



2020 Annual Reports & Account





Buy right with **Vitafoam**



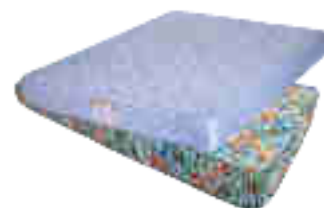
UNDER 50KG

Vita Shine



UP TO 70KG

**Vita Grand /
Vita Corona**



UP TO 100KG

**Vita Haven /
Vita Supreme
Spring Flex**



ABOVE 100KG

**Vita Spring
Firm**



UP TO 120KG

Vita Sizzler



**ALL WEIGHT CATEGORIES
NOT SUITABLE FOR CHILDREN**

Vita Twill

**Vita Galaxy
Orthopedic**

Galaxy Classic



The weight for your perfect partner

Using the right mattress for your body weight improves your chance of enjoying good restful sleep. That's why we've created a chart to help you find your perfect match. At Vitafoam we understand sleep and know that mattresses are not one size fits all. So visit our accredited dealers or log on to www.vitafoamng.com to find your perfect partner today.



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CORPORATE POLICY STATEMENTS





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 certification body recently re-certified the company and upgraded its certificate to ISO 9001:2015 in November, 2020.

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, 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, breast feeding covers etc.).

Vitafoam is a responsible corporate citizen and it adopts best practices in all operations. The code of corporate governance has been well implemented by the Company and it is committed to the continuous improvement of its operations. The Company policy is determined by a competent and dynamic Board, a mix of executive 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 59th Annual General Meeting of the members of **VITAFOAM NIGERIA PLC** will be held at Radisson Blu Hotel, Isaac John Street, Ikeja GRA, Lagos on Thursday, 4th March, 2021 at 10.00'clock in the forenoon to transact the following business:

Ordinary Business

1. To lay before the Members, the Report of the Directors, the Audited Financial Statements for the year ended 30th September, 2020 together with the Reports of the Auditors and the 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 Auditors.
5. To elect Members of the Audit Committee.

Special Business

6. To fix the remuneration of the Directors.
7. To authorize the renewal of recurrent transactions that are of trading nature or those necessary for 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.

NOTES:

(a) 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.

In view of the Covid-19 pandemic and the Guidelines issued by the Corporate Affairs Commission on holding of Annual General Meetings (AGM) of Public Companies using proxies, attendance at the AGM shall only be by proxy. A member of the company entitled to attend and vote at the AGM is advised to appoint a proxy of his choice from the proposed list of proxies below to represent him/her at the AGM:

- Mr. Taiwo Adeniyi
- Mr. Joseph Alegbesogie
- Sir Sunday Nnamdi Nwosu
- Chief Timothy Adesiyon
- Mrs. Kudaisi Ayodele Sarat
- Comrade S. B. Adenrele
- Mr. Nonah Awoh
- Evang. Anthony Omojola
- Mr. Mathew Akinlade
- Mrs. Ganiyat Adetutu Siyonbola

A detachable Proxy Form is enclosed with the Annual Report and if it is to be valid for the purpose of the meeting 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. The company shall bear the cost for the stamping of all the duly completed and signed Proxy Forms submitted to the Registrars within the stipulated time.

(b)

Closure of Register of Members and Transfer Books

Notice is hereby given that the Register of Members and Transfer books of the Company will be closed from Monday 15th February, 2021 to Friday 19th February, 2021 (both dates inclusive) for the purpose of updating the Register of Members.

(c)

Dividend Payment

If the dividend payment of 70kobo per ordinary share recommended by the Directors is approved at the Meeting, the dividend will be paid, subject to appropriate withholding tax, on Friday, 5th March, 2021 to the Shareholders, whose names appear in the Register of Members at the close of business on Friday 12th February, 2021, and who have completed the E-Dividend registration and mandated the Registrars to pay their dividends directly into their bank accounts.

**(d) Nomination to the Audit Committee**

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 date of the Annual General Meeting. The Securities and Exchange Commission's Code of Corporate Governance requires that members of the Audit Committee should possess basic financial literacy and should be able to read and analyze Financial Statements.

(e) Unclaimed Dividends 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.

(f) E-Dividend/Bonus

Notice is hereby given to all shareholders to open bank accounts, Stock broking accounts and CSCS accounts for the purpose of e-dividend /bonus. A detachable application form for e-bonus/e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Company's Registrars as soon as possible. Shareholders can also download the form from the Registrar's website-www.meristemregistrars.com, complete and submit to the Registrars or their respective Banks.

(g) Rights of Securities' Holders to ask Questions

Pursuant to Rule 19:12 of the Rule Book of the Nigerian Stock Exchange, Shareholders have a right to ask questions not only at the meeting

but also in writing prior to the meeting. Such questions must be submitted to the office of the Company Secretary at least one week before the date of the Annual General Meeting.

(h) Live Streaming of the AGM

The Annual General Meeting will be streamed live to enable shareholders and other stakeholders who will not be able to attend physically to follow the proceedings. The link for the live stream will be made available on the company's website at www.vitafoam.com.ng and the Registrars' website-www.meristemregistrars.com in due course.

Dated 15 December, 2020

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.





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 & Development Director
Mr. Joseph Alegbesogie	- Finance Director
Mr. Bamidele S. Owode	- Commercial Director
Mr. Mohammed Goni Alkali	- Independent Non-Executive Director
Prof. (Mrs.) Rosemary Egonmwan	- Independent Non-Executive Director
Mr. Gerson P. Silva	- Non- Executive Director
Mrs. A deola Adewakun	- Non- Executive Director
Mr. Achike Charles Umunna	- Non-Executive Director (Appointed 19 December 2019)

COMPANY SECRETARY/LEGAL ADVISER	- Mr. Olalekan Sanni
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REGISTERED OFFICE:	- 140, Oba Akran Avenue Ikeja Industrial Estate, Lagos, Nigeria Website: www.vitafoam.com.ng Telephone Nos: + 234(1)2805070-5
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REGISTRAR:	- Meristem Registrars Limited 213, Herbert Macaulay Way Adekunle, Yaba, Lagos.
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INDEPENDENT AUDITOR:	- Deloitte & Touche Civic Towers Plot GA 1, Ozumbe Mbadiwe Avenue Victoria Island, Lagos.
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BANKERS:	- Bank of Industry Limited Zenith BankPlc First Bank of Nigeria Ltd Wema BankPlc United Bank for Africa Plc Jaiz Bank Plc Access Bank Plc Union Bank of Nigeria Plc Guaranty Trust Bank Plc.
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COMPANY REGISTRATION NUMBER	- RC3094
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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 Master's 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 Bachelor's degree in Mechanical Engineering and a Master's 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).



DIRECTORS' PROFILE (CONTD)

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 Nigeria Plc in 2015, as Chief Accountant and later promoted to the role of Head, Finance and Accounts in 2017. Mr. Alegbesogie is an alumnus 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 Bachelor's 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 Master 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 Bachelor of Science (B.Sc Hons) Degree with 2nd Class upper and a Master's of Science (M. Sc.) in Zoology from the University of Lagos. She also obtained a Doctorate Degree (D.Phil.) in 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 Bachelor of Science (B.Sc) Degree in Accounting with 1st Class Honours from Bayero University, Kano and a Master's 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 to 2009, 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 the know-how of chemical system 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 will be 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 UMNUNNA

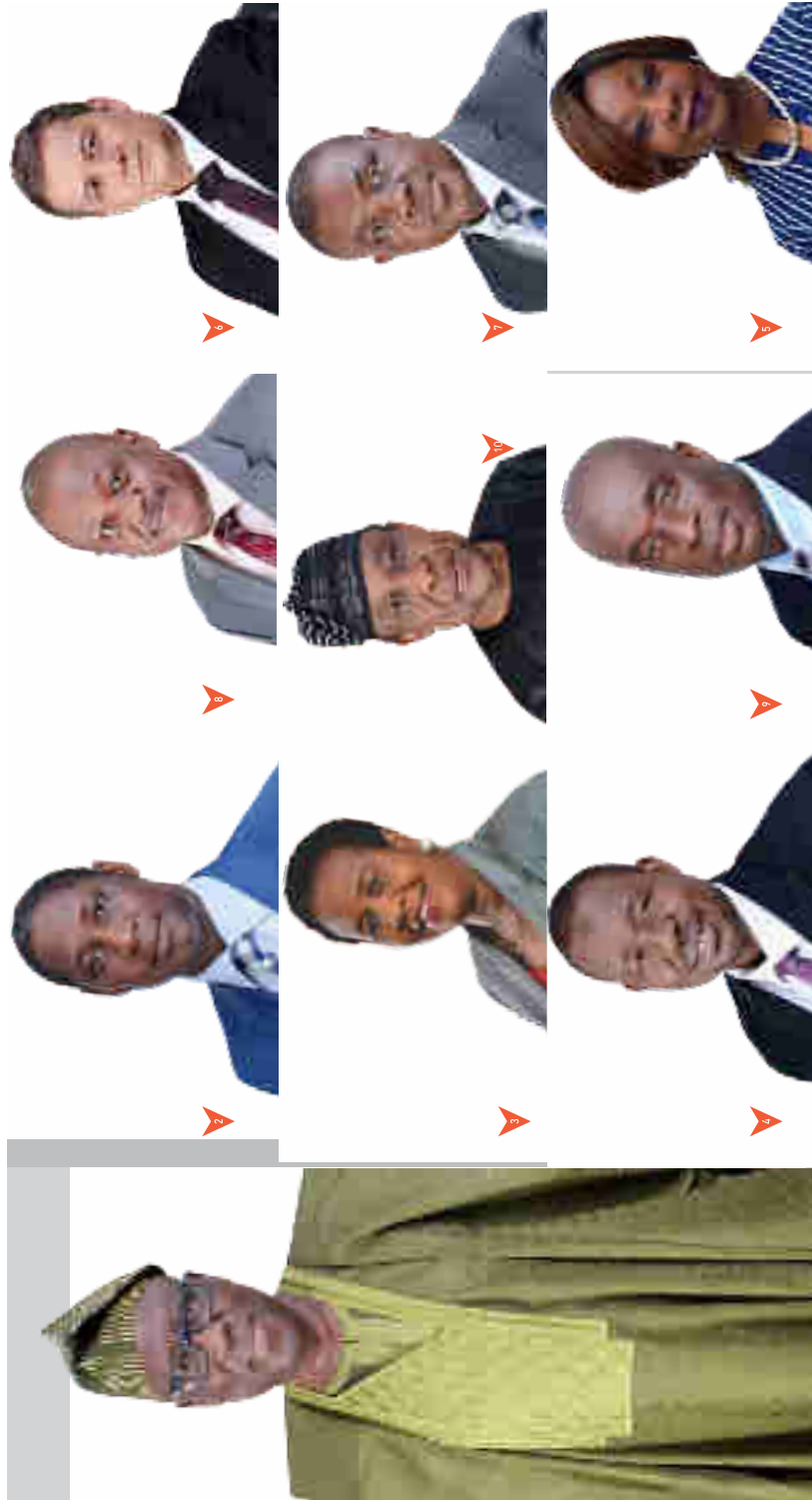
(Non-Executive)

Mr. Achike Charles Umunna obtained a Bachelor's Degree in Law (LL.B) from the University of Nigeria, Nsukka in 1982, graduated from the Nigerian Law School in 1983 and obtained a Master's 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 Roma Tre University, Rome.

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 practice 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.



BOARD OF DIRECTORS



1. Dr. Bamidele O. Makanjuola
Chairman

2. Mr. Taiwo A. Adeniji
Group Managing Director/CEO
3. Prof. (Mrs.) Rosemary J. 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 Alagbesogie
Finance Director
9. Mr. Bamidele S. Owode
Commercial Director
10. Mr. Mohammed Goni Alkali
Independent Non-Executive Director



VITAFOAM NIGERIA PLC



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

Thank you very much for joining us today. With mixed feelings, we bid farewell to 2020 as I welcome you all to the 59th Annual General Meeting of our dear Company, Vitafoam Nigeria Plc. I have the privilege of presenting to you the Audited Financial Statements for the year ended 30 September, 2020, and receiving your valuable feedback and suggestions on the affairs of our Company.

With the backdrop of the Covid-19 pandemic and official guidelines on social gathering, this year's AGM has inadvertently nudged us into the digital age. Besides investors who are represented by proxies, many shareholders will be participating in these proceedings through designated online platforms, as we continue to pray for an end to the spread and mutation of the virus in Nigeria, and globally.

Notwithstanding, it is gratifying to report that your Company sustained an increase in turnover and profitability in the 2019/2020 financial year. Permit me to suggest that this performance demonstrated the resilience of our business despite social lockdown, economic dislocations, and other adverse developments in the business environment during the year, some of which I shall briefly highlight.

BUSINESS ENVIRONMENT

The perennial challenges that have plagued the Nigerian economy persisted in the financial year under review. The systemic problems of poor infrastructure, erratic power supply, port congestion, multiple taxation, insecurity and high cost of living, among others impaired economic activities, thereby making the business environment unpredictable and encumbered.

Indications that the year was headed for massive





CHAIRMAN'S STATEMENT (CONT'D)

turbulence emerged at the close of 2019 with the news of the outbreak of a viral infection in Wuhan, China. What started as a regional epidemic soon snowballed into a global health crisis that posed grave existential threat to mankind. Aside from the heartrending fatalities, the novel corona virus activated global economy shocks characterised by business shutdowns and travel restrictions across the globe.

The confirmation of Nigeria's first index case in the early part of the year led to the rollout of stringent containment measures, starting with Lagos and Ogun States and the Federal Capital Territory, and later extended to other states as the rate of infection escalated nationwide. Predictably, medical facilities were overstretched amidst rising cases and difficulty of contact tracing that was attributed to the communal lifestyle of Nigerians. Regrettably, the pandemic highlighted the decrepit state of the nation's health care system emblematic of years of neglect, under investment, and the deterioration of public sector by successive administrations.

Unsurprisingly, Nigeria's fragile economy was battered by the impact of the health crisis on top of underlying malaise. The global oil price fell below the average of \$30 per barrel between April and May, 2020 due chiefly to oil supply glut engendered by the pandemic, and coupled with the failure of oil-producing nations to forge a common front in moderating production output and pricing. The dip in oil price resulted in declining foreign reserves, and a significant surge in consumer price index to a 2-year high of 12.82% at the beginning of the third quarter, as against 11.08% the previous year.

Counter intuitively, the land border closure policy introduced in August 2019 by the Federal Government to stimulate local production and to curb smuggling, armed banditry, drug trafficking, and the proliferation of light weapons hampered regional trade which represents approximately 14% of the nation's GDP and accounts for about 17% of total employment. Headline inflation remained northward for the most part of the

year, climaxing at 14.30% year-on-year by the beginning of the last quarter due to economic volatility. The oil market slump eroded export earnings, and triggered the depreciation of the naira against the dollar exchange rate to N380/USD at the official window and N484/USD at the parallel market towards the end of the year. The resultant forex scarcity adversely affected the importation of raw materials and the capacity utilisation of major manufacturing companies.

The full deregulation of the downstream oil sector, increase in electricity tariffs and restrictions in food imports further pushed up prices, thereby aggravating the aggregate poverty level. According to a report released by the Nigeria Bureau of Statistics (NBS), about 83 million Nigerians live below the country's poverty threshold of N137,000 (\$380) per annum, a situation that was exacerbated by the woeful slide in the unemployment rate to 27.1% compared with 8.10% in 2019.

Furthermore, Nigeria's Gross Domestic Product (GDP) declined by 6.1% in the second quarter of 2020, steeper than the IMF downturn projection of 5.4%. This was largely attributed to significantly lower levels of both domestic and international economic activities during the period. After a 3.62% contraction in the third quarter figures released by the NBS, the nation officially slipped into another economic recession for the second time in four years. This development was disconcerting, though not unexpected, as virtually all developed economies suffered varying degrees of convulsion, while a search for an exit strategy from the pandemic continued. Looking ahead, analysts' prognosis that the global economy, including Nigeria's, will rebound strongly in 2021 should engender domestic optimism.

FINANCIAL PERFORMANCE

Despite the crippling impact of the Covid-19 pandemic on the economy, and the alarming #ENDSARS unrest in the latter part of the year, it is heartwarming to report that the Group's turnover improved from N22.28billion in the 2019 financial year to N23.44billion in 2020. Profit before tax grew exponentially from N3.49billion in the



outgoing period to N5.64billion in the year under review, while profit after tax also increased from N2.38billion in 2019 to N4.10billion in 2020. On the other hand, the turnover of our flagship Company, Vitafoam, rose from N20.3billion in the 2019 financial year to N21.5billion in 2020. Meanwhile, profit before tax doubled from N2.49billion in 2019 to N4.96billion, while profit after tax grew from N1.57billion in 2018/2019 to N3.45billion in the 2019/2020 financial year.

This robust performance resulted from improved operational efficiency, a flexible funding window, and steadfast implementation of our strategic initiatives. During the financial year, efforts were made to grow our market share through business innovation and the introduction of leading-edge products targeted at our teeming customers. The Company also upgraded existing manufacturing and distribution processes, thereby ensuring timely delivery of products to end-users.

To improve products' availability, deliberate steps were undertaken to strengthen the retail arm of the business by opening more sales outlets, and rendering business advice and trade support to existing distributors. Central to the achievement of our performance targets in the year was the implementation of the flexible financing strategy enabled by the Bank of Industry loan, as well as cost optimisation through procurement and production efficiencies. Taken together, these actions bolstered margin acceleration and overall profitability.

DIVIDENDS

In view of the outstanding results and encouraging momentum, the Board of Directors is recommending a dividend payout of 70kobo per ordinary share of 50 kobo each, payable subject to shareholders' approval and deduction of withholding tax at the appropriate rate. This significant payout, despite a difficult operating environment, underscores the success of our transformation agenda spanning several years, and the resolve of the Company to sustain the tradition

of rewarding shareholders for your trust in the Board and Management.

THE GROUP

Distinguished Ladies and Gentlemen, I am pleased to inform you that we have successfully turned the corner in respect of our diversification programme embarked upon about ten years ago. Presently, all our subsidiary companies have attained profitability notwithstanding unprecedented external challenges. I will now highlight key developments in each of the subsidiaries, and their respective business trajectories.

Vitapur

Our insulation subsidiary, Vitapur Nigeria Limited, recorded yet another impressive performance to sustain its profitability. The successful implementation of the first phase of the Federal Ministry of Environment /UNDP-sponsored project has substantially positioned Vitapur as a major player in Systems House in Africa. The commissioning by the Honourable Minister of Environment and the technical sign-off conferred on Vitapur the right to commercialise the Systems House, and to supply chemical systems to industrial users in Nigeria and throughout the West African sub-region. From a strategic perspective, this historic project signified a compelling example of corporate durability, determination and self-belief.

