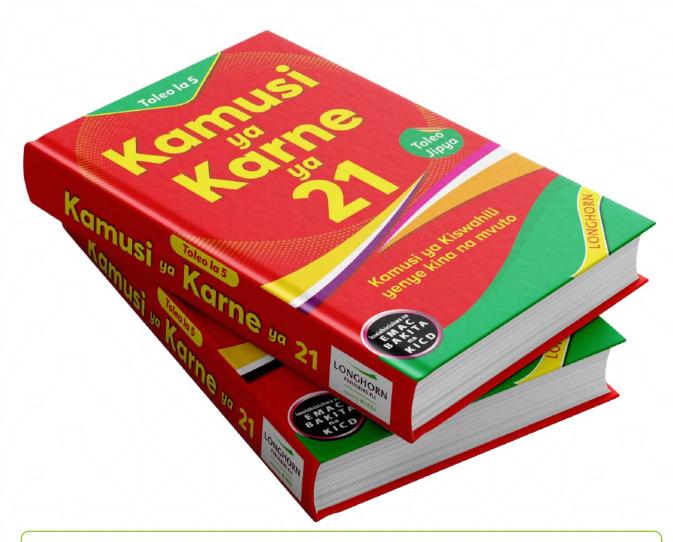


Habari Mpya! Toleo jipya la Kamusi ya Karne ya 21 sasa linapatikana!



- Shirika la uchapishaji la Longhorn lina furaha kuwataarifu kuwa toleo la 5 la Kamusi ya Karne ya 21 limezinduliwa! Kamusi hii imeboreshwa kwa vidahizo vipya vyenye maelezo yaliyosanifiwa.
- Kuna istilahi za kisasa kuhusu tiba, utawala, sayansi, elimu, dini pamoja na teknolojia ya habari na mawasiliano.
- Kamusi hii ni nyenzo muhimu kwa mwanafunzi, mwalimu au yeyote anayejivunia lugha na kuienzi lugha ya Kiswahili.



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About this Report



This annual report for the year ended 30 June 2024 provides a comprehensive review of the year's accomplishments, challenges, and developments in our journey as a leading book publisher. This report serves as a reflection on our commitment to producing high-quality publications that inspire, inform, and captivate our readers. In an era where stories transcend pages to foster connections and fuel curiosity, we continue to adapt and innovate to meet the needs of our readers and authors alike.



In today's interconnected and dynamic world, transparency and accountability are essential to building trust with stakeholders. This report represents our commitment to these principles, providing stakeholders with a comprehensive view of our operations, financial health, and forward-looking initiatives. We aim to convey not only our results but the principles and priorities that guide us as we adapt, innovate, and grow in response to new opportunities and challenges.



About Us



OUR PURPOSE

Expanding minds



OUR VISION

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



OUR MISSION

To enrich lives through knowledge.



OUR VALUES

Integrity, Innovation, Professionalism, Get it done



HOW WE WILL GET THERE

Collaboration, Innovation, Fast execution and Customer first



OUR IDENTITY

Content creators and platform business provider

SUSTAINABLE GALS DEVELOPMENT GALS



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



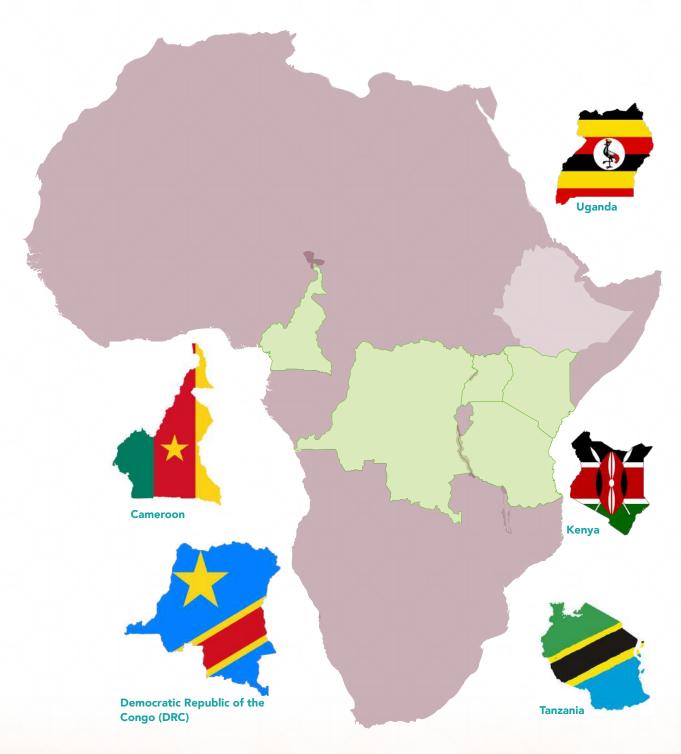


We guarantee that learners can access curriculum and non-academic titles through our technologies and partners.

About us

Where we operate

The Group operates in **5** markets with established subsidiaries in **Kenya**, **Uganda**, **Tanzania**, **Democratic Republic of the Congo (DRC)** and **Cameroon**.



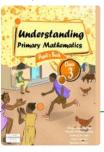
Regional Markets

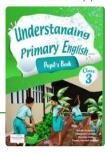


Longhorn Cameroon

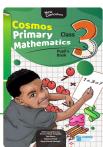
In line with our strategy of geographic diversification, we registered the entity in Yaounde, Cameroon

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









Longhorn Congo SARL

Longhorn Congo SARL was established in August 2022.

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















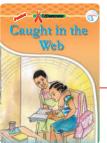
Regional Markets

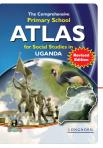


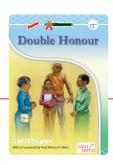
Longhorn Publishers Uganda

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

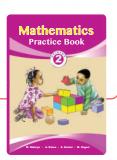
The team is dedicated to the creation and distribution of high-quality books and have established Longhorn Uganda as a reputable name in the industry.









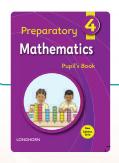


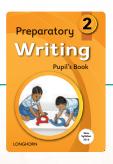
Longhorn Publishers Tanzania

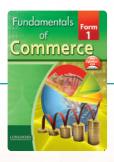
After the successful launch and establishment of Longhorn Publishers Uganda, in 2005 Longhorn Publishers Tanzania was opened. The entity is situated in Dar es Salaam, Tanzania and has extensive range of publications that cater to a diverse audience.

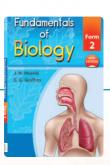
Our team consists of passionate professionals who bring a wealth of experience in the publishing industry and their expertise drives the success of the company.

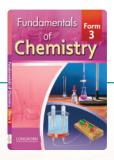












Road Map

1965

ESTABLISHMENT

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



UGANDA

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

2005

TANZANIA

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

NAIROBI SECURITIES EXCHANGE

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



2018

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

DIVERSIFICATION

2016

DIGITAL LEARNING AND LAWAFRICA

Introduced digital content to the Kenyan market

Acquired LawAfrica Publishing Limited



Present Day

enriching lives through knowledge. We continue on our journey of





Launched Publishing Services



PLATFORMS

Launched mybidhaa

Registered entities in

EXPANSION TO CENTRAL AFRICA

2020

Republic of Congo

Cameroon and Democratic

Business Model



CREATING VALUE FOR OUR STAKEHOLDERS

Our consumers

We develop user friendly, high-quality and curriculum-based learning and teaching materials t increase knowledge for the Learners and guide Teachers on planning and preparing for lessor We work together with the teachers and/or educators to improve the learning outcomes.



We also produce books that reflect local cultures, languages, and histories will resonate mor deeply with readers with are available in print and digital formats.

Our customers

We appreciate that our customers are the most important part of our existence. Through our customer feedback strategies, we are able to improve the quality of academic and non-academic products and services.



Our people

We recognise that people are the key to the success of our business, and we value them by offering competitive benefits, continuous training and development, and workplace. We have four pillars that drive the mindset of our teams – customer first, innovation, fast execution and collaboration.



Government and regulators

We collaborate with various government entities in the regions we have a presence to provide textbooks, learning materials, and curricula that align with national education goals. We endeavor to uphold the set standards by the regulatory bodies in our business operations.



We ensure compliance with local laws regarding copyright, censorship, and intellectual property rights.

Our investors We focus on building

We focus on building a sustainable business model that balances profitability with impact. This includes exploring revenue diversification through international sales, partnerships, and digital transformation to ensure resilience in an often unpredictable market.



Our suppliers

We have effective, personalised, and long-term partnerships with our suppliers in order to maintain profitability and drive efficiencies.



Our communities

Education is an integral part of a community and Longhorn resonates with this as our mission is to enrich lives through knowledge. We have partnered with various NGOs to increase access to learning and teaching materials to learners and teachers countrywide.



Longhorn Strategy

Strategic Objectives

Financial



Revenue Growth



Capital efficiency and return on investment (RoI)



Risk management and financial stability



Unlocking digital valuation



Enhance shareholder value

Non-financial



People and culture transformation



Digital transformation



Stronger brand



Africa-wide presence



Customer-centric

How we will get there





Culture Transformation

- Innovation
- Customer first
- Fast Execution
- Collaboration





- Enhance customer experience and engagement
- Customer retention
- Brand positioning and differentiation
- Digital channels and social media





Digital-first Business

- Innovation
- eLearning (Kalamu, Elimu pepe)
- eBooks (LawAfrica, LH eBooks)
- Platform as a service (Mybidhaa, Somo)





Sustainable financial model

- Increase revenue streams and diversification
- Cost structure optimization
- Risk management and financial KPIs
- Capital structure and financing





Regional **Diversification**

- Government business and relationships
- Partnerships
- New markets
- Existing markets –

- growth opportunities



Longhorn Language Services

Call us today for professional language services



Accurate and professional language services.



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





WHY CHOOSE US?

Competent and specialized translators and interpreters

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



Quality Services

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

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

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



Management Process

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

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



Quality control and assurance

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

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



Confidentiality

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

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

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



For more information, please contact us at:



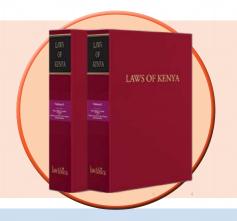
languageservice@longhornpublishers.com majuoga@longhornpublishers.com





Statutes

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



Accelerating growth through strategic partnerships

"If you want to go fast, go alone. If you want to go far, go together" – African Proverb (Burkina Faso)

In our quest to remain the regional giant in legal and paralegal publishing, we have placed emphasis on consolidating key partnerships and creating new ones across the Business to Business (B2B) market.

As a result of our initiatives, we recorded a 24% growth in revenues for the financial year ended 30^{th} June 2022, where the LawAfrica team managed to cross-sell and upsell to both new and existing key business partners.



Electronic Division

The platforms available are Online Law Reports and an eBookstore.

Online Law Reports

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

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

eBookstore

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



Please visit our website www.lawafrica.com for more information

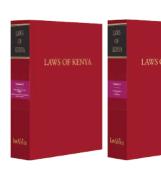
lawAfrica

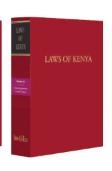
LAWS OF KENYA











THE EAST AFRICA LAW REPORTS













THE EAST AFRICA PROTECTORATE LAW REPORTS













THE EAST AFRICA COURT OF APPEAL REPORTS













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t: 0797 734 012 | w: www.lawafrica.com | e: info@lawafrica.com



2024 has been a pivotal year for LoHo Learning, marked by substantial growth, innovation, and success in delivering transformative digital education solutions. As we reflect on the milestones achieved this year, it's clear that our commitment to advancing education technology is driving meaningful change.

Growth in Customer Base and Market Reach

This year saw a significant expansion in our customer base as more schools and individual learners embraced our digital tools. Our solutions are now reaching a broader audience, with increased adoption in schools across various regions. We're proud to report strong growth in both B2C and B2B channels, with a continued focus on delivering high-quality digital learning experiences.

Our product demos, led by our regional teams, have played a critical role in showcasing the power of interactive digital learning. Learners, educators, and parents have responded enthusiastically to our engaging content and the positive impact it's having in classrooms.

Expanding Our Reach and Impact

We expanded our reach across key regions, with a focus on increasing adoption of our digital learning solutions. Our dedicated teams have conducted product demonstrations in schools, allowing educators and learners to experience first-hand the transformative power of our tools. These demonstrations have been instrumental in driving growth and awareness of LoHo Learning's solutions, resulting in a broader customer base and increased market penetration.



Commitment to Educator Empowerment

At LoHo Learning, we believe that empowering teachers is key to ensuring the successful implementation of digital learning. In 2024, we provided extensive training programs aimed at helping educators develop the digital skills they need to effectively use our tools. These training sessions covered everything from ICT readiness to innovative teaching methodologies, ensuring that teachers are well-prepared to lead their classrooms into the digital

NEW PRODUCTS

LoHo TV

LoHo TV is a comprehensive video bank that offers a wide range of educational content designed to enhance digital learning for learners and educators. With a focus on delivering quality, curriculum-aligned video lessons, LoHo TV provides interactive and engaging material across various subjects and grade levels. It caters to learners by offering visual and audio-based resources that promote deeper understanding, while also supporting teachers with easy-to-access teaching aids. LoHo TV's content is accessible via multiple platforms, ensuring that education is available to all, anytime and anywhere, furthering LoHo Learning's mission of inclusive and innovative education.

eSharah

eSharah is a plug-in designed to enhance accessibility for Deaf and Hard of Hearing (DHH) individuals by translating written content into Kenya Sign Language (KSL). It leverages Al technology along with human-based interpretations to ensure accuracy, capturing essential facial expressions and body movements crucial to KSL. eSharah seamlessly integrates into digital platforms, allowing users to access content in sign language, thereby promoting inclusivity and improving communication for DHH individuals in educational settings and beyond. Its goal is to bridge the communication gap and ensure that digital content is accessible to everyone, regardless of hearing ability.

FUTURE OUTLOOK

The future of digital transformation in education is very promising, driven by continued advancements in technology, increased accessibility, and shifts in educational needs and preferences.

Elimu Pepe



Are you a CBC Educator, Learner, or Parent looking to enhance ICT competencies across all learning areas?

In partnership with Safaricom, Longhorn Publishers and LoHo Learning, Elimu Pepe offers digitised, KICD-aligned educational content designed for both private and public schools. Access core curriculum resources on Tablets, Laptops, Desktops and Mobile Phones.



For just **KES 2,000**, you can unlock e-textbooks, storybooks, educational videos, games, reference materials and revision resources worth up to **KES 50,000!**



Whether you're an educator seeking teacher's guides or a parent shopping for your child's textbooks, Elimu Pepe offers a one-stop solution that is convenient and affordable.



Don't miss out on these amazing savings—start your digital learning journey with us today!

FOR MORE DETAILS ON DIGITAL LEARNING:

Contact Us Toll-Free: 0800 7 222 66

WhatsApp: **0797 349 396**







Environmental, Social and Governance (ESG)

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

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

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



Environmental Stewardship



1.1 Overview

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



1.2 Statement on Climate Change

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



1.3 Energy & Water Consumption and Efficiency

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



1.4 Waste management

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

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

Environmental, Social and Governance (ESG)



2.1. Overview

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

2.2. Compensation and Benefits

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

2.3. Culture, Engagement and Growth

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

2.4. Health and Safety

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

2.5. Diversity and Inclusion

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

2.6. Community Engagement

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

2.7. Support for human rights and labour laws

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



Governance

3.1. Overview

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

3.2. Corporate Governance and Transparency

3.2.1. Corporate Governance

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

3.2.2. Transparency

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

3.3. Ethical business practices

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

Risk Management

Introduction

Risk management is a fundamental aspect of our business strategy. The dynamic and evolving nature of the publishing industry requires continuous monitoring, assessment, and management of various risks that may impact our operations, financial performance, and strategic objectives. This report outlines our risk management framework, identifies key risks, and provides insights into how these risks are managed to safeguard shareholder value.

Risk Management Framework

Our risk management approach is designed to identify, evaluate, and mitigate risks across all levels of the organisation. The Board of Directors, through the Audit and Risk Committee, provides oversight of the risk management process, ensuring alignment with our corporate strategy and regulatory compliance. The framework is guided by the following principles:

- Risk Identification: Continuous identification of risks through market analysis, internal audits, and stakeholder feedback.
- 2. Risk Assessment: Evaluating risks based on their potential financial, operational, and reputational impact on the business.
- 3. Risk Mitigation: Implementing strategies to minimize, transfer, or eliminate risks where possible.
- 4. Risk Monitoring: Regularly reviewing risk exposure and the effectiveness of mitigation strategies through quarterly assessments.

RISK MANAGEMENT STRUCTURE

Tool and methodologies, Standards, policy and Procedures

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

Board

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

accomplishes this by:

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

Senior Management

The senior management team is primarily responsible for managing business risks and designing and implementing an effective system of internal control which includes but is not limited to appropriate organization structures, effective policies, processes and procedures, adequate information flows, ideal culture, ethics and behavior, suitable people, skills and competencies and a reliable information technology infrastructure.

Risk Management

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

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

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

Internal Audit

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

Risk Management

Key Risk Areas and Mitigation Strategies

- 1. Market Dynamics and Consumer Preferences
 - Risk: Shifts in reader preferences, technological advancements, and increased competition from digital content providers may affect demand for traditional print books.
 - Mitigation: We continuously diversify our product portfolio, including eLearning and eBooks platforms. Market research and analytics help us stay informed about emerging trends, allowing us to tailor our offerings to meet changing consumer demands.
- 2. Intellectual Property Rights and Copyright Infringement
 - Risk: Copyright infringement and piracy pose significant threats to the publishing industry, potentially leading to revenue loss and brand damage.
 - Mitigation: We employ stringent legal measures to protect our intellectual property. Additionally, we collaborate with Kenya Publishers Association, Kopiken Kenya to combat piracy and unauthorized distribution of our content.
- 3. Technological Disruption
 - Risk: Rapid technological changes in the publishing sector, including self-publishing platforms and digital distribution, may challenge traditional publishing models.
 - **Mitigation:** Our strategic investments in digital platforms and launch of our eCommerce platform, MyBidhaa, position us to capitalize on the market. We also explore opportunities in Al-driven content creation and marketing to enhance operational efficiency and market reach.
- 4. Supply Chain and Production Risks
 - Risk: Disruptions in the supply chain, including paper shortages, printing delays, and logistical challenges, can impact the timely delivery of products to customers.
 - Mitigation: To minimize supply chain risks, we maintain diversified supplier relationships and adopt flexible production strategies.

