2019
ANNUAL REPORT & ACCOUNTS

Vitafoam

-the fine art of living

VITAFOAM NIGERIA PLC RC: 3094

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CORPORATE PROFILE

Vitafoam Nigeria Plc is Nigeria's leading manufacturer of flexible, reconstituted and rigid foam products. It has the largest foam manufacturing and distribution network which facilitates just in time delivery of finished products throughout West African Sub region. Incorporated on 4th August, 1962 and listed on the floor of the Nigerian Stock Exchange in 1978, Vitafoam's brands remain household names in the Country. The Company's commitment to quality in its production process has earned it several quality awards including the Gold Certificate Award for most of its products. Vitafoam was the first Foam Manufacturing Company in Nigeria to subject its quality system to the Quality Management System championed by the Standards Organization of Nigeria (SON). The NIS ISO 9002 Certificate was obtained in 2001 and upgraded to NIS ISO 9001: 2008 in 2015.

The Company is consolidating its core business by the introduction of innovative value added products and services. It has become a full range solution provider for bedding and allied products. Its Comfort Centers provide a one stop shop for discerning consumers of its products.

The company has carved a niche for itself in the industry by its offer of a vast array of high and superior quality products that present the customers with multiple unique choices Mattresses of varied resilience and hardness are available nationwide. By use of contours cutting equipment Vitafoam designs and constructs custom-made mattresses and pillows. In addition, a range of profile products that are versatile in use are offered to the market e.g Mats (Vitarest, Leisuremats etc) and Foam sitting chairs (Vitasolid). The needs of nursing mothers are addressed by the offering of a number of foam based baby products (Changing mat, Baby cot mattresses, pillows, breast feeding covers etc.).

Vitafoam is a responsible corporate citizen and it adopts best practices in all operations. The code of good corporate governance has been well implemented by the company and it is committed to the continuous improvement of its operations. The Company's policy is determined by a competent and dynamic Board, a mix of execute and non executive directors who are experts in their own fields. The Board is supported by a robust management team.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 58th Annual General Meeting of the members of **VITAFOAM NIGERIA PLC** will be held at Lagos Sheraton Hotel and Towers, Mobolaji Bank Anthony way, Ikeja, Lagos State on Wednesday, 4th March, 2020 at 10.0'clock in the forenoon to transact the following business:

AGENDA

Ordinary Business

1. To lay before the members Report of the Directors, the Audited Financial Statements for the year ended 30th September, 2019 together with the Report of the Auditor and Audit Committee thereon.
2. To declare a Dividend.
3. To elect/re-elect Directors
4. To authorize the Directors to fix the remuneration of the Auditor.
5. To elect Members of the Audit Committee.

Special Business

6. To fix the remuneration of the Directors.
7. To consider and pass the following resolutions as special resolutions:

(I) "**THAT** pursuant to the provision of Section 271 of the Companies and Allied Matters Act, Cap C 20, Laws of the Federation of Nigeria, 2004, approval be and is hereby given to the payment of severance compensation to retiring Directors of the company, payable only in arrears at retirement with effect from the 2019 financial year"

(ii) "**THAT** approval be and is hereby given to the policy giving effect to the payment of severance compensation to retiring Directors pursuant to the above resolution".

8. To authorize the renewal of recurrent transactions which are of trading nature or those necessary for its day-to-day operations from related companies in accordance with the Rules of the Nigerian Stock Exchange governing transactions with related parties or interested persons

PROXY

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a Member of the Company. A proxy form is enclosed herewith and also available on the company's website www.vitafoam.com.ng. To be valid for the purposes of the Meeting, proxy form must be completed and deposited at the office of the Company's Registrars, Meristem Registrars Limited 213, Herbert Macaulay Way, Adekunle, Yaba, P.O. Box 51585, Falomo, Ikoyi, Lagos State, not later than 48 hours before the time of the meeting.

Dated 19 December, 2019
BY ORDER OF THE BOARD

OLALEKAN SANNI
Company Secretary/Legal Adviser
FRC/2013/NBA/00000005309
Registered Office:
140, Oba Akran Avenue
Industrial Estate Ikeja, Lagos

NOTES:

(a) **DIVIDEND**

A dividend of 42 Kobo per ordinary share, subject to appropriate withholding tax and approval will be paid electronically on 5th March, 2020 to Shareholders whose names appear in the Register of Shareholders at the close of business on Friday 7th February 2020, and who have completed the e-dividend registration and mandated the Registrar to pay their dividends directly into their Bank accounts.

(b) **CLOSURE OF REGISTER AND TRANSFER BOOKS**

Notice is hereby given that the Register of Shareholders and the Transfer Books of the Company will be closed from the commencement of business on Monday, 10th to Friday,14th February, 2020, both days inclusive, for the purpose of payment of the dividend.

(c) **NOMINATION FOR THE AUDIT COMMITTEE**

The Audit Committee consists of 3 Shareholders and 3 Directors. In accordance with Section 359(5) of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria, 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting.

(d) **UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES**

Shareholders with dividend warrants and share certificates that have remained unclaimed, or yet to be presented for payment or returned for revalidation are advised to complete the e-dividend registration or contact the Company's Registrars, Meristem Registrars Limited, 213 Herbert Macaulay Way, Adekunle, Yaba, Lagos State or call telephone No. 8920491-2.

(e) **E-DIVIDEND/BONUS**

Notice is hereby given to all shareholders to open bank accounts, Stock broking accounts and CSCS accounts for the purpose of dividend /bonus. A detachable application forms for e-bonus/e-dividend are attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Company's Registrars, Meristem Registrars Limited as soon as possible.

Shareholders can also download the form from the Registrar's website www.mersitemregistrars.com or the company's website www.vitafoam.com.ng, complete and submit to the Registrar or their respective Banks. A copy of the form is also attached to this Annual Report.

(f) **SECURITIES HOLDERS' RIGHTS**

Rule 19:12 of the Rule Book of the Nigerian Stock Exchange recognises the right of shareholders and other holders of the Company's Securities to ask questions not only at the meeting but also in writing prior to the meeting. Such Shareholders or holders of other securities may submit to the office of the Company Secretary written memoranda of their questions, observations or concerns arising from the Annual Reports & Accounts at least one week before the Annual General Meeting and also forward copies to the relevant regulatory bodies.

BOARD OF DIRECTORS AND OFFICIALS

DIRECTORS:

Dr. Bamidele O. Makanjuola	-	Chairman
Mr. Taiwo A. Adeniyi	-	Group Managing Director/CEO
Mr. Abbagana M. Abatcha	-	Group Technical & Dev. Director
Mr. Joseph Alegbesogie	-	Finance Director
Mr. Bamidele S. Owoade	-	Commercial Director
Mr. Mohammed Goni Alkali	-	Independent Non-Executive Director
Prof. (Mrs.) Rosemary I. Egonmwan	-	Independent Non-Executive Director
Mr. Gerson P. Silva	-	Non- Executive Director
Mrs. Adeola Adewakun	-	Non- Executive Director
Mr. Achike C. Umunna	-	Non-Executive Director (Appointed 19/12/19)
Mr. Sam N. Okagbue	-	Non Executive Director (Retired 09/10/19)

COMPANY SECRETARY/LEGAL ADVISER - Mr. Olalekan Sanni

REGISTERED OFFICE:

140, Oba Akran Avenue
Industrial Estate, Ikeja, Lagos, Nigeria
Website: www.vitafoam.com.ng
Telephone Nos: + 234(1)2805070-5

REGISTRAR:

Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle, Yaba
Lagos.

INDEPENDENT AUDITOR:

Deloitte & Touche Nigeria
Civic Towers
Plot GA 1, Ozumbe Mbadiwe Avenue
Victoria Island, Lagos.

BANKERS:

Bank of Industry Limited
Zenith Bank of Nigeria Plc
First Bank of Nigeria Plc
Wema Bank of Nigeria Plc
United Bank of Africa Plc
Jaiz Bank Plc
Access Bank Plc
Union Bank of Nigeria Plc.

DIRECTORS' PROFILE

DR. BAMIDELE OSUOLALE MAKANJUOLA
(Non-Executive)

Dr. Makanjuola is a first class Chemical Engineering graduate of University of Ife (now Obafemi Awolowo University), Ile- Ife. He holds a Doctor of Philosophy Degree in Chemical Engineering and Economics from the Loughborough University of Technology, United Kingdom. He is a member of the Polymer Institute of Nigeria and Fellow of the Nigerian Society of Engineers. He became the Executive Director in Charge of Corporate Planning and Development in December 2001 and was appointed Managing Director on 1st April, 2006, a position he held until his retirement on 30th September, 2012. He is currently the Chairman of the Board.

MR. TAIWO AYODELE ADENIYI
(Executive)

Mr. Adeniyi holds a B.Sc Degree in Chemistry and M.sc (Pharmaceutical Chemistry) from the University of Lagos and a Masters Degree in Supply Engineering and Logistics from the University of Warwick, United Kingdom. He won the prestigious Chairman's award of an outstanding employee in 2009 and the Nigerian National Productivity Order of Merit Award in 2012. He started his career in PharmaDeko Plc where he gained wide experience in operations management and products developments. He joined Vitafoam in 2007 as Logistics Manager and later became the Manufacturing Manager in 2010, a position he held until his appointment in July, 2012 as Executive Director and later Technical Director. Mr. Adeniyi was appointed Acting Managing Director on 22nd April, 2015 and became the substantive Managing Director on 4th June, 2015.

MR. ABBAGANA MUHAMMAD ABATCHA
(Executive)

Mr. Abatcha is a graduate of Chemistry from Ahmadu Bello University, Zaria. He has attended Senior Management Executive Course of the Lagos Business School, Pan Africa University and other courses and conferences local and international. He has served on the Boards of Bajabure Industrial Complex Limited and Vitagreen Nigeria Limited as Managing Director. He was one time a Director General of North-East Domestic Trade Fair and National Vice Chairman of Foam Manufacturers Group of MAN. He was appointed to the Board of the company effective 4th June, 2015

MR. OWOADE BAMIDELE SOLA
(Executive)

Mr. Owoade holds a Bachelors degree in Mechanical Engineering and a Masters degree in Business Administration (MBA). He is a member of the National Institute of Marketing of Nigeria. He started his career in 1995 as management trainee in West African Batteries Limited (Exide) where he gained experience in operations management and quality assurance. He joined PharmaDeko Plc in 2000 as Plant Engineer and later became Factory Engineer and Head, Factory and Engineering. He joined Vitafoam PLC in 2008. Prior to his appointment to the board of Vitafoam on 18th December, 2018, Mr. Owoade was at various times the Factory Manager, Ikeja plant, National Sales Manager, Head of Sales at Vitafoam and Managing Director Vitablom Nigeria Limited (a subsidiary of Vitafoam).

MR. JOSEPH ALEGBESOGIE

(Executive)

Mr. Alegbesogie joined the Vitafoam Group in February, 2013, as the Head of Finance and Administration at Vono Products PLC, a then subsidiary of Vitafoam Nig. Plc. Prior to joining Vitafoam, he had held leadership positions in various other organizations including Messrs. Giwa-Osagie, DFK & Co. (Chartered Accountants), as Audit Manager: 2005; Whassan Nigeria Ltd, a then subsidiary of Compass Group Plc, UK, as Financial Controller: 2012. He has over 23 years professional and practical experience in accounting, audit, taxation, and insolvency practice. He was redeployed from Vono Products Plc to Vitafoam Nig. Plc in 2015, as Chief Accountant and later promoted the position of Head, Finance and Accounts in 2017. Mr. Alegbesogie is an alumni of Lagos Business School, a fellow of the Institute of Chartered Accountants of Nigeria and an Associate member of the Chartered Institute of Taxation of Nigeria. He holds a Bachelors degree in Management from the University of Port Harcourt. Mr.Alegbesogie was appointed to the Board of the company on 18th December, 2018.

MRS. ADEOLA ADEWAKUN

(Non-Executive)

Mrs. Adewakun holds a Masters of Pharmacy Degree from the University of Portsmouth, Hampshire, United Kingdom. She is a member of the Royal Pharmaceutical Society of Great Britain and the General Pharmaceutical Council of Great Britain. A United Kingdom registered Pharmacist, Mrs. Adewakun has held various management positions in different Pharmaceutical companies in the United Kingdom. She was appointed to the Board of the company with effect from 23rd May, 2013.

PROF. (MRS.) ROSEMARY IVIONWEN EGONMWAN

(Independent Non-Executive)

Prof. Egonmwan holds a Bachelors of Science (B.Sc Hons) Degree with 2nd Class upper and a Masters of Science (M.Sc) in Zoology from the University of Lagos. She also obtained a Doctorate (D.Phil.) Zoology from the prestigious University of Oxford, United Kingdom. Professor (Mrs.) Egonmwan is a distinguished scholar and academician with over thirty (30) years experience. She was the Senior Environmental Adviser for Shell Nigeria Exploration and Production Company from 2009 – 2010 and served on the Management Board of Lagos University Teaching Hospital (LUTH) from 2012- 2016. Prof. (Mrs.) Egonmwan is on several boards and committees of the University of Lagos where she is currently a distinguished lecturer, including being a member of the Postgraduate School Board and University of Lagos Senate. She is a member of the Ecological Science of Nigeria, and British Ecological Society. Prof. (Mrs.) Egonmwan was appointed to the Board of the Company with effect from 1st October, 2017.

MR. MOHAMMED GONI ALKALI

(Independent Non-Executive)

Mr. Alkali holds a Bachelors of Science (B.Sc) Degree in Accounting with 1st Class Honours from Bayero University, Kano and a Masters Degree (M.Sc) in Accounting and Finance from London School of Economics, University of London, United Kingdom. A banker of repute, Mr. Alkali has enjoyed a successful banking career at several financial institutions in Nigeria including African International Bank (AIB) where he rose to the level of Assistant General Manager and the Bank of Industry (BOI) Limited where he was the Executive Director (Operations) from 2010 until his voluntary retirement in 2016. An accomplished

business technocrat and a resourceful administrator, Mr. Alkali supervised the Small and Medium Enterprises (SME) and other private sector developmental initiatives of the Bank of Industry from 2005 to2009, amongst other responsibilities. Mr. Alkali served as member of several Federal Government and Private sector boards and committees, including the Governing Council of SMEDAN, the Institute of Directors (IOD) and the Chartered Institute of Bankers of Nigeria (CIBN), amongst others. Mr. Alkali was appointed to the Board of the Company on 1st October, 2017.

Mr. GERSON PARREIRA SILVA

(Non-Executive)

Mr. Silva is a Chemical Scientist with competency and specialization in Polyurethane (PU) Systems, a core production component of Vitafoam, and Vitapur (a sandwich panels and chemical systems subsidiary of Vitafoam). In the course of his brilliant career, Mr. Silva has worked in several frontline chemical systems organizations across the globe including Dow Chemicals (one of the leading chemical companies in the world) for 18 years as a chemical scientist and analyst. Having acquired know-how of chemical systems application at DOW, Mr. Silva in partnership with like minds, proceeded to establish PURCOM. , one of the largest Chemical System Houses in South America. PURCOM is an internationally acclaimed producer of various PU applications and systems. Mr. Silva is a widely travelled Consultant on PU Chemical Systems. His unique and widely acclaimed experience of Chemical Systems applications has been of immeasurable value to the operations of Vitafoam and some of its subsidiaries with exciting prospects of enhanced technical proficiency and competitiveness. Mr. Silva, a Brazilian was appointed to the Board of the Company with effect from 1st October, 2017.

MR. ACHIKE CHARLES UMUNNA

(Non Executive)

Mr. Achike Charles Umunna obtained a Bachelors Degree in law (LL.B) from the University of Nigeria Nsukka in 1982, graduated from the Nigerian Law School in 1983 and obtained a Masters Degree (LL.M) from the University of Lagos in 1985. A Knight of the Catholic Church, Mr. Umunna is a fellow of the Nigerian Institute of Management Consultants (NIMC) and also holds a certificate in international arbitration from the University of Rome Tre.

Mr. Umunna has been actively engaged in legal practice for over 35 years with experience in both the public and the private sectors. He started his legal career from the then National Assembly Tafawa Balewa Square, Lagos where he was the Secretary to the Rules and Business Committee of the House of Representatives and later as legal officer with the Ministry of Defence, Defence Headquarters Lagos. He went into private practice with the law firm of Chuka Okoli and Associates before establishing the firm of Achike Umunna and Associates in 1986. Amongst other fields of practice, Mr. Umunna has acquired expertise in the field of maritime, petroleum, international trade laws and practices having worked as legal consultant in China, Bulgaria, Romania, United Kingdom, USA, Germany and Japan. He was appointed to the Board of the company with effect from 19th December, 2019.

1. Dr. Bamidele O. Makanjuola - Chairman 2. Mr. Taiwo A. Adeniyi - Group Managing Director/CEO 3. Prof. (Mrs.) Rosemary I. Egonmwan-Independent Non-Executive Director 4. Mr. Abbagana M. Abatcha - Group Technical & Development Director 5. Mrs. Adeola Adewakun-Non- Executive Director 6. Mr. Gerson P. Silva-Non- Executive Director 7. Mr. Achike C. Umunna -Non-Executive Director 8. Mr. Joseph Alegbesogie -Finance Director 9. Mr. Bamidele S. Owoade -Commercial Director 10. Mr. Mohammed Goni Alkali -Independent Non-Executive Director

PAST YEAR'S EVENTS IN PICTURES

first baby of the year 2020

Donation of Gift to Island maternity during First Baby of the Year 2020

Sponsorship of Nigerian Academy of Science media award.

National distributors Award

South West Distributors award

Visit of Princpal officers of All Unity Schools to Vitafoam

CHAIRMAN'S STATEMENT

Fellow Shareholders, Representatives of the Regulatory Authorities, Distinguished Ladies and Gentlemen,

I feel greatly honoured to welcome you to the 58th Annual General Meeting of our dear Company, Vitafoam Nigeria Plc. As always, we are delighted to host you in Lagos, our nation's commercial hub. In this forum, I have the privilege of presenting the Audited Financial Statements of the Company, and to receive your incisive feedback on our business performance. At this juncture, I would like to comment on key developments in the business environment during the year, and to assess their near-term impact on our Company.

BUSINESS ENVIRONMENT

The global economy experienced heightened uncertainty on account of numerous geopolitical risks, principally in the United States and the United Kingdom. The historic impeachment of President Donald Trump by the US House of Representatives on charges of abuse of power and obstruction of Congress portend grave implications for political stability in the United States. Meanwhile, the planned exit of Great Britain from the European Union (Brexit) hit a metaphorical brick wall, but ultimately culminated in a landslide general election victory for the pro-Brexit conservative party, led by Prime Minster Boris Johnson. While the World Bank, in its recent report, projected that the global economy is unlikely to slip into recession, the growing trend of protectionism, typified by the US-China trade conflict, and rising tensions in the Middle East pose significant downside risks to the world economy.

Nigeria's business climate was somewhat subdued at the beginning of 2019 because of tensions associated with the last general election. The acrimonious electioneering and the last-minute postponement of the elections proved very costly, as the economy was estimated by analysts to have lost close to US$10 billion. Regrettably, similar poor judgement and official ineptitude re-echoed when the country paid a whopping sum of $200 million to a United Kingdom court to overturn a botched US$9.2 billion debt judgment in favour of a foreign gas company. If the appeal is lost, the impact of this massive fine on the nation's economy is best imagined!

Despite the widespread misapprehension about policy incoherence under the present administration, the economy grew by 1.94% year-on-year in the second quarter of 2019, down slightly from a revised 2.10% expansion in the prior period. Stability of oil output, moderately stable exchange rates, as well as the successful political transition were the main drivers of this growth. The oil sector expanded by 5.15% in the second quarter of 2019 after contracting 1.46% in the previous period. Concurrently, the equally-important agriculture sector grew 2.28% year-on-year in quarter three, increasing by 0.37% from the corresponding period of 2018, driven largely by higher crop production.

According to the Nigerian Bureau of Statistics (NBS), in real terms Nigeria's Gross Domestic Product (GDP) grew by 2.28% year-on-year in the third quarter. The non-oil sector rose by 1.64%, slowing from 2.47% growth in the prior quarter. However, Nigeria's consumer price index (CPI), which measures Inflation, ratcheted up towards the last quarter of the year peaking at 11.85% by November. This macroeconomic regression resulted partly due to the closure of our land borders, in response to the predatory trade practices by neighbouring countries, and to address security concerns arising from cross-border smuggling of arms and ammunitions. While the rationale proffered by the government is incontrovertible, prolonged closure may trigger the resurgence of protectionist policies in the sub-region thereby jeopardising the quest for regional economic integration. Despite the presumed benefits of the border closure to local industries, particularly the livestock and related sub-sectors, sustained closure will compound the woes of local exporters, worsen the prevailing inflationary pressure, and aggravate the living conditions of ordinary Nigerians

Last year, the Federal Government finally relented by signing the African Continental Free Trade Agreement (AfCFTA). This agreement is expected to deepen economic cooperation and promote Africa's sustainable development through the creation of a single market for goods and services. Despite its lofty objectives, the anticipated impact of AfCFTA on Nigeria's economy must be put in perspective. We must avoid a repeat of Nigeria's experience in the West African sub-region whereby porous borders and unfair trade practices, including the smuggling of arms and petroleum products through the land borders, adversely affected Nigeria's real sector and encumbered our national security. Prior to implementation, concerted efforts should be made by the Federal Government to protect local manufacturers, by creating an enabling environment and fostering rapid infrastructural renewal.

Furthermore, we urge the reorganisation and decongestion of the nation's foremost seaport at Apapa to fast-track clearing processes. Also, port operations should be further decentralised by resuscitating moribund seaports across the country. The problem of corruption at the ports must be tackled urgently, and existing bottlenecks eliminated, to facilitate seamless clearing of goods. Unfortunately, a marginal decrease in the official corruption index from 32.3% three years ago to 30.2% in 2019 showed that the fight against corruption is far from over. A recent survey by the United Nations Office on Drugs and Crime (UNODC) and the Nigerian Bureau of Statistics (NBS) estimated that 30% of citizens in the country offered about N675 billion in bribes to public officials in 2019. The current administration, however, deserves some commendation for the successful prosecution and conviction of high-profile individuals for corrupt practices.

BUSINESS PERFORMANCE

The Company's turnover increased from N17.6 billion in 2018 to N20.3 billion last year. Profit before tax grew exponentially from N619.3 million in 2018 to N2.4 billion in the last financial year, while profit after tax also improved from N486.10 million to N 1.57 billion over the same period. The remarkable improvement in performance reflected the effectiveness of improved funding, efficiency gains, and the impact of the strategic initiatives implemented to address the protracted challenge of low margins in the business. The Company leveraged the Bank of Industry's long-term loan facility and other flexible financing windows by negotiating better trade terms with foreign suppliers of key raw materials, thereby sidestepping the middle men. The resulting reduction in the cost price of raw materials impacted positively on gross margin.

During the financial year, judicious efforts were made to expand our business frontiers through well-crafted market development strategies. Continuous innovation and products differentiation ensured that the Vitafoam brand remained the preferred choice for discerning consumers. The retail arm of the business received much-needed boost last year with the opening of additional sales outlets at choice locations across the country, thus increasing the visibility of our array of products. This marketing initiative paid off handsomely with the growth in turnover. The Company also strengthened its collaboration with trade partners through an incentive scheme expected to stimulate healthy competition amongst our distributors.

DIVIDENDS

In view of this impressive performance, the Board of Directors is recommending a dividend payout of N525 million, translating to 42 kobo per ordinary share of 50 kobo each, payable subject to the deduction of withholding tax at the appropriate rate. The current dividend is recommended, following the dividend and bonus issue of the last financial year, to reward shareholders for keeping faith with the Company.

BOARD OF DIRECTORS

Since the last Annual General Meeting, our esteemed director, Mr. Sam N. Okagbue, retired from the Board having served out his term in line with our tenure policy. Mr. Okagbue left the Board after ten years of dedicated service during which he served meritoriously on several Board committees. On your behalf, I thank Mr. Okagbue for his loyal service to the Company and extend our best wishes in all his future endeavours.

Consequently, Mr. Achike Charles Umunna was appointed to the Board as a non-executive Director to fill the existing vacancy. A legal practitioner of high repute, Mr. Umunna brings onto the Board robust experience from both the public and private sectors. His appointment will be presented for shareholders' confirmation in the course of this meeting. Please join me in wishing Mr. Umunna a successful tenure.

THE GROUP

Distinguished Ladies and Gentlemen, I feel gratified to inform you that the 2019 financial year recorded significant progress in our group expansion drive with most of the subsidiaries now firmly on their feet. Notably, Vitablom's fibre products have become highly sought after by foam manufacturers, furniture makers and other sundry users, thus contributing immensely to the revenue growth of this subsidiary. Encouraged by the success of the fibre line, arrangements have been concluded to introduce a new packaging line of scouring sponge to take advantage of this growth market. The new line is expected to take off in the second quarter of the current financial year. It is heartwarming that our Vitablom subsidiary has carved a niche for itself as a business enterprise that commands patronage from major industry players

Our ambitious diversification plan for Vitavisco was actualised towards the close of the financial year with the successful installation of the Expanded Polyethylene Sheet plant for packaging, furniture and industrial uses. Initial market survey revealed huge market opportunities for Vitavisco, as the new line is projected to launch the subsidiary into the big league over the short to medium-term horizon. In addition, efforts are in top gear to break into the automotive market, in collaboration with major international automobile companies, by leveraging the local content policy of the Federal Government. When fully realised, this will surely mark a turning point in the Company's history.

The insulation arm, Vitapur, made giant strides during the year by materially improving both its turnover and profitability. It is gratifying to report that we have successfully navigated the troubled waters of this business and are now at the consolidation phase. Insulation panels from the stable of Vitapur remain the toast of builders and construction engineers across the country. During the year, the Systems House of Vitapur received the endorsement of the United Nations Development Fund (UNDP) with full certification due by the second quarter of the current financial year. This coveted sign-off will grant Vitapur the right to fully commercialise the Systems House, thus making it a supplier of chemical systems to industry users in Nigeria and throughout the West African sub-region.

The furniture business, championed by Vono Furniture Products Limited, is steadily finding its footing. This subsidiary has continued to enjoy strong patronage from both private and government institutions throughout the country. During the year, significant efforts were made to

accelerate the turnaround process and to reposition the company towards improved performance. I am hopeful that these measures will yield a positive outcome that will transform this business dramatically.

As part of measures to optimise its cost profile, our footwear subsidiary, Vitagreen, was moved to Lagos. We anticipate that the proximity of this operation to Vitapur and Vitavisco will ensure that Vitagreen benefits from the chemical systems and Vitapur's cost-efficiency, while also taking advantage of the manpower at Vitafoam, Vitavisco and Vitapur to strengthen its technical competency.

