest rate (recoverable amount). The carrying amount of the asset is reduced to its estimated recoverable amount. The amount of the loss incurred is included in the statement of income for the period.

If a loss on a financial asset carried at fair value (recoverable amount is below original acquisition cost) has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative net loss that had been recognised directly in equity is removed from equity and recognised in the statement of income for the period even though the financial asset has not been derecognised.

Financial liabilities

After initial recognition, the group measures all financial liabilities other than liabilities held for trading at amortised cost. Liabilities held for trading (financial liabilities acquired principally for the purpose of generating a profit from short-term fluctuations in price or dealer's margin) are subsequently measured at their fair values.

Retirement benefit costs

The group operates a defined contribution pension scheme for eligible employees. The scheme is externally administered and is funded by contributions from both the group companies and employees.

The companies in the group also contribute to the statutory National Social Security Fund. This is a defined contribution scheme registered under the National Social Security Fund Act. The companies' obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of Sh 200 per employee per month.

The companies' obligations to these schemes are recognized in the statement of income as they fall due.

Notes To The Consolidated Financial Statements (Continued)

1 ACCOUNTING POLICIES (Continued)

Provision for employee entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the statement of financial position date.

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

Group overheads
Direct costs are charged to the respective group companies while all shared group expenses are apportioned to the respective companies on the basis of turnover.

Comparatives
Where necessary, comparative figures have been amended to conform to changes in presentation in the current year.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

(i) Critical judgement's in applying the company's accounting policies
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 discussed below.

Fair values of financial instruments
The fair value of financial instruments that are not traded in an active market (for example, investments held for trading is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at each statement of financial position date.

(ii) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date that has a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Plant and Equipment
Critical estimates are made by the directors in determining depreciation rates of plant and equipment.

Impairment
At each statement of financial position date, the group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. 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.

Notes To The Consolidated Financial Statements (Continued)

2 SEGMENT REPORTING

a) Adoption of IFRS 8 Operating segments

The Group has adopted IFRS 8 Operating Segments with effect from 1 January 2009. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance. In contrast, the predecessor Standard (IAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and returns approach, with the entity's 'system of internal financial reporting to key management personnel' serving only as the starting point for the identification of such segments. As a result, following the adoption of IFRS 8, the identification of the Group's reportable segments has changed.

b) Products and services from which reportable segments derive their revenues

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

c) Segment revenues and results

The following is an analysis of the group's revenue and results for continuing operations by reportable segment.

	PUBLISHING		**BROADCASTING**	
	2009 Sh'000	**2008 Sh'000**	**2009 Sh'000**	**2008 Sh'000**
External sales	2,206,260	2,156,558	561,575	662,302
Inter-segmental sales	12,370	12,959	12,370	12,959
Other income	82,301	48,569	18,991	23,156
Expenses	(1,904,453)	(1,813,302)	(511,460)	(589,243)
Finance costs	(94,324)	(75,618)	(7,137)	(9,566)
Segment profit before taxation	302,154	329,166	74,339	99,608
Income tax expense	(90,758)	(92,867)	(22,351)	(49,715)
Profit after taxation	211,396	236,299	51,988	49,893

d) Segment assets and liabilities

	PUBLISHING		**BROADCASTING**	
	2009 Sh'000	**2008 Sh'000**	**2009 Sh'000**	**2D08 Sh'000**
Segment Assets	2,430,305	2,080,722	742,163	706,769
Segment Liabilities	1,474,105	1,492,989	96,565	124,823
Capital Expenditure	414,265	446,943	71,683	54,958
Depreciation and Amortisation expense	110,104	113,142	18,941	44,304

Notes To The Consolidated Financial Statements (Continued)

		2009 Sh'000	2008 Sh'000
3	**OTHER INCOME**		
	Printing services	46,125	-
	Sale of newspaper and magazine returns and production waste	36,176	48,570
	Sale of dubbings	639	548
	Voiceovers	-	2,327
	Leasing fees	3,646	7,205
	Others	14,706	8,083
	Write back of bad debts provision	-	4,992
		101,292	71,725
4	**OTHER (LOSSES)/GAINS**		
	Gain on disposal of plant and equipment	2,379	5,707
	Loss on assets scrapped	(7,188)	-
	Net foreign exchange loss	(52)	(492)
		(4,861)	5,215
5	**FINANCE COSTS**		
	Interest on term loans	87,206	76,665
	Interest on overdrafts	36,487	23,394
	Interest on hire purchase loans	5,570	7,801
		129,263	107,860
	Less: interest capitalised	(27,802)	(22,677)
	Interest expense	101,461	85,183
6	**PROFIT BEFORE TAXATION**		
	The profit before taxation is arrived at after charging/(crediting):		
	Depreciation	125,160	148,857
	Amortisation	3,885	8,585
	Directors' remuneration - fees	3,123	309
	- other emoluments	84,829	66,272
	Auditors' remuneration - current year	2,688	2,720
	- prior year overprovision	(252)	-
	Staff costs (note 7)	686,916	696,174
	Gain on disposal of plant and equipment	(2,379)	(5,707)
	Loss on assets scrapped	7,188	-
	*Other repairs and maintenance costs	11,616	-
	Operating leases - rental property	74,098	78,895
	Write back of bad debts provision	-	(4,992)

*Other repairs and maintenance costs relate to charges in bringing the premises at Likoni Road back to its original state before surrendering the property to its landlord. The loss on assets scrapped is the amount that has been impaired due to the movement of the group's operations from some of the floors at I & M Building in the city centre. The company moved to Standard Group Centre Limited on Mombasa Road in June 2009.

Notes To The Consolidated Financial Statements (Continued)

		2009 Sh'000	2008 Sh'000
7.	**STAFF COSTS**		
	Salaries and wages	543,653	585,543
	Pension contributions	17,908	16,851
	Staff welfare	125,355	93,780
		686,916	696,174

		2009 Sh'000	2008 Sh'000
8.	**TAXATION - GROUP**		
	a) TAXATION EXPENSE		
	Current taxation charge based on adjusted profit at 30%	3,794	23,004
	Deferred tax charge		
	- current year (note 22)	109,315	113,229
	- prior year under provision (note 22)	-	6,349
	Total deferred tax charge	109,315	119,578
	Total tax expense	113,109	142,582
	b) RECONCILIATION OF EXPECTED TAX BASED ON ACCOUNTING PROFIT TO TAXATION EXPENSE		
	Profit before taxation	376,493	428,774
	Tax at the applicable rate of 30%	112,948	128,632
	Tax effect of non-deductible costs	161	7,601
	Prior year under provision of deferred tax	-	6,349
		113,109	142,582
	c) TAXATION (RECOVERABLE)/PAYABLE		
	At beginning of the year	(157)	16,969
	Current tax charge for the year	3,794	23,004
	Tax paid in the year	(12,699)	(40,130)
	At 31 December	(9,062)	(157)
	Comprising:		
	Tax payable	-	1,808
	Tax recoverable	(9,062)	(1,965)
		(9,062)	(157)

9. **PROFIT FOR THE YEAR**

A profit of Sh 211,397,000 (2008 - profit of Sh 236,299,000) has been dealt with in the books of The Standard Group Limited.

