



2023

ANNUAL REPORT & ACCOUNTS



VITAFOAM NIGERIA PLC RC: 3094



Explore Excellence Across the Group with Our Premium Products and Services



From the realm of comfort and style, embodied by Vitafoam and Vitablom's soft furnishing expertise, to the cutting-edge innovations in insulation and chemical systems with Vitapur, to the skillfulness Vono embodies in designing furniture products and even into the intricate world of oil filters seen through Vitaparts and Vitavisco's viscoelastic products – we've got your needs covered.

Our commitment to quality is unwavering. Expect nothing less than exceptional value from our extensive range of products and services across the board. Elevate your experience with us – where excellence is the standard.

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Responsecentre@vitafoam.ng.com

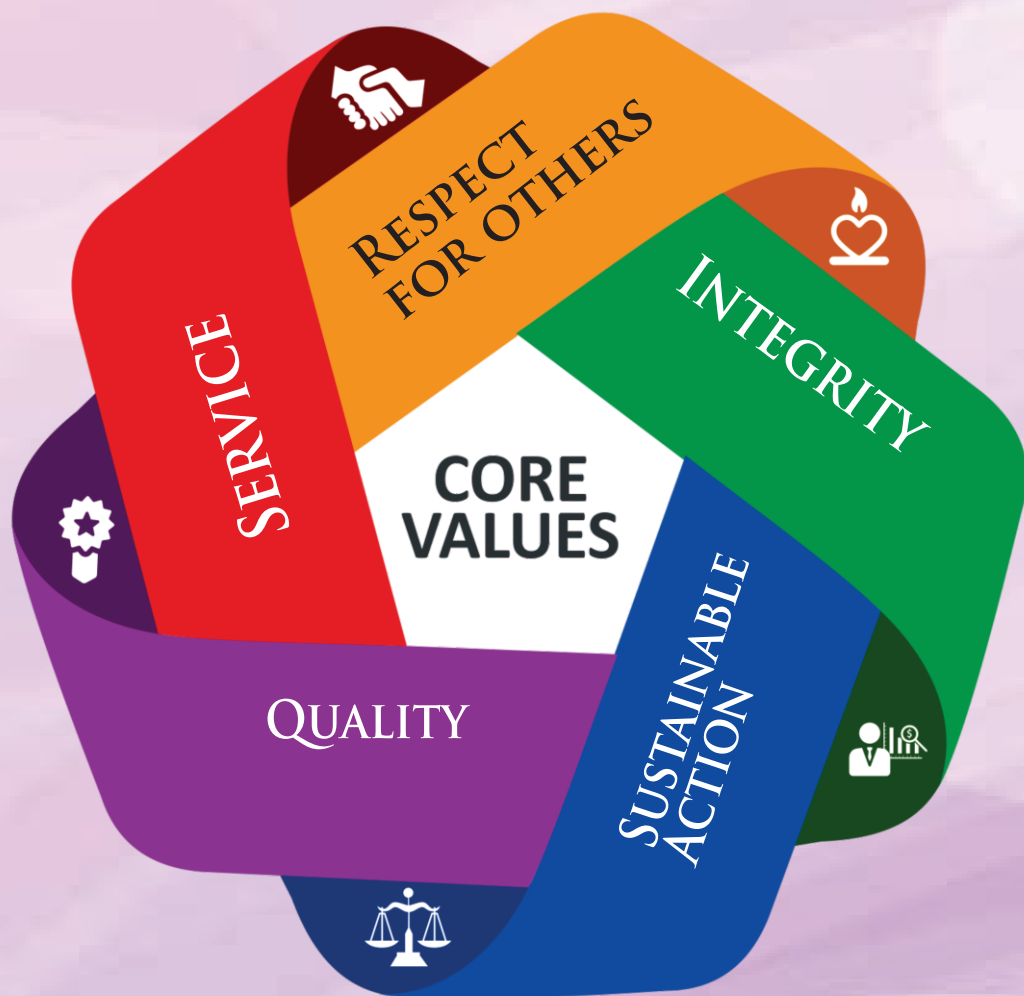
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 Vitafoam Nigeria PLC  Vitafoam.ng  @Vitafoamng

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CORPORATE PROFILE

Vitafoam Nigeria Plc is Nigeria's leading manufacturer of flexible, reconstituted and rigid foam products. It has the largest foam manufacturing and distribution network which facilitates just in time delivery of finished products throughout West African Sub region. Incorporated on 4th August, 1962 and listed on the floor of the Nigerian Stock Exchange in 1978, Vitafoam's brands remain household names in the Country. The Company's commitment to quality in its production process has earned it several quality awards including the Gold Certificate Award for most of its products. Vitafoam was the first Foam Manufacturing Company in Nigeria to subject its quality system to the Quality Management System championed by the Standards Organization of Nigeria (SON). The NIS ISO 9002 Certificate was obtained in 2001 and upgraded to NIS ISO 9001: 2000 in 2004. The certification body recertified 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, Leisuremats etc) and Foam sitting chairs (Vitasolid). The needs of nursing mothers are addressed by the offering of a number of foam based baby products (Changing mat, Baby cot mattresses, pillows, breast feeding covers etc.).

Vitafoam is a responsible corporate citizen and it



adopts best practices in all operations. The code of good corporate governance has been well implemented by the company and it is committed to the continuous improvement of its operations. The Company's policy is determined by a competent and dynamic Board, a mix of 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 62nd Annual General Meeting of members of **VITAFOAM NIGERIA PLC (the Company)** will be held at NECA House, Hakeem Balogun Street, Central Business District, Alausa, Ikeja, Lagos State on Thursday, 7th March, 2024 at 10.00'clock in the forenoon to transact the following business:

AGENDA

Ordinary Business

1. To lay before the members the Report of the Directors, the Audited Financial Statements for the year ended 30th September, 2023 together with the Report of the Auditor and the Audit Committee thereon.
2. To declare a Dividend.
3. To re-elect Mr. Achike Charles Umunna as a Director
4. To re-elect Mr. Abdul A. Bello as a Director
5. To confirm the appointment of Mr. Olaoluwa Ogunfeyitimi as a Director
6. To confirm the appointment of Mr. Gambo Dahiru as a Director
7. To confirm the appointment of Mr. Ademola Olalekan Bolarinde as a Director
8. To authorize the Directors to fix the remuneration of the Auditor.
9. To disclose the remuneration of managers in compliance with the Companies and Allied Matters Act 2020.
10. To elect Members of the Audit Committee.

Special Business

11. To approve Directors' fees.
12. To authorize the renewal of recurrent transactions which are of trading nature or those necessary for its day-to-day operations from related companies in accordance with the Rules of the Nigerian Exchange Limited governing transactions with related parties or interested persons.
13. To consider and if thought fit pass the following as special resolutions: That existing Article 45 of the company's Articles of Association be amended by the creation of a new Article 45.1 which will read as follows: "The Company' general meeting may be held electronically through any electronic medium, including but not limited to telephone or video conferencing or similar electronic means or communication facilities that ensure that all persons attending the meeting are able to hear one another and records of proceedings of the meeting can be documented."

PROXY

A member of the company entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. 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, 213, Herbert Macaulay Way, Adekunle, Yaba, P.O. Box 51585, Falomo, Ikoyi, Lagos State not later than 48 hours before the time of the meeting.

Dated 20 December, 2023

BY ORDER OF THE BOARD



OLALEKAN SANNI

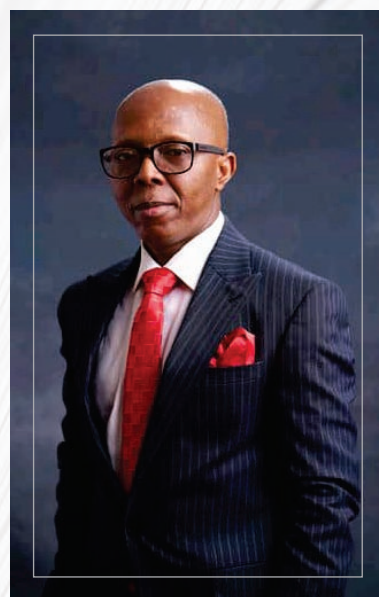
Company Secretary/Legal Adviser

FRC/2013/NBA/00000005309

Registered Office:

140, Oba Akran Avenue

Industrial Estate Ikeja, Lagos.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES:

(a) Dividend Payment

The Board of Directors has recommended a dividend payment of N1.56 kobo per ordinary share of 50kobo each for approval by shareholders. If approved at the meeting, the dividend will be credited, less the appropriate withholding tax, on Thursday, 7th March, 2024 to the bank accounts of shareholders whose names appear in the Register of Members at the close of business on Monday 12th February, 2024 and who have completed the E-Dividend registration and mandated the Registrars to pay their dividends directly into their bank accounts.

(b) Closure of Register of Members

Notice is hereby given that the Register of Members and Transfer books of the Company will be closed on Tuesday 13th February, 2024 for updating the Register of Members.

(c) Nomination for the Audit Committee

In accordance with Section 404 (6) of the Companies and Allied Matters Act, 2020, 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 Nigerian Code of Corporate Governance, 2018 issued by the Financial Reporting Council of Nigeria provides that members of the Audit Committee should be financially literate and able to read and interpret financial statements.

(d) 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 and Probate Services Limited, 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos State or call Telephone Number: 01-8920491-2.

(e) E-Dividend/Bonus

Notice is hereby given to all shareholders to open bank accounts, Stock broking accounts and CSCS accounts for the purpose of e-dividend /bonus. Detachable application forms 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.

(f) Rights of Securities' Holders to ask Questions

Pursuant to Rule 19:12 of the Rule Book of the Nigerian Exchange Limited, 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.

BOARD OF DIRECTORS AND OFFICIALS

CORPORATE INFORMATION

DIRECTORS:	
Prof. (Mrs.) Rosemary Egonmwan	- Chairman/Independent Non-Executive
Mr. Taiwo A. Adeniyi	- Group Managing Director/CEO
Mr. Bamidele S. Owoade	- Technical Director
Mr. Joseph I. Alegbesogie	- Finance Director
Mr. Ola Ogunfeyitimi	- Supply Chain Director (Appointed on 25 th May 2023)
Mr. Gambo D. Dahiru	- Commercial Director (Appointed on 25 th May 2023)
Mr. Abdul A. Bello	- Independent Non-Executive Director
Mr. Gerson P. Silva	- Non- Executive Director
Mr. Achike C. Umunna	- Non-Executive Director
Mr. Zakari M. Sada	- Non-Executive Director
Mr. Ademola Bolarinde	- Non-Executive Director (Appointed on 26 th May 2023)
Dr. Bamidele Makanjuola	- Non-Executive Director (Retired on 2 nd March 2023)
Mrs. Adeola Adewakun	- Non- Executive Director (Retired on 25 th May 2023)
Company Secretary/Legal Adviser	Mr. Olalekan Sanni
Registrar:	Meristem Registrars & Probate Services Limited 213, Herbert Macaulay Way, Adekunle, Yaba, Lagos. Website: www.meristemregistrars.com Email: info@meristemregistrars.com Tel: 01-2809250
Auditors:	PricewaterhouseCoopers (PwC) Landmark Towers, Plot 5b, Water Corporation Road, Victoria Island, Lagos.
Registered Office:	140, Oba Akran Avenue Industrial Estate, Ikeja, Lagos, Nigeria
Website:	www.vitafoam.com.ng
Bankers:	Globus Bank Limited Zenith Bank Plc First Bank of Nigeria Limited United Bank for Africa Plc Wema Bank Plc Jaiz Bank Plc Access Bank Plc Union Bank of Nigeria Plc. Greenwich Merchant Bank Limited Guaranty Trust Bank Limited
Company Registration Number	RC 3094

DIRECTORS' PROFILE

PROF. (MRS.) ROSEMARY IVIONWEN EGONMWAN (Independent Non-Executive)

Prof. Egonmwan holds a Bachelors of Science (B.Sc Hons) Degree with 2nd Class upper and a Masters of Science (M. Sc.) in Zoology from the University of Lagos. She also obtained a Doctorate Degree (D.Phil.) in Zoology from the prestigious University of Oxford, United Kingdom. Professor (Mrs.) Egonmwan is a distinguished scholar and an 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 and subsequently appointed as Chairman of the Board on the 2nd of March 2023.

MR. TAIWO AYODELE ADENIYI (Executive)

Mr. Adeniyi holds a B.Sc Degree in Chemistry and M.sc (Pharmaceutical Chemistry) from the University of Lagos and a Masters Degree in Supply Engineering and Logistics from the University of Warwick, United Kingdom. He is also an Alumnus of Cranfield University School of Management. He won the prestigious Chairman's award of an outstanding employee in 2009 and the Nigerian National Productivity Order of Merit Award in 2010. 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. OWOADE BAMIDELE SOLA (Executive)

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

MR. JOSEPH ALEGBESOGIE (Executive)

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

DIRECTORS' PROFILE (CONT'D)

Chartered Accountants of Nigeria and an Associate member of the Chartered Institute of Taxation of Nigeria. He holds a Bachelors degree in Management from the University of Port Harcourt. Mr. Alegbesogie was appointed to the Board of the company on 18th December, 2018.

MR. DAHIRU GAMBO

(Executive)

Mr. Dahiru Gambo holds a Bachelor's Degree in Applied Chemistry with over 20 years' experience in sales and customer management. Prior to this appointment, he was the Head of Sales of the Company. Mr. Gambo is a Non-Executive Director in Vono Furniture Products Limited, a subsidiary of Vitafoam. Mr. Gambo started his career as Sales Supervisor in Neimeith International Pharmaceuticals Plc where he gained experience in Sales and Marketing. He joined Vitafoam Nigeria Plc in 2006. He was at various times Regional Sales Manager- Lagos Region, South West & Lagos Region and North Central Region. He was promoted to the post of National Sales Manager and later Head of Sales.

Mr. Gambo was appointed to the Board of the Company on the 25th of May 2023.

MR. OLAOLUWA OGUNFEYITIMI

(Executive)

Mr. Ogunfeyitimi is a trained Chemical Engineer with good knowledge of Business & Project Management with dedicated interest in process industry and factory management. He holds a Master's Degree in Chemical Engineering (M.Eng) from Nnamdi Azikwe University, Awka, Nigeria and a Bachelor's Degree in Chemical Engineering from Ladoke Akintola University of Technology. He is a registered Engineer with the Council for Registration of Engineering in Nigeria (COREN), former Council Member with Sierra-Leone Institution of Engineers, Corporate Member, Nigeria Society of Engineers, Corporate Member, Nigeria Society of Chemical Engineers, Member, Institute of Chartered Chemist of Nigeria and Council Member, Manufacturers Association of Nigeria (Ikeja Branch).

Mr. Ogunfeyitimi started his career with Winco Foam in 2004 as Production Manager from where he joined Vitafoam Nigeria Plc in 2008 as Production Manager in Jos Factory; He has held the position of Regional Sales Manager- North East Central Region, MD/CEO of Vitafoam Sierra-Leone Limited (a subsidiary of Vitafoam Nigeria Plc) and Head of Technical.

