VITAFOAM NIGERIA PLC

UNAUDITED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

VITAFOAM NIGERIA PLC
QUARTER 4 ENDED 30 SEPTEMBER 2025

SECURITIES TRADING POLICY

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), Vitafoam Nigeria Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.

FREE FLOAT CALCULATION FOR VITAFOAM NIGERIA PLC

Shareholding Structure and Free Float Status

Company Name:	Vitafoam Nigeria Plc
Board Listed:	Main Board
Period End:	September 30th 2025
Reporting Period:	September 30th 2025
Share Price at end of reporting period	₦79.80

Description	30-Sep-24		30-Sep-25	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	1,250,844,064	100%	1,250,844,064	100%
Substantial Shareholdings (5% and above)				
Bolarinde Samuel Olaniyi	150,427,902	12.03	150,427,902	12.03
Awhua Resources Limited	98,281,981	7.86	98,281,981	7.86
Neemtree Limited	125,334,977	10.02	125,334,977	10.02
Total Substantial Shareholdings	374,044,860	29.90%	374,044,860	29.90%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Zakari M. Sada	87,280	0.01	237,280	0.02
Mr. Taiwo Adeniyi	1,364,000	0.11	1,364,000	0.11
Mr. Bamidele S. Owoade	320,000	0.03	320,000	0.03
Mr. Joseph Alegbesogie	976,820	0.03	0	0.00
Mr. Dahiru Gambo	109,553	0.01	153,344	0.01
Mr.Olaoluwa Ogunfeyitimi	414,627	0.03	414,627	0.03
Mr. Ademola Bolarinde	100,000	0.07	100,000	0.01
Mr. Achike Charles Umunna	140,000	0.01	140,000	0.01
Mr. Abdul Akhor Bello	171,860	0.01	171,860	0.01
Mr. Gerson Silva	0	0.00	0	0.00
Mrs. Abiola O. Davies	0	0.00	0	0.00
Total Directors Shareholdings	**3,684,140**	**0.30**	**2,901,111**	**0.23**
Other Substantial Shareholdings				
Sanctus Nigeria Limited	49,934,231	3.99%	50,134,231	4.01%
Total other Substantial Shareholdings	49,934,231	3.99%	50,134,231	4.01%
Free Float in Units and Percentage	823,180,833	65.81%	823,763,862	65.86%
Free Float in Value	18,109,978,326.00		65,736,356,187.60	

Declaration:

Vitafoam Nigeria Plc with a free float value of N65,736,356,187.60 (65.86%) as at September 30th, 2025 is compliant with the Nigerian Exchange Limited's free float requirements for companies listed on the Main Board.

LEKAN SANNI ACIS
COMPANY SECRETARY/LEGAL ADVISER

VITAFOAM NIGERIA PLC RC NO. 3094
HEAD OFFICE: 140, Oba Akran Avenue, Industrial Estate, P.M.B. 21092, Ikeja, Lagos State.
Tel: +234 (1) 2805070-5, Fax: +234 (1) 2805077. Email: info@vitafoamng.com Website: www.vitafoamng.com

CERTIFICATE ON INTERIM FINANCIAL REPORT
FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER, 2025

In relation to the unaudited financial statements of Vitafoam Nigeria Plc for the 12 months ended 30 September 2025, we certify as follows that:

- We have reviewed the financial report for the period under consideration.
- The report does not contain any untrue statement of material fact or have omitted to state any material fact which would have made the report misleading.
- To the best of the knowledge of the directors, the financial statements and other financial information included in the report fairly present, in all material aspects, the financial condition and results of operations of the company as of 30 September, 2025.
- The directors are responsible for establishing and maintain internal controls and have designed such internal controls to ensure that material information relating to the company is made known to such officers by others within the entity during the period under review.
- The effectiveness of the company's internal controls as of 30 September, 2025 has been evaluated within 90days prior to the report and management consider the controls adequate.

We shall disclose to the Auditors of the company and audit committee:

- All significant deficiencies, if any, in the design or operation of the internal controls which could adversely affect the company's ability to record, process, summarize and report financial data and will identify for the company's auditors any material weakness in internal controls.
- All cases of theft or fraud, whether or not material that involves management or other employees who have significant role in the company's internal control.

We confirm that there were no significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of their evaluation.

T. A. ADENIYI
(GROUP MANAGING DIRECTOR/CEO)
FRC/2015/IODN/00000010639

J. O. FAMILOYE
(CHIEF FINANCE OFFICER)
FRC/2025/PRO/ICAN/001/395185

Content

Vitafoam Nigeria Plc

Unaudited Consolidated and Separate Interim Financial Statements for the year ended September 30, 2025

Statement of Profit or Loss and other Comprehensive Income

		Group				Company			
	Notes	12 Months to 30-Sept-25 N'000	12 Months to 30-Sept-24 N'000	3 Months to 30-Sept-25 N'000	3 Months to 30-Sept-24 N'000	12 months to 30-Sept-25 N'000	12 months to 30-Sept-24 N'000	3 Months to 30-Sept-25 N'000	3 Months to 30-Sept-24 N'000
Revenue	3	111,366,850	82,639,888	29,089,554	23,880,901	97,403,303	73,492,246	22,919,619	19,302,718
Cost of Sales	4	(71,023,544)	(52,333,877)	(17,627,878)	(15,069,025)	(64,417,681)	(48,006,383)	(13,714,384)	(11,934,604)
Gross profit		40,343,306	30,306,011	11,461,676	8,811,876	32,985,622	25,485,863	9,205,235	7,368,114
Other gains and losses	8	1,386,312	603,110	742,605	603,956	1,353,617	792,371	565,230	620,640
Administrative expenses	5	(10,176,326)	(20,410,051)	(2,287,733)	(2,013,241)	(7,181,538)	(18,215,908)	(1,380,452)	(1,365,961)
Distribution expenses	6	(4,094,681)	(2,887,785)	(939,846)	(656,949)	(3,763,489)	(2,679,742)	(912,667)	(629,378)
Operating Profit/{loss)		27,458,611	7,611,285	8,976,702	6,745,642	23,394,212	5,382,584	7,477,346	5,993,415
Finance income		287,088	1,048,320	76,156	50,655	286,722	1,048,090	76,010	50,596
Finance cost	7	(6,543,254)	(7,132,818)	(1,689,978)	(3,174,827)	(6,428,228)	(7,109,466)	(1,663,425)	(3,175,405)
Minimum tax		-	(381,463)	-	-	-	(381,019)	-	-
Profit/(loss) before taxation		21,202,445	1,145,324	7,362,880	3,621,470	17,252,706	(1,059,811)	5,889,931	2,868,606
Taxation		(6,859,609)	(193,134)	(2,396,638)	(228,168)	(5,607,130)	153,300	(1,971,041)	(109,066)
Profit/(loss) for the period		14,342,836	952,190	4,966,242	3,393,302	11,645,576	(906,511)	3,918,890	2,759,540
Remeasurement on net defined liability/asset		-	183,433	-	370,133	-	183,433	-	370,133
Gains on property revaluation		-	8,063,548	-	7,734,900	-	8,063,548	-	7,734,900
Exchange difference on translating foreign operations		(395,521)	612,836	(14,225)	19,751	-	-	-	-
Gain/(loss) on valuation of investment in equity instruments designated at FVTOCI		4,181	5,820	3,599	2,445	4,181	5,820	3,599	2,445
Other comprehensive income		(391,340)	8,865,637	(10,626)	8,127,229	4,181	8,252,801	3,599	8,107,478
Total comprehensive income for the period		13,951,496	9,817,827	4,955,616	11,520,531	11,649,757	7,346,290	3,922,489	10,867,018
Profit/(loss) attributable to :									
Equity holders of the parent		13,354,386	359,704	4,634,285	3,215,807	11,649,757	(906,511)	3,918,890	2,759,540
Non-controlling interests		988,450	592,486	331,957	177,495	-	-	-	-
		14,342,836	**952,190**	**4,966,242**	**3,393,302**	**11,649,757**	**(906,511)**	**3,918,890**	**2,759,540**
Earnings per share for profit from total operations attributable to equity holders of parent									
Basic and diluted		1,067.63 k	29.00 k	370.49 k	257.09 k	931.35 k	(72.00)k	313.30 k	220.61k