Distinguished shareholders, the Company took several bold decisions during the year regarding our foreign operations in the overall interest of the Group. After a thorough review of our Ghanaian operation, we opted to exit Ghana and wind up the subsidiary. The subsidiary was established with great expectations, based on the positive feedback of a commissioned feasibility study. Unfortunately, the economic slowdown of the past years in the sub-region distorted our growth projections and condemned Vitafoam Ghana into a loss-making venture. Specifically, the volatile foreign exchange regime in the sub-region, coupled with the unfriendly local environment, resulted in accumulated losses of N484 million largely caused by exchange rate misalignment. I would like to inform you that the financial loss has been fully recognised at the Group level, effectively drawing a curtain on our Ghana adventure. In taking this action, the Board chose to mitigate further financial haemorrhaging in order to cut our losses. While the Ghanaian experience may be viewed by some as a debacle, there were several useful lessons and we take solace in the encouraging performance of other subsidiaries and the impressive Group performance in the 2019 financial year.

Regarding Vitafoam Sierra Leone, a reputable international accounting firm engaged by the Company has submitted a road map for the disposal of this business to prospective buyers. However, the quest to dispose the Vitafoam Sierra Leone business technically remains a work-in-progress. Against all odds, the fortunes of the subsidiary improved in the last financial year when it posted an operating profit. Meanwhile, the loan facility secured for the factory construction, which was the Achilles' heel of this subsidiary, was restructured and significantly paid down during the period with the support of the parent company. With its resurgent performance, Vitafoam Sierra Leone is in a strong position to pay off the remainder of the loan facility over the next year and a half. At the end of the current financial year, we will undertake an introspective evaluation of our options and the prospects for this business. At that point, we may well adopt a new strategy if the planned sale is not achieved within the 2020 financial year.

Disappointingly, the filter business, Vitaparts, did not take off last year as envisaged due to a recalcitrant manufacturer of one of the key components of the filter plant. We have since concluded a contingency arrangement to acquire the machine part from another supplier, while pursing appropriate remedial action against the rogue supplier. Barring unforeseen circumstances, Vitaparts will commence operations in the current financial year.

BUSINESS FINANCING STRATEGY

The Bank of Industry's initial N2.0 billion term loan accessed in 2018 contributed massively to our performance, through a reduction in finance cost by 28% and the achievement of a conspicuous 10% improvement in gross margin.

Our Company's cost of equity capital is still higher than our borrowing cost. Therefore, a rights issue would not be in the best interest of our shareholders at this time. Also, the effective tax rate remains much higher than finance cost. Consequently, we shall continue to monitor the situation so as to take the right financing decisions in the best interest of our shareholders.

I am pleased to reiterate that we received the disbursement of an additional 6-year, N2.0 billion term-loan at 9% from the Bank of Industry (BOI) in December 2019, to replace our ageing plants and machineries. This will help improve our product offerings and overall product quality. Furthermore, it will favourably impact our maintenance costs and total energy consumption due to better energy efficiency of the new machines.

We have been able to boost the working capital requirements, through BOI term loans, for three of our subsidiaries, namely Vono Furniture Products Limited, Vitablom Nigeria Limited and Vitavisco Nigeria Limited.
Everything being equal, all these strategies will foster the achievement of 30% growth in the Group's top line, including improved profitability.

OUTLOOK

Despite escalating trade crises, geopolitical uncertainties, the threat of debt time bombs, and skirmishes along the maritime straits of the Middle East with potential disruption of oil supply, the global economy is expected to achieve a moderate rebound. Given the backdrop of restrained monetary policy, the International Monetary Fund (IMF) estimates 3.4% economic growth and the World Bank a more conservative 2.7% in 2020. The latter institution estimates 3.1% growth forecast for the sub-Saharan Africa region, compared with 2.6% in 2019, with likely spill-over effect on the Nigerian economy.

Nevertheless, Moody's Investors Service, a global rating agency, downgraded Nigeria's sovereign rating to negative because of perceived fragility of the country's public finances. Moody's also highlighted the vulnerability of our economy to continuous reliance on capital importation by offshore portfolio investors, in order to shore up Nigeria's foreign exchange reserves. This negative trend is further accentuated by the steady decline in the country's external reserves to US$39.65 billion towards the end of 2019, from US$42.40 billion in the corresponding period of 2018, due to the apex bank's assertive intervention in the foreign exchange market.

Headline inflation is expected to trend higher in 2020 due to a multiplicity of factors, including the continued closure of our land borders, implementation of the new minimum wage policy, and higher value-added tax (VAT) rate of 7.5%, among others. To avoid an economy relapse under the shadow of insecurity challenges, power shortages and high unemployment, the Nigerian government must intensify the ongoing attempt to diversify the productive base of the economy and create other buffers against external shocks.

Despite these caveats, your Company will continue to identify and pursue opportunities for growth across all our operations. We shall intensify the current drive to strengthen the subsidiaries and the parent company, through sustained retail expansion and high visibility. To upscale operational efficiency and improve margins, we plan to embark on facilities' upgrade with the benefit of the additional N2 billion sourced from the Bank of Industry at the end of the last financial year. As a vote of confidence in our brand, several of our subsidiaries secured BOI and Development Bank facilities towards boosting their future operations. I am infinitely hopeful that conscientious implementation of our corporate strategy will expand the boundaries of our business, and ensure that the current performance trajectory is sustained across the Group.

CONCLUSION

In conclusion, I would like to thank the management team, led by the Group Managing Director, and the entire workforce for their exemplary performance during the financial year. I would also like to appreciate our bankers for their invaluable support, as well as our trade partners nationwide for their continued loyalty to the Vitafoam brand. To our shareholders, I say a big 'thank you' for your understanding and patience, and for keeping faith with the Company. Lastly, I thank my fellow directors for providing selfless and inspiring leadership during the outgoing year. Thank you all for your attention.

DELE MAKANJUOLA

CHAIRMAN

FINANCIAL HIGHLIGHTS

For the year ended 30 September, 2019

Group	2019	2018	Increase/
	N'000	N'000	(decrease)
Revenue	22,283,163	19,534,101	14%
Profit before income tax	3,495,838	793,852	340%
Profit for the year	2,386,708	601,923	297%
Proposed dividend	595,434	317,618	87%
Share capital	625,422	521,035	20%
Total equity	5,969,710	3,882,707	54%

Company	2019	2018	Increase/
	N'000	N'000	(decrease)
Revenue	20,330,040	17,612,291	15%
Profit before income tax	2,496,008	619,233	303%
Profit for the year	1,574,909	486,120	224%
Proposed dividend	525,354	260,518	102%
Share capital	625,422	521,035	20%
Total equity	5,932,044	4,822,994	23%

Data per 50k share	2019	2018	Increase/ (decrease
Basic earnings	N 1.82	N 0.57	219%
Declared dividend	N 0.42	N 0.25	68%
Net assets	N 4.77	N 3.72	28%

Stock Exchange Information	2019	2018	Increase/ (decrease)
Stock exchange quotation at 30 September			
in Naira per share	3.9	3.5	11%
Number of shares issued (000)	1,250,844	1,042,370	20%
Market capitalisation (N' 000)	4,878,292	3,648,295	34%

GENERAL MANDATE CIRCULAR

Information in respect of General Mandate

In compliance with the Rules of the Nigerian Stock Exchange governing transactions with Related Parties and Interested Persons, the Company is seeking the general mandate of Shareholders under item no.8 of the agenda of the Annual General Meeting.

The aggregate value of all transactions entered into with related companies during the financial year as stated on page 102 of this Annual Report and Accounts is more than 5% of the latest net tangible assets or the issued share capital of the Company.

For smooth conduct of business, the Company will continue to procure goods and services that are necessary for its operations from related companies in the next financial year and hereby seeks a general mandate from Shareholders for transactions with related companies that are of trading nature and those necessary for the day-to-day operations, that are more than 5% of the latest net tangible assets or the issued share capital of the Company.

Relevant details for Shareholders' consideration are as follow:

1. The class of interested persons with which the Company will be transacting during the next financial year are subsidiaries of the Company;

2. The transactions with the related companies are of trading nature and those necessary for its day-to-day operations;

3. The transactions shall be on normal commercial terms and shall not be prejudicial to the interest of the Issuer and the minority Shareholders;

4. The rationale for the transactions are that they are cost-effective and complementary to the company's business and generally necessary to the operations of the company;

5. The method or procedure for determining transaction prices is based on the company's transfer pricing policy;

6. The Company shall obtain a fresh mandate from Shareholders if the method and procedure in 5 above become inappropriate;

7. Disclosure will be made in the Annual Report of the aggregate value of transactions conducted pursuant to this general mandate;

8. The interested person shall abstain, and has undertaken to ensure that its associates shall abstain, from voting on the resolution approving the transaction.

REPORT OF THE DIRECTORS

The Board of Directors of Vitafoam Nigeria PLC ("Vitafoam" or "The Company") is pleased to present the Annual Report together with the group and company's audited financial Statements for the year ended 30th September 2019.

1. OUR BUSINESS

The company and her subsidiaries (Vitapur Nigeria Limited, Vitablom Nigeria Limited, Vitavisco Nigeria Limited, Vitagreen Nigeria Limited and Vitafoam Sierra Leone Limited) engage in the manufacture, marketing and distribution of flexible/rigid foam and fibre products and textile linens in Nigeria and across other West African countries. These are complimented by quality furniture products (metal and wood) from Vono Furniture Products Limited, a wholly owned subsidiary of Vitafoam. The vast array of products from the group are tastefully designed and manufactured to meet consumers' needs in offices, homes, health institutions, hotels, oil and gas, automobile and agricultural sectors. Technical foam products which are usually manufactured to customized specifications are also supplied as semi-finished products to various industrial groups.

We specialize in enhancing quality lifestyle and offering comfort to our esteemed customers with a rich product mix that consists of foam, spring and orthopedic mattresses, pillows, cushions, complete bed sets and various ancillary items such as protectors and bedding linen. Our products are affordable and available to various segments of the society. The company has processes that integrate products' research & development, manufacture, test and inspection, quality assurance and marketing. The company's goal is to remain the most professional, reliable and high quality comfort solutions provider.

The following are the major products offerings:

a) Inner Core Spring Mattresses

Inner core spring mattresses are designed and produced using the latest technology offered by our Infinity spring machine. The continuity of the coils makes the product more rigid, firmer and lighter than the older versions. This technology has made it possible to offer exquisite premium products of improved reliability and aesthetics. In its construction the following are incorporated: regular flexible foam, visco-elastic foam, steel coil, felt, chip foam, etc. The various branded variants of these product lines on offer are the following: Vita Spring Firm, Vita Spring Flex, Vita Spring Glow, Vita Divan Bed and Vita Spring Bed.

b) Regular Flexible Foams

The segmentation of our products (Early days, Lifestyle, Premium Health and Leisure) has made it possible for consumers across different age groups and status to benefit from the array of good quality products on offer.

In the Early Days segment are products that are of great interest to nursing mothers such as baby mat, baby cot mattress, baby pillow, baby feeder, baby solid chair and baby back support, and many others.

Stylish and trendy life style products of varied profiles, contours are now offered to our discerning customers. Some of the brands in this segment are: Vita Sofa bed, Vita Solid, Vita Roll, etc.

The Premium Health segment comprises mainly high quality mattresses and pillows. These products are commonly offered in branded standard sizes but when demanded are customized. Some of the popular mattress and pillow brands are: Vita Supreme, Vita Galaxy, Vita Super, Vita Grand, and Vita Hospital Mattress.

The Leisure segment comprises products that are good for sports enthusiasts and support for varied lifestyles. This range of products are essentially portable/trendy/ flexible mats that can be used indoor and outdoor.

c) Fibre-Based and Allied Products

This is the only product range that is not PU foam based. Most of the products in this category are: pillows, cushions, duvets and textile linens. Some of the branded fibre based products in the market are: Jumbo, Gazelle, Flip, Music pillow, Tuxedo and Vita duvet. In addition to the foregoing fibre based products, linens (bed sheets and pillow slips) of various textures, sizes and designs are on offer. In line with our innovation drive, the company has acquired and installed a fibre sheet making machine which produces fibre sheets for furniture and quilting of mattress covers and duvets.

Activities in this segment are championed by our soft furnishing subsidiary- Vitablom Nigeria Limited.

d) Rigid Foam

Our rigid foam segment championed by Vitapur continues to hold great prospects for growth and diversification of our business into the potentially highly lucrative rigid foam market. In addition to the installation of the modern process equipment (SAIP PLANT), the company acquired a new mobile plant thereby transforming the company into a major player in a number of industries listed below. The following are some of the products offerings:

- Agriculture: Rigid foam panels for thermal insulation of poultry farm houses ware houses.
- Oil and Gas: Cryogenic insulation of process plants and thermal insulation of pipelines
- Building and construction:

(I) Insulation of roofs and concrete platforms.
(ii) Composite panels for partitioning, cladding and structures with different facets
(iii) Provision of insulated and non-insulated roofing sheets.

- Food processing/pharmaceuticals: Thermal insulation panels and sections used in insulation of cold and chill rooms, clean rooms and other controlled environment

e) System House Project

Vitapur in partnership with the United Nations Development Programme (UNDP) pioneered setting up of a System House (chemical blending factory) in the country. This project is currently at an advanced stage of completion. At completion, Vitapur will be positioned to sell chemicals to other producers of sandwich polyurethane in Nigeria and West African sub-region.

The system house currently supplies the parent company (Vitafoam) chemicals that are used in the production of reconstituted, non-flammable adhesives and flexible foams as part of our backward integration proposition. This will afford Vitafoam the advantage of just-in-time procurement of chemical materials for use without the need to stock. Full commercialization and sale to other market users will commence as soon as the project is completed with huge prospects of additional revenue.

f) Visco-elastic (Memory) Foam

Vitavisco Nigeria Limited is a hi-tech operation that specializes in the manufacture of visco-elastic (memory) foam products for the fast growing furniture and automobile industries. The company is being positioned to take advantage of opportunities from the government's automotive policy. Areas of interest are production of vehicle

seats, bumpers etc. Judging by recent performance trend, we are optimistic of a decent contribution from this subsidiary to the growth of our business. Brands currently traded are Vita Cool, Vitalite, Vita Seat Support and Vita Neck Travel and Physiotherapy products, amongst others. This range of high-tech foam products offers a unique experience of pressure sensitivity and resilience.

In line with our innovation drive, the company invested in a Polyethylene Foam sheets and pipes making plants and has since installed and commenced production of EPE sheets and other products for automotive, furniture, agric and foam industries.

g) Furniture Products

Vono Furniture Products Limited has been playing active role in the household and institutional furniture business (wood and metal). The resultant synergy enables both companies to jointly execute contracts that incorporate total solutions for offices, bedrooms & lounges in homes, public and hospital settings.

h) Expansion and Diversification Schemes

Vitafoam Group's expansion drive to Sierra Leone has begun to yield positive outcome by way of market penetration and acceptance of our products. The factory in Sierra Leone is already turning out products of high quality standards with good margin. This subsidiary has commenced export of high quality products to Guinea as part of market expansion whilst strengthening collaboration with the government of Sierra Leone and other humanitarian agencies towards mass production and distribution of quality mattresses in Sierra Leone.

I) Footwear

Our footwear manufacturing subsidiary, Vitagreen Nigeria Limited is involved in the manufacture and distribution of polyurethane shoe soles and sandals for the fast growing footwear industry in Nigeria. Feedback from the market suggests that the offerings from this subsidiary are well received. This range of footwear offers unique experience of softness and light weight. The brands currently traded are Vitasoft, Lekkisoft, Aerogreen, Safari, amongst others.

j) In line with its expansion drive, the company invested in a new line of business of oil filter production. The new company (Vitaparts Nigeria Limited) could not commence production in the 2018/2019 financial year as envisaged due to certain set up challenges but is expected to open for business by second quarter of 2019/2020 financial year.

2. TRADING RESULTS

The financial results for the year ended 30th September 2019 are summarized below:

	GROUP		COMPANY	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Turnover	22,283,163	19,534,101	20,330,040	17,612,291
Profit before taxation	3,495,838	793,852	2,496,008	619,233
Taxation	(1,031,133)	(191,929)	(921.099)	(133,113)
Profit after taxation but Before non-controlling interest	2,386,708	601,923	1,574,909	486,120
Total comprehensive income attributable to-				
Owners of the parent	2,282,018	590,232		
Non- controlling interest	104,690	11,691		

3. DIVIDEND

The Board has recommended a dividend of N525 million representing 42kobo per share to shareholders for declaration at the next Annual General Meeting. The dividend recommended, when approved, is subject to withholding tax at the appropriate rate.

4. FIXED ASSETS

The sum of N303.49m (group) and N234.73m (company) were invested in property plant and equipment during the year to upgrade production facilities.

5. SALES AND MARKETING

In the past years, Vitafoam Nigeria Plc has evolved from being a manufacturer of flexible and rigid foam products to providing consumers with leading edge products that meet their diverse needs in functionality, comfort and style.

At the centre of our marketing strategy are the customers and their preferences; and our capacity to deliver on the brand promise. Through various marketing activities, the consumer is being connected to the varieties of our products. We are determined to ensure Vitafoam products are made visible in every town and village in the country.

We vigorously pursued market expansion and growth during the year under review with special focus on Lagos market because of the size of Lagos economy, this drive will be extended to major cities in Nigeria. Our distinguishing factor was our product quality and brand positioning in the market place. Product aesthetic was improved to the delight of our customers and consumers by the introduction of foam pipes and branded tapes on our mattress.

Our drive to grow the youth market was intensified in the financial year through extensive marketing communications in the digital social media.

We also expanded our customer base to reach out to the socio-economic class A with the introduction of luxury beds, sofa and Vita Pearl premium comfort Pillow into the market.

6. RESEARCH AND DEVELOPMENT

Design and development of innovative products remains the cornerstone of our drive into the future. In developing our wide range of products, efficient production processes are in-built to achieve further competitive edge in our product costing and other cost elements.

7. DONATIONS AND GIFTS

The following donations were made by the group during the year ended 30 September 2019:

S/N.	BENEFICIARIES	GROUP AMOUNT ₦
1.	International School Lagos - Library Renovation	5,298,342.90
2.	Sponsorship of Education for less privileged - Human Development Initiatives	250,000.00
3.	Sponsorship -Society of the Blind	200,000.00
4.	Donation to Manufacturers Association of Nigeria	100,000.00
5.	Donation to Manufacturers Association of Sierra Leone	77,800.00
6.	Corporate Social Responsibility- Hastings Community Sierra Leone	972,500.00
7.	Employees Welfare and others	683,370.00
	Total	**₦7,582,012.90**

8. **HUMAN RESOURCES MANAGEMENT**

The company places emphasis on efficient management of available human resources as the basis for good performance. The company's strategy is to always attract and retain well motivated talented personnel in all areas of activities. This ensures continual growth and development of the organization. Some key strategic initiatives adopted in the company's drive to maintain productive work environments are the following:

(a) Group Synergy

As part of cost effective approach to Human Capital Development, the group structure has provided a platform for shared services and synergy in our operations. Resources that are available in the group are optimally utilized to achieve better results.

(b) Safety, Health & Welfare

At all the company's factory and office sites world-class best-in-class Safety and Health practices are deployed. Where needed, experts in Safety Health & Environment are invited to give necessary assistance. In addition to the foregoing, the company periodically organizes awareness programmes such as "Safety Week", "Health Talk"and many other related activities. Our Physiotherapy clinic managed by a competent consultant offers professional services to the employees. The company further runs a well-equipped sport center to enable staff exercise at break periods. The company continues to retain the services of a government registered Health Management Organization (HMO) who efficiently manages all health matters of employees and qualified dependents.

(c) Employee Involvement

In pursuit of our employee involvement policy aimed at engendering a happier workforce and making Vitafoam a great place to work, we have continued to implement a number of 'gift work' and employee-friendly initiatives. This is borne out of the belief that human capital is pivotal to corporate success. A happy and motivated workforce will necessarily give rise to a prosperous organization and increased stakeholders' satisfaction.

Town Hall meeting, a quarterly forum for management-employee interaction has become a veritable platform to gauge employees' mood. Feedback from the forum has been found highly invaluable in accentuating our employee value proposition through the formulation of employee-friendly initiatives apart from eliciting a sense of ownership. The Human Resource function has also developed a culture of periodic informal briefings and interaction with staff representatives to resolve staff related issues at incipient stage thereby forestalling any likelihood of restiveness. This has increased the level of trust and confidence.

The approach bridges communication gaps that could trigger industrial disharmony. Management and staff relations in the Company are very cordial.

(d) Human Capital Development

The cognitive capacity of employees constitutes the most valued assets of the Company. Our non-discriminatory recruitment process is structured to attract and retain the best talents who, through proper induction, embrace the Vitafoam culture of quality and excellent service delivery. In our continuous quest to strengthen the human capital base for future growth and succession, we undertook the second phase of our management trainee recruitment scheme. This rigorous selection process enables us to continually attract talents. The successful candidates have concluded on-boarding, mentoring and training stages and now set for full deployment.

The Company believes in continuous improvement of knowledge and as such, all categories of staff attended courses and seminars both locally and internationally. These are in addition to the regular on-the-job training across operational sites. As part of efforts to remain a learning organization, a monthly knowledge sharing session is held, during which a chosen employee is invited to lecture on a topic of interest to the generality of the invitees.

(e) Performance Management System (PMS)

The Company's performance management system is aimed at encouraging superior performance at all times. While the system rewards good performance, it also sanctions poor performance. The PMS has been made more robust with increased focus on people development issues and reward for excellence. Appraisal interview sessions are conducted in a manner by which career development of the appraisee is structured and mapped out. The exercise also gives management the opportunity to garner suggestions of how to manage the organization better. A new flexible job grading system was introduced during the year to encourage career progression for management employees.

9. **CORPORATE SOCIAL RESPONSIBILITY**

Vitafoam is committed to uplifting the well-being of the immediate community around her operational sites and participates in credible programmes in the general society. The company's CSR efforts are primarily targeted at the following areas of identified needs: health care, education and security.

i. Over the years the company has continued to give material support to maternity homes, orphanages, general hospitals and handicapped societies. Of note is the yearly Vitafoam's First Baby of the Year initiative by which the company donates products to the first three babies born at the Island Maternity Hospital. The company also seizes the opportunity to donate hospital mattresses and furniture. On ad-hoc basis, many other initiatives that endeavor to alleviate suffering of traumatized groups within the general society are deployed. All regions of the country benefit from these initiatives.

ii. One CSR initiative the company is very proud of is her well developed and impressive programme for students of tertiary institutions on Industrial Attachment (under the SIWES scheme) and Youth corps members. Almost the year round, students on attachment and Youth corps members (average about 40 persons) are offered opportunities to undergo well supervised training that promote acquisition of various management/technical skills on our operational sites. Our facilities have also become destination point for students of various schools and institutions on excursion and practical learning activities. Our support for educational institutions has become one of the hallmarks of our CSR initiatives as donations of research equipment are made to institutions of higher learning. We also entered into a similar collaborative arrangement with the Nigerian Academy of Science to sponsor round-table discourse and award on Science during the financial year.

iii. Wherever there is a Vitafoam factory keen interest is taken by the local management in security arrangements within the community. Financial support is always given to all local law enforcement agencies.

10. **CORPORATE GOVERNANCE REPORT**

The company's business is driven by collective commitment to a culture of integrity, accountability and transparency. We conduct our operations in accordance with good moral and ethical standards while obeying relevant legislations. Our goal is to remain a responsible and responsive corporate organization committed to ensuring healthy and comfortable living while contributing positively to the overall growth of the country.

The Board of Directors

The Board of Vitafoam Nigeria plc is responsible for enforcing compliance with good corporate governance practices and statutory enactments guiding business operations. The Board formulates policies that ensure strict adherence to operational ethics while prescribing sanction for infraction. It requests and scrutinizes information regarding internal control systems, risk exposures and relevant developments within the operating environment. The Board, through its various committees, ensures that credible and reliable accounting records are maintained which disclose at any time, the financial status of the company and ensure that the company's accounts comply with the provisions of Companies & Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004 and the standards set by the Financial Reporting Council of Nigeria. The Board is also responsible for safeguarding the company's assets by taking reasonable steps for the prevention and detection of fraud and other irregularities.

Composition of the Board, Appointment and Training

At the date of this report, the Board consists of ten Directors: Six Non-Executive and four Executive Directors. In line with global best practice, the position of the Chairman is distinct from that of the Group Managing Director. The profile of the Board of Directors, comprising distinguished individuals with diverse skills and competences in different areas of the company's business continually ensures the attainment of corporate objectives. The present mix and composition of the Board comprising two Independent Non Executive Directors allows for broad and objective evaluation of policy framework for effective implementation of company strategy.

New Directors are selected through carefully articulated selection guidelines that place emphasis on integrity, skills and competencies relevant to the company's goals and aspirations. The Nomination and Governance Committee is assigned the responsibility for identifying individuals with track-record of outstanding achievement and potentials for value enhancement. Recommendations of the Committee are subsequently subjected to further scrutiny and deliberation by the entire Board before arriving at a decision. A newly appointed Director is made to undergo an induction and training program within and outside the company to equip him/her with requisite knowledge and information for excellent performance as a Director.

To keep abreast with developments in corporate practice and ensure quality participation in Board activities, existing Directors are made to attend periodic trainings on corporate governance and good business practice.

The Role of the Board

The responsibilities of the Board include the following:

- Formulation and implementation of strategic policies

- Ensuring the integrity of the Company's accounting and financial reporting systems.

- Evaluation of the Company's risk profile and framework and ensuring alignment with the overall business growth and direction.

- Review and monitoring of expenditure, budgetary planning and controls and financing strategies through the committee on risk and finance

- Review periodically the effectiveness and adequacy of internal control systems and processes.