Mr. Ogunfeyitimi was appointed to the Board of the Company on the 25th of May 2023.

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). During 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.

DIRECTORS' PROFILE (CONT'D)

MR. ACHIKE CHARLES UMUNNA (Non-Executive)

Mr. Achike Charles Umunna obtained a Bachelors Degree in Law (LL.B) from the University of Nigeria, Nsukka in 1982, graduated from the Nigerian Law School in 1983 and obtained a Masters Degree (LL.M) from the University of Lagos in 1985. A Knight of the Catholic Church, Mr. Umunna is a fellow of the Nigerian Institute of Management Consultants (NIMC) and a fellow of the Chartered Institute of Arbitration (United Kingdom). He also holds a certificate in International Arbitration and Investment Law 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 corporate law, maritime, petroleum, international trade laws and practices having worked as legal consultant in China, Bulgaria, Romania, United Kingdom, USA, Germany and Japan. He is a member of the Lagos Chamber of Commerce and Industry. He was appointed to the Board of the company with effect from 19th December, 2019.

MR. ABDUL AKHOR BELLO (Independent Non-Executive)

Mr. Abdul Akhor Bello retired from UAC of Nigeria in 2019 after 30 years in service during which he held various senior management position such as Group Chief Executive Officer; Group Executive Director/Chief Financial Officer; Managing Director, UPDC Plc; Managing Director, CAP Plc and Finance Director/Company Secretary, CAP Plc.

He brings to Vitafoam, executive and board service experience acquired across a range of businesses including Manufacturing, Financial Services, Pension Fund Administration, Real Estate, Logistics and Quick Service Restaurants sectors.

Mr. Abdul Akhor Bello has served on the Governing Council of the Nigeria Employers Consultative Association, Nigeria-British Chamber of Commerce and the Nigerian Institute of Management. A Fellow of the Institute of Chartered Accountants of Nigeria, Mr. Bello attended Yaba College of Technology, Lagos. He is an alumnus of Oxford University's Advance Management & Leadership Program and has undertaken various local and international development courses.

He was appointed to the Board of the company with effect from 4th of March 2021

MR. ZAKARI MOHAMMED SADA (Non-Executive)

Mr. Zakari holds a Bachelors of Science (B.Sc. Hons) Degree in Accounting with First Class Honours from the prestigious Ahmadu Bello University, Zaria, Kaduna State. He began his career in the public service as an Accountant with the Kaduna State Health Management Board. He later ventured into auditing & consulting and then into banking. His banking career spanned 17 years at Habib Nigeria Bank Limited where he occupied several Senior Management positions and later rose to the position of Executive Director acquiring experience in financial and business advisory services. Mr. Zakari is the former Managing Director/CEO of Penman Pensions Limited and a former Commissioner, North West Zone, Fiscal Responsibility Commission.

DIRECTORS' PROFILE (CONT'D)

His background comprises accounting, credit analysis and control, banking operations, administration, corporate planning, strategy and regulatory experience. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), Fellow, Association of Certified Chartered Accountants (FCCA), Fellow Chartered Institute of Taxation of Nigeria (FCTI), and Fellow Chartered Institute of Pensions of Nigeria.

Mr. Zakari is an alumnus of the Harvard Business School, Boston, where he attended the Management Development Program.

He was appointed to the board of the company with effect from 16th November, 2022.

MR. ADEMOLA BOLARINDE (Non-Executive)

Mr. Bolarinde is a graduate with degrees in Economics and Social Policy and Administration. He has knowledge in extensive business development, project start-up, HR and administration, IT and team building skills. He is a graduate of the London School of Economics, London and the University of Nottingham. Mr. Bolarinde has undergone Management and Leadership Program and has undertaken various local and international development courses.

He was appointed to the Board of the Company with effect from 26th of May 2023.

DR. BAMIDELE OSUOLALE MAKANJUOLA (Retired on 2nd March, 2023) (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 was appointed as Board Chairman on the 1st of October 2012, a position he held until his retirement on the 2nd of March 2023 after years of meritorious service to the company.

MRS. ADEOLA ADEWAKUN (Retired on 25th May, 2023) (Non-Executive)

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

Mrs. Adewakun retired from the Board on the 25th of May 2023 after a successful completion of her tenure.



BOARD OF DIRECTORS



FROM L-R:

- | | | | | | | | | | | |
|---|--|---|---|---|---|---|--|---|--|---|
| Mr. Ololuwa Ogunfeyitimi
Supply Chain Director | Mr. Achike C. Umunwa
Non Executive Director | Mr. Joseph I. Alegbesogie
Finance Director | Prof. (Mrs) Rosemary Egonmwan
Chairman | Mr. Taiwo A. Adeniyi
Group Managing Director | Mr. Bamidele S. Owode
Technical Director | Mr. Dahiru Gambo
Commercial Director | Mr. Zakari M. Sada
Non Executive Director | Mr. Gerson P. Silva
Non Executive Director | Mr. Abdul Akor Bello
Non Executive Director | Mr. Adedamola Bolarinde
Non Executive Director |
|---|--|---|---|---|---|---|--|---|--|---|

CHAIRMAN'S STATEMENT

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

It gives me great pleasure to welcome you all to the 62nd Annual General Meeting of our company, Vitafoam Nigeria Plc. During this meeting, I shall present the Annual Report and Accounts for the 2023 financial year and receive your comments and perspectives on the affairs of our company. At this point, kindly permit me to share with you key developments in the business environment some of which impacted the performance of our company in the period under review.

Business Environment

The Nigerian economy experienced slowed growth in the period under review. The real GDP growth of 2.4percent was the lowest economic growth since Nigeria's full recovery from the Covid-19 pandemic. This disturbing growth rate was as a result of a combination of policy mismatch, and other challenges. The country experienced a surge in inflation, leading to a significant erosion of the local currency value. Poverty level and other socio-economic indicators also deteriorated. According to World Bank's

Nigeria Development update, sluggish growth and inflation, attributed to a combination of loose fiscal and monetary policies and external shocks, pushed additional 24 million Nigerians below the national poverty line in 2023.

The policy environment was characterized by volatilities and instability, surrounding fiscal and monetary policies. The fiscal space in Nigeria witnessed a growing budgetary deficit. To address rising domestic inflationary pressures and support economic growth, the Central Bank of Nigeria (CBN) maintained unorthodox monetary policy stance in the first half of 2023. The policy rate was adjusted thrice in the period under review and closed the period at 18.8 percent from 16.5 percent in January 2023. These policy postures along with other regulatory challenges have impacted the Nigerian private sector adversely.

The first quarter of 2023 experienced disruptions in economic activities and widespread hardship caused by the Naira redesign policy and cash withdrawal limit of the Central Bank of Nigeria (CBN) Naira. These policies resulted in liquidity crisis with severe impact on economic & productive activities, leading to contractions of many sectors as well as stagnation of the informal economy. Additionally, the 2023 General elections process and outcomes reignited political tensions among various ethnic groups, political parties and demographic divisions reminiscent of 2011 experience. These developments further fractured the country's Socio-cultural fabric.

However, it is gratifying to state that, the economic direction taken by the new administration of Asiwaju Bola Ahmed Tinubu upon assumption of office after the election has reduced policy uncertainty, with the country moving towards adopting pro-market policies that eased the fiscal constraints that had belaboured the Nigerian economy since 2015. Despite these policy changes, efforts should be intensified towards



CHAIRMAN'S STATEMENT (CONT'D)

improving the current security situation which has continued to undermine government's reforms.

reward our shareholders for their unalloyed support and loyalty over the years.

Financial Performance

Despite the challenges of the year under review, I am pleased to inform you that your company sustained the trend of positive performance. The Group's turnover improved from N46.3billion in the 2022 financial year to N52.9billion in 2023. However, profit before tax declined from N7.21billion in the outgoing period to N6billion in the period under review, while profit after tax was N4.37billion in 2023 as against N4.52billion in 2022. On the other hand, the turnover of our parent company, Vitafoam, increased from N42.1billion in 2022 to N47.7billion in 2023. However, profit before tax was N4.92 billion in 2023 as against N6.74billion in 2022 while the profit after tax declined from N4.41billion in the 2022 to N3.41billion in 2023.

Among other factors, the company's performance was adversely impacted by the above micro economic travails particularly the harmonization of exchange rates and attendant decline in the value of naira against other major currencies, and the paucity of foreign exchange to finance importation of critical raw materials. According to analysts, the current difficulties are not expected to abate earlier than the last quarter of 2024 to first quarter of 2025. In the meantime, the Board and the Management will continue to implement ingenious strategies to grow revenue and strengthen profitability.

Dividends

The Board of Directors is proposing a dividend payout of N1.95 billion translating into N1.56 per ordinary share of 50 kobo each, payable subject to shareholders' approval and deduction of withholding tax at the prevailing rate. The dividend payout of N1.56 per share despite the prevailing uncertainties in the business environment, demonstrates the company's commitment to positive rates of return. Barring unforeseen circumstances, the Board will continue to sustain the tradition of delivering attractive returns to

Board of Directors

Distinguished shareholders, you would recall that at the last Annual General Meeting, Dr. B. O. Makanjuola, the erstwhile Chairman took a befitting bow from the board after years of meritorious service to the company. Also, Mrs. Adeola Adewakun retired from the board in line with the company's board tenure policy after years of impressive contributions to the growth of the company. On your behalf, I thank the erstwhile Directors for their dedicated service to the company and wish them joy in retirement.

To strengthen the Board for greater efficiency, the following directors were appointed during the year, namely, Mr. Olaoluwa Ogunfeyitimi (Supply Chain Director), Mr. Dahiru Gambo (Commercial Director) and Mr. Ademola Bolarinde (Non-Executive Director). The erstwhile Commercial Director, Mr. Bamidele Owoade was redeployed as the Technical Director. The appointment of the new directors will be presented for confirmation in the course of this meeting. The bio-data of the new Directors are on pages 9 to 11 of this report.

Human Capital Management

Employee engagement remains a key differentiator for growth and innovation in the world of work. This has been a guiding feature of our human capital management. During the year, meaningful conversations were maintained with the workforce to ensure collective focus on the strategic objectives of the Business. At all levels, the company's core values were consistently driven as a guarantee for corporate health. The internal industrial climate remained peaceful across the Vitafoam group despite Government reforms and activities that prompted pockets of industrial protests in the Country. Continuing dialogue was ensured between Management and the staff union

CHAIRMAN'S STATEMENT (CONT'D)

to maintain a peaceful industrial climate. Vitafoam employees have continued to demonstrate an unalloyed loyalty to the business, eschewing any conduct that could cause disharmony.

The company's commitment to issues of health safety and environment was demonstrated in all our facilities. In recognition of the company's commitment to Health Safety and Environment, Vitafoam emerged as the Second Runner Up in the Manufacturers Association of Nigeria (MAN) award for Best Kept Industrial Premises.

Business Outlook

The broad outlook of the global and domestic economies in the medium-term remains clouded by uncertainties associated with lingering headwinds from the Russia-Ukraine war, Israeli-Hamas War and other global crises.

On the domestic front, available data on key macroeconomic variables indicate that that real GDP growth in Nigeria will slow to 2.7% in 2023, down from 3.3% in 2022, as rapidly increasing living costs following key economic reforms weigh on domestic demand. That said, an improving trade balance - as crude production recovers and import demand falters - will offer tailwinds to the Nigerian economy over 2023. Economic growth will accelerate modestly to 3.2% in 2024. While domestic demand will remain poor due to high inflation, favourable trade dynamics following the start-up of the Dangote refinery should support growth.

Despite the prevailing challenges, I assure you of the commitment of the Management and staff towards the implementation of the strategic objectives set by the Board. The company will intensify innovation and invest significantly in the brand while maintaining solid relationship with the trade partners and other stakeholders towards ensuring sustainable profitability of the business.

Appreciation and Farewell: Outgoing Chairman

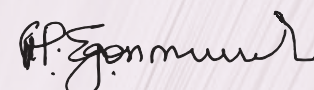
Distinguished shareholders, I will like to inform you that this is my last AGM as a Director and the Chairman of Vitafoam Nigeria Plc, having served in line with the company's tenure policy.

In the past years of being a board member, I have had the honour of working with a rare blend of brilliant and exceptional individuals across several professional backgrounds. I have also enjoyed the cooperation of the Management team led by the Group Managing Director. It has indeed been a fulfilling experience for me to have been a part of the success story of this great organization.

At this point, I will like to extend my sincere appreciation to fellow directors, past and present, for their invaluable support and encouragement. I will also like to thank our distinguished shareholders for your overt demonstration of support and unwavering commitment to the organization over the years. I recall, with fond memories, the ovation that greeted my announcement as the first female Chairman. I am indeed thankful for your love. Permit me to specially appreciate the Management and staff for demonstrating uncommon loyalty, fervor and dedication. I make bold to say that human capital remains pivotal to the stability and success achieved over the past years and for the future progress of the company.

As I take a bow, I am infinitely confident that the trend of progress established over the past years will be sustained as the company is blessed with a visionary board, and a diligent management and staff.

I thank you once again, and bid you all farewell.



Prof. Rosemary Egonmwan
Chairman

GROUP MANAGING DIRECTOR'S REPORT

Distinguished Shareholders, Ladies and Gentlemen,

It is with great honour that I welcome you all to the 2024 Annual General Meeting of our company, Vitafoam Nigeria Plc and the presentation of our score card for the 2023 financial year.

The financial year was extremely difficult and turbulent, particularly for the manufacturing sector due to myriad of socio-economic factors. It is against this backdrop that I share with you the performance of our company, Vitafoam Nigeria Plc and the subsidiaries during the year, highlighting the challenges, the prospects, and the opportunities for growth in the near term. I will also update you on the key learning points from our experiences and adopted strategies to improve performance, deliver profitability and grow shareholders' value in the new financial year.

Global Business Environment

The global economy continues to recover from the pandemic though the Russian-Ukraine war continues to checkmate prospective world's economic growth. According to the International Monetary Fund (IMF)'s forecast, growth will reduce to 3 percent in 2023 from 3.5 in 2022 and a further reduction to 2.9 percent in 2024. The slowdown is more pronounced in advanced economies than in emerging markets and developing economies. Among advanced economies, the U.S. is surprisingly on the upswing as a result of resilient consumption and investment, while the Euro area has been revised down, as tighter monetary policy and the energy crisis took a toll. There is a divergence of performances among emerging markets and developing economies; notably China is facing growing headwinds, while Brazil, India and Russia are enjoying slight tailwind.

Back home, the 2023 general elections, removal of fuel subsidy and unification of exchange rates are some of the factors that influenced socio-economic activities during the year. Against all odds, President Bola Tinubu emerged the President of the country after a keenly contested presidential election, preceded by divisive and acrimonious campaign season that focussed more on the personalities rather than progressive issues. The proclamation by the President removing fuel subsidies and unifying the dual exchange rates at his inauguration and the resultant rise in inflation expectedly caused significant hardship to Nigerians. In October 2023, the National Bureau of Statistics (NBS) announced that Nigeria's annual inflation rate rose to 26.72 per cent in September from 22.79 per cent at the start of the new administration in June, 2023. The prevailing inflation regime has impaired the ability of the poor and vulnerable to procure food and other essential items, thereby reducing standard of living while avoidable illnesses emanating from poor nutrition is increasing among the populace. The labour migration particularly among



GROUP MANAGING DIRECTOR'S REPORT (CONT'D)

the youths otherwise called 'japa' (brain drain) has continued unabated. The health sector is adversely impacted as hospitals and other health care delivery institutions now lack specialists to handle major health issues while many lives which could have been saved are lost to untimely death.