Notes To The Consolidated Financial Statements (Continued)

10. **(a) EARNINGS PER SHARE - BASIC**

	2009 Sh'000	2008 Sh'000
Profit attributable to owners of the company - Sh '000	237,910	261,744
Shares in issue during the year	73,275,029	73,275,029
Basic earnings per share - Sh	3.25	3.57

b) EARNING PER SHARE DILUTED

Earnings used in calculation of diluted earnings per share - Sh '000	237,910	261,744
Shares in issue during the year	73,275,029	73,275,029
Shares deemed to be in issue in respect of convertible preference shares -	204,000	204,000
	73,479,029	73,479,029
Diluted earnings per share - Sh	3.24	3.56

c) DIVIDENDS PER SHARE

No dividend was paid during the year (2008 - interim dividend of Sh 1.10 per share amounting to Sh. 80,602,532).

Notes To The Consolidated Financial Statements (Continued)

11. **PROPERTY, PLANT AND EQUIPMENT**

(a) GROUP

COST	Buildings Sh'000	Plant & machinery Sh'000	Motor vehicles Sh'000	Furniture fittings & equipment Sh'000	Capital Work in Progress Sh'000	Total Sh'000
At 1 January 2008	146,870	1,210,620	109,037	262,344	-	1,728,871
Additions (note 25c)	-	197,797	48,959	21,082	190,063	457,901
Disposals	-	-	(45,470)	(3,543)	-	(49,013)
Transfer to assets held for sale (note 15)	-	(147,692)	-	-	-	(147,692)
Reclassification	(92)	-	-	92	-	-
Scrapped Assets	-	-	-	(977)	-	(977)
At 31 December 2008	146,778	1,260,725	112,526	278,998	190,063	1,989,090
At 1 January 2009	146,778	1,260,725	112,526	278,998	190,063	1,989,090
Additions (Note 25c)	58,283	15,347	13,796	15,082	316,566	419,074
Disposals	-	-	(14,915)	(229)	-	(15,144)
Reinstated from assets held for sale (Note 15)	-	50,279	-	-	-	50,279
Reclassification	234,979	150,573	-	2,372	(387,924)	-
Assets written off	-	(20,045)	-	-	-	(20,045)
At 31 December 2009	440,040	1,456,879	111,407	296,223	118,705	2,423,254
DEPRECIATION						
At 1 January 2008	245	284,162	49,229	177,368	-	511,004
Charge for the year	2,935	90,859	25,992	29,071	-	148,857
Eliminated on disposals	-	-	(29,159)	(3,269)	-	(32,428)
Transfer to assets held for sale (note 15)	-	(79,367)	-	-	-	(79,367)
Eliminated on scrapped assets	-	-	-	(977)	-	(977)
At 31 December 2008	3,180	295,654	46,062	202,193	-	547,089
At 1 January 2009	3,180	295,654	46,062	202,193	-	547,089
Charge for the year	3,032	72,670	27,070	22,388	-	125,160
Eliminated on disposals	-	-	(9,715)	(152)	-	(9,867)
Reinstated from assets held for sale (note 15)	-	10,608	-	-	-	10,608
Eliminated on write off	-	(12,857)	-	-	-	(12,857)
At 31 December 2009	6,212	366,075	63,417	224,429	-	660,133
NET BOOK VALUE						
At 31 December 2009	433,828	1,090,804	47,990	71,794	118,705	1,763,121
At 31 December 2008	143,598	965,071	66,464	76,805	190,063	1,442,001

At 31 December 2009, property, plant and equipment with cost of Sh 210,683,000 (2008 - Sh 197,897,000) were fully depreciated. The notional depreciation charge on these assets would have been Sh 62,662,000 (2008 - Sh 55,292,000).

Interest costs of Sh 27,802,000 (2008 - Sh 22,676,000) was capitalised (note 5).

Notes To The Consolidated Financial Statements (Continued)

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

During the year, management carried out a review of the working conditions of the group's plant and machinery. The review led to the write-off of assets whose total cost was Sh 20,045,000 and had carrying value of Sh 7,188,000 (note 6).

(b) COMPANY

COST	Buildings Sh'000	Plant & machinery Sh'000	Motor vehicles Sh'000	Furniture fittings & equipment Sh'000	Capital Work in Progress Sh'000	Total Sh'000
At January 2008	146,870	807,720	106,417	220,295	-	1,281,302
Additions	-	149,965	48,960	13,955	190,063	402,943
Disposals	-	-	(45,470)	(3,543)	-	(49,013)
Transfer to held for sale (note 16)	-	(147,692)	-	-	-	(147,692)
Reclassification	(92)	-	-	92	-	-
At 31 December 2008	146,778	809,993	109,907	230,799	190,063	1,487,540
At January 2009	146,778	809,993	109,907	230,799	190,063	1,487,540
Additions	-	5,498	13,796	11,530	316,566	347,390
Disposals	-	-	(14,915)	(229)	-	(15,144)
Reclassification	234,979	150,573	-	2,372	(387,924)	-
Reinstated from held for sale (note 16)	-	50,279	-	-	-	50,279
Assets written off	-	(20,045)	-	-	-	(20,045)
At 31 December 2009	381,757	996,298	108,788	244,472	118,705	1,850,020
DEPRECIATION						
At January 2008	245	125,932	46,609	148,640	-	321,426
Charge for the year	2,935	53,396	25,992	22,234	-	104,557
Eliminated on disposals	-	-	(29,159)	(3,269)		(32,428)
Transfer to held for sale (note 16)	-	(79,367)	-	-	-	(79,367)
At 31 December 2008	3,180	99,961	43,442	167,605	-	314,188
At January 2009	3,180	99,961	43,442	167,605	-	314,188
Charge for the year	2,935	57,682	27,070	18,532	-	106,219
Eliminated on disposals	-	-	(9,715)	(152)	-	(9,867)
Reisntated from held for sale (note 16)	-	10,608	-	-	-	10,608
Eliminated on write-off	-	(12,857)	-	-	-	(12,857)
At 31 December 2009	6,115	155,394	60,797	185,985	-	408,291
NET BOOK VALUE						
At 31 December 2009	375,642	840,904	47,991	58,487	118,705	1,441,729
At 31 December 2008	143,598	710,032	66,465	63,194	190,063	1,173,352

At 31 December 2009, property, plant and equipment with cost of Sh 181,925,000 (2008 - Sh 176,664,000) were fully depreciated. The notional depreciation charge on these assets would have been Sh 56,867,000 (2008 - Sh 50,806,000).

Notes To The Consolidated Financial Statements (Continued)

11. PROPERTY, PLANT AND EQUIPMENT (Continued)

Interest costs of Sh 27,802,000 (2008 - Sh 22,676,000) were capitalised (note 5).

During the year, management carried out a review of the working conditions of the group's plant and machinery. The review led to the write-off of assets whose total cost was Sh 20,045,000 and had carrying value of Sh 7,188,000.

(c) Capital work in progress

Included in the capital work in progress is Sh 111,554,000 relating to purchase of assets for FM Radio Station. The group plans to launch the radio station in the course of 2010. The radio station will be owned by the parent company, The Standard Group Limited. The radio frequency to be used will be leased from the subsidiary company, Toads Media Group Limited.

	2009 Sh'000	2008 Sh'000
12. PREPAID OPERATING LEASE RENTALS		
GROUP AND COMPANY		
COST		
At 1 January	88,000	44,000
Additions	-	44,000
At 31 December	88,000	88,000
AMORTISATION		
At 1 January	1,372	274
Charge for the year	875	1,098
At 31 December	2,247	1,372
NET BDDK VALUE		
At 31 December	85,753	86,628

The prepaid operating lease relates to leasehold land where The Standard Group Centre is located.