It is pleasing to mention that Vitapur's insulation panels have become the preference of civil engineers and builders nationwide, and among high-valued clientele across different industries. Furthermore, Vitapur is also renowned as a major supplier of non-flammable additives and pre-polymers to Vitafoam and other key players in the foam industry, thus affirming the success of the backward integration objective of this ambitious project. We will continue to nurture this bellwether operation, by leveraging our first-mover advantage. Implicitly, this will further consolidate our market dominance and brand positioning, as this subsidiary continues to contribute meaningfully to the growth of the Group.



CHAIRMAN'S STATEMENT (CONT'D)

Vitablom

The soft furnishing subsidiary sustained its brilliant performance during the year with significant contribution to the Group's result. Our unrelenting expansion drive for Vitablom is paying off handsomely, with our range of fibre products enjoying wide recognition from furniture makers, foam manufacturers and sundry intermediate users. To stay a step ahead of competitors, we have continued to raise the entry bar through continuous innovation and products development.

I am also happy to report that the scouring sponge packaging line took off during the year and is steadily gaining market acceptability. A market study recently revealed immense potentials for this product line and we expect it to contribute modestly to the growth of the business. Vitablom remains a reference point and success story in our backward integration strategy. Increasingly, this subsidiary is becoming Vitafoam's primary supplier of fibre and pillow products, while also customizing pillow production for a number of foam manufacturers and stores nationwide.

Vitavisco

The moulded foam products subsidiary, Vitavisco, intensified its footprint with the introduction of the Expanded Polyethylene Products (EPE) for the construction, furniture and packaging industries. Management undertook extensive market development for the EPE business line during the year to unlock the huge opportunities in this sector.

It is projected that the gradual entry of this product line will boost Vitavisco's turnover and profitability, even as it continues to explore other low-hanging opportunities, including the manufacturing of visco-elastic products and moulded car seats for motor vehicles.

Vono

At long last, Vono has joined the league of profit-

making subsidiaries with a modest uptick in the financial year. The resolute implementation of the lean operation model of the company has ensured a decent return sequel to the merger of 2016. Significantly, the installation of more modern equipment has improved the finishing and aesthetics of Vono's array of products, as it continues to produce exquisite furniture products comparable to imported variants. I am glad to mention that Vono products now beautifully complement Vitafoam brands, with the resulting synergy boosting our overall market dominance in the household furniture industry.

Vitapart

Distinguished Ladies and Gentlemen, you will be pleased to learn that we are gradually approaching the end of the dark tunnel of the oil filter business. Vitapart has finally commenced the installation of various plant components through the help of indigenous technicians. However, the scheduled installation by the Chinese manufacturers of the press line, a major component for the production of filter housing, was hindered by pandemic-induced global travel restrictions.

However, the company proactively imported a substantial quantity of filter housing units sufficient to kick-start operations, while we await the installation and test-run of our equipment by the Chinese when normalcy returns. Meanwhile, imported filter housing parts will be deployed into the production of test oil filters towards incipient market studies.

Vitafoam Sierra Leone

Reassuringly, Vitafoam Sierra Leone broke the jinx of recurring losses to post a moderate profit after tax in the financial year, despite an arduous loan repayment regime and adverse market conditions in the host country. New market opportunities emerged while the operating margin retained an upward trajectory. After a detailed evaluation of the business, following the recent resurgence in performance and inability to attract a credible buyer for the intended divestment, the Board



has decided to vacate the proposed sale of the subsidiary.

We project that the restructured loan to UBA Sierra Leone will be fully repaid in the next financial year to pave the way for sustainable profitability and lasting contribution to the Group's performance. At this juncture, I would like to express the Board's sincere appreciation to all our shareholders for your endurance and understanding during the difficult years of this foreign operation. It is my hope that the current renaissance will endure and translate into attractive returns on your investment. The Board will continue to explore winning opportunities to expand the frontier of this business, including trading which is expected to boost liquidity.

OUTLOOK

In spite of a cloudy business outlook and a second wave of the corona virus pandemic, the nation's economy will barely exit recession by mid-2021 with an anemic growth rate of 1%. The recovery will be subject to the projected stability in the global oil market, the effect of the re-opening of land borders recently announced by the Federal Government, the much anticipated take-off of the African Continental Free Trade Area (AfCFTA) Agreement, and probable global economic recovery through worldwide availability of viable Covid-19 vaccines.

The AfCFTA is expected to unlock new prospects for accelerated growth in diverse economic sectors, particularly agro-allied and manufacturing industries. The optimism for recovery in 2021 is predicated on China's relatively strong recovery and anticipated US and EU economic rebound. Since Nigeria's economy is predominantly dependent on oil exports, the stability of the oil market and a steadily improving economic outlook will augur well for our nation's immediate and medium-term prospects.

On the home front, it is expected that the current administration will harness requisite resources towards revamping our dilapidated infrastructure to

boost economic growth. The government could also leverage an improved revenue profile from the introduction of cost-reflective electricity tariffs and the full deregulation of the downstream oil sector.

Going forward, the Company will drive innovative strategies to sustain growth and profitability despite immense environmental challenges. We remain upbeat about the quality of our product range and will continue to invest in capacity-building and products development as pathways to sustaining market leadership. I am confident that the uniqueness of our offerings, incredible brands, and the Company's cost optimisation approach will further strengthen our overall business performance, with resultant improvement in returns to all our shareholders.

CONCLUSION

In conclusion, I would like to thank the management team, ably led by the Group Managing Director, Mr. Adeniyi Taiwo, and our hardworking employees across the Group for demonstrating commendable acumen, flexibility and dedication to our business goals. I would also like to appreciate our bankers and all our trade partners nationwide for their invaluable contributions to the growth of the Group.

To our shareholders, I say a big 'thank you' for trusting the Board leadership, as demonstrated by your unwavering support over the years. Lastly, I applaud my fellow directors for their exemplary leadership and dedication during the outgoing year.

Thank you all for your kind attention.

BAMIDELE OSUOLALE MAKANJUOLA
CHAIRMAN



FINANCIAL HIGHLIGHTS

For the year ended 30 September, 2019

GROUP	2020 N'000	2019 N'000	Increase/ (decrease)
Revenue	23,443,830	22,283,163	5%
Profit before income tax	5,646,565	3,495,838	62%
Profit for the year	4,107,506	2,386,708	72%
Proposed dividend	979,410	595,434	64%
Share capital	625,422	625,422	0%
Total Equity	9,040,373	5,969,710	51%
Company	2020 N'000	2019 N'000	Increase/ (decrease)
Revenue	21,521,097	20,330,040	6%
Profit before income tax	4,963,946	2,496,008	99%
Profit for the year	3,456,694	1,574,909	119%
Proposed dividend	875,590	525,354	67%
Share capital	625,422	625,422	0%
Total Equity	8,687,013	5,932,044	46%
Data per 50k share	2020	2019	Increase/ (decrease)
Basic Earnings (=N=)	3.05	1.82	69%
Declared dividend (=N=)	0.70	0.42	67%
Net assets (=N=)	7.23	4.70	54%
Stock Exchange Information	2020	2019	Increase/ (decrease)
Stock exchange quotation at 30 September (=N=)	6.00	3.90	54%
Number of shares issued (000)	1,250,844	1,250,844	0%
Market capitalisation (N'000)	7,505,064	4,878,292	54%



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 2020.

1. OUR BUSINESS

The company and her subsidiaries (Vitapur Nigeria Limited, Vitablom Nigeria Limited, Vitavisco 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 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 Foam & Foam Products

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 offered to our discerning customers. Some of the brands in this segment are: Vita Sofa bed, Vita Solid Chair, 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 Haven, Vita Grand, and Vita Hospital Mattress.



REPORT OF THE DIRECTORS (CONT'D)

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 pillow, Gazelle pillow, Flip pillow, Music pillow and Vita duvet. In addition to the foregoing fibre based products, linens (bed sheets and pillows) 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. The subsidiary further innovated washable face mask to support government in curbing the Covid-19 pandemic. Vitablom Nigeria Limited in its drive to expand its market commenced the production of scouring sponge.

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 with the aim to further position the company as 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 the setting up of a System House (chemical blending factory) in the country. The system house is basically for the production of methyl formate based pre blended polyols in the rigid polyurethane foam sector. The project which has since been completed was commissioned during the year by the Hon. Minister of Environment, Dr. Mohammad Mahmood Abubakar. The system house currently supplies the parent company (Vitafoam) chemicals (Prepolymers and non-flammable adhesives) that are used in the production of reconstituted, non-flammable adhesives and flexible foams as part of our backward integration proposition. This has afforded Vitafoam the advantage of just-in-time procurement of chemical materials for use without the need to stock. Due to Covid-19 pandemic the system house developed Hand Sanitizer and Liquid Hand Wash. These products are already enjoying market acceptability.

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. 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, agricultural and foam industries, for example Air condition insulation ducts, Cool bags, Protective packaging, life jackets and suits, etc.

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.

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 and 2019 financial years as envisaged due to certain set up challenges and the covid-19 pandemic which could not permit the Engineers from the manufacturers to complete the installations and commissioning in 2020. This subsidiary is expected to open for business by second quarter of 2021 financial year when international movement will resume fully.

2. TRADING RESULTS

The financial results for the year ended 30th September 2020 are summarized below:

	GROUP		COMPANY	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Turnover	23,443,830	22,283,163	21,521,097	20,330,040
Profit before taxation	5,646,565	3,495,838	4,963,946	2,496,008
Taxation	(1,730,685)	(1,031,133)	(1,507,251)	(921,099)
Profit after taxation and discontinued operations before non-controlling interest	4,107,506	2,386,708	3,456,695	1,574,909
Non-controlling interest	295,271	104,690		
Profit retained for the year	3,615,552	2,398,883	3,259,868	1,496,686



REPORT OF THE DIRECTORS (CONT'D)

3. DIVIDEND

The Board has recommended a dividend of N875.59 million representing 70kobo 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 N1,026.01m (group) and N532.44m (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 center of our marketing strategy are the customers and their preferences; and our capacity to deliver on the brand promise. Through various marketing activities, especially our buy right campaign, 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 focus on the major cities in Nigeria. Special attention was given to Lagos market because of the size of the Lagos economy.

Our distinguishing factors were our product quality, wide distribution network and customer engagement.

Our relationship and interactions with customer and potential customers ensured we retain and secure their loyalty for our brand.

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

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 during the year ended 30 September 2020:



S/N.	BENEFICIARIES	AMOUNT
1.	Lagos, Kano and Plateau State s Government s – mattresses and pillows donated as Covid'19 intervention.	1,248,000
2.	Others	605,000
	Total	1,853,000

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 employee-friendly initiatives. This is predicated on 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. 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. The company's job grading system is designed 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. To assuage the impact of the corona virus pandemic, the company donated mattresses for equipping isolation centres across the geo-political zones of the country.
- 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.
- iii. Whenever 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 Chairman is not involved in the day to day running of the company. The profile of the Board of Directors, comprising distinguished individuals with diverse skills and competence 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 of 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



REPORT OF THE DIRECTORS (CONT'D)

- Ensuring compliance with applicable laws, regulations and code of business practice
- Develop and implement plans for general business growth and expansion.

Board Evaluation

The Board has approved an internal system for evaluating its performance in addition to the periodic use of External Consultants as prescribed by the National Code of Corporate Governance. The process entails the completion of questionnaire designed by the Company Secretary to assess the performance of members of the Board with emphasis on adequacy of the Board structure, ability of the Board and members to discharge their statutory and fiduciary duties, attendance and quality of contributions to Board deliberations, adequacy of preparation for meetings and general supervisory roles, among others. The questionnaire for evaluation for the year ended 30th September 2020 was completed by individual directors and the summary of the result compiled by the company secretary.

Based on the outcome, the Board, its committees and individual directors achieved an impressive performance. Attendance of Directors at Board meetings was satisfactory.

Board Meetings

The Board met four (4) times during the 2019/2020 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	19/12/19	04/03/20	28/05/20	3/09/20
Dr. B. O. Makanjuola	✓	✓	✓	✓
Mr. T. A. Adeniyi	✓	✓	✓	✓
Mr. A. M. Abatcha	✓	✓	✓	✓
Mr. B. S. Owoade	✓	✓	✓	✓
Mr. J. Alegbesogie	✓	✓	✓	✓
Mr. Mohammed G. Alkali	✓	X	✓	✓
Mrs. Adeola Adewakun	X	✓	✓	✓
Prof. (Mrs.) R. I. Egonmwan	✓	✓	✓	✓
Mr. Gerson P. Silva	✓	✓	✓	✓
Mr. A. C. Umunna	✓	✓	✓	✓

Keys

✓ = Present

X = Absent with apology



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 thrice during the year. The table below shows the list and attendance of members at the meetings:

Directors	23/01/20	27/04/20	28/07/20
Mr. Mohammed G. Alkali	✓	✓	✓
Mr. Taiwo Adeniyi	✓	✓	✓
Mrs. A. Adewakun	✓	✓	✓
Mr. Alegbesogie Joseph	✓	✓	✓

Keys

✓ = Present

X = Absent with apology

B. Establishment & Remuneration Committee

At the time of this report, the Committee comprised two Non-Executive Directors and two Executive Directors. It was chaired by Prof. (Mrs.) Rosemary Egonmwan, a Non-Executive Director. The Committee did not meet during the period under review. The table below shows the list of members of the committee:

Directors
Prof. (Mrs) Rosemary Egonmwan
Mr. T. A. Adeniyi
Mr. Bamidele Owoade
Mr. Achike Charles Umunna

C. Nomination & Governance Committee

At the date of this report, the Committee comprised three Non-Executive Directors and one Executive Director. It is 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:



REPORT OF THE DIRECTORS (CONT'D)

Directors	18/12/19
Dr. Bamidele O. Makanjuola	✓
Mr. Gerson P. Silva	✓
Mr. T. A. Adeniyi	✓
Prof. (Mrs.) R. Egonmwan	NYA

Key

✓ = Present

NYA = Not yet appointed at date of meeting

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 and the Company Secretary served as the Secretary to the Committee.

The Committee met twice 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	28/07/20	14/12/20
Rev. Elushade Ibiyinka	✓	✓
Comr. S.B. Adenrenle	✓	✓
Mrs. Grace Ajumobi	✓	✓
Prof. Rosemary I. Egonmwan	✓	✓
Mr. Muhammed G. Alkali	X	✓
Mr. Abbagana M. Abatcha	✓	✓

Key

✓ = Present

X = Absent with apologies



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 National Code of Corporate Governance in the 2019/2020 financial year was generally satisfactory. Required statutory returns were submitted to the Securities & Exchange Commission, the Nigerian Stock Exchange, the Financial Reporting Council of Nigeria and other regulatory bodies while appropriate disclosures concerning the business are made available periodically as required by relevant laws and regulations. However, the company paid fines of N200,000 to the Nigerian Stock Exchange for late submission of 2019 Audited Accounts and N250,000 to the Financial Reporting Council of Nigeria for late renewal of registration.

11. SUSTAINABILITY REPORT

The following principles and practices are part of the company's approach towards ensuring a sustainable socio-economic environment:

- (a) **Code of Business Conduct:** Our Code of Business Conduct demonstrates our commitment to integrity, transparency and respect for local legislations in the conduct of our business. The code further sets out expectations regarding conflict of interest situations, corrupt practices and adherence to applicable laws and regulations.
- (b) **HIV & AIDS and Disability:** Our Company does not in any way discriminate in the employment of persons living with HIV/AIDS or any other form of disability. Our HR practices and policies are designed to give equal opportunities to all employees with special facilities provided to support the physically challenged. At the time of this report, we do not have any persons with disability in the employment of the company.



REPORT OF THE DIRECTORS (CONT'D)

- (c) **Environmental Protection:** As a manufacturing company, we are focused on reducing the environmental impact of our operations on the people and the environment. Environmental audit is conducted on yearly basis to evaluate the impact of our operations on the environment and the report submitted to the relevant government agency for certification. The company's Health, Safety & Environment (HSE) Policy which sets out HSE standards is adhered to by all employees. We also prioritize efficient use of energy, water and safe waste disposal at all our sites.
- (d) **Community:** The Company implements a number of CSR initiatives to positively impact and uplift the various segments of the society. For example, our annual first baby of the year program serves as a platform to identify with the health sector in addition to occasional donations of mattresses to some medical centres while the educational sector continues to benefit from sponsorship of events and donation of specific projects to support learning and research. In support of government's effort at containing the scourge of Covid-19 pandemic, mattresses were donated during the year to equip Isolation centres.
- (e) **Workplace:** At Vitafoam Nigeria Plc, we foster a peaceful and qualitative work environment that encourages career advancement, work-life balance and values employee diversity and wellbeing.

12. 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 30/09/2020 No. of shares	As at 30/09/2019 No. of Shares
Dr. B. O. Makanjuola (Direct) (Indirect)	5,098,002 10,757	4,258,783 13,546
Mr. T.A. Adeniyi	864,000	672,000
Mr. A. M. Abatcha	180,000	180,000
Mr. B. S. Owoade	320,000	120,000
Mr. J. I. Alegbesogie	188,700	Nil
Mrs. Adeola Adewakun	144,000	144,000
Prof. (Mrs.) R. I. Egonmwan	101,940	101,940
Mr. Achike C. Umunna	Nil	Nil
Mr. M. G. Alkali	Nil	Nil
Mr. Gerson P. Silva	Nil	Nil



13. DIRECTORS INTEREST IN CONTRACTS

In accordance with section 277 subsection 3 of the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004, Mr. Gerson P. Silva and Dr. Bamidele Makanjuola (both Non-Executive Directors) have notified the Board in writing of their association with companies/firms that are interested in rendering contracts with the Company.

14. ANALYSIS OFFSHORE HOLDING

- 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, 2020:

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, 2020

Type	Shareholding	%	Shareholders	%
Individual	577,786,521	46.19	39,101	94.97
Corporate	461,878,426	36.93	1,590	3.87
Staff	211,179,117	16.88	479	1.16
Total	1,250,844,064	100	41,175	100

- c) The range analysis of the shareholding as at 30th September, 2020 is as below:

Range	No. of Holders	% of Holders	Units	Shareholding %
1-5,000	27,712	67.31%	38,925,181	3.11%
5,001-10,000	5,206	12.65%	39,463,336	3.15%
10,001-100,000	7,173	17.42%	201,316,146	16.09%
100,001-500,000	855	2.08%	175,086,562	14.00%
500,001-1,000,000	104	0.25%	74,005,075	5.92%
1,000,001-100,000,000	119	0.29%	573,515,130	45.85%
100,000,001-500,000,000	1	0.002%	148,532,634	11.87%



REPORT OF THE DIRECTORS (CONT'D)

15. ACQUISITION OF SHARES

The Company did not purchase any of its own shares during the 2019/2020 financial year.

16. SECURITIES TRADING POLICY

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

17. CODE OF BUSINESS ETHICS AND WHISTLE BLOWING POLICY

The Company 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.vitafoamng.com

18. 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.

19. RETIREMENT BY ROTATION

The Directors retiring by rotation in accordance with the company's Articles of Association are Mr. Mohammed G. Alkali and Prof. (Mrs.) Rosemary Egonmwan being eligible, offer themselves for re- election.

20. 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.