- 5. Regulatory and Compliance Risks
 - Risk: The publishing industry is subject to various regulatory requirements, including data protection and censorship laws in certain regions, which could restrict our ability to operate or expose us to penalties.
 - Mitigation: Regular legal and compliance audits are conducted, and employee training programs are in place to raise awareness of legal obligations.
- 6. Financial Risks
 - Risk: Currency fluctuations, interest rate changes, and macroeconomic conditions may adversely impact our financial performance.
 - **Mitigation:** Diversifying our revenue streams across markets also helps cushion against economic downturns in specific regions.
- 7. Talent Acquisition and Retention
 - Risk: The ability to attract and retain skilled employees, authors, illustrators, designers and other publishing professionals is crucial to maintaining our competitive edge.
 - Mitigation: We foster a culture of innovation, offering competitive compensation packages, and a collaborative work environment to retain top talent.

Emerging Risks and Opportunities

The publishing industry is rapidly evolving, and with it, new risks and opportunities are emerging. We are proactively monitoring trends such as artificial intelligence in content creation, blockchain for copyright protection, and the growing role of social media in book promotion. Our risk management approach is adaptive, allowing us to pivot quickly in response to these changes.

We are committed to maintaining a robust risk management framework that protects shareholder interests while enabling us to pursue strategic growth opportunities. By anticipating and addressing potential risks, we ensure the long-term sustainability of our business and the continued delivery of value to our shareholders.



We are proactively monitoring trends such as artificial intelligence in content creation, blockchain for copyright protection, and the growing role of social media in book promotion.





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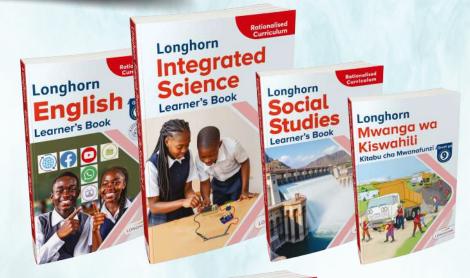
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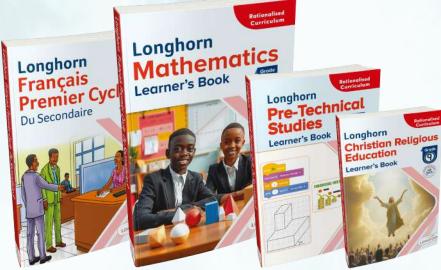
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Group Chairman's Statement



am pleased to report that Longhorn Publishers PLC has delivered an improved performance in the past year, with revenue growth of KShs 450 million, representing 42% growth compared to the previous year. This reflects our ongoing commitment to excellence and innovation in the publishing industry. Despite a challenging global environment, we have continued to adapt and thrive, staying true to our strategic objectives and long-term vision.

Strategic Direction

Our strategy remains focused on customer centricity, digital-first business, regaining market leadership, diversifying our portfolio, expanding digital platforms, and growing our Africa footprint while maintaining the highest standards of content quality. The evolving landscape of the publishing industry presents both challenges and opportunities. By leveraging data-driven insights and embracing new technologies, we have successfully reached new audiences and delivered compelling content across multiple formats whether in print or digital.

We have also deepened our relationships with our stakeholders, ensuring that we remain at the forefront of the creative and intellectual space. Innovation and agility remain core to our strategy, allowing us to respond swiftly to market shifts while continually investing in areas that drive long-term growth.

ESG Commitment

At Longhorn, our commitment to Environmental, Social, and Governance (ESG) principles is fundamental. We recognise that the future of publishing, like all industries, depends on sustainable practices. As part of our environmental efforts, we continue to increase the use of sustainable materials in our production processes.

Socially, we are dedicated to fostering a diverse and inclusive workforce, ensuring that our company reflects the world in which we operate. Through various community initiatives, we are giving back to the societies, whether through literacy initiatives or partnerships with NGOs and educational institutions.

Governance remains a cornerstone of our approach, with strong oversight and transparency ensuring that we meet the expectations of all stakeholders.

Our People

Longhorners are our greatest asset, and their creativity, dedication, and passion drive our success. We are committed to creating an inclusive and supportive workplace culture where everyone feels valued and empowered to contribute to the company's goals.

Our team's resilience and adaptability have been critical in navigating an unpredictable business environment, and their unwavering commitment ensures that we remain competitive and innovative.



Innovation and agility remain core to our strategy, allowing us to respond swiftly to market shifts while continually investing in areas that drive long-term growth.

Group Chairman's Statement

Creating Value for Stakeholders

Our overarching goal is to create long-term value for all our stakeholders. For our shareholders, we continue to pursue profitable growth and prudent financial management, ensuring strong returns on investment. For our customers, we are committed to producing world-class content that informs, inspires, and expands minds. For our authors and creative partners, we strive to offer the best platform to bring their voices to life.

Board Changes

Mrs Truphosa Kwaka-Sumba retired from the Longhorn Board after serving for 9 years. During this period, she was a member of the Nominations, Governance and Human Resource and Operations & Strategy Committees. Her dedication and unwavering commitment to our mission have been commendable. On behalf of the entire Board, I would like to express our sincere gratitude to Mrs Truphosa Kwaka-Sumba for her exceptional service.

Future Outlook

Looking ahead, we remain confident in our ability to capitalize on new opportunities while upholding our values of creativity, integrity, and sustainability.

Together with my fellow Board members, we shall continue to work closely with our leadership team and all stakeholders to ensure the continued success of the company, as we build on our vision to be the number one provider of innovative learning solutions in Africa.

I would like to thank our shareholders for their continued trust, our employees for their dedication, and all our stakeholders for their ongoing support. Together, we will continue to build a future where Longhorn Publishers PLC thrives as a leading force in the world of publishing.



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

Kauli ya Mwenyekiti



ina furaha kuripoti kwamba Longhorn Publishers PLC imetoa matokeo yaliyoboreshwa katika mwaka uliopita, na ukuaji wa mapato wa Kshs milioni 450, ukiwakilisha ukuaji wa asilimia 42 ikilinganishwa na mwaka uliopita. Hii inaonyesha kujitolea kwetu katika ubora na uvumbuzi katika tasnia ya uchapishaji. Licha ya mazingira magumu ya kimataifa, tumeendelea kubadilika na kustawi, tukiwa dhabiti kwa malengo yetu ya kimkakati na maono ya muda mrefu.

Mwelekeo wa Kimkakati

Mkakati wetu unasalia kulenga umakini wa wateja, biashara ya kwanza ya kidijitali, kurejesha uongozi wa soko, kubadilisha potifolio yetu, kupanua mifumo ya kidijitali, na kukuza udhabiti wetu wa Afrika huku tukidumisha viwango vya juu zaidi vya ubora wa yaliyomo. Mazingira yanayokua ya tasnia ya uchapishaji yanatoa changamoto pamoja na fursa. Kwa kutumia maarifa yanayotokana na data na kukumbatia teknolojia mpya, tumefanikiwa kufikia hadhira mpya na kuwasilisha yaliyomo yanayovutia katika miundo mingi iwe ya kuchapishwa au ya kidijitali.

Tumeimarisha pia mahusiano yetu na washikadau wetu, na kuhakikisha kwamba tunasalia kuwa mstari wa mbele katika nafasi ya ubunifu na usomi. Ubunifu na wepesi unasalia kuwa msingi wa mkakati wetu, unaoturuhusu kujibu kwa upesi mabadiliko ya soko huku tukiendelea kuwekeza katika maeneo ambayo yanaendeleza ukuaji wa muda mrefu.

Kujitolea kwa ESG

Huku Longhorn, kujitolea kwetu kwa kanuni za Mazingira, Kijamii na Utawala (Environmental Social and Governance) ni muhimu sana. Tunatambua kwamba mustakabali wa uchapishaji, kama katika sekta zote, unategemea mbinu endelevu. Kama sehemu ya juhudi zetu za mazingira, tunaendelea kuzidisha matumizi ya nyenzo endelevu katika michakato yetu ya uzalishaji.

Kijamii, tumejitolea kuwakuza wafanyakazi tofauti na waliojumuishwa, ili kuhakikisha kuwa kampuni yetu inaakisi ulimwengu tunamofanya kazi. Kupitia kwa mipango mbalimbali ya jamii, tunarudisha kwa jamii, iwe kupitia kwa mipango ya kusoma na kuandika au ushirikiano na NGOs na taasisi za kielimu.

Utawala unasalia kuwa msingi wa mtazamo wetu, kwa uangalizi thabiti na uwazi ili kuhakikisha kwamba tunakidhi matarajio ya washikadau wote.

Watu Wetu

WanaLonghorn ndio nyenzo yetu kuu, na ubunifu wao, kujitolea kwao, na shauku yao huendeleza mafanikio yetu. Tumejitolea kuunda utamaduni unaojumuisha na kuunga mkono mahali pa kazi ambapo kila mtu anahisi kuthaminiwa na kuwezeshwa kuchangia malengo ya kampuni.



Ubunifu na wepesi unasalia kuwa msingi wa mkakati wetu, unaoturuhusu kujibu kwa upesi mabadiliko ya soko huku tukiendelea kuwekeza katika maeneo ambayo yanaendeleza ukuaji wa muda mrefu.

Kauli ya Mwenyekiti

Uthabiti na uwezo wa kubadilika wa timu yetu umekuwa muhimu katika kupenya kwenye mazingira ya biashara yasiyotabirika, na kujitolea kwao bila kuyumbayumba kunahakikisha kwamba tunasalia kuwa washindani na wabunifu.

Kuunda thamani kwa washikadau

Lengo letu kuu ni kuunda thamani ya kudumu kwa washikadau wetu wote. Kwa wanahisa wetu, tunaendelea kufuatilia ukuaji wenye faida na usimamizi wa fedha wenye busara, ili kuhakikisha faida kubwa kwa uwekezaji. Kwa wateja wetu, tumejitolea katika kutoa kazi za kiwango cha kimataifa ambazo zinafahamisha, kuhamasisha na kupanua mawazo. Kwa waandishi na washirika wetu wabunifu, tunajitahidi kuwa na jukwaa bora zaidi ili kuzipa sauti zao uhai.

Mabadiliko ya Bodi

Bi. Truphosa Kwaka-Sumba alistaafu kutoka kwa Bodi ya Longhorn baada ya kuhudumu kwa miaka 9. Katika kipindi hiki, alikuwa mjumbe wa Kamati za Uteuzi, Utawala na Rasilimali Watu na Uendeshaji na Mikakati. Kujitolea kwake kwa dhati bila kuyumbayumba kwa ajili ya wito wetu kumekuwa jambo la kupongezwa sana. Kwa niaba ya Bodi nzima, ningependa kutoa shukrani zetu za dhati kwa Bi. Truphosa Kwaka-Sumba kwa huduma yake ya kipekee.

Mtazamo wa siku za Baadaye

Kwa kutazama mbele, tunasalia na uhakika katika uwezo wetu wa kushabikia fursa mpya huku tukizingatia maadili yetu ya ubunifu, uadilifu na uendelevu.

Pamoja na wajumbe wenzangu wa Bodi, tutaendelea kufanya kazi kwa ukaribu sana na timu yetu ya uongozi pamoja na washikadau wote ili kuhakikisha kuwepo kwa mafanikio endelevu ya kampuni, tunapoyajenga maono yetu ya kuwa mtoaji nambari moja wa masuluhisho yaliyo bunifu ya kujifunza barani Afrika.

Ningependa kuwashukuru wanahisa wetu kwa kuendelea kutuamini, wafanyakazi wetu kwa kujitolea kwao, na washikadau wetu wote kwa msaada wao unaoendelea. Kwa pamoja, tutaendelea kujenga mustakabali ambapo Longhorn Publishers PLC itastawi kama kishawishi kikuu katika ulimwengu wa uchapishaji.

January S.

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

Group Managing Director/ CEO's Statement



We have embarked on a new strategic period where the focus will be on regaining market dominance and growing our Edtech portfolio in all our markets and returns to shareholders.

Y 2024 marked a year of significant progress and recovery for our company. Despite challenging market conditions, including the high cost of doing business, reduced consumer demand, rising interest rates, evolving educational curricula and political interruptions, we achieved notable improvements in our financial performance, positioning us well for future growth.

In 2024, our revenue grew by KShs 450 million, representing a 42% increase compared to the previous year. This is a testament to the strength of our products and the resilience of our teams in adapting to a dynamic marketplace. Additionally, we made substantial strides in optimising our operational efficiency, reducing operating expenses by 36%. These savings played a critical role in enhancing our profitability.

A key highlight of the year was the improvement in our operating profit, which, excluding provisions and impairment losses related to curriculum changes, grew by 176% to KShs 165 million from a prior-year operating loss of KShs 217 million. This remarkable turnaround was driven by our renewed focus on cost management, strategic investments in high-potential areas, and enthusiasm on improving profitability without compromising quality.

However, like many businesses, we faced headwinds from macroeconomic factors. The sharp increase in interest rates led to a 12% rise in our finance costs, despite our efforts to reduce borrowings by 16%. These pressures, alongside provisions linked to curriculum changes, impacted our bottom line, resulting in a loss after tax of KShs 237 million. While this is still a loss, it represents a significant improvement compared to the KShs 571 million loss in the prior year.

Strategic Focus and Digital Transformation

We have embarked on a new strategic period where the focus will be on regaining market dominance and growing our Edtech portfolio in all our markets and returns to shareholders. Following the spin-out of our digital business through Longhorn Digital Ventures, we have seen tremendous progress in our first start-up, LoHo Learning, which has already secured key partnerships with major Telecommunication service providers.

With innovations already in place in the areas of interactive textbooks, games, science simulations and teacher dashboard which track learner engagement, we are on course to unveil a new era of learning in the region. Further innovations in Artificial Intelligence are also on course to enhance its adaptive learning capabilities.

Our digital solutions will continue to work hand in hand with approved textbooks which remain a core part of learning. Following the revision in the textbooks from PP1 to G6, we anticipate a more stable period which will enable us focus on market growth with textbooks that will have a much longer shelf life. The significant partnerships secured and successes in market penetration in the year for both our print and digital businesses put us well on course to achieve our long-term strategic objectives.

Our Culture and Values

At the heart of our success is our dedicated and talented team. This year has been a testament to our collective commitment to our core pillars: innovation, putting our customers first, fast execution, and collaboration. These principles continue to define who we are, how we work, and how we grow.

Group Managing Director/ CEO's Statement

Our Stakeholders

Our strong relationships with stakeholders, including authors, educators, customers, suppliers, partners, and investors, remain key to our success. We are grateful for the trust and support of our partners, which has been instrumental in achieving our goals. We remain committed to strengthening these partnerships as we continue to grow and evolve.

Dividend

Despite the significant improvement in performance, the board does not recommend payment of a dividend this year. This decision is based on the need to ensure that the business channels its returns on reducing its debt levels which will in turn reduce finance costs that have shrunk shareholder returns. Further, the business still needs to continue investing in the new curriculum grades 10 to 12 which are critical to ensure long-term business survival.

Looking Ahead

We are optimistic about the opportunities that lie ahead. We will continue to focus on strengthening our core business while exploring new revenue streams in digital publishing, education technology, and content distribution. The changes in the curriculum, while challenging in the short term, also present us with opportunities to create new content and resources that meet the evolving needs of learners and educators.

We anticipate the macroeconomic environment will continue to present challenges, particularly in terms of interest rates and borrowing costs. However, we are confident that our strong financial management and cost discipline will enable us to navigate these pressures successfully.

In closing, I would like to extend my gratitude to our dedicated employees, customers, partners, and shareholders for their continued support and trust. Together, we are charting a course toward a brighter and more prosperous future.

Maxwell Wahome

Group Managing Director/CEO

Kauli ya Mkurugenzi Mkuu



Tumeanza
kipindi kipya cha
kimkakati ambapo
lengo litakuwa
kurejesha udhibiti
wa soko na kukuza
Teknolojia yetu
ya Elimu katika
masoko yetu
yote na faida kwa
wanahisa.

waka wa Fedha wa 2024 uliadhimisha mwaka wa maendeleo na ahueni kubwa kwa kampuni yetu. Licha ya hali ngumu za soko, ikiwa ni pamoja na gharama kubwa za kufanya biashara, kupungua kwa mahitaji ya watumiaji, kuongezeka kwa viwango vya riba, kubadilishwa kwa mitaala ya elimu na usumbufu wa kisiasa, tumepata viwango vikubwa vya uboreshaji katika utendaji wetu wa kifedha, kutuweka katika nafasi nzuri ya ukuaji wa baadaye.

Mwaka wa 2024, mapato yetu yaliongezeka kwa Shillingi milioni 450, ikimaanisha ongezeko la asilimia 42 ikilinganishwa na mwaka uliopita. Huu ni ushuhuda wa uwezo wa bidhaa zetu na uthabiti wa timu zetu katika kukabiliana na soko linalobadilika. Zaidi ya hayo, tulipiga hatua kubwa katika kuboresha ufanisi wetu wa kufanya kazi na kupunguza gharama za uendeshaji kwa asilimia 36. Uokoaji huu ulichangia pakubwa katika kuimarisha faida yetu.

Kivutio kikuu cha mwaka huu kilikuwa kuboreshwa kwa faida yetu ya uendeshaji, ambayo, bila kujumuisha masharti na hasara ya uharibifu inayohusiana na mabadiliko ya mtaala, ilikua kwa asilimia 176 hadi Shillingi milioni 165 kutoka hasara ya mwaka iliyotangulia ya Shillingi milioni 217. Mabadiliko haya ya ajabu yalichochewa na mtazamo wetu mpya wa usimamizi wa gharama, uwekezaji wa kimkakati katika maeneo yenye uwezekano wa juu na shauku ya kuboresha faida bila kuathiri ubora.