Notes To The Consolidated Financial Statements (Continued)

13. INTANGIBLE ASSETS

(a) GROUP

	Trademarks Sh'000	Software Sh'000	Frequency Sh'000	2009 Totals Sh'000	2008 Sh'000
COST					
At 1January	-	38,447	-	38,447	38,447
Additions	6,000	-	66,875	72,875	-
At 31 December 2009	6,000	38,447	66,875	111,322	38,447
AMORTISATION					
At 1 January	-	35,018	-	35,018	27,531
Charge for the year	-	3,010	-	3,010	7,487
At 31 December	-	38,028	-	38,028	35,018
NET BOOK VALUE					
At 31 December	6,000	419	66,875	73,294	3,429

(b) COMPANY

	Trademarks Sh'000	Software Sh'000	2009 Totals Sh'000	2008 Sh'000
COST				
At 1January	-	38,447	38,447	38,447
Additions	6,000	-	6,000	-
At 31 December 2009	6,00D	38,447	44,447	38,447
AMORTISATION				
At 1 January	-	35,018	35,018	27,531
Charge for the year	-	3,010	3,010	7,487
At 31 December	-	38,028	38,028	35,018
NET BOOK VALUE				
At 31 December	6,000	419	6,419	3,429

The group acquired the rights to distribute the Eve Brand trademark on 17 April 2009. An agreement was signed transferring full title and guaranteeing all rights, titles and interest in the publication to the group.

The group acquired radio frequencies through its subsidiary, Toads Media Group Limited.

At the end of the year, the group assessed the recoverable amounts of both its investments in trademarks and the frequency for impairment. The group used reference to their cash generating ability and assessed them as not impaired. No impairment losses have therefore been recognized in these financial statements.

Notes To The Consolidated Financial Statements (Continued)

14. INVESTMENTS

COMPANY

	Principal Activity	Shareholding %	2009 Sh'000	2008 Sh'000
a) Investment in subsidiaries (unquoted)				
The Standard Limited	Dormant	100%	3,398	3,398
Baraza Limited	Broadcasting	51%	92	92
Agency Sales and Promotion Limited	Dormant	100%	2	2
Toads Media Group Limited	Dormant	100%	66,875	-
			70,367	3,492

The investments in the subsidiaries are carried at cost.

b) Movement during the year

At the beginning of the year	3,492	3,492
Acquisition during the year	66,875	-
	70,367	3,492

The group acquired shares in Toads Media Group Limited in a transaction completed on 13 February 2009. Toads Media Limited has 10,000 shares each with a nominal value of Sh 100. Purchase considerations for the acquisition was Sh 66,875,000 (Note 14d)

c) Assets acquired at the date of Acquisition	**2009 Sh'000**	**2008 Sh '000**
Non current assets		
Intangible assets	66,875	-

The subsidiary owns radio frequency that will be in use by the Group for the radio business to be launched in 2010 (see Notes 11 & 13)

	2009 Sh'000	**2008 Sh '000**
d) Cash outflow on acquisition		
Consideration paid in cash	**66,875**	**-**

15. PLANT AND MACHINERY HELD FOR SALE

GROUP AND COMPANY

a) TRANSFERS FROM PLANT AND MACHINERY		
COST (Note 11)	147,692	147,692
Accumulated Depreciation (Note 11)	(79,367)	(79,367)
	68,325	68,325
b) DISPOSAL OF ASSET HELD FOR SALE		
COST	97,413	-
Accumulated Depreciation	(68,759)	-
	28,654	-
c) REINSTATED TO PLANT AND MACHINERY		
COST (Note 11)	50,279	-
Accumulated Depreciation (Note 11)	(10,608)	-
	39,671	-
TOTAL	-	68,325

The disposal relates to the old printing press with a net book value of Sh 29 million, which was sold as is during the year for Sh 34 million. Assets amount with a net book value of Sh 40 million were re-invested back to plant and machinery (note 11) since they will be in use by the group.

Notes To The Consolidated Financial Statements (Continued)

		2009 Sh'000	2008 Sh'000
16.	**INVENTORIES**		
	GROUP		
	Raw materials	50,965	108,173
	Consumables	56,043	51,820
	Goods in transit	29,523	96,280
	Stocks for resale	4,183	5,036
	Broadcast programmes	23,069	42,253
		163,783	303,562
	COMPANY		
	Raw materials	50,965	108,173
	Consumables	48,867	43,980
	Goods in transit	29,523	96,280
	Stocks for resale	4,184	5,036
		133,539	253,469
17.	**TRADE AND OTHER RECEIVABLES**		
	GROUP		
	Trade receivables	740,367	693,346
	Provision for doubtful receivables	(79,381)	(76,706)
		660,986	616,640
	Other receivables and prepayments	103,658	69,922
	Value Added tax (VAT) recoverable	123,448	90,070
		888,092	776,632
	COMPANY		
	Trade receivables	522,672	486,541
	Provision for doubtful receivables	(67,622)	(66,561)
		455,050	419,980
	Other receivables and prepayments	93,329	46,633
	Value Added Tax (VAT) recoverable	123,448	90,070
		671,827	556,683

Notes To The Consolidated Financial Statements (Continued)

		2009 Sh'000 Sh'000	2008 Sh'000 Sh'000
18.	**BANK AND CASH BALANCES**		
	GROUP		
	Cash in hand	2,424	782
	Bank balance	3,609	2,889
		6,033	3,671
	COMPANY		
	Cash in hand	2,234	780
	Bank balance	3,609	2,889
		5,843	3,669

19. SHARE CAPITAL

GROUP AND COMPANY

a) Ordinary shares

	2009 Sh'000	2008 Sh'000
Authorised: 103,979,600 ordinary shares of Sh 5 each	519,898	519,898
Issued and fully paid: 73,275,029 ordinary shares of Sh 5 each	366,375	366,375

b) Preference shares

	2009 Sh'000	2008 Sh'000
Authorised issued and fully paid 20,400 8% preference shares of Sh S each	102	102

The preference shares are convertible, redeemable and non cumulative.

20. NON-CONTROLLING INTERESTS

	2009 Sh'000	2008 Sh'000
At 1 January	264,154	239,706
Share of results for the year	2S,474	24,448
At 31 December	289,628	264,154

Notes To The Consolidated Financial Statements (Continued)

21. RELATED PARTY BALANCES

(a) DUE TO RELATED PARTIES

	2009 Sh'000	2008 Sh'000
GROUP		
(i) Loans		
The Standard Media Group Holdings Limited (common shareholding)	54,787	54,787
Trade World (K) Limited (shareholders)	20,240	20,240
Miller Trustees (shareholders)	40,480	40,480
	115,507	115,507
(ii) Others		
The Standrad Production Services Limited	-	4,890
Total	115,507	120,397
Balances due to related parties are repayable as follows:		
On demand and within one year	-	4,890
Between 1 and 2 years	-	-
Between 2 and 5 years	115,507	115,507
	115,507	120,397
COMPANY		
(i) Loans		
Standard Media Group Holdings Limited	54,787	54,787
Miller Trustees Limited	40,480	40,480
Trade World (K) Limited	20,240	20,240
	115,507	115,507
(ii) Others		
Baraza Limited	174,073	168,077
The Standard Limited	10,590	10,590
The Standard Production Services Limited	-	4,890
	184,663	183,557
Total	**300,170**	**299,064**

Notes To The Consolidated Financial Statements (Continued)

		2009 Sh'000	2008 Sh'000
21.	RELATED PARTY BALANCES (Continued)		
	(a)DUE TO RELATED PARTIES (Continued)		
	Company (Continued)		
	Balances due to related parties are repayable as follows:		
	On Demand and within one year	-	4,890
	Between 1 and 2 years	-	-
	Between 2 and 5 years	300,170	294,174
		300,170	299,064

The balances due to related parties are all denominated in Kenya shillings.