Statement of Financial Position as at 30 September

	Note(s)	Group 2025 N'000	Group 2024 N'000	Company 2025 N'000	Company 2024 N'000
Assets					
Non-Current Assets					
Property, plant and equipment	9	15,900,019	15,937,112	11,785,195	11,766,459
Intangible assets		42,756	124,654	33,856	46,554
Investment property		-	-	1,575,376	1,647,654
Investments in subsidiaries		-	-	1,708,521	1,708,521
Investment in financial assets	10	21,631	17,450	21,631	17,450
Finance lease receivables		121,141	86,352	121,141	86,352
Right of use assets		176,747	183,892	176,747	183,892
		16,262,294	16,349,460	15,422,467	15,456,882
Current Assets					
Inventories	11	26,925,093	20,543,078	20,674,905	16,256,299
Other assets	19	7,514,511	3,255,858	6,516,449	2,276,979
Trade and other receivables	12	4,278,782	4,089,713	5,256,076	6,442,365
Cash and bank balances	15	9,005,558	7,110,133	6,605,197	5,474,936
		47,723,944	34,998,782	39,052,627	30,450,579
Total Assets		63,986,238	51,348,242	54,475,094	45,907,461
Equity and Liabilities					
Equity					
Share capital	16	625,422	625,422	625,422	625,422
Reserves		8,479,672	8,871,013	8,530,338	8,526,158
Accumulated profit		26,114,967	14,073,967	22,805,483	12,473,293
		35,220,061	23,570,402	31,961,243	21,624,873
Non-controlling interest		2,103,708	1,459,381	-	-
		37,323,769	25,029,783	31,961,243	21,624,873
Liabilities					
Non-Current Liabilities					
Borrowings	17	1,854,714	3,513,145	939,785	3,484,148
Retirement benefit obligation		920,343	895,765	799,095	895,765
Lease liabilities		139,437	208,610	139,437	208,610
Deferred income		346,428	-	138,698	-
Deferred tax		294,377	199,213	992,837	992,837
		3,555,299	4,816,733	3,009,852	5,581,360
Current Liabilities					
Current tax payable	18	6,771,075	912,180	5,614,640	7,510
Trade and other payables	14	8,595,087	10,114,593	6,643,988	8,243,982
Borrowings	17	7,527,181	10,474,953	7,077,752	10,449,736
Deferred income		213,826	-	167,619	-
		23,107,169	21,501,726	19,503,999	18,701,228
Total Liabilities		26,662,468	26,318,459	22,513,851	24,282,588
Total Equity and Liabilities		63,986,238	51,348,242	54,475,094	45,907,461

The unaudited consolidated and separate interim financial statements and the notes on pages 2 to 21, were approved by the board on 29 October, 2025 and were signed on its behalf by:

Group Managing Director/CEO
Taiwo Adeniyi
FRC/2015/IOND/00000010639

Chief Financial Officer
Julius Familoye, FCA
FRC/2025//PRO/ICAN/001/395185

The accounting policies on pages 7 to 15 and the notes on pages 16 to 21 form an integral part of the unaudited consolidated and separate interim financial statements.

Consolidated and Separate Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Other reserve	Revaluation reserve	Fair value adjustment assets-available-for-sale reserve	Retained earnings	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Group									
Balance at 01 October 2023	**625,422**	**(173,581)**	**393,018**	**-**	**(30,628)**	**15,430,279**	**16,244,510**	**1,161,568**	**17,406,078**
Profit for the year	-	-	-	-	-	359,704	359,704	592,486	952,190
Other comprehensive income	-	612,836	-	8,063,548	5,820	183,433	8,865,637	-	8,865,637
Total comprehensive profit for the year	**-**	**612,836**	**-**	**8,063,548**	**5,820**	**543,137**	**9,225,341**	**592,486**	**9,817,827**
	-	-	-	-	-	-	-	-	-
Statute barred unclaimed dividend income	-	-	-	-	-	51,869	51,869	-	51,869
Dividends	-	-	-	-	-	(1,951,318)	(1,951,318)	(294,673)	(2,245,991)
Balance at 30 September, 2024	**625,422**	**439,255**	**393,018**	**8,063,548**	**(24,808)**	**14,073,967**	**23,570,402**	**1,459,381**	**25,029,783**
Profit for the year	-	-	-	-	-	13,354,386	13,354,386	988,450	14,342,836
Other comprehensive income	-	(395,521)	-	-	4,181	-	(391,340)	-	(391,340)
Total comprehensive income for the period	**-**	**(395,521)**	**-**	**-**	**4,181**	**13,354,386**	**12,963,046**	**988,450**	**13,951,496**
Dividends	-	-	-	-	-	(1,313,386)	(1,313,386)	(344,123)	(1,657,509)
Balance at 30 September 2025	**625,422**	**43,734**	**393,018**	8,063,548	**(20,627)**	**26,114,967**	**35,220,062**	**2,103,708**	**37,323,770**