Hata hivyo, kama biashara nyingi, tulikabiliwa na misukosuko kutokana na sababu za kiuchumi. Kuongezeka kwa kasi kwa viwango vya riba kulisababisha ongezeko la asilimia 12 katika gharama zetu za kifedha, licha ya juhudi zetu za kupunguza mikopo kwa asilimia 16. Shinikizo hizi, pamoja na masharti yanayohusiana na mabadiliko ya mtaala, ziliathiri msingi wetu na kusababisha hasara baada ya ushuru ya Shilingi milioni 237. Ingawa hii bado ni hasara, inawakilisha uboreshaji mkubwa ikilinganishwa na hasara ya Shillingi milioni 571 katika mwaka uliopita.

Uzingatiaji wa Kimkakati na Mabadiliko ya Kidijitali

Tumeanza kipindi kipya cha kimkakati ambapo lengo litakuwa kurejesha udhibiti wa soko na kukuza Teknolojia yetu ya Elimu katika masoko yetu yote na faida kwa wanahisa. Kufuatia mabadiliko ya biashara yetu ya kidijitali kupitia Longhorn Digital Ventures, tumeona maendeleo makubwa katika biashara yetu ndogo ya kwanza, LoHo Learning, ambayo tayari imepata ushirikiano muhimu kutoka kwa watoa huduma wakuu wa Teknolojia ya Mawasiliano.

Pamoja na ubunifu uliowekwa katika maeneo ya vitabu shirikishi vya kiada, michezo, uigaji wa sayansi na dashibodi ya walimu ambayo hufuatilia ushiriki wa wanafunzi, tuko mbioni kuzindua enzi mpya ya kujifunza katika eneo hili. Uvumbuzi zaidi katika tasnia ya Akiliunde pia uko kwenye mkondo ili kuboresha uwezo wake wa kujifunza unaobadilika.

Suluhu zetu za kidijitali zitaendelea kufanya kazi bega kwa bega na vitabu vya kiada vilivyoidhinishwa ambavyo vinasalia kuwa sehemu ya msingi ya kujifunza. Kufuatia marekebisho katika vitabu vya PP1 hadi Gredi ya 6, tunatarajia kipindi thabiti zaidi ambacho kitatuwezesha kuzingatia ukuaji wa soko na vitabu vya masomo ambavyo vitakuwa na kipindi kirefu zaidi cha kusomwa. Ushirikiano muhimu uliopatikana na mafanikio katika kupenya kwenye soko mwaka huu kwa biashara zetu za uchapishaji na kidijitali hutuweka katika nafasi nzuri ya kufikia malengo yetu ya kimkakati ya muda mrefu.

Kauli ya Mkurugenzi Mkuu

Utamaduni na Maadili yetu

Kiini cha mafanikio yetu ni timu yetu iliyojitolea na yenye vipaji. Mwaka huu umekuwa ushuhuda wa kujitolea kwetu kwa pamoja kwa nguzo zetu kuu: uvumbuzi, kuwapa wateja wetu kipaumbele, utekelezaji wa haraka na ushirikiano. Kanuni hizi zinaendelea kufafanua sisi ni nani, jinsi tunavyofanya kazi na jinsi tunavyokua.

Washikadau Wetu

Uhusiano wetu dhabiti na washikadau, wakiwemo waandishi, walimu, wateja, wasambazaji, washirika na wawekezaji, bado ni muhimu kwa mafanikio yetu. Tunashukuru kwa uaminifu na msaada wa washirika wetu, ambao umekuwa muhimu katika kufikia malengo yetu. Bado tunajitolea kuimarisha ushirikiano huu tunapoendelea kukua na kubadilika.

Mgawo wa Hisa

Licha ya uboreshaji mkubwa katika utendakazi, bodi haipendekezi malipo ya mgawo wa hisa mwaka huu. Uamuzi huu unatokana na hitaji la kuhakikisha kuwa biashara inaelekeza mapato yake katika kupunguza viwango vya madeni ambayo nayo yatapunguza gharama za kifedha ambazo zimepunguza mapato ya washikadau. Zaidi ya hayo, biashara bado inahitaji kuendelea kuwekeza katika mtaala mpya wa gredi ya 10 hadi ya 12 ambao ni muhimu ili kuhakikisha kuwepo kwa biashara kwa muda mrefu.

Siku Zijazo

Tuna matumaini kuhusu fursa zilizo katika siku zijazo. Tutaendelea kuangazia kuimarisha biashara yetu kuu huku tukichunguza vyanzo vipya vya mapato katika uchapishaji wa kidijitali, teknolojia ya elimu na usambazaji wa maudhui. Mabadiliko katika mtaala, ingawa yana changamoto katika muda mfupi, pia yanatupa fursa za kuunda maudhui mapya na nyenzo zinazokidhi mahitaji yanayobadilika ya wanafunzi na walimu.

Tunatazamia mazingira ya kiuchumi yataendelea kuwa na changamoto, hasa katika suala la viwango vya riba na gharama za kukopa. Hata hivyo, tuna uhakika kwamba usimamizi wetu thabiti wa fedha na utaratibu unaofaa wa gharama utatuwezesha kukabiliana na shinikizo hizi kwa mafanikio.

Kwa kutamatisha, ningependa kutoa shukrani zangu kwa wafanyakazi wetu waliojitolea, wateja, washirika na washikadau kwa kuendelea kutuunga mkono na kutuamini. Pamoja, tunatayarisha njia kwa ajili ya mustakabali mzuri na wenye mafanikio zaidi.

Maxwell Wahome Mkurugenzi Mkuu

Board of Directors



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

Board of Directors



Maxwell Wahome

Group Managing Director



Dr Shikoh Gitau

Director (Non-Executive, Independent)



Thomas Omondi

Director (Non-Executive)



Fred Murimi
Director (Non-Executive)



Emma Miloyo
Director (Non-Executive, Independent)



Ali Hussein Kassim

Director (Non-Executive)



Muigai Githu

Director (Non-Executive)



Dancan Irungu

Director (Non-Executive, Independent)



Enid Muriuki
Company Secretary

Management Team



Maxwell Wahome

Group Managing Director



Michael Mwaura

Chief Finance and Operations Officer



Patricia Mganda

Publishing Manager

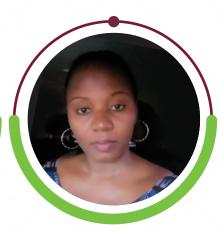


Charles Sseruwu

Country Manager, Uganda



Keziah Waiganjo Senior HR Business Partner



Anna Mlaki
Country Manager, Tanzania



Sonny-Mattieu

Country Manager, DRC



Nzume Elango
Country Manager, Cameroon

Corporate Governance Statement

1. Introduction

At Longhorn Publishers PLC, we are dedicated to fostering long-term value for our stakeholders through the highest standards of corporate governance, ethics, and social responsibility. We believe that a solid governance framework not only reflects our core values but also ensures that we maintain a transparent and accountable relationship with all our stakeholders, including shareholders, regulatory bodies, employees, customers, suppliers, and the wider community.

Our governance philosophy goes beyond mere regulatory adherence. We are committed to embedding corporate governance principles throughout our operations, fostering a culture of transparency, accountability, and integrity. Through this, we aim to protect shareholder interests, uphold ethical standards, and drive sustainable value creation across all levels of our business.

2. Board of Directors

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

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

Longhorn continues to adhere to core governance principles that have propelled our growth and leadership in the publishing industry:-



Fairness: We are committed to ensuring that all stakeholders—including employees, shareholders, customers, and partners—are treated equitably and with respect.



Accountability: The Board takes responsibility for overseeing Longhorn's strategic direction and for providing clear, balanced, and timely information to stakeholders.



Responsibility: The Board accepts full responsibility for overseeing the management of the company's affairs, ensuring that all actions are aligned with Longhorn's strategic goals.



Transparency: We ensure that stakeholders are fully informed of Longhorn's activities, strategies, and potential risks through accurate, timely, and comprehensive disclosures.



Sustainability: The Board emphasizes environmental, social, and governance (ESG) principles in all our operations, ensuring that Longhorn conducts its business with meaningful regard for sustainability.

Corporate Governance Statement

3. Board Charter and Committees' Charters

The Board Charter outlines the governance parameters within which the Board operates, setting out the specific responsibilities to be discharged by the directors both collectively and individually. These include areas such as board structure, roles, responsibilities, and operational protocols to ensure effective governance.

Each Board Committee operates under a specific charter, with clearly defined mandates to ensure that their oversight functions are carried out effectively. This delegation of authority ensures accountability while supporting efficient decision-making.

4. Board Roles and Responsibilities

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

- define and chart out the Company's vision, mission and values taking cognizance that the Board has ultimate responsibility for the attainment of the Company's objectives;
- determine the business strategies and plans that underpin the corporate strategy;
- discuss and approve strategic plans and annual budgets;
- monitor management's implementation of the strategic plans and financial objectives as defined by the Board;
- define levels of materiality, reserving specific powers to itself and delegating other matters, with the necessary written authority, to management;
- continually monitor the exercise of delegated power by management;
- ensure that a comprehensive system of policies and procedures is in place and that appropriate governance structures exist to ensure the smooth, efficient and prudent stewardship of the Company;
- ensure that the business of the Company is managed with a view to ensuring that the Company is ethical in all its dealings and exercises corporate social responsibility;

- ensure compliance by the Company with all relevant laws and regulations, audit and accounting principles, and such other principles as may be established by the Board from time to time;
- identify key risks, opportunities and strengths relating to the Company;
- ensure that the Company's organizational structure and capability are appropriate for implementing the chosen strategies;
- set policies on internal control and obtain regular assurance that the internal control system is functioning effectively and is effective in managing risks;
- Nominate for appointment Board members who will add value to the Company;
- appoint the Group Managing Director, Heads of Departments, External Auditors, Company Secretary and other key consultants;
- review and approve annual audited accounts and related reports;
- communicate key policies and strategy issues to senior management;
- identify all stakeholders and ensure effective management of engagements with the stakeholders.

5. Board Composition

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

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



The Board Charter outlines the governance parameters within which the Board operates, setting out the specific responsibilities to be discharged by the directors both collectively and individually.

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

Name of Director	Nationality	Description	Date of appointment
Hon Francis T Nyammo	Kenyan	Non-Executive	01/07/1977
Centum Investment Company PLC	Body Corporate	-	22/02/2008
Mr Ali Hussein Kassim	Kenyan	Non-Executive	01/03/2014
Mr Muigai Githu	Kenyan	Non-Executive	20/08/2015
Mr Fred Murimi	Kenyan	Non-Executive	21/04/2017
Mr Maxwell Wahome	Kenyan	Executive – Group Managing Director	04/09/2018
Ms Emma Miloyo	Kenyan	Independent Non-Executive	01/04/2020
Dr Dancan Irungu	Kenyan	Independent Non-Executive	18/05/2023
Mr Thomas Omondi	Kenyan	Alternate Director to Centum Investment Company PLC Investment Company PLC	01/05/2022
Dr Shikoh Gitau	Kenyan	Independent Non-Executive	15/03/2024

^{*}Truphosa Kwaka Sumba retired as a director with effect from 15th March 2024

6. Board Operations

The Board meets at least once every quarter and holds additional meetings as needed to address emerging issues. The Board operates under a well-structured Annual Work Plan, which ensures that all aspects of governance and performance oversight are covered comprehensively.

Directors receive timely and regular updates on the company's operations and performance, enabling them to scrutinize and guide the company's strategic direction effectively. Additionally, new directors undergo a structured induction process, ensuring they are well-versed with the company's business and governance practices.

A summary of attendance at Board meetings held in the course of the financial year 2023/2024 is shown below:-

Director	31 August 2023	30 October 2023	29 November 2023	22 February 2024	13 June 2024
F T Nyammo (Board Chairman)	$\sqrt{}$	$\sqrt{}$	J	$\sqrt{}$	$\sqrt{}$
M Wahome	$\sqrt{}$	\checkmark	\checkmark	\checkmark	\checkmark
T Kwaka-Sumba*	$\sqrt{}$	$\sqrt{}$	\checkmark	$\sqrt{}$	-
Centum Investment Company PLC (Represented by T Omondi)	J	\checkmark	\checkmark	J	\checkmark
A K Hussein	$\sqrt{}$	\checkmark	\checkmark	-	-
M Githu	J	-	-	\checkmark	$\sqrt{}$
F Murimi	-	$\sqrt{}$	\checkmark	\checkmark	$\sqrt{}$
E Miloyo	J	$\sqrt{}$	\checkmark	\checkmark	$\sqrt{}$
D Irungu	\checkmark	\checkmark	\checkmark	\checkmark	\checkmark
S Gitau**	-	-	-	-	\checkmark

^{*}Truphosa Kwaka Sumba retired as a director with effect from 15th March 2024

^{**} Dr Shikoh Gitau was appointed with effect from 15 March 2024

The Group Managing Director ensures that non-executive directors receive reports and information on a quarterly basis, or on a more regular basis if warranted, which enables them to scrutinize the Company's operations and performance. Directors may also suggest items for discussion at meetings as well as request additional information or a briefing on any topic prior to meetings.

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

7. Committees of the Board

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

The Board has constituted three standing committees as follows:-



7.1 Board Audit and Risk Committee

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

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



Dr Shikoh Gitau **Member**



Emma Miloyo **Member**



Fred Murimi Member

The Audit and Risk Committee currently has four members, three of whom are independent non-executive directors. A summary of attendance at the Audit & Risk Committee meetings held in the course of the year is shown below:-

Member	31 August 2023	26 October 2023	26 January 2024	10 May 2024
D Irungu (Chair)	-	J	V	\checkmark
A K Hussein*	J	\checkmark	\checkmark	-
F Murimi	-	-	\checkmark	\checkmark
T Kwaka-Sumba**	J	-	-	-
E Miloyo	J	J	-	-
S Gitau***	-	-	-	-

^{*} A K Hussein ceased being a member of the Committee effective 15th March 2024.

7.2 Operations and Strategy Committee

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

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



Thomas Omondi Member



Ali Hussein Kassim Muigai Githu Member



Member



Dr Shikoh Gitau Member



Emma Miloyo Member



Dancan Irungu Member



^{**}Truphosa Kwaka Sumba resigned as a director with effect from 15th March 2024.

^{***} Shikoh Gitau was appointed as a director with effect from 15th March 2024

The Committee is comprised of six (6) members, three of whom are independent non-executive directors.

A summary of attendance at the Operations and Strategy Committee meetings held in the course of the financial year 2023/2024 is indicated below:-

Director	19 July 2023	25 October 2023	24 January 2024	10 May 2024	13 June 2024
F Murimi (Chair)	$\sqrt{}$	\checkmark	\checkmark	\checkmark	\checkmark
Centum Investment Company PLC (Represented by T Omondi)	J	J	√	J	$\sqrt{}$
A K Hussein	$\sqrt{}$	-	\checkmark	\checkmark	-
M Githu	$\sqrt{}$	-	\checkmark	-	-
E Miloyo *	-	-	-	\checkmark	\checkmark
S Gitau *	-	-	-	-	\checkmark
D Irungu*	-	-	-	-	\checkmark

^{*} E Miloyo, S Gitau and D Irungu were appointed in the Operations and Strategy Committee in the course of the year FY 2023/24 following a reconstitution of the Committee.

7.3 Nominations, Governance and Human Resources Committee

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

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



Truphosa Kwaka-Sumba

Chairperson

Fred Murimi Member



Ali Hussein Kassim Member



Emma Miloyo **Member**



Muigai Githu **Member**



Dancan Irungu Member

The Nominations, Governance and Human Resource Committee has five non-executive directors.

A summary of attendance at the Nominations, Governance and Human Resources Committee meetings held in the course of the financial year 2023/2024 is indicated below:-

Member	20 July 2023	26 October 2023	8 February 2024
T Kwaka-Sumba* (Chair)	\checkmark	$\sqrt{}$	V
A K Hussein	\checkmark	-	$\sqrt{}$
F Murimi	\checkmark	$\sqrt{}$	$\sqrt{}$
M Githu	\checkmark	$\sqrt{}$	V
E Miloyo	\checkmark	-	$\sqrt{}$
D Irungu	\checkmark	$\sqrt{}$	$\sqrt{}$

^{*}Truphosa Kwaka Sumba retired from the Board of Directors with effect from 15th March 2024.

8. Separation of oversight and managing roles

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

9. Company Secretary

The Company Secretary plays a pivotal role in supporting the Board by ensuring compliance with statutory and regulatory requirements. The Secretary ensures the effective flow of information between the Board and Management, facilitates Board inductions, and maintains formal records of Board discussions and decisions. The Secretary also ensures that the company complies with corporate governance best practices.

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

10. Board Policies

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

10.1 Conflict of Interest Policy

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

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

The Board ensures that business transactions are conducted at arm's length.

10.2 Anti-Bribery and Corruption Policy

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

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

10.3 Whistle Blowing Policy

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

10.4 Board Recruitment and Remuneration Policy

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

10.5 Communication Policy

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

10.6 Stakeholders Engagement and Management Policy

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

10.7 Environmental Social and Governance Policy

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

10.8 Data Privacy Policy

In accordance with the Data Protection Act, the Board established a Data Privacy Policy that governs how the Company and its subsidiaries collects, uses, and discloses personal data. Personal data in this context means information relating to an identified or identifiable natural person.

11. Communication with Shareholders

Longhorn is committed to ensuring that shareholders, investors, and the financial markets are provided with appropriate and timely information about its performance. This is achieved through the release of our half-year and

annual results in the local press, distribution of annual reports and holding of investor and other briefings.

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

12. Board Induction and Development

New directors receive a comprehensive induction to familiarize them with Longhorn's business, governance structure, and industry dynamics. Continuous professional development is provided to all directors, ensuring they are equipped to perform their roles effectively and contribute to the success of the company. The induction training for newly appointed Directors was held in April 2024.