The loan from The Standard Media Group Holdings Limited is repayable within the next three years and is interest free. The loans from Miller Trustees and Trade World (K) Limited are repayable within the next three years and attract interest at a rate of 8%. As per agreement between the parties, no amounts are due within the next twelve months. All loans are unsecured.

The group has transactions with shareholders and companies in which directors of The Standard Group Limited are also directors (see note 28).

b) DUE FROM A GROUP COMPANY	**2009**	**2008**
Group and Company		
The Standard Production Services Limited	14,828	-

The amounts due from the group company is fully performing and are recoverable within the next 12 months

		2009 Sh'000	2008 Sh'000
22.	DEFERRED TAX		
	GROUP		
	Deferred tax assets:		
	General provisions	(9,509)	(5,402)
	Tax losses carried forward	(38,912)	(33,413)
		(48,421)	(38,815)
	Deferred tax liability:		
	Accelerated capital allowances	412,930	294,009
	Net deferred tax liability	364,509	255,194
	Movement on the deferred tax liability is as follows:		
	At 1 January	255,194	135,616
	Statement of comprehensive income charge:		
	- current year (note 8(a))	109,315	113,229
	- prior year (over)/under provision (note 8(a))	-	6,349
	At 31 December	364,509	255,194
	COMPANY		
	Deferred tax liability/(assets)		
	Accelerated capital allowances	347,003	247,932
	Tax losses carried forward	(38,912)	(33,413)
	Gratuity provision	(5,293)	(2,138)
	Leave provision	(1,666)	(2,006)
	Net deferred tax liability	301,132	210,375

Notes To The Consolidated Financial Statements (Continued)

23. BORROWINGS

GROUP

At 31 December 2009

	HP Loans Sh'000	Term loans Sh'000	Overdrafts Sh'000	Total Sh'000
CfC Stanbic Bank Limited	15,442	240,917	111,142	367,501
Kenya Commercial Bank Limited	19	-	5,014	5,033
Commercial Bank of Africa Limited	17,590	319,000	112,199	448,789
Diamond Trust Bank Kenya Limited	13,803	-	-	13,803
	46,854	559,917	228,355	835,126

At 31 December 2008

	HP Loans Sh'000	Term loans Sh'000	Overdrafts Sh'000	Total Sh'000
CfC Stanbic Bank Limited	36,905	227,609	149,456	413,970
Kenya Commercial Bank Limited	3,029	-	2,578	5,607
Commercial Bank of Africa Limited	23,279	320,510	60,995	404,784
	63,213	548,119	213,029	824,361

The borrowings are repayable as follows:

	HP Loans Sh'000	Term Loans Sh'000	Overdrafts Sh'000	2009 Total Sh'000	2008 Total Sh'000
On demand and within one year	21,374	173,943	228,355	423,672	357,094
Between 1 and 2 years	13,590	175,528	-	189,118	154,825
Between 2 and 5 years	11,890	210,446	-	222,336	312,442
	46,854	559,917	228,355	835,126	824,361
Amount due for settlement within one year	(21,374)	(173,943)	(228,355)	(423,672)	(357,094)
	25,480	385,974	-	411,454	467,267

The movement in the year was as follows

	HP Loans Sh'000	Term Loans Sh'000	Overdrafts Sh'000	2009 Total Sh'000	2008 Total Sh'000
Beginning of the year	63,213	548,119	213,029	824,361	701,783
Additions	15,000	149,000	-	164,000	211,646
Repayments	(31,359)	(137,202)	-	(168,561)	(136,599)
Movement in overdrafts	-	-	15,326	15,326	47,531
At 31 December	46,854	559,917	228,355	835,126	824,361

Notes To The Consolidated Financial Statements (Continued)

23. BORROWINGS

COMPANY

At 31 December 2009

	HP Loans Sh'000	Term loans Sh'000	Overdrafts Sh'000	Total Sh'000
CfC Stanbic Bank Limited	15,442	240,917	103,297	359,656
Kenya Commercial Bank Limited	19	-	5,014	5,033
Commercial Bank of Africa Limited	17,590	299,745	102,072	419,407
Diamond Trust Bank Kenya Limited	13,803	-	-	13,803
	46,854	540,662	210,383	797,899

At 31 December 2008

	HP Loans Sh'000	Term loans Sh'000	Overdrafts Sh'000	Total Sh'000
CfC Stanbic Bank Limited	36,905	227,609	138,017	402,531
Kenya Commercial Bank Limited	3,029	-	2,578	5,607
Commercial Bank of Africa Limited	23,279	282,805	50,892	356,976
	63,213	510,414	191,487	765,114

The borrowings are repayable as follows:

	HP Loans Sh'000	Term Loans Sh'000	Overdrafts Sh'000	2009 Total Sh'000	2008 Total Sh'000
On demand and within one year	21,374	157,381	210,383	389,138	315,431
Between 1 and 2 years	13,590	172,835	-	186,425	139,934
Between 2 and 5 years	11,890	210,446	-	222,336	309,749
	46,854	540,662	210,383	797,899	765,114
Amount due for settlement within one year	(21,374)	(157,381)	(210,383)	(389,138)	(315,431)
	25,480	383,281	-	408,761	449,683

The movement in the year was as follows

	HP Loans Sh'000	Term Loans Sh'000	Overdrafts Sh'000	2009 Total Sh'000	2008 Total Sh'000
Beginning of the year	63,213	510,414	191,487	765,114	635,085
Additions	15,000	149,000	-	164,000	211,646
Repayments	(31,359)	(118,752)	-	(150,111)	(120,735)
Movement in overdrafts	-	-	18,896	18,896	39,118
At 31 December	46,854	540,662	210,383	797,899	765,114

Notes To The Consolidated Financial Statements (Continued)

23. BORROWINGS (Continued)

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

- Joint and several all assets debenture by The Standard Limited, Baraza Limited and The Standard Group Limited in favour of the bank for Sh 130 million ranking pari passu with a debenture created by the borrower in favour of Commercial Bank of Africa Limited
- Joint and several debenture by The Standard Limited, Baraza Limited and The Standard Group Limited in favour of the bank for Sh 360 million ranking pari passu with a debenture created by the borrower in favour of Commercial Bank of Africa Limited
- First legal charge created by The Standard Group Limited to secure advances to itself and The Standard Limited and Baraza Limited for Sh 490 million over Land Reference No 209/18213, Nairobi ranking pari passu with a legal charge created over the said property in favour of Commercial Bank of Africa Limited
- Corporate guarantee and indemnity by Baraza Limited on account of The Standard Group Limited for Sh 518 million by authorising board resolution
- Corporate guarantee and indemnity by Baraza Limited on account of The Standard Limited for Sh 359 million
- A copy of undertaking from The Standard Production Services Limited that in the event of default by The Standrad Group Limited, The Standard Production Services Limited will not oppose the sale of the property LR 209/9717 Mombasa Road, Nairobi
- Inter lenders agreement dated 14 May 2007 between the bank, Commercial Bank of Africa and The Standard Limited, Baraza Limited and the Standard Group Limited.

The term loans and overdrafts for Commercial Bank of Africa Limited are secured as follows:

- Joint and several debenture charge on the assets of The Standard Group Limited to cover the amount of Sh 490 million including a supplemental legal charge over LR No 209/9717 ranking pari passu with CfC Stanbic Bank Limited
- All asset debenture over the assets of Toads Media Group Limited stamped and registered to secure Sh 110 million in favour of Commercial Bank of Africa Limited
- Corporate guarantee from Baraza Limited for Sh 490 million
- Corporate guarantees from Toads Media Group Limited in the amount of Sh 110 million.