Dated 15 December, 2020

BY ORDER OF THE BOARD

OLALEKAN SANNNI

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PREPARATION OF FINANCIAL STATEMENTS



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 2020, and the results of its operations, cash flows and changes in equity for the year then 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 and company's ability to continue as a going concern.
- designing, implementing and maintaining an effective and sound system of internal controls throughout the Group and Company;
- 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 2020 were approved by the directors on 15 December 2020.

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/0000001



REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 30 SEPTEMBER, 2020

In compliance with the provisions of Section 357(3) to (6) of the Companies and Allied Matters Act, the members of the Audit Committee reviewed the financial statements of the company for the year ended 30 September 2020 and reports as follows:

- a) Reviewed the scope and planning of the audit requirements and found them adequate;
- b) Reviewed the financial statements for the year ended 30 September 2020 and are satisfied with the explanations obtained;
- c) Reviewed the external auditors' management letter for the year ended 30 September 2020 and are satisfied that management is taking appropriate steps to address the issues raised; and
- d) Ascertained that the accounting and reporting policies for the year ended 30 September 2020 are in accordance with legal requirements and agreed ethical practices.

The external auditors confirmed having received full cooperation from the Company's management and that the scope of their work was not restricted in any way.

Dated this 14th December, 2020

For: Chairman, Audit Committee


Mr. Mohammed G. Alkali

FRC/2013/NIM/00000004621

Other Members of the Committee are:

Rev. I.O. Elushade	- Shareholders' representative
Comrade S.B. Adenrele	- Shareholders' representative
Mrs. Ajumobi Grace	- Shareholders' representative
Prof. (Mrs.) R.I. Egonmwan	- Independent Non-executive Director
Mr. A.M. Abatcha	- Executive Director

The Company Secretary, **Mr. Sanni Olalekan**, acted as secretary to the audit committee

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Vitafoam Nigeria Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **Vitafoam Nigeria Plc** and its subsidiaries (the Group and Company) set out on pages 37 to 117, which comprise the consolidated and separate statements of financial position as at 30 September 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of 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 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act and Financial Reporting Council of Nigeria Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current period. The matter was 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 the matter. We have determined the matter 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 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 presented as held for sale (disposal group) in line with the requirements of International Financial Reporting Standard (IFRS) 5 - Non-current Assets Held for Sale and Discontinued Operations.

However, in the current year, the Directors do not believe it is still appropriate to classify the investment as "held for sale" as they have not been able to secure a buyer for the investment and the investment cannot be held indefinitely as "held for sale". They have therefore, subsequently reclassified the "disposal group" as "Investment in subsidiary".

Based on the requirement of IFRS 5, which states that when an entity ceases to classify the asset (or disposal group) as held for sale, the entity shall measure the 'disposal group' at the lower of its carrying amount before the asset (or disposal group) was classified as held for sale adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell. The Directors of the company then performed an impairment assessment on the investment in Sierra Leone in order to determine if the investment was being carried at the lower of its carrying amount and the recoverable amount.

Impairment of the investment in Sierra Leone is considered to be a Key Audit Matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the investment, which is based on the value in use or fair value less costs to sell, has been derived from a discounted forecast cash flow model. This model uses several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate).

Details of this matter has been disclosed in note 40.1 of these financial statements.

In evaluating the appropriateness of the 'impairment assessment performed by management in determining the recoverable amount, we performed the following procedures:

- Evaluated the appropriateness of the assumptions applied to key inputs such as sales volumes and prices, operating costs, inflation and long-term growth rates, which included comparing these inputs with our own assessments based on our knowledge of the client and the industry;
- Involved our valuation specialist to assist in evaluating the appropriateness of the discount rate applied and estimating the weighted-average cost of capital for the company;
- Performed sensitivity analysis, which included assessing the effect of possible reductions in growth rates and forecasted cash flows to evaluate the impact on the estimated headroom for the investment in Sierra Leone; and
- Evaluated the adequacy of the financial statement disclosures.

The Judgement and assumptions made by the Directors in determining the recoverable amount for the investment in Vitafoam Sierra Leone and its subsequent reclassification from "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, the Audit Committee's Report and the Company Secretary's Report, which we obtained prior to the date of this report. The other information do not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or 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. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act 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 the 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.

Auditor's 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 scepticism 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 in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and or the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies and Allied Matters Act we expressly state that:

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



Chigozie Okoro, FCA - FRC/2013/ICAN/000000004457
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
30 December, 2020



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



		Group		Company	
	Note	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Continuing operations					
Revenue	7	23,443,830	22,283,163	21,521,097	20,330,040
Cost of sales	8	(12,430,348)	(13,520,270)	(12,352,577)	(12,902,974)
Gross profit		11,013,482	8,762,893	9,168,520	7,427,066
Other gains and losses	9	638,976	389,831	631,989	579,851
Distribution costs	11	(1,054,011)	(974,751)	(1,022,406)	(919,180)
Administrative expenses	10	(4,128,219)	(3,733,463)	(3,151,789)	(3,603,725)
Impairment on investment in subsidiaries		-	-	-	(232,431)
Operating profit		6,470,228	4,444,510	5,626,314	3,251,581
Finance income	13	106,508	101,060	99,442	101,060
Finance costs	12	(930,171)	(1,049,732)	(761,810)	(856,633)
Profit before taxation		5,646,565	3,495,838	4,963,946	2,496,008
Taxation	14	(1,730,685)	(1,031,133)	(1,507,252)	(921,099)
Profit from continuing operations		3,915,880	2,464,705	3,456,694	1,574,909
Discontinued operations					
Profit/(loss) from discontinued operations	40	191,626	(77,997)	-	-
Profit for the year		4,107,506	2,386,708	3,456,694	1,574,909
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements on net defined benefit liability	41	(196,413)	(70,037)	(196,413)	(70,037)
Loss on valuation of investments in equity instruments designated as at FVTOCI	41	(413)	(8,186)	(413)	(8,186)
Total items that will not be reclassified to profit or loss	41	(196,826)	(78,223)	(196,826)	(78,223)
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange differences on translation of foreign operations	41	(295,128)	90,398	-	-
Other comprehensive (loss)/income for the year net of taxation	41	(491,954)	12,175	(196,826)	(78,223)
Total comprehensive income for the year		3,615,552	2,398,883	3,259,868	1,496,686
Profit attributable to:					
Owners of the parent		3,812,235	2,282,018	3,456,694	1,574,909
Non-controlling interest		295,271	104,690	-	-
		4,107,506	2,386,708	3,456,694	1,574,909
Profit attributable to:					
Owners of the parent:					
From continuing operations		3,620,609	2,360,015	3,456,694	1,574,909
From discontinued operations		191,626	(77,997)	-	-
		3,812,235	2,282,018	3,456,694	1,574,909
Non-controlling interest:					
From continuing operations		295,271	104,690	-	-
Total comprehensive income attributable to:					
Owners of the parent		3,320,281	2,294,193	3,259,868	1,496,686
Non-controlling interest		295,271	104,690	-	-
		3,615,552	2,398,883	3,259,868	1,496,686
Earnings per share					
Basic earnings per share (kobo)	30	305.00	182.00	276.00	126.00

The accounting policies and the notes form an integral part of the consolidated and separate financial statements



CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

as at 30 September, 2020

	Note(s)	Group		Company	
		2020 N'000	2019 N'000	2020 N'000	2019 N'000
Assets					
Non-current Assets					
Property, plant and equipment	16	5,540,704	2,970,551	3,844,335	2,201,089
Intangible assets	17	25,974	29,882	24,386	28,081
Investment property	18	-	-	552,777	302,999
Investments in subsidiaries	39	-	-	435,228	234,966
Right-of-use assets	44	217,619	-	217,619	-
Investment in financial assets	19	5,122	5,729	5,122	5,729
Finance lease receivables	43	28,714	25,752	28,714	25,752
		5,818,133	3,031,914	5,108,181	2,798,616
Current Assets					
Inventories	20	5,291,903	5,483,614	3,820,207	4,361,266
Trade and other receivables	21	601,045	760,758	2,149,102	2,354,476
Other assets	22	3,004,275	982,927	2,315,545	385,338
Cash and cash equivalents	23	6,920,410	779,364	6,409,214	710,486
		15,817,633	8,006,663	14,694,068	7,811,566
Non-current assets held for sale	40	-	2,782,997	-	1,748,160
Total Assets		21,635,766	13,821,574	19,802,249	12,358,342
Equity and Liabilities					
Equity					
Share capital	29	625,422	625,422	625,422	625,422
Reserves		256,908	552,449	441,771	442,184
Retained earnings		7,769,014	4,658,091	7,619,820	4,864,438
Equity attributable to owners of the company		8,651,344	5,835,962	8,687,013	5,932,044
Non-controlling interest		389,029	133,748	-	-
		9,040,373	5,969,710	8,687,013	5,932,044
Liabilities					
Non-Current Liabilities					
Borrowings	24	2,450,717	1,289,794	1,857,569	1,080,794
Lease liabilities	45	120,107	-	120,107	-
Retirement benefit obligation	27	930,091	490,822	930,091	490,822
Deferred income	25	244,187	44,281	244,187	44,281
Deferred tax	26	244,522	293,456	308,475	347,752
		3,989,624	2,118,353	3,460,429	1,963,649
Current Liabilities					
Trade and other payables	28	2,527,004	1,957,254	1,975,665	1,516,022
Borrowings	24	4,182,729	2,143,499	4,074,964	2,051,746
Deferred income	25	174,855	39,118	161,047	39,118
Current tax payable	15	1,721,181	1,017,577	1,443,131	855,763
		8,605,769	5,157,448	7,654,807	4,462,649
Liabilities of disposal groups	40	-	576,063	-	-
Total Liabilities		12,595,393	7,851,864	11,115,236	6,426,298
Total Equity and Liabilities		21,635,766	13,821,574	19,802,249	12,358,342

The consolidated and separate financial statements were approved by the board on the 15 December 2020 and were signed on its behalf by:

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

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

The accounting policies and the notes form an integral part of the consolidated and separate financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY



	Share capital	Share premium	Foreign currency translation reserve	Reserve for valuation of investments	Other reserves	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 2018	521,035	3	114,267	(37,048)	393,018	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	-	-	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)
Total contributions by and distributions to owners of company recognised directly in equity	104,387	(3)	-	-	-	(272,712)	(168,328)	(11,293)	(179,621)
Balance at 1 October 2019	625,422	-	204,665	(45,234)	393,018	4,658,091	5,835,962	133,748	5,969,710
Profit for the year	-	-	-	-	-	3,812,235	3,812,235	295,271	4,107,506
Other comprehensive income	-	-	(295,128)	(413)	-	(196,413)	(491,954)	-	(491,954)
Total comprehensive income for the year	-	-	(295,128)	(413)	-	3,615,822	3,320,281	295,271	3,615,552
Statute barred unclaimed dividend received	-	-	-	-	-	20,456	20,456	-	20,456
Dividends	-	-	-	-	-	(525,355)	(525,355)	(39,990)	(565,345)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	(504,899)	(504,899)	(39,990)	(544,889)
Balance at 30 September 2020	625,422	-	(90,463)	(45,647)	393,018	7,769,014	8,651,344	389,029	9,040,373



SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Reserve for valuation of investments	Other reserves	Retained earnings	Total equity
	N '000	N '000	N '000	N '000	N '000	N '000
Company						
Balance at 1 October 2018	521,035	3	(37,048)	487,418	3,652,804	4,624,212
Profit for the year	-	-	-	-	1,574,909	1,574,909
Other comprehensive income	-	-	(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)	-	-	(104,237)	(3)
* Share adjustment	150	-	-	-	-	150
Statute barred unclaimed dividend received	-	-	-	-	71,592	71,592
Dividends	-	-	-	-	(260,593)	(260,593)
Total contributions by and distributions to owners of company recognised directly in equity	104,387	(3)	-	-	(293,238)	(188,854)
Balance at 1 October 2019	625,422	-	(45,234)	487,418	4,864,438	5,932,044
Profit for the year	-	-	-	-	3,456,694	3,456,694
Other comprehensive income	-	-	(413)	-	(196,413)	(196,826)
Total comprehensive income for the year	-	-	(413)	-	3,260,281	3,259,868
Statute barred unclaimed dividend received	-	-	-	-	20,456	20,456
Dividends	-	-	-	-	(525,355)	(525,355)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(504,899)	(504,899)
Balance at 30 September 2020	625,422	-	(45,647)	487,418	7,619,820	8,687,013

The accounting policies and the notes 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	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Cash flows from operating activities					
Cash generated from operations	32	6,252,052	5,500,355	5,670,180	5,109,836
Tax paid	15	(980,163)	(329,135)	(863,307)	(272,251)
Net cash generated from operating activities		5,271,889	5,171,220	4,806,873	4,837,585
Cash flows from investing activities					
Purchase of property, plant and equipment	16	(1,026,011)	(303,392)	(532,449)	(234,732)
Proceed from disposal of property, plant and equipment		10,099	-	941	2,051
Purchase of investment property		-	-	(263,158)	-
Proceeds from sale of investment property	18	-	125,587	-	110,000
Purchase of other intangible assets	17	(8,622)	(11,765)	(8,295)	(11,765)
Additions to finance lease receivables	43	(20,526)	(25,752)	(20,526)	(25,752)
Finance lease receipts	43	17,564	-	17,564	-
Interest Income	13	26,822	21,383	19,756	21,383
Net cash used in from investing activities		(1,000,674)	(193,939)	(786,167)	(138,815)
Cash flows from financing activities					
Share adjustment	29	-	150	-	150
Proceeds from borrowings	24	5,497,062	5,982,141	4,865,616	5,982,141
Repayment of borrowings	24	(2,285,830)	(8,932,749)	(2,065,147)	(8,897,392)
Dividends paid	31	(565,345)	(292,621)	(525,355)	(260,593)
Proceeds on sale of shares in subsidiary to non-controlling interest where control is not lost		-	41,258	-	-
Interest paid		(764,977)	(927,741)	(596,616)	(734,642)
Net cash generated from (used in) financing activities		1,880,910	(4,129,562)	1,678,498	(3,910,336)
Total movement for cash & cash equivalent for the year		6,152,125	847,719	5,699,204	788,434
Cash at the beginning of the year		768,285	(79,434)	710,010	(78,424)
Cash and cash equivalent at the end of the year	23	6,920,410	768,285	6,409,214	710,010



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

CORPORATE 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 Nigeria Plc is a Public Limited Liability company and it has six subsidiaries as well as one subsidiary classified as a discontinued operation and disclosed in Note 40.1. These subsidiaries include Vitavisco Ltd, Vitapur Ltd, Vono Furnitures Ltd, Vitablom Ltd, Vitafoam Sierra Leone Ltd, Vitagreen Ltd (discontinued operation) 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 1.3

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.

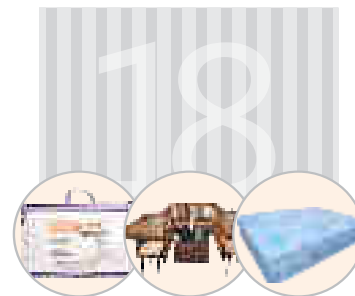
Separate financial statements for Vitafoam Nigeria Plc (the Company) have also been presented. The same accounting policies are used by both the Group and Company.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 15 December, 2020.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of measurement and preparation

The consolidated and separate financial statements have been prepared in accordance with International



1.1 Basis of measurement and preparation (Cont'd)

Financial Reporting Standards (IFRS) applicable for the year ended 30 September 2020 including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee

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 1.19 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.

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 financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, 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.

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.

1.2 Consolidation

Basis of consolidation

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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Basis of consolidation (Cont'd)

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.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in 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 interest even if this results in the non-controlling interest being in deficit.

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 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.

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

**Basis of consolidation (Cont'd)**

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

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

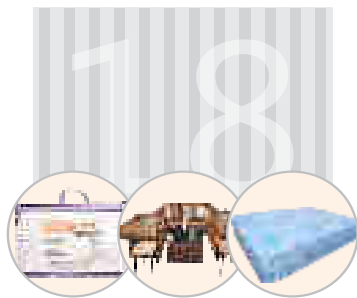
The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. This treatment applies To non controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non- controlling interests are measured at the iracquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

1.2 Consolidation (Cont'd)

Business combinations (Cont'd)

interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the. Where the existing shareholding was classified as an investment in financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any share holding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Common control business combinations

Business combinations involving entities ultimately controlled by the Vitafoam group are accounted for us in 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 value 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.

1.3 Foreign currency

Functional and presentation currency

Items included in the consolidated and separate financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated consolidated and separate financial statements are presented in Naira which is the group functional and presentation currency.

Transactions and balances

In preparing the financial statements of the Group entities, 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 retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.



1.3 Foreign currency (Cont'd) Transactions and balances (Cont'd)

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- 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 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).

On 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 result in the group losing control over the subsidiary, the proportionate share of accumulated foreign exchange difference are re-distributed to non controlling interest and are not recognized in profit or loss. For other partial disposal (i.e. partial disposal in 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.

1.4 Revenue recognition

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



1.4 Revenue recognition (Cont'd)

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.

1.5 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	- weighted average cost of direct materials, labour costs a proportion of production overheads based on normal operating cycle
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.

1.6 Provisions

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. 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).

1.7 Property, plant and equipment

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. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a



1.7 Property, plant and equipment (Cont'd)

prospective basis. 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 life(years)
Buildings	33
Plant and machinery	5
Furniture and fixtures	5
Motor vehicles	4

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.

When an item of property, plant and equipment is disposed, the item is derecognised.

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.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended 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.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

1.8 Taxation

Current tax assets and liabilities

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current Income tax

The tax currently payable is based on taxable profit or the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax



1.8 Taxation (Cont'd)

Current Income tax (Cont'd)

professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred Income tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

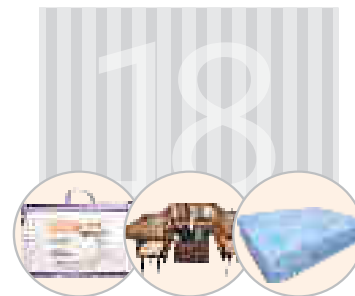
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS12 is not rebutted. As a result, the Group has not recognized any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.



1.8 Taxation (Cont'd)

Deferred Income tax (Cont'd)

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity. In Which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

1.9 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.

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.

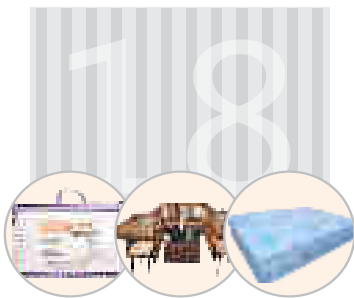
Defined benefits scheme

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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

1.9 Employee benefits (Cont'd) **Defined benefits scheme (Cont'd)**

Past-service costs are recognised immediately in income.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Defined benefit costs are split into three categories:

- Service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements

The Group recognize service costs within profit or loss as administrative expenses (see note 10).

Interest expense or income is recognised within finance costs (see note 12 and 13).