The worsening foreign exchange crisis affected many businesses which operations are dependent on imported raw materials. As you may be aware, significant part of Vitafoam's raw materials inputs are sourced overseas with huge forex requirement. In spite of naira liquidity within our operations, letters of credit could not be established due to scarcity of forex. This situation distorted projections and resulted in substantial forex loss of over N3billion during the year. Indubitably, the general hardship in the country portends a gloomy outlook for business and is counterproductive to the government's drive for foreign direct investment into the economy. It is indeed sad and disturbing that a number of notable multinational companies wound up their operations in the country in 2023 citing the difficult operating environment. Drastic measures are therefore, required to stem this dangerous tide of business emigration and attendant spike in unemployment rate due to job losses.

Financial Performance

Despite the setbacks encountered during the year, I am pleased to inform you that your company sustained the trend of impressive performance. The Group's turnover improved from N46.3 billion in the 2022 financial year to N52.9 billion in 2023. However, profit before tax declined from N7.21 billion in 2022 to N6.00 billion in 2023, while profit after tax was N4.37 billion in 2023 as against N4.52 billion in 2022. The turnover of our parent company, Vitafoam, increased from N42.12 billion in the 2022 financial year to N47.72 billion. However, profit before tax declined significantly from N6.74 billion in 2022 to N4.92 billion, while profit after tax decreased from N4.41 billion in 2022 to N3.41 billion in 2023.

The growth in turnover during the year underscores the resilience of the brand and further reinforces our industry leadership. Unfortunately, profitability gravitated southwards due ostensibly to the impact of forex scarcity. In order to ameliorate the forex shortage, the company adopted a mix of official and autonomous windows to source forex for procurement of raw materials in order to sustain operations. Inevitably, the resultant revaluation loss from forex induced distortions affected the margin and the profitability of the business. As a stop-gap measure and to ameliorate the situation, the company resorted to procurement of chemical raw materials from local vendors, albeit at prohibitive prices.

It is noteworthy that increase in costs due to foreign exchange crisis and other factors including energy, could not be entirely passed to the final consumers whose disposable income and purchasing power have plummeted from the impact of the naira devaluation and galloping inflation experienced during the year. During this reporting period, the exchange rate of the US Dollar to the Naira at the Investors and Exporters (I&E) window ranged from N486.93/\$ to N776.79/\$ indicating sixty percent decline for the naira.

Notwithstanding the above setbacks, the company will continue to deploy creative and innovative strategies to sustain profitable operations. We shall improve efficiency at all the touch points particularly procurement, production and human capital management while strengthening collaboration with our trade partners towards expanding market share. During the outgoing year, additional retail outlets were opened at different locations nationwide, with a view to bringing our products closer to consumers, while robust business support was provided to existing dealers.

GROUP MANAGING DIRECTOR'S REPORT (CONT'D)

The Group

Despite the difficult operating environment, the trend of positive performance was sustained across the group. Distinguished Shareholders, ladies and gentlemen, permit me to provide an update on the activities and prospects of our various subsidiaries.

Vitapur

Vitapur Nigeria Limited, our insulation and chemical systems subsidiary, posted an impressive performance in the 2023 financial year. The company's turnover grew by 12 per cent year-on-year while profit after tax grew by 13 per cent compared with the previous year. It is pertinent to state that this performance was achieved under difficult circumstances, particularly the ill-fated naira redesign policy of the Central Bank of Nigeria which significantly affected the company's turnover in the first and second quarters amid forex scarcity.

In a bid to expand the frontiers of this business, a new six tonnes adhesive blending tank was installed and commissioned in the fourth quarter of the financial year in addition to previously installed five tonnes reactor tank. These additions are expected to raise Vitapur's blending capacity by 40% while adding another variant to the prepolymer line. Our Systems House currently supplies prepolymer and adhesives to the parent company and other foam manufacturers in the country. It is heartwarming to note that Vitapur's sandwich panels are in high demand in the construction and allied industries and is generally preferred to imported variants, thereby obviating the need for importation of panels into the country. The installation and commissioning of an additional discontinuous plant late in the year is expected to bolster Vitapur's sandwich panels' production and cement the company's position as an industry leader in the West African sub-region.

The recent Integrated Management System (IMS) recertification exercise for ISO 9001:2015; ISO 14001:2015 and ISO 45001:2018 ISO further affirms the quality and acceptability of the company's products

Vitablom

The soft furnishing subsidiary posted impressive performance during the year with significant contributions to the Group result. In spite of general economic downturn nationwide, the company grew its turnover by 25.5 per cent and profit after tax by 12.7 per cent, compared to the last financial year.

In furtherance of our growth strategy, a new flat-sheet fibre plant, with additional capacity to produce non-woven fabric, including felt and fibre cushions, fibre waddings and compressed fibre mattresses was installed and commissioned in Jos, Plateau State during the year. This will undoubtedly reduce exorbitant freight and associated costs hitherto incurred for transporting finished products from the Lagos factory; while also ensuring speedy distribution of the products to the Northern market. By this our market share is expected to significantly grow in the coming months.

Barring unforeseen circumstances, this subsidiary will take delivery of a new low melt fibre machine during the year, with capacity to boost output and ensure optimal performance of the installed plants. Distinguished Shareholders, I would like to assure you that the growth potentials for this subsidiary are encouraging.

Vitavisco

The moulded foam products subsidiary, Vitavisco, continues to play majorly in the moulded polyurethane and expanded polyethylene products (EPE) market. The manufactured products are used in the construction, footwear, furniture and packaging industries. Despite the challenge of forex scarcity and attendant paucity of raw materials during the year, the subsidiary's turnover grew by 19.9 percent and gross profit by 11.9 percent. Vitavisco's exploits in the footwear industry gained momentum during the year with

GROUP MANAGING DIRECTOR'S REPORT (CONT'D)

expansion into the South-Eastern markets. In order to improve the shoe sole line, the subsidiary has placed an order for a new modern state-of-the-earth shoe sole which will boost production (from 25,000 to 200,000 shoe soles per month).

The subsidiary has also developed new products such as insulation box for the agriculture value chain and pharmaceutical industries, while protective foam panels are now being experimented.

In the new financial year, special attention is being placed to manufacture and market many physio moulded products for medical usages. The intrinsic economic potentials of this business is hoped to be exploited.

Vono

The wood and metal furniture subsidiary of the group; Vono is beginning to record minimal profits. Efforts are currently being intensified to turn around the fortunes of the business through the introduction of new products offering that will capture the heart and minds of the end users. It is expected that with all of the new products on display and commitment by the employees, this subsidiary will turn the corner sooner than later.

Vitaparts

The fortunes of the oil filter subsidiary is gradually improving having surmounted the initial set-up challenges. During the year, significant efforts were deployed towards products development and market penetration for the two variants of the company's filters (Spin-on and Cartridge filters) with inroads into the major auto parts market in the South-west and the South-East. However, unregulated importation of cheaper substandard filters into the country has continued to undermine the efforts of the company, making it difficult to compete on pricing. Notwithstanding the menace of substandard and

cheaper filters in the market, the company's business development initiatives and consumer education are beginning to yield results with the enlistment of new dealers across the country in 2023. This has translated into a steady improvement in turnover compared to the previous year. In the meantime, efforts are being intensified to foster government's support for local manufacturing of oil filters through favourable import policies. I am glad to inform you that the Automotive Council of Nigeria has visited the factory and expressed confidence in Vitaparts' production process and quality of the filters. I assure you of our resolve to nurture this promising business to stability in no distant time, in a similar fashion to the other subsidiaries that are now contributing to the group's profitability.

Vitafoam Sierra Leone

Vitafoam Sierra Leone, our foreign subsidiary, increased revenue by 79.56 per cent, despite the adverse exchange rate regime in Sierra Leone. The company's profit before tax grew exponentially by 199 percent while profit after tax also increased significantly by 253 percent during the outgoing year. The impressive profit margin was achieved through efficient production and procurement processes, and brand positioning in the country. The company also broadened its presence in all the surrounding border towns and penetrated the neighboring countries of Liberia and Guinea. It gives me tremendous joy to report that Vitafoam Sierra Leone has finally turned the corner following the successful repayment of the UBA loan and is now poised for sustainable growth.

Business Outlook for 2023-2024

The International Monetary Fund (IMF) has projected a growth of 3.3 percent in 2022 which will decline to 2.9 percent in 2023 before increasing to 3.1 percent in 2024. In 2024, the Russian-Ukrainian

GROUP MANAGING DIRECTOR'S REPORT (CONT'D)

war and the Israeli-Hamas conflict will continue with significant disruption to global trade and maritime. Consequently, global economic outlook is expected to remain sub-optimal with occasional flashes of growth. In Nigeria, the problem of foreign exchange supply, depreciation of the exchange rate, dwindling external reserves, weakened output and rising inflation may persist through to the last quarter of the year. It is projected by analysts that the exchange rate of naira to dollar will deteriorate further in 2024. Inflation is projected to cross the 30 percent mark due to the impact of the falling naira value relative to other currencies, before witnessing a gradual resurgence.

Despite the prevailing gloomy national economic outlook, the future holds great promise for Vitafoam and the subsidiaries, as we continue to consolidate and innovate. We shall remain resolute in implementing our growth strategy as we navigate the difficult paths that lay ahead, leveraging procurement and production efficiencies in our cost management drive towards sustainable profitability. Our vibrant human capital remains the beacon of our transformation and future progress even at these trying times. Employees will be motivated for better performance while customers will continue to enjoy top-notch quality service experience. To sustain top-of-the-mind awareness for Vitafoam

brand and further strengthen market presence towards increased turnover, we will invest more in advertising and increased engagement with the consumers of our products. As a follow-up to the successful “Quality Sleep, Healthy Living” campaigns which commenced last financial year, there will be a collaboration with niche-specific influencers, to leverage digital platforms and showcase the brand's benefits to our target audience.

While the times may be tough and challenging, I am encouraged by the dedication and resilience of our employees across the group to overcome the current macroeconomic travails and sustain the trend of profitability. I thank you all for being part of our journey to greatness.



TAIWO ADENIYI
 Group Managing/CEO

FINANCIAL HIGHLIGHTS

For the year ended 30 September, 2022

GROUP	2023 N'000	2022 N'000	Increase/ (decrease)
Revenue	52,986,466	46,310,015	14%
Profit before income tax	6,004,112	7,214,360	-17%
Profit for the year	4,373,957	4,522,278	-3%
Proposed dividend	2,445,080	2,368,915	3%
Share capital	625,422	625,422	0%
Total Equity	17,406,078	15,668,518	11%

COMPANY	2023 N'000	2022 N'000	Increase/ (decrease)
Revenue	47,723,375	42,128,595	13%
Profit before income tax	4,929,600	6,748,246	-27%
Profit for the year	3,418,992	4,411,111	-22%
Proposed dividend	1,951,317	1,901,283	3%
Share capital	625,422	625,422	0%
Total Equity	16,178,032	15,013,073	8%

COMPANY	2023	2022	Increase/ (decrease)
Data per 50k share			
Basic Earnings (=N=)	2.73	3.53	-22.66%
Declared dividend (=N=)	1.56	1.52	3%
Net asset/share (=N=)	1,293	1,200	7.8%

GROUP	2023	2022	Increase/ (decrease)
Stock Exchange Information			
Stock exchange quotation at 30 September (=N=)	22.25	20.95	6%
Number of shares issued (000)	1,250,844	1,250,844	0%
Market capitalisation (N'000)	27,831,279	26,205,182	6%

GENERAL MANDATE CIRCULAR

Information in respect of General Mandate

In compliance with the Rules of the Nigerian Exchange Limited governing transactions with Related Parties and Interested Persons, the Company is seeking the general mandate of Shareholders under item no. 12 of the agenda of the Annual General Meeting.

The aggregate value of all transactions entered into with related companies during the financial year as stated on pages 111 of this Annual Report and Accounts is more than 5% of the latest net tangible assets or the issued share capital of the Company.

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

Relevant details for Shareholders' consideration are as follow:

1. The class of interested persons with which the Company will be transacting during the next financial year are subsidiaries of the Company;
2. The transactions with the related companies are of trading nature and those necessary for its day-to-day operations;
3. The transactions shall be on normal commercial terms and shall not be prejudicial to the interest of the Issuer and the minority Shareholders;
4. The rationale for the transactions are that they are cost-effective and complementary to the company's business and generally necessary to the operations of the company;
5. The method or procedure for determining transaction prices is based on the company's transfer pricing policy;
6. The Company shall obtain a fresh mandate from Shareholders if the method and procedure in 5 above become inappropriate;
7. Disclosure will be made in the Annual Report of the aggregate value of transactions conducted pursuant to this general mandate;
8. The interested person shall abstain, and has undertaken to ensure that its associates shall abstain, from voting on the resolution approving the transaction.

REPORT OF THE DIRECTORS

The Board of Directors of Vitafoam Nigeria PLC is pleased to present the Annual Report together with the group and company's audited financial Statements for the year ended 30th September 2023.

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 and rigid foam, fibre products, and textile products in Nigeria and across other West African countries. Other additional subsidiaries are Vono Furniture Products Limited and Vitaparts Nigeria Limited which manufacture quality furniture products and vehicle oil filters (spin-on and cartridge). The vast array of products from the group are tastefully designed and manufactured to meet consumers' needs in real estates, health institutions, hotels, oil and gas, automobile and agricultural sectors. Technical products (especially foam and fibre) which are usually manufactured to customized specifications are also supplied as semi-finished products to various industrial groups.

The company specializes 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 bed linen. Products on offer are affordable and available to various segments of society. The company has processes that integrate products' research and development, manufacturing, testing 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 through the incorporation of regular flexible foam, visco-elastic foam, steel, coil, felt, chip foam, etc. The various branded variants of these products lines offer Vita Spring Firm, Vita Spring Flex and Vita Divan Bed.

b) Regular Flexible Foams

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

The Early Days segment offers 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 lifestyle products of varied profiles and contours are now offered to our discerning customers as 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 that are often customized to customers' tastes. Popular mattress and pillow brands under this segment are: Vita Supreme, Vita Galaxy, Vita Grand, and Vita Hospital Mattress etc.

REPORT OF THE DIRECTORS (CONT'D)

Vita Sizzler mattress is an exquisitely high density, ultra-soft mattress made out of regular flexible foam. It is pressure relieving and comfortable without compromising support.