- Periodic review and evaluation of actual business performance and the state of the Company

- Instituting and implementing policies on succession planning, appointment, training and remuneration of Directors and senior management

- Review of reports of Board committees and ratifying their decisions

- Maintaining communication and acceptable interaction with shareholders

- Ensuring compliance with applicable laws, regulations and code of business practice

Board Meetings

The Board met four (4) times during the 2018/2019 financial year. The register of the Directors' attendance at Board meetings during the year is available for inspection at the Annual General Meeting in accordance with S.258 (2) of the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004. The following is the list of the Directors and their attendance at the Board meetings:

DIRECTORS	18/12/18	07/03/19	21/05/19	29/08/19
Dr. B. O. Makanjuola	✓	✓	✓	✓
Mr. T. A. Adeniyi	✓	✓	✓	✓
Mr. A. M. Abatcha	✓	✓	✓	✓
Mr. B. S. Owoade	✓	✓	✓	✓
Mr. J. Alegbesogie	✓	✓	✓	✓
Mr. Mohammed G. Alkali	✓	✓	✓	✓
Mrs. Adeola Adewakun	✓	✓	✓	✓
Prof. (Mrs.) R. I. Egonmwan	✓	✓	✓	✓
Mr. Gerson P. Silva	✓	✓	X	✓
Mr. Achike C, Umunna	**NYA**	**NYA**	**NYA**	**NYA**

Keys
✓= Present
X = Abscent with apology
NYA = Not Yet Appointed

Board Committees

The Board discharges its responsibilities through the Risk, Finance & General Purposes Committee, Establishment & Remuneration Committee and the Nomination & Governance Committee. To ensure objective and balanced consideration of issues, each of the Committees is chaired by a Non-Executive Director. The Committees operate within set guidelines and terms of reference approved by the Board of Directors. The following is the composition of the committees and records of attendance at the meetings:

A. Risk, Finance and General Purposes Committee

The Committee was chaired by Mr. Mohammed. G. Alkali and met twice during the year. The table below shows the list and attendance of members at the meetings:

Directors	29/01/19	25/07/19
Mr. Mohammed G. Alkali	✓	✓
Mr. Taiwo Adeniyi	✓	✓
Mr. Abbagana M. Abatcha	✓	C
Mrs. A. Adewakun	✓	X
Mr. Alegbesogie Joseph	NYA	✓

Keys
✓ = Present
X= Absent with apology
C= Cease to be a member
NYA= Not yet a Member

B. Establishment & Remuneration Committee

At the time of this report, the Committee comprised three Non-Executive Directors and one Executive Director. It was chaired by Mr. Sam. N. Okagbue, a Non-Executive Director. The Committee met once during the year. The table below shows the list and attendance of members at the meeting:

Directors	**23/10/2018**
Mr. Sam N. Okagbue (uptill 9/10/2019)	✓
Mr. T. A. Adeniyi	✓
Prof. (Mrs) Rosemary Egonmwan	✓
Mr. Mohammed G. Alkali	✓

Key
✓ = Present

C. Nomination & Governance Committee

At the date of this report, the Committee comprised two Non-Executive Directors and one Executive Director. It was chaired by Dr. Bamidele Makanjuola, a Non-Executive Director. The Committee met once during the year. The table below shows the list and attendance of members at the meeting:

Directors	14/12/18
Dr.Bamidele O. Makanjuola	✓
Mr. Sam. N. Okagbue (uptill 9/10/2019)	✓
Mr. T. A. Adeniyi	✓

Key
✓ = Present

D. Audit Committee

In compliance with Section 359 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, the Company has a standing Audit Committee comprising three representatives of Directors nominated by the Board and three representatives of shareholders elected at the previous Annual General Meeting. All the members are equipped with relevant skills and experience for analyzing basic financial statements and making informed judgment. The Audit Committee's terms of reference include the statutory functions stipulated in Section 359(6) of the Companies & Allied Matters Act, CAPC20, Laws of the Federation of Nigeria, 2004 and the Code of Corporate Governance. The Committee was chaired by Rev. I. Elusade in acting capacity following the passing of the substantive Chairman- Chief Peter K. Asu, an experienced Chartered Accountant and a Fellow of the Institute of Chartered Accountants of Nigeria during the year. The Company Secretary served as the Secretary to the Committee.

The Committee met 4(four) times between its inauguration and the time of this report and all the meetings were attended by the Internal Auditors and representatives of Deloitte & Touché Nigeria, the External Auditors. The following is a list of members of the Committee and their attendance at the meetings:

Members	25/04/19	25/07/19	18/12/19	23/01/20
Chief Peter. K. Asu	✓	D	D	D
Mr. S. B. Adenrele	✓	✓	✓	✓
Rev. Ibiyinka Elushade	✓	✓	✓	✓
Mr. Abbagana M. Abatcha	✓	X	✓	✓
Prof. Rosemary I. Egonmwan	✓	✓	✓	X
Mr. Muhammed G. Alkali	X	✓	✓	✓

Key
✓ =Present
X = Absent with apologies
D= Deceased

Management

The daily running of the business is vested in the Executive Management Committee led by the Group Managing Director/CEO, supported by the Executive Directors and Heads of Departments. The Executive Committee holds a weekly meeting to evaluate performance of the various aspects of the Company's operations and make policy decisions in line with Board directives. The Committee sets targets for execution of tasks and reviews minutes at subsequent meeting to monitor compliance with such targets. The minutes of the meetings of the Committee are properly maintained at the secretariat. In addition, a monthly meeting of extended management (management committee members and functional Heads of sub-units) is held to review the performances of the various units and also to plan activities for the upcoming month.

To ensure effective coordination of activities of subsidiaries and associated companies within the group, a monthly group business review meeting is held where report of operations of each member are peer reviewed and extensively discussed. The forum ensures that group synergy is optimized for steady organic growth of the group. Group strategy session is held at the beginning of the financial year to review performance and plot growth strategy for the year.

Effectiveness of Internal Control

Management is responsible to the Board for implementing and monitoring internal control processes in all aspects of the company's business on day to day basis. The installation and deployment of Sage ERP X3 has continued to ensure that control breaches are considerably checkmated. The system, with inbuilt safeguards ensures the integrity and reliability of financial information generated on continual basis. Audit of the process is carried out periodically to ensure continued effectiveness and relevance to business scope and direction. The current internal control system of the company is reviewed periodically in line with the company's growth and the dynamics of the business environment. The current system is effective and adequate for the company's business and in line with standard practice.

Compliance with the code of corporate governance

The company's level of compliance with the code of corporate governance in the 2018/2019 financial year was adequate and satisfactory. Required statutory returns were submitted to the Securities & Exchange Commission, the Nigerian Stock Exchange and other regulatory bodies while appropriate disclosures concerning the business are made available periodically as required by relevant laws and regulations.

- The Securities & Exchange Commission took some measures that are expected to significantly reduce cost of operation including discontinuance of dividend warrants. Shareholders are therefore enjoined to open e-dividend account by filling the e-dividend mandate form attached to the annual report, stamp with their respective banks and send to Meristem Registrars Limited in line with the directive of the Securities & Exchange Commission. The representatives of the Registrars are available after this meeting for further assistance.

11. **DIRECTORS' INTEREST IN SHARES**

Interest of the Directors in the Issued Share Capital of the Company as recorded in the Register of Members and/or as notified by them for the purpose of section 275 of the Companies & Allied Matters Act, CAPC20, Laws of the Federation of Nigeria 2004 are as stated below. Dr. B.O. Makanjuola's indirect shares were held on behalf of Temm Consulting Limited, a Private Limited Liability Company promoted by him.

Directors	As at 30/09/2019 No. of shares	As at 30/09/2018 No. of Shares
Dr. B.O. Makanjuola (Direct)	4,258,783	2, 977,565
(Indirect)	13,546	13,546
Mr. T.A. Adeniyi	672,000	560,000
Mr. A. M. Abatcha	180,000	Nil
Mr. B. S. Owoade	120,000	Nil
Mr. J. I. Alegbesogie	Nil	Nil
Mrs. Adeola Adewakun	144,000	120,000
Prof. (Mrs.) R. I. Egonmwan	101,940	Nil
Mr. M. G. Alkali	Nil	Nil
Mr. Gerson P. Silva	Nil	Nil
Mr. Achike C. Umunna	Nil	Nil

12. DIRECTORS INTEREST IN CONTRACTS

None of the Directors have notified the company for the purpose of sections 277 of the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004, of any declarable interest in contracts with which the company is involved up to 3rd December, 2019.

13. ANALYSIS OF SHAREHOLDING

a) According to the Register of members, the following shareholders held more than 5% of the issued share capital of the company as at 30th September, 2019:

Shareholder	Units held	Percentage
Bolarinde Samuel Olaniyi	148,532,634	11.87%
Awhua Resources Limited	98,281,981	7.86%

b) The shares of the Company were held as follows as at 30th September, 2019

Type	Shareholding	%	Shareholders	%
Individual	564,241,204	45.11	38,840	94.97
Corporate	473,369,482	37.84	1,579	3.86
Staff	213,233,378	17.05	479	1.17
Total	1,250,844,064	100	40,898	100

c) The range analysis of the shareholding as at 30th September, 2019 is as below:

Range	No. of Holders	% of Holders	Units	Shareholding %
1-5,000	27,439	67.11%	38,629,125	3.09%
5,001-10,000	5,225	12.78%	39,535,162	3.16%
10,001-100,000	7,153	17.49%	198,805,813	15.89%
100,001-500,000	850	2.08%	173,462,202	13.87%
500,001-1,000,000	102	0.25%	72,542,343	5.80%
1,000,001-100,000,000	116	0.28%	579,336,785	46.32%
100,000,001-500,000,000	1	0.00%	148,532,634	11.87%

14. ACQUISITION OF SHARES

The Company did not purchase any of its own shares during the 2018/2019 financial year.

15. CODE OF CONDUCT FOR DEALING IN SECURITIES

The Company's Securities Trading policy prohibits dealing in Securities of the Company by directors, senior employees and other related parties who by the nature of their relationship with the company may be in possession of price sensitive information. The code further stipulates the period of prohibition, and the nature of disclosure required in such circumstances. The company has made specific enquiry of all directors and are not aware of any infringement of the code. Details of the policy are on the company's website- www.vitafoam.com.ng.

16. CODE OF BUSINESS ETHICS AND WHISTLE BLOWING POLICY

The Company's code of business ethics and Whistle blowing policy set a standard of ethical behaviour in the workplace for all employees. A key component of workplace ethics and behavior is integrity which the Board is poised to uphold in order to ensure a culture of honesty and transparency at all levels of the company. The company maintains a steady awareness of these values by continuous training and publicity of the contents of the code to its employees. Details are available on the Company's website- www.vitafoam.com.ng.

17. COMPLAINTS POLICY

This policy regulates and prescribes procedure for handling Shareholders' complaints by the Secretariat and the Registrars. Details are available on the Company's website- www.vitafoam.com.ng.

18. RETIREMENT BY ROTATION

The Directors retiring by rotation in accordance with the company's Articles of Association are Mr. Gerson P. Silva and Mrs. Adeola Adewakun being eligible, offer themselves for re-election. Also, since the last Annual General Meeting, Mr. Achike C. Umunna was appointed a Non Executive Director in place of Mr. Sam N. Okagbue who retired after serving his term. In accordance with the Company's Articles of Association, appointment of Mr. Achike C. Umunna will be presented for confirmation at the Annual General Meeting. The bio-data of the directors are contained on pages 7 to 9 of this Annual Report.

19. INDEPENDENT AUDITORS

In accordance with Section 357(2) of the Companies and Allied Matters Act, Cap C.20, Laws of the Federation of Nigeria, 2004, Deloitte & Touche Nigeria have indicated willingness to continue in office as the company's Auditors. A resolution will be proposed at the Annual General Meeting to authorize the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD

OLALEKAN SANNI
Company Secretary/Legal Adviser
FRC/2013/NBA/00000005309

19 December, 2019

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA

LEADERSHIP & INTEGRITY

5B, Lawani Oduloye Street, Oniru, Victoria Island, Lagos.
Phone: +234 8158390739, 8158390740
Website: www.corpgovnigeria.org

BOARD EVALUATION REPORT FOR THE BOARD OF VITAFOAM NIGERIA PLC

EXECUTIVE SUMMARY

The Society for Corporate Governance Nigeria was invited to conduct an independent evaluation/assessment of the Board of Vitafoam Nigeria Plc for 2018/2019.

Below is a summary of our findings:

Vitafoam is a leading manufacturing company in flexible reconstituted and rigid foam products and is commitment to quality in its production process. It is a responsible corporate citizen and adopts best practices in all operations.

The code of good corporate governance has been well implemented by the company and it is committed to the continuous improvement of its operations.

<u>SCOPE</u>

The scope of the evaluation covered the following areas:

- Board Composition and Capacity
- Board Committees
- Board Responsibilities and Board Processes
- Financial Transparency and Corporate Behaviour
- Company Secretary

During the year under review, the company had ten (10) directors which consisted of four (04) Executive Directors, four (04) Non-Executive directors and two (02) Independent directors. The Board Chairman exhibits a leadership style that promotes an environment that encourages and supports the active participation and contribution of Board members at meetings.

Directors' knowledge and understanding span across their diversity, experience, resounding knowledge of the business, financial and economic environment.

Company's policies were sighted and assessed for content and relevance and were found to be way above average.

Based on analysis of the result, we rate the board 'very good' (86.1%) in regulatory compliance transparency and effectiveness.

The Board of Directors has demonstrated its dedication and commitment to the growth and success of the company. There is an alignment between the competencies of directors and the requirements / needs of the company.

The Committees of the board in the year under review include;

(i) Board Risk,Finance & General Purpose
(ii) Board Establishment & Remuneration
(iii) Board Nomination & Governance
(iv) Board Audit Committee

Our recommendations are as follows;

- More time should be given to discussion of the subsidiary business
- The board is encouraged to have more informal interactions
- There is need for all the directors to have a deeper understanding of the operations of the company and world-wide trends regarding the industry
- The following matter should be discussed more during meetings: (i) Strategies by which financial charges can be reduced and (ii) improvement of marketing strategies
- Focus should be on top and bottom lines of the business
- To deploy technology to drive efficiency
- Focus on growing the working capital and balance sheet of the company
- There should be training for the board on Modern Corporate Governance, understanding the role of the board and leadership (mainly for management).

In as much as there is still room for improvement and continuous Director Development, we are happy to state that the Board of Vitafoam Nigeria Plc conducted its affairs in an acceptable and satisfactory manner in 2018/2019.

For: **SOCIETY FOR CORPORATE GOVERNANCE NIGERIA**

Hilda Nkor (Mrs.)
Chief Executive Officer
FRC/2016/NIM/00000015618

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 30 SEPTEMBER, 2019

In Compliance with Section 359(6) of the Companies and Allied Matters Acts, Cap C.20 Laws of the Federation of Nigeria 2004, we report as follows:

- We examined the scope and planning of the audit for the year ended 30 September, 2019.
- We reviewed the External Auditors' Management letter for the year as well as the Management's response.
- We also ascertained that the accounting and reporting policies of the Company for the year ended 30 September, 2019 are in accordance with legal requirements and agreed ethical practices.
- In our opinion, the scope and planning of the audit for the year ended 30 September, 2019 were adequate and management's response to Auditors' findings thereon was satisfactory.

Dated this 18 December, 2019

Mr. Mohammed G. Alkali
For: Audit Committee
FRC/2013/NIM/00000004621

Other Members of the Committee are:

Late Chief Peter K. Asu FCA
Rev. I. O. Elushade
Comrade S. B. Adenrele
Prof. (Mrs.) R. I. Egonmwan
Mr. A. M. Abatcha

Mr. Sanni Olalekan
Company Secretary/Legal Adviser
FRC/2013/NBA/00000005309

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of Vitafoam Nigeria Plc are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group and the Company as at 30 September 2019, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act 2011.

In preparing the consolidated and separate financial statements, the Directors are responsible for:

- properly selecting and applying suitable accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company's financial position and financial performance; and
- making an assessment of the Group's ability to continue as a going concern.
- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group andCompany;
- maintaining adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at anytime the financial position of the Group and Company, and which enable them to ensure that the financial statements of the Group and Company comply with IFRS;
- maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- preventing and detecting fraud and other irregularities.

Going concern

The Directors have made an assessment of the Group's and Company's ability to continue as a going concern and have no reason to believe the Group and Company will not remain a going concern in the year ahead.

The consolidated and separate financial statements of the Group and Company for the year ended 30 September 2019 were approved by the directors on 19 December, 2019.

Signed on behalf of the Directors of the Group:

Mr. Taiwo A. Adeniyi
Group Managing Director/CEO
FRC/2015/IODN/00000010639

Mr. Abbagana M. Abatcha
Director
FRC/2018/IODN/00000019002

Deloitte.

Independent Auditor's report

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Laogs,
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Victoria Island, Lagos, Nigeria

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To the Shareholders of Vitafoam Nigeria Plc

Report on the Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Vitafoam Nigeria Plc ("the Company") and its subsidiaries (together referred to as "the Group") which comprise the consolidated and separate statement of financial position as at 30 September 2019, the consolidated and separate statements of profit or loss and other comprehensive income, changes in equity, cash flows for the year then ended, the notes to the consolidated and separate financial statements including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Vitafoam Nigeria Plc as at 30 September 2019 and the consolidated and separate financial performance and statement of cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Companies and Allied Matters Act Cap C20 LFN 2004 and the Financial Reporting Council of Nigeria Act, 2011.

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 Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the requirements of the Institute of Chartered Accountants of Nigeria Professional Code of Conduct and Guide for Accountants (ICAN Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the ICAN Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. The ICAN Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). 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 year. 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. We have determined the matters described below to be the key audit matter to be communicated in our report. The key audit matter below relate to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
In 2018 financial year, the Directors resolved to dispose the Company's subsidiary, Vitafoam Sierra Leone. Consequently the investment in that subsidiary was reclassified and disclosed as held for sale (disposal group) in line with International Financial Reporting Standards (IFRS) 5. As at 30 September 2019, the disposal process is yet to be completed. The directors still believe it is appropriate to classify the investment as Held for Sale based on their commitment to effect the sale within 12 months. Based on the level of judgement involved in the classification of the investment as held for sale, we have identified this as a Key Audit Matter (KAM) Details of this matter have been disclosed in note 41.1 of these financial statements.	In evaluating the appropriateness of the Directors' decision to disclose the investment as held for sale, we performed the following procedures: ▪ Obtained and reviewed the Directors rationale for the classification of the investment as Held for sale to ensure compliance with the requirements of International Financial Reporting Standards (IFRS) 5. ▪ Obtained and reviewed supporting documentation and other evidence provided to support the Directors' position with regards to classification of the Investment as held for sale. ▪ Obtained direct confirmation from the Consultant engaged by the company to handle the disposal process on the progress of the transaction and the indicative valuation of the business. The Judgement and assumptions made by the Directors for classification of the assets of the company as held for sale were found to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the directors' Report, Audit Committee's Report and Company Secretary's Report, which we obtained prior to the date of this auditors' report. The other information does not include the consolidated and separate financial statements and our report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information 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.

Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act CAP C20 LFN 2004, Financial Reporting Council Act, 2011 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.

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.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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 and the 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 relating to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

Deloitte.

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 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 Group and Company's 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 and separate financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee and 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 audit committee and directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee and/or the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' 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 benefits derivable by the public from such communication.

Report on Other Legal and Regulatory Requirements
In accordance with the Sixth Schedule of the Companies and Allied Matters Act CAP C20 LFN 2004, we expressly state that:

I) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii) The Group and Company have kept proper books of account, so far as appears from our examination of those books.
iii) The Group and Company's financial position, statements of profit or loss and comprehensive income are in agreement with the books of account and returns.

Chigozie Okoro, FCA - FRC/2013/ICAN/00000004457
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
30 December 2019

CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Group		Company	
		2019	2018	2019	2018
	Note(s)	N. '000	N. '000	N. '000	N. '000
Continuing operations					
Revenue	7	22,283,163	19,534,101	20,330,040	17,612,291
Cost of sales	8	(13,520,270)	(13,677,859)	(12,902,974)	(12,786,289)
Gross profit		**8,762,893**	**5,856,242**	**7,427,066**	**4,826,002**
Other gains and losses	9	389,831	380,524	579,851	558,612
Administrative expenses	10	(3,733,463)	(3,350,476)	(3,603,725)	(2,560,234)
Distribution costs	11	(974,751)	(794,192)	(919,180)	(747,579)
Operating profit		**4,444,510**	**2,092,098**	**3,484,012**	**2,076,801**
Impairment on investment in subsidiaries	41	-	-	(232,431)	(348,697)
Finance income	13	101,060	79,186	101,060	75,793
Finance costs	12	(1,049,732)	(1,377,432)	(856,633)	(1,184,664)
Profit before taxation		**3,495,838**	**793,852**	**2,496,008**	**619,233**
Taxation	14	(1,031,133)	(191,929)	(921,099)	(133,113)
Profit from continuing operations		**2,464,705**	**601,923**	**1,574,909**	**486,120**
Discontinued operations					
Loss from discontinued operations	41	(77,997)	-	-	-
Profit for the year		**2,386,708**	**601,923**	**1,574,909**	**486,120**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Remeasurements on net defined benefit liability/asset	42	(70,037)	30,024	(70,037)	30,024
Items that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations	42	90,398	41,946	-	-
Fair value through other comprehensive income	42	(8,186)	-	(8,186)	-
Other comprehensive income for the year net of taxation		**12,175**	**71,970**	**(78,223)**	**30,024**
Total comprehensive income for the year		2,398,883	673,893	1,496,686	516,144
Profit attributable to :					
Owners of the parent		2,282,018	590,232	1,574,909	486,120
Non-controlling interest		104,690	11,691	-	-
		2,386,708	**601,923**	**1,574,909**	**486,120**
Attributable to:					
Owners of the parent:					
Profit for the year from continuing operations		2,360,015	590,232	1,574,909	486,120
Loss for the year from discontinuing operations		(77,997)	-	-	-
Profit for the year attributable to owners of the parent		**2,282,018**	**590,232**	**1,574,909**	**486,120**
Non-controlling interest:					
Profit for the year from continuing operations		104,690	11,691	-	-
Total comprehensive income attributable to:					
Owners of the parent		2,294,193	662,202	1,496,686	516,144
Non-controlling interest		104,690	11,691	-	-
		2,398,883	**673,893**	**1,496,686**	**516,144**
Earnings per share					
Basic earnings per share (kobo)	31	182.00	57.00	126.00	47.00

The accounting policies on pages 10 to 32 and the notes on pages 45 to 108 form an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

as at 30 September, 2019

		Group		Company	
	Note(s)	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Assets					
Non-Current Assets					
Property, plant and equipment	16	2,970,551	2,583,774	2,201,089	2,160,974
Intangible assets	17	29,882	37,221	28,081	34,221
Investment property	18	-	321,968	302,999	321,968
Investments in subsidiaries	40	-	-	234,966	388,565
Investment in financial assets	19	5,729	17,768	5,729	17,768
Finance lease receivables	44	25,752	-	25,752	-
		3,031,914	**2,960,731**	**2,798,616**	**2,923,496**
Current Assets					
Inventories	20	5,483,614	5,552,092	4,361,266	4,539,794
Trade and other receivables	21	760,758	1,392,685	2,354,476	3,229,442
Other assets	22	982,927	2,212,532	385,338	1,712,303
Cash and cash equivalents	23	779,364	965,721	710,486	893,223
		8,006,663	**10,123,030**	**7,811,566**	**10,374,762**
Non-current assets held for sale	41	2,782,997	2,952,196	1,748,160	1,858,469
Total Assets		**13,821,574**	**16,035,957**	**12,358,342**	**15,156,727**
Equity and Liabilities					
Equity					
Share Capital	29	625,422	521,035	625,422	521,035
Share premium	29	-	3	-	3
Reserves		552,449	470,237	442,184	450,370
Retained earnings		4,658,091	2,851,081	4,864,438	3,851,586
		5,835,962	3,842,356	5,932,044	4,822,994
Non-controlling interest		133,748	40,351	-	-
		5,969,710	**3,882,707**	**5,932,044**	**4,822,994**
Liabilities					
Non-Current Liabilities					
Borrowings	24	1,289,794	1,871,403	1,080,794	1,658,804
Deferred tax	26	293,456	362,334	347,752	412,772
Retirement benefit obligation	27	490,822	297,037	490,822	297,037
Deferred income	25	44,281	80,762	44,281	80,762
		2,118,353	**2,611,536**	**1,963,649**	**2,449,375**
Current Liabilities					
Current tax payable	15	1,017,577	345,751	855,763	272,252
Trade and other payables	28	1,957,254	2,860,701	1,516,022	2,208,997
Borrowings	24	2,143,499	5,546,574	2,051,746	5,360,158
Deferred income	25	39,118	42,951	39,118	42,951
		5,157,448	**8,795,977**	**4,462,649**	**7,884,358**
Liabilities of disposal groups	41	576,063	745,737	-	-
Total Liabilities		**7,851,864**	**12,153,250**	**6,426,298**	**10,333,733**
Total Equity and Liabilities		**13,821,574**	**16,035,957**	**12,358,342**	**15,156,727**

The consolidated and separate financial statements were approved by the board on 19th December, 2019 and were signed on its behalf by:

Group Managing Director/CEO
Mr. Taiwo A. Adeniyi
FRC/2015/IODN/00000010639

Finance Director
Mr. Joseph Alegbesogie FCA,
FRC/2013/ICAN/00000003728

The accounting policies on pages 10 to 32 and the notes on pages 45 to 108 form an integral part of the consolidated and separate financial statements

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Foreign currency translation reserve	Other reserves	Fair value adjustment 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 1 October, 2017	521,035	3	72,321	393,018	(37,048)	2,387,180	3,336,509	37,089	3,373,598
Profit for the year	-	-	-	-	-	590,232	590,232	11,691	601,923
Other comprehensive income (Note 42)	-	-	41,946	-	-	30,024	71,970	-	71,970
Total comprehensive income for the year	-	-	41,946	-	-	620,256	662,202	11,691	673,893
* Changes in value of non-controlling interest	-	-	-	-	-	-	-	8,000	8,000
Dividends	-	-	-	-	-	(156,355)	(156,355)	(16,429)	(172,784)
Balance at 30 September , 2018	521,035	3	114,267	393,018	(37,048)	2,851,081	3,842,356	40,351	3,882,707
Adjustments									
Effect of change in accounting policy	-	-	-	-	-	(132,259)	(132,259)	-	(132,259)
Balance as at 1 October , 2018	521,035	3	114,267	393,018	(37,048)	2,718,822	3,710,097	40,351	3,750,448
Profit for the year	-	-	-	-	-	2,282,018	2,282,018	104,690	2,386,708
Other comprehensive income (Note 42)	-	-	90,398	-	(8,186)	(70,037)	12,175	-	12,175
Total comprehensive income for the year	-	-	90,398	-	(8,186)	2,211,981	2,294,193	104,690	2,398,883
Issue of bonus shares	104,237	(3)	-	-	-	(104,234)	-	-	-
Change in non controlling interest without lost of control	-	-	-	-	-	20,523	20,523	20,735	41,258
Share adjustment	150	-	-	-	-	-	150	-	150
Statute barred unclaimed dividend received	-	-	-	-	-	71,592	71,592	-	71,592
Dividends	-	-	-	-	-	(260,593)	(260,593)	(32,028)	(292,621)
Balance at 30 September, 2019	625,422	-	204,665	393,018	(45,234)	4,658,091	5,835,962	133,748	5,969,710

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Other reserves	Fair value adjustments reserve	Retained earnings	Total equity
	N. '000	N. '000	N. '000	N. '000	N. '000	N. '000
Company						
Balance as at 1 October, 2017	521,035	3	487,418	(37,048)	3,491,798	4,463,206
Profit for the y ear	-	-	-	-	486,120	486,120
Other comprehensive income (Note 42)	-	-	-	-	30,024	30,024
Total comprehensive income for the year	-	-	-	-	516,144	516,144
Dividends	-	-	-	-	(156,356)	(156,356)
Balance as at 30 September 30, 2018	521,035	3	487,418	(37,048)	3,851,586	4,822,994
Adjustments						
Change in accounting policy	-	-	-	-	(198,785)	(198,785)
Balance as at 1 October, 2018	521,035	3	487,418	(37,048)	3,652,801	4,624,209
Profit for the year	-	-	-	-	1,574,909	1,574,909
Other comprehensive income (Note 42)	-	-	-	(8,186)	(70,037)	(78,223)
Total comprehensive income for the year	-	-	-	(8,186)	1,504,872	1,496,686
Bonus issue	104,237	(3)	-	-	(104,234)	-
* Share adjustment	150	-	-	-	-	150
Statute barred unclaimed dividend received	-	-	-	-	71,592	71,592
Dividends	-	-	-	-	(260,593)	(260,593)
Balance at 30 September, 2019	625,422	-	487,418	(45,234)	4,864,438	5,932,044

The accounting policies on pages 45 to 108 form an integral part of the consolidated and separate financial statements

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CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

		Group		Company	
	Note(s)	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Cash flows from operating activities					
Cash generated from operations	33	5,471,076	194,048	5,033,235	8,747
Tax paid	15	(329,135)	(220,579)	(272,252)	(176,557)
Net cash provided/(used in) by operating activities		**5,141,941**	**(26,531)**	**4,760,983**	**(167,810)**
Cash flows from investing activities					
Purchase of property, plant and equipment	16	(303,392)	(293,279)	(234,732)	(59,259)
Proceeds from sale of property, plant and equipment		20,825	66,800	13,354	62,288
Purchase of investment in subsidiary		-	-	-	(142,482)
Proceeds from sale of investment property	18	104,762	-	104,762	-
Proceed from assets held for sale		-	10,192	-	10,192
Purchase of intangible assets	17	(11,765)	(6,727)	(11,765)	(6,727)
Lease receivable	44	(25,752)	-	(25,752)	-
Finance income	13	101,060	79,186	101,060	75,793
Net cash (used in) investing activities		**(114,262)**	**(143,828)**	**(53,072)**	**(60,195)**
Cash flows from financing activities					
Proceeds from borrowings	24	5,982,142	6,119,129	5,982,141	4,290,614
Repayment of borrowings	24	(8,932,749)	(2,918,151)	(8,897,391)	(1,436,883)
Dividends paid	32	(292,621)	(172,784)	(260,593)	(156,356)
Finance costs	12	(1,049,732)	(1,377,432)	(856,633)	(1,184,664)
Proceeds on sale of shares in subsidiary to non-controlling interest where control is not lost		41,258	-	41,258	-
Unclaimed dividend received		71,592	-	71,592	-
Share adjustment		150	-	150	-
Net cash (used in) / provided by financing activities		**4,179,690**	**1,650,762**	**3,919,476**	**1,512,711**
Total movement for cash & cash equivalent for the year		**847,719**	**1,480,403**	**788,434**	**1,284,706**
Cash and cash equivalent at the beginning of the year		(79,434)	(1,559,837)	(78,424)	(1,363,130)
Cash and cash equivalent at the end of the year	23	**768,285**	**(79,434)**	**710,010**	**(78,424)**

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The accounting policies on pages 10 to 32 and the notes on pages 33 to 83 form an integral part of the consolidated and separate financial statements 45 to 108

SIGNIFICANT ACCOUNTING POLICIES

1.1 General information

Vitafoam Nigeria Plc is Nigeria's leading manufacturer of flexible, reconstituted and rigid foam products. It has the largest foam manufacturing and distribution network, which facilitates just-in-time delivery of its products throughout Nigeria. Incorporated on 4 August 1962 and listed on the floor of the Nigerian Stock Exchange in 1978. Vitafoam's successful brands remain household names in the country.