The retirement benefit obligation recognised in the consolidated statement of financial position represents the 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.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service cost by attributing the contributions to periods of service using the attribution method required by IAS 19:70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity [reduces service cost in the period in which the related service is rendered/reduces service cost by attributing contributions to the employees' periods of service in accordance with IAS 19:70].



1.9 Employee benefits (Cont'd)

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.

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

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.

1.10 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.

1.11 Dividend distribution

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

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

1.12 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Group as lessee

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

1.12 Leases (Cont'd)

Lease liability (Cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- the exercise price of purchase options, if the group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 12)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

Details of leasing arrangements where the group is a lessee are presented in note 44 Leases (group as lessee).

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are Incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.



1.12 Leases (Cont'd)

Right-of-use assets (Cont'd)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss.

Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.



1.13 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The fair value of the government loan at below market rate of interest is estimated as the present value of all future cash flows discounted using the prevailing market rate(s) of interest for a similar instrument with a similar credit rating. The benefit of the government grant is measured as the difference between the fair value of the loan and the proceeds received.

1.14 Segmental reporting

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.

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

The primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

1.15 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.

**1.15 Borrowing costs (Cont'd)**

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.

1.16 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.

Property rented to a parent, subsidiary, or fellow subsidiary is not investment property in consolidated financial statements that include both the lessor and the lessee, because the property is owner-occupied from the perspective of the group. However, such property could qualify as investment property in the separate financial statements of the lessor, if the definition of investment property is otherwise met.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Depreciation is recognised so as to write off the cost of the investment property over their useful lives, using the straight-line method, on the following basis:

Asset Category	Useful life (years)
Investment property	33

1.17 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.



1.17 Intangible assets (Cont'd)

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: Nil). No impairment charges as the assets were not impaired.

Internally-generated intangible assets - research and development expenditure

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

1.18 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.



1.18 Non-current assets held for sale (and) (disposal groups) (Cont'd)

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 and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

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

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

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate that will be disposed of is classified as held for sale when the criteria described above are met, and the Group ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

1.19 Critical accounting judgements and sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 Companies. 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



1.19 Critical accounting judgements and sources of estimation uncertainty (Cont'd)

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 its 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.

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.

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.

Impairment of non-financial assets

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

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.

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



1.19 Critical accounting judgements and sources of estimation uncertainty (Cont'd)

Income taxes (Cont'd)

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.

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 Companies. 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 Companies 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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements:

Impairment of non-financial assets

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

Investment in subsidiary – Vitapur Nigeria Limited and Vitablom Nigeria Limited

Even though Vitafoam holds only 40% of the equity shares in Vitapur Nigeria Limited and 40.64% in Vitablom Nigeria Limited, the Directors believe that Vitafoam has "more than" significant influence and controls the financials and operating policies of Vitapur and Vitablom Nigeria Limited. This key judgement forms the basis for the consolidation of Vitapur and Vitablom in these consolidated financial statements.



1.19 Critical accounting judgements and sources of estimation uncertainty (Cont'd)

Impairment of financial assets

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

1.20 Financial assets

Despite the foregoing, the Group may make the following irrevocable election/ designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below)

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For purchased or originated credit impaired financial assets, the Group recognises interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (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) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below). For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.



1.20 Financial assets (Cont'd)

(ii) Debt instruments classified as at FVTOCI

The corporate bonds held by the Group are classified as at FVTOCI. Fair value is determined in the manner described in note 1.2. The corporate bonds are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has of a recent actual pattern of short term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contractor a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item (note 13) in profit or loss.

The Group does not have and neither have they designated any investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

1.20 Financial assets (Cont'd) Financial assets at FVTPL (Cont'd)

criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit, loss includes any dividend, or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in the Group's accounting policies (note 1.2).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.

Derecognition

Financial assets

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

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

It is assumed that the terms are substantially different if the discounted present value of the cash flows under



1.20 **Financial assets (Cont'd)** **Financial liabilities (Cont'd)**

the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses

1.21 **Related parties**

Related parties include the holding company and other group entities. Directors, their close family members and any employee who is able to exert a significant influence on the operating policies of the Group are also considered to be related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

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 that are relevant to its operations:

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 amendment has no impact on the group's consolidated and separate financial statements.

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 amendment has no 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 amendment has no 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 amendment has no 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 IFRS3) that, in such cases, previously held interests in the joint operation are not remeasured. The amendment has no 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 amendment has no 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 amendment has no 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 amendment has no 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

**IFRS 16 Leases (Cont'd)****Group as lessee: (Cont'd)**

underlying asset.

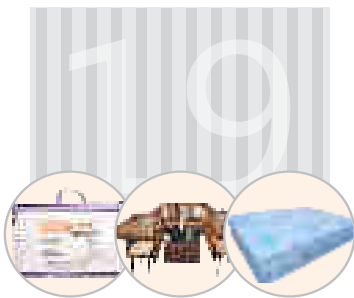
- The lease liability takes into consideration, where appropriate, fixed and variable lease payments; residual value guarantees to be made by the lessee; exercise price of purchase options; and payments of penalties for terminating the lease.
- The right-of-use asset is subsequently measured on the cost 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.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

IFRS 16 Leases (Cont'd)

Sale and leaseback transactions: (Cont'd)

- 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 IFRS16.
- 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 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 1 October 2020 or later periods:

Amendments to IFRS 10 and IAS 28: amendments 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.

The directors of the company anticipate that the application of this amendment may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

Amendments to IFRS 3 Definition of a business

The amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after 1 January 2020.

The group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

The directors of the company anticipate that the application of this amendment may have an impact on the group's consolidated financial statements in future periods should such transactions arise.



2.2 Standards and interpretations not yet effective (Cont'd)

Amendments to IAS 1 and IAS 8: Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted. The directors do not anticipate this to have material impact on the Group's consolidated and separate financial statements.

IFRS 17 Insurance contracts

The new standard establishes the principle for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance contracts.

The standard outlines a General Model, which is modified for insurance contracts with direct participation features described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' option and guarantees. The implementation of the Standard is unlikely to bring significant changes entity's processes, systems and financial statements as the Group does not hold insurance contracts.

The standard is effective for annual reporting periods beginning on or after 1 January 2023 with early application permitted as long as IFRS 9 and IFRS 15 are also applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. The directors of the Group do not anticipate that the application of the Standard in the future will have an impact on the Group's consolidated and separate financial statements.

Amendment to references in IFRS Conceptual framework

The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework.

Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

The Group intend to adopt the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in 2021 reporting period.



2.2 Standards and interpretations not yet effective (Cont'd)

Amendment to references in IFRS Conceptual framework (Cont'd)

The directors of the Group do not anticipate that the application of the Standard in the future will have an impact on the Group's consolidated and separate financial statements.

COVID-19 - Related Rent Concessions - Amendment to IFRS 16

The COVID-19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for if it were not a lease modification. This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; any reduction in lease payment affects only payments originally due on or before 30 June 2021 and there is no substantive change to other terms and conditions of the lease.

The effective date of the amendment is for years beginning on or after June 1, 2020. The group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements. It is unlikely that the amendment will have a material impact on the Group's consolidated and separate financial statements.

3.0 CHANGES IN ACCOUNTING POLICY

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the standards.

Application of IFRS 16 Leases

In the current year, the company has adopted IFRS 16 Leases (as issued by the IASB in January 2016) with the date of initial application being 1 October 2019. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC 27 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in the accounting policy for leases. The impact of the adoption of IFRS 16 on the group's consolidated and separate financial statements is described below.

The group has applied the practical expedient available in IFRS 16 which provides that for contracts which exist at the initial application date, an entity is not required to reassess whether they contain a lease. This means that the practical expedient allows an entity to apply IFRS 16 to contracts identified by IAS 17 and IFRIC 4 as containing leases; and to not apply IFRS 16 to contracts that were not previously identified by IAS 17 and IFRIC 4 as containing leases.

IFRS 16 has been adopted by applying the modified retrospective approach, whereby the comparative figures are not restated. Instead, cumulative adjustments to retained earnings have been recognised in retained earnings as at 1 October 2019.

Leases where group is lessee

Leases previously classified as operating leases

The group undertook the following at the date of initial application for leases which were previously recognised as operating leases:

- recognised a lease liability, measured at the present value of the remaining lease payments, discounted at the group's incremental borrowing rate at the date of initial application.



3.0 CHANGES IN ACCOUNTING POLICY (Cont'd)

Leases previously classified as operating leases (Cont'd)

- recognised right-of-use assets measured on a lease by lease basis, at either the carrying amount (as if IFRS 16 applied from commencement date but discounted at the incremental borrowing rate at the date of initial application) or at an amount equal to the lease liability adjusted for accruals or prepayments relating to that lease prior to the date of initial application.

The group applied IAS 36 to consider if these right-of-use assets are impaired as at the date of initial application.

The group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases in terms of IAS 17. Where necessary, they have been applied on a lease by lease basis:

- when a portfolio of leases contained reasonably similar characteristics, the group applied a single discount rate to that portfolio;
- leases which were expiring within 12 months of 1 October 2019 were treated as short term leases, with remaining lease payments recognised as an expense on a straight-line basis or another systematic basis which is more representative of the pattern of benefits consumed;
- initial direct costs were excluded from the measurement of right-of-use assets at the date of initial application.
- hindsight was applied where appropriate. This was specifically the case for determining the lease term for leases which contained extension or termination options.

Impact on financial statements

On transition to IFRS 16, the group recognised an additional N217,619 of right-of-use assets and N120,107 of lease liabilities. There was no impact to the retained earnings.

Impact on profit or loss	As previously Reported 30/09/2019	IFRS 16 Adjustments	As Presented 01/10/2019	As reported 30/09/2020
	N'000	N'000	N'000	N'000
Finance cost	-	-	-	15,484
ROU- depreciation charge	-	-	-	12,290
lease rental ammortization	23,546	(23,546)	(23,546)	(23,546)
Impact on profit or loss	23,546	(23,546)	(23,546)	4,228
Impact on assets, liabilities and equity as at 1 october 2019				
Right of use assets	-	229,909	229,909	217,619
Prepayments(leased assets)	125,286	(125,286)	-	-
Impact on total assets	125,286	104,623	229,909	217,619
lease liabilities	-	104,623	104,623	120,107
impact on total liabilities	-	104,623	104,623	120,107



4.0 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial risk management

Overview

The Group and company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates, credit risk, liquidity risk and interest rates.

The Group's Finance Director reports to the Board at least annually with reference to the application of the Group Treasury Policy. The policy addresses issues of liquidity, funding and investment as well as interest rate, currency and commodity risks.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls and to monitor the risks and limits continually by means of reliable and up-to-date systems. The Group modifies and enhances its risk management policies and systems to reflect changes in markets and products. The Audit & Risk Committee, under authority delegated by the Board, formulates the high-level Group risk management policy, monitors risk and receives reports that allow it to review the effectiveness of the Group's risk management policies.

The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to both Senior Management and the Audit Committee.

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

Market risk is the risk that movements in market rates, including foreign exchange rates, interest rates, equity and commodity prices will affect the fair value or future cash flows of a financial instrument. The management of market risk is undertaken using risk limits approved by the operating unit finance directors under delegated authority.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group also sets credit limits and monitors customer activities to ensure 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.

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.



The maximum exposure to credit risk is presented in the table below:

Group

30 September 2020 Financial assets	Neither past due nor impaired	90-120 days	Above 120 days	Total
	N'000	N'000	N'000	N'000
Cash and bank balances	6,920,410	-	-	6,920,410
Trade receivables (Net)	246,262	-	-	246,262
Staff advances	4,914	-	-	4,914
Other receivables	349,869	-	-	349,869
	7,521,455	-	-	7,521,455
30 September 2019 Financial assets	Neither Past due nor impaired	90-120 days	Above 120 days	Total
	N'000	N'000	N'000	N'000
Cash and bank balances	779,364	-	-	779,364
Trade receivables (Net)	544,995	-	-	544,995
Staff advances	13,173	-	-	13,173
Other receivables	202,590	-	-	202,590
	1,540,122	-	-	1,540,122
Company				
30 September 2020 Financial assets	Neither Past due nor impaired	90-120 days	Above 120 days	Total
	N'000	N'000	N'000	N'000
Cash and bank balances	6,409,214	-	-	6,409,214
Trade receivables (Net)	159,378	-	-	159,378
Staff advances	3,806	-	-	3,806
Other receivables	221,622	-	-	221,622
Due from related parties	1,764,296	-	-	1,764,296
	8,558,316	-	-	8,558,316
30 September 2019 Financial assets	Neither Past due nor impaired	90-120 days	Above 120 days	Total
	N'000	N'000	N'000	N'000
Cash and bank balances	710,486	-	-	710,486
Trade receivables (Net)	305,331	-	-	305,331
Receivables from related parties	1,868,775	-	-	1,868,775
Staff advances	6,097	-	-	6,097
Other receivables	174,273	-	-	174,273
	3,064,962	-	-	3,064,962



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Collateral (Dealer's security account balances)	81,164	32,451	70,954	32,451
No other collateral is held on these balances.				
An analysis of impaired receivables (above 120 days) and related allowance for impairment loss is as follows:				
	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Carrying amount before provision(Gross)	317,208	697,661	254,250	417,449
Provisions for impairment loss	(276,347)	(472,936)	(228,492)	(384,929)
Net carrying amount	40,861	224,725	25,758	32,520

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 group enjoys favourable 90 days of credit from its suppliers as against 30 days of credit it gives to its customers. Thus, the group is always at an advantage position to meet its obligations because funding is quickly available from credits extended to its customers than the timing it requires to settle its obligations.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

**Group - 2020**

		Within 1 year	Between 2 years and above	Total
		N'000	N'000	N'000
Financial liabilities				
Borrowings- Term loans	24	1,045,438	2,450,717	3,496,155
Lease liabilities	45	120,107	-	120,107
Trade and other payables	28	2,527,004	-	2,527,004
Borrowings (Bank overdrafts & letter of credits)	24	3,137,291	-	3,137,291
		6,829,840	2,450,717	9,280,557

Group - 2019

		within 1 year	Between 2 years and above	Total
		N'000	N'000	N'000
Financial liabilities				
Borrowings- Term loans	24	1,157,074	1,289,794	2,446,868
Trade and other payables	28	1,957,254	-	1,957,254
Borrowings (Bank overdrafts & letter of credits)	24	986,425	-	986,425
		4,100,753	1,289,794	5,390,547

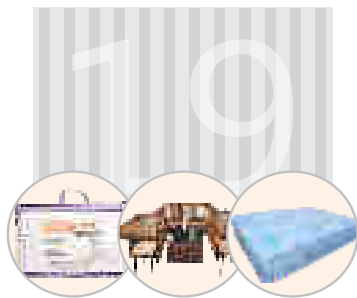
Company - 2020

		Within1 year	between 2 years and above	Total
		N'000	N'000	N'000
Financial liabilities				
Borrowings- Term loans	24	793,667	1,857,569	2,651,236
Lease liabilities	45	120,107	-	120,107
Trade and other payables	45	1,975,665	-	1,975,665
Borrowings (Bank overdrafts and letter of credits)	24	3,281,297	-	3,281,297
		6,170,736	1,857,569	8,028,305

Company - 2019

		Within1 year	between 2 years and above	Total
		N'000	N'000	N'000
Financial liabilities				
Borrowings- Term loans	24	1,020,738	1,080,794	2,101,532
Trade and other payables	28	1,516,022	-	1,516,022
Borrowings (Bank overdrafts and letter of credits)	24	1,030,532	-	1,030,532
		3,567,292	1,080,794	4,648,086

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 2020.



Market risk

Market risk is the risk that movements in market rates, including foreign exchange rates, interest rates, equity and commodity prices will affect the fair value or future cash flows of a financial instrument. The management of market risk is undertaken using risk limits approved by the operating unit finance directors under delegated authority.

Foreign currency 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 is 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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
US Dollars 10% increase	(444,368)	(368,724)	(444,368)	(368,724)
US Dollars 10% decrease	444,368	368,724	444,368	368,724

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

Increase or decrease in rate	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
10% increase in interest rate	137,444	48,066	118,409	43,856
10% decrease in interest rate	(137,444)	(48,066)	(118,409)	(43,856)

Price Risk

The group's equity instruments are classified as investment in financial assets 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.

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 manages its capital to ensure that entities in the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2019.

The capital structure of the Group consists of Net debt (bank overdrafts, borrowings, less cash and bank balances) and the equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests).

The Group's risk management committee reviews the capital structure on a semi-annual basis. As part of this review, the committee considers the cost of capital and the risks associated with each class of capital.

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



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Total borrowings	6,633,446	3,433,293	5,932,533	3,132,540
Cash and cash equivalents	(6,920,410)	(779,364)	(6,409,214)	(710,486)
Net debt	(286,964)	2,653,929	(476,681)	2,422,054
Equity	9,040,375	5,969,707	8,687,025	5,932,047
Gearing ratio (net debt/equity)	- 3%	44%	- 5%	41%

5.0 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 (level1).
- 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) (level2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level3).
- 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 2020 for both group and company:

Assets Fair value through OCI	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Equity Securities	5,122	-	-	5,122

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

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



5.0 Fair value estimation (cont'd)

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. CATEGORIES OF FINANCIAL INSTRUMENTS

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
The Group's financial instruments are categorised as follows:				
Financial assets				
Amortised cost				
Cash and cash equivalents (Note 23)	6,920,410	779,364	6,409,214	710,486
Trade and other receivables (Note 21)	601,045	760,758	2,149,102	2,354,476
Fair value through OCI				
Investment in financial assets (Note 19)	5,122	5,729	5,122	5,729
	7,526,577	1,545,851	8,563,438	3,070,691
Financial liabilities				
Borrowings (Note 24)	6,633,446	3,433,293	5,932,533	3,132,540
Trade and other payables (excluding statutory deductions) (Note 28)	2,227,606	1,523,671	1,775,250	1,101,251
	8,861,052	4,956,964	7,707,783	4,233,791



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

7.0. 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 note 37).