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

c) Fibre-Based and Allied Products

These product range are not polyurethane. Products in this category are: pillows, cushions, duvets and textile linens. Some of the branded fibre based products on offer are: Jumbo pillow, Gazelle pillow, Flip pillow, Music pillow and Vita duvet. In addition to the foregoing fibre-based products are linens, (bed sheets and pillows) of various textures, sizes and designs. In line with our innovation and expansion drive, we recently commissioned fibre sheet production line to produce fibre sheets for furniture and mattress companies. Activities in this segment are championed by our soft furnishing subsidiary- Vitablom Nigeria Limited. Vitablom Nigeria Limited also produces scouring sponge of different sizes and shapes.

d) Rigid Foam

The rigid foam segment is championed by our subsidiary, Vitapur Nigeria Limited and continues to hold great prospects for growth and diversification into the potentially highly lucrative rigid foam market. In addition to the installation of two modern process equipment (SAIP and Xinliang PU high pressure foaming machines), Vitapur acquired a new mobile plant with the aim of servicing customers' need off sites. The following are some of the products offerings of Vitapur:

- Agriculture: Rigid foam panels for thermal insulation of poultry farm 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

Vitapur Nigeria Limited became the first insulation company in Nigeria to earn the prestigious certification of Standard Organization of Nigeria (SON) on Integrated Management System: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 after an intensive audit of the Company's factory and its production processes. This is a clear demonstration of Vitapur's commitment to offering quality products in a safe manufacturing environment in order to meet and surpass the yearnings of its customers.

e) System House Project

Vitapur in partnership with the United Nations Development Programme (UNDP) and the Federal Ministry of Environment pioneered the setting up of a System House (chemical blending factory) in the country. The system house is basically for the production of pre-blended polyols used in the rigid polyurethane foam production, prepolymers and adhesives. Vitapur's system house currently supplies chemicals for the production of reconstituted foam, non-flammable adhesives and flexible foams to Vitafoam, the parent company as part of our backward integration proposition. This has afforded Vitafoam the advantage of just-in-

REPORT OF THE DIRECTORS (CONT'D)

time procurement of above listed chemical materials without the need to hold inventory.

f) **Visco-Elastic (Memory) Foam**

Vitavisco Nigeria Limited is a hi-tech company that specializes in the manufacture of visco-elastic (memory) foam products for the fast growing furniture and automobile industries. The company is strategically positioned to take advantage of opportunities from the government's automotive policy through the 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 Expanded Polyethylene Foam Plant to produce EPE products such as EPE Pipes, EPE Sheets insulation ducts, insulation boxes with applications in automotive furniture agricultural and foam industries. Within the year, Vitavisco strengthened its fronthold on shoe sole production, provide trendier and light weight PU Shoe soles for footwear industry.

g) **Furniture Products**

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

h) **Oil Filters**

Vitaparts Nigeria Limited has commenced the production and sale of Spin-on and Paper Cartridge Oil filters. The products are gradually gaining market acceptability.

i) **Expansion to ECOWAS**

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.

REPORT OF THE DIRECTORS (CONT'D)

2. TRADING RESULTS

The financial results for the year ended 30th September 2023 are summarized below:

	GROUP		COMPANY	
	2023	2022	2023	2022
	N'm	N'm	N'm	N'm
Turnover	52,842	46,310	47,723	42,128
Profit before taxation	6,004	7,214	4,929	6,748
Taxation	(1,630)	(2,692)	(1,510)	(2,337)
Profit after taxation but Before non -controlling interest	3,939	4,223	3,418	4,411
Non-controlling interest	434	298	-	-
Profit retained for the year	4,373	4,522	3,418	4,411

3. DIVIDEND

The Board has recommended a dividend of N1,951,317,000 representing N1.56 kobo 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 N1,516,722,000 (group) and N686,113,000 (company) were invested in property plant and equipment during the year to upgrade production facilities.

5. SALES AND MARKETING

Vitafoam has established itself, over the years, as a leader in the manufacturing and distribution of flexible and rigid foam in Nigeria and has now transitioned to offering complete household bedding (soft furniture) and hard furniture solutions in a bid to increase its share in the comfort and lifestyle industry thus ensuring that there is a Vitafoam product in every home.

The core focus of our sales and marketing strategy is product differentiation, market expansion, exceptional customer service and service reliability.

At the center of our marketing strategy are the customers and their preferences. As a brand, quality and value for money are our watchwords. Through our engagements and interactions with our existing customers and potential customers, we retained and secured their loyalty to the brand. We embarked on a 360- communications approach to inform, educate and entertain our customers. Our exceptional customer service has continued to generate positive responses.

The introduction of new furniture products and baby range of products during the financial year is a demonstration of our innovative attributes. The baby range of products are designed to ensure comfort of both the mothers and their babies.

REPORT OF THE DIRECTORS (CONT'D)

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 cost efficiency.

To stay ahead of competition and realize future opportunities as well as sustaining our industry leadership, the company has invested in state of the art laboratory for its use and for rentals to other industry professionals.

7. DONATIONS AND CHARITABLE GIFTS

The following donations were made during the year ended 30 September 2023:

		AMOUNT
S/N.	BENEFICIARIES	(N000)
1.	Public Primary School, Classrooms building - Budum Borno	7,709
2.	Human Development Initiative Tertiary Education Trust Fund	2,162
3.	University of Lagos - Sponsorship	826
4.	Nigeria Immigration Service - Computer systems	5,900
	(Company)	16,597
5.	Hastings Community Sierra Leone - Donation of solar power systems	513
6	Hastings Sierra Leone - Donations towards Police building project	389
	(Group)	17,499

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 functions to ensure sustainable growth and development of the organization. Some key strategic initiatives were adopted in the company's drive to maintain productive work environment:

(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. Appropriate resources that are available in the group are deployed to achieve optimal results throughout the group.

(b) Employee Involvement

Our employee involvement drive is aimed at stimulating the interest of the employees in issues of general welfare and the mutual progress of the organization and the employees. We encourage free flow of communication and interaction between the employees and the Management through the quarterly Town Hall meeting, which has also become an effective platform to gauge employees' mood. Feedback from the

REPORT OF THE DIRECTORS (CONT'D)

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 build trust, reduce communication gaps and resolve staff related issues at incipient stage thus prompting industrial harmony. Management and staff relations in the Company have remained cordial.

(d) Human Capital Development

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

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 that ensures that career development of the appraisee is structured and mapped out. The session also provides an opportunity for management to improve its approach through employees' suggestions.

9. 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 ensuring compliance with good corporate governance practices and statutory enactments guiding business operations. The Board formulates policies that ensure strict adherence to operational ethics. 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, Laws of the Federation of Nigeria, 2020 and the standards set by the Financial Reporting

REPORT OF THE DIRECTORS (CONT'D)

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

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

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

The Role of the Board

The responsibilities of the Board include the following:

- Formulation and implementation of strategic policies
- Ensuring the integrity of the Company's accounting and financial reporting systems.
- Evaluation of the Company's risk profile and framework and ensuring alignment with the overall business growth and direction.
- Review and monitoring of expenditure, budgetary planning and controls and financing strategies through the committee on risk and finance
- Review periodically the effectiveness and adequacy of internal control systems and processes.
- Periodic review and evaluation of actual business performance and the state of the Company
- Instituting and implementing policies on succession planning, appointment, training and remuneration of Directors and senior management
- Review of reports of Board committees and ratifying their decisions
- Maintaining communication and acceptable interaction with shareholders
- Ensuring compliance with applicable laws, regulations and code of business practice
- Approve plans for general business growth and expansion.

Board Meetings

The Board met seven (7) times during the 2022/2023 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.284 (2) of the Companies and Allied Matters Act 2020. The following is the list of the Directors and their attendance at the Board meetings:

REPORT OF THE DIRECTORS (CONT'D)

DIRECTORS	16/11/22	15/12/22	01/03/23	02/03/23	25/05/23	7/07/23	07/09/23
Prof. Rosemary Egonmwan	✓	✓	✓	✓	✓	✓	✓
Dr. B.O. Makanjuola	✓	✓	✓	✓	Rtd	Rtd	Rtd
Mr. T. A. Adeniyi	✓	✓	✓	✓	✓	✓	✓
Mr. B. S. Owode	✓	✓	✓	✓	✓	✓	✓
Mr. J. Alegbesogie	✓	✓	✓	✓	✓	✓	✓
Mr. Achike Charles Umunna	✓	✓	✓	✓	✓	✓	✓
Mrs. Adeola Adewakun	✓	✓	✓	✓	✓	Rtd	Rtd
Mr. Gambo Dahiru	NYA	NYA	NYA	NYA	✓	✓	✓
Mr. Olaoluwa Ogunfeyitimi	NYA	NYA	NYA	NYA	✓	✓	✓
Mr. Gerson P. Silva	✓	✓	✓	✓	✓	✓	✓
Mr. Abdul Akhor Bello	✓	✓	✓	✓	✓	✓	✓
Mr. Ademola Bolarinde	NYA	NYA	NYA	NYA	NYA	✓	✓
Mr. Zakari Sada	NYA	✓	✓	✓	✓	✓	✓

Keys

✓=Present

Rtd= Retired

NYA= Not Yet Appointed

Board Committees

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

A. Risk, Finance and General Purposes Committee

The Committee was chaired by Mr. Abdul A. Bello an Independent Non-Executive Director and met four times during the year. The table below shows the list and attendance of members at the meetings:

Directors	29/10/22	27/01/23	27/04/23	6/09/23
Mr. A.A. Bello	✓	✓	✓	✓
Mr. Taiwo Adeniyi	✓	✓	✓	✓
Mrs. A. Adewakun	✓	✓	✓	Rtd.
Mr. A.C. Umunna	NYA	NYA	NYA	✓

REPORT OF THE DIRECTORS (CONT'D)

Keys

- ✓ = Present
- NYA = Not Yet Appointed
- Rtd = Retired

B. Establishment & Remuneration Committee

At the time of this report, the Committee comprised two Non-Executive Directors. It was chaired by Mr. A. C. Umunna a Non-Executive Director. The Committee met twice during the year. The table below shows the list and attendance of members at the meeting:

Directors	21/10/2022	20/07/2023
Mr. A.C. Umunna	✓	✓
Prof. (Mrs) Rosemary Egonmwan	✓	EX
Mr. Ademola Bolarinde	NYA	✓

Key

- ✓ = Present
- NYA = Not Yet Appointed
- EX =Exited the Committee

C. Nomination & Governance Committee

At the date of this report, the Committee comprised two Non-Executive Directors. It is chaired by Mr. Zakari Sada, a Non-Executive Director. The Committee met thrice during the year. The table below shows the list and attendance of members at the meeting:

Directors	14/10/2022	9/05/2023	5/9/2023
Mr. Zakari Sada	NYA	✓	✓
Prof. Rosemary Egonmwan	✓	EX	EX
Mrs. Adeola Adewakun	✓	Rtd	Rtd
Mr. Gerson P. Silva	✓	✓	✓

Key

- ✓ = Present
- Rtd = Retired
- EX =Exited the Committee

D. Audit Committee

In compliance with Section 404 of the Companies and Allied Matters Act, 2020, the Company has a standing Audit Committee comprising two representatives of Directors nominated by the Board and three

REPORT OF THE DIRECTORS (CONT'D)

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 404(7) of the Companies & Allied Matters Act, 2020 and the Code of Corporate Governance. The Committee was chaired by Comrade S. B. Adenrele and the Company Secretary served as the Secretary to the Committee.

The Committee met 3(three) times between its inauguration and the time of this report and some of the meetings were attended by representatives of PricewaterhouseCoopers (PwC), the External Auditors. The following is a list of members of the Committee and their attendance at the meetings:

Members	26/04/23	26/07/23	19/12/23
Com. S.B. Adenrele	✓	✓	✓
Rev. I.O. Elushade	✓	✓	✓
Alhaji Gbadebo	✓	✓	✓
Mr. Abdul A. Bello	✓	✓	✓
Mr. Zakari Sada	✓	✓	✓

Key
 ✓ = Present

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

REPORT OF THE DIRECTORS (CONT'D)

standard practice.

Compliance with the code of corporate governance

The company's level of compliance with the code of corporate governance in the 2022/2023 financial year was adequate and satisfactory. Required statutory returns were submitted to the Securities & Exchange Commission, the Nigerian Exchange Limited and other regulatory bodies while appropriate disclosures concerning the business are made available periodically as required by relevant laws and regulations.

In line with the Securities & Exchange Commission's directives aimed at significantly reducing cost of operation including discontinuance of dividend warrants, Shareholders are enjoined to open e-dividend account by filling the e-dividend mandate form attached to the annual report, stamp with their respective banks and send to Meristem Registrars Limited.

10. SUSTAINABILITY REPORT

Sustainability is the foundation of an enduring corporate success and stands out as one of the core values of the company. Sustainability promotes consistency of vision, actions and processes while ensuring that systems are entrenched and allowed to run seamlessly. Sustainability is our approach to responsible corporate activities, environmental care and Health and Safety at the workplace. Here is a summary of what we have done across these keys areas.

- 1. Environmental:** Vitafoam Nigeria plc operates an environmental policy which ensures that it continually meets National, State and Internal policies, regulations and laws relevant to its sector, the company conducts regular checks and monitoring in line with set Environmental Management policies and Regulations, it conducts Environmental Impact Assessment for its new projects and Environmental Audit Report, Environmental Management Plan and Environmental Compliance Monitoring for already established operations and on-going projects

The compliance monitoring process addresses Vitafoam's commitment to ensuring environmentally sound operations through improving effectiveness of production processes and activities by establishing a link between pre and post analyses and the effect on the operation sites. The monitoring process also enables Vitafoam address any third party complaint about the activities taking place within its facility.

At Vitafoam, we are committed to operational processes that provide adequate levels of care and safety for the environment, our customers and our employees and pursue a policy which ensures environmental friendliness.

We are committed to complying with all relevant environmental laws and regulations and, periodically, review our compliance for continuous suitability via full understanding of the environmental impacts of our operations, services, equipment, products and packages. In addition, we are committed to continually look for ways to minimize these impacts.

Our occupational health and safety management system and environmental procedures and performances are subject to both internal and external audits and validations

The company has a dedicated Health, Safety and Environment Manager saddled with the responsibilities of ensuring that all HSE matters such as environmental data monitoring and analysis are coordinated and attended to promptly. He also ensures that the company is in compliance with relevant laws and standards across various states and locations where the company operates.

REPORT OF THE DIRECTORS (CONT'D)

The main activities of the company are the production and sale of flexible polyurethane foam products.

Polyurethane Foams are made by forming gas bubbles in a plastic mixture, with the use of a blowing agent. Foam manufacture can either be a continuous process for making laminate or slab stock or a batch process for making various shapes by cutting or molding.

Environmental Management Plans

The under listed consists of a set of mitigation, monitoring, and institutional measures taken by Vitafoam within its operation sites to eliminate, offset, reduce adverse environmental and social impacts to acceptable levels.

a. Energy Management

The primary source of energy is the National grid through PHCN. However, as back-up to the primary source are diesel powered generators (13 Nos) installed across various operation sites in Lagos, Jos, Aba and Kano.

Each generator house is equipped with fire extinguishers, hose reels, and safety signage with fire hose connected to water hydrant to ensure fire safety.