Consolidated and Separate Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Fair value adjustment assets-available-for-sale reserve	Retained income	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000
Company						
Balance at 01 October 2023	**625,422**	**487,418**	**-**	**(30,628)**	**15,095,820**	**16,178,032**
Loss for the year		-	-	-	(906,511)	(906,511)
Other comprehensive income	-	-	8,063,548	5,820	183,433	8,252,801
Total comprehensive income for the year	**-**	**-**	**8,063,548**	**5,820**	**(723,078)**	**7,346,290**
Statute barred unclaimed dividend income	-	-	-	-	51,869	51,869
Dividends	-	-	-	-	(1,951,318)	(1,951,318)
Balance at 30 September, 2024	**625,422**	**487,418**	**8,063,548**	**(24,808)**	**12,473,293**	**21,624,873**
Profit for the year	-	-	-	-	11,645,576	11,645,576
Other comprehensive income	-	-	-	4,181	-	4,181
Total comprehensive income for the period	**-**	**-**	**-**	**4,181**	**11,645,576**	**11,649,757**
Dividends	-	-	-	-	(1,313,386)	(1,313,386)
Balance at 30 September 2025	**625,422**	**487,418**	**8,063,548**	**(20,627)**	**22,805,483**	**31,961,244**

The accounting policies on pages 7 to 15 and the notes on pages 16 to 21 form an integral part of the unaudited consolidated and separate interim financial statements.

Statement of Cash Flows

		Group		Company	
	Note(s)	Sept 30, 2025 N'000	Sept 30, 2024 N'000	Sept 30, 2025 N'000	Sept 30, 2024 N'000
Cash flows from operating activities					
Profit/(loss) before taxation		21,202,445	1,145,324	17,252,706	(1,059,811)
Adjustments for:					
Depreciation and amortisation		1,047,178	1,086,761	525,644	592,815
Loss/(Profit) on sale of assets		(13,569)	64,990	(13,404)	64,990
Translation adjustment on PPE		128,614	(640,254)	-	-
Translation adjustment on Intangible		8,219	(3,236)	-	-
Finance income		(287,088)	(1,048,320)	(286,722)	(1,048,090)
Finance cost		6,543,254	7,132,818	6,428,228	7,109,466
Movement in Deferred Tax		95,164	-	-	-
Actuarial gain on long service award		-	(24,151)	-	(24,151)
Deferred income		346,428	-	167,619	-
Effects of exchange rate movement on cash balance		15,972	27,783	15,972	27,783
Service cost		178,008	200,464	178,008	200,464
Gain/Loss on exchange difference translation		(395,521)	612,836	-	-
Changes in working capital:					
Inventories		(6,382,015)	(6,246,410)	(4,418,606)	(4,521,351)
Trade and other receivables		87,109	(2,067,744)	1,462,467	(3,233,040)
Other assets		(4,258,653)	655,354	(4,239,470)	1,356,094
Trade and other payables		(1,770,712)	5,029,027	(1,972,447)	4,461,774
Deferred income		213,826	-	138,698	-
Benefit paid		(268,786)	(86,963)	(268,786)	(86,963)
		16,489,873	**5,838,279**	**14,969,907**	**3,839,980**
Tax paid		(1,000,714)	(2,541,001)	-	(2,204,804)
Net cash from operating activities		**15,489,159**	**3,297,278**	**14,969,907**	**1,635,176**
Cash flows from investing activities					
Purchase of property, plant and equipment	9	(1,056,234)	(462,434)	(452,260)	(188,540)
Proceeds from sale of property, plant and equipment	9	13,569	6,797	13,404	6,798
Purchase of intangible assets		(1,640)	(82,304)	-	(6,988)
		-	-	-	-
Finance lease receipt		57,012	51,865	57,012	51,865
Finance lease receivable payment		(91,801)	(83,006)	(91,801)	(83,006)
Interest received		10,910	866,562	10,544	866,332
Net cash from investing activities		**(1,068,184)**	**297,480**	**(463,101)**	**646,461**
Cash flows from financing activities					
Proceeds from borrowings		7,500,000	12,507,040	5,850,000	12,507,040
Repayment of borrowings		(12,106,203)	(21,857,383)	(11,766,347)	(21,830,274)
Leased property payment		(91,253)	-	(91,253)	-
Statute barred dividend received		-	51,869	-	51,869
Dividends paid		(1,657,509)	(2,245,991)	(1,313,386)	(1,951,318)
Interest paid		(6,154,613)	(6,746,045)	(6,039,587)	(6,722,693)
Net cash from financing activities		**(12,509,578)**	**(18,290,510)**	**(13,360,573)**	**(17,945,376)**
Net cash and cash equivalent for the period		**1,911,397**	**(14,695,752)**	**1,146,233**	**(15,663,739)**
Cash at the beginning of the period		7,110,133	21,833,668	5,474,936	21,166,458
Effect of exchange rate movement on cash balances		(15,972)	(27,783)	(15,972)	(27,783)
Cash and cash equivalent at the end of the period	15	**9,005,558**	**7,110,133**	**6,605,197**	**5,474,936**

The accounting policies on pages 7 to 15 and the notes on pages 16 to 21 form an integral part of the unaudited consolidated and separate interim financial statements.

Significant Accounting Policies

1.1 General Information

The consolidated and separate interim financial statements incorporate the financial statements of Vitafoam Nigeria Plc. and entities controlled by Vitafoam Nigeria Plc. (its subsidiaries), collectively called "the Group" made up to the end of each quarter of the year. The ultimate controlling party of the Group is the parent , Vitafoam Nigeria Plc.

Stand alone financial statements for Vitafoam Nigeria (the Company) have also been presented. The same accounting policies are used by both the Group and Company.

The consolidated and separate interim financial statements were authorised for issue by the Board of Directors on 29 October, 2025

1.2 Basis of Preparation and Adoption of IFRS

The consolidated and separate interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective for the year ended September 30, 2025

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Directors believe that the underlying assumptions are appropriate and that these interim consolidated and separate financial statements present the financial position and results fairly. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate interim financial statements are disclosed in the note .

The consolidated and separate interim financial statements have been prepared under the going concern assumption and historical cost convention as modified by the valuation of available-for-sale financial assets. The consolidated and separate interim financial statements are presented in Nigeria Naira and all values are rounded to the nearest thousand Naira (NGN'000), except where otherwise indicated.

1.3 Summary of significant accounting policies

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

1.4 Consolidation

The interim financial statements of the subsidiaries used to prepare the interim consolidated and separate financial statements were prepared as of the parent Company's reporting date.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

They are deconsolidated from the date that control ceases.

The Company's subsidiaries' are listed below:

- Vitafoam Sierra Leone Limited
- Vitapur Nigeria Limited
- Vitablom Nigeria Limited
- Vitavisco Nigeria Limited
- Vono Furniture Products Limited. .
- Vitaparts Nigeria Limited

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Significant Accounting Policies

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed.