Group analyses its net revenue by the following categories

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Revenue from contracts with customers				
Sale of goods (Foams and other products)	22,612,372	21,503,835	20,689,639	19,550,712
Rendering of services (Freight Income)	831,458	779,328	831,458	779,328
	23,443,830	22,283,163	21,521,097	20,330,040
In presenting information on the basis of geography, segment revenue is based on the geographical location of the customers:				
Analysis by Geographical area				
Within Nigeria	22,827,905	21,720,092	21,521,097	20,330,040
Outside Nigeria	615,925	563,071	-	-
	23,443,830	22,283,163	21,521,097	20,330,040
8.0 COST OF SALES				
Raw materials and consumables	11,986,903	13,202,045	12,059,200	12,683,164
Manufactured goods:				
Labour cost	161,150	104,049	161,150	104,049
Depreciation and impairment	219,696	175,061	82,700	76,646
Maintenance and repairs expenses	62,599	39,115	49,527	39,115
	12,430,348	13,520,270	12,352,577	12,902,974

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
9.0 OTHER GAINS AND LOSSES				
Sale of scrap items	121,166	62,124	77,146	48,529
Rental income	11,739	4,268	23,793	23,837
Investment income	5,200	-	37,234	45,598
Profit on disposal of assets	2,393	113,884	941	112,527
Exchange gains	68,521	116,710	114,286	234,817
Provision no longer required (note 9.1)	294,447	59,416	243,079	81,114
Actuarial loss on long service award	(27,470)	(6,885)	(27,470)	(6,885)
Government grants	107,090	40,314	107,090	40,314
Interest refund	55,890	-	55,890	-
	638,976	389,831	631,989	579,851

9.1 Provision no longer required :This relates to write back of prior year value added tax provision of N210m and over provision of Expected Credit Loss on trade and related party receivables of N33m (2019:N81m)



	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
10. ADMINISTRATIVE EXPENSES				
AGM expenses	37,859	33,944	36,758	33,130
Advertising	373,688	327,240	340,813	307,298
Audit fees	32,642	32,575	22,500	22,500
Bad debt expense	154,982	38,744	48,447	695,300
Bank charges	49,209	44,154	37,629	36,108
Cleaning	25,197	22,834	15,761	14,046
Professional and Consulting fees	154,264	144,030	123,528	110,351
Depreciation and amortisation (Note 42)	437,014	198,379	369,716	149,252
Donations	1,853	7,581	1,248	5,848
Employee costs	1,885,032	1,813,717	1,457,532	1,455,396
Entertainment	16,507	18,392	12,590	14,769
Other admin and general expenses (Note 10.1)	27,518	91,655	15,441	14,265
Actuarial loss/(gain) on long service award	13,859	11,747	13,859	11,747
Conference & award expenses	14,982	5,202	8,747	4,994
Impairment of assets held for sale	-	18,740	-	18,740
Impairment of property, plant and equipment	22,345	-	22,345	-
Insurance	59,349	53,255	46,514	40,778
Rent and rates	89,619	162,384	27,062	94,336
Fines, Levies and penalties	251	342	200	-
Stationery, newspapers and periodicals	16,021	17,648	10,575	13,123
Electricity and other utilities	257,910	253,518	214,271	229,921
Printing and stationery	58,025	57,570	47,962	47,885
Protective clothing	4,191	2,936	2,308	1,554
Repairs and maintenance	186,917	164,913	139,317	126,642
Research and development costs	3,535	2,449	-	-
Security	51,943	50,058	40,170	38,578
Subscriptions	16,390	14,723	13,139	13,033
Transport and travelling	137,117	144,733	83,357	104,131
	4,128,219	3,733,463	3,151,789	3,603,725

10.1 Other admin and general expenses comprises of sundry expense, internal audit and employees scholarship scheme expenses respectively

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
11. DISTRIBUTION EXPENSES				
Distribution expenses	1,054,011	974,751	1,022,406	919,180



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

		Group		Company	
		2020 N '000	2019 N '000	2020 N '000	2019 N '000
12.	FINANCE COSTS				
	Interest on loans and overdraft	676,879	904,862	511,324	717,319
	Interest on lease	15,484	-	15,484	-
	Other finance cost	88,098	22,879	85,292	17,323
	Interest on defined benefit obligation	149,710	121,991	149,710	121,991
	Total finance costs	930,171	1,049,732	761,810	856,633
13.	FINANCE INCOME				
	Interest on time deposit	26,822	21,383	19,756	21,383
	Interest on planned assets	79,686	79,677	79,686	79,677
		106,508	101,060	99,442	101,060
14.	TAXATION				
	Income tax expense				
	Income tax	1,552,271	922,711	1,336,238	788,142
	Education tax	123,631	69,128	106,646	58,498
	Capital gain tax	43	9,122	-	9,122
	Police trust fund levy	278	-	248	-
		1,676,223	1,000,961	1,443,132	855,762
	Under provision in prior year	10,772	-	10,772	-
	Deferred tax provision	43,690	30,172	53,347	65,337
	Tax expense	1,730,685	1,031,133	1,507,251	921,099

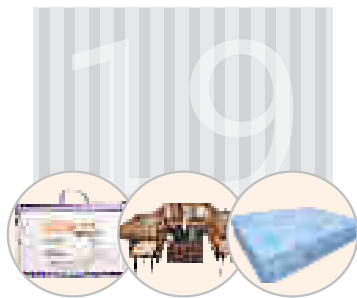
The current tax charge has been computed at the applicable rate of 30% (30 September 2019: 30%) plus education levy of 2% (30 September 2019: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes.

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

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Reconciliation between accounting profit and tax expense.				
Accounting profit	5,646,565	3,495,838	4,963,946	2,496,008
Tax at the applicable tax rate of 30% (2019: 30%)	1,693,970	1,029,252	1,489,184	748,802
Tax effect of adjustments on taxable income				
Effect of income exempted from taxation	(11,823)	(133,420)	(12,119)	(133,420)
Effect of non-deductible expenses in determining taxable profit	19,000	174,235	11,872	134,507
Effect of currency translation	(5,653)	-	-	-
Effect of other allowances	(14,035)	(5,202)	(9,217)	(3,477)
Effect of back duty tax	10,772	-	10,772	-
Effect of deferred education tax	2,411	(4,602)	3,556	(4,545)
Effect of police levy	278	-	248	-
Effect of education tax	123,631	69,128	106,646	58,498
Effect of over provision prior year - deferred tax	(49,809)	111,612	(90,901)	111,612
Effect of minimum tax	5,052	51	-	-
Capital gains	(85)	9,122	-	9,122
Others	(230)	41,088	-	-
Effect of recognition of previously unrecognised deferred tax	(36,989)	(9,512)	(2,790)	-
Effect of eliminated intergroup transactions	(5,805)	-	-	-
Effect of impairment of investment in subsidiaries released upon consolidation	-	(250,619)	-	-
	1,730,685	1,031,133	1,507,251	921,099
15. TAX PAYABLE				
The movement in tax payable/receivable is as follows:				
At 1 October	1,017,577	345,751	855,763	272,252
company income tax for the year	1,676,223	1,000,961	1,443,132	855,762
payment during the year	(983,391)	(329,135)	(866,536)	(272,251)
Under provision in prior year	10,772	-	10,772	-
At 30 September	1,721,181	1,017,577	1,443,131	855,763



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment - Group

	Land	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Total
	N '000	N '000	N '000	N '000	N '000	N '000
Cost						
At 1 October 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
Disposals	-	-	-	(734)	(37,419)	(38,153)
Transfers from investment property (Note 16.6)	-	441,550	-	-	-	441,550
Reclassification from asset held for sale	-	127,022	-	-	-	127,022
Effect of exchange differences	-	-	-	(341)	(557)	(898)
At 30 September 2019	291,023	2,739,621	2,629,939	375,920	533,351	6,569,854
Additions	3,075	439,707	441,025	25,447	116,757	1,026,011
Derecognition of disposed subsidiary (Note 16.4)	-	-	-	(2,390)	(3,907)	(6,297)
Disposals	-	-	(13,472)	-	(30,886)	(44,358)
Transfer from assets held for sale (Note 16.5)	-	1,616,581	34,796	12,699	3,901	1,667,977
Impairment (Note 16.1)	-	(22,345)	-	-	-	(22,345)
Transfer from disposal group (Note 16.2)	-	726,945	130,557	12,408	25,966	895,876
Reclassifications (Note 16.3)	7,610	(7,610)	-	-	-	-
Effect of exchange differences	-	17,354	3,117	296	619	21,386
At 30 September 2020	301,708	5,510,254	3,225,962	424,381	645,802	10,108,104
Depreciation and impairment						
At 1 October 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
Disposals	-	-	-	(634)	(31,404)	(32,038)
Transfer	-	138,550	-	-	-	138,550
Effect of exchange differences	-	-	(823)	(203)	(306)	(1,332)
At 30 September 2019	-	678,182	2,175,826	315,883	429,412	3,599,303
Charge for the year	-	341,950	220,133	17,569	52,794	632,446
Derecognition of disposed of subsidiary	-	-	-	(1,588)	(2,865)	(4,453)
Disposals	-	-	(7,734)	-	(30,762)	(38,496)
Transfer from assets held for sale (Note 16.5)	-	68,681	34,796	12,699	3,901	120,077
Transfer from disposal group (Note 16.2)	-	105,973	117,082	10,566	18,214	251,835
Effect of exchange differences	-	3,042	2,872	270	504	6,688
At 30 September 2020	-	1,197,830	2,542,976	355,399	471,198	4,567,400
Carrying amount						
At 30 September 2019	291,023	2,061,439	454,113	60,037	103,939	2,970,551
At 30 September 2020	301,708	4,312,424	682,986	68,982	174,604	5,540,704



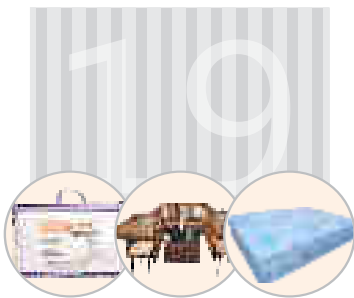
16.0 Property, plant and equipment (continued)

Property, plant and equipment - Company

	Land	Buildings	Plant and machinery	Furniture and fixtures	Motor vehicles	Total
	N '000	N '000	N '000	N '000	N '000	N '000
Cost						
At 1 October 2018	291,023	2,156,082	1,720,127	278,222	372,347	4,817,801
Additions	-	6,129	115,898	8,951	103,754	234,732
Disposal	-	-	-	-	(27,843)	(27,843)
At 30 September 2019	291,023	2,162,211	1,836,025	287,173	448,258	5,024,690
Additions	3,075	152,590	272,409	10,756	93,619	532,449
Disposals	-	-	-	-	(19,099)	(19,099)
Transfer from assets held for sale (Note 16.5)	-	1,616,581	34,796	12,699	3,901	1,667,977
Impairment (Note 16.1)	-	(22,345)	-	-	-	(22,345)
At 30 September 2020	294,098	3,909,037	2,143,230	310,628	526,679	7,183,672
Accumulated depreciation						
At 1 October 2018	-	469,276	1,585,509	256,155	345,888	2,656,828
Depreciation	-	65,504	76,647	15,417	37,047	194,615
Disposals	-	-	-	-	(27,842)	(27,842)
At 30 September 2019		534,780	1,662,156	271,572	355,093	2,823,601
Disposals	-	-	-	-	(19,099)	(19,099)
Transfer from assets held for sale (Note 16.5)	-	68,681	34,796	12,699	3,901	120,077
Depreciation	-	286,488	82,700	7,189	38,381	414,758
At 30 September 2020	-	889,949	1,779,652	291,460	378,276	3,339,337
Carrying amount						
At 30 September 2019	291,023	1,627,431	173,869	15,601	93,165	2,201,089
At 30 September 2020	294,098	3,019,089	363,578	19,167	148,403	3,844,335

- 16.1 Impairment** on building relates to damaged section of the Ikeja annex office
- 16.2 Transfer from disposal group** : This represent Vitafoam Sierra leone cost of property , plant and equipment formerly classified as held for sale in prior year
- 16.3 Reclassifications**: These relate to cost of land on building belonging to Vitablom Nigeria Limited reclassified to land
- 16.4 Derecognition of disposed subsidiary**: These represent cost of assets of Vitafoam Ghana business that was discontinued during the period
- 16.5 Transfer from assets held for sale** : These relate to cost of assets of Vitafoam Sierra Leone classified as held for sale in prior year
- 16.6 Transfer from Investment property** : These represent parent's cost of building rented to related parties transferred to group's property , plant and equipment.

Since, the property rented by a parent to a subsidiary is not investment property in consolidated financial



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

statements in line with IAS 40, because the property is owner-occupied from the perspective of the group. The investment property of the company (Vitafoam Nigeria Plc) was reclassified to property, plant & equipment as it is being occupied by two of its subsidiaries i.e. Vitablom Nigeria Limited and Vitapur Nigeria Limited.

16.7 Capitalized borrowings

There was no capitalised borrowing cost during the years ended 30 September 2020 and 30 September 2019.

16.8 Assets pledged - Security

As at 30 September 2020, all the fixed and floating properties of the parent (Vitafoam Nigeria Plc) were subject to a registered debenture that forms security for bank loans (see Note 24 for details)

17.0 INTANGIBLE ASSETS

Intangible assets- Group

	Computer Software
	N'000
Cost	
At 1 October 2018	99,468
Additions	11,765
At 30 September 2019	111,233
Additions	8,622
At 30 September 2020	119,855
Depreciation and impairment	
At 1 October 2018	(62,247)
Amortisation	(19,104)
At 30 September 2019	(81,351)
Amortisation	(12,530)
At 30 September 2020	(93,881)
Carrying amount	
At 30 September 2019	29,882
At 30 September 2020	25,974

Intangible assets - Company

	Computer Software
	N'000
Cost	
At 1 October 2018	94,195
Additions	11,765
At 30 September 2019	105,960
Additions	8,295
At 30 September 2020	114,255



Depreciation and impairment	
At 1 October 2018	(59,974)
Charge for the year	(17,905)
At 30 September 2019	(77,879)
Amortisation	(11,990)
At 30 September 2020	(89,869)
Carrying amount	
At 30 September 2019	28,081
At 30 September 2020	24,386

All intangible assets are non-current. All intangible assets of the Group have finite useful life and are amortised over 10 years in line with its accounting policy. The intangible assets represent cost of the Sage ERP package deployed

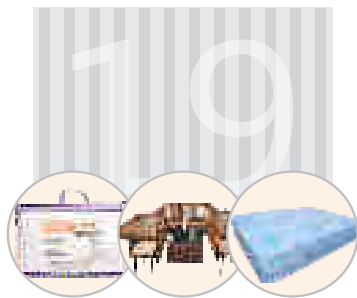
18.0 INVESTMENT PROPERTY

Investment property - Company

	Investment property
	N'000
Cost	
At 1 October 2018	455,096
Disposal	(13,546)
At 30 September 2019	441,550
Additions	263,158
At 30 September 2020	704,708
Depreciation and impairment	
At 1 October 2018	(133,128)
Disposal	7,957
Depreciation	(13,380)
At 30 September 2019	(138,551)
Depreciation	(13,380)
At 30 September 2020	(151,931)
Carrying amount	
At 30 September 2019	302,999
At 30 September 2020	552,777

The building is depreciated on a straight line basis at a rate of 3% per annum

The company's investment property occupied by related party was transferred to the group's property, plant and equipment in 2019 financial year. Therefore, there is no investment property recorded for the group.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

19.0 INVESTMENT IN FINANCIAL ASSET

Investment in equity instrument classified as fair value through OCI include the following:

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Investment in quoted shares	5,122	5,729	5,122	5,729
Fair value movement during the year				
At 1 October	5,729	17,768	5,729	17,768
Impairment loss(Note 41)	(607)	(12,039)	(607)	(12,039)
	5,122	5,729	5,122	5,729

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
20.0 INVENTORIES				
Finished goods- cost	699,637	1,017,572	425,469	747,366
Raw materials- cost	3,903,208	3,716,413	2,798,769	2,882,482
Work in progress-cost	489,122	449,679	387,111	415,950
Spare parts and consumables - cost	351,891	346,245	276,219	315,468
Inventories (write-downs)	5,443,858 (151,955)	5,529,909 (46,295)	3,887,568 (67,361)	4,361,266 -
	5,291,903	5,483,614	3,820,207	4,361,266
20.1 Inventory impairment as at 1 October (Write back)/charges	46,295 105,660	87,238 (40,943)	- 67,361	80,714 (80,714)
At 30 September	151,955	46,295	67,361	-
21.0 TRADE AND OTHER RECEIVABLES				
Trade receivables	685,114	1,108,073	421,298	750,943
Allowance for doubtful debt receivables	(438,852)	(563,078)	(261,920)	(445,612)
Trade receivables at amortised cost	246,262	544,995	159,378	305,331
Staff Debtors	4,914	13,173	3,806	6,097
Other receivables (Note 21.1)	349,869	202,590	221,622	174,273
Receivables from related parties (Note 36)	-	-	1,764,296	1,868,775
Total trade and other receivables	601,045	760,758	2,149,102	2,354,476

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 365 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.

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 'roll rate' 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

Of the trade receivables balance at the end of the year in financial statements, N30.26 million (2019: N40.22 million) are due from the Group's largest trade debtor. There are no other customers, which represent more than 10% of the total balance of trade receivables of the Group after impairment.

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.

Trade receivables are considered to be past due when they exceed the credit period granted.

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:



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Balance at 30 September, 2020						
	Expected credit loss rate	Group Gross carrying amount N'000	Loss allowance (Lifetime expected credit loss) N'000	Expected credit loss rate	Company Gross carrying amount N'000	Loss allowance (Lifetime expected credit loss) N'000
<30 days	16 %	167,981	(27,458)	14 %	109,826	(15,131)
<60 days	25 %	51,989	(12,779)	15 %	20,343	(3,023)
<90 days	37 %	37,425	(13,656)	40 %	20,782	(7,676)
<120 days	98 %	110,511	(108,611)	47 %	16,096	(7,498)
<180 days	48 %	16,660	(8,005)	52 %	12,349	(6,377)
<270 days	54 %	37,418	(20,158)	59 %	29,484	(17,303)
<360 days	65 %	42,480	(27,535)	75 %	29,420	(21,914)
Above 360 days	100 %	220,650	(220,650)	100 %	182,998	(182,998)
Total		685,114	(438,852)		421,298	(261,920)

Balance at 30 September 2019						
	Expected credit loss rate	Group Gross carrying amount N'000	Loss allowance (Lifetime expected credit loss) N'000	Expected credit loss rate	Company Gross carrying amount N'000	Loss allowance (Lifetime expected credit loss) N'000
<30 days	12 %	N'000	N'000	8 %	N'000	N'000
< 60 days	10 %	156,206	(18,397)	13 %	164,610	(13,169)
<90 days	68 %	146,394	(14,047)	40 %	90,115	(11,715)
<120 days	45 %	41,278	(27,947)	53 %	44,867	(17,947)
<180 days	43 %	66,534	(29,751)	52 %	33,902	(17,852)
< 270 days	43 %	68,366	(29,324)	52 %	34,642	(18,014)
< 360 days	91 %	33,317	(30,323)	61 %	33,317	(20,323)
<360 days	30 %	260,980	(78,291)	80 %	14,492	(11,594)
Above 360 days	100 %	334,998	(334,998)	100 %	334,998	(334,998)
Total		1,108,073	(563,078)		750,943	(445,612)

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Trade and other receivables impaired				
Trade receivable impaired:				
Past due and impaired	438,852	563,078	261,920	445,612
Reconciliation of provision for impairment of trade and other receivables				
At 1 October	563,078	454,379	445,612	310,560
Increase/(Decrease) of impairment charge during the year	96,424	(85,481)	5,859	(59,128)
Amounts written off	(220,650)	-	(189,551)	-
Transition adjustment		194,180		194,180
Balance at 30 September	438,852	563,078	261,920	445,612



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

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 recognition of provision for impaired receivables have been included in administrative expenses and other gain and losses in the statement of profit or loss. 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 receivable

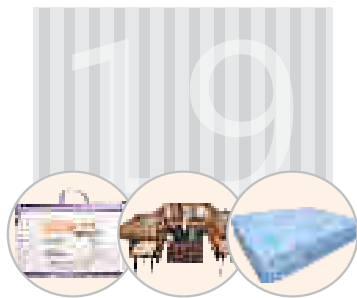
The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Group			Company		
	Collectively assessed N'000	Individually assessed N'000	Total N'000	Collectively assessed N'000	Individually assessed N'000	Total N'000
At 1 October 2019	490,016	73,062	563,078	372,550	73,062	445,612
Impairment charged /(write-back) during the year	(124,226)	-	(124,226)	(183,692)	-	(183,692)
At 30 September 2020	365,790	73,062	438,852	188,858	73,062	261,920

The following explain how significant changes in the loss allowance was determined:

- Customer groupings was done based on their geographical location in accessing the customers shared risk characteristics. Customers 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

		Group		Company	
		2020 N'000	2019 N'000	2020 N'000	2019 N'000
21.1	Other receivable				
	Unclaimed dividends held by Meristem Registrars	186,971	113,413	186,971	113,413
	Withholding tax receivable (Note 21.2)	101,069	-	636	-
	Sundry debtor	59,701	30,991	15,562	3,107
	Other debtors	27,470	58,186	18,453	58,186
		375,211	202,590	221,622	174,706



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

21.2 Withholding tax receivable

The movement on withholding tax receivables during the year was as follows:

Balance at 1 October	-	49,357	-	44,881
Additions during the year	104,298	-	3,864	-
Utilizations during the year	(3,228)	(49,357)	(3,228)	(44,881)
Balance at 30 September	101,070	-	636	-

Payments made by Nigerian customers of the Company are subject to a withholding tax in accordance with the Nigerian tax laws. The amount withheld is available to offset the actual tax liabilities. Based on the current tax laws, these withholding taxes do not expire.