The company is consolidating its core business by the introduction of innovative value added products and services. It is exploiting polyurethane technology in the more profitable technical/ industrial and construction business. It has become a full range solutions provider for polyurethane products and bedding/ cushion products. Its Comfort Centers provide a one-stop shop for discerning consumers of its products. In addition, Vitafoam is striving to be a major player in the Oil and Gas industry by providing insulation solutions to Oil companies.

The Company has carved a niche for itself in the industry by its offer of a vast array of high and superior quality products that present the customers multiple choices. Mattresses of varied resilience and hardness are available nationwide. By use of contours cutting equipment, Vitafoam designs and constructs custom-made mattresses and pillows. In addition, a range of profile products that are versatile in use are offered to the market - Mats (Vitarest, Leisure mats etc.) and Foam sitting chairs (Vitasolid). The needs of nursing mothers are addressed by the offering of a number of foam based baby products (Changing mat, Baby cot mattresses, pillows etc.). Rigid polyurethane foam manufactured by Vitafoam is found useful in the oil industry, refrigeration, conditioners, poultry enclosure and office partitioning.

The address of the registered office is 140, Oba Akran Avenue, Ikeja Industrial Estate, Lagos, Nigeria.

Vitafoam is a Public Limited Liability company and it has seven subsidiaries as well as one subsidiary classified as a disposal group and disclosed as held for sale. These subsidiaries include Vitagreen Ltd, Vitavisco Ltd, Vitafoam Ghana Ltd, Vitapur Ltd, Vono Furnitures Ltd, Vitablom Ltd, Vitafoam Sierra Leone Ltd (Held for sale) and Vitapart. Vitapart is a new company (subsidiary) established to manufacture oil filters. The company is yet to commence operations in the current year

Foreign operations are included in accordance with the policies set out in note 1.5

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These consolidated and separate financial statements are presented in Nigerian Naira, which is the functional currency of the primary economic environment in which the Group operates. The financial statements have been rounded to the nearest thousands

The consolidated financial statements incorporate the financial statements of Vitafoam Nigeria Plc. and its subsidiaries, collectively called "the Group" made up to 30 September each year. The ultimate controlling party of the Group is the parent , Vitafoam Nigeria Plc.

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

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The consolidated and separate financial statements were authorised for issue by the Board of Directors on 19 December, 2019

1.2 Basis of measurement and preparation

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective for the year ended 30 September 2019, including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The preparation of consolidated and separate financial statements in conformity with generally accepted accounting principles under IFRS requires the directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Disclosed in note 1.2 are areas where significant judgement and estimate has been applied in the preparation of these financial statements.

The consolidated and separate financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below

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Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these Consolidated and Separate Financial Statements is determined on such a basis, except for leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Going concern

The consolidated and separate financial statements have been prepared on a going concern basis. Nothing has come to the attention of the directors that cast doubt about the ability of the Group and company to continue as a going concern.

1.3 Basis of consolidation

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

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties

;

- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest . Total comprehensive income of the subsidiaries is attributed the subsidiaries is attributed to the owners of the company and to the non-controlling interest even if the results in the non-controlling interest having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The

choice of measurement is made on an acquisition by acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity . Total comprehensive income is attributed to non-controlling intetest even if this results in the non-controlling deficit.

Changes in the Group's interests in subsidiaries that do not result in a loss of control 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 value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture

1.4 Business combinations

Business combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with IFRS 2 at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchasegain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the

acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete.

Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date

1.4.1 Common control business combinations

Business combinations involving entities ultimately controlled by the Vitafoam group are accounted for using the pooling of interest method (also known as merger accounting).

A business combination is a "common control combination" if:

I. The combining entities are ultimately controlled by the same party both before and after the combination and

ii. Common control is not transitory.

Under a pooling of interest- type method, the acquirer is expected to account for the combination as follows:

i. The assets and the liabilities of the acquiree are recorded at book value and not at fair value

ii. Intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable IFRS (in particular IAS 38: Intangible Assets).

iii. No goodwill is recorded. The difference between the acquirer's cost of investment and the acquiree's equity is presented separately within OCI on consolidation.

iv. Any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities.

v. Any expenses of the combination are written off immediately in the statement of profit or loss.

vi. Comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented; and

vii. Adjustments are made to achieve uniform accounting policies.

1.5 Foreign currency

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 consolidated and separate financial statements are presented in 'Nigerian Naira'(N).

Transactions and balances

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are re-translated at the prevailing rate as at that date . Non-monetary items carried at fair value that are denominated in foreign currencies are transalated at the rates prevailingat the date when the fair value was determined.

Non-monetary items that are measured in terms of historial cost in a foreign currency are not re-translated

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance income or cost". All other foreign exchange gains and losses are presented separately in the income statement where material.

Foreign Operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used.

Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity (attributed to non -controlling interests as appropriate).

the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that include a foreign operation that does not results in the group locontrol over the subsidiary . the proportionate share of accumulated foreign exchange difference are re-distributed to non-controlling interest and are not recognised in profit or loss . For other partial disposal (i.e. partial disposal i associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

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

Policy applicable before 1 October, 2018

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, volume rebates, and value added tax

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probabl 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,t he type of transaction and the specifics of each arrangement.

Policy applicable after 1 October, 2018

Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognises revenue when it transfers control of a product or service to a customer.

The Group recognises revenue from sales of foams, mattress, pillows etc

Sale of goods and Delivery

The Company sells its goods both to wholesalers (Key distributors) and directly to customers through its retail outlets (comfort centres).

For sales of its goods to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location (delivery). Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised by the Company when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Under the Company's standard contract terms, customers are entitled to variable consideration. This represents the discount applied directly on invoice and all other rebates to customers for performance. The Company uses its accumulated historical experience to estimate the volume of rebates using the expected value method.

1.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using standard costing model. 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).

Cost is calculated based on standard costs with material price and usage variances apportioned using the Periodic Unit Pricing method. The basis of costing is as follows:

Raw materials, non-returnable packaging materials and consumable spare parts	- purpose cost on a weighted average basis including transportation and applicable clearing charges
Finished products and products in-process (work in progress)	- weighted average cost of direct materials, labour costs and a proportion of production overheads based on normal operating capacity
Inventory-in-transit	- Purchase cost incurred to date

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.

1.8 Provisions

Provisions are recognised when: the Group has 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 a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably

1.9 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 Group 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:

Asset category	Useful lives (years)
Buildings	33
Plant and machinery	5
Motor vehicles	4
Furniture and fixtures	5

Land is not depreciated. In 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.

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.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Capital work in progress represents assets under construction. Accordingly, they are not depreciated until they are completed and available for use.

The annual rates of depreciation are consistent with those of prior year.

Property, plant and equipment that are subject to depreciation 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. Property, plant and equipment that suffer impairment are reviewed for possible reversal of the impairment at each balance sheet date.

1.10 Impairment of tangible and intangible assets

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

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase

1.11 Financial instruments- IAS 39 Comparative

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.

1.11.1 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.

1.11 Financial instruments- IAS 39 Comparative (continued)

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.

1.11.2 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. Interest bearing financial liabilities are classified as loans on the statement of financial position.

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 liabilitysimultaneously.

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.

1.12 Financial instruments- IFRS 9

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments. On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income; or fair value through profit or loss.

Broadly, the classification possibilities, which are adopted by the group ,as applicable, are as follows:

Financial assets which are equity instruments:

- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or FVTPL (fair value through profit or loss)

On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost of FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group and Company make an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group and Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group and Company changes its business model for managing financial assets, in which case all affected assets are reclassified on the first day of the first reporting period following the chnage in business model.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group and Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group and Company considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. nonrecourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the group are presented below:

1.12.1 Loans receivable at amortised cost

Classification

Loans to Group companies are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment

The Group and Company recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The Group and Company measures the loss allowance at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk since initial recognition. If the credit risk on a loan has not increased significantly since initial recognition, then the loss allowance for that loan is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date (or a shorter periiod if the expected life of the instrument is less than 12 months).

In order to assess whether to apply lifetime ECL or 12 month ECL, in other words, whether or not there has been a significant increase in credit risk since initial recognition, the group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a loan being credit impaired at the reporting date or of an actual default occurring.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating

ECLs, the Group and Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group and Company's historical experience and informed credit assessment and including forward-looking information.

The Group and Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising securities (if any held); or the financial asset is more than 90 days past due.

Credit impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- a breach of contract such as a default or being more than 90 days past due.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write off policy

The gross carrying amount of a financial asset is written off when the Group and Company have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 2 years past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write- off based on whether there is a reasonable expectation of recovery. The Group and Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due. Any recovery made is recognised in profit or loss.

Measurement and recognition of expected credit losses

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. The exposure at default is the gross carrying amount of the loan at the reporting date.

Loans are then grouped in such a manner that they share similar credit risk characteristics, such as nature of the loan, external credit ratings (if available), industry of counterparty etc. The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

1.12.2 Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (Note 21) and (Note 3).

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

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding statutory receivables and prepayments. The amount of expected credit losses is updated at each reporting date.

The group measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable using a simplified impairment methodology adjusted for current conditions and forward looking information.

1.12.3 Investments in equity instruments

Classification

Investments in equity instruments are presented in Note 19 . They are classified as mandatorily at fair value through profit or loss. As an exception to this classification, the group may make an irrevocable election, on an instrument by instrument basis, and on initial recognition, to designate certain investments in equity instruments as at fair value through other comprehensive income.

The designation as at fair value through other comprehensive income is never made on investments which are either held for trading or contingent consideration in a business combination.

Recognition and measurement

Investments in equity instruments are recognised when the group and Company becomes a party to the contractual provisions of the instrument. The investments are measured, at initial recognition, at fair value. Transaction costs are added to the initial carrying amount for those investments which have been designated as at fair value through other comprehensive income. All other transaction costs are recognised in profit or loss.

Investments in equity instruments are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (and accumulated in equity in the reserve for valuation of investments). Investments in equity instruments are not subject to impairment provisions. Details of the valuation policies and processes are presented in Note 5 .

Dividends received on equity investments are recognised in profit or loss when the group's and Company's right to received the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included investment income (Note 9).

1.12.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions, bank overdrafts and highly liquid investments generally with maturities of three months or less. They are readily convertible into known amounts of cash and have an insignificant risk of changes in value. Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.12.5 Borrowings and loans from related parties

Recognition and measurement

Borrowings and loans from related parties are recognised when the Group and Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 12).

Borrowings expose the Group and Company to liquidity risk and interest rate risk. Refer to Note 4 for details of risk exposure and management thereof.

1.12.6 Trade and other payables

Recognition and measurement

They are recognised when the Group and Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (Note 12).

Trade and other payables expose the Group and Company to liquidity risk and possibly to interest rate risk. Refer to note for details of risk exposure and management thereof.

1.12.7 Bank overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

1.12.8 Derivatives and hedge accounting

The Group and Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

At inception of the designated heding relationship, the Group and Company documents the risk management objective and strategy for undertaking the hedge. The Group and Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group and Company enters into a variety of derivative financial instruments in order to manage its exposure to foreign exchange risk and interest rate risk. Derivatives held by the Group and Company which are not in designated hedging relationships, include forward exchange contracts. (Note 22).

Derivatives are recognised when the Group and Company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Directly attributed transaction costs are also recognised in profit or loss.

Fair value gains or losses are included in other gains and losses (Note 9). Details of the valuation policies and processes are presented in Note 5 .

1.12.9 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.12.10 Derecognition

Financial assets

The Group and Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or in which the Group and Company neither transfer nor retains subtaintially all of the risks and rewards of ownership and it does not retain control of the financial asset. If the Group and Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Financial liabilities

The Group and Company derecognises financial liabilities when, and only when, the Group and Company obligations are discharged, cancelled or they expire. The Group and Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.13 Taxation

Current Income tax

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

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 whichapplicable tax regulation is subject to interpretation. It establishes provisions where appropriate on thebasis 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.

1.14 Employee benefits

Pension obligations

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.

The Group has both defined benefit and defined contributory schemes.

a) Defined Contributory scheme

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.

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 statement of profit or loss 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.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the group's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

The Group also operates a gratuity scheme for its qualified staff. Benefits are related to the employees' length of service and remuneration. The cost of providing gratuity benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. All actuarial gains and losses are recognised immediately through other comprehensive income. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements
- Net interest expense or income.
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item gratuity expense, finance income and finance cost. Curtailment gains and losses are accounted for as past service costs

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

In addition the Group operates long service award to its qualified staff. The benefits are graduated depending on the employees number of years in service to the group.

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.

1.15 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.

1.16 Dividend distribution

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

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.

1.17 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 statement of profit or loss 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.

Finance leases - lessor

The Group recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease.

1.18 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 statement of profit or loss 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.

1.19 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.

1.20 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

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.

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.21 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. 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.

1.22 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.

There were no development expenditure capitalised as internally generated intangible asset during the year (2018 Nill) Intangible assets represent cost of development of and implementation of Enterprise risk management which have useful life of 5 years and amortised on a straight line basis over these years. No impairment charges as the assets were not impaired.

1.23 Non-current assets held for sale (and) (disposal groups)

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

When a Group is committed to sale plan involving disposal of an investment in subsidiary or associate, such investment will be classified as held for sale when the criteria described above are met.

1.24 Critical accounting estimates and judgements

The preparation of 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 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.

1.24.1 Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Default rate constitutes a key input in measuring ECL. Loss rate is the estimate of the proportion of historical receivables balances that were never recovered within the defined loss point for various categories of customers. In determining the loss rates, an historical age analysis detailing the amounts that remained unpaid by customers as at the defined loss points defined by management for the various customer Companys.The calculation of which includes historical data, assumptions and expectations of future conditions. An historical/observed default rates obtained and regress with the historical data of the two chosen macroeconomic variables sourced over the same length of period which the default rates were obtained. The model generates regression coefficients (intercept and slopes) which are applied of the forecast macroeconomic data. A scalar is obtained which is applied to the Historical loss rate.

1.24.2 Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The company determines the business model at a level that reflects how Companys of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensate. The company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for disposal and whether the reasons are consistent with the objective of the business for which the asset was held. The company continues to assess whether the business model for which the remaining financial assets are held continues to be appropriate, and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

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:

1.24.3 Business combination

The Group applies Pooling of Interest method in accounting for business combination among entities under common

control as such transactions are not covered under IFRS 3: Business Combination. The excess of the consideration over

the Company's share of the acquiree's assets and liabilities is recognised as a reserve in equity.

1.24.4 Assessment of control and significant influence

In determining whether an entity represents a subsidiary or associate of the Vitafoam Group, the management are required to consider the degree to which the company exercises control or significant influence respectively over the

investee. Decisions relating to the determination of control over the subsidiaries, and significant influence over potential

associate companies involves an element of judgment, which may have a significant impact on the constitution of the group amounts.

1.24.5 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.

The Group's actuary 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 27.

1.24.6 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 financial statements will be sustained.

1.24.7 Calculation of loss allowance and Business model assessment

When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Default rate constitutes a key input in measuring ECL. Loss rate is the estimate of the proportion of historical receivables balances that were never recovered within the defined loss point for various categories of customers. In determining the loss rates, an historical age analysis detailing the amounts that remained unpaid by customers as at the defined loss points defined by management for the various customer Companys.The calculation of which includes historical data, assumptions and expectations of future conditions. An historical/observed default rates obtained and regress with the historical data of the two chosen macroeconomic variables sourced over the same length of period which the default rates were obtained. The model generates regression coefficients (intercept and slopes) which are applied of the forecast macroeconomic data. A scalar is obtained which is applied to the Historical loss rate.

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The company determines the business model at a level that reflects how Companys of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensate. The company monitors financial assets measured at amortised cost that are derecognised prior to their maturity to understand the reason for disposal and whether the reasons are consistent with the objective of the business for which the asset was held. The company continues to assess whether the business model for which the remaining financial assets are held continues to be appropriate, and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Amendments to IAS 28: Annual Improvements to IFRS 2014 - 2016 cycle

An entity such as a venture capital organisation, mutual fund or similar institution may elect to measure investments in associates or joint ventures at fair value through profit or loss in accordance with IFRS 9 rather than by applying the equity method. The amendment to IAS 28 Investments in Associates and Joint Ventures now specifies that the election must be made separately per associate or joint venture and at the time of initial recognition of such investment.

Further, if an entity is not an investment entity, but has interests in an associate or joint venture which is an investment entity, then the entity may retain the fair value measurement of the associate or joint venture. The amendment now provides that such election must be made separately for each investment entity associate or joint venture.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group has adopted the amendment for the first time in the 2019 consolidated and separate financial statements.

The impact of the amendment is not material.

Amendments to IAS 40: Transfers of Investment Property

The amendment deals specifically with circumstances under which property must be transferred to or from investment property. The amendment now requires that a change in use of property only occurs when the property first meets, or ceases to meet, the definition of investment property and that there is evidence of a change in use. The amendment specifies that a change in management's intentions for use of the property, do not, in isolation, provide evidence of a change in use.

The effective date of the amendment is for years beginning on or after 01 January 2018.

The group has adopted the amendment for the first time in the 2019 consolidated and separate financial statements.

The impact of the amendment is not material.

Foreign Currency Transactions and Advance Consideration

The interpretation applies to circumstances when an entity has either paid or received an amount of consideration in advance and in a foreign currency, resulting in a non-monetary asset or liability being recognised. The specific issue addressed by the interpretation is how to determine the date of the transaction for the purposes of determining the exchange rate to use on the initial recognition of the related asset, expense or income when the non-monetary asset or liability is derecognised. The interpretation specifies that the date of the transaction, for purposes of determining the exchange rate to apply, is the date on which the entity initially recognises the non-monetary asset or liability.

The effective date of the interpretation is for years beginning on or after 01 January 2018.

The group has adopted the interpretation for the first time in the 2019 consolidated and separate financial statements.

The impact of the interpretation is not material.

IFRS 9 Financial Instruments
IFRS 9 issued in November 2009 introduced new requirements for the classification and measurements of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a)impairment requirements for financial assets and b) limited amendments to the classification

and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the outstanding principal are generally measured at amortised cost at the end of subsequent reporting periods. Debt instruments that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on outstanding principal, are measured at FVTOCI. All other debt and equity investments are measured at fair value at the end of subsequent reporting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of the liability is presented in other comprehensive income, unless the recognition of the effect of the changes of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under IAS 39, the entire amount of the change in fair value of a financial liability designated as at fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. It is therefore no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principal of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group has adopted the standard for the first time in the 2019 consolidated and separate financial statements.

The impact of the standard is set out in note 3 Changes in Accounting Policy.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction contracts; IAS 18 Revenue; IFRIC 13 Customer Loyalty Programmes; IFRIC 15 Agreements for the construction of Real Estate; IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

IFRS 15 also includes extensive new disclosure requirements.

The effective date of the standard is for years beginning on or after 01 January 2018.

The group has adopted the standard for the first time in the 2019 consolidated and separate financial statements.

The impact of the standard is set out in note 3 Changes in Accounting Policy

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 October 2019 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Plan Amendment, Curtailment or Settlement - Amendments to IAS 19

The amendment deals with the determination of past service cost and gains or losses on settlement, when a plan is amended, curtailed or settled ("the event"). Specifically, when determining the past service cost or gain or loss on settlement, the net defined benefit liability (asset) shall be remeasured using the current fair value of plan assets and current actuarial assumptions reflecting the benefits offered under the plan and plan assets both before and after the event. The effect of the asset ceiling shall not be considered in this exercise. The effect of the asset ceiling shall be determined after the event.

The amendment also specifies that when determining current service costs and net interest on the defined benefit liability (asset) in a period in which an amendment, curtailment or settlement occurs, to apply inputs at the beginning of the reporting period for the current service cost and interest up to the date of the event, and to apply inputs as at the date of the event to determine current service costs and interest for the remainder of the period.

The effective date of the amendment is for years beginning on or after 01 January 2019.

The impact of this amendment is currently being assessed.

Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28

The amendment now requires that an entity also applies IFRS 9 to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture.

The effective date of the amendment is for years beginning on or after 01 January 2019.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Prepayment Features with Negative Compensation - Amendment to IFRS 9

The amendment to Appendix B of IFRS 9 specifies that for the purpose of applying paragraphs B4.1.11(b) and B4.1.12(b), irrespective of the event or circumstance that causes the early termination of the contract, a party may pay or receive reasonable compensation for that early termination.
The effective date of the amendment is for years beginning on or after 01 January 2019.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment clarifies that when a party to a joint arrangement obtains control of a business that is a joint operation, and had rights to the assets and obligations for the liabilities relating to that joint operation immediately before the acquisition date, the transaction is a business combination achieved in stages. The acquirer shall therefore apply the requirements for a business combination achieved in stages.

The effective date of the amendment is for years beginning on or after 01 January 2019.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IFRS 11 Joint Arrangements - Annual Improvements to IFRS 2015 - 2017 cycle

The amendment clarifies that if a party participates in, but does not have joint control of, a joint operation and subsequently obtains joint control of the joint operation (which constitutes a business as defined in IFRS 3) that, in such cases, previously held interests in the joint operation are not remeasured.

The effective date of the amendment is for years beginning on or after 01 January 2019.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment specifies that the income tax consequences on dividends are recognised in profit or loss, other comprehensive income or equity according to where the entity originally recognised the events or transactions which generated the distributable reserves.

The effective date of the amendment is for years beginning on or after 01 January 2019.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle

The amendment specifies that when determining the weighted average borrowing rate for purposes of capitalising borrowing costs, the calculation excludes borrowings which have been made specifically for the purposes of obtaining a qualifying asset, but only until substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

The effective date of the amendment is for years beginning on or after 01 January 2019.

It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Uncertainty over Income Tax Treatments

The interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Specifically, if it is probable that the tax authorities will accept the uncertain tax treatment, then all tax related items are measured according to the planned tax treatment. If it is not probable that the tax authorities will accept the uncertain tax treatment, then the tax related items are measured on the basis of probabilities to reflect the uncertainty. Changes in facts and circumstances are required to be treated as changes in estimates and applied prospectively.

The effective date of the interpretation is for years beginning on or after 01 January 2019.

The group has adopted the interpretation for the first time in the 2020 consolidated and separate financial statements.

It is unlikely that the interpretation will have a material impact on the group's consolidated and separate financial statements.