If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. Inter-Company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-Company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Changes in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in the carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for retained interest in as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are re-classified to profit or loss.

1.5 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The interim consolidated and separate financial statements are presented in ‘Naira’, which is the Group’s presentation currency.

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 operations

Assets and liabilities for each period presented are translated at the closing rate at the date of that period. Income and expenses for each income statement are translated at average exchange rates. Where Group companies have a functional currency different from the Group's presentation currency, the exchange differences arising on translation of these operations are recognized in other comprehensive income, otherwise, in the profit or loss.

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities for each period presented are translated at the closing rate as at the end of that period;

b) income and expenses for each income statement 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 the rate on the dates of the transactions); and

c) all resulting exchange differences are recognised in other comprehensive income and accumulated in a currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

1.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods supplied in the normal course of business, stated net of trade discounts, change to returns and value added tax.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company’s activities, as described below.

The Group bases its estimate of return on historical results, taking into consideration the type of customer,the type of transaction and the specifics of each arrangement.

Significant Accounting Policies

1.7 Trade receivables

Trade receivables are amounts due from customers for sale of foam products or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. "

1.8 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, cash balances with banks, other short term highly liquid investments with original maturity of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

1.9 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method (product & packaging materials, work-in-progress,) and the weighted average cost basis. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses. Allowance is made for defective and slow moving items as appropriate. If carrying value exceeds net realizable amount, a write down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

1.11 Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

1.12 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset’s carrying amount or recognized 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 can be measured reliably. Repairs and maintenance costs are charged to the profit or loss in the period they are incurred.

The Group allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced part is derecognized when replaced. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within ‘other income’ in the profit or loss.

The major categories of property, plant and equipment are depreciated on a straight-line basis as follows:

Significant Accounting Policies

1.12 Property, plant and equipment (continued)

	Asset category	Useful lives (years)
•	Buildings	33
•	Plant and machinery	5
•	New Motor vehicle	4
•	Fairly used Motor vehicle	2
•	Furniture, fittings and equipments	5
•	Computer and IT equipments	2

- Land is not depreciated. The Company currently does not have property, plant and equipment in work in progress. In the case where an asset's carrying amount is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference (impairment loss) is recorded as expense in profit or loss.

1.13 Impairment of assets

1.13.1 Impairment of non-financial assets

Assets that are subject to amortisation 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.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.13.2 Impairment of financial assets

a. Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired. A financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

• Significant financial difficulty of the issuer or obligor;

• a breach of contract, such as a default or delinquency in interest or principal payments;

• the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

• it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

• the disappearance of an active market for that financial asset because of financial difficulties; or

• observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

1. Adverse changes in the payment status of borrowers in the portfolio; and

2. National or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the income statement.

b. Assets carried as available for sale

The Group assesses at the end of each reporting period whether there is an objective evidence that a financial asset is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below cost is also evidence that the asset is impaired.

Significant Accounting Policies

1.13 Impairment of assets (continued)

If such evidence exists for available for sale financial assets, the cumulative loss -measured as the difference between the acquisition cost and the current fair value, less any impairment loss on thatfinancial asset previously recognized in profit or loss-is removed from equity and recognized in profit or loss. Impairment losses recognized in the consolidated income statement on equity instruments are not reversed through the consolidated profit or loss.

1.14 Financial instruments

Classification

The Company classifies its financial assets in the following categories:

Loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

1.14.1 Financial assets

The Group's financial assets are classified into available for sale (AFS) and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Management determines the classification of financial assets at initial recognition.

i Available-for-sale financial assets (AFS financial assets)

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. The Group’s available-for sale assets comprise investments in equity securities . Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from remeasurement are recognized in other comprehensive income .

When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the statement of comprehensive income and are included in “other gains and losses (net)”. Available-for-sale investments are classified as non-current, unless an investment matures within twelve months, or management expects to dispose of it within twelve months. Dividends on available-for-sale equity instruments are recognized in the statement of income as dividend income when the Company’s right to receive payment is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair values cannot be reasonably estimated are carried at cost.

ii Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Group’s loans and receivables comprise trade receivables, staff debtors, Intercompany receivables and cash and cash equivalents, and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are carried at amortised cost less any impairment.

1.14.2 Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost. There are no financial liabilities at fair value through profit or loss (FVTPL). Financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, inclusive of directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification as follows:

(a) Financial liabilities at amortised cost

These include trade payables and bank borrowings. Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortised cost using the effective interest method. Bank borrowings are recognised initially at fair value, net of any transaction costs incurred, and subsequently at amortised cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

Offsetting financial Instruments

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

Derecognition

All financial instruments are initially measured at fair value. Financial assets and liabilities are derecognised when the rights to receive cash flows from the investments or settle obligations have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Significant Accounting Policies

1.15 Taxation

Current Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted as at each reporting period end in the countries where the Group operates and generates taxable income.Management periodically evaluates 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.

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. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at each report period end 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 profit 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.

1.16 Employee benefits

The Group has both defined benefit and defined contributory schemes.

a) Defined Contributory scheme

The Company operates a pension scheme which is generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Company operates a defined contribution plan. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan.

In Nigeria, the Group, in line with the provisions of the Pension Reform Act 2014, operates a defined contribution pension scheme under which the Group contributes 10% and its employees each contribute 8% of the employees’ monthly basic salary, housing and transport allowances to the fund. In Sierra Leone and Ghana.

The Group also operates defined contribution schemes in accordance with the relevant local laws. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

The staff contributions to the scheme are funded through payroll deductions while the Group's contributions are accrued and charged fully to the profit or loss account. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

b) Defined Benefits scheme

A defined benefit plan is a retirement benefit plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial gains and losses are recognized in full in the period in which they occurred, in other comprehensive income and cumulated in other reserves without recycling to profit or loss in subsequent periods.

The current service cost of the defined benefit plan, recognised in the income statement in employee benefit expense, except where included in the cost of an asset, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes curtailments and settlements. Past-service costs are recognised immediately in income.

Other Long term benefits

Other long term benefits - Long Service awards are paid to qualifying staff when earned. The Group's liability to staff is measured annually by independent actuaries using the projected credit unit method.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Significant Accounting Policies

1.17 Share capital

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded as share capital at their par value. The excess of the issue price over the par value is recorded in the share premium reserve.

1.18 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's consolidated and separate interim financial statements in the period in which the dividends are approved by the Company's shareholders.

Unclaimed dividends which remain unclaimed for a period exceeding twelve (12) years from the date of declaration and which are no longer actionable by shareholders in accordance with section 385 of the Companies and Allied Matters Acts of Nigeria are written back to retained earnings.