22.0 OTHER ASSETS

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

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Prepaid rent	59,807	119,219	40,596	82,876
Prepaid insurance	13,364	13,393	10,325	11,531
Prepaid advertisement	-	4,016	-	4,016
Prepaid subscription	5,671	7,019	4,622	6,931
Advance payment for forex (Note 22.1)	2,833,828	696,103	2,224,408	155,482
Other prepayments (Note 22.2)	91,605	143,177	35,594	124,502
	3,004,275	982,927	2,315,545	385,338

22.1. Advance payments for forex represents committed cash no longer available for another purpose other than that for which it has been designated. They represent naira deposits for foreign currencies purchased for funding of letters of credit and forwards; all related to settlement of invoices emanating from importation of raw materials, spare parts and machinery, which are in transit at the year end

22.2. Other prepayment relates to advance payment for health insurance and container deposits

23.0 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Cash on hand	13,194	12,045	6,227	10,743
Bank balances	5,014,374	591,863	4,510,145	524,287
Fixed deposit	1,892,842	175,456	1,892,842	175,456
Cash and bank	6,920,410	779,364	6,409,214	710,486
Bank overdraft	-	(11,079)	-	(476)
	6,920,410	768,285	6,409,214	710,010

The Group has restricted cash balance N193 million (2019: N142.79 million), company N193 million (2019: N88.88 million) which is held as a collateral for credit line utilized for letter of credit and loan repayment reserves

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Retricted cash balance				
Zenith Bank	193,000	88,878	193,000	88,878
United Bank for Africa Plc	-	53,913	-	-
Balance at 30 September	193,000	142,791	193,000	88,878



		Group		Company	
		2020 N '000	2019 N '000	2020 N '000	2019 N '000
24.0	Borrowings				
	Non-current				
	Bank loan	2,450,717	1,289,794	1,857,569	1,080,794
	Current				
	Bank Overdraft	-	11,079	-	476
	Letter of credit	3,137,291	975,346	3,281,297	1,030,532
	Bank loan	1,045,438	1,157,074	793,667	1,020,738
	Total current borrowings	4,182,729	2,143,499	4,074,964	2,051,746
	Total borrowings	6,633,446	3,433,293	5,932,533	3,132,540
	Bank Overdraft	-	(11,079)	-	(476)
		6,633,446	3,422,214	5,932,533	3,132,064
	Split between non-current and current portions				
	Non-current liabilities	2,450,717	1,289,794	1,857,569	1,080,794
	Current liabilities	4,182,729	2,143,499	4,074,964	2,051,746
		6,633,446	3,433,293	5,932,533	3,132,540

24.1 Bank Borrowings

The bank borrowings represent the outstanding balances on two facilities - 4-year term loan of N2 billion granted at 12% to the parent in 2018 and another N2billion granted at 10% during the year .Both bank 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 19%. 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.

		Group		Company	
		2020 N '000	2019 N '000	2020 N '000	2019 N '000
	Reconciliation of borrowings				
	Balance as at 1 October	3,422,215	6,372,822	3,132,064	6,047,314
	Proceeds from borrowings	5,497,060	5,982,142	4,865,616	5,982,141
	Repayment of borrowings	(2,285,829)	(8,932,749)	(2,065,147)	(8,897,391)
	At 30 September	6,633,446	3,422,215	5,932,533	3,132,064

25.0 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 N4 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	
		2020 N '000	2019 N '000	2020 N '000	2019 N '000
	Non-current liabilities	244,187	44,281	244,187	44,281
	Current liabilities	174,855	39,118	161,047	39,118
		419,042	83,399	405,234	83,399



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

26.0 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.:

Deferred tax liability	(244,522)	(293,456)	(308,475)	(347,752)
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Group

30 September 2020 Deferred tax assets/ liabilities in relation to:	At 1 October N'000	P&L (Charges)/ writeback N'000	OCI (Charges) /write back N'000	Retained earnings N'000	At 30 September N'000
Property, plant & Equipment	355,904	90,883	-	-	446,787
Tax losses	-	53,829	-	-	53,829
Prior year under provision	111,611	(176,805)	-	-	(65,194)
Provision	(306,673)	30,049	(92,624)	-	(369,248)
Exchange difference	132,614	51,645	-	-	184,259
Lease liability/ROU	-	(5,911)	-	-	(5,911)
	293,456	43,690	(92,624)	-	244,522

Group

30 September 2019 Deferred tax assets/ liabilities in relation to:	At 1 October N'000	P&L (Charges)/ writeback N'000	OCI (Charges) /write back N'000	Retained earnings N'000	At 30 September N'000
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

Company

30 September 2020 Deferred tax assets/ liabilities in relation to:	At 1 October N'000	P&L (Charges)/ writeback N'000	OCI (Charges) /write back N'000	Retained earnings N'000	At 30 September N'000
Property, plant & Equipment	480,426	69,174	-	-	549,600
Prior year under provision	111,611	(111,611)	-	-	-
Provisions	(389,974)	58,259	(92,624)	-	(424,340)
Exchange difference	145,689	43,437	-	-	189,126
Lease liability/ROU	-	(5,911)	-	-	(5,911)
	347,752	53,348	(92,624)	-	308,475

Company

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

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	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Deferred tax assets	(434,479)	(306,673)	(430,251)	(389,974)
Deferred tax liabilities	676,513	600,129	738,726	737,726
	242,034	293,456	308,475	347,752

27.0 EMPLOYEE BENEFIT OBLIGATION

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Statement of financial position obligation				
Retirement benefit obligation	761,557	370,885	761,557	370,885
Long Service Awards Benefits	168,534	119,937	168,534	119,937
Liability in the statement of financial position	930,091	490,822	930,091	490,822

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 Pensions.

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:

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Carrying value				
Present value of the defined benefit obligation	(1,344,399)	(909,114)	(1,344,399)	(909,114)
Fair value of plan assets	582,842	538,229	582,842	538,229
	(761,557)	(370,885)	(761,557)	(370,885)
Net defined benefit obligation				
The movement in the present value of retirement benefits obligation over the year is as follows:				
At 1 October	909,114	709,122	909,114	709,122
Current service cost	97,953	80,135	97,953	80,135
Interest cost	132,448	107,699	132,448	107,699
Actuarial (gains) losses	252,891	41,194	252,891	41,194
Benefits paid	(48,007)	(29,036)	(48,007)	(29,036)
At 30 September	1,344,399	909,114	1,344,399	909,114
The movement in the fair value of the plan asset over the year is as follows:				
At 1 October	538,229	507,600	538,229	507,600
Expected return on plan assets	79,686	79,677	79,686	79,677
Employer contributions	38,280	38,280	38,280	38,280
Benefits paid by fund	(37,401)	(25,527)	(37,401)	(25,527)
Actuarial gain/(loss) on plan asset	(35,952)	(61,801)	(35,952)	(61,801)
At 30 September	582,842	538,229	582,842	538,229



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

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	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Service cost	111,812	91,882	111,812	91,882
Interest cost	149,710	121,991	149,710	121,991
Expected return on plan assets	(79,686)	(79,677)	(79,686)	(79,677)
Actuarial (gain)/loss on long service award	27,470	6,885	27,470	6,885
Remeasurement (gains) or losses (Note 41)	288,843	102,995	288,843	102,995
	498,149	244,076	498,149	244,076

Key assumptions used

The principal actuarial assumptions were as follows:

	Group and company	
	2020	2019
Discount rates used (p.a)	9.00%	15.00%
Expected rate of return on assets (p.a)	9.00%	14.00%
Inflation rate	11.00%	12.00%
Expected increase in salaries	11.00%	15.00%

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

Mortality in service Sample age	Group and company	
	Number of deaths in year out of 10000 2020	2019
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 together based on year of service. The group's mandatory retirement age is 60 years 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	
	N'000	N'000
At 1 October	119,937	95,515
Current service cost	13,859	11,747
Interest cost	17,262	14,292
Actuarial (gains)	27,470	6,885
Benefits paid	(9,994)	(8,502)
At 30 September	168,534	119,937

Sensitivity analysis

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

	Change in assumption	Impact on retirement benefit obligation as at 30 September 2020
		N'000
Base	-	1,344,399
Discount rate	+1%	1,212,554
	100%	1,498,303
Salary Increases	+1%	1,520,569
	100%	1,208,186
Mortality experience	Age rated up by 1 year	1,343,047
	Age rated down by 1 year	1,345,612

The weighted average duration of the defined benefit obligation is 11.24years.(2019 : 10.42)

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
28.0 TRADE AND OTHER PAYABLES				
Financial instruments:				
Trade payables	616,467	451,264	447,838	301,719
Dealers' security deposit	81,164	32,451	70,954	32,451
Other credit balances	140,255	152,199	97,916	73,823
Value added tax payable	246,982	350,166	135,740	326,849
Accrued expenses	186,045	205,737	66,549	42,487
Withholding tax payable	52,416	83,417	64,675	87,922
Other accounts payable	132,548	71,913	21,263	40,664
Contract liability (Note 28.1)	545,748	189,912	545,748	189,912
Dividends unclaimed (Note 28.2)	525,379	420,195	524,982	420,195
	2,527,004	1,957,254	1,975,665	1,516,022

All trade payables are due within twelve (12) months.

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

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 90 days. No interest is charged by the Group's suppliers on all its outstanding balances. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The Company's exposure to liquidity risk related to trade and other payables is disclosed in Note 4. The Directors consider the carrying amount of trade and other payables to approximate their fair value.



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Other statutory taxes comprises of payables relating to the following: Pension, Nigeria Social Insurance Trust Fund (NSITF), National Housing Fund (NHF), Industrial Training Fund (ITF), Pay-As-You-Earn (PAYE), Cooperative Union dues and staff gratuity for the subsidiaries (as there was no valuation done on this gratuity).

28.1 Contract liability

This represents customer cash deposit for products

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
28.2 Unclaimed dividend				
Age (Years)				
<12	23,751	20,574	23,751	20,574
<11	20,897	23,927	20,897	23,927
<10	27,082	21,200	27,082	21,200
<9	32,173	27,607	32,173	27,607
<8	22,862	32,916	22,862	32,916
<7	37,643	23,841	37,643	23,841
<6	40,467	38,613	40,467	38,613
<5	41,540	41,934	41,540	41,934
<4	23,093	42,846	23,093	42,846
<3	43,215	23,763	43,215	23,763
<2	71,178	47,640	71,178	47,640
<1	141,478	75,334	141,081	75,334
	525,379	420,195	524,982	420,195
28.2.1 Movement in unclaimed dividend				
Balance at 1 October	420,195	345,977	420,195	345,977
Dividend declared with respect to prior year	645,435	292,621	575,355	260,593
Payments during the year to Meristem Registrars	(645,435)	(292,621)	(575,355)	(260,593)
Unpaid dividend received (see (ii) below)	62,643	32,398	62,643	32,398
Unclaimed dividend above 15 (fifteen) months receivable from the registrar (see (iii) below)	186,971	113,413	186,971	113,413
Statute barred dividend transferred to retained earnings (see (i) below)	(20,456)	(71,592)	(20,456)	(71,592)
Payments made to Shareholders during the period	(124,371)	-	(124,371)	-
Balance at 30 September	524,982	420,195	524,982	420,195

The balance as at year-end is included in trade and other payables (Note 28).

- Unclaimed dividends received and transferred to retained earnings (statute barred dividends) represent dividends, which have remained unclaimed for over twelve (12) years and are therefore no longer recoverable or actionable by the shareholders in accordance with section 385 of the Companies and Allied Matters Act, Cap. C20, Laws of the Federal Republic of Nigeria, 2004.
- In accordance with the Securities and Exchange Commission (SEC) circular published in 2015, all Capital Market Registrars are to return unclaimed dividends, which have been in their custody for fifteen (15) months and above to the paying companies. The Group received N62.643million from Meristem Registrars Limited during the year (2019:N71.592million).
- As at 30 September 2020, N186.971million (2019: N113.413million) of the total dividend payable is held with the Company's registrar, Meristem Registrars. The balance at year-end is included in trade and other receivables.



	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
29.0 SHARE CAPITAL				
Authorised				
2,400,000 Ordinary shares of 50 kobo each	1,200,000	1,200,000	1,200,000	1,200,000
Issued				
Ordinary share 1,250,844 (2019 :1,042,070) of 50k each	625,422	521,035	625,422	521,035
Share adjustment	-	150	-	150
Bonus issue	-	104,237	-	104,237
	625,422	625,422	625,422	625,422

30.0 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	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Net profit attributable to shareholders	3,812,235	2,282,018	3,456,694	1,574,909
Weighted number of ordinary shares in issue as at year end (000)	1,250,844	1,250,844	1,250,844	1,250,844
Earnings per share (Kobo)	305	182	276	126

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.

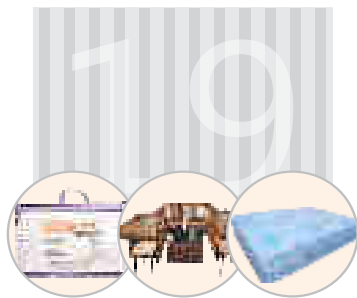
31.0 Dividends paid

Paid dividends in the last 2 years

The following dividend were paid by the Group and company for the respective years indicated:

Declared in 2020 and 2019	645,435	292,621	575,354	260,593
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Dividends of N525.35million (N0.42 per share) which relates to year ended 30 September 2019 (2018: N260.51 million N0.25 per share) was paid by Vitafoam Nigeria Plc (Company) in arrears in the year 2020. Vitablom Nigeria Limited also paid a dividend of N70.08million (N0.27 per share) for the same period. A dividend in respect of the year ended 30 September 2020 of N0.70 per share, amounting to a total dividend of N875.59 million is to be proposed by Vitafoam Nigeria Plc while a dividend of N0.40 amounting to N103.82 million is to be proposed by Vitablom Nigeria Limited. This financial statement does not reflect the dividend payable and there are no income tax consequences until the dividend is declared..



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

32.0 CASH GENERATED FROM OPERATIONS

	Group		Company	
	2020	2019	2020	2019
Profit before taxation	5,646,565	3,495,838	4,963,946	2,496,008
Adjustments for:				
Depreciation and amortisation on continuing operations	656,711	373,440	452,416	225,900
Profit on disposal of asset	(2,393)	(113,884)	(941)	(2,049)
Profit on disposal of investment	-	-	-	(104,411)
Gain/loss on exchange difference	(295,128)	89,964	-	-
Interest received	(106,508)	(101,060)	(99,442)	(101,060)
Finance costs	930,171	1,049,732	761,810	856,633
Impairment in assets held for sale	-	18,741	-	110,309
Net impairment loss on subsidiaries	-	-	-	153,599
Loss from discontinued operations	191,626	(77,997)	-	-
Depreciation on discontinued operation	555	-	-	-
Impairment of property, plant and equipment	22,345	-	22,345	-
Service cost	111,812	91,882	111,812	91,882
Actuarial loss on long service award	27,470	6,885	27,470	6,885
Changes in working capital:				
Inventories	191,711	68,478	541,059	178,528
Trade and other receivables	156,780	460,865	202,145	582,635
Other assets	(2,146,634)	1,229,605	(2,055,493)	1,326,965
Trade and other payables	590,205	(1,001,529)	480,098	(621,383)
Deferred income	335,643	(40,314)	321,835	(40,314)
Benefit paid	(58,880)	(50,291)	(58,880)	(50,291)
	6,252,052	5,500,355	5,670,180	5,109,836

33.0 CONTINGENT LIABILITIES

Pending litigations and claims

The Group is engaged in lawsuits that have arisen in the normal course of business. The contingent liabilities in respect of company these pending litigations amounted to N156.79million (2019: N238.83million).,Group amount to N268.95 million (2019 : N238.83) In the opinion of the directors, and based on independent legal advice, the Company is not expected to suffer any material loss arising from these claims. Thus, no provision has been made in these financial statements

34.0 COMMITMENTS AND GUARANTEES

Financial commitments

In the normal course of business, the Group uses letters of credit to import materials. The total value of open letters of credit as at 30 September 2020 was N3.28billion (2019: N991.97million)

Capital commitments

- Capital expenditure authorised by the directors but not contracted was Nil (2019:Nil)
- Capital expenditure contracted but not provided for in the financial statements was Nil (2019: Nil)

35.0 DIRECTORS AND EMPLOYEES INFORMATION

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Directors' emoluments				
Remuneration paid to the directors is as follows:				
Basic*	78,432	76,066	75,307	64,186
Other emoluments*	97,676	75,685	86,344	75,685
	176,108	151,751	161,651	139,871



Directors fee represents payment made to non-executive directors, Group: N4.825m (2019: N4.825m) , Company: N1,850m (2019: N1,850m)

*Prior year comparative numbers have been updated for a more meaningful comparison

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Chairman	7,418	6,986	7,418	6,986
Emoluments of the highest paid directors	38,032	35,372	38,032	35,372

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

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
In numbers	Number	Number	Number	Number
N6,000,000 - N12,000,000	5	5	5	5
N12,300,001 and above	4	4	4	4
	9	9	9	9

Employees

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

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
In numbers	Number	Number	Number	Number
Management	156	147	108	114
Non-management	496	460	346	359
	652	607	454	473