IFRS 16 Leases

IFRS 16 Leases is a new standard which replaces IAS 17 Leases, and introduces a single lessee accounting model. The main changes arising from the issue of IFRS 16 which are likely to impact the group are as follows:

Group as lessee:

- Lessees are required to recognise a right-of-use asset and a lease liability for all leases, except short term leases or leases where the underlying asset has a low value, which are expensed on a straight line or other systematic basis.
- The cost of the right-of-use asset includes, where appropriate, the initial amount of the lease liability; lease payments made prior to commencement of the lease less incentives received; initial direct costs of the lessee; and an estimate for any provision for dismantling, restoration and removal related to the underlying asset.
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost model at cost less accumulated depreciation and impairment and adjusted for any re-measurement of the lease liability. However, right-of-use assets are measured at fair value when they meet the definition of investment property and all other investment property is accounted for on the fair value model. If a right-of-use asset relates to a class of property, plant and equipment which is measured on the revaluation model, then that right-of-use asset may be measured on the revaluation model.
- The lease liability is subsequently increased by interest, reduced by lease payments and re-measured for reassessments or modifications.
- Re-measurements of lease liabilities are affected against right-of-use assets, unless the assets have been reduced to nil, in which case further adjustments are recognised in profit or loss.
- The lease liability is re-measured by discounting revised payments at a revised rate when there is a change in the lease term or a change in the assessment of an option to purchase the underlying asset.
- The lease liability is re-measured by discounting revised lease payments at the original discount rate when there is a change in the amounts expected to be paid in a residual value guarantee or when there is a change in future payments because of a change in index or rate used to determine those payments.
- Certain lease modifications are accounted for as separate leases. When lease modifications which decrease the scope of the lease are not required to be accounted for as separate leases, then the lessee re-measures the lease liability by decreasing the carrying amount of the right of lease asset to reflect the full or partial termination of the lease. Any gain or loss relating to the full or partial termination of the lease is recognised in profit or loss. For all other lease modifications which are not required to be accounted for as separate leases, the lessee re- measures the lease liability by making a corresponding adjustment to the right-of-use asset.
- Right-of-use assets and lease liabilities should be presented separately from other assets and liabilities. If not, then the line item in which they are included must be disclosed. This does not apply to right-of-use assets meeting the definition of investment property which must be presented within investment property. IFRS 16 contains different disclosure requirements compared to IAS 17 leases.

Group as lessor:

- Accounting for leases by lessors remains similar to the provisions of IAS 17 in that leases are classified as either finance leases or operating leases. Lease classification is reassessed only if there has been a modification.
- A modification is required to be accounted for as a separate lease if it both increases the scope of the lease by adding the right to use one or more underlying assets; and the increase in consideration is commensurate to the stand alone price of the increase in scope.
- If a finance lease is modified, and the modification would not qualify as a separate lease, but the lease would have been an operating lease if the modification was in effect from inception, then the modification is accounted for as a separate lease. In addition, the carrying amount of the underlying asset shall be measured as the net investment in the lease immediately before the effective date of the modification. IFRS 9 is applied to all other modifications not required to be treated as a separate lease.
- Modifications to operating leases are required to be accounted for as new leases from the effective date of the modification. Changes have also been made to the disclosure requirements of leases in the lessor's financial statements.

Sale and leaseback transactions:

- In the event of a sale and leaseback transaction, the requirements of IFRS 15 are applied to consider whether a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as the sale of an asset.
- If the transfer meets the requirements to be recognised as a sale, the seller-lessee must measure the new right-of-use asset at the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The buyer-lessor accounts for the purchase by applying applicable standards and for the lease by applying IFRS 16

- If the fair value of consideration for the sale is not equal to the fair value of the asset, then IFRS 16 requires adjustments to be made to the sale proceeds. When the transfer of the asset is not a sale, then the seller-lessee continues to recognise the transferred asset and recognises a financial liability equal to the transfer proceeds. The buyer-lessor recognises a financial asset equal to the transfer proceeds.

The effective date of the standard is for years beginning on or after 01 January 2019.

The group expects to adopt the standard for the first time in the 2020 consolidated and separate financial statements.

It is unlikely that the standard will have a material impact on the group's consolidated and separate financial statements.

3. Changes in significant accounting policies

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the adoption of the following new or revised standards.

3.1 Application of IFRS 9 Financial Instruments

In the current year, the group has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives. Additionally, the Company adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that were applied to the disclosures for 2018 and to the comparative period. The impact of the new standard on financial instruments can be summarised under three phases:

- Classification and measurement of financial assets and financial liabilities
- Impairment methodology
- Hedge Accounting (Not applicable to the Company)

Details of these new requirements as well as their impact on the Group's financial statements are described below:

Impact of IFRS 9 on Statement of Changes in Equity

	Group Retained earings	**Company Retained earnings**
	N. 000	N. 000
At 30 September 2018	2,851,081	3,851,586
Impact of deferred tax	62,239	93,546
Impact of Expected Credit Loss Adjustment	(194,498)	(292,331)
AS at 1 October 2018	**2,718,822**	**3,652,801**

Classification and measurement of financial assets

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale financial instruments.

The date of initial application (i.e. the date on which the Company has assessed its existing financial assets and financial liabilities in terms of the requirements of IFRS 9) is 1 October 2018. Accordingly, the Company has applied the requirements of IFRS 9 to instruments that continue to be recognised as at 1 October 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 October 2018. The transition provisions of IFRS 9 allows an entity not to restate comparatives. The Company has elected not to restate comparatives in respect of the classification and measurement (including impairment) of financial instruments .Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings and reserves as at 1 October 2018.

Effect of adopting IFRS 9

The tables below show the amount of adjustment for each financial asset line item affected by the application of IFRS 9 for the prior year.

Financial assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
			Group N. '000	Group N. '000	Company N. '000	Company N. '000
Trade and other receivables	Loans and receivables	Amortised cost	1,392,685	1,198,504	744,612	550,431
Intercompany receivables	Loans and receivables	Amortised cost	-	-	2,484,830	2,386,997
Cash and cash equivalents	Loans and receivables	Amortised cost	965,721	965,404	893,223	892,906
Total financial assets			**2,358,406**	**2,163,908**	**4,122,665**	**3,830,334**

Transition notes

Upon transition an additional provision of (N,194.5 million: Group) and (N292.33 million: Company) The retained earning will be reduced by this amount.

Impairment of financial assets

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the group to recognise a loss allowance for expected credit losses on:

1. Lease receivables and;

2. Trade receivables and contract assets

3. Debts investments measured at amortised cost or FVOCI

IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

Classification and measurement of financial liabilities

A significant change introduced by IFRS 9 in the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability designated as at FVTPL attributable to changes in the credit risk of the issuer. Specifically, IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognised.

There were no financial assets or financial liabilities which the Company had previously designated as at FVTPL under IAS 39 that were subject to reclassification or which the Company has elected to reclassify upon the application of IFRS 9. There were no financial assets or financial liabilities which the Company has elected to designate as at FVTPL at the date of initial application of IFRS 9.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that are used as hedging instruments. For an explanation of how the Group and Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, see Note 1.12 Financial Instruments.

The tables below show the amount of adjustment for each financial liability line item affected by the application of IFRS 9 for the prior year

Financial liabilities	**Original classification under IAS 39**	**New classification under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**	**Original carrying amount under IAS 39**	**New carrying amount under IFRS 9**
			Group N. '000	**Group N. '000**	**Company N. '000**	**Company N. '000**
			-	-	-	-
Borrowings	Financial liabilities at amortised cost	Financial liabilities at amortised cost	7,417,977	7,417,977	7,018,962	7,018,962
Trade and other payables	Financial liabilities at amortised cost	Financial liabilities at amortised cost	2,860,701	2,860,701	2,208,997	2,208,997
Total financial liabilities			**10,278,678**	**10,278,678**	**9,227,959**	**9,227,959**

Reconciliation of the reclassifications and remeasurements of financial assets as a result of adopting IFRS9

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to

IFRS 9 on 1 October 2018.

Group	**Previous measurement**	**New measurement category: IFRS 9**	
	IAS 39	Amortised cost	Re-measurement equity
Financial asset at amortised cost			
Cash and cash equivalents	965,721	965,404	(317)
Trade and other receivables	1,392,685	1,198,504	(194,181)
	2,358,406	**2,163,908**	**(194,498)**

Company	**Previous measurement**	**New measurement category: IFRS 9**	
	IAS 39	Amortised cost	Re-measurement equity
Previously Loans and receivables:			
Cash and cash equivalents	893,223	892,906	(317)
Intercompany receivable	2,484,830	2,386,997	(97,833)
Trade and other receivables	744,612	550,431	(194,181)
	4,122,665	**3,830,334**	**(292,331)**

3.2 Application of IFRS 15 Revenue from contracts with customers

In the current year, the company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5 step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Vitafoam has adopted the new standard on the required effective date using the Modified retrospective approach. Details of the new requirements as well as their impact on the company's consolidated financial statements are described below.

The Company's accounting policies for its revenue streams are disclosed in detail in the accounting policy section. Apart from providing more extensive disclosures for the Company's revenue transactions, the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Company. The amount of adjustment for each financial statement line item affected by the application of IFRS 15 is illustrated below:

Impact on profit or loss for the year ended 30 September, 2019

	30 September 2018	Adjustments	On adoption of IFRS 15
Group	**N. '000**	**N. '000**	**N. '000**
Sale of goods	19,534,101	(616,182)	18,917,919
Sales commission	-	10,081	10,081
Freight income	-	616,182	616,182
Net sales	**19,534,101**	**10,081**	**19,544,182**

	30 September 2018	Adjustments	On adoption of IFRS 15
Company	**N. '000**	**N. '000**	**N. '000**
Sale of goods	17,612,290	(616,182)	16,996,108
Sales commission	-	10,081	10,081
	-	-	-
Freight income	-	616,182	616,182
Net sales	**17,612,290**	**10,081**	**17,622,371**
Cost of sales			
Sales commission		(10,081)	(10,081)
Net impact on profit		**-**	**-**

Impact on assets, liabilities and equity as at 30 September, 2019

Group

	As previously reported	IFRS 15 Adjustments	As restated
	N. '000	**N. '000**	**N. '000**
Trade and other payables	2,860,701	(155,227)	2,705,474
Contract liability	-	155,227	155,227
Total	2,860,701	-	2,860,701

Company

	As previously reported	IFRS 15 Adjustments	As restated
	N. '000	**N. '000**	**N. '000**
Trade and other payables	2,208,997	(155,227)	2,053,770
Contract liability (current)	-	155,227	155,227
Total	2,208,997	-	2,208,997

Incremental cost - sales commission

Vitafoam pays sales commission to its sales representatives in ordering centres and vita shops. The sales commissions were net off sales revenue. Based on IFRS 15, this amount should be expensed when incurred if they do not meet the recognition criteria for asset. An amount N10,081,431 has been reclassified to cost of sales.

Contract liability

The contract liability represents the obligation to transfer goods or services to a customer for which consideration has been received (or an amount of consideration is due) from the customer. [IFRS 15:106]. Vitafoam has recognised a contract liability of N155,227,515 representing consideration received for obligation due to customers. These amount is reclassified from trade and other payables to contract liability.

Terminology used

IFRS 15 uses the terms 'contract asset' and 'contract liability' to describe what might more commonly be known as 'accrued revenue' and 'deferred revenue', however the Standard does not prohibit an entity from using alternative descriptions in the statement of financial position. The Group has adopted the terminology used in IFRS 15 to describe such balances.

4. Financial Risk management

Overview of the Group's Risk Management

The Group's business activities expose it to a variety of financial risks: market risk (including foreign exchange, interest rate, and price), credit risk and liquidity risk.Risk management is the responsibility of the finance director who aims to effectively manage the financial risk of Vitafoam Nigeria Plc., according to the policies approved by the Board of Directors. The finance director identifies and monitors financial risk.

Market risk

1. Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the group's functional currency (The Naira).The Group is exposed to foreign exchange risks from some of its commercial transactions and current assets.

The Group buys and imports some of the raw materials used for production, the payments for which are made in US Dollars. Receipts for sales of finished goods in Nigeria are in Naira whilst receipts for sales of finished goods to countries such as Sierra Leone and Ghana are in US Dollars. The Group makes payments and collects receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US dollar.

Management's approach to managing foreign exchange risk is to hold foreign currency bank accounts which act as a natural hedge for these transactions. Currency exposure arising from assets and liabilities denominated in foreign currencies is also managed primarily by setting limits on the percentage of net assets that may be invested in such deposits.

Sensitivity to foreign exchange risk

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The foreign currency denominated balance that the group is exposed to fluctuations is cash and cash equivalents. The group is primarily exposed to the US Dollar.

A 10% increase/decrease in foreign exchange rate at the reporting dates would have increased/decreased profit or loss and total equity by the following amounts. This analysis is based on foreign currency exchange rate variances that the group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables remain constant:

	Group		Company	
As at 30 September	**2019**	**2018**	**2019**	**2018**
	N. '000	**N. '000**	**N. '000**	**N. '000**
US Dollars 10% increase	(368,724)	(162,820)	**(368,724)**	**(162,820)**
US Dollars 10% decrease	368,724	162,820	368,724	162,820

Interest rate risk

As the group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate risk is the risk that the value of a financial instrument will be affected by changes in market interest rates.

The group's exposure to interest rate risk relates primarily to long term borrowings which were issued at floating interest rates. The Group can also be exposed to cash flow interest rate risk on short term deposits and short term bank borrowings to the extent that the significant reductions in market interest rates would result in a decrease in the interest earned or paid by the Group.

The Group's borrowings are denominated in Nigerian naira and to manage this risk, the Group's policy is to negotiate favourable terms with the banks to reduce the impact of exposure to this risk and to obtain competitive rates for loans and for deposits.

Sensitivity analysis for interest rate risk

The sensitivity analysis for interest rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates at the reporting date. The variable interest balances that the group is exposed relate to bank borrowings.

The sensitivity of the Group's earnings to fluctuations in interest rates is reflected by increasing or decreasing interest rates by 10% as shown below:

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
10% increase in interest rate	48,066	137,445	43,856	118,410
10% decrease in interest rate	(48,066)	(137,445)	(43,856)	(118,410)

Price risk

The group's equity instruments are classified as Available for sale and are investments in Nigerian entities. Management monitors the movement in prices of these instruments on monthly basis by comparing price movements on same or similar equities on the stock exchange.

Sensitivity analysis for Price risk

The sensitivity analysis for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity securities traded in the market. The group's exposure to equity price risk is not material as the group holds a small portfolio of equity instruments. An increase or decrease of 100 basis points on the Nigeria Stock exchange (NSE) equity prices.

Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. It arises principally from trading activities with customers. The group has dedicated policies and procedures to control and monitor all such risks. The group limits its exposure to any one party by creating security accounts for all of its Vita shop distributors and all its key distributors such that a one percent of the revenue from these distributors are credited to this security account in form of a collateral in the event of a default.

The Group also sets credit limits and monitors customer activities to ensures that these limits are adhered to. Individual customer limits are set taking into consideration past experiences, trading performances and other factors. Where counterparties are unable to meet obligations under existing terms, the Group identifies such customers and restructures facilities to encourage performance and reduce losses.
The Group's credit portfolio is materially concentrated in South west Nigeria. The Group's maximum exposure to credit risk as at the reporting date is the carrying value of the financial assets in the statement of financial position. The carrying value of these financial assets

approximates the fair value. The tables below analyse financial assets into the relevant past due groupings as at each reporting date.

Financial assets exposed to credit risk at year end were as follows:

Group

30 September 2019

Financial assets		**Neither past due nor impaired**	**90-120days**	**Above 120 days**	**Total**
		N'000	N'000	N'000	N'000
Cash and bank balances	(Note 23)	779,364	-	-	779,364
Trade receivables (Net)	(Note 21)	544,995	-	-	544,995
Staff advances	(Note 21)	13,173	-	-	13,173
Other receivables	(Note 21)	202,590	-	-	202,590
		1,540,122	**-**	**-**	**1,540,122**

30 September 2018

Financial assets		**Neither Past due nor impaired**	**90-120 day s**	**Above 120days**	**Total**
		N'000	N'000	N'000	N'000
Cash and bank balances	(Note 23)	965,721	-	-	965,721
Trade receivables (Net)	(Note 21)	1,138,550	-	-	1,138,550
Staff advances	(Note 21)	19,800	-	-	19,800
Other receivables	(Note 21)	234,335	-	-	234,335
		2,358,406	**-**	**-**	**2,358,406**

Company

30 September 2019

Financial assets		**Neither past due nor impaired**	**90-120days**	**Above 120 days**	**Total**
		N'000	N'000	N'000	N'000
Cash and bank balances	(Note 23)	710,486	-	-	710,486
Trade receivables (Net)	(Note 21)	305,331	-	-	305,331
Receivables from related party companies	(Note 21)	1,868,775	-	-	1,868,775
Staff advances	(Note 21)	6,097	-	-	6,097
Other receivables	(Note 21)	174,273	-	-	174,273
		3,064,962	**-**	**-**	**3,064,962**

30 September 2018

Financial assets		**Neither Past due nor impaired**	**90-120days**	**Above 120 days**	**Total**
		N'000	N'000	N'000	N'000
Cash and bank balances	(Note 23)	893,223	-	-	893,223
Trade receivables (Net)	(Note 21)	549,238	-	-	549,238
Receivables from related party companies	(Note 21)	11,903	-	-	11,903
Staff advances	(Note 21)	2484,850	-	-	2484,850
Other receivables	(Note 21)	183,471	-	-	183,471
		4,122,665	**-**	**-**	**4,122,665**

Prepayments are not financial assets and thus not included as part of credit risk assessment for financial assets.

All receivables that are neither past due nor impaired are within approved credit limits, management does not expect any losses from non-performance by these parties. Receivables aged between 90- 120 days are past due but not impaired and relate to a number of customers for which there is no history of default.

An allowance for impairment is generally recorded for trade receivable balances based on the circumstances of such receivables. Other factors considered in making the impairment allowance include evidence of financial difficulty of the debtor. The Group's policy on credit is such that the security account kept for distributors is used in the event of a default i.e. the group is able to recover its monies from these accounts.

Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. The amounts held in the security accounts as at each year end are as follows:

	Group		Company	
	2019 N. '000	**2018 N. '000**	**2019 N. '000**	**2018 N. '000**
Collateral (Dealer's security account balances)	32,451	61,157	32,451	57,077

No other collateral is held on these balances.

An analysis of impaired receivables (above 120days) and the related allowance for impairment loss is as follows:

	Group		Company	
	2019 N. '000	**2018** N. '000	**2019** N. '000	**2018** N. '000
Carrying amount before provision(Gross)	697,661	408,250	417,449	269,578
Provisions for impairment loss	(472,936)	(258,744)	(384,929)	(206,458)
Net carrying amount	**224,725**	**149,506**	**32,520**	**63,120**

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by ensuring that sufficient funds are available to meet its commitments as they fall due.

The Group uses both long term and short term cash flow projections to monitor funding requirements for activities and to ensure there are sufficient cash resources to meet operational needs. Cash flow forecasting is performed by the finance department. Cash flow projections take into consideration the Group's debt financing plans and covenant compliance.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date.

Group
30 September 2019

Financial liabilities	**Within 1 Year**	**Between 2 years and above**	**Total**
	N'000	N'000	N'000
Trade and other payables	1,957,254	-	1,957,254
Borrowings - Term loans	1,157,074	1,289,794	2,446,868
Borrowings (Bank overdrafts & commercial papers)	986,425	-	986,425
	4,100,753	**1,289,794**	**5,390,547**

30 September 2018	Within 1 Year	Between 2 years and above	Total
Financial liabilities	N'000	N'000	N'000
Trade and other payables	2,860,701	-	2,860,701
Borrowings - Term loans	1,081,423	1,871,403	2,952,826
Borrowings (Bank overdrafts & commercial papers)	4,465,151	-	4,465,151
	8,407,275	**1,871,403**	**10,278,678**

Company

30 September 2019	Within 1 Year	Between 2 years and above	Total
Financial liabilities	N'000	N'000	N'000
Trade and other payables	1,516,022	-	1,516,022
Borrowings - Term loans	1,020,738	1,080,794	2,101,532
Borrowings (Bank overdrafts & commercial papers)	1,031,008	-	1,031,008
	3,567,768	**1,080,794**	**4,648,562**

30 September 2018	Within 1 Year	Between 2 years and above	Total
Financial liabilities	N'000	N'000	N'000
Trade and other payables	2,208,997	-	2,208,997
Borrowings - Term loans	968,515	1,658,804	2,627,319
Borrowings (Bank overdrafts & commercial papers	4,391,643	-	4,391,643
	7,569,155	**1,658,804**	**9,227,959**

The amounts disclosed in the tables above are the contractual undiscounted cash flows of the liabilities.

The Group's exposure to liquidity risk is minimal as at 30 September 2019.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. The Group's net debt/total capital ratio is summarised as follows:

		Group		Company	
		2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Total borrowings					
Borrowings	24	3,422,214	6,372,822	3,132,064	6,047,315
Less: Cash and bank balances	23	(779,364)	(965,721)	(710,486)	(893,223)
Net debt		2,642,850	5,407,101	2,421,578	5,154,092
Total equity		5,969,710	3,882,707	5,932,044	4,822,994
Total capital		**8,612,560**	**9,289,808**	**8,353,622**	**9,977,086**

5. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction (not a forced sale) between market participants (market-based view) at the measurement date (current price) The table below analyses financial instruments carried at fair value, by valuation method. The different levels that are required to be disclosed are defined as follows.

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).
- The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the group. The group considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. There are no liabilities at fair value.

The following table presents assets that are measured at fair value at 30 September 2019 for both group and company:

	Level 1	Level 2	Level 3	Total
	N'000	N'000	N'000	N'000
Fair value through OCI				
Equity Securities	5,729	-	-	5,729

The following table presents assets that are measured at fair value at 30 September 2018 for both group and company:

	Level 1	Level 2	Level 3	Total
	N'000	N'000	N'000	N'000
Fair value through OCI				
Equity Securities	7,768	10,000	-	17,768

The fair value of financial instruments traded in active markets is based on quoted market prices as at each reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The quoted market prices used for financial assets held by the Group is the current bid price. These instruments are included in level 1. There are no level 3 financial instruments. Financial instruments that are not traded in an active market are carried at cost (unquoted equity).

Quoted market prices were used to value financial at fair value. No level 3 financial instruments are held by the Group.

6. Financial instruments bycategory

The Group's financial instruments are categorised as follows:

30 September 2019	Category	Group	Company
Financial assets		**N'000**	**N'000**
Trade receivables	Amortised cost	544,995	305,331
Other receivables (including staff debtors)	Amortised cost	215,763	180,370
Related party receivables		-	1,868,775
Cash and bank balances	Amortised cost	779,364	710,486
Investment in financial asset	FVOCI	5,729	5,729
		1,545,851	**3,070,691**
Financial liabilities	**Category**		
Borrowings (current)	Amortised cost	2,143,499	2,051,746
Trade and other payables	Amortised cost	1,957,254	1,516,022
Borrowings (non-current)	Amortised cost	1,289,794	1,080,794
		5,390,547	**4,648,562**

The Group's financial instruments are categorised as follows:

30 September 2018	Category	Group	Company
Financial assets		**N'000**	**N'000**
Trade receivables	Loans and	1,138,550	549,289
Other receivables (including staff debtors)	receivables	254,135	195,374
Related party receivables	Loans and	965,721	2,484,830
Cash and bank balances	receivables	17,768	893,223
Investment in financial asset	Available for Sale	-	17,768
		2,376,174	**4,140,433**

		Group	Company
	2018	**N'000**	**N'000**
Financial liabilities	**Category**		
Borrowings (current)	Other liabilities	5,546,574	5,360,158
Trade and other payables	Other liabilities	2,860,701	2,208,997
Borrowings (non-current)	Other liabilities	1,871,403	1,658,804
		10,278,678	**9,227,959**

The Group's financial instruments are categorised as follows:

Trade receivables are stated net of impairments. Other receivables excludes prepayments. Trade and other payables excludes deferred income and provisions.

	Group		Company	
	2019	**2018**	**2019**	**2018**
	N. '000	**N. '000**	**N. '000**	**N. '000**

7. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note38).Group analyses its net revenue by the following categories:

Revenue from contracts with customers				
Sale of goods (Foams and other products)	21,503,835	19,534,101	19,550,712	17,612,291
Rendering of service (Freight income)	779,328	-	779,328	-
	22,283,163	**19,534,101**	**20,330,040**	**17,612,291**

Analy sis by Geographical area

Within Nigeria	21,720,092	18,778,435	20,330,040	17,612,291
Outside Nigeria	563,071	755,666	-	-
	22,283,163	**19,534,101**	**20,330,040**	**17,612,291**

In presenting information on the basis of geography, segment revenue is based on the geographical location of the customers

8. Cost of sales

Raw materials and consumables	13,202,045	13,353,399	12,683,164	12,568,754
Labour cost, maintenance and repairs	143,164	146,385	143,164	146,385
Depreciation	175,061	178,075	76,646	71,150
	13,520,270	**13,677,859**	**12,902,974**	**12,786,289**

9. Other gains and losses

Sale of scrap items	62,124	84,459	48,529	55,555
Rental income	4,268	2,401	23,837	33,130
Investment income	-	49,694	45,598	59,347
Profit on disposal of assets (Note 9.1)	113,884	66,374	112,527	65,705
Exchange gains/(loses)	116,710	(152,958)	234,817	14,321
Provision no longer required (Note 9.2)	59,416	295,607	81,114	295,607
	-	-	-	-
Actuarial (loss)/gain on long service award	(6,885)	12	(6,885)	12
Government grants	40,314	34,935	40,314	34,935
	389,831	**380,524**	**579,851**	**558,612**

9.1 Profit on disposal of assets: It comprises of gain arising from the sale of investment property , leased equipment and motor vehicle.

9.2 Provision no longer required: This relates to the trade and related party receivables, expected credit loss and impairment for investment in Vitavisco Nigeria limited for prior year written back

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
10. Administrative Expenses				
AGM, Conferences & award expenses	39,146	24,428	38,124	23,465
Advertising	327,240	269,516	307,298	253,345
Audit fees	32,575	31,457	22,500	20,000
Impairment allowance on trade receivable	38,744	129,459	695,300	114,471
Bank charges	44,154	37,148	36,108	29,682
Cleaning	22,834	24,214	14,046	17,476
Professional and Consulting fees	144,030	176,094	110,351	148,227
Depreciation, amortisation and impairments (Note 43)	198,379	202,555	149,252	144,544
Impairment of assets held for sale	18,740	-	18,740	-
Donations	7,581	19,449	5,848	17,469
Employee costs (Note 36)	1,711,124	1,406,118	1,375,261	1,031,290
Entertainment	18,392	19,356	14,769	16,084
Other admin and general expenses (Note 10.2	91,655	83,535	14,265	29,432
Gratuity Expenses	102,593	108,493	80,135	90,270
Actuarial loss/(gain) on long service award (Note 27)	11,747	-	11,747	-
Insurance	53,255	52,326	40,778	42,697
Rent and rates	162,384	78,476	94,336	30,289
Fines, levies and penalties	342	2,911	-	800
Stationery, newspapers and periodicals	17,648	24,396	13,123	21,189
Postage, telecommunication and internet	57,570	49,834	47,885	40,463
Protective clothing	2,936	5,167	1,554	2,838
Repairs and maintenance	164,913	141,751	126,642	103,103
Research and development costs (Note 10.1)	2,449	3,648	-	-
Security	50,058	53,202	38,578	39,318
Subscriptions	14,723	26,760	13,033	24,872
Transport and travelling	144,733	134,977	104,131	104,560
Electricity and other utilities	253,518	245,206	229,921	214,350
	3,733,463	**3,350,476**	**3,603,725**	**2,560,234**

10. 1 Research and development costs relate to project vitality that resulted in cost reduction and product quality improvement

10. 2 Other admin and general expenses comprise of contingence expenses, internal audit expenses and employees scholarship scheme expenses.