13. Board Performance Evaluation

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

The Board members normally undertake an evaluation of their performance as a Board on an annual basis and a Board Evaluation Report is compiled with an action plan from the resulting recommendations. The Board Evaluation Report is tabled at a Board meeting and areas of improvement are highlighted in an action plan whose implementation is tracked through the Board Committees. The Board in October 2024 engaged an Independent Consultant to undertake an evaluation of the performance of the Board for the financial year ended 30 June 2024.

14. Principal Activity

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

15. Compliance

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

Compliance Audits: During the period under review, Longhorn was granted exemption by the CMA from undertaking the governance audit and independent Legal and Compliance Audit for the year ending 30 June 2024. An internal Legal and Compliance Audit was conducted for the year ending 30 June 2024.

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

16. Going Concern

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

17. Capital Structure

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

18. Top Ten Shareholders as at 30 June 2024

No.	Name of Shareholder	No. of Shares	%
1	Stanbic Nominees Ltd A/C R98301	164,014,078	60.20%
2	Pacific Futures and Options Limited	35,011,750	12.85%
3	Francis Thombe Nyammo	16,018,000	5.88%
4	Halifax Capital Corporation Limited	13,643,768	5.01%
5	Kamami Investments Limited	3,114,050	1.14%
6	Gurbir Singh Amrik Singh Heer	1,713,900	0.63%
7	Mrs Jane Kaari Mugiri (Deceased)	1,513,600	0.56%
8	Charles Esonga Onduso	1,504,194	0.55%
9	George Ireri Mbaabu	1,500,000	0.55%
10	Kestrel Capital Nominees Limited A/c 8	1,479,400	0.54%
11	Others	32,927,733	12.09%
Total Issu	ed Shares	272,440,473	100.00%

19. Directors' shareholding

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

- * Centum Investment Company Plc has a beneficial interest in 164,014,078 shares (60.2%) held by Stanbic Nominees Ltd A/c R98301.
- ** Hon. Francis Thombe Nyammo has a beneficial interest 35,011,750 shares (12.85%) held by Pacific Futures and Options Limited.
 - It is highlighted that Muigai Githu has a beneficial interest in Halifax Capital Corporation Limited which holds 13,643,768 shares (5.01%) in the Company.

20. Distribution of shareholders as at 30 June 2024

	No. of shareholders	No. of shares	%
Less than 500	1,539	266,814	0.10%
501 – 1,000	353	298,379	0.11%
1,001 – 5,000	631	1,640,971	0.60%
5,001 – 10,000	226	1,681,214	0.62%
10,001 – 50,000	241	5,439,898	2.00%
50,001 – 100,000	36	2,605,179	0.96%
100,001 – 500,000	28	6,747,908	2.48%
500,001 – 1,000,000	6	4,076,150	1.50%
Above 1,000,000	18	249,683,960	91.65%
Totals	3,078	272,440,473	100.00%

21. Shareholder Rights

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

22. Conclusion

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

By order of the Board

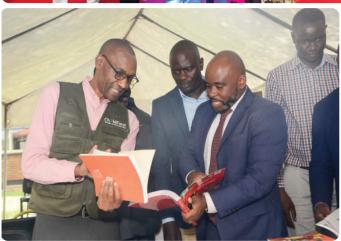


F T Nyammo Chairman of the Board Longhorn Publishers PLC

Date: 10 September 2024



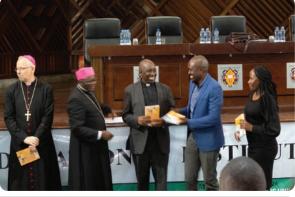
















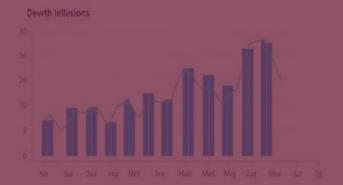


Financials

For the year ended 30 June 2024

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Directors and Statutory Information

For the year ended 30 June 2024

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	LR No. 209/5604 Funzi Road, Industrial Area P O Box 18033 – 00500 Nairobi
DIRECTORS	Hon. Francis T. Nyammo – Group Chairman Maxwell Wahome – Group MD and CEO Muigai Githu Emma Miloyo Ali Hussein Kassim Truphosa Kwaka-Sumba – retired in March 2024 Dr Dancan Irungu Dr Shikoh Gitau – appointed in March 2024 Fred Murimi Centum Investment Company PLC – represented by Thomas Omondi
COMPANY'S SECRETARY	Ms Enid Muriuki Newday Consulting 6th Floor, West End Towers Waiyaki Way P O Box 49382 – 00100 Nairobi
AUDITORS	KPMG Kenya Certified Public Accountants 8 th Floor, ABC Towers Waiyaki Way P O Box 40612 – 00100 Nairobi
MAIN BANKERS	Standard Chartered Bank Kenya Limited 48 Westlands Road P O Box 30003 – 00100 Nairobi Kenya Commercial Bank Kenya Limited Industrial Area P O Box 18031 – 00500 Nairobi NCBA Kenya Plc Mara and Ragati Road, Upper Hill P O Box 49599 – 00100 Nairobi

Report of the Directors (continued)

For the year ended 30 June 2024

The Directors have the pleasure of submitting their audited consolidated and separate financial statements for the year ended 30 June 2024 (herein "financial statements"), which disclose the state of affairs of the Group and the Company.

1. Activities

The principal activity of Longhorn Publishers Plc continues to be the publishing of high quality educational and general books, provision of innovative digital learning solutions and sale of proprietary rights in respect of textbooks.

2. Operating environment

The past year was marked by various macroeconomic headwinds that had a significant impact on our business. We have seen rising inflation, an increase in interest rates, an uncertain tax regime, fluctuating currency and a general economic slowdown across our markets. Further, the curriculum revisions proposed by the Presidential Working Party on Education Reforms in Kenya resulted in a drop in spending on books due to the anticipated changes in textbooks that would overhaul textbooks already developed from Pre-Primary 1 (PP1) to Grade 6 (G6). This has necessitated further provisions being booked on inventory held and development cost.

3. Financial highlights

Revenue for the year increased by KShs 450 million representing 42% growth compared to the previous year. This growth was primarily attributed to enhanced market penetration activities despite the market disruptions.

Operating expenses decreased by 36% compared to the previous period, mainly due to the continued success of the efficiency model adopted in the last two years.

We reduced our borrowings by 16%. However, finance costs increased by 12% on account of interest rate hikes.

Operating profit, excluding provisions and impairment losses brought about by curriculum changes, grew by 176% to KShs 165 million compared to an operating loss of KShs 217 million in prior year. Loss after tax was KShs 237 million compared to loss of KShs 571 million for the prior year, impacted by the provisions and high interest rates.

(a) Key performance ratios

The table below highlights some of the key performance indicators:

	Grou	nb	Company		
Performance ratios	2024	2023	2024	2023	
Revenue in (KShs'000)	1,521,825	1,071,031	1,127,195	883,113	
Gross profit margin	21%	18%	26%	18%	
Operating (loss)/profit margin	(5%)	(42%)	2%	(37%)	
Loss before income tax (KShs'000)	(285,125)	(630,117)	(179,087)	(510,567)	
Net assets (KShs '000)	23,429	289,780	352,319	484,438	

Report of the Directors (continued)

For the year ended 30 June 2024

4. Future outlook

We have embarked on a new strategic period where the focus will be on regaining market dominance and growing our Edtech portfolio in all our markets and returns to shareholders. Following the spin-out of our digital business through Longhorn Digital Ventures, we have seen tremendous progress in our first start-up, LoHo learning which has already secured key partnerships with major Telecommunication service providers. With innovations already in place in the areas of interactive textbooks, games, science simulations and teacher dashboard which track learner engagement, we are on course to unveil a new era of learning in the region. Further innovations in Artificial Intelligence are also on course to enhance its adaptive learning capabilities. Our digital solutions will continue to work hand in hand with approved textbooks which remain a core part of learning.

Following the revision in the textbooks from PP1 to G6, we anticipate a more stable period which will enable us focus on market growth with textbooks that will have a much longer shelf life. The significant partnerships secured and successes in market penetration in the year for both our print and digital businesses put us well on course to achieve our long-term strategic objectives.

Despite the significant improvement in performance, the board does not recommend the payment of a dividend this year. This decision is based on the need to ensure that the business channels its returns on reducing its debt levels which will in turn reduce finance costs that have shrunk the shareholder returns. Further, the business still needs to continue investing in the new curriculum grades 10 to 12 which are critical to ensure long-term business survival.

5. Dividend

The Directors do not recommend payment of a dividend (2023 – KShs Nil).

6. Directors

The Directors who served during the year and up to the date of this report are set out on page 1.

7. Relevant audit information

The Directors in office at the date of this report confirm that:

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

8. Auditor

The Company's auditor, KPMG Kenya, is eligible and hereby offer themselves for re-appointment in accordance with the requirements of the Kenyan Companies Act, 2015.

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

9. Approval of financial statements

The financial statements were approved and authorised for issue at a meeting of the Directors held on

BY ORDER OF THE BOARD



SECRETARY 10 September 2024

Statement of Directors' Responsibilities

For the year ended 30 June 2024

The Directors are responsible for the preparation and presentation of the consolidated and separate financial statements of Longhorn Publishers PLC (the Group and Company) set out on pages 13 to 56 which comprise the consolidated and company statements of financial position as at 30 June 2024, and the consolidated and company statements of profit or loss and other comprehensive income, the consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and notes to the financial statements including material accounting policies and the information identified as subject to audit in the Directors' remuneration report.

The Directors' responsibilities include: determining that the basis of accounting described in Note 2 is an acceptable basis for preparing and presenting the consolidated and separate financial statements in the circumstances, preparation and presentation of consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

Under the Kenyan Companies Act, 2015, the Directors are required to prepare consolidated and separate financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the profit or loss and cash flow of the Group and Company

for that year. It also requires the Directors to ensure the company and its subsidiaries keep proper accounting records which disclose with reasonable accuracy the financial position of the group and the company.

The Directors accept responsibility for the annual consolidated and separate financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with IFRS Accounting Standards and in the manner required by the Kenyan Companies Act, 2015. The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the financial position of the Group and the Company and of the Group and Company profit or loss and cash flows.

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.

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and as disclosed at Note 2(d) to the consolidated and separate financial statements, believe that the Group and the Company will continue to be a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The consolidated and separate financial statements, as indicated above, were approved and authorised for issue by the Board of Directors on

January S

Hon. Francis T. Nyammo *Group Chairman*

10 September 2024

Maxwell Wahome

Group Managing Director & CEO

Directors' Remuneration Report

For the year ended 30 June 2024

Information not subject to audit

The information not subject to audit with respect to Directors comprise policy on Directors' remuneration and any substantial changes to Directors' remuneration during the year.

The Company had nine (9) directors comprising one Executive Director and eight Non-Executive Directors. Three of the Non-Executive directors are independent directors. The Chairman of the Board who is a Non-Executive Director, and the Managing Director roles are separate.

Policy on Directors' remuneration

The report sets out the policy that the Company has applied to remunerate Executive and Non-Executive Directors. The remuneration policy supports the achievement of the strategic objectives through balancing rewards for both short-term and long-term sustainable performance. Oversight of the remuneration approach is provided by the Board's Nominations and Governance Committee. The Committee reviews the remuneration of the Executive Director annually and for Non-Executive Directors every two years to ensure the Company appropriately adapts to changing market dynamics and any changes in the responsibilities of the Non-Executive Directors. The recommendations by the Committee are then presented to the Board for approval.

The remuneration for Non-Executive Directors is determined by the Nominations and Governance Committee and comprises a monthly allowance and sitting allowances for board and committee meetings. The Non-Executive Directors are also eligible to other benefits such as communication allowance, travel allowance and reimbursement of expenses incurred by them as Directors of the Company in respect to the performance of their duties. The Non-Executive Directors are subject to retirement by rotation and re-election by shareholders at the annual general meeting.

The Executive Director's remuneration is fixed in the employment contract. The remuneration is competitively structured in line with remuneration for other directors in competing sectors and is aligned with the business strategy and long-term objectives of the Group. The Board's Nominations and Governance Committee reviews the performance of the Executive Director on an annual basis and considers how the remuneration may be upgraded considering such factors as the Company's performance.

Information subject to audit

The following table shows the remuneration for the Directors of the Company in respect of qualifying services for the year ended 30 June 2024 together with the comparative figures for the prior year.

For the year ended 30 June 2024	Salary	Fees	Total	Paid	Unpaid
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Hon. Francis T. Nyammo		1,970	1,970	1,970	
Maxwell Wahome*	18,480		18,480	18,480	
Muigai Githu	<u>-</u>	1,014	1,014	1,014	<u>-</u>
Emma Miloyo		1,014	1,014	1,014	<u> </u>
Ali Hussein Kassim	/	1,060	1,060	1,060	
Truphosa Kwaka-Sumba	^ <u>-</u>	630	630	630	<u>-</u>
Dr Dancan Irungu		1,105	1,105	1,105	<u>-</u>
Dr Shikoh Gitau	<u></u>	208	208	208	<u> </u>
Centum Investment Company PLC**	\ <u></u>	2,301	2,301		2,301
	18,480	9,302	27,782	25,481	2,301

Directors' Remuneration Report (continued)

For the year ended 30 June 2024

Information subject to audit (Continued)

For the year ended 30 June 2023	Salary	Fees	Total	Paid	Unpaid
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Hon. Francis T. Nyammo	-< -	2,392	2,392	2,392	
Maxwell Wahome*	18,480	-	18,480	18,480	_/ -,
Muigai Githu		1,196	1,196	1,196	4
Raymond Nyamweya	-	461	461	461	
Emma Miloyo		1,287	1,287	1,287	_///-
Ali Hussein Kassim	. 人 -	1,606	1,606	1,606	및 <u>-</u>
Truphosa Kwaka-Sumba		1,150	1,150	1,150	
Dr Dancan Irungu	///	130	130	130	<u>-</u>
Centum Investment Company PLC**	. 具 -	2,711	2,711	2,711	< - 기
	18,480	10,933	29,413	29,413	

^{*}Executive Director. The rest of the directors are Non-Executive.

Approval of the Directors' remuneration report

The Directors confirm that this report has been prepared in accordance with the Kenyan Companies Act, 2015, Capital Markets Authority (CMA) Code and listing rules and reflects the disclosure requirements under the IFRS accounting standards as issued by the international Accounting Standards (IFRS Accounting Standard).

BY ORDER OF THE BOARD



Hon. Francis T. Nyammo *Group Chairman*

10 September 2024

^{**}Centum Investment Company PLC is represented by Thomas Omondi. The amount also includes fees for Fred Murimi.

Report on the audit of the consolidated and separate financial statements

Our opinion

We have audited the consolidated and separate financial statements of Longhorn Publishers Plc ("the Group and Company") set out on pages 13 to 56, which comprise the consolidated and company statements of financial position at 30 June 2024, and the consolidated and company statements of profit or loss and other comprehensive income, consolidated and company statements of changes in equity and consolidated and company statements of cash flows for the year then ended, and the notes to the financial statements, including material accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Longhorn Publishers Plc as at 30 June 2024, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Kenyan Companies Act, 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Kenya, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Recognition of deferred tax asset in the consolidated and separate financial statements

See Note 2(ii)(c), 3, and 16 to the consolidated and separate financial statements

Key audit matter

The Group and Company has recognised deferred tax assets for deductible temporary differences and unused tax losses that it believes are recoverable.

The recoverability of recognised deferred tax assets is in part dependent on the Group's and Company's ability to generate future profits sufficient to utilise deductible temporary differences and tax losses.

We have determined recognition of deferred tax assets to be a key audit matter because of the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences, especially in the light of the recent history of losses.

How the key audit matter was addressed in our audit

Our audit procedures in this area included:

- Using our own tax specialist to evaluate the tax computations and strategies in place to successfully recover the recognized deferred tax assets.
- Assessing the accuracy of forecast future taxable profits by evaluating accuracy of historical forecasts and also comparing the forecast taxable profits to our own understanding of the business plans used to support the going concern assumptions.
- Evaluating the adequacy of the consolidated and separate financial statements disclosures, including disclosures of key assumptions and judgements.

Report on the audit of the consolidated and separate financial statements (Continued)

Determining useful life and impairment of Pre-publishing costs in the consolidated and separate financial statements

See Note 2(e) and 14

Key audit matter

The Group and Company has recognised pre-publishing costs of KShs 794 million and KShs 570 million respectively. Pre-publishing costs represent direct costs incurred in the development of titles prior to their publication. We determined this area to be a key audit matter because of the following:

- Significant judgements in estimating the useful life of the costs which depends on the period over which the government would continue with the related curriculum.
- Significant judgement in estimating the recoverable amount of the asset based on factors such as expected revision and/ or amendments in the related curriculum that affects the economic life of the asset hence the recoverable amounts.
- Pre-publishing costs forms a significant size of the Group and Company's assets.

How the key audit matter was addressed in our audit

Our procedures in this area include:

- We evaluated management's process of identifying and assessing indicators of impairment and compared this against our understanding of government policies on education.
- We evaluated the reasonableness of the useful life estimated based on historical trends and existing expectation on curriculum changes.
- We evaluated the adequacy of the consolidated and separate financial statements disclosures, including disclosures of key assumptions and judgements.

Other matter

The consolidated and separate financial statements of Longhorn Publishers Plc as at and for the year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 28 December 2023.

Other information

The directors are responsible for the other information. The other information comprises the Directors' report, Statement of Directors' responsibilities and Directors' Remuneration report but does not include the consolidated and separate financial statements, and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the rest of the other information to be included in the Longhorn Publishers Plc Integrated Report and Financial Statements which is expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon, other than that prescribed by the Kenyan Companies Act, 2015 as set out below.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated and separate financial statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards, and in the manner required by the Kenyan Companies Act, 2015, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Report on the audit of the consolidated and separate financial statements (Continued)

Auditor's responsibilities for the audit of the consolidated and separate financial statements

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not

for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.
 We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably

be thought to bear on our independence, and where applicable actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the Kenyan Companies Act, 2015 we report to you, solely based on our audit of the consolidated and separate financial statements, that in our opinion:

- (a) The information given in the report of the Directors on page 2 to 4 is consistent with the consolidated and separate financial statements; and
- (b) The auditable part of the Directors' Remuneration Report on pages 6 to 7 has been prepared in accordance with the requirements of the Kenyan Companies Act, 2015.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Stephen Obock, Practicing Certificate No. P/2384.