1.19 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

The Group leases certain land and buildings. Leases of land and buildings where the Group has substantially all the risks and rewards of ownership are classified as finance leases otherwise, they are operating leases.

Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. For finance leases, each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other longterm payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant & equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset and the lease term.

1.20 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to property, plant and equipment are deferred and credited to the profit or loss on a straight- line basis over the expected useful lives of the related assets.

1.21 Segment Reporting

An Operating segment is a component of an entity

a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity);

b) whose operating results are regularly reviewed by the entity's chief operating decision maker to maked ecisions about resources to be allocated to the segment and assess its performance; and

c) for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Managing director of Vitafoam Nigeria Plc.

1.22 Borrowings

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

1.23 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.24 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Land held under operating leases is classified and accounted for by the Company as investment property when the definition of investment property would otherwise be met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and (where applicable) borrowing costs. After initial recognition, investment property is carried at cost. Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the Group and the cost can be reliably measured.

Significant Accounting Policies

1.2 Investment property (continued)

This is usually when all risks are transferred. Rental income represents income received from letting of properties. Income is recognised on an accrual basis and credited to the profit or loss.

1.25 Intangible assets

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

• it is technically feasible to complete the software product so that it will be available for use;

• management intends to complete the software product and use or sell it;

• there is an ability to use or sell the software product;

• it can be demonstrated how the software product will generate probable future economic benefits;

• adequate technical, financial and other resources to complete the development and to use or sell the software

product are available; and

• the expenditure attributable to the software product during its development can be reliably measured

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of five years." Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

1.26 Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Where IAS 8 applies, comparative figures have been adjusted to conform to changes in presentation in the current year.

1.27 Interests in subsidiaries

Company unaudited consolidated and separate interim financial statements

In the company's separate unaudited consolidated and separate interim financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

2 Critical accounting estimates and judgements

The preparation of consolidated and separate interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management 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 areas where assumptions and estimates are significant to the consolidated and separate interim financial statements are disclosed herein.

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

2.1 Critical accounting estimates and assumptions

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

2.1.1 Pension obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for these benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of employee benefit obligations.

Significant Accounting Policies

The Group's actuaries determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations.

In determining the appropriate discount rate, the actuaries considers the interest rates of high-quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on Government bonds) that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related employee benefit obligation. Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in note .

2.1.2 Income Taxes

Taxes are paid by Companies under a number of different regulations and laws, which are subject to varying interpretations. In this environment, it is possible for the tax authorities to review transactions and activities that have not been reviewed in the past and scrutinize these in greater detail, with additional taxes being assessed based on new interpretations of the applicable tax law and regulations.

Accordingly, management's interpretation of the applicable tax law and regulations as applied to the transactions and activities of the Companies within the Group may be challenged by the relevant taxation authorities. The Group's management believes that its interpretation of the relevant tax law and regulations is appropriate and that the tax position included in these interim consolidated and separate financial statements will be sustained.

2.1.3 Impairment of available-for-sale equity investments

The Group follows the guidance of IAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgement. In making this judgement, the group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

2.1.4 Useful lives and residual values

Useful lives and residual values are reviewed annually in line with IAS 16 requirements.In performing this review,management considers the present conditions of the assets and the scrap values realizable on these assets at the time of disposal. No revisions were made to useful lives and residual values in current period as management deems these estimates appropriate.

2.2 Critical judgements in applying the entity's accounting policy

Key judgements applied to the Group's accounting policies during the periods included in these consolidated and separate interim financial statements.

2.2.1 Impairment of Non-financial assets

IAS 36 requires an assessment of indicators of impairment at least at each period end. Where no indicators exist as at review date, the standard precludes the need for any further impairment testing's. The Directors reviewed all indicators as at each period and conclude that no non-financial assets (e.g. property plant and equipment) were impaired.

2.2.2 Investment in subsidiary - Vitapur Nigeria Limited

Even though Vitafoam holds only 40% of equity shares in Vitapur Nigeria Limited, the Directors believe that Vitafoam has "more than" significant influence and controls the financial and operating policies of Vitapur Nigeria Limited. This key judgement forms the basis for the consolidation of the Vitapur's financial statements.

2.2.3 Functional currency of Vitafoam Sierra Leone

IAS 21 requires that the functional currency of an entity should reflect the underlying transactions, events and conditions that are relevant to the entity. Prior to June 2014, the functional currency of Vitafoam Sierra Leone was the Nigerian Naira.

From July 2014, there was a change in the underlying events and conditions that was relevant to the subsidiary. Following this event, the functional currency changed to the Sierra Leonean 'Leone'. The effect of this change has been reflected retropectively from the date of change in these financial statements in line with IAS 21.

2.2.4 Impairment of financial assets

The Group reviews its impairment of financial assets for possible impairment if there are events or changes in circumstances that indicate that the carrying values of the assets may not be recoverable, or at least at the reporting date, when there is an indication that the asset might be impaired.

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	12 Months to 30-Sept-25 N'000	12 Months to 30-Sept-24 N'000	3 Months to 30-Sept-25 N'000	3 Months to 30-Sept-24 N'000	12 months to 30-Sept-25 N'000	12 Months to 30-Sept-24 N'000	3 Months to 30-Sept-25 N'000	3 Months to 30-Sept-24 N'000

3. Revenue

Local	106,452,651	79,199,843	28,032,534	22,841,585	97,403,303	73,492,246	22,919,619	19,302,718
Outside Nigeria	4,914,199	3,440,045	1,057,020	1,039,316	-	-	-	-
	111,366,850	**82,639,888**	**29,089,554**	**23,880,901**	**97,403,303**	**73,492,246**	**22,919,619**	**19,302,718**

The company's primary geographical segment is Nigeria, the Company's products have identical risks and returns. No further business or geographical segment information is therefore reported.