These generators are routinely maintained by certified energy management contractors.

b. Air Quality Management

Foam blowing processes are a source of hazardous volatile emissions to the environment. Emissions from heating of resins include volatiles, acetic acid and potentially toxic oxides.

In order to preserve air quality and minimize emissions of volatile solvents including Isocyanate, the following mitigation measures are in place in all the factory locations:

- Exhaust gases are extracted through fume extractors and filtered prior to discharge to the environment to prevent emissions of hazardous compounds. Filtration equipment includes activated carbon filters and air scrubbers.
- Chlorofluorocarbon compounds are not in use within the company. The company has long ago phased out the use of Acetone (an Ozone depleting substance) and replaced with non ODS blowing agent
- Smoking and Waste incinerating are prohibited across all operations sites
- Installation of extractor fans within the operational facilities to reduce dust infestation
- The company has ensured that relevant and dedicated personal protective gears are worn by staff during operations to reduce their exposure to occupational risks. (Rubber gloves, face mask, safety shoes, cover all.

c. Noise and Vibration management

Noise pollution during operation is generated by mechanical equipment.

The following measures have been put in place to ensure proper handling of noise pollution within the factories:

- Installation of silencers on air compressors and blowers

REPORT OF THE DIRECTORS (CONT'D)

- Mounting of equipment on vibration isolating platforms, rubber mats, dampers to reduce noise and vibrations
- Mechanical ventilation systems (e.g. air conditioners, fans) with noise-proof ducting and acoustically designed intake and exhaust openings
- Service Level agreements are in place for Generators, Air compressors and Air conditioners

d. **Water Management**

Major source of water within the factories are sunk water boreholes which provide water for both drinking and general cleaning. Drinking water is pretreated with portable water treatment plant.

e. **Waste Management**

Waste generation within the factory is attributable to only ancillary activities such as kitchen and restaurant waste water, sanitary waste water, and general cleaning including car washing.

Foam production is a dry process and as such does not generate waste water.

f. **Waste Oil Storage and Management**

Waste oil is generated from the servicing of Generators and compressors. The company has in place, Service Level Agreements with certified energy management contractors for the maintenance of energy equipment. Salvaged oils (black oil) from energy equipment are used as mould degreaser in batch foaming operations.

g. **Chemical Storage and Management**

Chemicals used in various factories are temporarily stored in dedicated storage areas before decanting into service tanks for foam production. The chemicals are stored and handled according to regulatory guidelines and the Material Safety Data Sheet (MSDS).

h. **Fire Safety**

All our factories are fortified with standard fire detection, fire protection and emergency alarm mechanisms.

Equipment ranging from smoke and heat detectors are installed while hose reels, automatic sprinkler system and Fire hydrants are installed around the factory perimeters and in strategic locations within the factory.

Fire extinguishers are located at the marked fire points and are for emergency use.

i. **Solid Waste Management**

The highest volume of solid wastes within our operations comes from the foam scraps which constitutes about 98% of solid wastes generated. Foam wastes are 100% recyclable. The company has foam recycling plants in two different locations across the country (in Lagos and Jos) where foam scraps generated or sourced outside of the system are recycled into reconstituted foams for applications in orthopedic mattresses and Hospital mattresses production.

Polyethylene films and used papers are other solid wastes generated within the system and are sold to 3rd party for recycling. Non-recyclable wastes are collected by certified local waste management contractor for proper disposal.

REPORT OF THE DIRECTORS (CONT'D)

2. Corporate Social Responsibility:

At Vitafoam, we are committed to uplifting the well-being of our immediate community around our operational sites and beyond. The company's CSR efforts are primarily targeted at the following areas of identified needs such as health care, education and security.

- **Health-** Over the years the company has continued to give material support to maternity homes, orphanages, general hospitals etc. Worthy 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.
- **Education-** the Company has a well-developed impressive program for students of tertiary institutions on Industrial attachments (under the SIWES Schemes) and National Youth Service Corp members posted to the company on their compulsory 1 year service. All through the year students on industrial attachments and Youth Corp members are offered opportunities to undergo well supervised training that promotes acquisition of various management/technical skills on our operational sites.

We also have in place a scheme where fresh young graduates are employed into our Management Trainee Scheme programs and are further retained after a successful 1 year training and assessment.

Our facilities PAN Nigeria have also become destination points for students of various schools and institutions on excursion and practical learning activities. The company is also actively engaged in the donation of research equipment to institutions of higher learning.

As a company that acknowledges the importance of education to the society, we embarked on the construction of blocks of classrooms on a built, equip and transfer basis.

- **Security-** At Vitafoam Nigeria Plc, we take keen interest in security of lives & property. We give regular support to law enforcement agencies within our area of operations.

3. Health & Safety Policy

The safety of our employees is paramount and we take adequate step to provide a safe workplace. At all of the company's factory and offices sites, we deploy world class safety and health practices. Where needed, experts in Safety, Health and Environment are invited to give necessary assistance. In addition to the foregoing, the company periodically organizes awareness programs such as safety week, Health Talk, fire drill and other related activities.

The company runs a well-equipped sports center to enable staff exercise at break period thereby achieving work-life balance. The company also retains the services of accredited Health Management Organizations (HMO) for efficient management of all health matters of employees and qualified dependants.

We further implement an effective emergency training program (i.e. fire drill) regularly and also have a Business Continuity Plan team. This is intended to prevent occurrence of disasters or minimize the impact of occurrence on the business and the employees.

The company has an in-house canteen across our factories where quality, nutritious and balanced meals are

REPORT OF THE DIRECTORS (CONT'D)

served to employees at heavily subsidized rates. This in a way contributes to the wellbeing of our staff. Regular Test is done for our Kitchen staff and food handlers in order to safeguard the health of the employees from infectious diseases.

HIV/AIDS & Disability- the company does not 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.

4. Decent Work



At Vitafoam Nigeria Plc., the main thrust of our HR policy is to engender a happy workforce and make the company a great place to work. We continue to implement several policies and employees friendly initiatives in the belief that human capital is paramount to the achievement of corporate success. A happy and motivated workforce will necessarily translate into a prosperous organization and enhanced stakeholders' satisfaction.

The company does not condone direct or indirect discrimination against any employee on the basis of nationality, ethnicity, sex, religion, disability or marital status. Management holds periodic engagement with all employees and key stakeholders on a regular basis. We hold regular quarterly town hall meetings, a forum for management-employee interaction which has become a key platform for dialogue.








Also, workers' trade unions are allowed to function across our factory locations without any hindrance in line with section 40 of the 1999 Constitution of the Federal Republic of Nigeria which guarantees right to freedom of Association. Over the years, we have enjoyed industrial harmony.

Sustainability Performance highlights in the financial year

Our sustainability performance in 2023 is graphically illustrated below using the key elements of Governance, Economic, Social and Environment:

<div>1 NO POVERTY</div> 	<p>We have a wide range of employees who are actively engaged and decently remunerated. General salary review was undertaken during the year in line with inflationary trend.</p>
<div>2 ZERO HUNGER</div> 	<p>We run in-house canteens across our operating facilities where clean, nutritious and balanced meals are given at subsidized rates to employees.</p>

REPORT OF THE DIRECTORS (CONT'D)

<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> 	<p>Prioritized health and safety of our people, we run an in-house clinic and physiotherapy gym managed by competent consultants. All employees and their dependents are enrolled under the Health Management Organization (HMO) scheme.</p>
<div>4</div> <div>QUALITY EDUCATION</div> 	<p>The company accepts an average of 40 Corps Members and students on Students Industrial Work Experience (SIWES) annually. The company won the ITF Award for the best in SIWES intake in Ikeja Area during the year.</p> <p>We support children of our employees with vary degrees of scholarships</p> <p>We hosted students of several institutions on learning excursions.</p>
<div>5</div> <div>GENDER EQUALITY</div> 	<p>Despite being a manufacturing company, conscious efforts are made to promote gender equality. A female currently sits as our Board Chair and consideration is given to gender balance in recruitments into management cadres.</p>
<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> 	<p>Achieved significant decrease in energy consumption through installation of energy saving bulbs.</p>
<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> 	<p>Sporting Center maintained</p> <p>Work-life balance is encouraged</p> <p>Periodic improvement of employee welfare.</p> <p>Provision and enforcement of the use of personal protective equipment (PPEs)</p> <p>Awarded the 2nd Best Kept Industrial Premises by MAN.</p>
<div>9</div> <div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> 	<p>Regular Research is being undertaken.</p> <p>Certified ISO 9001:2015 on quality management standards</p> <p>Awarded Best Premium Bedding and foam product manufacturer.</p>
<div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> 	<p>Support is given to security agencies within our community of operations.</p>

REPORT OF THE DIRECTORS (CONT'D)

<div>13</div> <div>CLIMATE ACTION</div> 	<p>Significant decrease in Energy consumption. Responsible management of liquid and solid waste.</p>
<div>16</div> <div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div> 	<p>We provide peaceful and inclusive work outlook. Employees are members of trade union and there has been a harmonious working relationship between management and the Trade Union.</p>
<div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> 	<p>Management is in consultation with all major stakeholders and key distributors & partners to ensure compliance and implementation of the sustainable development goals. Quarterly engagement is held with Trade Partners to discuss the state of the entity.</p> <p>Quarterly Town Hall meeting is held with the employees by the Group Managing Director to communicate policies and discuss the progress of the company and welfare, health and safety of employees.</p>

PHOTOS SPEAK



REPORT OF THE DIRECTORS (CONT'D)

11. DIRECTORS' INTEREST IN SHARES

Interest of the Directors in the Issued Share Capital of the Company as recorded in the Register of Members and/or as notified by them for the purpose of section 301 of the Companies & Allied Matters Act, 2020 are as stated below.

Directors	As at 30/09/2023 No. of shares	As at 30/09/2022 No. of Shares
Prof. (Mrs.) R.I. Egonmwan	101,940	101,940
Mr. T.A. Adeniyi	1,364,000	1,114,000
Mr. B. S. Owoade	320,000	320,000
Mr. J. I. Alegbesogie	726,820	726,820
Mr. Ademola Bolarinde	Nil	Nil
Mr. Gerson P. Silva	Nil	Nil
Mr. Achike C. Umunna	140,000	140,000
Mr. Abdul Akhor Bello	171,860	171,860
Mr. Zakari M. Sada	87,280	87,280
Mr. Olaoluwa Ogunfeyitimi	379,627	Nil
Mr. Gambo Dahiru	26,004	Nil

12. DIRECTORS INTEREST IN CONTRACTS

In accordance with section 303 (2) of the Companies and Allied Matters Act 2020, Mr. Gerson P. Silva a Non-Executive Director has notified the Board in writing of his associations with companies/firms that render contracts with the Company.

13. ANALYSIS OF SHAREHOLDING

- a) According to the Register of members, the following shareholders held 5% and above of the issued share capital of the company as at 30th September, 2023

REPORT OF THE DIRECTORS (CONT'D)

Shareholder	Units held	Percentage
Bolarinde Samuel Olaniyi	150,427,902	12.03%
Awhua resources Limited	98,281,981	7.86%
Neemtree Limited	125,334,977	10.02%

Aside from the three substantial shareholders above, no other shareholder(s) holds 5% and above of the issued and fully paid shares of the company.

b) The shares of the Company were held as follows as at 30th September, 2023

Type	Shareholding	%	Shareholders	%
Individual	723,439,469	57.8361	39,851	96.0381
Corporate	526,481,557	42.0901	1,565	3.7715
Government	1492	0.0001	2	0.0048
Foreign	921,546	0.0737	77	0.1856
Total	1,250,844,064	100	41,495	100

c) The range analysis of the shareholding as at 30th September, 2023 is as below:

Range	No. of Holders	% of Holders	Units	Shareholding%
1-5000	28,520	68.73%	39,259,351	3.1386%
5001-10,000	5114	12.327%	38,817,433	3.1033%
10,001-100,000	6,911	16.655%	193,515,863	15.471%
100,001-500,000	764	1.8412%	155,309,920	12.416%
500,001-1,000,000	92	0.222%	67,229,761	5.3748%
1,000,001-100,000,000	91	0.219%	480,948,857	38.45%
100,000,001-Above	2	0.005%	275,762,879	22.046%
Total	41,495	100%	-	100%

REPORT OF THE DIRECTORS (CONT'D)

14. ACQUISITION OF SHARES

The Company did not purchase any of its own shares during the 2022/2023 financial year.

15. 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) 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 at www.vitafoamng.com.

16. 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 upholds 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

17. COMPLAINTS POLICY

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

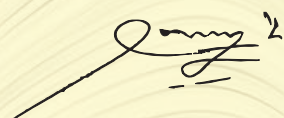
18. RETIREMENT BY ROTATION

The Directors retiring by rotation in accordance with the company's Articles of Association are Mr. Achike Charles Umunna and Mr. Abdul Akhor Bello being eligible, offer themselves for re-election.

19. INDEPENDENT AUDITORS

In accordance with Section 401(2) of the Companies and Allied Matters Act, 2020, PricewaterhouseCoopers (PwC) have indicated willingness to continue in office as the company's Auditors. A resolution will be proposed at the Annual General Meeting to authorize the Board of Directors to fix their remuneration.

BY ORDER OF THE BOARD



OLALEKAN SANNI

Company Secretary/Legal Adviser

FRC/2013/NBA/00000005309

20 December, 2023

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 30 SEPTEMBER, 2023

In Compliance with Section 404(7) of the Companies and Allied Matters Acts 2020, the members of the Audit Committee reviewed the financial statements of the company for the year ended 30th September 2023 and report as follows:

- a. Reviewed the scope and planning of the audit requirements and found them adequate;
- b. Reviewed the financial statement for the year ended 30th September 2023 and are satisfied with the explanations obtained;
- c. Reviewed the external auditors' management letter for the year ended 30th September 2023 and are satisfied with management responses to the issues raised; and
- d. Ascertained that the accounting and reporting policies for the year ended 30th September, 2023 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 19th December, 2023



Comrade S.B. Adenrele
 Chairman, Audit Committee
 FRC/2021/002/00000022710

Members of the Committee are:

- | | | |
|-------------------------|---|-----------------------------|
| Rev. I.O. Elushade | - | Shareholders Representative |
| Alh. Gbadebo Olatokunbo | - | Shareholders Representative |
| Mr. Abdul A. Bello | - | Independent Non-Executive |
| Mr. Zakari M. Sada | - | Non-Executive |

The Company Secretary, **Mr. Sanni Olalekan**, served as Secretary to the Audit Committee.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

for the preparation and approval of the financial statements

The Directors of Vitafoam Nigeria Plc and its subsidiaries (the Group and Company) accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group as at 30 September 2022, 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 financial statements, the Directors are responsible for:

- properly selecting and applying 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's financial position and financial performance.

Going Concern

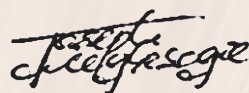
The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group will not remain a going concern in the year ahead.

The financial statements of the Group for the year ended 30 September 2023 were approved by the directors on 20th December 2023.