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
The breakdown of employee emoluments are as follows:				
Employee cost charged to cost sales	161,150	104,049	161,150	104,049
Employee cost charged to Administrative expenses	1,885,032	1,813,717	1,457,532	1,121,560
	2,046,182	1,917,766	1,618,682	1,225,609



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

Employees remuneration were within the following range

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
N	Number	Number	Number	Number
100,001 - 200,000	55	17	-	-
200,001 - 300,000	22	10	-	1
300,001 - 400,000	55	37	25	19
400,001 - 500,000	145	165	122	127
500,001 - 600,000	133	134	120	123
600,001 - 700,000	60	68	54	58
700,001 - 800,000	28	26	22	24
800,001 - 900,000	21	27	17	23
900,001 - 1,000,000	18	20	15	15
1,000,001 - 1,100,000	17	14	11	11
1,100,001 - 1,200,000	3	4	3	3
1,200,001 - 1,300,000	5	7	5	7
1,300,001 - 1,400,000	7	5	3	4
1,400,001 - 1,500,000	11	7	8	7
1,500,001 - 2,000,000	25	19	14	15
2,000,001 - 2,500,000	11	11	7	7
2,500,001 - 3,000,000	3	4	3	2
3,000,001 - 3,500,000	9	5	6	2
3,500,001 - 4,000,000	3	5	3	7
4,000,001 - 4,500,000	1	2	1	1
4,500,001 - 5,000,000	3	1	1	1
5,000,001 - 5,500,000	2	2	2	2
5,500,001 - 6,500,000	3	2	3	2
6,500,001 - 8,000,000	3	5	3	5
8,000,001 - 9,000,000	2	2	-	-
9,000,001 - 11,000,000	3	4	2	3
Above 11,000,000	4	4	4	4
	652	607	454	473

36.0 RELATED PARTIES

Related party balances

The following are the amount due from/to subsidiaries:

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Due from/to related entities				
Vitavisco Nigeria Limited	-	-	(15,270)	59,511
Vitagreen Limited	-	-	-	43,503
Vitafoam Sierra Leone	-	-	1,174,286	942,595
Vono Furniture Products Limited	-	-	94,810	132,933
Vitablom igeria Limited	-	-	(177,935)	(109,959)
Vitapur Nigeria Limited	-	-	356,856	593,809
Vitaparts Nigeria Limited	-	-	331,549	206,383
	-	-	1,764,296	1,868,775

**36.1 Reconciliation of loss allowance for related party receivables movement**

				Company N'000
Allowance as 1 Oct, 2019	-	-	-	258,670
Reversal of impairment charge during the year	-	-	-	(170,015)
Write-offs during the year	-	-	-	(37,287)
Allowance as at 30 Sept, 2020	-	-	-	51,368

The Group in the current year took a decision to write-off the receivables of N170.015million due from one of its related parties (i.e. Vitagreen Nig. Limited) due to the low probability of recovery as well as the fact that the Group had taken a decision to discontinue its operations as disclosed in note 40.

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

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Sales of goods and services				
Vono Furniture Products Limited	-	-	109,585	122,152
Purchases from related parties				
Vitablom Nigeria Limited	-	-	1,024,542	965,523
Vitavisco Nigeria Limited	-	-	329,872	245,812
Vono Furnitures Products Limited	-	-	213,596	101,020
Vitapur Nigeria Limited	-	-	820,907	622,250
Vitagreen Nigeria Limited	-	-	-	15,261
	-	-	2,388,917	1,949,866

Balances arising from sales/purchases of goods and services are revolving balances settled within 30 days after the end of the month. All intercompany trading balances are settled in cash.

36.2 Related party transactions

The company controls a number of related parties in which it has controlling interest. This has been detailed in Note 39.

36.3 Key management personnel compensation

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

Details of their compensation is as shown in Note 35. No loans were advanced to any key personnel management during the year.

36.4 Transaction with key management personnel

Mr. Gerson P. Silva and Dr. Bamidele Makanjuola (both Non-Executive Directors) are associated with companies/firms that had transaction with Vitafoam Nigeria Plc during the year



37.0 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 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 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. No information on segment assets or liabilities is reviewed by the CODM, therefore information on segment assets/liabilities have not been presented

Operaing profits/(Losses)	Group	
	2020 N'000	2019 N'000
Foam products	6,457,763	4,520,881
Furniture/other products	29,316	(76,371)
	6,487,079	4,444,510

Revenue is generated from local and international sales. An analysis based on customer location is set out below:

Within Nigeria	22,827,905	21,720,092
Outside Nigeria (Ghana and Sierra Leone)	615,925	563,071
Total revenue	23,443,830	22,283,163

The following is an analysis of the Group revenue from continuing operations from its major products:

Foam products	22,808,940	21,613,603
Furniture/other products	634,890	669,560
Total revenue	23,443,830	22,283,163

37.1 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 excluding financial instruments, deferred tax assets and other financial assets are allocated between geographical areas as follows:



	Group	
	2020 N'000	2019 N'000
Non-current assets (excluding deferred tax)		
Within Nigeria	5,180,624	3,030,044
Outside Nigeria (Vitafoam Sierra Leone)	637,509	1,870
Total	5,818,133	3,031,914
The following is an analysis of the total segment assets and liabilities by product line:		
Foam products	21,209,332	13,530,167
Furniture/other products	426,434	291,407
Total segment assets	21,635,766	13,821,574
From products	12,151,062	7,518,218
Furniture/other products	444,331	333,646
Total segment liabilities	12,595,393	7,851,864

For the purposes of monitoring segment performance and allocating resources between segments the CODM monitors the tangible, intangible and financial assets attributable to each segment. All assets are allocated to reportable segments with the exception of investments in subsidiaries, other financial assets (except for trade and other receivables) (see Note 21) and tax assets

37.1 Revenues from major products and services

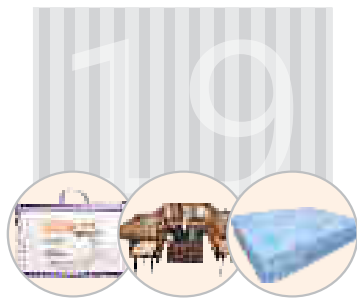
The Group's revenues from its major products and services are disclosed in Note 7.

37.2 Information about major customers

No single external customer either within or outside Nigeria contributed up to 10% of the revenue for the year. Therefore, information on major customers is not presented.

38.0 EVENTS AFTER THE REPORTING PERIOD

There were no post balance sheet events that could have material effect on the state of affairs of the Group at 30 September 2020



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

39.0 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

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	2020 N'000	2019 N'000
Vitafoam Ghana Limited	Ghana	Sales and distribution of foam and allied products	90.00%	10.00%	-	38,243
Vitafoam Sierra Leone Limited	Sierra Leone	Manufacture of foam and allied products	81.30%	18.70%	640,526	-
Vitapur Nigeria Limited	Nigeria	Manufacturing of Insulation Products	40.00%	60.00%	40,000	40,000
Vitablom Nigeria Limited	Nigeria	Fibre processing and soft furnishing company	40.64%	59.36%	103,066	103,066
Vitavisco Nigeria Limited	Nigeria	Production and sales of Visco elastic foam and latex products	80.00%	20.00%	8,000	8,000
Vitagreen Nigeria Limited	Nigeria	Manufacturing of shoe wears	60.00%	40.00%	6,000	6,000
Vono Furnitures Products Limited	Nigeria	Manufacture of furniture products	100.00%	- %	134,864	134,864
Vitaparts Nigeria Limited	Nigeria	Manufacture of motor vehicle oil filters	52.95%	47.05%	123,900	123,900
Provision for diminution in value of investment in subsidiary					1,056,356 (621,128)	454,073 (219,107)
					435,228	234,966

All subsidiary undertakings are consolidated in these financial statements. 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.



39.0 Investment in subsidiaries (at cost) (continued)

Summarised financial information on subsidiaries

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

	Vitaparts Nigeria Limited	Vitafoam Sierra Leone Limited	Vitafoam Ghana Co. Limited	Vitapur Nigeria Limited	Vitablom Nigeria Limited	Vitavisco Nigeria Limited	Vitagreen Nigeria Limited	Vono Furnitures
30 September 2020	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Current assets	553,264	718,186	-	897,005	808,406	217,139	76,090	283,205
Non-current assets	8,428	640,083	-	47,576	234,130	94,097	2,626	160,130
Current liabilities	(349,630)	(1,489,725)	-	(716,325)	(119,759)	(113,932)	(24,624)	(327,367)
Non-current liabilities	-	(91,961)	-	(268,694)	(206,800)	(138,043)	-	(150,000)
Equity	(212,063)	(223,417)	-	40,438	(715,977)	(59,262)	(54,091)	34,032
Profit or loss items								
Revenue	-	651,325	-	1,510,360	1,179,516	375,450	18,374	634,890
Cost of sales	-	(312,381)	-	(928,856)	(695,768)	(237,848)	(19,533)	(410,098)
Expenses	(223)	(247,407)	-	(400,420)	(328,248)	(126,878)	192,785	(223,382)
Retained (loss) income	(223)	91,537	-	181,084	155,500	10,724	191,626	1,410

	Vitaparts Nigeria Limited	Vitafoam Sierra Leone Limited	Vitafoam Ghana Co. Limited	Vitapur Nigeria Limited	Vitablom Nigeria Limited	Vitavisco Nigeria Limited	Vitagreen Nigeria Limited	Vono Furnitures
30 September 2019	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Current assets	471,510	597,609	48,340	950,844	440,311	159,410	102,120	138,920
Non-current assets	2,223	644,042	1,870	70,129	253,822	22,705	3,158	140,324
Current liabilities	(212,843)	(1,146,375)	(503,848)	(933,445)	(57,078)	(120,617)	(242,813)	(310,685)
Non-current liabilities	(48,605)	(404,984)	-	(309,051)	(11,570)	(5,961)	-	(28,386)
Equity	(212,286)	309,709	453,638	221,523	(625,485)	(55,537)	137,535	59,827
Profit or loss items								
Revenue	-	528,391	26,622	1,293,834	1,186,581	290,525	21,017	597,875
Cost of sales	-	(278,916)	(19,782)	(794,977)	(857,644)	(176,805)	(16,850)	(496,071)
Expenses	(7,660)	(313,122)	(84,837)	(374,340)	(208,415)	(74,170)	(13,527)	(234,109)
Retained (loss) income	(7,660)	(63,648)	(77,997)	124,517	120,522	39,550	(9,360)	(132,305)



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

40.0 DISCONTINUED OPERATIONS

The group decided to discontinue its operations in Vitafoam Ghana Limited in 2019 and Vitagreen Limited in 2020 financial year. 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	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Profit and loss				
Revenue	18,375	26,622	-	-
Expenses	(21,058)	(102,636)	-	-
Other income	194,309	-	-	-
Net profit/ (loss) before tax	191,626	(76,014)	-	-
Tax	-	(1,983)	-	-
Net loss after tax	191,626	(77,997)	-	-
Assets and liabilities				
Non-current assets held for sale				
Property, plant and equipment at 1 October	1,547,899	1,693,662	1,547,899	1,566,640
Impairment of assets	-	(18,741)	-	(18,741)
Investment property	(1,667,976)	(127,022)	(1,667,976)	-
Transfer to property , plant and equipment (at depreciation)	120,077	-	120,077	-
Impairment on investment in subsidiary	-	-	-	(440,265)
Investment in subsidiary	-	-	-	640,526
At 30 September	-	1,547,899	-	1,748,160
Carrying amount - Cost	-	1,667,976	-	1,667,976
Carrying amount - Depreciation	-	(120,077)	-	(120,077)
	-	1,547,899	-	1,748,160
Assets of disposal groups				
Property, plant and equipment	-	644,042	-	-
Trade and other receivables	-	62,711	-	-
Other financial assets	-	155,938	-	-
Inventories	-	359,072	-	-
Other assets	-	13,335	-	-
	-	1,235,098	-	-
Assets held for sale	-	2,782,997	-	1,748,160
Liabilities of disposal groups				
Trade and other payables	-	94,608	-	-
Borrowings	-	481,452	-	-
Other liabilities	-	3	-	-
	-	576,063	-	-

40.1 At the Board meeting held on 3rd September 2020 the Directors resolved to discontinue the disposal of the Company's subsidiary, Vitafoam Sierra Leone as they have not been able to secure a buyer for the investment and the investment cannot be held indefinitely as "held for sale". Subsequently, the investment has been reclassified as Investment in subsidiary. In line with the requirements of IFRS 5, which states that when an entity ceases to classify the asset (or disposal group) as held for sale, it shall measure the 'disposal group' at the lower of its carrying amount before the asset (or disposal group) was classified as held for sale adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset (or disposal group) not been classified as held for sale and its recoverable amount at the date of the subsequent decision not to sell.

Impairment assessment has been performed on the investment in order to determine if it was being carried at the lower of its carrying amount and the recoverable amount. This assessment did not result in any impairment loss during the year.



40.2 During the year, the Directors reclassified the company's property located at Mushin from asset held for sale to property plant and equipment as they were unable to secure a buyer. An assessment was done to determine the depreciation on the property from the date it was initially classified as held for sale to when the decision was taken not to sell the asset. The accumulated depreciation amounting to N 220.4 million was recognised in the financial statements during the year.

40.3 Vitapur Nigeria Limited and Vitablom Nigeria Limited

Although the Group has only 40% ownership in Vitapur Nigeria Limited and 40.64% ownership in Vitablom Nigeria Limited, the directors concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of the 2 companies on the basis of the Group's absolute size of shareholding and the relative size of and dispersion of the shareholdings owned by other shareholders. There is also no indication that all other shareholders exercise their votes collectively.

The 40% and 40.64% ownership interests in Vitapur Nigeria Limited and Vitablom Nigeria Limited respectively are owned by many shareholders that are unrelated to the Group, none individually holding more than 15%.

If the directors had concluded that the 40% and 40.64% ownership interest was insufficient to give the Group control, Vitapur Nigeria Limited and Vitablom Nigeria Limited would instead have been classified as associates and the Group would have accounted for it using the equity method of accounting.

There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities.

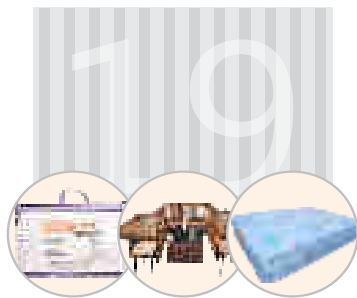
41.0 OTHER COMPREHENSIVE INCOME

Components of other comprehensive income - Group - 2020

	Gross N'000	Tax N'000	Net N'000
Items that will not be reclassified to profit/(loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	(288,843)	92,430	(196,413)
Movements on valuation of equity investments			
Gains (losses) on valuation	(607)	194	(413)
Total items that will not be reclassified to profit (loss)	(289,450)	92,624	(196,826)
Items that may be reclassified to profit/(loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	(295,128)	-	(295,128)
Total	(584,578)	92,624	(491,954)

Components of other comprehensive income - Group - 2019

	Gross N'000	Tax N'000	Net N'000
Items that will not be reclassified to profit/(loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	(102,995)	32,958	(70,037)
Movements on valuation of equity investments			
Gains (losses) on valuation	(12,039)	3,853	(8,186)
Total items that will not be reclassified to profit (loss)	(115,034)	36,811	(78,223)
Items that may be reclassified to profit/(loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	90,398	-	90,398
Total	(24,636)	36,811	12,175



NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (CONT'D)

41.0 Other comprehensive income (continued)

Components of other comprehensive income - Company - 2020

	Gross N'000	Tax N'000	Net N'000
Items that will not be reclassified to profit/(loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	(288,843)	92,430	(196,413)
Movements on valuation of equity investments			
Gains (losses) on valuation	(607)	194	(413)
Total items that will not be reclassified to profit/(loss)	(289,450)	92,624	(196,826)

Components of other comprehensive income - Company - 2019

	Gross N'000	Tax N'000	Net N'000
Items that will not be reclassified to profit/(loss)			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	(102,995)	32,958	(70,037)
Movements on valuation of equity investments			
Gains (losses) on valuation	(12,039)	3,853	(8,186)
Total items that will not be reclassified to profit/(loss)	(115,034)	36,811	(78,223)

42.0 DEPRECIATION AND AMORTISATION

The following items are included within depreciation and amortisation in the statement of profit or loss:

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Depreciation				
Property, plant and equipment	632,446	354,336	414,756	194,613
Right-of-use assets	12,290	-	12,290	-
Investment property	-	-	13,380	13,380
-	-	-	-	-
Discontinued operation	(555)	-	-	-
	644,181	354,336	440,426	207,993
Amortisation				
Intangible assets	12,530	19,104	11,990	17,905
Total depreciation and amortisation				
Depreciation	644,181	354,336	440,426	207,993
Amortisation	12,530	19,104	11,990	17,905
	656,711	373,440	452,416	225,898
Cost of sales				
Admin	219,697	175,061	82,700	76,646
	437,014	198,379	369,716	149,252
	656,711	373,440	452,416	225,898



	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
43.0 FINANCE LEASE RECEIVABLES				
Gross investment in the lease due				
- first year	-	-	-	-
in second to fifth year inclusive	28,714	25,752	28,714	25,752
Net investment in the lease	28,714	25,752	28,714	25,752
Non-current assets	28,714	25,752	28,714	25,752
Current assets	-	-	-	-
	28,714	25,752	28,714	25,752

The unguaranteed residual values of assets leased under finance lease at the end of the reporting period amount to Nil - (2019: Nil-).

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 16% (2019: 19.00%)

44.0 RIGHT OF USE ASSETS

Group

	Buildings N '000	Total N '000
Cost		
At 1 October 2019	-	-
At transition	229,909	229,909
At 30 September 2020	229,909	229,909
Depreciation and impairment		
At 1 October 2019	-	-
Charge for the year	12,290	12,290
At 30 September 2020	12,290	12,290
Carrying amount		
At 30 September 2020	217,619	217,619

Company

	Buildings N '000	Total N '000
Cost		
At 1 October 2019	-	-
Additions	229,909	229,909
At 30 September 2020	229,909	229,909
Depreciation and impairment		
At 1 October 2019	-	-
Charge for the year	12,290	12,290
At 30 September 2020	12,290	12,290
Carrying amount		
At 30 September 2020	217,619	217,619



44.0 Right of use assets(continued)

The Group leases warehouse and factory facilities. The leases typically run for a period of 2 to 15 years, with an option to renew the lease after that date. Lease payments are renegotiated at the end of the lease term in order to reflect market rentals. For certain leases, the Group is restricted from entering into any sub-lease arrangements.

The warehouse and factory leases were entered into in the prior year as a lease of just buildings. Previously, these leases were classified as operating leases under IAS 17.

The Group also has leases of other warehouses with contract terms of less than two years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

The amounts recognised in profit/(loss) in relation to leases has been presented in Note 44.1 and the extension options for the leases has been presented in Note 44.2

The maturity analysis of lease liabilities is presented in Note 45.