4. Cost of sales

Raw materials and consumables	69,961,850	51,464,263	17,220,160	14,752,585	63,812,473	47,516,140	13,442,601	11,701,959
Depreciation and impairment	623,987	627,722	162,974	115,593	217,033	208,634	57,643	52,382
Labour Cost	437,707	324,770	244,744	200,847	388,175	292,692	214,140	180,263
	71,023,544	**52,333,877**	**17,627,878**	**15,069,025**	**64,417,681**	**48,006,383**	**13,714,384**	**11,934,604**

5. Administrative expenses

AGM expense	22,933	25,385	-	346	21,159	24,334	544	-
Conference & award expense	2,895	5,064	156	1,040	2,895	5,064	181	1,040
Advertising	829,866	479,926	272,621	117,392	753,218	421,232	259,612	101,134
Audit fees	64,763	53,274	17,633	26,632	40,400	37,625	10,981	21,125
Impairment allowance on trade and other debtiors	8,293	69,745	-	-	8,293	-	-	-
Bank charges	141,084	122,260	43,011	29,248	83,831	87,401	18,815	17,964
Cleaning	92,590	65,510	27,451	18,543	53,609	42,560	16,272	11,506
Consulting and professional fees	197,658	145,689	66,203	59,356	111,479	58,786	32,364	15,165
Amortisation	14,497	19,714	3,575	4,071	12,697	15,256	3,036	3,927
Depreciation	416,458	479,042	60,131	106,701	295,914	368,925	63,918	81,003
Donations	24,866	9,557	6,849	-	13,585	8,390	918	-
Employee costs*	3,977,081	3,685,143	598,745	764,663	2,793,504	2,570,873	277,183	515,801
Entertainment	56,998	39,617	71,674	10,737	41,828	25,233	10,428	7,173
Other expenses	61,312	29,909	26,907	15,778	12,250	12,845	120	2,137
Gratuity Expenses	238,561	-	71,215	59,216	169,328	192,280	34,304	50,262
Fines and penalties	-	15,500	-	-	-	15,500	-	-
Insurance	219,954	182,649	67,668	60,257	171,498	143,519	56,667	48,499
Rent and rates	160,452	133,372	82,932	57,034	32,978	20,930	6,997	4,146
Stationery,newspaper and periodicals	81,359	51,630	28,401	13,158	48,145	36,033	13,825	9,197
Postage, telecommunication and internet*	94,732	71,424	24,960	24,138	61,690	47,860	18,277	17,027
Uniform and protective clothing	6,063	1,869	1,642	216	3,407	873	695	241
Repairs and maintenance	867,852	498,480	360,830	177,181	573,964	405,897	240,740	117,867
Research and development costs	21,518	39,397	12,074	3,889	7,946	5,805	3,446	-
Exchange loss	607,011	12,723,435	-	-	403,493	12,526,188	-	-
Security	91,069	66,322	23,142	19,558	61,580	46,883	15,819	13,650
Subscriptions	23,229	26,724	946	4,973	18,289	14,123	2,337	1,133
Impairment of property,plant and equipment	6,498	-	6,498	-	-	-	-	-
Transport and traveling	549,471	411,307	164,932	105,378	295,592	245,678	92,571	86,559
Electricity and other utilities	1,297,263	958,107	247,537	333,736	1,088,966	835,815	200,402	239,405
	10,176,326	**20,410,051**	**2,287,733**	**2,013,241**	**7,181,538**	**18,215,908**	**1,380,452**	**1,365,961**

6. Distribution cost

This represent cost of freight of goods

Distribution cost	4,094,681	2,887,785	939,846	656,949	3,763,489	2,679,742	912,667	629,378

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	12 Months to 30-Sept-25 N'000	12 Months to 30-Sept-24 N'000	3 Months to 30-Sept-25 N'000	3 Months to 30-Sept-24 N'000	12 months to 30-Sept-25 N'000	12 Months to 30-Sept-24 N'000	3 Months to 30-Sept-25 N'000	3 Months to 30-Sept-24 N'000

7. Finance cost

Interest on Term Loan	2,866,436	877,440	442,366	740,127	2,751,410	854,088	415,812	740,705
Other Bank charges	210,790	27,730	61,499	19,924	210,790	27,730	61,499	19,925
Interest on Borrowings	3,077,387	5,840,875	1,089,745	2,286,729	3,077,387	5,840,875	1,089,745	2,286,728
Interest on defined benefit obligation	366,562	359,879	91,640	120,973	366,561	359,878	91,640	120,972
Finance leases	22,079	26,894	4,729	7,074	22,080	26,895	4,729	7,075
	6,543,254	**7,132,818**	**1,689,978**	**3,174,827**	**6,428,228**	**7,109,466**	**1,663,425**	**3,175,405**

8. Other gains and losses

Profit on disposal of assets	13,569	(64,990)	707	(64,990)	13,404	(64,990)	540	(64,990)
Investment income	42,939	14,104	10,189	11,803	251,146	193,286	10,189	11,803
Sale of scrap items	1,124,572	617,737	436,098	159,458	794,484	534,041	190,620	138,751
Rental income	11,640	36,259	27,742	30,636	108,307	108,759	27,742	30,634
Provision no longer required	33,642	-	11,834	121,146	18,657	21,275	8,284	122,376
Government grants	159,950	-	8,898	23,922	167,619	-	41,905	-
Exchange gain/(losses)	-	-	247,137	321,981	-	-	285,950	382,066
	1,386,312	**603,110**	**742,605**	**603,956**	**1,353,617**	**792,371**	**565,230**	**620,640**

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

9. Property, plant and equipment

Group

	Freehold Land N'000	Buildings N'000	Plant and machinery N'000	Furniture and Fixtures N'000	Motor Vehicle N'000	Total N'000
Cost						
Balance at 01 October 2023	438,168	6,060,222	5,431,389	582,610	970,768	13,483,157
Additions	545	64,528	282,579	50,804	63,978	462,434
Revaluation	8,959,498	-	-	-	-	8,959,498
Disposals	-	-	(9,787)	(2,955)	(86,640)	(99,382)
Effect of exchange differences	-	869,506	159,728	17,370	48,249	1,094,853
Balance at September 30, 2024	9,398,211	6,994,256	5,863,909	647,829	996,356	23,900,561
Balance at 01 October 2024	9,398,211	6,994,256	5,863,909	647,829	996,356	23,900,561
Addition	-	50,756	768,778	117,854	118,846	1,056,234
Disposal	-	-	(7,605)	(1,215)	(71,561)	(80,381)
Reclassification	-	-	60,821	-	-	60,821
Effect of exchange differences	-	(181,090)	(33,304)	(3,718)	(10,981)	(229,093)
Balance at 30 September 2025	9,398,211	6,863,922	6,652,599	760,750	1,032,660	24,708,142

	Freehold Land N'000	Buildings N'000	Plant and machinery N'000	Furniture and Fixtures N'000	Motor Vehicle N'000	Total N'000
Accumulated depreciation						
Balance at 01 October 2023	-	1,805,845	3,612,232	454,670	603,799	6,476,546
Charge for the year	-	221,514	588,004	49,513	200,870	1,059,901
Disposal	-	-	(1,739)	(49)	(25,807)	(27,595)
Effect of exchange differences	-	241,187	156,701	15,689	41,023	454,600
Transfer from disposal group	-	-	-	-	-	-
Balance at September 30, 2024	-	2,268,546	4,355,198	519,823	819,885	7,963,452
Balance at 01 October 2024	-	2,268,546	4,355,198	519,823	819,885	7,963,452
Charge for the year	-	215,242	623,987	61,322	124,984	1,025,535
Disposal	-	-	(7,605)	(1,215)	(71,561)	(80,381)
Effect of exchange differences	-	(54,461)	(33,540)	(3,376)	(9,107)	(100,484)
Balance at 30 September, 2025	-	2,429,327	4,938,040	576,554	864,201	8,808,122
Carrying amount						
Balance as at 30 September, 2025	9,398,211	4,434,595	1,714,559	184,196	168,459	15,900,019
Balance at September 30, 2024	9,398,211	4,725,712	1,508,712	128,008	176,469	15,937,112