For and on behalf of:

KPMG Kenya Certified Public Accountants PO Box 40612 – 00100 GPO Nairobi, Kenya

Date: 10 September 2024

For the year ended 30 June 2024

Consolidated statement of profit or loss and other Comprehensive Income

		2024	2023
	Notes	KShs'000	KShs'000
Revenue from contracts with customers	5(b)	1,521,825	1,071,031
Cost of sales	6	(1,207,666)	(881,120)
Gross profit		314,159	189,911
Other income		16,363	4,040
Selling and distribution costs		(82,126)	(66,848)
Expected credit losses	18	(57,232)	(49,979)
Administrative expenses	7	(271,641)	(525,059)
Operating loss		(80,477)	(447,935)
Finance costs	23(b)	(204,648)	(182,182)
Loss before income tax		(285,125)	(630,117)
Income tax credit	9	47,220	58,786
Loss for the year		(237,905)	(571,331)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations, net of tax		(28,446)	(1,511)
Total comprehensive income for the year		(266,351)	(572,842)
Earnings per share attributable to equity holders of the Company			
Basic and diluted loss per share (KShs)	10	(0.87)	(2.10)
Loss attributable to:			
- Owners of the parent		(237,553)	(570,111)
- Non-controlling interest		(352)	(1,220)
		(237,905)	(571,331)

For the year ended 30 June 2024

Company statement of profit or loss and other comprehensive income

		2024	2023
	Notes	KShs'000	KShs'000
Revenue from contracts with customers	5(b)	1,127,195	883,113
Cost of sales	6	(837,608)	(724,989)
Gross profit		289,587	158,124
Other income		1,675	3,897
Selling and distribution costs		(59,661)	(40,710)
Expected credit losses	18	(18,158)	(3,234)
Administrative expenses	7	(187,965)	(446,726)
Operating profit/(loss)		25,478	(328,649)
Finance costs	23(b)	(204,565)	(181,918)
Loss before income tax		(179,087)	(510,567)
Income tax credit	9	46,968	58,561
Loss for the year		(132,119)	(452,006)
Other comprehensive income		-	-
Total comprehensive income for the year		(132,119)	(452,006)

For the year ended 30 June 2024

Consolidated statement of financial position

		2024	2023
	Notes	KShs'000	KShs'000
ASSETS			
Non-current assets			
Property and equipment	12	166,409	180,405
Intangible assets	13	45,302	42,748
Pre-publishing costs	14	793,624	963,478
Deferred income tax	16	148,908	100,400
		1,154,243	1,287,031
Current assets			
Inventories	17	401,909	734,975
Trade and other receivables	18	155,689	265,196
Contract asset	19	324,485	413,141
Current income tax recoverable		6,417	4,374
Cash and bank balances	20	27,533	83,075
		916,033	1,500,761
TOTAL ASSETS		2,070,276	2,787,792
EQUITY AND LIABILITIES			
Equity attributable to owners			
Share capital	21(a)	272,440	272,440
Share premium	21(b)	368,289	368,289
Accumulated losses		(527,492)	(289,939)
Translation reserve, net of tax	21(c)	(83,967)	(55,521)
		29,270	295,269
Non-controlling interest	21(d)	(5,841)	(5,489)
Total equity		23,429	289,780
Current liabilities			
Trade and other payables	22	1,007,358	1,263,185
Borrowings	23	1,019,989	1,220,485
Bank overdraft	20	19,500	14,342
		2,046,847	2,498,012
TOTAL EQUITY AND LIABILITIES		2,070,276	2,787,792

The consolidated and separate financial statements set out on pages 55 to 95 were approved and authorised for issue by the Board of Directors on 10 September 2024 and signed on its behalf by:



Hon. Francis T. Nyammo *Group Chairman*



Group Managing Director & CEO

For the year ended 30 June 2024

Company statement of financial position

		2024	2023
	Notes	KShs'000	KShs'000
ASSETS			
Non-current assets			
Property and equipment	12	114,945	121,408
Intangible assets (Software)	13	42,144	42,601
Pre-publishing costs	14	569,820	665,335
Investment in subsidiaries	15	42,465	42,465
Deferred income tax	16	147,156	100,174
<u> </u>		916,530	971,983
Current assets			
Inventories	17	210,596	328,882
Trade and other receivables	18	111,260	144,942
Contract asset	19	324,485	413,141
Due from subsidiary companies	25(a)	642,249	685,151
Current income tax recoverable		5,955	5,969
Cash and bank balances	20	22,023	69,352
		1,316,568	1,647,437
TOTAL ASSETS		2,233,098	2,619,420
EQUITY AND LIABILITIES			
Equity attributable to owners			
Share capital	21(a)	272,440	272,440
Share premium	21(b)	368,289	368,289
Accumulated losses		(288,410)	(156,291)
Total equity		352,319	484,438
Current liabilities			
Trade and other payables	22	813,029	872,692
Due to subsidiary company	25(b)	69,083	69,083
Borrowings	23	979,167	1,178,865
Bank overdraft	20	19,500	14,342
		1,880,779	2,134,982
TOTAL EQUITY AND LIABILITIES		2,233,098	2,619,420

The consolidated and separate financial statements set out on pages 55 to 95 were approved and authorised for issue by the Board of Directors on 10 September 2024 and signed on its behalf by:



Hon. Francis T. Nyammo *Group Chairman*



Maxwell WahomeGroup Managing Director & CEO

For the year ended 30 June 2024

Consolidated statement of changes in equity

	Share capital	Share premium	Retained earnings/ (accumulated losses)	Translation reserve	Non- controlling interest	Total equity
	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Year ended 30 June 2023						
At start of year	272,440	368,289	276,427	(54,010)	(524)	862,622
Loss for the year	-	-	(570,111)	-	(1,220)	(571,331)
Other comprehensive loss	-	-	-	(1,511)	-	(1,511)
Total comprehensive loss for the year	-	-	(570,111)	(1,511)	(1,220)	(572,842)
At end of year	272,440	368,289	(293,684)	(55,521)	(1,744)	289,780
Year ended 30 June 2024						
At start of year	272,440	368,289	(293,684)	(55,521)	(1,744)	289,780
Prior adjustment (net of tax) *	-	-	3,745	-	(3,745)	-
Restated total equity as start of year	272,440	368,289	(289,939)	(55,521)	(5,489)	289,780
Loss for the year	-	-	(237,553)	-	(352)	(237,905)
Other comprehensive loss	-	-	-	(28,446)	-	(28,446)
Total comprehensive loss for the year	-	-	(237,553)	(28,446)	(352)	(266,351)
At end of year	272,440	368,289	(527,492)	(83,967)	(5,841)	23,429

^{*}Prior year adjustment relates to correction of non-controlling interest relating to one of our subsidiaries.

For the year ended 30 June 2024

Company statement of changes in equity

	Share capital	Share premium	Retained earnings/ (accumulated losses)	Total equity
	KShs'000	KShs'000	KShs'000	KShs'000
Year ended 30 June 2023				
At start of year	272,440	368,289	295,715	936,444
Loss and total comprehensive loss for the year	-	-	(452,006)	(452,006)
At end of year	272,440	368,289	(156,291)	484,438
Year ended 30 June 2024				
At start of year	272,440	368,289	(156,291)	484,438
Loss and total comprehensive loss for the year	-	-	(132,119)	(132,119)
At end of year	272,440	368,289	(288,410)	352,319

For the year ended 30 June 2024

Consolidated statement of cash flows

		2024	2023
	Notes	KShs'000	KShs'000
Cash flows from operating activities			
Loss before income tax		(285,125)	(630,117)
Adjustments for:			
Depreciation	12	14,749	14,803
Amortisation of intangible assets	13	3,099	4,104
Amortisation and impairment of pre-publishing costs	14	186,854	88,839
Goodwill impairment	7	-	125,786
Loss on disposal of property and equipment		1,457	-
Interest expense	23(b)	204,648	157,182
Working capital changes:			
• inventories		333,066	(170,609)
trade and other receivables		109,507	198,868
• contract assets		88,656	(81,136)
trade and other payables		(255,827)	313,771
Income tax paid		(2,043)	-
Net cash generated from operating activities		399,041	21,491
Cash flows from investing activities			
Purchase of property and equipment	12	(5,281)	(753)
Purchase of intangible assets (software)	13	(5,662)	(852)
Proceeds from disposal of intangible assets (software)	13	-	832
Spend on pre-publishing costs	14	(41,306)	(192,919)
Net cash used in investing activities		(52,249)	(193,692)
Cash flows from financing activities			
Proceeds from borrowings	23(a)	1,049,709	1,724,040
Repayments - Principal	23(a)	(1,254,803)	(1,512,491)
Repayments - Interest	23(a)	(200,050)	(128,245)
Net cash (used in)/generated from financing activities		(405,144)	83,304
Net decrease in cash and cash equivalents		(58,352)	(88,897)
At start of year		68,733	160,414
Effects of exchange rate changes on cash and cash equivalents		(2,348)	(2,784)
At end of year	20	8,033	68,733

For the year ended 30 June 2024

Company statement of cash flows

		2024	2023
	Notes	KShs'000	KShs'000
Cash flows from operating activities			
Loss before income tax		(179,087)	(510,567)
Adjustments for:			
Depreciation	12	11,014	9,621
Amortisation of intangible assets	13	2,519	3,794
Amortisation and impairment of pre-publishing costs	14	133,886	61,447
Goodwill impairment	7	-	125,786
Loss on disposal of property and equipment		233	-
Interest expense	23(b)	204,565	156,918
Working capital changes:			
• inventories		118,286	(19,755)
trade and other receivables		33,682	136,954
• contract assets		88,656	(81,136)
trade and other payables		(59,663)	21,398
amounts due from subsidiaries		42,902	32,890
Net cash generated from/(used in) operating activities		396,993	(62,650)
Cash flows from investing activities			
Purchase of property and equipment	12(b)	(4,784)	(753)
Purchase of intangible assets (software)	13	(2,062)	(709)
Proceeds from disposal of intangible assets (software)	13	-	829
Spending on pre-publishing costs	14	(38,371)	(121,572)
Net cash used in investing activities		(45,217)	(122,205)
Cash flows from financing activities			
Proceeds from borrowings	23(a)	1,049,709	1,724,040
Repayments - Principal	23(a)	(1,254,555)	(1,509,779)
Repayments - Interest	23(a)	(199,417)	(127,980)
Net cash (used in)/generated from financing activities		(404,263)	86,281
Net decrease in cash and cash equivalents		(52,487)	(98,574)
At start of year		55,010	153,584
At end of year	20	2,523	55,010

For the year ended 30 June 2024

Notes to the financial statements

1. REPORTING ENTITY

Longhorn Publishers Plc ("the Company") is a limited liability company incorporated in Kenya under the Companies Act, 2015 and is domiciled in Kenya. The consolidated financial statements of the company for the year ended 30 June 2024 comprise the company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in publishing of high quality educational and general books and provision of innovative digital learning solutions. The address of its registered office and principal place of business is:

LR No. 209/5604 Funzi Road, Industrial Area P O Box 18033 – 00500 Nairobi

The shares of the Company are listed on the Nairobi Securities Exchange (NSE).

Where reference is made to accounting policies to Group or Company it should be interpreted as being applicable to consolidated or separate financial statements as the context requires.

2 (i) MATERIAL BASIS OF PREPARATION

(a) Statement of compliance

The consolidated and separate financial statements (the financial statements) are prepared in accordance with and comply with IFRS Accounting Standards as issued by International Accounting Standards Board (IFRS Accounting Standards) and the Kenya Companies Act, 2015. Details of the Group's and Company's material accounting policies are included in Note 2 (ii).

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

(b) Basis of accounting and measurement

The consolidated and separate financial statements have been prepared in accordance with IFRS Accounting Standards and in compliance with the Companies Act, 2015. The measurement basis applied is the historical cost basis, except where otherwise stated in the accounting policies below.

The preparation of consolidated and separate financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Directors to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Notes 2(i) (e), 2(ii) and 3.

(c) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'Functional Currency'). The financial statements are presented in Kenya Shillings in thousands (KShs) which is also the Company's functional currency. All financial information presented in Kenya Shillings have been rounded to the nearest thousand (KShs'000) except when otherwise indicated.

(d) Going concern

The Group and Company recorded a loss of KShs 237,905,000 and KShs 132,119,000 during the year ended 30 June 2024 respectively and, as of the year-end date, the Group's and Company's current liabilities exceeded their current assets by KShs 1,130,800,000 and KShs 564,211,000 respectively. The loss is attributed to:

- inventories write-off and impairment of prepublication costs due to changes in curriculum KShs 188,651,000 (2023 – KShs 55,487,000), Note 6 and
- provision for doubtful debt KShs 57,232,000 (2023 – KShs 49,979,000), Note 18.

For the year ended 30 June 2024

Notes to the financial statements

2 (i) MATERIAL BASIS OF PREPARATION (Continued)

The net current liability position is attributed to the use of short-term financing to carry out curriculum development projects whose economic benefits will be realised over the long-term and financing of the working capital cycle due to the time taken to verify deliveries to schools and therefore, receive payment from the government. Once the curriculum development process is completed in 2026/7, there will be a significant decline in finance costs and borrowings.

The Group and Company has put in place the following initiatives to manage going concern risks:

- Following the revision of curriculum in 2024, the government will need to repurchase books for the affected learning areas. Expected government revenues from supplies to public schools in 2025 is KShs 800 million for Kenya. Further, we expect re-order of secondary books in Uganda of KShs 300 million, from which profits will be utilized to settle intercompany debt and loans in Kenya. After 30 June 2024, the Group has received KShs 265,573,000 from Government of Kenya.
- The Group plans to update the competency-based curriculum (CBC) Pre-Primary 1 (PP1) to Grade 9 titles which will increase product offering to the existing customers as the Group also seeks to build new customer relationships. The Group expects revenue of at least KShs 60 million in the next financial year from the open market approvals received in 2024.
- During the year, we received approval in Cameroon for two additional titles in Class 5 and Form 2 with expected revenue of KShs 25 million. The group also recorded revenue of KShs 223,948,000 in Uganda during the year from government orders and expects the same trend to continue in the next financial year.
- Divestment from non-profitable markets and segments. During the year, the company exited from Malawi, Zambia and Tanzania textbook market which will avert further losses and achieve cost savings of KShs 13 million in the next one year.

 The Group had undrawn funding available as at 30 June 2024 of KShs 37,899,000 as disclosed in Note 23. The existing revolving bank facilities is structured such that the available amounts will increase as scheduled repayments are made.

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

(e) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and assumptions are based on the Directors' best knowledge of current events, actions, historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in Note 3.

For the year ended 30 June 2024

Notes to the financial statements

2 (ii) MATERIAL ACCOUNTING POLICIES

2 (ii) Consolidation

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

Where the Group has the ability to exercise joint control over an entity but has rights to specified assets and obligations for liabilities of that entity, the entity is consolidated on the basis of the Group's rights over those assets and liabilities.

(i) Subsidiaries

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

(ii) Non-controlling interest (NCI)

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

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair values of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

(iv) Separate financial statements

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

(b) Revenue recognition

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

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

The performance obligation is the delivery of the books, rights and digital material. For each of the revenue streams (sales of books, intellectual property rights on textbooks and digital material), the Group recognises revenue at a point in time specifically after the performance obligation to the customer has been fulfilled. Delivery entails physical delivery of books to the customer and for digital materials it entails granting access to a digital version. Sale of rights is recognized upon completion of transfer of intellectual property rights in the textbooks to the purchaser and entails a contractual agreement that stipulates the price.

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

For the year ended 30 June 2024

Notes to the financial statements

2 (ii) MATERIAL ACCOUNTING POLICIES

(Continued)

The Group has contract assets due to unbilled revenue from government contracts relating to supply of books to public schools in Kenya pending verification report for issuance of invoices. The share of revenue generated from government contracts is 60% (2023: 42%).

(c) Current and deferred income tax

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

(i) Current income tax

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

(ii) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

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

(d) Property and equipment

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

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

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

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

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

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

For the year ended 30 June 2024

Notes to the financial statements

2 (ii) MATERIAL ACCOUNTING POLICIES (Continued)

(d) Property and equipment (continued)

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive income.

(e) Pre-publishing costs and intellectual property

Pre-publishing costs represent direct costs such as editorial, type-setting and staff costs incurred in the development of titles prior to their publication. These costs are carried forward as intangible assets where the title will generate future economic benefits and costs can be measured reliably.

Intellectual property relates to brand names, publishing titles and licences and copyrights acquired. Intellectual properties are initially recognised at cost of acquisition and carried at their cost less any accumulated amortisation and any impairment losses.

Pre-publication costs and intellectual property are both subjected to the same assessment in terms of useful life. These costs are amortised upon publication of the title over estimated economic life of twenty years, being an estimate of the expected operating life cycle of the title. The amortization is calculated using the reducing balance method. The Group performs periodic reviews to assess useful life and estimate recoverability of pre-publication assets and an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

(f) Intangible assets

Goodwill

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

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

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

Computer software

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

Impairment

The Group reviews the carrying amounts of its intangible assets based on triggering events 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.

For the year ended 30 June 2024

Notes to the financial statements

2 (ii) MATERIAL ACCOUNTING POLICIES (Continued)

(g) Inventories

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

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

(h) Dividends

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

(i) Employee benefits

(i) Group's defined contribution retirement benefits scheme

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

(ii) Statutory defined contribution pension scheme

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

(iii) Other employee entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability in respect of annual leave accrued at the end of the reporting year. The Group's obligations to retirement benefit schemes are recognised in the profit or loss as they fall due.