Signed on behalf of the Board of Directors By:



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



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

CERTIFICATION OF THE FINANCIAL STATEMENTS

In accordance with section 405 of the Companies and Allied Act of Nigeria, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

- (i) Audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- (ii) Audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of an for, the periods covered by the audited financial statements;

We state that management and directors:

- (i) Are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the officer by other officers of the Group, particularly during the period in which the audited financial statement report is being prepared,
- (ii) Has evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of its audited financial statements, and
- (iii) Certifies that the Group's internal controls are effective as of that date;

We have disclosed:


- (i) That there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarize and report financial data, and has identified for the Group's auditors any material weaknesses in internal controls, and
- (ii) That there has been no fraud that involves management or other employees who have a significant role in the Group's internal control; and
- (iii) That there has been no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to subsequent deficiencies and material weaknesses.

The financial statements of the Group for the year ended 30 September 2023 were approved by the directors on 20 December, 2023

Signed on behalf of the Board of Directors by



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



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



Independent auditor's report

To the Members of Vitafoam Nigeria Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

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 ("the company") and its subsidiaries (together "the group") as at 30 September 2023, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

What we have audited

Vitafoam Nigeria Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year ended 30 September 2023;
- the consolidated and separate statements of financial position as at 30 September 2023;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended;
- Significant accounting policies; and
- the notes to the consolidated and separate financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

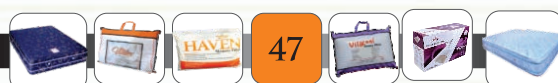
Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards), i.e. the IESBA Code issued by the International Ethics Standards Board for Accountants. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

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

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



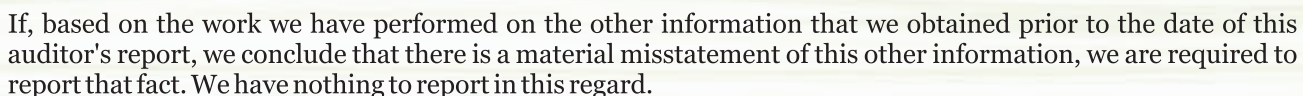
Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of investment in Vitafoam Sierra Leone Limited (notes 1.3, 1.18 and 38)</i></p> <p>Vitafoam Sierra Leone Limited (“the subsidiary”) had recurring losses due to operational challenges. In line with the requirements of IAS 36, impairment assessment was performed by the directors to determine the recoverable amount of investment in the subsidiary.</p> <p>Investment in subsidiaries is accounted for at cost less impairment through the value in use (VIU) model. As at 30 September 2023, the carrying amount of investment in Vitafoam Sierra Leone Limited was N1.3 billion</p> <p>We focused on the impairment of investment in Vitafoam Sierra Leone Limited due to the materiality of the balance as well as the significant judgements exercised by the directors in valuing the recoverable amount of investment.</p> <p>Areas where significant judgements were exercised by management include:</p> <ul style="list-style-type: none"> * Determination of internally generated variable factors such as revenue growth rate, terminal value growth rate and gross margin rate. * Determination of the discount rate. <p>This is considered a key audit matter in the separate financial statements only.</p>	<p>We adopted a substantive testing approach in evaluating the appropriateness of the VIU model prepared by the directors for the determination of the recoverable amount of investment in the subsidiary. Specifically, we performed the following procedures:</p> <ul style="list-style-type: none"> * Tested the internally generated variable factors used in the preparation of the VIU model by checking to historical performance of the business, Board-approved budgets and our understanding of the business and the industry in which they operate. Also, evaluated the appropriateness of the terminal growth rate used in the VIU model by comparing the historical and current year actual results with director's forecasts for the year. * Evaluated the reasonableness of the discount rate used by management and checked it to the Bank of Sierra Leone standing lending facility rate as at 30 September 2023. * Tested the mathematical accuracy of the VIU model. * Evaluated the appropriateness and adequacy of financial statements disclosures in accordance with IAS 36.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Directors' Profile, Financial Highlights, Report of the Directors, Report of the Audit Committee, Statement of Directors' Responsibilities for the Preparation and Approval of the Financial Statements, Certification of the Financial Statements, Value Added Statement And Five-Year Financial Summary (but does not include the consolidated and separate financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the Vitafoam Nigeria Plc 2023 Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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 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

As part of an audit in accordance with ISAs, we exercise professional judgment 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 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 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 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 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, related safeguards.

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

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from locations not visited by us;
- iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

For: **PricewaterhouseCoopers**
Chartered Accountants Lagos, Nigeria
Engagement Partner: Edafe Erhie
FRC/2013/ICAN/00000001143



27 December 2023



Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

	Note	Group		Company	
		2023 N '000	2022 N '000	2023 N '000	2022 N '000
Revenue	6	52,986,466	46,310,015	47,723,375	42,128,595
Cost of sales	7	(35,044,994)	(31,365,119)	(32,964,200)	(29,716,114)
Gross profit		17,941,472	14,944,896	14,759,175	12,412,481
Other gains	8	393,071	397,915	523,446	551,552
Distribution costs	10	(2,260,341)	(1,623,614)	(1,946,551)	(1,540,999)
Movement in expected credit loss allowances	20 & 35.1	(18,483)	(2,100)	23,997	(12,851)
Administrative expenses	9	(9,068,461)	(6,796,369)	(7,477,649)	(5,004,011)
Operating profit		6,987,258	6,920,728	5,882,418	6,406,172
Finance income	12	1,303,163	998,618	1,302,377	988,644
Finance costs	11	(2,286,309)	(704,986)	(2,255,195)	(646,570)
Profit before taxation		6,004,112	7,214,360	4,929,600	6,748,246
Taxation	13	(1,630,155)	(2,692,082)	(1,510,608)	(2,337,135)
Profit for the year		4,373,957	4,522,278	3,418,992	4,411,111
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements on net defined benefit liability	39	(366,570)	49,845	(366,570)	49,845
Gain on valuation of investments in equity instruments designated as at FVTOCI	39	5,898	6,915	5,898	6,915
Total items that will not be reclassified to profit or loss	39	(360,672)	56,760	(360,672)	56,760
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange differences on translation of foreign operations	39	(103,307)	83,476	-	-
Other comprehensive Income for the year net of taxation	39	(463,979)	140,236	(360,672)	56,760
Total comprehensive income for the year		3,909,978	4,662,514	3,058,320	4,467,871
Profit attributable to:					
Owners of the parent		3,939,439	4,223,481	3,418,992	4,411,111
Non-controlling interest		434,518	298,797	-	-
		4,373,957	4,522,278	3,418,992	4,411,111
Total comprehensive income attributable to:					
Owners of the parent		3,475,460	4,363,717	3,058,320	4,467,871
Non-controlling interest		434,518	298,797	-	-
		3,909,978	4,662,514	3,058,320	4,467,871
Earnings per share					
From Continuing operations					
Basic earnings per share (kobo)	29	315.00	338.00	273.00	353.00
Diluted earnings per share (Kobo)	29	315.00	338.00	273.00	353.00

The accounting policies and the notes on pages 56 to 120 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Financial Position

			Group		Company
	Note	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Assets					
Non-Current Assets					
Property, plant and equipment	15	7,006,612	6,274,919	3,200,289	3,004,961
Intangible assets	16	58,828	21,364	54,822	17,833
Investment property	17	-	-	1,707,986	1,778,044
Investments in subsidiaries	38	-	-	1,708,521	1,032,139
Right-of-use assets	42	191,038	193,039	191,038	193,039
Investment in financial assets	18	11,630	5,732	11,630	5,732
Finance lease receivables	41	55,211	95,469	55,211	95,469
Deferred tax	25	274,238	-	-	-
		7,597,557	6,590,523	6,929,497	6,127,217
Current Assets					
Inventories	19	14,296,668	13,864,400	11,734,948	11,003,143
Trade and other receivables	20	2,021,969	1,593,401	3,209,325	2,774,988
Other assets	21	3,911,212	2,110,018	3,633,073	2,022,747
Cash and cash equivalents	22	21,833,668	15,278,674	21,166,458	14,985,016
		42,063,517	32,846,493	39,743,804	30,785,894
Total Assets		49,661,074	39,437,016	46,673,301	36,913,111
Equity and Liabilities					
Equity					
Share capital	28	625,422	625,422	625,422	625,422
Reserves	28.1	188,809	286,218	456,790	450,892
Retained earnings		15,430,279	13,750,771	15,095,820	13,936,759
		16,244,510	14,662,411	16,178,032	15,013,073
Non-controlling interest		1,161,568	1,006,107	-	-
		17,406,078	15,668,518	16,178,032	15,013,073
Liabilities					
Non-Current Liabilities					
Borrowings	23	51,336	166,729	-	-
Lease liabilities	43	181,716	160,099	181,716	160,099
Retirement benefit obligation	26	1,169,900	761,874	1,169,900	761,874
Deferred tax	25	-	708,524	63,487	764,945
		1,402,952	1,797,226	1,415,103	1,686,918
Current Liabilities					
Trade and other payables	27	4,914,091	5,229,046	3,610,734	3,894,901
Borrowings	23	23,287,105	13,981,582	23,257,118	13,980,830
Deferred income	24	-	1,047	-	-
Current tax payable	14	2,650,848	2,759,597	2,212,314	2,337,389
		30,852,044	21,971,272	29,080,166	20,213,120
Total Liabilities		32,254,996	23,768,498	30,495,269	21,900,038
Total Equity and Liabilities		49,661,074	39,437,016	46,673,301	36,913,111

The consolidated and separate financial statements and notes on pages 51 to 120 were authorised and approved for issue by the board on the 20 December 2023 and were signed on its behalf by:

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

~~Sept~~
Feldgrasse

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

The accounting policies and the notes on pages 56 to 120 form an integral part of these consolidated and separate financial statements.

Consolidated Statement of Changes in Equity

	Share capital	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
Group								
Balance at 1 October 2021	625,422	(153,750)	(43,441)	393,018	11,333,365	12,154,614	781,067	12,935,681
Profit for the year	-	-	-	-	4,223,481	4,223,481	298,797	4,522,278
Other comprehensive income	-	83,476	6,915	-	49,845	140,236	-	140,236
Total comprehensive income for the year	-	83,476	6,915	-	4,273,326	4,363,717	298,797	4,662,514
Statute barred unclaimed dividend received	-	-	-	-	20,348	20,348	-	20,348
Dividend paid	-	-	-	-	(1,876,268)	(1,876,268)	(211,393)	(2,087,661)
Changes in NCI - control not lost	-	-	-	-	-	-	137,636	137,636
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(1,855,920)	(1,855,920)	(73,757)	(1,929,677)
Balance at 1 October 2022	625,422	(70,274)	(36,526)	393,018	13,750,771	14,662,411	1,006,107	15,668,518
Profit for the year	-	-	-	-	3,939,439	3,939,439	434,518	4,373,957
Other comprehensive income	-	(103,307)	5,898	-	(366,570)	(463,979)	-	(463,979)
Total comprehensive income for the year	-	(103,307)	5,898	-	3,572,869	3,475,460	434,518	3,909,978
Statute barred unclaimed dividend received	-	-	-	-	7,923	7,923	-	7,923
Dividend paid	-	-	-	-	(1,901,284)	(1,901,284)	(279,057)	(2,180,341)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	(1,893,361)	(1,893,361)	(279,057)	(2,172,418)
Balance at 30 September 2023	625,422	(173,581)	(30,628)	393,018	15,430,279	16,244,510	1,161,568	17,406,078

The accounting policies and the notes on pages 56 to 120 form an integral part of the consolidated and separate financial statements

Separate Statement of Changes in Equity

	Share capital	Reserve for valuation of investments	Others reserve	Retained earnings	Total equity
	N '000	N '000	N '000	N '000	N '000
Company					
Balance at 1 October 2021	625,422	(43,441)	487,418	11,331,723	12,401,122
Profit for the year	-	-	-	4,411,111	4,411,111
Other comprehensive income	-	6,915	-	49,845	56,760
Total comprehensive income for the year	-	6,915	-	4,460,956	4,467,871
Statute barred unclaimed dividend received	-	-	-	20,348	20,348
Dividend paid	-	-	-	(1,876,268)	(1,876,268)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	(1,855,920)	(1,855,920)
Balance at 1 October 2022	625,422	(36,526)	487,418	13,936,759	15,013,073
Profit for the year	-	-	-	3,418,992	3,418,992
Other comprehensive income	-	5,898	-	(366,570)	(360,672)
Total comprehensive income for the year	-	5,898	-	3,052,422	3,058,320
Statute barred unclaimed dividend received	-	-	-	7,923	7,923
Dividend paid	-	-	-	(1,901,284)	(1,901,284)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	(1,893,361)	(1,893,361)
Balance at 30 September 2023	625,422	(30,628)	487,418	15,095,820	16,178,032

The accounting policies and the notes on pages 56 to 120 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows

	Note(s)	Group		Company	
		2023 N '000	2022 N '000	2023 N '000	2022 N '000
Cash flows from operating activities					
Cash generated from operations	31	5,407,816	7,031,911	4,130,640	6,462,174
Tax paid	14	(2,721,666)	(2,484,970)	(2,337,141)	(2,121,028)
Net cash from operating activities		2,686,150	4,546,941	1,793,499	4,341,146
Cash flows from investing activities					
Purchase of property, plant and equipment	15	(1,516,722)	(723,234)	(686,113)	(508,408)
Proceed from disposal of property, plant and equipment		70,681	26,098	11,387	14,212
Purchase of investment property	17	-	-	(1,559)	-
Acquisition of shares in subsidiary	38	-	-	(676,382)	(103,567)
Purchase of other intangible assets	16	(43,792)	(5,244)	(43,597)	(4,564)
Additions to finance lease receivables	41	-	(65,836)	-	(65,836)
Finance lease receipts	41	40,258	26,717	40,258	26,717
Interest Income	12	1,181,526	906,899	1,180,740	896,925
Net cash from investing activities		(268,049)	165,400	(175,266)	255,479
Cash flows from financing activities					
Proceeds from borrowings	23.1	15,851,825	14,212,868	15,851,825	14,212,868
Repayment of borrowings	23.1	(7,467,334)	(11,860,031)	(7,351,189)	(11,618,249)
Dividends paid	30	(2,180,341)	(2,087,661)	(1,901,284)	(1,876,268)
Finance costs	11	(2,038,517)	(489,162)	(2,007,403)	(430,746)
Proceeds on sale of shares in subsidiary to non-controlling interest where control is not lost	45	-	137,636	-	-
Statute barred dividend received (Note 27.4 .1)		7,923	20,348	7,923	20,348
Net cash from financing activities		4,173,556	(66,002)	4,599,872	307,953
Total movement for cash & cash equivalent for the year		6,591,657	4,646,339	6,218,105	4,904,578
Cash at the beginning of the yearperiod		15,278,674	10,697,004	14,985,016	10,145,107
Effect of exchange rate movement on cash balances		(36,663)	(64,669)	(36,663)	(64,669)
Cash and cash equivalent at the end of the year	22	21,833,668	15,278,674	21,166,458	14,985,016

The accounting policies and the notes on pages 56 to 120 form an integral part of 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. Vitafoam Nigeria Plc is domiciled and incorporated in Nigeria.