44.1 Amounts recognised in profit/(loss) for leases

				2020 N'000
Interest expense on lease liabilities (included in finance cost)	-	-	-	15,484
Expenses relating to leases of low-value assets (included in administrative expenses)	-	-	-	38,932
Depreciation expense on right-of-use assets (included in administrative expenses)	-	-	-	12,290
	-	-	-	66,706

44.2 Extension options for leases

One of the property leases contains an extension option exercisable by the Group up to one year before the end of the non-cancellable contract period.

Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Group has estimated that the potential future lease payments, should it exercise the extension option, would result in a lease liability of N120.107million.



	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
45.0 LEASE LIABILITIES				
Minimum lease payments due				
- within one year	-	-	-	-
- in second to fifth year inclusive	-	-	-	-
- later than five years	1,009,873	-	1,009,873	-
	1,009,873	-	1,009,873	-
less: future finance charges	(889,766)	-	(889,766)	-
As at 30 September 2020	120,107	-	120,107	-

Leasing arrangements

The Group leased certain of its properties under operating leases. The average lease terms range from 2 to 40 years. The Group's leases are secured by the lessors' title to the leased assets.

Interest rates underlying all leases are fixed on the respective contract dates at 14.8% per annum.

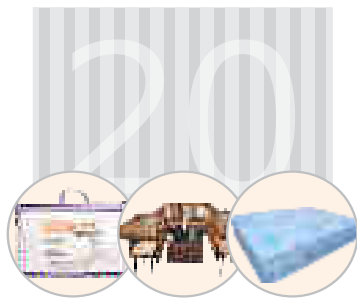
All leases have fixed repayments and no arrangement have been entered into for contingent rent.

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
At 1 October	-	-	-	-
On transition to IFRS 16	104,623	-	104,623	-
Payments made during the year	-	-	-	-
Interest on lease liabilities	15,484	-	15,484	-
At 30 September	120,107	-	120,107	-
Non-current liabilities	120,107	-	120,107	-
Current liabilities	-	-	-	-
	120,107	-	120,107	-

It is group policy to lease certain motor vehicles and equipment under finance leases.

The average lease term was 25 years and the average effective borrowing rate was 14% in 2020 (2019: 15%)

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.



VALUE ADDED STATEMENT

	2020 N '000	2020 %	2019 N '000	2019 %
Group				
Value Added				
Revenue	23,443,830		22,283,163	
Interest received	106,508		101,060	
Other gains and losses	638,976		389,831	
Bought - in materials and services	(14,909,686)		(15,937,278)	
Total Value Added	9,279,628	100	6,836,776	100
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	2,046,182		1,917,766	
	2,046,182	22	1,917,766	28
To Pay Providers of Capital				
Finance costs	930,171		1,049,732	
Share of profit to non-controlling interest	295,271		104,690	
	1,225,442	13	1,154,422	17
To Pay Government				
Income tax	1,552,271		922,711	
Capital gain tax	42		9,122	
Police Trust Fund levy	278		-	
Education tax	123,631		69,128	
Back duty tax	10,772		-	
	1,686,994	18	1,000,961	15
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation	656,710		373,440	
Deferred tax	43,690		30,172	
Discontinued operations	(191,626)		77,997	
	508,774	5	481,609	7
Value retained				
Retained profit	3,812,236		2,282,018	
	3,812,236	42	2,282,018	33
Total Value Distributed	9,279,628	100	6,836,776	100

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

VALUE ADDED STATEMENT



	2020 N '000	2020 %	2019 N '000	2019 %
Company				
Value Added				
Turnover	21,521,097		20,330,040	
Interest received	99,442		101,060	
Other gains and losses	631,989		579,851	
Bought - in materials and services	(14,455,674)		(16,206,803)	
Total Value Added	7,796,854	100	4,804,148	100
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	1,618,682		1,225,609	
	1,618,682	20	1,225,609	25
To Pay Providers of Capital				
Finance costs	761,810		856,633	
	761,810	10	856,633	18
To Pay Government				
Income tax	1,336,238		788,142	
Capital gain tax	-		9,122	
Police levy	248		-	
Back duty tax	10,772		-	
Education tax	106,646		58,498	
	1,453,904	19	855,762	18
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation	452,416		225,898	
Deferred tax	53,348		65,337	
Retained profit or loss	3,456,694		1,574,909	
	3,962,458	51	1,866,144	39
Value retained				
Retained profit	3,456,855		1,574,909	
	-	-	-	-
Total Value Distributed	7,796,854	100	4,804,148	100

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



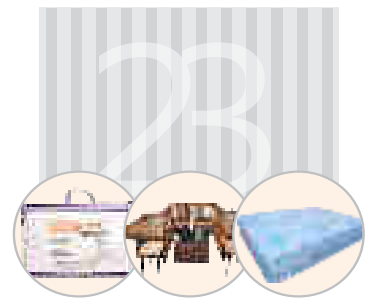
FIVE YEAR FINANCIAL SUMMARY

	2020 N '000	2019 N '000	2018 N '000	2017 N '000	2016 N '000
Group					
Statement of Financial Position					
Assets					
Non-current assets	5,818,133	3,031,914	2,960,731	3,909,957	4,250,321
Net-current assets/(liabilities)	7,211,864	2,849,215	1,327,053	(790,695)	(653,428)
Assets of disposal groups held for sale	-	2,782,997	2,952,196	1,697,065	1,697,065
Total assets	13,029,997	8,664,126	7,239,980	4,816,327	5,293,958
Liabilities					
Non-current liabilities	(3,989,624)	(2,118,353)	(2,611,536)	(1,442,729)	(1,861,470)
Liabilities of disposal groups held for sale	-	(576,063)	(745,737)	-	-
Net assets	9,040,373	5,969,710	3,882,707	3,373,598	3,432,488
Equity					
Share capital	625,422	625,422	521,038	521,038	521,038
Reserves	256,908	552,449	470,237	428,291	417,669
Retained earnings	7,769,014	4,658,091	2,851,081	2,387,180	2,565,726
Non-controlling interest	389,029	133,748	40,351	37,089	(71,945)
Total equity	9,040,373	5,969,710	3,882,707	3,373,598	3,432,488
Per share data					
Earnings per share (Basic)	305	182	57	(15)	(4)
Net assets per share	723	470	373	324	347

Earnings/(loss) per share are based on profit/(loss) 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



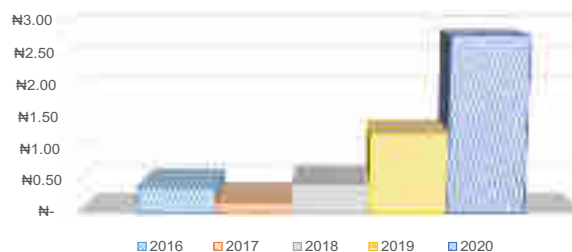
	2020 N '000	2019 N '000	2018 N '000	2017 N '000	2016 N '000
Company					
Statement of Financial Position					
Assets					
Non-current assets	5,108,181	2,798,616	2,923,496	3,574,620	3,701,419
Net current assets	7,039,262	3,351,043	2,490,404	208,076	(18,822)
Assets of disposal groups held for sale	-	1,748,160	1,858,469	1,570,043	1,570,043
Total assets	12,147,443	7,897,819	7,272,369	5,352,739	5,252,640
Liabilities					
Non-current liabilities	(3,460,429)	(1,965,775)	(2,449,375)	(889,263)	(953,388)
Net assets	8,687,014	5,932,044	4,822,994	4,463,476	4,299,252
Equity					
Share capital	625,422	625,422	521,038	521,308	521,038
Reserves	441,771	442,184	450,370	450,370	450,370
Retained earnings	7,619,821	4,864,438	3,851,586	3,491,798	3,327,844
Total equity	8,687,014	5,932,044	4,822,994	4,463,476	4,299,252
Per share data					
Earnings per share (Basic)	276	126	47	18	41
Net assets per share	694	471	463	428	432

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.

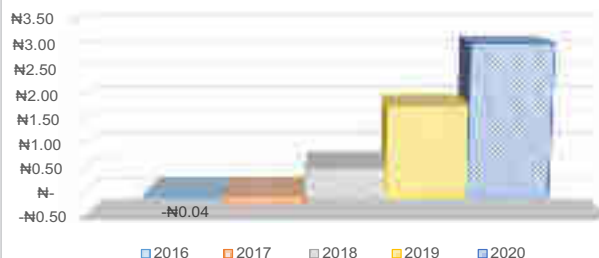


PERFORMANCE INDICATOR 2020

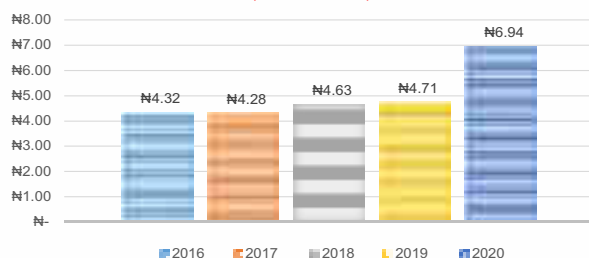
**EARNINGS PER SHARE (BASIC)
(COMPANY)**



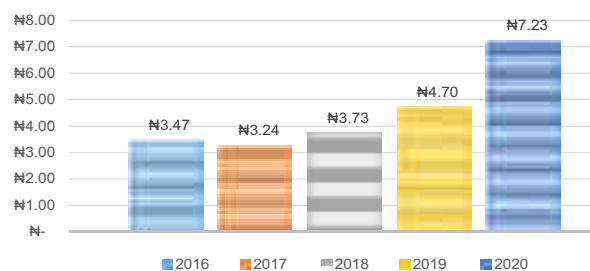
**EARNINGS PER SHARE (BASIC)
(GROUP)**



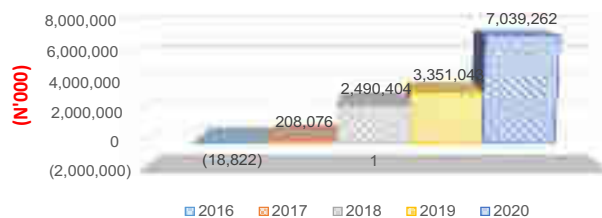
**NET ASSETS PER SHARE
(COMPANY)**



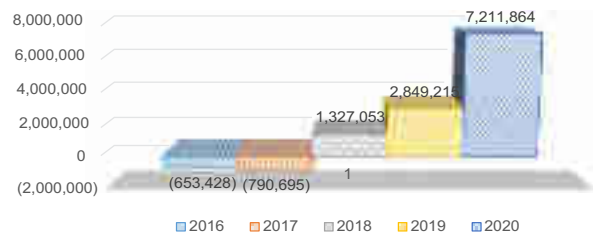
**NET ASSETS PER SHARE
(GROUP)**



**WORKING CAPITAL HISTORY
(COMPANY)**



**WORKING CAPITAL HISTORY
(GROUP)**





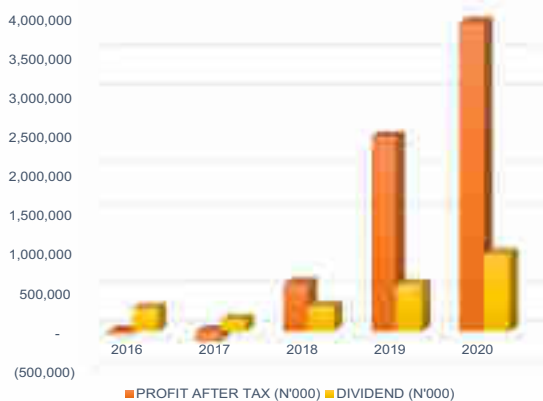
DIVIDEND VS EARNINGS (GROUP)



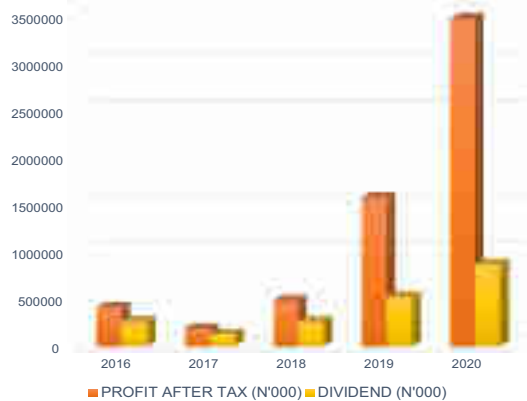
DIVIDEND VS EARNINGS (COMPANY)



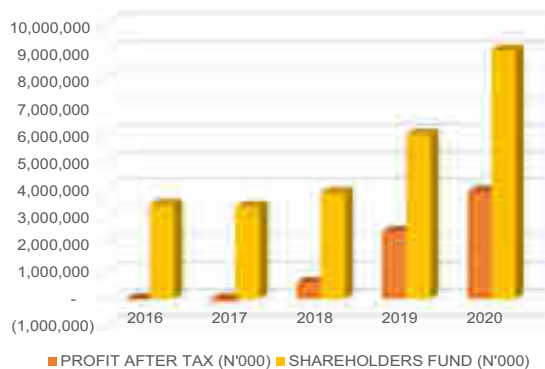
PROFIT AFTER TAX VS DIVIDEND (GROUP)



PROFIT AFTER TAX VS DIVIDEND (COMPANY)



PROFIT AFTER TAX VS SHAREHOLDERS' FUND (GROUP)



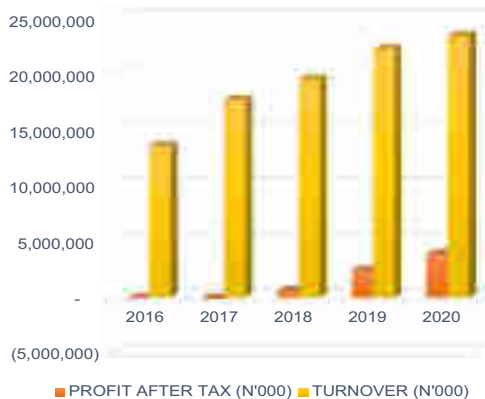
PROFIT AFTER TAX VS SHAREHOLDERS' FUND (COMPANY)



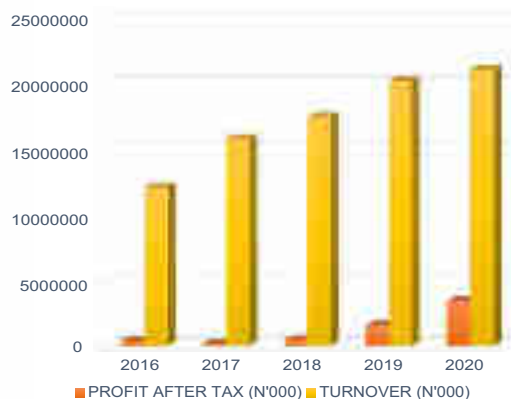


PERFORMANCE INDICATOR 2020 (CONT'D)

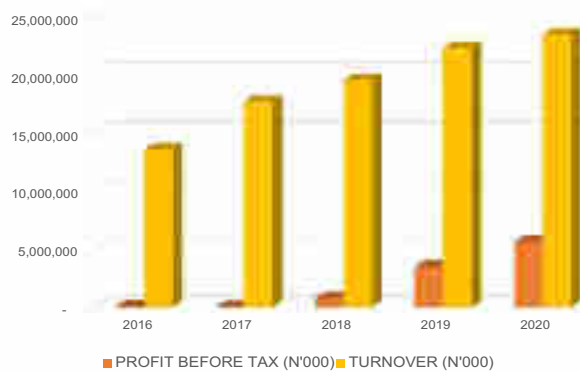
PROFIT AFTER TAX VS TURNOVER (GROUP)



PROFIT AFTER TAX VS TURNOVER (COMPANY)



PROFIT BEFORE TAX VS TURNOVER (GROUP)



PROFIT BEFORE TAX VS TURNOVER (COMPANY)



PROFIT VS WORKING CAPITAL (GROUP)



PROFIT VS WORKING CAPITAL (COMPANY)



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	-
31	FINAL	204,750,054.56	25	3/21/2008	-
32	FINAL	245,700,000.00	30	3/20/2009	23,750,790.36
33	FINAL	204,750,053.33	25	3/19/2010	20,897,319.75
34	FINAL	245,700,000.00	30	3/4/2011	27,082,483.79
35	FINAL	245,700,000.00	30	3/8/2012	32,172,711.94
36	FINAL	245,700,000.00	30	3/8/2013	22,861,534.94
37	FINAL	245,700,000.00	30	3/10/2014	37,642,701.85
38	FINAL	245,700,000.00	30	6/9/2015	40,466,806.74
39	FINAL	245,700,000.00	30	3/14/2016	41,540,519.54
40	FINAL	125,084,406.36	25	3/9/2017	23,092,506.96
41	FINAL	156,355,507.95	12	3/9/2018	43,214,828.80
42	FINAL	260,592,513.25	25	3/8/2019	71,178,304.06
43	FINAL	525,354,506.88	42	3/5/2020	141,081,205.60

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	1,250,244,114	Bonus	1:5

**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	NAME OF COMPANY	SHARE 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	
	VONO PRODUCTS 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



PROXY FORM

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 4th March, 2021 and at any and every adjournment thereof.

Dated this day of 2021.

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 shareholders to appoint a proxy of their choice from the list of nominated proxies below:

Mr. Taiwo Adeniyi	Comrade S. B. Adenrele
Mr. Joseph Alegbesogie	Mr. Nonah Awoh
Sir Sunday Nnamdi Nwosu	Evang. Anthony Omojola
Chief Timothy Adesiyun	Mr. Mathew Akinlade
Mrs. Kudaisi Ayodele Sarat	Mrs. Ganiyat Adetutu Siyonbola

Provision has been made on this form for you to insert in the blank spaces on the form, the names of the proxy who will attend the meeting and vote on your behalf.

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.

The meeting will be streamed live online to enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the live streaming of the meeting will be made available on the company's website at www.vitafoam.com.ng



VITAFOAM NIGERIA PLC RC 3094

Annual General Meeting to be held at 10.00 a.m. on Thursday, 4th March, 2021 at Radisson Blu Hotel, Isaac John Street, Ikeja GRA, Lagos.

RESOLUTION	VOTES	
	For	Against
To declare a Dividend		
To re-elect Mr.M. G. Alkali as a Director		
To re-elect Prof. Rosemary Egonmwan as a Director		
To authorize the Directors to fix the remuneration of the Auditors		
To elect members of the Audit Committee		
To approve the Directors' remuneration		
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 Thursday, 4th March, 2021 at Radisson Blu Hotel, Isaac John Street, Ikeja GRA, Lagos.

Shareholder's Signature Proxy's Signature

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



FIRST FOLD**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



WHATEVER YOUR SIZE, VITAFOAM GOT YOU

Don't just buy a mattress, buy a VITAFOAM mattress



Vitalite Pillow



Vitalite Pillow



Vitacool Pillow



Vitarev Pillow

VISIT: www.vitafoamng.com

Toll free number: 0800VITAFOAM (080084823626)

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VITAFOAM HEAD OFFICE

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

Website: www.vitafoam.com