(i) Financial instruments

(i) Initial recognition

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

(ii) Classification

The Group classifies its financial instruments into the following categories:

- Financial assets that are held within a business model whose objective is to hold assets in order to collect contractual cash flows, and for which the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are classified and measured at amortised cost.
- Financial liabilities that are held for trading and financial guarantee contracts are classified and measured at fair value through profit or loss.

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

Financial instruments held during the year were classified as follows:

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

For the year ended 30 June 2024

Notes to the financial statements

(iii) Initial measurement

On initial recognition, receivables are measured at their transaction price and all other categories of financial assets and financial liabilities are measured at the fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the instrument.

(iv) Subsequent measurement

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

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

(V) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses for trade receivables. Lifetime expected credit losses represent the expected credit losses that result from all possible default events over the expected life of a financial instrument.

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

(vi) Derecognition/write-off

Financial assets are derecognised when the rights to receive cash flows from the financial asset have expired or have been transferred

and the Group has transferred substantially all risks and rewards of ownership. A financial liability is derecognised when it is extinguished, cancelled or expires.

(Vii) Offsetting

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

(k) Foreign currency translation

Transactions and balances

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

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

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

Consolidation of Group entities

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

For the year ended 30 June 2024

Notes to the financial statements

2 (ii) MATERIAL ACCOUNTING POLICIES (Continued)

(k) Foreign currency translation (continued) Consolidation of Group entities – continued

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

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income.

Transactions and balances

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

(I) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, short-term liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(m) Share capital

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

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

(n) Borrowings

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

(o) Borrowings

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

(p) Provisions

Provisions are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources

For the year ended 30 June 2024

Notes to the financial statements

2 (ii) MATERIAL ACCOUNTING POLICIES (Continued)

(p) Provisions (continued)

will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

(q) Segment reporting

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

(r) Earnings per share

Basic earnings per share is calculated by dividing:

• The profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares.

 by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

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

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

(s) Contract asset

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

(t) New standards, amendments and interpretations

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

The following new standards and amendments became effective during the year ended 30 June 2024.

New standard or amendments	Effective for annual periods beginning on or after
IFRS 17 Insurance Contracts	1 January 2023
 Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 	1 January 2023
 Definition of Accounting Estimates – Amendments to IAS 8 	1 January 2023
 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 	1 January 2023
Amendments to IAS 12 – International Tax Reform Pillar two model rules	23 May 2023

For the year ended 30 June 2024

Notes to the financial statements

2 (ii) MATERIAL ACCOUNTING POLICIES (Continued)

(t) New standards, amendments and interpretations (continued)

The above standards or amendments did not have a material impact on the amounts and disclosures of the Group and Company's financial statements.

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 June 2024 and have not been applied in preparing these financial statements. The Group and Company do not plan to adopt these standards early. These are summarised below;

Ne	w standard or amendments	Effective for annual periods beginning on or after
_	Amendments to IFRS for SMEs Accounting Standards – International Tax Reform – Pillar two model rules	29 September 2023
_	Classification of liabilities as current or non-current liabilities with covenants (Amendments to IAS 1)	1 January 2024
_	Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
_	IFRS S1 General Requirements for disclosure of sustainability-related Financial information	1 January 2024
_	IFRS S2 Climate-related disclosures	1 January 2024
_	Supplier Finance arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024
_	Lack of Exchangeability – Amendments to IAS 21	1 January 2025
_	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2026
_	IFRS 18-Presentation and Disclosure in the financial statements	1 January 2027
_	IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
	Sale or Contribution of Assets between an Investor and its Associate or Company (Amendments to IFRS 10 and IAS 28).	To be determined

The adoption of these changes is not expected to have a material impact on the amounts and disclosures of the Group's and Company's financial statements apart from IFRS 18 which replaces IAS 1 and sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.

For the year ended 30 June 2024

Notes to the financial statements

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expected future events that are believed to be reasonable under the circumstances. The Group and Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of trade receivables

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

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

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

- Whether the Group and Company are a going concern (See Note 2 (i) (d));
- Recognition of deferred tax asset arising from tax losses carried forward (See Note 16); and
- Impairment of financial assets (see Note 18 and Note 19)
- Determination of useful life and impairment of Prepublishing costs (See Note 2(e) and 14)

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profits or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

For the year ended 30 June 2024

Notes to the financial statements

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Directors review and agree policies for managing these risks The Group's overall risk management programme focuses on the unpredictability of the operating environment and markets and seeks to minimise potential adverse effects on its financial performance.

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

(a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The objective of market risk management is to manage and control market risk exposure within acceptable levels, while optimising on the return on the risk.

(i) Foreign exchange risk

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

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

At 30 June 2024, if the currency had weakened/strengthened by 4% (2023 – 4%) against the US dollar with all other variables held constant, post-tax profit for the year and equity would have been increased/reduced

by KShs 6,192,000 (2023 – KShs 14,120,000), mainly as a result of US dollar denominated trade payables and bank balances. The impact of balances related to other currencies such as TZS are not material to the financial statements.

(ii) Price risk

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

(iii) Interest rate risk

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

The average interest rates for the current period were 20% (2023 - 13.5%).

(b) Credit risk

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

For trade receivables, the credit controllers assess the credit quality of each customer, taking into account its financial position, past experience and other factors. The utilisation of credit limits is regularly monitored. The Group has two types of financial assets that are subject to the expected credit loss model, i.e. trade and other receivables and cash and cash equivalents. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss is immaterial.

For the year ended 30 June 2024

Notes to the financial statements

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk (continued)

Trade receivables, contract assets and related party receivables

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

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

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

Refer to below summary of loss rates.

Country	K	KE		UG		TZ		RW	
Classification / Ratios	LGD	PD	LGD	PD	LGD	PD	LGD	PD	
Active customers	27%	19%	42%	26%	46%	14%	100%	100%	
Inactive customers	53%	100%	76%	80%	87%	87%	100%	100%	
Government	1%	18%	0%	9%	-	_	-	_	
Staff	26%	26%	30%	42%	57%	69%	-	-	
Export customers	58%	27%	-	-	-	-	_	-	

Loss rates for 2023:

Country	KI	KE		UG		TZ		RW	
Classification /Ratios	LGD	PD	LGD	PD	LGD	PD	LGD	PD	
Active customers	19%	20%	39%	42%	31%	34%	100%	100%	
Inactive customers	37%	100%	80%	81%	87%	83%	100%	100%	
Government	1%	23%	14%	8%	-	-	_	_	
Staff	46%	52%	39%	38%	56%	45%	_	_	
Export customers	67%	5%	_	_	_	-	-	-	

PD-Probability of default, LGD-Loss given default

For the year ended 30 June 2024

Notes to the financial statements

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)
(b) Credit risk (continued)

The table below details the maximum exposure to credit risk:

Group		Gross amounts	Expected credit loss (ECL)	Total
30 June 2024	Note	KShs'000	KShs'000	KShs'000
Trade receivables	18	286,921	(176,057)	110,864
Contract assets	19	325,101	(616)	324,485
Staff receivables	18	5,474	(695)	4,779
Other receivables	18	10,893	-	10,893
Bank balances	20	27,533	-	27,533
		655,922	(177,368)	478,554

		Gross amounts	Expected credit loss (ECL)	Total
30 June 2023	Note	KShs'000	KShs'000	KShs'000
Trade receivables	18	296,224	(118,546)	177,678
Contract assets	19	414,154	(1,013)	413,141
Staff receivables	18	4,179	(2,736)	1,443
Other receivables	18	12,477	-	12,477
Bank balances	20	83,075	-	83,075
		810,109	(122,295)	687,814

For the year ended 30 June 2024

Notes to the financial statements

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued) (b) Credit risk (continued)

Company			Expected credit	
		Gross amounts	loss (ECL)	Total
30 June 2024	Note	KShs'000	KShs'000	KShs'000
Trade receivables	18	137,808	(57,759)	80,049
Contract assets	19	325,101	(616)	324,485
Staff receivables	18	4,035	-	4,035
Other receivables	18	3,517	-	3,517
Due from subsidiaries	25(a)	648,037	(5,788)	642,249
Bank balances	20	22,023	-	22,023
		1,140,521	(64,163)	1.076.358

		Gross amounts	Expected credit loss (ECL)	Total
30 June 2023	Note	KShs'000	KShs'000	KShs'000
Trade receivables	18	125,444	(21,067)	104,377
Contract assets	19	414,154	(1,013)	413,141
Staff receivables	18	3,310	(611)	2,699
Other receivables	18	12,477	-	12,477
Due from subsidiaries	25(a)	708,487	(23,336)	685,151
Bank balances	20	69,352	-	69,352
		1,333,224	(46,027)	1,287,197

The movement in expected credit loss provisions has been disclosed under Notes 18 and 19.

Other receivables

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

Cash and bank balances

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

(c) Liquidity risk

Liquidity risk is the risk that the Group and Company will encounter difficulties in meeting its obligations from its financial liabilities. The Group's and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate cash balances in the bank by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

For the year ended 30 June 2024

Notes to the financial statements

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (continued)

Further, the Group utilises short-term financing to carry out curriculum development projects whose economic benefits will be realised over the long-term and financing of the working capital cycle due to the time taken to verify deliveries to schools and therefore, receive payment from the government. The Group expects increased revenue from government orders and increased product approvals as disclosed under Note 2(i) (d) to mitigate liquidity risk from a going concern perspective.

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

Group		Less than 12 months	Between 1-2 years	Between 3-5 years	Total
At 30 June 2024	Note	KShs'000	KShs'000	KShs'000	KShs'000
Trade and other payables	22	1,007,358	-	-	1,007,358
Borrowings	23(a)	1,019,989	-	-	1,019,989
Bank overdraft	20	19,500	-	-	19,500
		2,046,847	-	-	2,046,847

		Less than 12 months	Between 1-2 years	Between 3-5 years	Total
At 30 June 2023	Note	KShs'000	KShs'000	KShs'000	KShs'000
Trade and other payables	22	1,263,185	-	-	1,263,185
Borrowings	23(a)	1,220,485	-	-	1,220,485
Bank overdraft	20	14,342	-	-	14,342
		2,498,012	-	-	2,498,012

Company		Less than 12 months	Between 1-2 years	Between 3-5 years	Total
At 30 June 2024	Note	KShs'000	KShs'000	KShs'000	KShs'000
Trade and other payables	22	813,029	-	-	813,029
Due to related party	25(b)	69,083	-	-	69,083
Borrowings	23(a)	979,167	-	-	979,167
Bank overdraft	20	19,500	-	-	19,500
		1,880,779	-	-	1,880,779

For the year ended 30 June 2024

Notes to the financial statements

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (continued)

Company		Less than 12 months	Between 1-2 years	Between 3-5 years	Total
At 30 June 2023		KShs'000	KShs'000	KShs'000	KShs'000
Trade and other payables	22	872,692	-	-	872,692
Due to related party	25(b)	69,083	-	-	69,083
Borrowings	23(a)	1,178,865	-	-	1,178,865
Bank overdraft	20	14,342	-	-	14,342
		2,134,982	-	-	2,134,982

(d) Capital management

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

The capital structure of the group consists of debt, which includes the borrowings less cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital and retained earnings. The gearing ratios at 30 June 2024 and 30 June 2023 were as follows:

	Gro	Group		oany
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Total equity	23,429	289,780	352,319	484,438
Borrowings	1,019,989	1,220,485	979,167	1,178,865
Bank overdraft	19,500	14,342	19,500	14,342
Less: Cash and bank balances	(27,533)	(83,075)	(22,023)	(69,352)
Net debt	1,011,956	1,151,752	976,644	1,123,855
Gearing ratio	4319%	397%	277%	232%

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

For the year ended 30 June 2024

Notes to the financial statements

5 (a) OPERATING SEGMENTS

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and to assess their performances. The CODM is the Group Managing Director. Only geography applies as products are homogenous e.g. maths, languages and science titles are similar. The Group's operations are within four geographical segments; Kenya, Tanzania, Uganda and Rwanda.

The table below contains segmental information provided to the CODM for the year ended 30 June 2024. The CODM assesses the performance of the operating segments based on a measure of profit before tax. There is no inter segment revenue reported in the financial information provided to the CODM.

	Kenya	Tanzania	Uganda	Rwanda	Inter- segment transactions	Total
30 June 2024	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Sales and other income	1,187,674	31,399	318,415	700		1,538,188
Cost of sales and other expenditure	(1,372,368)	(85,324)	(356,689)	(8,932)		(1,823,313)
Loss before income tax	(184,694)	(53,925)	(38,274)	(8,232)		(285,125)
Income tax credit	(46,968)	<u>-</u> /	_	-	-	(46,968)
Assets	2,309,589	67,051	271,517	562	(578,443)	2,070,276
Liabilities	2,031,252	246,286	302,010	8,709	(541,410)	2,046,847
	Kenya	Tanzania	Uganda	Rwanda	Inter- segment transactions	Total
30 June 2023	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000	KShs'000
Sales and other income	905,864	30,963	137,289	954		1,075,070
Cost of sales and other expenditure	(1,431,905)	(85,479)	(186,857)	(948)		(1,705,189)
Loss before tax	(526,041)	(54,516)	(49,568)	6	/- //-	(630,119)
Income tax credit	(58,561)		-	-	-	(58,561)
Assets	2,681,862	138,190	567,206	11,260	(610,726)	2,787,792
Liabilities	2,266,051	294,218	562,061	12,184		2,498,012

Inter segment transactions relates to intercompany transactions.

Company

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For the year ended 30 June 2024

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5 (b) REVENUE FROM CONTRACTS WITH CUSTOMERS

	Group		Company					
	2024 2023 20	2024 2023 2024	2024 2023		2024 2023		2024 2023 2024	
	KShs'000	KShs'000	KShs'000	KShs'000				
Recognised at a point in time:								
Sale of books and e-learning materials	1,461,056	1,046,204	1,075,195	858,286				
Sale of proprietary rights in respect of textbooks *	60,769	24,827	52,000	24,827				
	1,521,825	1,071,031	1,127,195	883,113				

^{*}Sale of rights relates to textbooks for Malawi and Zambia for the Company and for Tanzania, Malawi and Zambia for the Group.

Group

Timing of revenue recognition, performance obligation and payment terms disclosed under Note 2(ii) (b).

6. COST OF SALES

	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Printing costs	919,226	663,453	609,868	567,595
(Decrease)/increase in inventory provision	(37,019)	23,377	(6,884)	30,217
Stock loss write off	53,469	17,762	31,141	(2,245)
Royalty	79,268	78,719	64,422	59,921
Amortisation of pre-publication costs (Note 14)	51,794	51,113	32,987	35,350
Impairment of pre-publication costs (Note 14)	135,060	37,725	100,899	26,097
Packaging materials	5,868	8,971	5,175	8,054
	1,207,666	881,120	837,608	724,989
ADMINISTRATIVE EXPENSES				
Depreciation (Note 12)	14,749	14,803	11,014	9,621
Amortisation of intangible assets (Note 13)	3,099	4,104	2,519	3,794
Goodwill impairment	-	125,786	-	125,786
Auditors' remuneration	8,640	6,696	4,500	3,490
Staff costs (Note 8)	142,694	226,083	91,606	170,861
Directors' emoluments (Note 25(c))	28,312	30,294	27,782	29,413
Telephone, email and internet	4,192	4,987	2,356	3,556
Professional fees	23,438	22,786	12,597	18,569
Jtilities	8,962	8,850	7,820	7,460
Unrealized forex (gain)/loss	(595)	19,052	202	17,346
Other expenses	38,150	61,618	27,569	56,830
	271,641	525,059	187,965	446,726

For the year ended 30 June 2024

Notes to the financial statements

8 STAFF COSTS

	Gro	up	Company		
	2024	2023	2024	2023	
	KShs'000	KShs'000	KShs'000	KShs'000	
Salaries and wages	99,782	149,692	61,625	113,678	
Pension costs - NSSF	3,931	3,571	999	401	
Pension costs – defined contribution scheme	5,337	7,942	5,337	7,863	
Leave expense	2,177	(1,793)	1,307	(1,194)	
Other staff costs	18,949	48,775	13,654	37,747	
Staff medical expenses	12,518	17,896	8,684	12,366	
	142,694	226,083	91,606	170,861	

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

	Group		Company	
	2023	2022	2023	2022
Number of employees	89	111	59	74

9 INCOME TAX CREDIT

	Gro	up	Comp	Company		
	2024 2023 2024	2024 2023		2024 2023		2023
	KShs'000	KShs'000	KShs'000	KShs'000		
Current income tax charge	14	17	14	16		
Deferred income tax credit						
(Note 16)	(47,234)	(58,803)	(46,982)	(58,577)		
Income tax credit	(47,220)	(58,786)	(46,968)	(58,561)		

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

	Group		Company	
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Loss before income tax	(285,125)	(630,117)	(179,087)	(510,567)
Tax at the applicable rate of 30%	(85,538)	(189,035)	(53,726)	(153,170)
Tax effects of:				
- Expenses not deductible for tax purposes	34,107	130,249	2,548	94,609
 Prior year deferred tax adjustment 	4,210	-	4,210	-
Income tax credit	(47,220)	(58,786)	(46,968)	(58,561)

For the year ended 30 June 2024

Notes to the financial statements

10 EARNINGS PER SHARE - BASIC AND DILUTED

	2024	2023
Loss attributable to ordinary shareholders (KShs'000)	(237,905)	(571,331)
Ordinary/weighted average number of ordinary shares in issue	272,440,000	272,440,000
Basic and diluted loss per share (KShs)	(0.87)	(2.10)

11 DIVIDENDS PER SHARE

The Directors do not recommend payment of dividends for the year (2023 – Nil).