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. These subsidiaries include Vitavisco Ltd, Vitapur Ltd, Vono Furnitures Ltd, Vitablom Ltd, Vitafoam Sierra Leone Ltd and Vitapart Nigeria Ltd.

Foreign operations are included in accordance with the policies set out in note 1.4.

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 20 December, 2023.

1. Significant accounting policies

1.1 Composition of financial statements

The consolidated and separate financial statements are presented in Naira which is the functional currency of Vitafoam Nigeria Plc in accordance with International Financial Reporting Standards (IFRS). These comprise:

- Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income
- Consolidated and Separate Statements of Financial Position
- Consolidated and Separate Statements of Changes in Equity
- Consolidated and Separate Statements of Cash Flows;
- Significant accounting policies; and
- Notes to the Consolidated and Separate Financial Statements

1.2 Basis of measurement and preparation

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) applicable for the year ended 30 September 2023, including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee; and the

Financial Reporting Council of Nigeria Act and the Companies and Allied Matters Act.

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 1.18 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 financial assets 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.

1.3 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.

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

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

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

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

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies 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.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

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

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.

1.4 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.

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

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

1.5 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

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

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

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

Under the Company's standard contract terms, customers are entitled to variable consideration. This represents the discount applied directly on invoice and all other discount to customers for performance.

Under current revenue recognition standard, upon transportation of goods to customers the company recognize revenue.

1.6 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)

Raw materials, non-returnable packaging materials and purchase cost on a weighted average basis including consumable spare parts - transportation and applicable clearing charges.

Finished products and products in-process (work in progress) - weighted average cost of direct materials, labour costs and a proportion of production overheads based on normal operating cycle

Inventory-in-transit - Purchase cost incurred to date

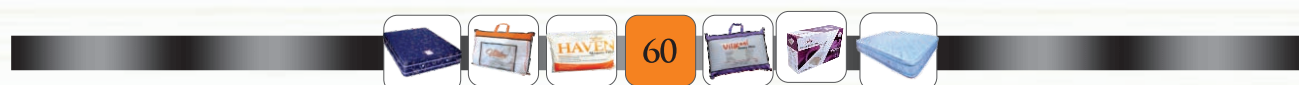
Net realisable value is the estimated selling price in the ordinary course of business, less any applicable selling expenses. Allowance is made for defective and slow moving items as appropriate. If carrying value exceeds net realizable amount, a write down is recognized. The write-down may be reversed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

Inventory provision

A provision should be made at half year and financial year end to derecognise impaired value of inventory held, likely to be incurred in the coming year, through obsolescence, damage, expired shelf life, or loss of value in the above stated categorisation.

Chemical :The Inventory of chemical carries expiry dates, however that on its own does not mean the chemical is not useable. Expired chemicals are re- evaluated by the technical team through further analysis to determine the efficacy and potency with the view to determining the quantity of additive to revalidate such chemical. The value of the additives required to restore potency is provided as the value of impairment.

Textile/packing :This has no fixed shelf life and are therefore not subjected to provision except where there is discontinuation in usage of a particular design.



Furniture :This is further differentiated for the purpose of impairment test as follows:

Metal Furniture	Exceeding	8 years	30% impairment
Wooden Furniture	Exceeding	7 years	50% impairment
MDF Furniture	Exceeding	5 years	80% impairment
Foam Furniture	Only the cost of recovery is taken as the impairment cost		

Obsolete inventory :These are stocks that are no longer saleable or useful in the production process. This will be impaired 100%.

1.7 Financial assets

Finance lease receivable

The lease receivables are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the group is a lessor is recognised in income on a straightline basis over the lease term.

Financial liabilities:

Trade and other payables:

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

Borrowings:

Borrowings are recognised initially at fair value, net of transaction costs and are subsequently stated at amortised cost and include accrued and prepaid interest. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months from the reporting date. Bank overdrafts are shown within borrowings in current liabilities and are included within cash and cash equivalents in the statement of cash flow as they form an integral part of the group's cash management.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

1.8 Property, plant and equipment

The measurement basis of property, plant and equipment is cost less accumulated depreciation and impairment losses. Cost includes purchase price and any directly attributable cost to bring the assets to the condition necessary for it to be capable of operating in the manner intended by management.

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 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

The Board of Directors in 2022 approved a change to the useful life of used motor vehicle from four years to two years while IT equipment from 5 years to two years under the assets class of furniture and fittings

Land is carried at cost less any impairment. 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

Derecognition of Property, plant and equipment

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.

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

1.9 Taxation (cont'd)

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 liabilities 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 IAS 12 is not rebutted. As a result, the Group has not recognised 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.

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 recognised 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.

The following are the relevant tax rates

- Company income tax at 30%
- Tertiary education tax at 2.5% of assessable profit

- Police trust fund levy at 0.005% of profit

1.10 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. 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.

1.10 Employee benefits (continued)

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 recognises service costs as gratuity expenses within profit or loss as administrative expenses (see note 9).

Interest expense or income is recognised within finance costs (see note 11 and 12).

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].

Pensions and other post-employment benefits

The Group and Company operate a defined contribution based retirement benefit scheme for its staff, in accordance with the Pension Reform Act of 2004 with employee contributing 8% and the employer contributing 10% each of the employee's relevant emoluments. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

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

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)

- Net interest expense or income.
- Remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item ['employee benefits expense'/others (please specify)]. Curtailment gains and losses are accounted for as past service costs

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

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

Other long term benefits

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

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.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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.

1.11 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.

1.12 Dividend distribution

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

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.

1.13 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.

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 group assesses whether a contract is, or contains, a lease, at inception of the contract. The group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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 11).

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 42 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, revaluation less subsequent depreciation. Right-of-use assets are depreciated over lease term using straight line depreciation method. 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 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.

1.14 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.

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.

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

1.16 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 less accumulated depreciation and impairment. 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. The group intangible assets are acquired.

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 (2022: 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

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	5 years

1.18 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 macroeconomic data. A scalar is obtained which is applied to the Historical loss rate.

Useful life of property, plant and equipment

The Company calculates depreciation of property, plant and equipment on a straight-line basis so as to write off the cost of the assets over their expected useful lives. The economic life of an asset is determined based on existing wear and tear, economic and technical ageing, legal or other limits on the use of the asset and obsolescence. If some of these factors were to deteriorate materially, impairing the ability of the asset to generate future cash flow, the Company may accelerate depreciation charges to reflect the remaining useful life of the asset or record impairment.

The Company considers this to be a critical accounting estimate because any material change in the useful lives of the Company's property, plant and equipment would significantly impact the Company's ability to generate future cash flows, and depending on the asset, would have a material impact on the value of property, plant and equipment and may decrease/increase the Company's net loss. The changes in useful lives of some items of property, plant and equipment were not significant.

Impairment of investment in subsidiaries

In line with the requirements of IAS 36 the Group annually perform impairment assessment to determine the recoverable amount of the investment in the subsidiary by using value in use (VIU) model to determine the recoverable amount of the investment as at 30 September 2023 and this approach involved the use of discounted cash flow model with several key assumptions including revenue growth rate, discount rate, gross margin rate and terminal value growth rate. If the assessment resulted in sufficient head room no impairment loss would be recognised.

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 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 26.

Income taxes

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

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

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:

Investment in subsidiary – Vitapur Nigeria Limited, Vitablom Nigeria Limited and Vitavisco Nigeria Limited

Even though Vitafoam holds only 40% of the equity shares in Vitapur Nigeria Limited, 40.64% in Vitablom Nigeria Limited and 40% in Vitavisco Nigeria Limited, the Directors believe that Vitafoam has control over Vitapur Nigeria Limited, Vitablom Nigeria limited and Vitavisco Nigeria Limited even though it holds less than half of the voting rights of the entities and it has a sufficiently dominant voting interest to direct the relevant activities, controls the financials and operating policies of Vitapur Nigeria Limited, Vitablom Nigeria Limited and Vitavisco Nigeria Limited. This key judgement forms the basis for the consolidation of Vitapur Nigeria Limited, Vitablom Nigeria Limited and Vitavisco Nigeria Limited in these consolidated financial statements.

1.19 Financial instruments

Cash and cash equivalents

The company considers three categories as Cash and Cash Equivalents. Cash and Bank balances which comprises of cash at bank and in hand including cash in transit and time deposits whose contractual maturities (or maturities at inception) are of three months or less. Short term investments which include time deposits whose contractual maturities (or maturities at inception) are comprised between three months after the closing date, trading portfolios, investment at amortized costs, other short term investments and margin accounts deposited. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

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 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.

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.

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.

(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 evidence of a recent actual pattern of short term profit taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or 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 12) 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 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 gains 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 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

1.20 Provisions and Contingent liabilities

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

1.21 Offsetting financial instruments

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

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

1.22 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 period

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

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 1

A subsidiary that uses the cumulative translation differences exemption, may elect in its financial statements, to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary.

The effective date of the group is for years beginning on or after 1 January 2022.

The group has adopted the amendment for the first time in the 2023 consolidated and separate financial statements.

The impact of the amendment is not material.

Reference to the Conceptual Framework: Amendments to IFRS 3

The amendment makes reference to the Conceptual Framework for Financial Reporting issued in 2018 rather than to the IASC's Framework for the Preparation and Presentation of Financial Statements. The amendment specifically points to the treatment of liabilities and contingent liabilities acquired as part of a business combination, and which are in the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies. It clarifies that the requirements of IAS 37 or IFRIC 21 should be applied to provisions, contingent liabilities or levies to determine if a present obligation exists at the Acquisition date. The amendment further clarifies that contingent assets of acquirees share not be recognised as part of the business combination.

The effective date of the group is for years beginning on or after 1 January 2022.

The group has adopted the amendment for the first time in the 2023 consolidated and separate financial statements.

The impact of the amendment is not material.

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the group is for years beginning on or after 1 January 2022.

The group has adopted the amendment for the first time in the 2023 consolidated and separate financial statements.

The impact of the amendment is not material.

Property, Plant and Equipment: Proceeds before Intended Use: Amendments to IAS 16

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the costs of testing whether the asset is functioning properly were included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts is now specifically required.

The effective date of the group is for years beginning on or after 1 January 2022.

The group has adopted the amendment for the first time in the 2023 consolidated and separate financial statements.

The impact of the amendment is not material.

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the group is for years beginning on or after 1 January 2022.

The group has adopted the amendment for the first time in the 2023 consolidated and separate financial statements.

The impact of the amendment is not material.

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 accounting periods beginning on or after 1 October 2023 or later periods:

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 1 January 2023.

The group expects to adopt the amendment for the first time in the 2024 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. 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

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 ensures that these limits are adhered to. Individual customer limits are set taking into consideration past experiences, trading performances and other factors. Where counterparties are unable to meet obligations under existing terms, the Group identifies such customers and restructures facilities to encourage performance and reduce losses.

The Group's credit portfolio is materially concentrated in South west Nigeria. The Group's maximum exposure to credit risk as at the reporting date is the carrying value of the financial assets in the statement of financial position. The carrying value of these financial assets approximates the fair value. The tables below analyse financial assets into the relevant past due groupings as at each reporting date.

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

Group

30 September 2023 Financial assets	Note	Neither past due nor impaired	30-60 days	90-120 days	Above 120 days	Total
		N'000	N'000	N'000	N'000	N'000
Cash and bank balances	22	21,972,351	-	-	-	21,972,351
Trade receivables (Net)	20	617,482	46,148	47,702	329,019	1,040,351
Staff advances	20	4,807	-	-	-	4,807
Other receivables(Net WHT)	20	1,134,842	-	-	-	1,134,842
		23,729,482	46,148	47,702	329,019	24,152,351
30 September 2022 Financial assets		Neither Past due nor impaired	30-60 days	90-120 days	Above 120 days	Total
		N'000	N'000	N'000	N'000	N'000
Cash and bank balances	22	15,278,674	-	-	-	15,278,674
Trade receivables (Net)	20	132,598	16,848	16,350	211,427	377,223
Other receivables (Net WHT)	20	909,017	-	-	-	909,017
		16,320,289	16,848	16,350	211,427	16,564,914

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 - 2023

		Within 1 year	Between 2 years and above	Total
Financial liabilities		N'000	N'000	N'000
Borrowings- Term loans	23	-	51,336	51,336
Lease liabilities	43	181,716	-	181,716
Trade and other payables	27	4,914,091	-	4,914,091
Borrowings (letter of credit obligation)	23	23,257,118	-	23,257,118
		28,352,925	51,336	28,404,261

Group - 2022

		within 1 year	Between 2 years and above	Total
Financial liabilities		N'000	N'000	N'000
Borrowings- Term loans	23	-	166,729	166,729
Lease liabilities	43	-	160,099	160,099
Trade and other payables	27	5,229,046	-	5,229,046
Borrowings (letter of credit obligation)	23	13,949,397	-	13,949,397
Bank overdraft	22	(31,384)	-	(31,384)
		19,147,059	326,828	19,473,887

Company - 2023

		Within 1 year	Between 2 years and above	Total
Financial liabilities		N'000	N'000	N'000
Lease liabilities	43	-	181,716	181,716
Trade and other payables	27	3,610,734	-	3,610,734
Borrowings (letter of credit obligation)	23	23,257,118	-	23,257,118
		26,867,852	181,716	27,049,568

Company - 2022

		within 1 year	Between 2 years and above	Total
Financial liabilities		N'000	N'000	N'000
Lease liabilities	43	-	160,099	160,099
Trade and other payables	27	3,894,901	-	3,894,901
Borrowings (Bank overdrafts and commercial papers)	23	13,980,830	-	13,980,830
		17,875,731	160,099	18,035,830

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 2023.

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	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
US Dollars 20% increase (2022: 10%)	4,906,269	1,589,880	4,906,269	1,589,880
US Dollars 20% decrease (2022: 10%)	(4,906,269)	(1,589,880)	(4,906,269)	(1,589,880)

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.

	Group		Company	
Increase or decrease in rate	2023 N'000	2022 N'000	2023 N'000	2022 N'000
10% increase in interest rate	473,386	240,515	472,111	237,674
10% decrease in interest rate	(473,386)	(240,515)	(472,111)	(237,674)
	-	-	-	-

Price risk

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

Sensitivity analysis for price risk

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

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.

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.

			Group		Company	
			2023 N '000	2022 N '000	2023 N '000	2022 N '000
Total borrowings	23	23,338,441	14,148,311	23,257,118	13,980,830	
Cash and cash equivalents	22	(21,833,668)	(15,278,674)	(21,166,458)	(14,985,016)	
Net borrowings/(cash and cash equivalents)		1,504,773	(1,130,363)	2,090,660	(1,004,186)	
Equity		17,371,044	15,668,516	16,178,030	15,013,073	
Gearing ratio		9 %	(7)%	13 %	(7)%	

4. Fair value Estimation

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

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

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

The following table presents assets that are measured at fair value at 30 September 2023 for both group and company:

Assets	Level 1	Level 2	Level 3	Total
Fair value through OCI	N'000	N'000	N'000	N'000
Equity Securities	11,630	-	-	11,630

The following table presents assets that are measured at fair value at 30 September 2022 for both group and company:

Assets	Level 1	Level 2	Level 3	Total
Fair value through OCI	N'000	N'000	N'000	N'000
Equity Securities	7,298	-	-	7,298

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.