Hire purchase loans are secured by the assets that are the subject of those loans.

The effective interest rates on the borrowings were as follows:

	HP Loans	Term loans	Overdraft
Year ended 31 December 2009	%	%	%
CfC Stanbic Bank Limited	14.75	14.75	14.75
Kenya Commercial Bank Limited	14.75	-	-
Commercial Bank of Africa Limited	13.75	15.50	14.75
Diamond Trust Bank Kenya Limited	14.00	-	-
	======	======	======
Year ended 31 December 2008			
CfC Stanbic Bank Limited	13.75	13.75	14.75
Kenya Commercial Bank Limited	14.75	-	14.75
Commercial Bank of Africa Limited	13.75	13.75	14.75
	======	======	======

Notes To The Consolidated Financial Statements (Continued)

		2009 Sh'000	2008 Sh'000
24.	**TRADE AND OTHER PAYABLES**		
	GROUP		
	Trade	248,996	284,709
	Accruals and other payables	140,148	177,036
	VAT payable	8,379	7,427
	Gratuity provision	22,616	8,037
	Leave pay provision	7,155	9,098
		427,294	486,307
	COMPANY		
	Trade	215,811	272,172
	Accruals and other payables	137,240	143,594
	Gratuity provision	17,643	6,256
	Leave pay provision	5,240	6,687
		375,934	428,709
25.	**NOTES TO THE STATEMENT OF CASH FLOWS**		
	(a) Reconciliation of profit before tax to cash generated from operations		
	Profit before tax	376,493	428,774
	Adjustments for:		
	Depreciation	125,160	148,857
	Amortisation - intengible assets	3,010	7,487
	- prepaid operating lease rentals	875	1,098
	Gain on sale of plant and equipment	(2,379)	(5,569)
	Interest expense	101,461	85,183
	Loss on scrapped assets	7,188	-
	Provision for impairment in subsidiary	-	630
	Operating profit before tax and working capital changes	611,808	666,460
	Decrease/(increase) in inventories	139,779	(154,764)
	Increase in trade and other receivables	(111,460)	(662)
	(Decrease)/increase in trade and other payables	(59,013)	51,277
	Net movement in related party balance	(19,718)	-
	Cash generated from operations	561,396	562,311
	(b) Cash and cash equivalents		
	Bank and cash balances	6,033	3,671
	Bank overdraft	(228,355)	(213,029)
		(222,322)	(209,358)
	(c) Analysisi of purchase of property and other equipment		
	Additions in the year (Note 11)	419,074	457,901
	Amounts subject of Hire Purchase Financing (Note 23)	(15,000)	(54,850)
		(404,074)	(403,051)

Notes To The Consolidated Financial Statements (Continued)

26. RETIREMENT BENEFIT OBLIGATIONS

The group contributes to a pension and provident plan established for the benefit of its employees. The pension plan is a defined contribution scheme, whereby the group matches contributions to the fund made by employees up to 5% of the employee's pensionable salary. The provident fund is a defined non-contributory scheme whereby the employer contributes Sh 300 per month for each employee.

During the year, the group expensed Sh 17,908,000 (2008 - Sh 16,851,000) in contributions payable

27. OPERATING LEASES

	2009 Sh'000	2008 Sh'000
Outstanding commitments under operating leases are as follows:		
Tenancy payable:		
Not later than one year	14,720	71,422
Between one and two years	17,930	87,047
Between two and five years	120,371	39,551
Over 5 years	271	-
	153,292	198,020
Amounts charged to statement of comprehensive income in the year in respect of operating leases	74,098	78,895

28. RELATED PARTY TRANSACTIONS

The group has transactions with shareholders and companies in which directors of The Standard Group Limited are also directors.

Intercompany transactions

	2009	2008
Transactions with:		
- The Standard Media Group Holdings Limited - loan repayment	-	1,698
- The Standard Production Services Limited – payment on behalf	19,718	-

Related parties balances not settled at year end are disclosed under note 21.

Key management compensation

	2009 Sh'000	2008 Sh'000
Salaries and other benefits	87,952	87,608
Directors' remuneration		
Non-Executive Directors' fees	3,123	309
Executive Directors' and key management	84,829	87,299
	87,952	87,608

Notes To The Consolidated Financial Statements (Continued)

		2009 Sh'000	2008 Sh'000
29.	**CAPITAL COMMITMENTS**		
	Authorised and contracted for	87,000	230,227
	Authorised but not contracted for	112,000	230,110
		199,000	460,337

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

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

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

The group has policies in place to ensure that sales are made to customers with an appropriate credit history.

Market risk

Foreign exchange risk

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities.

The exposure is minimal and the group absorbs any loses arising there from.

Price risk

The group does not hold investments that would be subject to price risk; hence this risk is not relevant.

Cash flow and fair value interest rate risk

The group has borrowings in the form of overdraft facilities and 5 year term loans with three banks namely Commercial Bank of Africa Limited and CfC Stanbic Bank Limited and Diamond Trust Bank Limited with a combined overdraft limit of Sh 240 million at rates determined by prevailing market conditions.

Credit risk

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

Notes To The Consolidated Financial Statements (Continued)

30. Credit risk (Continued)

The amount that best represents the group's maximum exposure to credit risk as at 31 December 2009 is made up as follows:

Receivables	***Fully performing Sh'000***	***Past due Sh'000***	***Impaired Sh'000***
Advertising	339,425	44,630	13,176
Circulation	17,119	1,881	30,892
Trade Debtors - PDS	39,313	12,673	23,554
Trade Debtors - Baraza	166,428	39,487	11,759
Totals	**562,315**	**98,671**	**79,381**

The amount that best represented the group's maximum exposure to credit risk as at 31 December 2008 was made up as follows:

Receivables	***Fully performing Sh'000***	***Past due Sh'000***	***Impaired Sh'000***
Advertising	253,949	59,632	28,753
Circulation	21,316	6,066	12,931
Trade Debtors - PDS	32,516	17,986	24,877
Trade Debtors - Baraza	166,680	29,980	10,145
Totals	**474,461**	**113,664**	**76,706**

The customers under the fully performing category are paying their debts as they continue trading. The default rate is low. The debt that is overdue is not impaired and continues to be paid. The credit control department is actively following this debt. In addition, the Group has bank guarantees of Sh 15.16 million as at December 2009 (2008 - Sh 15.16 million), which can be enforced in the event of customer default. Further, for Circulation, the debt is partially covered by cumulative cash deposits by Vendors and Agents.

The debt that is impaired has been fully provided for. However, debt collectors as well as the legal department are following up on the impaired debt.

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash to meet group obligations. The treasury function reviews the cash forecast monthly and determines the cash requirement. Cash generated from operations is healthy but if a heavy cash requirement is necessary there exists overdraft facilities with Commercial Bank of Africa Limited and CfC Stanbic Bank Limited with a combined limit of Sh. 220 million (2008 - Sh 140 million).