11. Distribution Cost

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Distribution cost	974,751	794,192	919,180	747,579
12. Finance costs				
Interest on loans and overdraft	904,862	1,240,116	717,319	1,047,348
Other Bank charges	22,879	21,270	17,323	21,270
Interest on defined benefit obligation	121,991	116,046	121,991	116,046
	1,049,732	**1,377,432**	**856,633**	**1,184,664**

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
13. Finance income				
Interest on deposit	21,383	3,393	21,383	-
Interest on planned assets	79,677	75,793	79,677	75,793
	101,060	**79,186**	**101,060**	**75,793**
14. Taxation				
Income tax expense				
Income tax	922,711	255,499	788,142	220,747
Education tax	69,128	26,481	58,498	19,192
Capital gain tax	9,122	5,720	9,122	5,720
	1,000,961	287,700	855,762	245,659
Under/(over) provision in prior year	-	(50,954)	-	(53,542)
Deferred tax /(write back)	30,172	(44,817)	65,337	(59,004)
Tax expense	**1,031,133**	**191,929**	**921,099**	**133,113**

The current tax charge has been computed at the applicable rate of 30% (30 September 2018 : 30%) plus education levy of 2% (30 September 2018: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for taxpurposes.

Non-deductible expenses include items such as donations and subscriptions, legal expenses, depreciation, amortisation and certain provisions which are not allowed as a deduction by the tax authorities. Tax exempt income include income such as unrealised exchange difference and profit on disposal of fixed asset which are not taxable.

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Accounting profit	3,417,841	793,852	2,496,008	619,233
Tax at the applicable tax rate of 30% (2018: 30%)	1,029,252	238,156	748,802	185,770
Tax effect of adjustments on taxable income				
Effect of income exempted from taxation	(133,420)	(23,587)	(133,420)	(23,588)
Effect of non-deductible expenses in determining taxable profit	174,235	19,257	134,507	914
Effect of investment charge	-	(24,897)	-	(1,352)
Effect of other allowances	(5,202)	-	(3,477)	-
Effect of deferred education tax	(4,602)	-	(4,545)	-
Effect of education tax	69,128	26,481	58,498	19,192
Effect of balancing charges	-	201	-	-
Effect of over provision prior year -deferred tax	111,612	(53,542)	111,612	(53,542)
Effect of minimum tax	51	4,141	-	-
Capital gains	9,122	5,719	9,122	5,719
Others	41,088	-	-	-
Effect of recognition of previously unrecognised deferred tax	(9,512)	-	-	-
Effect of impairment of investment in subsidiaries released upon consolidation	(250,619)	-	-	-
	1,031,133	**191,929**	**921,099**	**133,113**

	Group		Company	
	2019	2018	2019	2018
	N. '000	N. '000	N. '000	N. '000
15. Tax Pay able				
The movement in tax payable/receivable is as follows:				
At 1 October	345,751	329,584	272,252	256,692
Company income tax	1,000,961	236,746	855,762	192,117
Payment during the year	(329,135)	(220,579)	(272,251)	(176,557)
At 30 September	**1,017,577**	**345,751**	**855,763**	**272,252**

16. Property, plant and equipment

Group

	Land	Building	Plant and machinery	Furniture and fixtures	Motor vehicle	Total
	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000
Cost						
Balance at 1 October, 2017	289,983	3,058,829	2,351,156	362,722	482,809	6,545,499
Additions	1,040	4,757	267,703	13,176	6,603	293,279
Reclassification	-	-	-	(2,389)	-	(2,389)
Disposal	-	-	-	(467)	(15,300)	(15,767)
Transfer	-	(818,066)	(132,341)	(11,452)	(20,404)	(982,263)
Effect of foreign currency exchange differences	-	(80,805)	(20,005)	(182)	(426)	(101,418)
Balance at 30 September, 2018	291,023	2,164,715	2,466,513	361,408	453,282	5,736,941
Additions	-	6,334	163,426	15,587	118,045	303,392
Disposal	-	-	-	(734)	(37,419)	(38,153)
Transfer from Investment property (Note 18)	-	441,550	-	-	-	441,550
Transfer from held for sale	-	127,022	-	-	-	127,022
Effect of foreign currency exchange difference	-	-	-	(341)	(557)	(898)
Balance at 30 September, 2019	291,023	2,739,621	2,629,939	375,920	533,351	6,569,854

Group	Land	Building	Plant and machinery	Furniture and fixtures	Motor vehicle	Total
	N.'000	N.'000	N.'000	N.'000	N.'000	N.'000
Accumulated depreciation						
Balance at 1 October, 2017	-	484,634	1,884,234	273,671	397,068	3,039,607
Charge for the year	-	93,861	178,075	30,482	45,714	348,132
Reclassification	-	-	-	(353)	-	(353)
Disposal	-	-	-	(467)	(12,995)	(13,462)
Effect of foreign currency exchange differences	-	(11,184)	20,679	(125)	(1,361)	8,009
Transfer	-	(94,895)	(104,726)	(10,524)	(18,621)	(228,766)
Balance at 30 September, 2018	-	472,416	1,978,262	292,684	409,805	3,153,167
Charge for the year	-	67,216	198,387	24,036	51,317	340,956
Disposal	-	-	-	(634)	(31,404)	(32,038)
Transfer from investment property (Note 18)	-	138,550	-	-	-	138,550
Effect of foreign currency exchange difference	-	-	(823)	(203)	(306)	(1,332)
Balance at 30 September, 2019	-	678,182	2,175,826	315,883	429,412	3,599,303
Carrying amount						
Balance as at 30 September, 2019	291,023	2,061,439	454,113	60,037	103,939	2,970,551
Balance as at 30 September, 2018	291,023	1,692,299	488,251	68,724	43,477	2,583,774

Company

	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 1 October, 2017	289,983	2,151,757	1,675,045	273,911	375,492	4,766,188
Addition	1,040	4,325	45,083	4,311	4,500	59,259
Disposal	-	-	-	-	(7,645)	(7,645)
Balance at 30 September, 2018	291,023	2,156,082	1,720,127	278,222	372,347	4,817,801
Addition	-	6,129	115,898	8,951	103,754	234,732
Disposal	-	-	-	-	(27,843)	(27,843)
Balance at 30 September, 2019	291,023	2,162,211	1,836,025	287,173	448,258	5,024,690
Accumulated depreciation						
Balance at 1 October, 2017	-	403,939	1,514,359	235,370	326,411	2,480,079
Charge for the year	-	65,337	71,150	20,785	27,122	184,394
Disposal	-	-	-	-	(7,645)	(7,645)
Balance at 30 September, 2018	-	469,276	1,585,509	256,155	345,888	2,656,827
Charge for the year	-	65,504	76,647	15,415	37,047	194,613
Disposal	-	-	-	-	(27,843)	(27,843)
Balance at 30 September, 2019	-	534,780	1,662,156	271,572	355,093	2,823,601
Carrying amount						
Balance as at 30 September, 2019	291,023	1,627,431	173,869	15,601	93,165	2,201,089
Balance as at 30 September, 2018	291,023	1,686,806	134,619	22,067	26,459	2,160,974

Contractual commitments

At 30 September, 2019the company had no contractual commitments for the acquisition of property, plant and equipment (2018: Nil).

Transfer - The investment property for the company was transfered to property, plant and equipment under group.

Assets pledged- Some borrowings are secured by a debenture on all the fixed and floating assets of the Group (see Note 24 for details).

17. Intangible assets

Group

	Computer software
	N.'000
Cost	
Balance at 1 October, 2017	90,352
Additions	6,727
Reclassification (Note 16)	2,389
Balance at 30 September, 2018	99,468
Addition	11,765
Balance at 30 September, 2019	111,233
Accumulated amortisation	
Balance at 1 October, 2017	43,186
Charge for the year	18,708
Reclassification (Note 16)	353
Disposal	-
Balance at 30 September, 2018	62,247
Charge for the year	19,104
Balance at 30 September, 2019	81,351
Carrying amount	
Balance as at 30 September, 2019	29,882
Balance at 30 September, 2018	37,221

Company

	Computer Software N.'000
Cost	
Balance at 1 October, 2017	87,468
Addition	6,727
Balance at 30 September, 2018	94,195
Addition	11,765
Balance at 30 September, 2019	105,960
Accumulated amortisation	
Balance at 1 October, 2017	42,465
Charge for the year	17,509
Balance at 30 September, 2018	59,974
Charge for the year	17,905
Balance at 30 September, 2019	77,879
Carrying amount	
Balance as at 30 September, 2019	28,081
Balance at 30 September, 2018	34,221

There were no development expenditure capitalised as internally generated intangible asset during the year (2018 Nill)
Intangible assets represent cost of development of and implementation of Enterprise risk management which have useful life of 5 years and amortised on a straight line basis over these years. No impairment charges was recorded as the assets were not impaired.

18. Investment property

The investment property relates to factory building located at Acme road, Ikeja rented to Vitapur and a factory building rented to Vitavisco.

	Group and Company N.'000
Cost	
Balance at 1 October, 2017	463,223
Disposal	(8,127)
Balance at 30 September, 2018	455,096
Disposal	(13,546)
Balance as at 30 September 2019 - Company	441,550
Transfer to property plant and equipment (Note 16)	(441,550)
Balance at 30 September, 2019 - Group	-

	Group and Company N.'000
Accumulated depreciation	
Balance at 1 October, 2017	124,092
Charge for the year	13,791
Disposal	(4,755)
Balance at 30 September, 2018	133,128
Charge for the year	13,380
Disposal	(7,957)
Balance as at 30 September 2019 - Company	138,551
Transfer to group property plant and equipment (Note 16)	(138,551)
Carrying amount - Group	
Balance as at 30 September, 2019	-
Balance at 30 September, 2018	321,968
Carrying amount - Company	
Balance as at 30 September, 2019	302,999
Balance at 30 September, 2018	321,968

The buildings are depreciated on a straight line basis at a rate of 3% per annum.
The company investment property occupied by related party was transferred to building under group property , plant and equipment in 2019 financial year. (See Note 16). There was no impairment recorded for these properties as at 30 September 2019.

	Group		Company	
	2019 N. '000	**2018 N. '000**	**2019 N. '000**	**2018 N. '000**
19. Investment in financial assets				
Investment in equity instrument classified as FVTOCI				
Investment in quoted shares	5,729	7,768	5,729	7,768
Investment in unquoted shares	-	10,000	-	10,000
	5,729	**17,768**	**5,729**	**17,768**
Fair value movement during the year				
At 1 October , 2018	17,768	17,768	17,768	17,768
Impairment loss (Note 42)	(12,039)	-	(12,039)	-
At 30 September, 2019	**5,729**	**17,768**	**5,729**	**17,768**
20. Inventories				
Finished goods - cost	1,017,572	1,102,537	747,366	833,253
Raw materials - cost	3,666,852	3,358,979	2,882,482	2,819,981
Work in progress - cost	449,679	715,869	415,950	621,424
Spare parts and consumables - cost	346,245	461,945	315,468	345,850
Goods in transit	49,561	-	-	-
	5,529,909	5,639,330	4,361,266	4,620,508
Inventories (write-downs) (Note 20.1)	(46,295)	(87,238)	-	(80,714)
	5,483,614	**5,552,092**	**4,361,266**	**4,539,794**
20.1 Inventory impairment as at 1 October 2018	87,238	31,536	80,714	28,536
Write back/ charges	(40,943)	55,702	(80,714)	52,178
At 30 September	**46,295**	**87,238**	**-**	**80,714**
21. Trade and other receivables				
Financial instruments:				
Trade receivables	1,108,073	1,592,929	750,943	859,798
Allowance for doubtful debt receivables	(563,078)	(454,379)	(445,612)	(310,560)
Trade receivables at amortised cost	544,995	1,138,550	305,331	549,238
Staff debtors	13,173	19,800	6,097	11,903
Other receivables (Note 21.1)	202,590	234,335	174,273	183,471
Receivables from related parties (Note 37)	-	-	1,868,775	2,484,830
Total trade and other receivables	**760,758**	**1,392,685**	**2,354,476**	**3,229,442**

The average credit period on sales of goods is 30 days. No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using the simplified model to derive a historical loss rate with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company has recognised a loss allowance of 100% against all receivables over 360 days past due because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

21. Trade and other receivables (continued)

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. This is done by management on a case by case assessment of the debtor. None of the trade receivables that have been written off is subject to enforcement activities.

Exposure to credit risk

The average credit period on sale of goods is 30 days. The Group uses an allowance matrix to measure the Expected Credit Losses (ECLs) of trade receivables from customers. Loss rates are calculated using a 'rollrate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and type of product purchased.

The Group has recognised an allowance for doubtful debts of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable. Allowances for doubtful debts are recognised against trade receivables between 30 and 365 days.

Before accepting a new customer the Group initially trades with the customer on a cash basis to assess the customer's ability and also determine the customer's transaction volumes. This enables a reasonable credit limit to be set. Once these are determined the customer is then allowed to apply for a credit facility from the Company through a rigorous process with several levels of approval. Also certain categories of credit customers provide bank guarantees before being accepted as credit customers of the Group.

Credit sales form a small portion of overall sales. The concentration of credit risk is limited due to this fact and the large and unrelated customer base. The Group has pledged no trade receivables during the year.

The group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Balance at 30 September, 2019		Group		Company	
	Expected credit loss rate	Gross carrying amount	Loss allowance (Lifetime expected credit loss)	Gross carrying amount	Loss allowance (Lifetime expected credit loss)
< 30 days		156,206	(18,397)	164,610	(13,169)
< 60 days		146,394	(14,047)	90,115	(11,715)
< 90 days		41,278	(27,947)	44,867	(17,947)
< 120 days		66,534	(29,751)	33,902	(17,852)
< 180 days		68,366	(29,324)	34,642	(18,014)
< 270 days		33,317	(30,323)	33,317	(20,323)
< 360 days		260,980	(78,291)	14,492	(11,594)
Above 360 days		334,998	(334,998)	334,998	(334,998)
Total		**1,108,073**	**(563,078)**	**750,943**	**(445,612)**

Balance at 30 September 2018		Group		Company	
	Expected credit loss rate	Gross carrying amount	Loss allowance (Lifetime expected credit loss)	Gross carrying amount	Loss allowance (Lifetime expected credit loss)
< 30 days		375,656	(37,566)	232,811	(23,281)
< 60 days		362,856	(43,057)	165,055	(26,409)
< 90 days		212,567	(48,868)	98,754	(33,868)
< 120 days		233,600	(66,144)	93,600	(20,544)
<180 days		142,304	(89,652)	77,711	(37,506)
<270 days		50,273	(34,688)	60,273	(41,588)
< 360 days		35,249	(31,019)	35,249	(31,019)
Above 360 days		180,424	(103,385)	96,345	(96,345)
Total		**1,592,929**	**(454,379)**	**859,798**	**(310,560)**

30-Sep-18
The ageing of amounts past due but not impaired under IAS 39.

Trade receivables

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Trade receivables neither past due/nor impaired				
0-30 days	137,809	315,656	151,441	209,530
Trade receivables past due but not impaired				
31 - 60 days	132,347	232,652	78,400	138,646
61 - 120 days	50,114	232,971	42,970	135,945
121 - 180 days	39,042	184,667	16,628	42,202
181 - 360 days	185,683	172,604	15,892	22,915
	544,995	**1,138,550**	**305,331**	**549,238**
Trade receivables impaired				
Past due and impaired	563,078	454,379	445,612	310,560
Reconciliation of provision for impairment of trade/and other receivables				
At 1 October	454,379	398,495	310,560	264,003
Increase/(Decrease) of impairment charge during the year	(85,481)	55,884	(59,128)	114,471
Amounts written off as uncollectable		-		(67,914)
Transition adjustment	194,180	-	194,180	-
Balance at 30 September 2019	**563,078**	**454,379**	**445,612**	**310,560**

The maximum exposure to credit risk at the reporting date is the fair value of each class of trade and other receivable mentioned above.

21. Trade and other receivables (continued)

In determining the recoverability of trade receivables, the Group and Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings, audited financial statements, management accounts and cashflow projections and available press information about customers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default.

Exposures within each credit risk grade are segmented by geographic region and industry classification and an ECL rate is calculated for each segment based on delinquency status and actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The creation and release of provision for impaired receivables have been included in operating expenses in the statement of profit or loss and other comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The group does not hold any collateral as security other than bank guarantees from certain customers with bank guarantee. The reduction in trade receis.

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Group			Company		
	Collectively assessed	**Individually assessed**	**Total**	**Collectively assessed**	**Individually assessed**	**Total**
Balance as at 1 October 2018	454,379	-	454,379	310,560	-	310,560
Adjustment on transition to IFRS 9	96,993	97,187	194,180	96,993	97,187	194,180
	551,372	97,187	648,559	407,553	97,187	504,740
Impairment charge during the year	(61,356)	(24,125)	(85,481)	(35,003)	(24,125)	(59,128)
ECL as at 30 September 2019	**490,016**	**73,062**	**563,078**	**372,550**	**73,062**	**445,612**

The following explain how significant changes in the loss allowance:

- Customer groupings was done based ontheir geographical location in accessing the customers shared risk characteristics. Customer's in Ikeja had the highest number of ECL contribution (45%) to the overall trade receivable.
- Default point aging bucket was provided at 100% of the outstanding trade receivable amount.
- Loss allowance was determined on intercompany receivables which was not done under IAS 38.
- ECL was also determined for all debt securities classified as amortised cost instrument.

	Group		Company	
	2019 N. '000	**2018 N. '000**	**2019 N. '000**	**2018 N. '000**
21. 1 Other Receivable				
Unclaimed dividends held by Meristem registrars	113,413	-	113,413	-
* Withholding tax receivable	-	49,357	-	44,881
Other debit balances	53,869	83,318	25,985	36,930
Other debtors	35,308	101,660	35,308	101,660
	202,590	**234,335**	**174,706**	**183,471**

* This represent tax withheld on contract of supply to third party

22. Other assets

Other assets represents various forms of prepayments. They are as follows:

	Group		Company	
	2019 N. '000	**2018 N. '000**	**2019 N. '000**	**2018 N. '000**
Prepaid rent	119,219	53,490	82,876	32,736
Prepaid insurance	13,393	9,739	11,531	9,145
Prepaid advertisement	4,016	35,140	4,016	8,069
Prepaid subscription	7,019	2,840	6,931	2,724
Advance payment for forex (Note 22.1)	696,103	1,914,592	155,482	1,523,066
Other prepayments (Note 22.2)	143,177	196,731	124,502	136,563
	982,927	**2,212,532**	**385,338**	**1,712,303**

22.1 Advance payments for forex relates to payments on account of forex for various letters of credit opened with commercial banks

22. 2 Other prepayment relates to prepaid bank charges on letter of credits and property leased from third (3rd) party

23. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the statement of cashflows:

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Cash on hand	12,045	19,416	10,743	17,903
Bank balances	591,863	811,724	524,287	740,739
Fixed deposit	175,456	134,581	175,456	134,581
Cash and bank	779,364	965,721	710,486	893,223
Bank overdraft	(11,079)	(1,045,155)	(476)	(971,647)
	768,285	**(79,434)**	**710,010**	**(78,424)**

The group has restricted cash balance N142.79 million(2018 : N481.8 million), company N88.88 million held as a collateral for credit line utilized for letter of credit and loan repayment reserves (2018 : N481.6 million)

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Retricted cash balance				
Wema Bank	-	396,400	-	396,400
Zenith Bank	88,878	85,400	88,878	85,200
United bank for Africa	53,913	-	-	-
Balance at 30 September , 2019	**142,791**	**481,800**	**88,878**	**481,600**

24. Borrowings

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Non Current				
Bank borrowings	1,289,794	1,871,403	1,080,794	1,658,804
Current				
Bank overdraft	11,079	1,045,155	476	971,647
Commercial papers	975,346	3,419,996	1,030,532	3,419,995
Bank borrowings	1,157,074	1,081,423	1,020,738	968,515
	2,143,499	**5,546,574**	**2,051,746**	**5,360,157**
	3,433,293	7,417,977	3,132,540	7,018,961
Bank Overdraft	(11,079)	(1,045,155)	(476)	(971,647)
	3,422,214	6,372,822	3,132,064	6,047,314

Bank borrowings

The term loans represent the outstanding balances on four facilities - 4-year term loan of N350 million, UBA 4-year tem loan of N225 million, Zenith bank 2-year term loan of N100 million and 4 -year term loan of N2 billion granted to the parent by bank of industry in 2018 with a 12 months moratorium. Both loans are secured by a negative pledge on the parent's fixed and floating assets and are carried at fair values based on cash flows discounted using effective interest rate of 20%. The Group obtained loan from International Finance Corporation to finance capital construction at the Sierra Leone Subsidiary. In 2016, the loan was bought over by a local bank in Sierra leone with a tenor of 4 years denominated in leones, the term loan was restructured in April 2018 to 5 years maturing in October 2022. Bank overdrafts and commercial papers are not discounted as the fair value equals carrying amounts.

Reconciliation of borrowings

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Balance as at 1 October	6,372,822	3,835,377	6,047,314	3,193,583
Proceeds from borrowings	5,982,142	6,119,129	5,982,141	4,290,614
Repayment of borrowings	(8,932,749)	(2,918,151)	(8,897,391)	(1,436,883)
At 30 September	**3,422,215**	**7,036,355**	**3,132,064**	**6,047,314**

25. Deferred income

Government grants have been recognised on the loans (Wema Bank and Zenith Bank) received under the CBN/BOI intervention fund for a former subsidiary of the Group, Vono Products Plc. and N2 billion granted to the parent company. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The company government grant was presented in the statement of financial position by setting up a deferred income.

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Non-current liabilities	44,281	80,762	44,281	80,762
Current liabilities	39,118	42,951	39,118	42,951
	83,399	**123,713**	**83,399**	**123,713**

26. Deferred tax

The following are the major deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting periods.

Group	At 1 October	P&L (charges)/ write back	OCI (charges)/ write back	Retained earnings	At 30 September
30 September 2019	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Deferred tax assets/liabilities in relation to:					
Property, plant & Equipment	436,425	(80,521)	-	-	355,904
Prior year under provision	-	111,611	-		111,611
Provisions	(206,705)	(918)	(36,810)	(62,240)	(306,673)
Exchange difference	132,614	-	-	-	132,614
	362,334	**30,172**	**(36,810)**	**(62,240)**	**293,456**

Group	At 1 October	P&L (charges)/write back	OCI (charges)/write back	At 30 September
30 September 2018	**N'000**	**N'000**	**N'000**	**N'000**
Deferred tax assets/liabilities in relation to:				
Property, plant & Equipment	412,828	23,597	-	436,425
Provisions	(154,892)	(65,941)	14,128	(206,705)
Exchange difference	134,568	2,149	(4,103)	132,614
	392,504	**(40,195)**	**10,025**	**362,334**

The following are the major deferred tax assets and liabilities recognised by the Company and movements thereon during the current and prior reporting periods.

Company	**At 1 October**	**P&L (charges)/ write back**	**OCI (charges)/ write back**	**Retained earnings**	**At 30 September**
30 September 2019	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Deferred tax assets/liabilities in relation to:					
Property, plant & Equipment	526,701	(46,275)	-	-	480,426
Prior year under provision	-	111,611	-		111,611
Provision	(259,618)	-	(36,810)	(93,546)	(389,974)
Exchange difference	145,689	-	-	-	145,689
	412,772	**65,336**	**(36,810)**	**(93,546)**	**347,752**

Company	**At 1 October**	**P&L (charges)/write back**	**OCI (charges)/write back**	**At 30 September**
30 September 2018	**N'000**	**N'000**	**N'000**	**N'000**
Deferred tax assets/liabilities in relation to:				
Property, plant & Equipment	520,186	6,515	-	526,701
Provisions	(197,107)	(76,640)	14,129	(259,618)
Exchange difference	134,568	11,121	-	145,689
	457,647	**(59,004)**	**14,129**	**412,772**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax assets(liabilities) after offset presented in the Statement of Financial Position:

	Group		**Company**	
	2019 N. '000	**2018 N. '000**	**2019 N. '000**	**2018 N. '000**
Deferred tax assets	(306,673)	(206,705)	(389,974)	(259,618)
Deferred tax liabilities	600,129	569,039	737,726	672,390
Liability in the statement of financial position	**293,456**	**362,334**	**347,752**	**412,772**

27. Employee benefits obligation

	Group		**Company**	
	2019 N. '000	**2018 N. '000**	**2019 N. '000**	**2018 N. '000**
Statement of financial position obligation				
Retirement benefit obligation	370,885	201,522	370,885	201,522
Long Service Awards Benefits	119,937	95,515	119,937	95,515
Liability in the statement of financial position	**490,822**	**297,037**	**490,822**	**297,037**

Defined benefit plan

The group operates a defined benefit/ staff gratuity plan where qualifying employees receive a lump sum payment based on the number of years served after an initial qualifying period on date of retirement. The plan is partly funded and plan assets are managed externally by Nigeria Life and Provident Company Ltd. Actuarial valuation of staff gratuity reports was carried out by Ernst & Young and signed by O.O. Okpaise (FRC/2012/NAS/00000000738). The amounts recognised in the statement of financial position are determined as follows:

Carrying value

	Group		**Company**	
	2019 N. '000	**2018 N. '000**	**2019 N. '000**	**2018 N. '000**
Present value of the defined benefit obligation	(909,114)	(709,122)	(909,114)	(709,122)
Fair value of plan assets	538,229	507,600	538,229	507,600
	(370,885)	**(201,522)**	**(370,885)**	**(201,522)**

Net defined benefit obligation

The movement in the present value of retirement benefits obligation over the year is as follows:

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
At 1 October	709,122	672,265	709,122	672,265
Current service cost	80,135	78,368	80,135	78,368
Interest cost	107,699	102,164	107,699	102,164
Actuarial (gains) losses	41,194	(89,655)	41,194	(89,655)
Benefits paid	(29,036)	(54,020)	(29,036)	(54,020)
At 30 September	**909,114**	**709,122**	**909,114**	**709,122**

The movement in the fair value of the plan asset over the year is as follows:

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
At 1 October	507,600	484,900	507,600	484,900
Interest income plan assets	79,677	75,794	79,677	75,794
Employer contributions	38,280	41,470	38,280	41,470
Benefits paid by fund	(25,527)	(49,062)	(25,527)	(49,062)
Actuarial gain/(loss) on plan asset	(61,801)	(45,502)	(61,801)	(45,502)
At 30 September	**538,229**	**507,600**	**538,229**	**507,600**

The amounts recognised in profit or loss and other comprehensive income in respect of defined benefit obligation, plan assets and long service award are as follows:

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Service cost	91,882	90,418	91,882	90,418
Interest cost	121,991	116,046	121,991	116,046
Expected return on plan assets	(79,677)	(75,793)	(79,677)	(75,793)
Actuarial gain/(Loss) on long service award	6,885	(12)	6,885	(12)
Remeasurement gains or (losses) Note (41)	(102,995)	44,153	(102,995)	44,153

Key assumptions used

The principal actuarial assumptions were as follows:

	Group and company	
	2019	**2018**
Discount rates used (p.a)	15.00 %	15.50 %
Expected rate of return on assets (p.a)	14.00 %	14.00 %
Expected rate of return on reimbursement rights (p.a)	12.00 %	12.00 %
Expected increase in salaries	15.00 %	15.50 %

Other assumptions

Assumptions regarding future mortality experience are based on rates published in the A67/70 Ultimate tables, published jointly by the Institute and Faculty of Actuaries in the UK. These have been rated down by one to more accurately reflect mortality rate in Nigeria thus:

	Group and company	
Mortality in service	**Number of deaths in year out of 10000**	
Sample age	**2019**	**2018**
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

Withdrawal from service

Age Band	**Rate (%)**	**Rate (%)**
Less than or equal to 30	5	5
31-39	4.5	4.5
40-44	4.0	4.0
45-55	3.5	3.5
56-59	3.0	3.0

These tables translate into an average life expectancy in years for a pensioner retiring at age 60.