12 PROPERTY AND EQUIPMENT

Group				
Year ended 30 June 2023	Land and buildings KShs'000	Motor vehicles KShs'000	Furniture and equipment KShs'000	Total KShs'000
Opening carrying amount	155,819	9,949	22,034	187,802
Additions	-	-	753	753
Depreciation charge	(5,600)	(3,069)	(6,134)	(14,803)
Exchange adjustment	5,285	72	1,296	6,653
Closing carrying amount	155,504	6,952	17,949	180,405
At 30 June 2023				
Cost	210,522	38,883	92,026	341,431
Accumulated depreciation	(55,018)	(31,931)	(74,077)	(161,026)
Carrying amount	155,504	6,952	17,949	180,405

Year ended 30 June 2024	Land and buildings	Motor vehicles	Furniture and equipment	Total
	KShs'000	KShs'000	KShs'000	KShs'000
Opening carrying amount	155,504	6,952	17,949	180,405
Additions	-	-	5,281	5,281
Disposals	-	(10,171)	(44,223)	(54,394)
Depreciation charge	(7,195)	(2,869)	(4,685)	(14,749)
Depreciation on disposals	-	10,171	42,766	52,937
Exchange adjustment	(2,370)	(8)	(693)	(3,071)
Closing carrying amount	145,939	4,075	16,395	166,409
At 30 June 2024				
Cost	210,522	28,712	53,084	292,318
Accumulated depreciation	(64,583)	(24,637)	(36,689)	(125,909)
Carrying amount	145,939	4,075	16,395	166,409

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

For the year ended 30 June 2024

Notes to the financial statements

12 PROPERTY AND EQUIPMENT (Continued)

Company	Land and buildings	Motor vehicles	Furniture and equipment	Total
Year ended 30 June 2023	KShs'000	KShs'000	KShs'000	KShs'000
Opening carrying amount	109,348	9,183	11,745	130,276
Additions	-	-	753	753
Depreciation charge	(3,903)	(2,534)	(3,184)	(9,621)
Closing carrying amount	105,445	6,649	9,314	121,408
At 30 June 2023				
Cost	155,496	31,260	78,009	264,765
Accumulated depreciation	(50,051)	(24,611)	(68,695)	(143,357)
Carrying amount	105,445	6,649	9,314	121,408
Year ended 30 June 2024	Land and buildings	Motor vehicles	Furniture and equipment	Total

Year ended 30 June 2024	Land and buildings	Motor vehicles	Furniture and equipment	Total
	KShs'000	KShs'000	KShs'000	KShs'000
Opening carrying amount	105,445	6,649	9,314	121,408
Additions	-	-	4,784	4,784
Disposals	-	(7,542)	(38,774)	(46,316)
Depreciation charge	(5,723)	(2,574)	(2,717)	(11,014)
Depreciation on disposals	-	7,542	38,541	46,083
Closing carrying amount	99,722	4,075	11,148	114,945
At 30 June 2024				
Cost	155,496	23,718	44,019	223,233
Accumulated depreciation	(55,774)	(19,643)	(32,871)	(108,288)
Carrying amount	99,722	4,075	11,148	114,945

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

For the year ended 30 June 2024

Notes to the financial statements

13 INTANGIBLE ASSETS

Group		Work in	
Group	Software	progress	Total
Year ended 30 June 2023	KShs'000	KShs'000	KShs'000
Opening carrying amount	7,846	39,731	47,577
Additions	852	_/ >-/	852
Disposal	(1,577)		(1,577)
Amortisation charge	(4,104)		(4,104)
Closing carrying amount	3,017	39,731	42,748
At 30 June 2023			
Cost	51,203	39,731	90,934
Accumulated amortisation	(48,186)		(48,186)
Carrying amount	3,017	39,731	42,748

	Software	Work in progress	Total
Year ended 30 June 2024	KShs'000	KShs'000	KShs'000
Opening carrying amount	3,017	39,731	42,748
Additions	5,662	-	5,662
Disposal	(26,546)	>/ -	(26,546)
Amortisation charge	(3,099)	-/ I)-/	(3,099)
Amortisation on disposal	26,546		26,546
Exchange adjustment	(9)		(9)
Closing carrying amount	5,571	39,731	45,302
At 30 June 2024			
Cost	30,320	39,731	70,051
Accumulated amortisation	(24,749)	-	(24,749)
Carrying amount	5,571	39,731	45,302

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Notes to the financial statements

13 INTANGIBLE ASSETS (Continued)

Company		Work in	
	Software	progress	Total
Year ended 30 June 2023	KShs'000	KShs'000	KShs'000
Opening carrying amount	6,784	39,731	46,515
Additions	709	-	709
Disposal	(829)	-	(829)
Amortisation charge	(3,794)	-	(3,794)
Closing carrying amount	2,870	39,731	42,601
At 30 June 2023			
Cost	82,742	39,731	122,473
Accumulated amortisation	(79,872)	-	(79,872)
Carrying amount	2,870	39,731	42,601

Year ended 30 June 2024	Software KShs'000	Work in progress KShs'000	Total KShs'000
Opening carrying amount	2,870	39,731	42,601
Additions	2,062	-	2,062
Disposal	(25,691)	-	(25,691)
Amortisation charge	(2,519)	-	(2,519)
Amortisation on disposal	25,691	-	25,691
Exchange adjustment	-	-	-
Closing carrying amount	2,413	39,731	42,144
At 30 June 2024			
Cost	59,113	39,731	98,844
Accumulated amortisation	(56,700)	-	(56,700)
Carrying amount	2,413	39,731	42,144

Work in progress relates to Somo which is an upskilling platform that provides learners with critical 21st century skills and connects them to opportunities to use those skills. The product is still undergoing development. The Group has registered a company in Delaware, United States of America, Somo Learning Inc, to support the development and rollout of digital learning products. Delaware was advantageous in attracting foreign investors as it's also a technology hub. Somo partners with organizations to increase engagement across their businesses by transforming parts of their customer and employee journeys with learning experiences.

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Notes to the financial statements

14 PRE-PUBLISHING COSTS

	Grou	Group		Company		
Year ended 30 June	2024	2023	2024 202			
	KShs'000	KShs'000	KShs'000	KShs'000		
Opening balance	963,478	861,924	665,335	605,210		
Additions	41,306	192,919	38,371	121,572		
Impairment	(135,060)	(37,726)	(100,899)	(26,097)		
Amortisation	(51,794)	(51,113)	(32,987)	(35,350)		
Exchange adjustment	(24,306)	(2,526)	-	(26,097)		
Closing balance	793,624	963,478	569,820	665,335		

	Grou	Company		
At 30 June	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Cost	869,724	1,017,117	602,686	700,685
Accumulated amortisation	(76,100)	(53,639)	(32,866)	(35,350)
Carrying amount	793,624	963,478	569,820	665,335

Amortisation of pre-publishing costs is included in the statement of profit or loss under cost of sales. Impairment is carried out whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount and also is included in the statement of profit or loss under cost of sales. The Company estimates the useful life of the asset based on historical trends over which the government makes changes to the curriculum. Currently this is estimated to be 20 years.

15 INVESTMENT IN SUBSIDIARIES - COMPANY

	Country of incorporation	% interest held	2024 KShs'000	2023 KShs'000
Longhorn Publishers Uganda Limited	Uganda	100%	440	440
Longhorn Publishers Tanzania Limited	Tanzania	100%	41,688	41,688
Longhorn Publishers Rwanda Limited	Rwanda	100%	-	-
Longhorn Publishers Zambia Limited	Zambia	100%	337	337
Longhorn Grey Matter	DRC	50%	-	-
Law Africa Publishers (K) Limited	Kenya	92%	-	-
Longhorn Digital Ventures Limited	Kenya	100%	-	-
			42,465	42,465

The investments are not impaired.

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Notes to the financial statements

16 DEFERRED INCOME TAX

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

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

	Group		Com	npany
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Liabilities				
Accelerated capital allowances	27,148	25,004	27,401	25,230
Assets				
Provisions	(41,315)	(37,619)	(41,315)	(37,619)
Restricted interest	(29,497)	-	(29,497)	-
Tax losses	(105,244)	(87,785)	(103,745)	(87,785)
Net deferred income tax asset	(148,908)	(100,400)	(147,156)	(100,174)

	Group		Comp	oany
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
At start of year	(100,400)	(41,597)	(100,174)	(41,597)
Credit to profit or loss (Note 9)	(47,234)	(58,803)	(46,982)	(58,577)
Deferred tax not recognized in prior years	1,274	-	-	-
At end of year	(148,908)	(100,400)	(147,156)	(100,174)

Deferred tax asset relating to subsidiary companies has been recognised to the extent that is recoverable from future profits. The Group and Company have recognised deferred tax asset arising from carried forward tax losses despite a recent history of losses based on the profit measures put in place as disclosed under Note 2(i) (d).

17 INVENTORIES

	Group		Com	pany				
	2024 2023		2024 2023		2024 2023 2024		2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000				
Books – other	452,979	362,420	250,896	65,083				
Books – government orders	-	462,391	-	310,982				
Provision for obsolete inventories	(51,070)	(89,836)	(40,300)	(47,183)				
	401,909	734,975	210,596	328,882				

The cost of inventories recognised as an expense and included in cost of sales for the Group and Company amounted to KShs 771,654,690 (2023 – KShs 639,101,358) and KShs 500,468,266 (2023 – KShs 551,758,635), respectively.

For the year ended 30 June 2024

Notes to the financial statements

17 INVENTORIES (Continued)

The movement in provision was as follows:

	Group		Com	pany
	2024 2023		2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
At start of year	89,836	87,150	47,183	43,583
Write-offs	(1,747)	(20,691)	-	(26,617)
Increase in provision	(37,019)	23,377	(6,883)	30,217
At end of year	51,070	89,836	40,300	47,183

18 TRADE AND OTHER RECEIVABLES

	Gro	Group		pany
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Gross trade receivables	286,921	296,224	137,808	125,444
Less: Expected credit losses	(176,057)	(118,546)	(57,759)	(21,067)
Net trade receivables	110,864	177,678	80,049	104,377
Staff receivables	5,474	4,179	4,035	3,310
Less: Expected credit losses	(695)	(2,736)	-	(611)
Net staff receivables	4,779	1,443	4,035	2,699
Prepayments	29,153	73,598	23,659	25,389
Other receivables	10,893	12,477	3,517	12,477
<u> </u>	155,689	265,196	111,260	144,942

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

	Group		Company	
	2024	2024 2023		2023
	KShs'000	KShs'000	KShs'000	KShs'000
At start of year	121,282	133,849	21,678	79,515
Due from subsidiaries	-	-	17,547	-
Contract asset	397	-	397	-
Bad debts write off	(2,159)	(62,546)	(21)	(61,071)
Increase in provision	57,232	49,979	18,158	3,234
At end of year	176,752	121,282	57,759	21,678

For the year ended 30 June 2024

Notes to the financial statements

19 CONTRACT ASSETS

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

	Group	Group		any
	2024 2023		2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Contract assets	325,101	414,154	325,101	414,154
Less: Expected credit losses	(616)	(1,013)	(616)	(1,013)
Net contract assets	324,485	413,141	324,485	413,141

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

	Group		Company			
	2024 2023		2024 2023 2024		2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000		
At start of year	1,013	820	1,013	820		
(Decrease)/increase in provision	(397)	193	(397)	193		
At end of year	616	1,013	616	1,013		

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

	Gro	Group		any
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Government contracts	32,985	313,664	32,985	313,664

20 CASH AND CASH EQUIVALENTS

	Grou	Group		any
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Cash at bank and in hand	27,533	83,075	22,023	69,352

For purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	Gro	Group		any
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Cash at bank and in hand	27,533	83,075	22,023	69,352
Bank overdraft (Note 23)	(19,500)	(14,342)	(19,500)	(14,342)
	8,033	68,733	2,523	55,010

For the year ended 30 June 2024

Notes to the financial statements

21 SHARE CAPITAL AND EQUITY- GROUP AND COMPANY

(a)	Share capital	2024	2023
		KShs'000	KShs'000
	At 1 July 2023 and 30 June 2024		
	272,440,000 ordinary shares of KShs 1 per share (2023 – 272,440,000)	272,440	272,440

Ordinary shares have a par value of KShs 1. They entitle the holder to participate in dividends, to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held and voting at the annual general meeting.

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

(b) Share premium

Share premium arose from issuance of 272,440,000 ordinary shares at a premium of KShs 1.35 per share.

	2024	2023
	KShs'000	KShs'000
Share premium	368,289	368,289

(c) Translation reserve

Exchange differences are recognised in other comprehensive income and accumulated in the translation reserve except to the extent that the translation difference is allocated to Non-controlling interest.

	2024	2023
	KShs'000	KShs'000
Translation reverse	(83,967)	(55,521)

(d) Non-controlling interests (NCI)

The following table summarises information relating to NCI for one of the subsidiaries – Lawafrica Publishing Limited.

	2024 KShs'000	2023 KShs'000
Non-current assets	83,805	87,347
Current assets	92,838	99,094
Current liabilities	(249,652)	(255,053)
Net assets	(73,009)	(68,612)
NCI percentage	8%	8%
Net assets attributable to NCI	(5,841)	(5,489)

For the year ended 30 June 2024

Notes to the financial statements

21 SHARE CAPITAL AND EQUITY- GROUP AND COMPANY (Continued)

(d) Non-controlling interests (NCI) – (continued)

	2024 KShs'000	2023 KShs'000
Revenue	37,705	18,854
Profits	(4,397)	(15,249)
OCI	-	-
Total comprehensive income	(4,397)	(15,249)
Profits allocated to NCI	(352)	(1,220)
OCI allocated to NCI	-	-

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2024	2024 2023		2023
	KShs'000	KShs'000	KShs'000	KShs'000
Trade payables	329,055	533,157	299,696	382,268
Royalty accruals	317,279	322,618	258,718	260,568
Payroll accruals	46,056	44,639	22,497	22,815
Other payables	314,968	362,771	232,118	207,041
	1,007,358	1,263,185	813,029	872,692

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

23 (a) BORROWINGS

	Grou	Group		pany
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
The borrowings are made up as follows:				
Short-term loans	268,098	261,912	227,275	220,291
Term loans	389,783	488,825	389,784	488,826
Commercial paper	108,485	207,428	108,485	207,428
Supplier finance	253,623	262,320	253,623	262,320
Total borrowings	1,019,989	1,220,485	979,167	1,178,865
Of which:				
Payable within 12 months	1,019,989	1,220,485	979,167	1,178,865
Payable after 12 months	-	-	-	-
	1,019,989	1,220,485	979,167	1,178,865

For the year ended 30 June 2024

Notes to the financial statements

23 (a) BORROWINGS (Continued)

Movement in borrowings	Gro	Group		Company		
	2024	2024 2023		2023		
	KShs'000	KShs'000	KShs'000	KShs'000		
At start of year	1,220,485	979,999	1,178,865	935,666		
Additions - principal	1,049,709	1,724,040	1,049,709	1,724,040		
Additions - interest	204,648	157,182	204,565	156,918		
Payments in the year - principal	(1,254,803)	(1,512,491)	(1,254,555)	(1,509,779)		
Payments in the year - interest	(200,050)	(128,245)	(199,417)	(127,980)		
At end of year	1,019,989	1,220,485	979,167	1,178,865		

- Short term loans mature within twelve (12) months and bear an average floating interest rate of 20% (2023 13.5%).
- Term loans mature within sixty (60) months and bear an average floating interest rate of 20% (2023 13.5%).
- Commercial papers mature at either six (6) or twelve (12) months and bear an average floating interest rate of 18% (2023 15%).
- Supplier finance mature within two hundred and seventy (270) days and bear an average floating interest rate of 20% (2023 13.5%).

All borrowings are denominated in Kenya Shillings.

Terms and conditions for the borrowings:

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

The undrawn facilities borrowing facilities at 30 June 2024 totalled KShs 37,899,000 (2023 – KShs 101,298,000). All facilities are subject to review annually in February.

The bank overdraft facility may be drawn at any time and has a limit of KShs 20,000,000.

As part of the borrowing conditions for the term loans, the Company is required to comply with specific covenants. The Company was in breach of the current ratio and debt/EBITDA ratio requirement of 0.8 and below 4 respectively at 30 June 2024, when it's ratio stood at 0.7 and 25 respectively (2023 – ratio of 0.68 and 7 respectively). As a consequence of the breach, the non-current portion of the term loan of KShs 275,000,000 (2023 – KShs 388,493,000) has been reclassified from non-current to current. There has been no default of loan repayments.

23 b) FINANCE COSTS

	Gro	up	Company		
	2024	2024 2023		2023	
	KShs'000	KShs'000	KShs'000	KShs'000	
Interest expense	204,648	157,182	204,565	156,918	
Loan facility restructuring fee	-	25,000	-	25,000	
	204,648	182,182	204,565	181,918	

For the year ended 30 June 2024

Notes to the financial statements

24 CONTINGENT LIABILITIES

The Company had outstanding performance bonds of KShs 100,000 as at 30 June 2024 (2023 - KShs 100,000).