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

Company

	Freehold Land	Buildings	Plant and machinery	Furniture and fixtures	Motor Vehicle	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost						
Balance at 01 October 2023	430,558	2,653,664	2,740,371	393,389	794,413	7,012,395
Addition	545	10,276	108,750	22,095	46,874	188,540
Disposal	-	-	(9,787)	(2,956)	(84,740)	(97,483)
Revaluation	8,959,498	-	-	-	-	8,959,498
Transfer to investment property	-	(20,304)	-	-	-	(20,304)
Balance at 30th September, 2024	9,390,600	2,643,636	2,839,333	412,529	756,548	16,042,646
Balance at 01 October 2024	9,390,600	2,643,636	2,839,333	412,529	756,548	16,042,646
Addition	-	5,235	363,158	71,049	12,818	452,260
Disposal	-	-	(4,653)	(850)	(71,561)	(77,064)
Balance at 30 September, 2025	9,390,600	2,648,871	3,197,838	482,728	697,805	16,417,842
Accumulated depreciation						
Balance at 01 October 2023	-	822,489	2,201,556	330,094	457,966	3,812,105
Charge for the year	-	79,956	208,634	25,843	183,701	498,134
Disposal	-	-	(1,739)	(49)	(23,907)	(25,695)
Transfer to investment property	-	(8,358)	-	-	-	(8,358)
Balance at 30 September, 2024	-	894,088	2,408,451	355,888	617,760	4,276,187
Balance at 01 October 2024	-	894,088	2,408,451	355,888	617,760	4,276,187
Charge for the year	-	80,129	217,033	33,789	102,573	433,524
Disposal	-	-	(4,653)	(850)	(71,561)	(77,064)
Balance at 30 September, 2025	-	974,217	2,620,831	388,827	648,772	4,632,647
Carrying amount						
Balance as at 30 September, 2025	9,390,600	1,674,654	577,007	93,901	49,033	11,785,195
Balance as at 30 September 2024	9,390,600	1,749,549	430,882	56,640	138,788	11,766,459

10. Available for-sale financial assets

Investment in Financial assets				
Quoted Security	21,631	17,450	21,631	17,450

The Group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the year.

-

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	Group		Company	
	30 Sept 2025 N'000	30 Sept 2024 N'000	30 Sept 2025 N'000	30 Sept 2024 N'000

11. Inventories

Finished goods - cost	3,700,217	1,451,313	2,115,943	1,158,780
Raw materials - cost	20,352,562	16,284,616	16,410,177	12,989,162
Work in progress - cost	980,814	1,739,800	580,159	1,177,350
Spare parts and consumables - cost	1,969,444	1,144,712	1,602,074	963,876
	27,003,037	20,620,441	20,708,353	16,289,168
Inventories (write-downs)	(77,943)	(77,363)	(33,448)	(32,869)
	26,925,094	**20,543,078**	**20,674,905**	**16,256,299**

11.1 Other consumables : This class of inventory represents stock of Diesel, PMS, stationeries, engineering consumables **and promotional items**

12. Trade and other receivables

Trade receivables	963,771	1,290,739	364,176	420,224
Allowance for doubtful debt receivables	(477,396)	(492,613)	(224,223)	(225,352)
Other receivables (Note 12.1)	3,773,053	3,283,833	3,333,767	2,945,032
Staff Debtors	19,354	7,754	8,012	-
Receivables from related parties (Note 13)	-	-	1,774,344	3,302,461
	-	-	-	-
	4,278,782	**4,089,713**	**5,256,076**	**6,442,365**

12.1 Other receivable comprise majorly of unclaimed dividends held by Meristem Registrar, unclaimed dividend fund trust fund, investment in treasury bill, accrued interest income on defined benefit obligation, deposit for chemicals with foreign suppliers and Withholding tax

13. Related parties

Due from/to related entities				
Vitapur Nigeria Limited			46,485	(146,186)
Vitablom Nigeria Limited			(473,747)	(90,990)
Vono Furniture Products Ltd.			138,432	129,337
Vitafoam Sierra -Leone			1,902,084	2,972,927
Vitavisco Nig. Ltd			(400,491)	(138,154)
Vitaparts			586,536	609,716
Allowance for Impairment			(24,955)	(34,189)
			1,774,344	**3,302,461**

14. Trade and other payables

Trade payables	2,490,224	4,412,478	2,115,779	3,846,630
Dealers Securities' Deposit	553,389	359,117	477,493	179,517
Dividends Unclaimed	1,784,707	1,657,025	1,782,458	1,622,532
Value added tax payable	445,030	515,488	25,911	189,185
Other credit balances	1,170,235	600,933	316,792	230,174
Accrued expenses (Note 14.1)	616,753	265,762	471,398	81,662
Witholding tax payable	147,171	149,396	144,600	130,689
Other accounts payable	129,080	211,853	51,059	21,052
Contract liability	1,258,498	1,561,522	1,258,498	1,561,522
Minimum tax	-	381,019	-	381,019
	8,595,087	**10,114,593**	**6,643,988**	**8,243,982**

14.1 Accruals comprises majorly of interest accrued for defined benefit obligation for the year of N395.4 million.

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	Group		Company	
	30 Sept 2025 N'000	30 Sept 2024 N'000	30 Sept 2025 N'000	30 Sept 2024 N'000

15. Cash and bank balances

Cash and cash equivalents consist of:

Cash	45,212	35,916	23,216	11,587
Bank Balances	8,960,346	7,074,217	6,581,981	5,463,349
	9,005,558	**7,110,133**	**6,605,197**	**5,474,936**

16. Share capital

Authorised				
1,250,844,064 Ordinary shares of 50 kobo each	625,422	625,422	625,422	625,422
Issued				
Ordinary shares1,250,844,064 of 50 kobo each	625,422	625,422	625,422	625,422