Long service award

The Group provides employees with a Long service award benefit – a cash award expressed as a proportion of Basic Salary based on year of service. The group's mandatory retirement age is 60years for all staff. The Scheme is unfunded.

Liability in the statement of financial position

The movement in the present value of Long service awards obligations over the year for both group and company is as follows:

	Group and Company	
	2019 N'000	**2018 N'000**
At 1 October	95,515	96,340
Current service cost	11,747	12,049
Interest cost on defined benefit obligation	14,292	13,882
Actuarial loss (gains)	6,885	(12)
Benefits paid	(8,502)	(26,744)
At 30 September	**119,937**	**95,515**

Sensitivity analy sis

The sensitivities of the retirement benefit obligation to the principal assumptions adopted in the determining the liabilities are as follows:

Base	**Change in assumption**	**Impact on retirement benefit obligation as at 30 September**
		2019 N'000
Discount rate	+1%	831,004
	-1%	998,889
Salary Increases	+1%	1,003,260
	-1%	826,068
Mortality experience	Age rated up by 1 year	908,983
	Age rated down by 1 year	909,228

The weighted average duration of the defined benefit obligation is 10.42 years.

28. Trade and other payables

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Trade payables	451,264	1,354,150	301,719	1,133,024
Dealers' security deposit	32,451	61,157	32,451	57,077
Dividends unclaimed (Note 28.1)	420,195	345,977	420,195	345,977
Other credit balances	152,199	172,208	73,823	84,831
Value added tax payable	350,166	391,905	326,849	274,560
Accrued expenses	205,737	218,873	42,487	51,307
Withholding tax payable	83,417	61,275	87,922	59,122
Other accounts payable	71,913	99,928	40,664	47,871
Contract liability	189,912	155,228	189,912	155,228
	1,957,254	**2,860,701**	**1,516,022**	**2,208,997**

Other credit balances comprise of trade debtors with credit balances and amount due to freighters.

28.1 Unclaimed dividend

Age (Years)	N'000	N'000	N'000	N'000
Above 12 years	-	58,177	-	58,177
<12	20,574	12,844	20,574	12,844
<11	23,927	18,454	23,927	18,454
<10	21,200	20,171	21,200	20,171
<9	27,607	18,419	27,607	18,419
<8	32,916	24,044	32,916	24,044
<7	23,841	29,400	23,841	29,400
<6	38,613	25,156	38,613	25,156
<5	41,934	37,017	41,934	37,017
<4	42,846	39,841	42,846	39,841
<3	23,763	40,071	23,763	40,071
<2	47,640	22,383	47,640	22,383
<1	75,334	-	75,334	-
	420,195	**345,977**	**420,195**	**345,977**

29. Share capital

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Authorised				
2,400,000,000 Ordinary shares of 50 kobo each	1,200,000	1,200,000	1,200,000	1,200,000

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Issued				
Ordinary share 1,042.070 of 50k each	521,035	521,035	521,035	521,035
Share adjustment	150	-	150	-
Bonus issue	104,237	-	104,237	-
	625,422	**521,035**	**625,422**	**521,035**

30. Share premium

Share premium	-	3	-	3

The balance on the share premium was used to offset the bonus issued during the year

31. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year.

	Group		Company	
	2019		2019	
Net profit attributable to shareholders (N'000) Weighted number of ordinary shares in issue as at year end (000)	2,282,018 1,250,844	590,232 1,042,070	1,574,909 1,250,844	486,120 1,042,070
Earnings per share (Kobo)	182	57	126	47

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. There were no potentially dilutive ordinary shares during the year.

32. Dividends paid

a. Dividends of N260.51 million (N0.25 per share) which relates to year ended 30 September 2018 (2017 N156.36 million (N0.12 per share) was paid by Vitafoam Nigeria Plc (Company) in arrears in the year 2019. Vitablom Nigeria Limited also paid a dividend of N57.1 million (N0.22 per share) for the same period. A dividend in respect of the year ended 30 September 2019 of N0.47 per share, amounting to a total dividend of N525.35 million while a dividend of N0.27 amounting to N70.08 million is to be proposed by Vitablom Nigeria Limited. This financial statement does not reflect the dividend payable.

33. Cash generated from /(used in) operations

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Profit before taxation	3,495,838	793,852	2,496,008	619,233
Adjustments for:				
Depreciation and amortisation	373,439	380,630	225,898	215,694
(Profit)/Loss on sale of assets	(14,710)	-	(13,353)	-
Profit on disposal of investment property	(99,174)	(66,374)	(99,174)	(65,705)
Translation effect on property, plant and equipment	(435)	-	-	-
Gain/loss on exchange difference	90,398	41,946	-	-
Finance costs	1,049,732	1,377,432	856,633	1,184,664
IFRS 9 prior year adjustment	(132,259)	-	(198,785)	-
Interest received	(101,060)	(79,186)	(101,060)	(75,793)
Impairment of investment in subsidiary	-	-	112,341	348,697
Impairment in assets held for sale	58,267	-	110,309	-
Loss from discontinud operations	(77,997)	-	-	-
Movements in retirement benefit assets and liabilities	90,790	43,284	193,785	43,284
Deferred tax	(62,237)	-	(99,705)	-
Deferred income non current	-	-	(36,481)	-
Remeasurements on net defined benefit liabilities/asset	-	-	(66,184)	-
Transfer between reserves	-	8,000	-	-
Other non-cash items	-	-	3	-
Changes in working capital:				
Inventories	68,478	(704,314)	178,528	(606,164)
Trade and other receivables	631,927	33,198	(642,173)	(104,194)
Other assets	1,229,605	(1,559,951)	2,844,104	(1,339,950)
Trade and other payables	(903,448)	(169,468)	(692,975)	(341,746)
Deferred income	(40,314)	116,598	(3,833)	116,598
Deferred tax liabilities	-	(21,599)	(30,651)	14,129
Liability of disposal groups	(185,764)	-	-	-
	5,471,076	**194,048**	**5,033,235**	**8,747**

34. Contingent Liabilities

Contingent liabilities arising from pending litigations as at year end amounted to N238.83 million (2018: N254.7 million). Based on the solicitors' advise, the Directors are of the opinion that they have good defense against the action, and that there is no likelihood of any loss arising therefrom.

35. Commitments and Guarantees

a. Capital expenditure authorised by the directors but not contracted was Nil (2018: Nil)

b. Capital expenditure contracted but not provided for in the financial statements was Nil (2018: Nil)

36. Directors and employees information

Directors' emoluments

Remuneration paid to the directors is as follows:

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Basic	74,712	71,017	64,186	61,958
Other emoluments	6,854	5,426	5,500	4,176
	81,566	**76,443**	**69,686**	**66,134**
Chairman	6,986	6,869	6,986	6,869
Emoluments of the highest paid director	35,372	33,283	35,372	33,283

The number of directors excluding the chairman whose emoluments were within the following ranges were:

	Number	Number	Number	Number
N6,000,000 - N12,000,000	5	5	5	5
N12,300,001 and above	4	2	4	2
	9	**7**	**9**	**7**

Employ ees

The average number of persons employed by the Group and Company during the year were as follows:

	Number	Number	Number	Number
Management	147	156	114	111
Non-management	460	509	359	358
	607	**665**	**473**	**469**

The breakdown of employee emoluments are as follows:

	Group		Company	
	2019 N. '000	**2018 N. '000**	**2019 N. '000**	**2018 N. '000**
Employee cost charged to cost sales	143,164	146,385	143,164	146,385
Employee cost charged to Administrative expenses	1,711,124	1,406,118	1,375,261	1,031,290
Gratuity expenses	102,593	108,493	80,135	90,270
	1,956,881	**1,660,996**	**1,598,560**	**1,267,945**

Employees remunerated at higher rates excluding allowances and pension costs were:

	Group		Company	
	2019	**2018**	**2019**	**2018**
N	**Number**	**Number**	**Number**	**Number**
100,001 - 200,000	17	13		
200,001 - 300,000	10	34	1	2
300,001 - 400,000	37	148	19	95
400,001 - 500,000	165	200	127	160
500,001 - 600,000	134	75	123	67
600,001 - 700,000	68	34	58	27
700,001 - 800,000	26	21	24	15
800,001 - 900,000	27	23	23	14
900,001 - 1,000,000	20	13	15	10
1,000,001 - 1,100,000	14	9	11	6
1,100,001 - 1,200,000	4	8	3	7
1,200,001 - 1,300,000	7	9	7	8
1,300,001 - 1,400,000	5	3	4	2
1,400,001 - 1,500,000	7	7	7	4
1,500,001 - 2,000,000	19	20	15	15
2,000,001 - 2,500,000	11	12	7	9
2,500,001 - 3,000,000	4	6	2	4
3,000,001 - 3,500,000	5	5	2	4
3,500,001 - 4,000,000	5	2	7	1
4,000,000 - 4,500,000	2	2	1	2
4,500,001 - 5,000,000	1	2	1	2
5,000,001 - 5,500,000	2	5	2	2
5,500,001 - 6,500,000	2	5	2	7
6,500,001 - 8,000,000	5	5	5	2
8,000,001 - 9,000,000	2	2		2
9,000,001 - 11,000,000	4	-	3	
Above 11,000,000	4	2	4	2
	607	**665**	**473**	**469**

37. Related party disclosures

Related party balances

The following are the amount due from/to subsidiaries:

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Due from/to Related entities				
Vitavisco Nigeria Limited	-	-	59,511	43,658
Vitafoam Ghana	-	-	-	499,883
Vitagreen Limited	-	-	43,503	259,075
Vitafoam Sierra Leone	-	-	942,595	792,397
Vono Furniture Products Limited	-	-	132,933	174,141
Vitablom Nigeria Limited	-	-	(109,959)	(37,036)
Vitapur Nigeria Limited	-	-	593,809	649,277
Vitaparts Nigeria Limited	-	-	206,383	103,435
	-	**-**	**1,868,775**	**2,484,830**

Related party transactions

During the year the Group entered into transactions with its related parties. The transactions were in the ordinary course of business.Transactions with subsidiaries were at arm's length. Transactions with subsidiaries are eliminated in the Group consolidated accounts. The following transactions were carried out with related parties:

Sales of goods and services	**2019 N'000**	**2018 N'000**
Vono Furnitures Products Limited	122,152	146,787
	122,152	**146,787**
Purchases from related parties		
Vitablom Nigeria Limited	965,523	807,925
Vitavisco Nigeria Limited	245,812	194,425
Vono Furnitures Products Limited	101,020	230,412
Vitapur Nigeria Limited	622,250	334,203
Vitagreen Nigeria Limited	15,261	-
	1,949,866	**1,566,965**

Key management compensation

Key management includes Directors (executive and non-executive), members of the Executive Committee, the Company Secretary and the Head of Internal Audit.

	Company	
	2019 N'000	2018 N'000
Salaries and other short-term employee benefits	186,104	154,567

38. Segment Information

IFRS 8 'Operating segments requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Managing Director of the parent Company. The Managing Director has the responsibility for planning and controlling the activities of the Group.

The group's operating segment information is presented on a product basis. The CODM receives operating and financial information on a monthly basis which is based on the product groupings. The group's has two major product segments -Foam products and Furniture/other products. The foam products include flexible and rigid foam based products, as well as the group's latest innovation- memory foams. Furniture and other products include wood and metal based furnitures, fibres and others. Transactions between segments are at same range of prices available to the group's key distributors. All segments have the same accounting policies as the Group.

The Managing Director assesses the performance of the operating segments based on operating profits.

Operating Profits/(Losses)	Group	
	2019 N'000	2018
Foam products	4,520,881	1,989,186
Furniture/Other products	(76,371)	102,911
	4,444,510	**2,092,097**
Revenue is generated from local and international sales. An analysis based on customer location is set out below:		
Within Nigeria	21,720,092	19,122,327
Outside Nigeria (Ghana and Sierra Leone)	563,071	411,774
Total revenue	**22,283,163**	**19,534,101**
The folowing is an analysis of the Group revenue from continuing operations from its major products:		
Foam products	21,613,603	17,643,371
Furniture/Other products	669,560	1,890,730
Total revenue	**22,283,163**	**19,534,101**

Segment assets and liabilities

Non-current assets which for the purpose of segment disclosures include property plant and equipment, investment property, intangible assets and equity investments are allocated between geographical areas as follows:

Non-current assets (excluding deferred tax)	2019 N'000	2018 N'000
Within Nigeria	3,030,044	2,957,582
Outside Nigeria (Vitafoam Ghana)	1,870	3,149
Total	**3,031,914**	**2,960,731**
The folowing is an analysis of the total segment assets and liabilities by product line:		
Foam products	13,530,167	14,620,846
Furniture/Other products	291,407	1,415,111
Total segment assets	**13,821,574**	**16,035,957**
Foam products	7,518,218	10,464,465
Furniture/Other products	333,646	1,688,785
Total segment liabilities	**7,851,864**	**12,153,250**

39. Events after the reporting period

The company received disbursement of N2 Billion term loam from Bank of industry for replacement of plant and machinery with tenor of 5-years plus twelve (12) months moratorium on principal repayment and interest tate of 10 %. There were no post balance sheet events that could have material effect on the state of affairs of the Group at 30 September, 2019 and on the profit for the year ended on that date that have not been taken into account in these financial statements.

40. Investment in subsidiaries (at cost)

All subsidiaries have the same year end as the parent. The investments represent cost of shares in subsidiaries. They exclude loans to subsidiaries as these are to be repaid and do not represent an increase in the parent's net investment in the subsidiaries.

					Company	
					2019 N. '000	2018 N. '000
Name	**Country of incorporation and place of business**	**Nature of Business**	**Proportion of ordinary shares directly held by parent**	**Proportion of ordinary shares held by non controlling interests**	**2019 N'000**	**2018 N'000**
Vitafoam Ghana Limited	Ghana	Sales and distribution of foam and allied products	90%	10%	38,243	38,243
Vitafoam Sierra Leone Limited	Sierra Leone	Manufacture of foam and allied products	81.92%	18.08%	-	-
Vitapur Nigeria Limited	Nigeria	Manufacturing of Insulation Products	40%	60%	40,000	40,000
Vitablom Nigeria Limited	Nigeria	Fibre processing and soft furnishing company	40.64%	59.36%	103,066	123,802
Vitavisco Nigeria Limited	Nigeria	Production and sales of Visco elastic foam and latex products	80%	20%	8,000	8,000
Vitagreen Nigeria Limited	Nigeria	Manufacturing of shoe wears	60%	40%	6,000	6,000
Vono Furnitures Products Limited	Nigeria	Manufacture of furniture products	100%	0%	134,863	134,863
Vitaparts Nigeria Limited	Nigeria	Manufacture of motor vehicle oil filters	52.95%	47.05%	123,900	123,900
	-	-			454,072	474,808
Provision for diminution in value of investment in subsidiary	-	-	-	-	(219,106)	(86,243)
	-	-	-	-	**234,966**	**388,565**

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

40.1. Summarised financial information on subsidiaries

Set out below are the summarised financial information for major subsidiaries of the group:

	Vitaparts Nigeria Limited	Vitafoam Ghana Limited	Vitapur Nigeria Limited	Vitablom Nigeria Limited	Vitavisco Nigeria Limited	Vitagreen Nigeria Limited	Vono Furnitures
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
30 September, 2019							
Current assets	471,510	63,925	936,327	440,311	154,949	106,401	161,345
Non-current assets	2,223	1,870	70,129	243,683	21,872	3,158	133,529
Current liabilities	(212,843)	(503,848)	(932,239)	(57,892)	(115,323)	(247,094)	308,725
Non-current liabilities	(48,605)	-	(323,568)	(24,022)	(5,961)	-	(28,386)
Equity	(212,286)	438,053	249,350	(602,080)	(55,537)	137,535	42,237
Profit or loss items							
Revenue		26,622	1,293,834	1,186,581	290,525	15,261	597,875
Cost of sales		(19,782)	(794,977)	(847,644)	(176,805)	(72,375)	(496,071)
Expenses	(7,660)	(82,870)	(332,172)	(151,104)	(63,725)	(10,163)	(216,519)
Retained (income)/ loss	(7,660)	(89,092)	96,688	97,117	39,550	(63,363)	(114,715)

	Vitaparts Nigeria Limited	Vitafoam Ghana Limited	Vitapur Nigeria Limited	Vitablom Nigeria Limited	Vitavisco Nigeria Limited	Vitagreen Nigeria Limited	Vono Furnitures
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
30 September, 2018							
Current assets	405,893	72,518	777,018	530,906	92,804	150,136	377,433
Non-current assets	272	3,148	93,872	281,012	36,365	10,024	146,200
Current liabilities	(186,220)	(505,870)	(987,630)	(230,218)	(111,310)	(234,336)	(420,556)
Non-current liabilities		-	(229,301)	(19,635)	(2,727)	-	(30,599)
Equity	(219,945)	(430,204)	346,041	(562,065)	(15,987)	74,176	(72,478)
Profit or loss items							
Revenue		36,498	1,142,743	973,206	200,325	12,752	739,457
Cost of sales		(20,709)	(757,735)	(702,031)	(115,411)	(20,868)	(529,745)
Expenses	(10,408)	(121,925)	(298,688)	(156,822)	(69,728)	(14,648)	(237,735)
Retained (income)/loss	(10,408)	(102,335)	26,639	104,514	9,193	(13,321)	(20,542)

41. Non-current assets held for sale (disposal group) and discontinued operation.

The group has decided to discontinue its operations in Vitafoam Ghana limited. The net loss after tax are set out below.

The decision was made by the board to discontinue these operations due the lack of return on investment for over 8 years

	Group		Company	
	2019 N. '000	2018 N. '000	2019 N. '000	2018 N. '000
Profit and loss				
Revenue	26,622	-	-	-
Expenses	(102,636)	-	-	-
Net loss before tax	(76,014)	-	-	-
Tax expense	(1,983)	-	-	-
Net loss after tax from discontinued operation	**(77,997)**	**-**	**-**	**-**

41. Non-current assets held for sale and disposal group (continued)

Assets and liabilities

	Group		Company	
	2019 N. '000	**2018 N. '000**	**2019 N. '000**	**2018 N. '000**
Non-current assets held for sale				
Property, plant and equipment at 1 Oct. 2017	1,693,662	1,693,662	1,566,640	1,570,043
Disposal (at carrying cost)	-	-	-	(3,403)
Impairment of asset	(18,741)	-	(18,741)	-
Transfer to property plant and equipment	(127,022)	-	-	-
Total	**1,547,899**	**1,693,662**	**1,547,899**	**1,566,640**
Investment in subsidiary	-	-	640,526	640,526
Impairment on Investment in subsidiary	-	-	(440,265)	(348,697)
	1,547,899	**1,693,662**	**1,748,160**	**1,858,469**

The non current assets held for sale represents part of the assets of Vono products Plc not transferred to Vono Furniture Limited. The amount shown was the revalued amount in the books of Vono Products Plc before the business combination which is now the carrying amount in the books of Vitafoam Nigeria Plc

Assets of disposal group				
Property, plant and equipment	644,042	755,532	-	-
Investment in financial asset	155,938	142,101	-	-
Inventories	359,072	285,507	-	-
Trade and other receivables	62,711	75,394	-	-
Other assets	13,335	-	-	-
	1,235,098	**1,258,534**	**-**	**-**
Asset held for sale	**2,782,997**	**2,952,196**	**1,748,160**	**1,858,469**
Liabilities of disposal group				
Borrowings	481,452	663,533	-	-
Trade and other payable	94,608	80,960	-	-
Other liabilities	3	1,244	-	-
Liabilities of Disposal group	**576,063**	**745,737**	**-**	**-**

41.1 In 2018 financial year, the Directors resolved to dispose the Company's subsidiary, Vitafoam Sierra Leone. Consequently the investment in that subsidiary was reclassified and disclosed as held for sale in line with International Financial Reporting Standards (IFRS) 5. As at 30 September 2019, the disposal process is yet to be completed

To ensure the sale is completed within the next 12 months, the Directors have engaged another Consultant to accelerate the process. Teasers have been shared with potential buyers and more responses are being expected. Based on their commitment to dispose the assets in the next 12 months, the Directors believe it is appropriate to classify the investment as Held for Sale.

42. Other comprehensive income

Components of other comprehensive income - Group - 2019

	Gross N'000	Tax N'000	Net N'000
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability	(102,995)	32,958	(70,037)
Items that may be reclassified to profit or loss			
Exchange differences arising during the year	90,398	-	90,398
Gains and losses arising during the year	(12,039)	3,853	(8,186)
Total items that maybe reclassified to profit or loss	**78,359**	**3,853**	**82,212**
Total	**(24,636)**	**36,811**	**12,175**

42. Other comprehensive income

Components of other comprehensive income - Group - 2018

	Gross N'000	Tax N'000	Net N'000
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability /asset			
Remeasurements on net defined benefit liability/asset	44,153	(14,129)	30,024
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	41,946	-	41,946
Total	**86,099**	**(14,129)**	**71,970**

Components of other comprehensive income - Company - 2019

	Gross N'000	Tax N'000	Net N'000
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	(102,995)	32,958	(70,037)
Items that may be reclassified to profit or loss			
Available-for-sale financial assets adjustments			
Losses arising during the year	(12,039)	3,853	(8,186)
Total	**(115,034)**	**36,811**	**(78,223)**

Components of other comprehensive income - Company - 2018

	Gross N'000	Tax	Net N'000
Items that will not be reclassified to profit or loss			
Remeasurements on net defined benefit liability /asset			
Remeasurements on net defined benefit liability/asset	44,153	(14,129)	30,024

43. Depreciation, amortisation and impairments

The following items are included within depreciation, amortisation and impairments:

	Group		Company	
	2019	2018	2019	2018
Depreciation				
Property, plant and equipment	340,956	348,132	194,613	184,394
Investment property	13,380	13,791	13,380	13,791
	354,336	**361,923**	**207,993**	**198,185**
Amortisation				
Intangible assets	19,104	18,708	17,905	17,509

	Group		Company	
Total depreciation, amortisation and impairments	N'000	N'000	N'000	N'000
Depreciation	354,336	361,923	207,993	198,185
Amortisation	19,104	18,708	17,905	17,509
	373,440	**380,631**	**225,898**	**215,694**
Cost of sales	175,061	178,075	76,646	71,150
Admin	198,379	202,556	149,252	144,544
	373,440	**380,631**	**225,898**	**215,694**
44. Finance lease receivables				
Gross investment in the lease due				
in second to third year inclusive	25,752	-	25,752	-

The unguaranteed residual values of assets leased under finance lease at the end of the reporting period amount to N25.75 - (2018: Nill).

The group entered into finance leasing arrangements for its dealers to own their truck after full payment of the lease rental .

The average lease terms are 2 years and the average effective lending rate was 19.25% (2018: Nill)

None of the trade and other receivables have been pledged as security for liabilities or contingent liabilities.

VALUE ADDED STATEMENT

	Note	2019 N. '000	2019 %	2018 N. '000	2018 %
Group					
Value added					
Revenue		22,283,163		19,534,101	
Interest received		101,060		79,186	
Other income		389,831		547,803	
Bought - in materials and services		(15,898,163)		(15,948,180)	
Total value added		**6,875,891**	**100**	**4,212,910**	**100**
Value distributed					
To pay employ ees					
Salaries, wages, medical and other benefits	36	1,956,881	28	1,660,996	39
To pay providers of capital					
Finance costs	12	1,049,732		1,377,432	
Share of profit to Non-controlling interest		104,690		11,691	
		1,154,422	**17**	**1,389,123**	**33**
To pay government					
Income tax		922,711		255,499	
Capital gains tax		9,122		5,720	
Over provision in prior year		-		(50,954)	
Education tax		69,128		26,481	
	14	**1,000,961**	**15**	**236,746**	**6**
To be retained in the business for expansion and future wealth creation:					
Depreciation, amortisation and impairments	43	373,440		380,630	
Deferred tax	14	30,172		(44,817)	
Discontinued operations	41	77,997		-	
Retained profit or loss		2,282,018		590,232	
		2,763,627	**40**	**926,045**	**22**
Total value distributed		**6,875,891**	**100**	**4,212,910**	**100**

Value added represents the additional wealth which the group has been able to create by its own and employees efforts.

This statement shows the allocation of that wealth among employees, government, capital providers and that retained in the business for expansion and future creation of more wealth.

VALUE ADDED STATEMENT

	Note	2019 N. '000	%	2018 N. '000	%
Company					
Value added					
Revenue		20,330,040		17,612,291	
Interest received		101,060		75,793	
Other income		579,851		558,612	
Bought - in materials and services		(15,833,852)		(14,959,160)	
Total value added		**5,177,099**	**100**	**3,287,536**	**100**
Value distributed					
To pay employ ees					
Salaries, wages, medical and other benefits	36	1,598,560		1,267,945	
		1,598,560	**30**	**1,267,945**	**38**
To pay providers of capital					
Finance costs	12	856,633		1,184,664	
		856,633	**17**	**1,184,664**	**36**
To pay government					
Income tax		788,142		220,747	
Capital gain tax		9,122		5,720	
Over provision in prior year		-		(53,542)	
Education tax		58,498		19,192	
	14	**855,762**	**17**	**192,117**	**6**
To be retained in the business for expansion and future wealth creation:					
Depreciation, amortisation and impairments	43	225,898		215,694	
Deferred tax	14	65,337		(59,004)	
Retained profit or loss		1,574,909		486,120	
		1,866,144	**36**	**642,810**	**20**
Total value distributed		**5,177,099**	**100**	**3,287,536**	**100**

Value added represents the additional wealth which the company has been able to create by its own and employees efforts.

This statement shows the allocation of that wealth among employees, government, capital providers and that retained in the business for expansion and future creation of more wealth.