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

Notes To The Consolidated Financial Statements (Continued)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

	Less than 1 month Sh'000	*Between 1 - 3 months Sh'000*	*Between 3 - 12 months Sh'000*	**Over 1year Sh'000**	***Total*** **Sh'000**
At 31 December 2009					
Borrowings - Shareholder Loans	-	-	-	115,507	115,507
Borrowings - Bank Borrowings	-	3,732	243,172	457,458	704,362
Hire Purchase Loans	-	9,047	16,475	29,024	54,547
Overdraft Facility	228,355	-	-	-	228,355
Trade payables	91,702	83,874	73,420	-	248,976
	======	======	======	======	======
At 31 December 2008					
Borrowings - Shareholder Loans	-	-	-	115,507	115,507
Borrowings - Bank Borrowings	-	-	123,944	386,470	510,414
Hire Purchase Loans	-	9,712	20,450	33,051	63,213
Overdraft Facility	166,798	-	-	-	166,798
Trade payables	118,357	90,081	76,271	-	284,709
	======	======	======	======	======

31. CAPITAL RISK MANAGEMENT

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

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity plus net debt. The constitution of capital managed by The Standard Group Limited is as shown below:

	2009 Sh'000	**2008 Sh'000**
Share capital	366,375	366,375
Share premium	3,765	3,765
Retained earnings	601,660	363,750
Non Controlling interest	289,628	264,154
Equity	**1,261,428**	**998,044**
	=======	=======
Total borrowings	835,126	824,361
Less: cash balances	(6,033)	(3,671)
Net debt	829,093	820,690
Total capital	**2,090,521**	**1,818,734**
	=======	=======
Gearing	**40%**	**45%**
	=======	=======

Notes To The Consolidated Financial Statements (Continued)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

32. CONTINGENT LIABILITIES

i) As at 31 December 2009, the group had outstanding contingent liabilities amounting to Sh 318,808,000 (2008 - Sh 303,700 million) in respect of on-going litigation mainly relating to libel charges arising in the normal course of business. Sh 264 million (Sh 228,224,000) of the contingent liabilities have been insured while a total of Sh 65,639,000 (2008 - 81,004,000) have been provided for by the group to cover both the balance and professional legal services. Legal opinion obtained from the group's advocates by the directors show that no liability is likely to arise.

ii) Corporate guarantee and indemnity by The Standard Group Limited on account of Baraza Limited for Sh 25 million supported by authorising board resolution.

iii) Corporate guarantee from The Standard Group Limited of Sh 74 million for Baraza Limited borrowings from Commercial Bank of Africa Limited.

33. ULTIMATE HOLDING COMPANY

The ultimate holding company is SNG Holdings Limited, which is incorporated in the United Kingdom.

34. INCORPORATION

The company is domiciled and incorporated in Kenya under the Companies Act.

35. CURRENCY

The financial statements are presented in Kenya Shillings Thousands (Sh'000).

Post Balance Sheet Events

Hon Kenneth Marende signing the visitors book during the marking of The Standard Group Freedom day. Looking, from left, is the Group's Deputy Chairman and Chief Strategist, **Paul Melly**, Group Managing Director **Paul Wanyagah**, Group Finance andf Commercial Director **Sarvjeet Channa**, Group Dperations and Technical Director **John Opiyo** and Group Chief Editor **John Bundotich.**

The Standard Group Freedom Day March 2, 2010

During the fourth year to commemorate the infamous raid on the Standard Group's operations by agents of Government, it has now been decided that the date shall be transformed as the Standard Group Press Freedom Day to make this day of infamy an indelible reminder of the price of a free press. The Speaker of the National Assembly was the Chief Guest. The day is also set aside for recognising exemplary performance of journalists.

Key guests at the official launch of Radio Maisha participate in the innaugural Breakfast show at the state-of-the-art studio at the Standard Group Center. The guests include (seated) US Ambassador **Michael Ranneberger, Hon. Eng. Philip O. Okundi**, Board Chairman CCK, Permanent Secretary in the Ministry for Information And Communication, **Dr Bitange Ndemo.** Also seated is the Group's Deputy Chairman and Chief Strategist **Paul Melly** accompanied by other Group Directors.

Radio Maisha Goes Live, May 24, 2010

On May 24, 2010 the Standard Group ushered in a new family member Radio Maisha which broadcasts in Kiswahili. The radio has been received enthusiastically across of the country.

Post Balance Sheet Events

Management Changes in 2010

Paul Wanyagah, who was the Group Managing Director, left the business to pursue other interest on May 9, 2010, following the end of his predetermined four year contract and after having served the business for a total period of six years in various capacities of Commercial Director, Group Chief Operating Officer and then as Managing Director. The Board, Management and staff acknowledges the invaluable contribution he made to the business and wishes him well in his future endeavours.

Following this development, the Group has therefore made changes in senior management aimed at better leveraging management expertise and skill towards building a robust management structure to underpin future ambitious growth agenda. These changes saw the appointment of **Sarvjeet Channa**, who was the Group Finance and Commercial Director, to the new position of Group Chief Operating Officer. **Ms Zainab Mohammed** was appointed the Chief Accountant/Assistant Director. **Peter Gichui**, who was Assistant Director Creative Services was assumed the position of Assistant Director Broadcast and Creative Services.

Paul Melly, who was hitherto the Group Deputy Chairman and Strategy Adviser assumed the designation of the Group Deputy Chairman and Chief Strategist, a board position with a continuing mandate to guide management and advise the Group with respect to strategy, tactical planning and leadership while focusing on the overall big picture navigation of the business. The Group has a solid management base and expertise at all levels matching the current and future growth Agenda. The core top management positions are therefore as follows;

Paul Melly	Deputy Chairman and Chief Strategist
Sarvjeet Channa	Group Chief Operating Officer
John Opiyo	Group Operations and Technical Director
Peter Gichui	Assistant Director Broadcast and Creative Services
John Bundotich	Group Chief Editor/Assistant Director
Nelly Matheka	Assistant Director Legal, Human Resources & Administration
Lawrence Njiru	Assistant Director Commercial
Zainab Mohammed	Chief Accountant/Assistant Director

These changes are supported by several managers and a strong team of professional staff at varied levels who have shown relentless dedication witnessed by sustained growth of the business and profile of influence as a media house.

The Group has a Board mix of executive and independent directors of various expertise to provide a continued oversight and direction of the business.

Notice Of The Annual General Meeting For The Year Ended 31st December 2009

NOTICE IS HEREBY GIVEN that the Ninety Second Annual General Meeting of The Standard Group Limited will be held on Friday, August 06, 2010 at 12.00 noon at The Standard Group Centre on Mombasa Road, to transact the following business.

AGENDA

1. The Secretary to read the notice convening the meeting and confirm the presence of quorum and the fact that the meeting is not later than fifteen (15) months from the date of the last meeting in accordance with regulatory requirements.
2. Confirmation of the Minutes of the 91st Annual General Meeting held on July 16, 2009.
3. Matters arising.
4. To receive and consider the Balance Sheet and Accounts for the year ended 31st December 2009 together with the reports of the Chairman and the Directors, and the Auditors Report thereon.
5. To approve payment of dividend to the holders of 8% Preference shares for the year ended 31st December 2009 and to resolve that the said preference shares be redeemed by December 31, 2010.
6. Re-election of Directors:

6.1 In accordance with Article 69 of the Company's Articles of Association, Ms. Zehrabanu Janmohamed and Mr. Lerionka Tiampati who are Independent Directors retire by rotation and being eligible, offer themselves for re-election.