17. Borrowings

Non Current				
Bank loan	1,854,714	3,513,145	939,785	3,484,148
Total	**1,854,714**	**3,513,145**	**939,785**	**3,484,148**
Current				
Bank overdrafts	-	25,217	-	-
Letter of credit	-	4,507,773	-	4,507,773
Bank loan	7,527,181	5,941,963	7,077,752	5,941,963
Total current borrowings	**7,527,181**	**10,474,953**	**7,077,752**	**10,449,736**
Total borrowings	**9,381,895**	**13,988,098**	**8,017,537**	**13,933,884**

18. Current tax Payable

The movement in current tax payable is as follows:				
At 1 October	912,180	2,650,848	7,510	2,212,314
Company income tax	6,859,609	802,333	5,607,130	-
Payment during the year	(1,000,714)	(2,541,001)	-	(2,204,804)
At 30 September 2025	**6,771,075**	**912,180**	**5,614,640**	**7,510**

19. Other assets

Prepaid rent	202,537	151,810	91,608	60,855
Prepaid insurance	57,685	59,720	48,338	51,685
Prepaid subscription	42,918	35,300	41,610	32,197
Letter of credit cash back	6,255,990	2,622,400	5,804,627	1,887,874
Other prepayment	955,381	386,628	530,266	244,368
- -	**7,514,511**	**3,255,858**	**6,516,449**	**2,276,979**

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Sustaining innovation in Africa's tech startup ecosystem

BIDEMI Oke is the chief executive officer of FlashChange

In every conversation about Africa's future, one word consistently takes centre stage: innovation. It has become the heartbeat of our startup ecosystem, the rallying cry of ambitious founders, and the headline of every major funding milestone.

Rightly so, innovation marks the beginning of progress. It opens new doors, inspires bold thinking, and lights the path forward. However, as any founder soon discovers, sparking innovation is only the starting point. What truly defines lasting success is the ability to sustain it through structure, focus and long-term thinking.

Africa is rapidly becoming one of the most exciting places to invest in, with some of the world's fastest-growing economies. Over the past decade, Africa's tech landscape has experienced a remarkable surge in growth. The continent now boasts over 600 active tech hubs and a generation of entrepreneurs, each brimming with ideas to challenge the status quo. According to TechCrunch's "The Big Deal" data, in 2021 alone, African startups raised a record-breaking $4.3bn, a 155 per cent increase from the previous year.

It is an inspiring trajectory. However, beneath the glossy headlines lies a quieter, more sobering reality: many of these startups may never reach their full potential. Not because they lacked talent or vision, but because innovation without a solid foundation rarely endures. To thrive, we need more than great ideas; we need ecosystems built for longevity.

Africa is not short on ingenuity. Across the continent, people innovate daily, driven by necessity, resilience, and creativity. We are driving financial inclusion, expanding healthcare access through AI, and tackling food insecurity with agritech. We are not mere participants in global innovation; we are active architects of it.

Yet in the rush to scale and secure funding, many founders neglect the less glamorous but essential work of building durable businesses, which is in team alignment, operational clarity and financial discipline. These are not mere values; they are the backbone of companies that last.

Too often, impact is treated as a marketing tool rather than a foundational principle. Something to be highlighted in a pitch deck, rather than integrated from day one.

In today's world, where every pain point is a market opportunity, building with purpose is not just admirable, it is a smart strategy.

According to Au-Startups, over 80 per cent of African startups fail within their first five years. These are not just statistics; they are cautionary tales, reminding us that success belongs not to the swift but to the sustainable.

If we aim to build companies that outlast funding rounds and media buzz, we must move beyond celebrating ideas alone. We must strengthen the systems that turn sparks of innovation into meaningful, long-term impact.

Fighting police brutality with blockchain

DANIEL Tambee, a blockchain developer and founder of Padi Protocol, writes from Lagos via danieltambee@padiprotocol.com

On the night of October 20, 2020, gunfire echoed through the Lekki Tollgate in Lagos as soldiers opened fire on peaceful protesters demanding an end to police brutality. It was a moment that shocked Nigeria and the world, but in the weeks that followed, many who sought accountability found only silence, denial, and a disturbing disappearance of evidence.

Five years later, the scars remain. Despite disbanding the infamous SARS unit, young Nigerians, especially creatives, remote workers, and tech-savvy professionals, continue to face routine harassment, arbitrary arrests, and extortion by the police. Complaints number in the thousands, yet justice remains elusive. In many cases, the problem isn't just abuse— it's erasure. Files vanish. Videos are dismissed. Witnesses disappear. The truth is buried.

This is the problem I set out to solve when I created Padi Protocol, a blockchain-based platform that helps citizens document police abuse and connect with legal support. The goal is simple: make evidence permanent and justice more accessible.

Blockchain is often associated with cryptocurrency and speculation, but at its core, it's a technology for truth. Records stored on a blockchain cannot be altered or deleted—a feature I realised could be used not just for finance, but for justice.

With Padi Protocol, victims can upload videos, photos, and voice notes of abuse. The files are stored securely using decentralised technology, and the metadata is recorded permanently on the blockchain. It's a way of saying: "This happened. You can't delete it."

But we didn't stop there. Every user receives a digital ID and is connected to a vetted Nigerian lawyer— a "padi"—who understands both the law and the technology. These lawyers offer affordable guidance and legal support, helping to bridge the wide gap between citizens and the courtroom.

Take Tobi Adebare, a 29-year-old web designer from Lagos.

Re: The real injustice of Nnamdi Kanu's trial

TAHIRU Opute writes via tahiruopute@gmail.com

I write in reaction to your article captioned "The real injustice of Nnamdi Kanu's trial", which was published in *The PUNCH* on July 10, 2025. I must appreciate you for such an incisive and seminal write-up.

The truth of the matter is that I was planning a piece on Nnamdi Kanu titled "What offence did Kanu commit?" You beat me to it. Among the narratives bandied about on Kanu's incarceration, according to your piece, is that "Kanu has been using vulgar words and everything". Can you imagine that? You ask them, they double down on it with impunity. This is an attempt to give a dog a bad name and hang it.

I have nothing to add to your article except that I extrapolate your reasons for Kanu's ordeal that his "insult" on Buhari by mouthing that Buhari was dead and the person being promoted as Buhari was a body double, which in normal climes would have been glossed over as a tongue-in-cheek comment. Truth be told, if I were in Buhari's shoes, I would have waved off Kanu's outburst after all, in some cultures, insinuating an individual's demise forebodes a longer life, but not in Nigeria, where political correctness and armchair criticism are our pastime.

Madam, you have done justice to this issue. The narratives they are pushing back are just specious, and the earlier the young man is freed, the earlier exclusivity issues will no longer be on the front burner of our national scheme of things.

Madam, with this your masterpiece, your column has become my Friday-Friday medicine. No wonder you pride yourself as Nigeria's highest-selling newspaper.