FIVE YEAR FINANCIAL SUMMARY

	2019 N. '000	2018 N. '000	2017 N. '000	2016 N. '000	2015 N. '000
Group					
Statement of Financial Position					
Assets					
Non-current assets	3,031,914	2,960,731	3,909,957	4,250,321	4,945,377
Net current assets/ (liabilities)	2,849,215	1,327,053	(790,695)	(653,428)	345,492
Assets of disposal groups held for sale	2,782,997	2,952,196	1,697,065	1,697,065	919
	8,664,126	**7,239,980**	**4,816,327**	**5,293,958**	**5,291,788**
Non-current liabilities	(2,118,353)	(2,611,536)	(1,442,729)	(1,861,470)	(1,978,397)
Current liabilities	-	-	-	-	-
Liabilities of disposal groups held for sale	(576,063)	(745,737)	-	-	-
Net assets	**5,969,710**	**3,882,707**	**3,373,598**	**3,432,488**	**3,313,391**
Equity					
Share capital	625,422	521,038	521,038	521,038	491,403
Retained income	4,658,091	2,851,081	2,387,180	2,565,726	3,092,017
Reserves	552,449	470,237	428,291	417,669	192,268
Non-controlling interest	133,748	40,351	37,089	(71,945)	(462,297)
Total equity	**5,969,710**	**3,882,707**	**3,373,598**	**3,432,488**	**3,313,391**
Profit and loss account					
Revenue	22,283,163	19,534,101	17,695,820	13,569,873	16,853,042
Profit before taxation	**3,495,838**	**793,852**	**18,133**	**61,198**	**213,097**
Taxation	(1,031,133)	(191,929)	(145,823)	(93,230)	(285,078)
	2,464,705	**601,923**	**(127,690)**	**(32,032)**	**(71,981)**
Discontinued operations	(77,997)	-	-	-	-
Profit (loss) for the year	**2,386,708**	**601,923**	**(127,690)**	**(32,032)**	**(71,981)**
	-	-	-	-	-
Non-controlling interest	(104,690)	(11,691)	(24,270)	(7,240)	35,273
Profit/(loss) attributable to owners of the parent retained	**2,282,018**	**590,232**	**(151,960)**	**(39,272)**	**(36,708)**
Per share data- Kobo					
Earnings per share (Basic)	182	57	(15)	(4)	(4)
Net assets per share	470	373	324	347	337

Earnings per share are based on loss/profit after tax and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

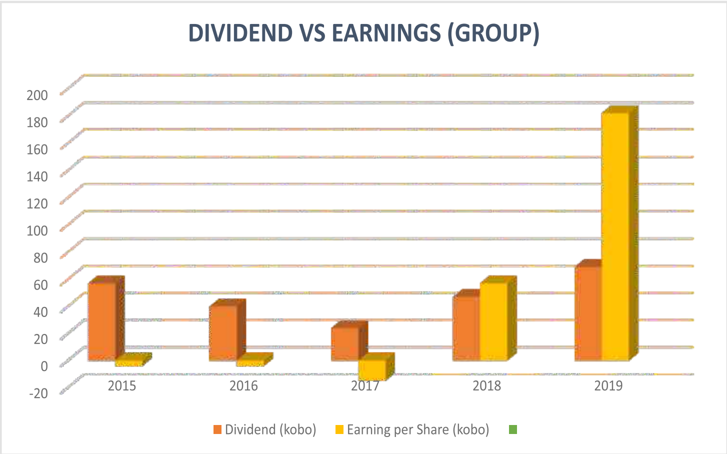
FIVE YEAR FINANCIAL SUMMARY

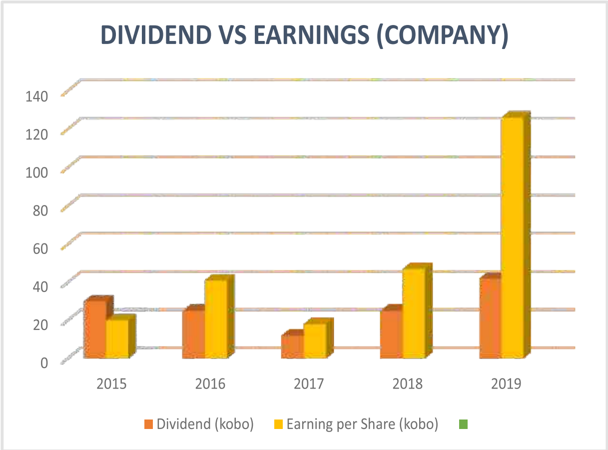
	2019 N. '000	2018 N. '000	2017 N. '000	2016 N. '000	2015 N. '000
Company					
Statement of Financial Position					
Assets					
Non-current assets	2,798,616	2,923,496	3,574,620	3,701,419	3,659,266
Net current assets/(liabilities)	3,348,917	2,490,404	207,806	(18,822)	1,318,888
Assets of disposal groups held for sale	1,748,160	1,858,469	1,570,043	1,570,043	-
Non-current liabilities	(1,965,775)	(2,449,375)	(889,263)	(953,388)	(1,175,322)
Net assets	**5,932,044**	**4,822,994**	**4,463,206**	**4,299,252**	**3,802,832**
Equity					
Share capital	625,422	521,038	521,038	521,038	491,403
Reserves	442,184	450,370	450,370	450,370	(37,048)
Retained income	4,864,438	3,851,586	3,491,798	3,327,844	3,348,477
Total equity	**5,932,044**	**4,822,994**	**4,463,206**	**4,299,252**	**3,802,832**
Profit and loss account					
Revenue	20,330,040	17,612,291	15,921,022	12,189,558	15,155,102
Profit before taxation	**2,496,008**	**619,233**	**290,280**	**522,757**	**489,456**
Taxation	(921,099)	(133,113)	(99,740)	(110,371)	(292,816)
Profit from discontinued operations	**1,574,909**	**486,120**	**190,540**	**412,386**	**196,640**
Profit for the y ear	**1,574,909**	**486,120**	**190,540**	**412,386**	**196,640**
Retained income for the year	**1,574,909**	**486,120**	**190,540**	**412,386**	**196,640**
Per share data- Kobo					
Earnings per share (Basic)	126	47	18	41	20
Net assets per share	471	463	428	432	387

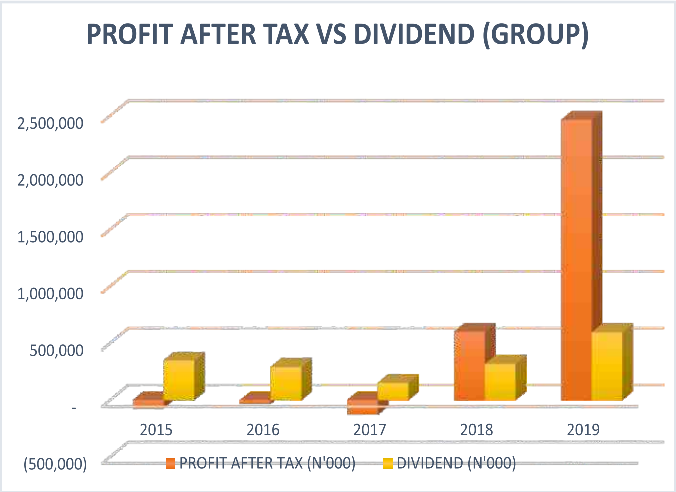
Earnings per share are based on loss/profit after tax and the number of issued and fully paid ordinary shares at the end of each financial year.

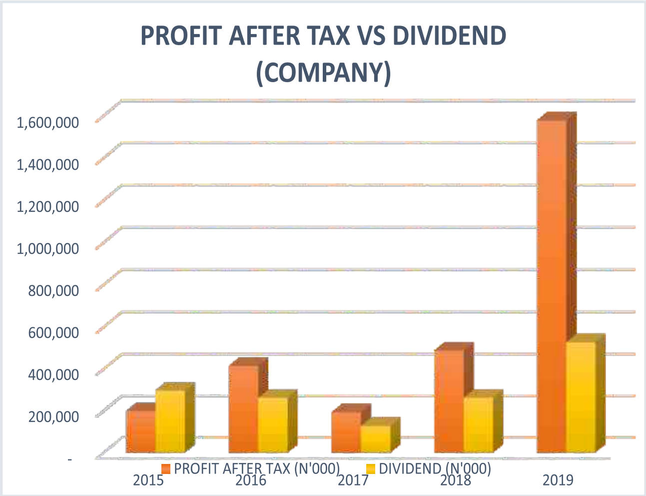
Net assets per share is based on the net assets total and the number of issued and fully paid ordinary shares at the end of each financial year.

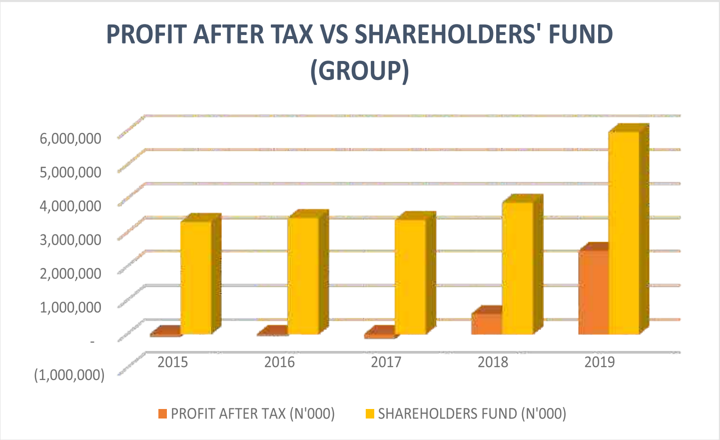
PERFORMANCE INDICATOR 2019

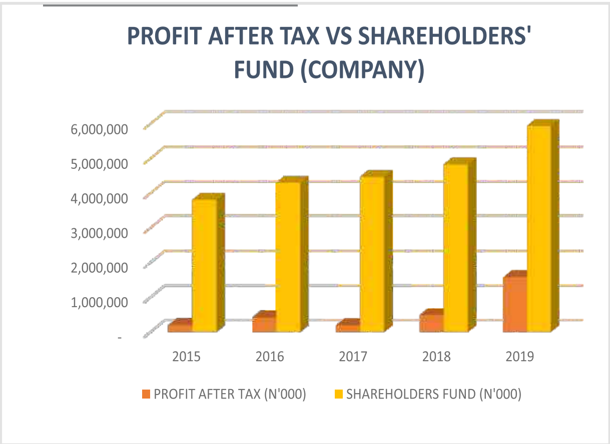


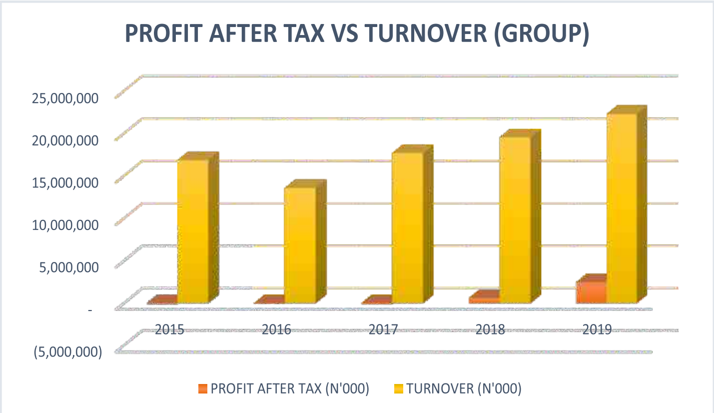











PROFIT AFTER TAX VS TURNOVER (GROUP)
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10,000,000
5,000,000
-
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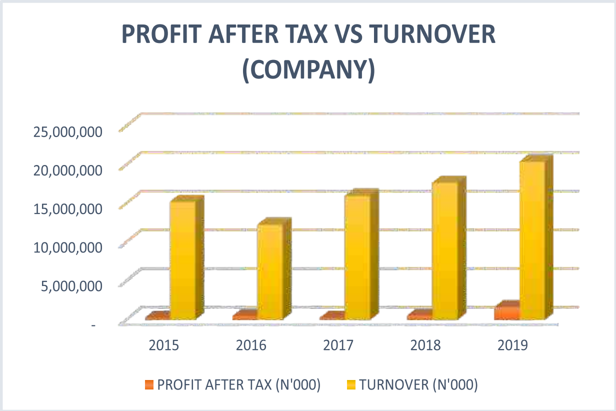
2018
2019
PROFIT AFTER TAX (N'000)
TURNOVER (N'000)


PROFIT AFTER TAX VS TURNOVER (COMPANY)
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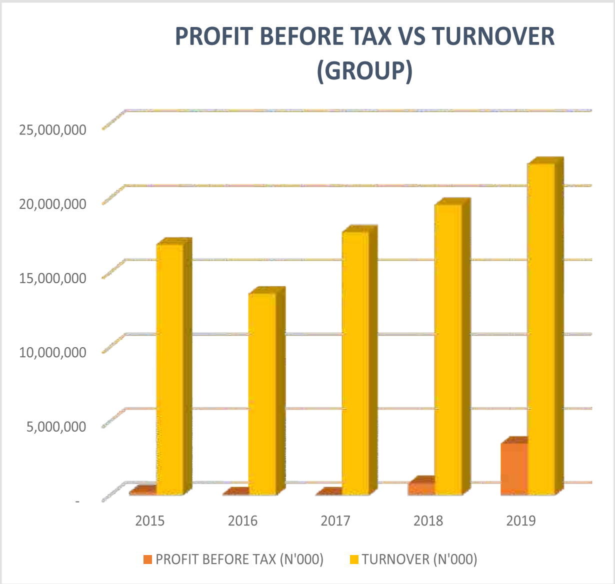
PROFIT AFTER TAX (N'000)
TURNOVER (N'000)


PROFIT BEFORE TAX VS TURNOVER (GROUP)
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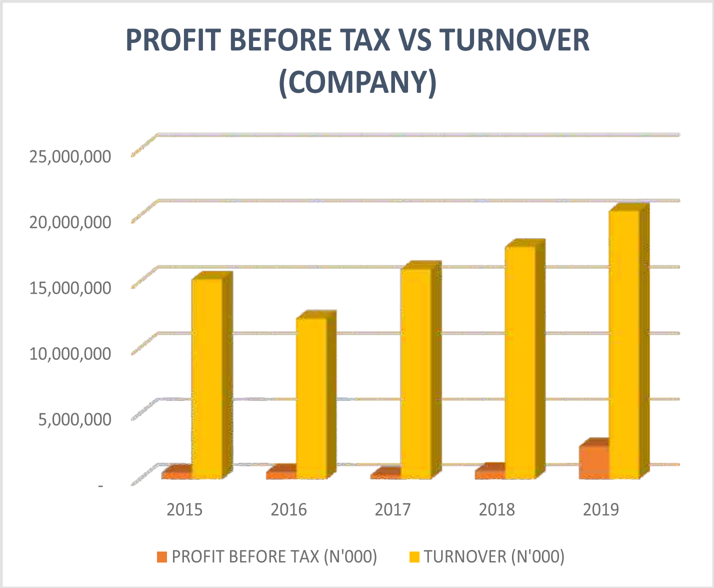
2019
PROFIT BEFORE TAX (N'000)
TURNOVER (N'000)


PROFIT BEFORE TAX VS TURNOVER (COMPANY)
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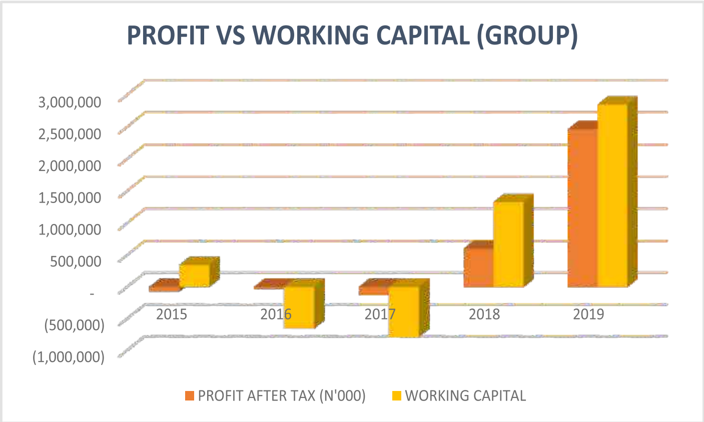
2019
PROFIT BEFORE TAX (N'000)
TURNOVER (N'000)


PROFIT VS WORKING CAPITAL (GROUP)
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
(500,000)
(1,000,000)
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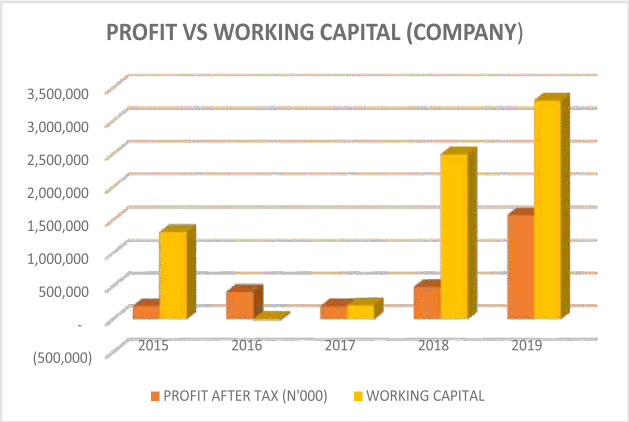
2016
2017
2018
2019
PROFIT AFTER TAX (N'000)
WORKING CAPITAL


PROFIT VS WORKING CAPITAL (COMPANY)
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1,500,000
1,000,000
500,000
-
(500,000)
2015
2016
2017
2018
2019
PROFIT AFTER TAX (N'000)
WORKING CAPITAL

VITAFOAM NIGERIA PLC - DIVIDEND HISTORY

DIVIDEND NUMBER	DIVIDEND TYPE	AMOUNT OF DIVIDEND DECLARED	DIVIDEND RATE DECLARED (KOBO)	DATE OF PAYMENT	UNCLAIMED DIVIDEND AMOUNT
30	FINAL	98,280,066.72	15	3/15/2007	13,415,509.21
31	FINAL	204,750,054.56	25	3/21/2008	20,507,603.02
32	FINAL	245,700,000.00	30	3/20/2009	23,849,700.54
33	FINAL	204,750,053.33	25	3/19/2010	21,104,742.76
34	FINAL	245,700,000.00	30	3/4/2011	27,520,572.98
35	FINAL	245,700,000.00	30	3/8/2012	32,817,747.53
36	FINAL	245,700,000.00	30	3/8/2013	23,676,396.56
37	FINAL	245,700,000.00	30	3/10/2014	38,459,202.91
38	FINAL	245,700,000.00	30	6/9/2015	41,644,217.61
39	FINAL	245,700,000.00	30	3/14/2016	42,620,523.38
40	FINAL	125,084,406.36	25	3/9/2017	23,674,206.90
41	FINAL	156,355,507.95	12	3/9/2018	47,273,076.25
42	FINAL	260,592,513.25	25	3/8/2019	74,830,897.56

SHARE CAPITALISATION HISTORY

Date	Authorised (N)		Issued (N)		No. of Shares	Consideration	Share Ratio
	Increase	Cumulative	Increase	Cumulative			
1978	-	5,480,000	-	5,480,000	10,960,000	-	-
1978 20 June	8,170,000	13,650,000	8,170,000	13,650,000	27,300,000	Cash	-
1978 30 March	4,550,000	18,200,000	4,550,000	18,200,000	36,400,000	Bonus	;
1991 11 April	18,200,000	36,400,000	18,200,000	36,400,000	72,800,000	Bonus	1:1
1995 9 March	113,600,000	150,000,000	36,400,000	72,800,000	145,600,000	Bonus	1:1
1998 26 Feb.	-	150,000,000	72,800,000	145,600,000	291,200,000	Bonus	1:1
1999 25 Feb.	450,000,000	600,000,000	-	145,600,000	291,200,000	-	-
2000 24 Feb.	-	600,000,000	72,800,000	218,400,000	436,800,000	Bonus	1:2
2003 6 March	-	600,000,000	109,200,000	327,600,000	655,200,000	Bonus	1:2
2006 2 March	-	600,000,000	81,900,000	409,500,000	819,000,000	Bonus	1:4
2010 4 March	-	1,200,000,000	-	409,500,000	819,000,000	-	-
2015 4 June	-	1,200,000,000	81,900,000	491,400,000	982,800,000	Bonus	1:5
2016 7 March	-	1,200,000,000	59,570,053	521,185,026	1,042,370,053	scheme of merger with Vono	1:5
2019 7 March	-	1,200.000.000	104,207,000	625,422,531	1,250,844,114	Bonus	1:5


ATTENTION!
EXTREMELY
COMFORTABLE
NEW
ATTENTION!

PROXY FORM

VITAFOAM NIGERIA PLC RC 3094
Annual General Meeting to be held at 10.00 a.m. on Wednesday, 4th March, 2020 at the Lagos Sheraton Hotel and Towers, Mobolaji Bank Anthony way, Ikeja, Lagos State.

I/We..being a member/members of VITAFOAM NIGERIA PLC, hereby appoint*.. or failing him, the Chairman of the meeting as my/our proxy to vote for me/us or on my/our behalf at the Annual General Meeting of the Company to be held on 4thMarch, 2020 and at any and every adjournment thereof.

Dated this ....day of ....2020.

Shareholder's signature ....

IF YOU ARE UNABLE TO ATTEND THE MEETING
A Member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by Proxy. The above proxy form has been prepared to enable you exercise your right to vote if you cannot personally attend.

Provision has been made on this form for the Chairman of the Meeting to act as your proxy, but if you wish you may insert in the blank space on the form (marked*) the name of any person, whether a member of the Company or not, who will attend and vote on your behalf instead of the Chairman of the meeting.

Please sign the above and post it so as to reach the address shown overleaf not later than 48 hours before the time of holding the meeting. If executed by a corporation, the proxy form should be sealed with the common seal. The proxy must produce the Admission Card sent with the Notice of the Meeting to obtain entrance to the Meeting.

RESOLUTION	VOTES	
	For	Against
To declare a Dividend		
To re-elect Mrs. Adeola Adewakun as a Director		
To re-elect Mr. Gerson Pereira Silva as a Director		
To confirm Mr. Achike Charles Umunna as a Director		
To authorize the Directors to fix the remuneration of the Auditor		
To elect members of the Audit Committee		
To approve the Directors' remuneration		
To approve payment of severance compensation to retiring Directors		
To approve the renewal of general mandate for related party transactions		

Please indicate with 'X' in the appropriate space how you wish your votes to be cast on the resolutions referred to above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion

Before posting the above card, tear off this part and retain it.

ADMISSION CARD

Please admit .... to the Annual General Meeting of VITAFOAM NIGERIA PLC which will be held at 10.00 a.m. on the 4th March, 2020 at the Lagos Sheraton Hotel and Towers, Mobolaji Bank Anthony way, Ikeja, Lagos State.

Shareholder's Signature .... Proxy's Signature ....

IMPORTANT:
a) This admission card must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting.
b) Shareholders and/ or their proxies are requested to sign the admission card before attending the Meeting.

SECOND FOLD HERE AND INSERT

PLEASE AFIX POSTAGE STAMP

THE MANAGING DIRECTOR
MERISTEM REGISTRARS LIMITED
213, HERBERT MACAULAY WAY,
ADEKUNLE, YABA,
P.O.BOX 51585 FALOMO, IKOYI,
LAGOS.

SECOND FOLD HERE

FIRST FOLD

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MERISTEM
REGISTRARS LIMITED

Affix
Current
Passport

(To be stamped by Bankers)

Write your name at the back of your passport photograph

DIVIDEND MANDATE ACTIVATION FORM

Instruction

Only Clearing Banks are acceptable

Please complete all sections of this form to make it eligible for processing and return to the address below

The Registrar
Meristem Registrars Limited
213, Herbert Macaulay Way
Adekunle-Yaba
Lagos State

I\We hereby request that henceforth, all my\our Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my \ our bank account detailed below:

Bank Verification Number

Bank Name

Bank Account Number

Account Opening Date

Shareholder Account Information

Surname/Company's Name First Name Other Names

Address:

City State Country

Previous Address (If any)

CHN (If any)

Mobile Telephone 1 Mobile Telephone 2

Email Address

Signature(s) Company Seal (If applicable)

Joint\Company's Signatories

TICK TICK NAME	NAME OF COMPANY OF COMPANY	SHAREHOLDER'S A/C NO
	AFRINVEST EQUITY FUND	
	AIRLINE SERVICE & LOGISTICS PLC	
	BERGER PAINTS NIG PLC	
	CHELLARAMS BOND	
	CONOIL PLC	
	CONSOLIDATED HALLMARK INS. PLC	
	CUSTODIAN & ALLIED PLC	
	COVENANT SALT NIGERIA LIMITED	
	EMPLOYEE ENERGY LIMITED	
	ENERGY COMPANY OF NIGERIA PLC [ENCON]	
	eTRANZACT INTERNATIONAL PLC	
	FIDSON HEALTHCARE PLC	
	FOOD CONCEPTS PLC	
	FREE RANGE FARMS PLC	
	FTN COCOA PROCESSORS PLC	
	GEO-FLUIDS PLC	
	JUBILEE LIFE MORTGAGE BANK LTD	
	MAMA CASS RESTAURANTS LIMITED	
	MCN DIOCESE OF REMO	
	MCN LAGOS CENTRAL	
	MCN TAILORING FACTORY [NIGERIA] LIMITED	
	MULTI-TREX INTEGRATED FOODS PLC	
	MUTUAL BENEFITS ASSURANCE PLC	
	NASSARAWA STATE GOVT BOND	
	NASCON ALLIED INDUSTRIES PLC	
	NEIMETH INT'L PHARMS PLC	
	NIGER INSURANCE PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY [NMRC] PLC	
	NIGERIA MORTGAGE REFINANCE COMPANY PLC [NMRC] BOND	
	ONWARD PAPER MILLS PLC	
	PACAM BALANCED FUND	
	PAINTS & COATINGS MANUFACTURERS NIG PLC	
	PROPERTYGATE DEVT. & INVEST. PLC	
	R.T. BRISCOE NIGERIA PLC	
	REGENCY ALLIANCE INSURANCE PLC	
	SMART PRODUCTS NIGERIA PLC	
	SOVEREIGN TRUST INSURANCE PLC	
	TANTALIZERS PLC	
	THE BGL NUBIAN FUND	
	THE BGL SAPPHIRE FUND	
	THOMAS WYATT PLC	
	VITAFOAM NIGERIA PLC	
	ZENITH EQUITY FUND	
	ZENITH ETHICAL FUND	
	ZENITH INCOME FUND	

Help Desk Telephone No/Contact Centre Information for Issue resolution or clarification: 01-2809250-4

NOTES:

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140, Oba Akran Avenue, Industrial Estate,
PMB. 21092, Ikeja, Lagos State.
RESPONSE CENTRE
Tel: +234 705 210 000, (1) 741 901, (1) 741 9073-4
Toll Free: +234 705 210 000
Email: response.centre@vitafoam.com.ng