7. To approve the Directors' remuneration for the year ended 31st December 2009.
8. To approve the re-appointment of Messrs Delloite & Touche as external auditors for the year 2010 in accordance with Section 159 (2) of the Companies Act Cap 486, and to authorize the Directors to fix the auditors remuneration.
9. To consider, and if thought fit, pass the following Ordinary Resolution

   "that in view of the growth in the Group's revenue reserves and given the desire to conserve cash on account of current investment obligations and to further grant the shareholders enhanced future dividend earning capacity, the Board has recommended payment of a final scrip dividend of 50 cents per share for the year ended December 31, 2009 for which shareholders' approval is hereby sought, subject to the Capital Market Authority approval and if approved issuance of further ordinary shares."

   The detail conditions with respect to the scrip dividend option is contained in an information memorandum as a separate insert in this annual report.

10. To consider any other business that may be legally transacted at the meeting.

By Order of the Board

NMatheka

NELLY MATHEKA
COMPANY SECRETARY

Dated June 30, 2010

Note: A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote. If the member is in a corporation, the proxy shall be appointed in accordance with the Articles of the Company, or represented in accordance with Articles 63 of the Company's Articles of Association. Such a proxy need not be a member.

A proxy from is attached herewith, and if used shall be deposited with the Company Secretary not later than 48 hours before the time appointed for holding the meeting.

Further inquiries
Contact: 020-3222210

Please note: Transport will be offered to shareholders to the Standard Group Centre along Mombasa Road, the venue of the Annual General Meeting from outside I&M Bank Towers along Kenyatta Avenue as from 10.30 a.m.

Minutes Of The 91st Annual General Meeting Of The Company Held On Thursday July 16, 2009 At 12 Noon At The Standard Group Centre

PRESENT

R. Sewell	-	Chairman
P. Melly	-	Deputy Chairman/ Strategy Adviser
P. Wanyagah	-	Group Managing Director
2. Janmohamed	-	Independent Director
J. Mcfie	-	Independent Director
L. Tiampati	-	Independent Director
J. Opiyo	-	Group Operations & Technical Director
S. Channa	-	Group Finance and Commercial Director

IN ATTENDANCE

N. Matheka	-	Group Company Secretary (Secretary)

SHAREHOLDERS

1. George Ochanda Oyugi
2. Elly Ochieng Samba
3. Marie Njambi Zakayo
4. Jesi Mburu Mungai
5. Charles Maganga Omumbwa
6. Aaron Mwatha Mwangi
7. Anish Amritlal Shah
8. Timothy Dkello Matolo
9. Dunstan Dmuya Machoka
10. John Nduati Njuguna
11. David Oduor Oludhe
12. Mwangi Gikungu
13. Ames Muthubi Gitau & Mrs Marynjeri Kabugi
14. Jeremiah Ottaro Dwich
15. Jotham Kangara Gakuo
16. Joseph Mute Mbwiria Gitumah
17. Godfrey Kamau Kimani
18. Charles Kinuthia Kamande
19. Daniel Kimotho Muchiri
20. John Githinji Maina,Joseph Kariuki
21. Adan 5heikh Hussein
22. John Nyakundi Obaga
23. Charles Ndeda Manera
24. Christopher Wanda Ambeba
25. Stephen Mbugua Muthandi
26. Mr Colin Clive Day & 507323 Miss Joyce Kathleen Baynham
27. John Githinji Maina
28. Mary Wambui Gacuruba
29. Mary Wanjiku Karume
30. Harris Kipkoech
31. Peter Mwangi Mukuria
32. Mansukhlal Jamnadas Morjaria
33. Wambugu Munyiri
34. Wambugu Munyiri
35. James Ngotho Njoroge
36. James Mburu Karwinu
37. Cyrus Otieno Ong'udi
38. Joseph Thangwa Miringu
39. Nairobi Nominees Ltd A/C Johnkihanya Njehia
40. Arthur Kibinu Karanja
41. Bachulal Karsandas Vashramkaria
42. Lata Himatlal & Himatlal lakhamshi Shah
43. Dianah Sambo Mwakina
44. Peter Kinyanjui Mwangi
45. Muchohi Mary Wangui & Omuyadunstan Machoka
46. George Kibugi Waruingi
47. Lucy Nyambura Mwaura Gichimbiri
48. Alois Wafula Chami
49. Jones Nthuku Ndundu
50. George Njuguna Chui
51. Stephen Njuguna Waweru
52. Fredrick Ndungu Githinji
53. Deborah Birech Kuruna
54. Hunderson D. Njuku Mwazo
55. Isaac Thumbi Gichuha
56. Josephine Nyamoita Moseti
57. Sabastian Elex Dngola
58. Cosmas Mulwa Malombe
59. Kennedy Irungu Mwangi
60. Wambui Maina
61. Peter Muhoho Ngotho
62. William Mugane Njuguna
63. Joseph Amwoma Otuke
64. Esther Nyokabi Kanyi
65. Francis Kamenwa Chege
66. Rossebell Wambui Waiyaki

Minutes Of The 91st Annual General Meeting Of The Company Held On Thursday July 16, 2009 At 12 Noon At The Standard Group Centre

67. Elizabeth Martha Nyaberi
68. William Douglas Thuku Waweru
69. Lucy Wainoi Wanyoike
70. George Mbugua Ndirangu
71. James Kimani Chege
72. Evans Ezekiel Otieno Oludhe
73. Joyce Karimi Thuranira
74. Peter Chege Karua
75. Daniel Kiragu Mathenge
76. Grace Menge
77. Samuel Mwangi Wanjuu
78. Monica Wanjiku Gachihi
79. Moses Kariuki Mwangi
80. Albanus Kioko Wambua
81. Benjamin Wabiria Mburu
82. Marion Wanjiku
83. Cyka Enterprises
84. Raphael Karina Kamotho
85. Enoch Mureithi
86. Emmanuel Mwambulla Mwalagho
87. Samwel Kebu Magwaro
88. William Francis Kinuthia Daniel Ngugi
89. Andrew Murunga Taboso
90. Alexander Gichuhi Wanjiku
91. Samuel Gatuha Watata
92. Haron Nyangore Biyogo
93. Nthike Christene
94. Sudhir Harilal Shah & Anjana Devi Sudhir Shah
95. Sudhir Harilal Shah
96. Titus Evans Egesa Okello
97. Titus Evans Egesa Okello
98. Lawrence Kipserem Sawe
99. Charles Kiilu Enea
100. John Kimotho Kinakai
101. Patrick Ngui Mutua
102. John Mungai Muritu
103. Dominic Kamami Ngigi
104. Jenipher Amuyunzu
105. Nancy Wanjiru Karanja
106. Evelyne Jendeka Zeyazi
107. Peter Murigu Maina
108. Peter Hwai Kungu
109. Joseph Kuria Gitau
110. Cleophas Ojwang Adede
111. Florence Wamaitha Thuo
112. Henry Njonge Muranga
113. Silvia Kathambi Murithi
114. Silvia Kathambi Murithi
115. Johnson Thuo Mbugua
116. Eunice Waithira Kihara
117. Silveria Kaari Kamau
118. Shem Wanjohi Muchiri
119. Mary Muthoni Kinyanjui
120. Charles J.Njoroge Muriuki
121. Peter Macharia Nganga
122. Reginah Gathoni Gathiaka
123. Patricia Wambui Njuguna
124. Joseph Ndungu Kamau
125. Victor Manwa Orare
126. Michael Ndiang'ui Kagunda
127. Joseph Magondu Gitonga
128. Wilfred Otieno Wanyanga, Nixon Odhiambo Amolo
129. Peter Mungai Kimani,Jamesngaruiya Karuu
130. Fidelis Gathoni Mbugua
131. Paul Thumbi Mwangi
132. Gladys Wanjiku Mwangi
133. Wilfred Otieno Wanyanga
134. Martin Ndiba Waweru
135. Francis Patrick Nyegenye Addikah
136. Ann Makungu Karani
137. Levi Otieno Ouma
138. Julius Andafu Maina
139. Julius Andafu Maina
140. Zipporah Wangari Mwangi
141. S.N.G Holdings Limited
142. Miriam Wanjiru Wainaina
143. Stephen Wainaina Kibuthu
144. Stanley J. Kariuki Githaiga
145. Trade World Kenya Limited
146. Trade World Kenya Limited
147. Miller Trustees Limited
148. Oyoo Were Olonde
149. Jack Ndung'u Ndirangu
150. Anne Njeri Kamiti