25 RELATED PARTY TRANSACTIONS

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

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

		0004	0000
		2024	2023
		KShs'000	KShs'000
(a)	Due from subsidiaries - Company		
	Longhorn Publishers Uganda Limited	208,783	227,465
	Longhorn Publishers Tanzania Limited	184,921	202,940
	Longhorn Publishers Rwanda Limited	74,872	100,851
	Law Africa Publishing (K) Limited	178,722	177,231
	Longhorn Digital Ventures Limited	739	-
		648,037	708,487
	Less: Expected credit losses	(5,788)	(23,336)
		642,249	685,151
	The movement in provision was as follows:		
	At start of year	23,336	-
	(Decrease)/increase in provision	(17,548)	23,336
	At end of year	5,788	23,336
(b)	Due to subsidiaries - Company		
	Longhorn Publishers Rwanda Limited	69,083	69,083

(c) Key management compensation

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

	Grou	Group		any
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Salaries and other benefits	46,336	46,310	37,248	37,222

For the year ended 30 June 2024

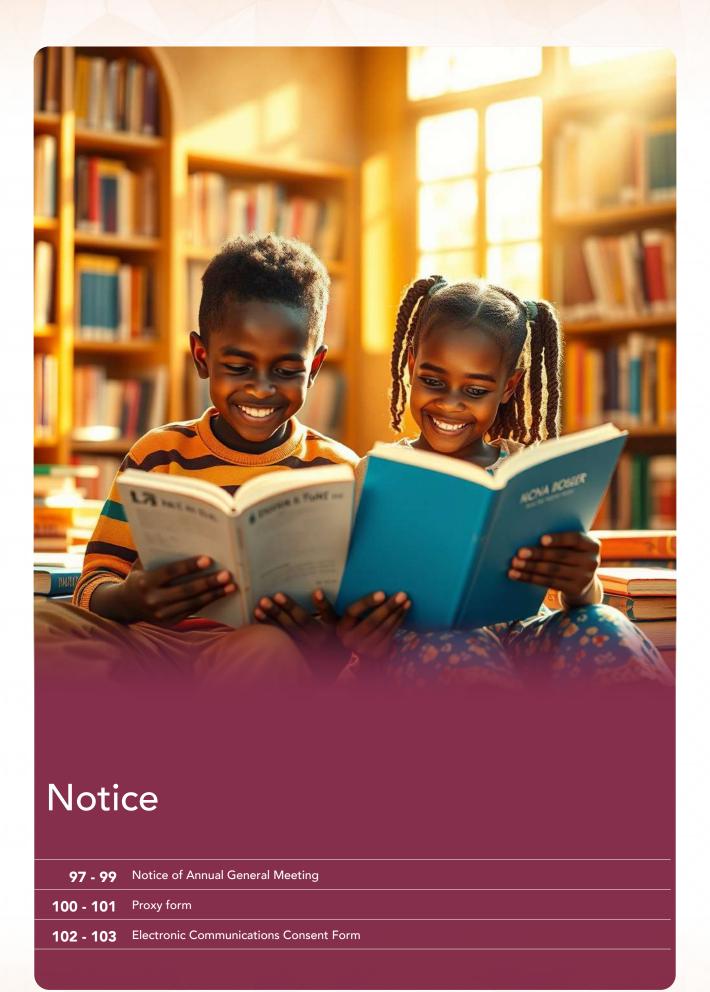
Notes to the financial statements

25 RELATED PARTY TRANSACTIONS (Continued)

(d) Directors' emoluments

	Grou	ıp	Comp	oany
	2024	2023	2024	2023
	KShs'000	KShs'000	KShs'000	KShs'000
Fees for services as directors	9,832	11,814	9,302	10,933
Salary	18,480	18,480	18,480	18,480
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Director's emoluments for the Group comprise fees paid to directors of the Company and those of the subsidiaries.



Notice

TO ALL SHAREHOLDERS LONGHORN PUBLISHERS PLC

NOTICE is hereby given that the year 2024 Annual General Meeting of the Company will be held via electronic means on **Thursday, 21 November 2024 at 11:00 a.m**. to transact the following business:-

ORDINARY BUSINESS

- 1. The Secretary to read the notice convening the meeting and confirm the presence of quorum.
- 2. To receive, consider and adopt the Financial Statements for the financial year ended 30 June 2024 together with the Chairman's Statement, and the Directors' and Auditors' reports thereon.
- 3. To note that the Directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2024.
- 4. To elect Directors:-
 - (i) Hon. F T Nyammo, who retires in accordance with the provisions of Article 96 of the Company's Articles of Association and, being eligible, does not offer himself for re-election.
 - (ii) Mr Muigai Githu, who retires in accordance with the provisions of Article 96 of the Company's Articles of Association and, being eligible, offers himself for re-election.
 - (iii) Mr Fred Murimi, who retires in accordance with the provisions of Article 96 of the Company's Articles of Association and, being eligible, offers himself for re-election.
- 5. Pursuant to Section 769 (1) of the Companies Act 2015, to elect the following directors to serve as members of the Board Audit & Risk Committee:-
 - Dr Dancan Irungu Chairperson
 - Mr Fred Murimi
 - Dr Shikoh Gitau
 - Ms Emma Miloyo
- 6. To approve the Directors Remuneration Report for the financial year ended 30 June 2024.
- 7. To reappoint Messrs KPMG Kenya as Auditors of the Company in accordance with the provisions of Section 721(2) of the Companies Act, 2015, and to authorize the Directors to fix their remuneration for the ensuing financial year.
- 8. Any other business of which due notice has been given.

BY ORDER OF THE BOARD



ENID MURIUKI (MRS)
COMPANY SECRETARY

Date 30 October 2024

NOTICE OF ANNUAL GENERAL MEETIN

Notice

NOTES:

- 1. Longhorn Publishers PLC has convened and is conducting the 2024 virtual Annual General Meeting (AGM) pursuant to the provisions of its Articles of Association.
- 2. Shareholders wishing to participate in the meeting should register for the AGM by dialing *483*809# for all Kenyan telephone networks and following the various registration prompts. In order to complete the registration process, shareholders will need to have their ID/Passport Numbers which were used to purchase their shares and/or their CDSC Account Number at hand. For assistance, shareholders should dial the following helpline number: (+254) 709 170 034 from 9:00 am to 5:00pm East African time from Monday to Friday. Any shareholder outside Kenya should send their details to longhornagm@image.co.ke.

Registration for the AGM will open on Thursday, 31st October 2024 at 11:00 am and will close on Tuesday, 19th November 2024 at 11:00 a.m. East African time.

- 3. In accordance with Section 283 (2) (c) of the Companies Act, the following documents may be viewed on the Company's website **www.longhornpublishers.com** (i) a copy of this Notice and the proxy form; (ii) the Company's audited financial statements for the year ended 30 June 2024.
- 4. Shareholders wishing to raise any questions or clarifications regarding the AGM may do so by:
 - a. sending their written questions by email to longhornagm@image.co.ke; or
 - **b.** shareholders who will have registered to participate in the meeting will be able to ask questions via SMS by dialing the USSD code above and selecting the option 'Ask Question' on the prompts; or
 - c. to the extent possible, physically delivering their written questions with a return postal address or email address to the registered office of the Company, Longhorn Publishers Plc, Funzi Road, Industrial Area, Nairobi or to Image Registrars Limited offices at 5th Floor, Absa Towers (formerly Barclays Plaza), Loita Street; or
 - d. sending their written questions with a return postal address or email address by registered post to the Company Registrars' address: Image Registrars Limited, P. O. Box 9287, 00100 GPO, Nairobi.
- 5. Shareholders must provide their full details (full names, ID/Passport Number/CDSC Account Number) when submitting their questions and clarifications.
- 6. Upon receipt of the questions and clarifications, the Directors of the Company will provide written responses to the return postal address or email address provided by the Shareholder not later than 12 hours before the start of the general meeting. A full list of all questions received, and the answers thereto will be published on the Company's website not later than 48 hours after the Annual General Meeting.
- 7. In accordance with Section 298(1) of the Companies Act, shareholders entitled to attend and vote at the AGM are entitled to appoint a proxy to vote on their behalf. A proxy need not be a member of the Company. If the Proxy appointed is not the Chairman of the AGM, the appointed proxy will need access to a mobile telephone.
- 8. A proxy form is available on the Company's website via the link: **www.longhornpublishers.com**. Physical copies of the proxy form are also available at the Longhorn Publishers Plc offices on Funzi Road, Industrial Area, Nairobi, or from Image Registrars Limited offices, 5th Floor Absa Towers (Formerly Barclays Plaza), Loita Street.

A proxy must be signed by the appointor, or his attorney duly authorized in writing. If the appointer is a body corporate, the instrument appointing the proxy shall be given under its common seal or under the hand of an officer or duly authorized attorney of such body corporate.

Notice

NOTES:

A completed form of proxy should be emailed to **longhornagm@image.co.ke** or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 – 00100 GPO, Nairobi, so as to be received not later than 48 hours before the time of holding the meeting i.e. Tuesday, 19th November, 2024 at 11:00 a.m. East African time.

Any person appointed as a proxy should submit his/her mobile telephone number to the Company no later than Tuesday, 19th November 2024 at 11:00 a.m. East African time. Any proxy registration that is rejected will be communicated to the shareholder concerned no later than Wednesday, 20th November 2024 to allow time to address the issues.

- 9. The AGM will be streamed live through a link which shall be provided to all shareholders and proxies who will have registered to participate in the Annual General Meeting. Duly registered shareholders and proxies will receive a short message service (SMS/USSD) prompt on their registered mobile numbers, 24 hours prior to the AGM as a reminder of the AGM. A second SMS/USSD prompt shall be sent one hour ahead of the AGM, reminding duly registered shareholders and proxies that the AGM will begin in an hours' time and providing a link to the live stream.
 - Duly registered shareholders and proxies may vote (when prompted by the Chairman) via the USSD prompts. Results of the poll shall be published within 48 hours following the conclusion of the AGM on the Company's website.
- **10.** Shareholders are encouraged to continue monitoring the Company's website **www.longhornpublishers.com** for updates relating to the AGM.

Proxy Form

LONGHORN PUBLISHERS PLC PROXY FORM

I/WE			/
OF			
Being a member of the above Comp	pany, hereby appoint:	XIXIXI	<u> </u>
OF			
_		to vote for me/us and on my/our behalt ovember 2024 and at any adjournment t	
As witness my/our hand this	day of	2024	
Signed			
Signed		MIMIMI	

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

RE	SOLUTION	FOR	AGAINST	ABSTAIN
OR	DINARY BUSINESS			
1.	To receive, consider and adopt the Financial Statements for the financial year ended 30 June 2024 together with the Chairman's Statement, and the Directors' and Auditors' reports thereon.			
2.	Re-election of Mr Muigai Githu, who retires in accordance with the provisions of Article 96 of the Company's Articles of Association and, being eligible, offers himself for re-election.			
3.	Re-election of Mr Fred Murimi, who retires in accordance with the provisions of Article 96 of the Company's Articles of Association and, being eligible, offers himself for re-election.			
4.	Pursuant to Section 769 (1) of the Companies Act 2015, to elect the following directors to serve as members of the Board Audit & Risk Committee:- • Dr Dancan Irungu – Chairperson • Mr Fred Murimi • Ms Emma Miloyo • Dr Shikoh Gitau			
5.	To approve the Directors Remuneration Report for the financial year ended 30 June 2024.			
6.	To reappoint Messrs KPMG Kenya as Auditors of the Company in accordance with the provisions of Section 721(2) of the Companies Act, 2015, and to authorize the Directors to fix their remuneration for the ensuing financial year.			



Electronic Communications ConsentForm

Please complete in BLOCK CAPITALS
Full name of the Shareholder
Name of the appointed Proxy (ies):
Address:
Mobile Number
Date:
Signature:
Please tick ONE of the boxes below and return to Image Registrars Limited at P.O. Box 9287- 00100 Nairobi, 5th floor Absa Towers (formerly Barclays Plaza), Loita Street:
Approval of Registration I/WE approve to register to participate in the virtual Annual General Meeting to be held on 21st November 2024.
Consent for use of the Mobile Number provided I/WE give my/our consent for the use of the mobile number provided below for purposes of voting at the AGM.

Notes:

- 1. If a member is unable to attend personally, this Proxy Form should be completed and emailed to **longhornagm@image.co.ke**. or delivered to Image Registrars Limited, 5th Floor Absa Towers (formerly Barclays Plaza), Loita Street, P.O. Box 9287 00100 GPO, Nairobi, so as to be received no later than 48 hours before the time of holding the meeting i.e. Tuesday, 19th November 2024 at 11:00 a.m. East African time, or any adjournment thereof.
- 2. In the case of a member being a corporate body, the Proxy Form must be under its common seal or under the hand of an officer or duly authorized attorney of such a corporate body.
- 3. As a shareholder you are entitled to appoint one or more proxies to exercise all or any of your shareholder rights to attend and to speak and vote on your behalf at the meeting. The appointment of the Chairman of the meeting as a proxy has been included for convenience. To appoint as a proxy any other person, delete the words "the Chairman of the Meeting or" and insert the full name of your proxy in the space provided. A proxy need not be a shareholder of the Company.
- **4.** Completion and submission of the form of proxy will not prevent you from attending the meeting and voting at the meeting in person, in which case any votes cast by your proxy will be excluded.

Electronic Communications ConsentForm

- 5. To be valid the form of proxy should be completed, signed, and emailed/delivered (together with a power of attorney or other authority (if any) under which it is assigned or a notarized certified copy of such power or authority) to longhornagm@image.co.ke. or to Image Registrars Limited, Absa Towers (formerly Barclays Plaza), 5th Floor, Loita Street and address P.O. Box 9287- 00100 Nairobi not later than 11.00 a.m. East African time on Tuesday, 19th November, 2024, before the time for holding the meeting or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll.
- **6.** In the case of a Company being a shareholder then this proxy form must be executed under its common seal or signed on its behalf by an officer of that company or an authorized attorney for that Company.
- 7. An "abstain" vote option has been included on the proxy form. The legal effect of choosing this option on any resolution is that you will be treated as not having voted on the relevant resolution. The number of votes in respect of which votes are withheld will, however, be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.

Corporate Information

Registered Office

Funzi Rd, Industrial Area P.O Box 18033-00500, Nairobi, Kenya.

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

Website: www.longhornpublishers.com Email: enquiries@longhornpublishers.com

Auditor

KPMG Kenya Certified Public Accountants 8th Floor, ABC Towers Waiyaki Way P O Box 40612 – 00100, Nairobi

Tel: +254 20 514 0000, +254 20 680 000, +254 20 680 300, +254 20 680 301

Registrars

Image Registrars Limited 5th Floor, ABSA Plaza, Loita St, Nairobi P.O Box 9287-00100, Nairobi Tel; +254 709 170 000

Website: www.image.co.ke Email: info@image.co.ke

Advocates

Danlex Partners 6th Floor, Crescent Business Centre The Crescent, off Parklands Road P.O. Box 2429-00100, Nairobi-Kenya

Tel; +254 111 055 200

Email: info@danlexpartners.com



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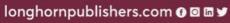


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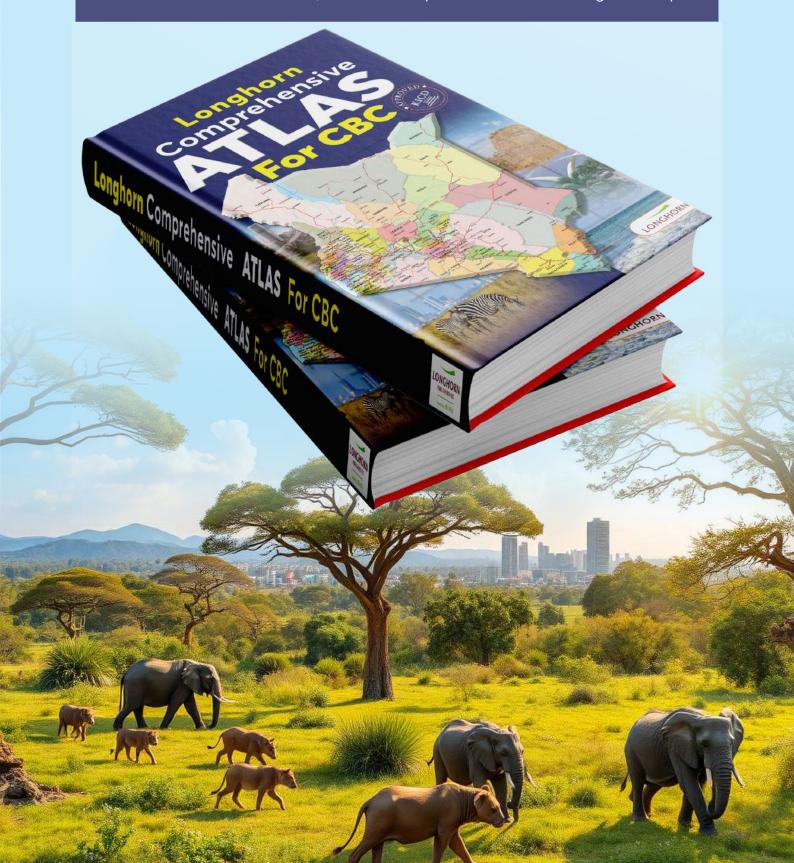






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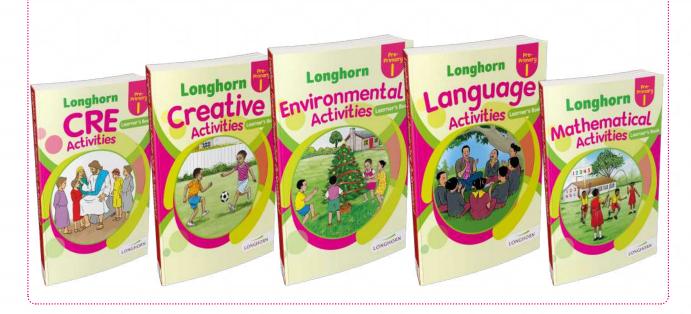
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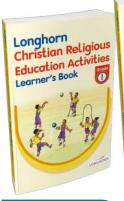
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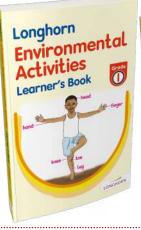
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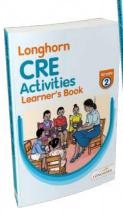








Grade 2



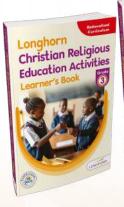








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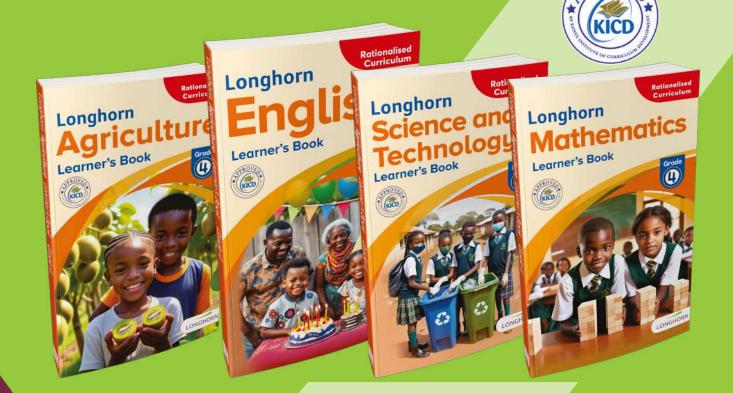








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