Minutes Of The 91st Annual General Meeting Of The Company Held On Thursday July 16, 2009 At 12 Noon At The Standard Group Centre

151. Ernest Irungu Mukuha
152. Odiyo Onyango Awuor
153. Alice Wanjiru Ndungi
154. Paul Gituhi Kaburia
155. Gerald Chege Gichamba
156. Peter Gachiri Nduati Mwangi
157. Grace Wangui Kiarie
158. Brigit Njoki Muruu
159. Margaret Waithira Njoroge
160. Bahati Kabura Khadija
161. Daniel Njoroge Kiarie
162. Lilian Wanjiku Gitau
163. Grace Nyambura Ragga
164. Francis Oduor Ouma
165. Chao Patience Menya
166. Albert Barack Owuor Yamo
167. Wellington Mutuku Mbondo
168. Rose Wanjiru Mwangi
169. Allan Ngari Nduru
170. Regina Wangui Muruu
171. Prime Acceptances
172. Musa Kiptum Komen
173. Miriam Wairimu Nyindo
174. Amos Kimani
175. James Kamande Chege
176. Michael Muriithi Githinji
177. Caroline Wanjiru Ndungi
178. Dalmar Trustees Limited
179. Zackaria Wanyeki Kamau
180. Ainea Sangili Vanegehiza
181. Jervasio Kithaka Mbogo
182. Joseph Ombati Mosaremo
183. Esther Njiri Otieno
184. Margaret Muriuki & James GMuriuki
185. Amina Mohamed Khamis
186. Barcode Global Standards One(Ea) Limited
187. Avenue Cyber Cafe Limited
188. Muchiri Kinyanjui
189. Alexander Matelu Andabwa
190. Fred Ogolla Osong
191. Mukoyami Richard Lipesa
192. Ephantus Kamwitha Ngarega
193. Charles Kabui Njoroge
194. Caroline Jessica Asamba
195. Feriam Catering Services
196. Rose Elizabeth Okumu Awuor
197. Aurelia Wambui Waiganjo
198. Francis Nyauma Ondieki
199. Elizabeth Gathoni Karanja
200. James Gatoru Kamande
201. Geoffrey Bethuel Maoga
202. Elizabeth Njeri Muruo
203. Miss Ruth A. Oludhe
204. James Waigwa Gathathu
205. Hezron Bogonko Machuki
206. Isaac Mwangi Macharia
207. Charles Mutinda Ndolo
208. Nicholas Ogoja Juma
209. Grace W. Kiarie
210. Mohamed Ashfaque
211. Bernard Cheruiyot Langat
212. Bonface Misiani Nyaribo
213. John Mbithi Munuve
214. Damaris Evangeline Ayodo
215. Moses Gichuru Ndiritu
216. Catherine Karambu Githinji
217. Joyce Ngina Gacheru
218. Stephen Nzioka Ndeti
219. Oamaris Rose Njeri Watitu

61 proxies of 66,047,051 shares were received by the Company.

MIN. 01/2009: CONFIRMATION OF PREVIOUS MINUTES
Mr. Alois Achami proposed and Mr. Timothy Matolo seconded the confirmation of the minutes of the previous Annual General Meeting held on July 16, 2008 at the Panari Hotel.

MIN. 02/2009: MATTERS ARISING
There was no matter arising

MIN. 03/2009: FINANCIAL PERFORMANCE AND STRATEGIC INITIATIVES.
The meeting was informed by the Group Finance and Commercial Director that the annual turnover for the Group had increased to Kshs.2.8 Billion up from2.6 Billion in the financial year ended

December 31, 2007. He added that the company had registered an 18.6% growth in pre-tax profits. Members also learnt that the balance sheet had strengthened further with the total assets closing at Kshs. 2.68 Billion in 2008 compared to Kshs. 2.20 Billion in 2007.

Concerning the Group's strategic initiatives, the meeting was informed by the Deputy Chairman and Strategy Adviser that the company's financial base had been consolidated and the market capitalization exceeded Kshs. 3.5 million according to the latest market results. He added that in an endeavour to transform itself into a multimedia house, the Group had acquired a radio station which was expected to go on air before the end of 2009. On the Minority acquisition of Baraza Limited by Standard Group Limited was deferred pending further negotiations. Further more, the meeting was informed that the Group was also looking towards tapping into the emerging area of online business.

MIN. 04/2009: DIRECTORS REPORTS AND ACCOUNTS

The Chairman's, Directors' and the Auditor's accounts for the year ended 31st December 2008 were taken as read. After lengthy deliberations, Mr. Himatlal Shah proposed that the accounts be approved and Mr. Alois Chami seconded. The motion to approve the accounts was then carried unanimously.

MIN. 05/2009: PAYMENT OF DIVIDENDS TO HOLDERS OF 8% PREFERENCE SHARES

Following a proposal by Mr. Alois Chami and seconded by Mr. Himatlal Shah it was unanimously resolved that the payment of dividend to the holders of 8% preference shares for the year ended 31st December 2008 be and is hereby approved.

MIN. 06/2009: RE-ELECTION OF DIRECTORS

Mr. Alois Chami proposed and seconded by Mr. Jeremiah Ottaro. It was resolved that the following be and are hereby re-elected to the board;

Robin Sewell - Director & Chairman
Paul Melly - Director & Deputy Chairman & Strategy Advisor

MIN. 07/2009: DIRECTORS FEES

Mr. Samuel Kebu proposed and seconded by Mr. Mbeke Ndimba. It was resolved that Directors' remuneration for the year ended 31st December 2008 be and hereby approved.

MIN. 08/2009: APPOINTMENT OF AUDITORS

Mr. Jamnadas Morjaria proposed and seconded by Mr. Aaron Mwangi It was resolved that the present Auditors, Messrs Deloitte and Touche continue in office. In accordance with Section 159(2) of the Companies Act Cap 486, the Directors are authorised to fix their remuneration.

MIN. 09/2009: ANY OTHER BUSINESS

The Members congratulated the Board for the results and hoped that profitability will continue.

Meeting ended at 1pm with lunch.

CHAIRMAN
DATE:

PROXY FORM

FOR THE 12-MONTH PERIOD ENDED 31ST DECEMBER 2009

THE STANDARD GROUP LIMITED

I/We ____

of ____ being member(s) of the

above named Company appoint ____

of ____________________________________ or failing him ____________________

____________________________________ of ____________________________________

to vote for me/us on my/our behalf at the eighty ninth Annual General Meeting of the said Company to be held on friday, August 6, 2010 at 12.00 p.m. and at any adjournment thereof.

Signed ____

______________________ day of ______________ 2010

Signature ______________________________

A member entitled to attend and vote at this meeting to appoint a proxy who need not be a member.

N.B. This Form of proxy must be deposited at the Registered Office, Standard Group Center, P.O. Box 30080, Nairobi, not less than 48 hours before the appointment time for the holding of the meeting.