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
5. Categories of financial instruments				
The Group's financial instruments are categorised as follows:				
Financial assets				
Loans and receivables				
Cash and cash equivalents (Note 22)	21,833,668	15,278,674	21,166,458	14,985,016
Trade and other receivables (Note 20)	1,467,086	1,593,400	3,201,902	2,774,988
Fair value through OCI				
Investment in financial assets (Note 18)	11,630	5,732	11,630	5,732
	23,312,384	16,877,806	24,379,990	17,765,736
Financial liabilities				
Borrowings (Note 23)	23,338,441	14,148,311	23,257,118	13,980,830
Trade and other payables (excluding non-financial instruments) (Note 27)	4,577,819	5,990,708	3,504,132	4,169,943
	27,916,260	20,139,019	26,761,250	18,150,773

6. Revenue

The Group derives its revenue from contracts with customers for the transfer of goods at a point in time for the following major product lines; foam, mattress, furnitures and parts. This is consistent with the revenue information that is disclosed for each reportable segment under IFRS 8 Operating Segments (see note 36).

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

Group analyses its net revenue by the following categories:

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Revenue from contracts with customers				
Sale of goods (Foams and other products)	52,986,466	46,310,015	47,723,375	42,128,595
Revenue other than from contracts with customers				
Within Nigeria	51,201,052	45,480,858	47,723,375	42,128,595
Outside Nigeria	1,785,414	829,157	-	-
	52,986,466	46,310,015	47,723,375	42,128,595
7. Cost of sales				
Sale of goods	33,941,461	30,542,604	32,432,245	29,180,334
Manufactured goods:				
Employee costs (Note 34)	461,554	207,532	231,625	207,532
Depreciation and impairment (Note 40)	474,689	446,969	198,404	193,854
Manufacturing expenses	167,290	168,014	101,926	134,394
	35,044,994	31,365,119	32,964,200	29,716,114

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
8. Other gains and losses				
Sale of scrap items	349,415	191,356	251,162	128,178
Rental income	21,981	8,300	105,603	104,988
Investment income	1,799	4,556	170,470	123,317
(loss)/profit on disposal of asset	(12,685)	4,660	(13,010)	(537)
Exchange loss	-	(6,563)	-	-
Provision no longer required	32,561	112,672	9,221	112,672
Government grants	-	82,934	-	82,934
	393,071	397,915	523,446	551,552

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
9. Administrative expenses				
AGM expenses	20,028	46,315	19,596	46,085
Advertising	418,206	843,144	378,461	776,175
Audit fees	32,195	32,389	22,000	22,000
Bank charges	55,906	74,254	47,031	60,873
Cleaning	60,334	53,276	35,688	28,308
Professional and Consulting fees	85,145	113,255	48,404	88,819
Depreciation and amortisation (note 40)	450,150	342,594	329,772	245,153
Donations	17,499	54,260	16,597	53,743
Employee costs (Note 34)	2,722,709	2,638,413	2,219,861	1,977,275
Entertainment	33,842	27,381	25,271	21,505
Other admin and general expenses (Note 9.1)	27,831	21,501	20,539	6,342
Conference & award expenses	6,712	1,867	220	1,867
Exchange loss	3,648,242	1,261,341	3,125,180	694,656
Insurance	146,570	83,693	124,870	63,797
Rent and rates	54,608	65,017	20,832	26,790
Stationery, newspapers and periodicals	40,225	36,511	30,170	24,365
Electricity and other utilities	592,300	450,942	507,358	382,048
Printing and stationery	52,891	54,330	38,551	42,669
Protective clothing	3,497	8,915	994	4,570
Repairs and maintenance	336,781	321,600	276,739	245,328
Research and development costs	28,747	1,417	22,190	-
Security	55,213	54,233	37,820	38,170
Subscriptions	16,645	21,037	11,895	13,502
Transport and travelling	162,185	188,684	117,610	139,971
	9,068,461	6,796,369	7,477,649	5,004,011

9.1 Other admin and general expenses comprises of sundry expense and employees scholarship scheme expenses respectively

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
10. Distribution expenses				
Distribution expenses*	2,260,341	1,623,614	1,946,551	1,540,999

This represent cost incurred in the delivery of finished products to customers during the financial year

*To enhance comparability of the financial statements, certain costs previously presented in 2022 as part of distribution expenses are now re- presented as part of cost of sales.

The current tax charge has been computed at the applicable rate of 30% (30 September 2022: 30%) plus education levy of 2.5% (30 September 2022: 2.5%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes.

The average effective tax rate for the Group is 37.32% (2022 : 37.32%) while for the Company, the average effective tax rate is 34.68% (2022 : 34.68%).

13. Taxation (continued)

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit	6,004,112	7,214,360	4,929,600	6,748,246
Tax at the applicable tax rate of 30% (2022: 30%)	1,801,234	2,164,308	1,478,880	2,024,474
Tax effect of adjustments on taxable income				
Effect of income exempted from taxation	(57,114)	(37,000)	(57,114)	(37,000)
Effect of non-deductible expenses in determining taxable profit	40,286	39,411	5,157	2,712
Effect of currency translation	-	(11,243)	-	(6,356)
Effect of concessions (research, development and other allowances)	(24,887)	-	(3,304)	-
Effect of proposed dividend	-	-	-	29,585
Effect of police trust fund levy	301	388	246	337
Effect of education tax	256,220	225,028	215,818	190,441
Effect of over provision prior year -deferred tax	(61,326)	178,772	(61,326)	147,033
Effect of minimum tax	3,432	3,345	-	-
Adjustment recognised in the current year to current tax of prior years	(10,780)	-	(6,132)	-
Effect of previously/currently unrecognised tax loss	(291,662)	-	-	-
Difference in tax rate	(76,463)	(5,614)	(61,617)	(14,091)
Effect of recognition of previously unrecognised deferred tax	-	101,038	-	-
Difference in tax rates- Opening balance	-	(73)	-	-
Effect of eliminated intergroup transactions	50,914	34,538	-	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	-	(816)	-	-
	1,630,155	2,692,082	1,510,608	2,337,135
14. Tax Payable				
The movement in tax payable/receivable is as follows:				
At 1 October	2,759,597	2,496,712	2,337,389	2,092,236
Company income tax for the year	2,612,917	2,718,270	2,212,066	2,336,596
Payment during the year	(2,721,666)	(2,484,970)	(2,337,141)	(2,121,028)
Back duty assessment	-	29,585	-	29,585
At 30 September	2,650,848	2,759,597	2,212,314	2,337,389

15. 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 2021	301,708	5,807,479	4,250,527	481,859	661,513	11,503,086
Additions	-	189,995	347,518	73,084	112,637	723,234
Disposals	-	-	(73,759)	(686)	(35,934)	(110,379)
Effect of exchange differences	-	(207,904)	(38,192)	(4,088)	(10,467)	(260,651)
At 30 September 2022	301,708	5,789,570	4,486,094	550,169	727,750	11,855,290
Additions	13,932	185,540	904,766	32,112	380,372	1,516,722
Disposals	-	-	(1,945)	(4,291)	(148,994)	(155,230)
Reclassifications (Note 15.1)	122,528	(122,528)	-	-	-	-
Adjustment (Note 15.2)	-	(23,582)	-	-	-	(23,582)
Effect of exchange differences	-	231,222	42,475	4,620	11,640	289,957
At 30 September 2023	438,168	6,060,222	5,431,390	582,610	970,769	13,483,157
Depreciation and impairment						
At 1 October 2021	-	1,376,710	2,749,394	375,778	490,785	4,992,667
Charge for the year	-	199,757	446,969	35,008	87,947	769,681
Disposals	-	-	(69,760)	(434)	(18,849)	(89,043)
Effect of exchange differences	-	(46,063)	(35,659)	(3,517)	(7,696)	(92,935)
At 30 September 2022	-	1,530,405	3,090,944	406,835	552,187	5,580,371
Charge for the year	-	220,763	474,689	48,133	166,920	910,505
Disposals	-	-	-	(4,291)	(124,596)	(128,887)
Effect of exchange differences	-	54,677	46,599	3,993	9,288	114,557
At 30 September 2023	-	1,805,845	3,612,232	454,669	603,800	6,476,546
Carrying amount						
At 30 September 2022	301,708	4,259,165	1,395,150	143,334	175,563	6,274,919
At 30 September 2023	438,168	4,254,376	1,819,158	127,940	366,969	7,006,612

15. 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 2021	294,098	2,466,479	2,478,148	328,543	512,422	6,079,690
Additions	-	173,326	211,885	43,944	79,253	508,408
Disposal	-	-	(60,114)	(685)	(24,150)	(84,949)
At 30 September 2022	294,098	2,639,805	2,629,919	371,802	567,525	6,503,149
Additions	13,932	159,969	110,452	25,878	375,882	686,113
Disposals	-	-	-	(4,291)	(148,994)	(153,285)
Adjustment (Note 15.2)	-	(23,582)	-	-	-	(23,582)
Reclassifications (Note 15.1)	122,528	(122,528)	-	-	-	-
At 30 September 2023	430,557	2,653,662	2,740,371	393,389	794,414	7,012,393
Accumulated depreciation						
At 1 October 2021	-	671,391	1,867,904	298,558	382,623	3,220,476
Depreciation	-	73,416	193,854	12,295	68,345	347,910
Disposals	-	-	(58,606)	(434)	(11,160)	(70,200)
At 30 September 2022	-	744,807	2,003,152	310,419	439,808	3,498,186
Disposals	-	-	-	(4,291)	(124,596)	(128,887)
Depreciation	-	77,682	198,404	23,966	142,754	442,806
At 30 September 2023	-	822,491	2,201,556	330,095	457,966	3,812,104
Carrying amount						
At 30 September 2022	294,098	1,894,996	626,767	61,383	127,717	3,004,961
At 30 September 2023	430,557	1,831,174	538,814	63,296	336,448	3,200,289

15.1 Reclassification :: This relates to reclassification between land and building.

15.2 Adjustment:** This relates to prior year cost of building renovation adjusted during the year to dealers warehouse loan

15.3 Assets pledged - Security

As at 30 September 2023, 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 23 for details)

16. Intangible assets

Intangible assets Group

	Computer Software
	N'000
Cost	
At 1 October 2021	128,211
Additions	5,244
Foreign exchange movements	(774)
At 30 September 2022	132,681
Additions	43,792
Effect of exchange difference	860
At 30 September 2023	177,333
Amortisation and impairment	
At 1 October 2021	(103,725)
Amortisation	(7,592)
At 30 September 2022	(111,317)
Amortisation	(7,188)
At 30 September 2023	(118,505)
Carrying amount	
At 30 September 2022	21,364
At 30 September 2023	58,828

Intangible assets _ Company

	Computer Software
	N'000
Cost	
At 1 October 2021	119,828
Additions	4,564
At 30 September 2022	124,392
Additions	43,596
At 30 September 2023	167,988
Amortisation and impairment	
At 1 October 2021	(99,368)
Charge for the year	(7,191)
At 30 September 2022	(106,559)
Amortisation	(6,608)
At 30 September 2023	(113,167)
Carrying amount	
At 30 September 2022	17,833
At 30 September 2023	54,822

16. Intangible assets (continued)

All intangible assets are non-current. All intangible assets of the Group have finite useful life and are amortised over 5 years in line with its accounting policy. The intangible assets represent cost of the Sage ERP package deployed

17. Investment property

Investment property - Company

	Investment property
	N'000
Cost	
At 1 October 2021	2,363,323
At 30 September 2022	2,363,323
Additions	1,558
At 30 September 2023	2,364,881
Depreciation and impairment	
At 1 October 2021	(513,663)
Depreciation	(71,616)
At 30 September 2022	(585,279)
Depreciation	(71,616)
At 30 September 2023	(656,895)
Carrying amount	
Carrying amount	
At 30 September 2022	1,778,044
At 30 September 2023	1,707,986

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

The company's investment property is occupied by related parties. Therefore, there is no investment property recorded for the group upon consolidation. The investment properties comprises three buildings located in Lagos State and Ogun State. The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. The Company adopted the cost model to subsequently measure its investment properties. Land is not depreciated.

The valuation was performed by Jide Taiwo Estate Surveyors & Valuers, FRC/2012/0000000000254 an accredited independent valuer, as at 4 December 2023. The valuer arrived at their opinion after adopting the Open Market basis reflecting continuity of existing use, with recourse to 'Depreciated Replacement Cost'. This represents the current cost of reconstructing the existing structure together with improvements in today's market adequately depreciated to reflect its physical wear and tear, age, functional and economic obsolescence plus the site value in its existing use as at the date of inspection.

As at 30 September 2023, the fair value of the investment properties was N4.23 billion. The depreciated replacement cost approach was used to determine the value using the market observable data. Changes in the underlying assumptions can lead to adjustments in the fair value of the investment properties.

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
18. Investment in financial asset				
Investment in equity instrument classified as fair value through OCI include the following:				
Investment in quoted shares	11,630	5,732	11,630	5,732
Fair value movement during the year				
At 1 October	5,732	7,298	5,732	7,298
Disposal	-	(8,481)	-	(8,481)
Gain/(loss) on fair valuation (Note 39)	5,898	6,915	5,898	6,915
	11,630	5,732	11,630	5,732
19. Inventories				
Finished goods- cost	1,430,098	1,418,387	1,183,218	1,037,500
Raw materials- cost	10,992,847	10,543,158	9,034,091	8,295,860
Work in progress-cost	1,141,328	1,291,614	907,147	1,076,277
Spare parts and consumables - cost	829,435	654,320	678,171	593,506
	14,393,708	13,907,479	11,802,627	11,003,143
Inventories (write-downs)	(97,040)	(43,079)	(67,679)	-
	14,296,668	13,864,400	11,734,948	11,003,143
Inventory impairment as at 1 October	43,079	111,475	-	67,361
Charge/(impairment)	53,961	(68,396)	67,679	(67,361)
At 30 September	97,040	43,079	67,679	-
20. Trade and other receivables				
Trade receivables	1,040,350	1,072,633	377,805	390,827
Allowance for doubtful debt receivables	(422,868)	(404,385)	(244,624)	(243,948)
Trade receivables at amortised cost	617,482	668,248	133,181	146,879
Staff Debtors	4,807	2,584	-	-
Other receivables (Note 20.1)	1,399,680	922,569	954,122	797,801
Receivables from related parties (Note 35)	-	-	2,122,022	1,830,308
Total trade and other receivables	2,021,969	1,593,401	3,209,325	2,774,988

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, N15 million (2022: N20.55 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:

Balance at 30 September 2023

	Expected credit loss rate	Group		Expected credit loss rate	Company	
		Gross carrying amount	Loss allowance (Lifetime expected credit loss)		Gross carrying amount	Loss allowance (Lifetime expected credit loss)
		N'000	N'000		N'000	N'000
<30 days	14 %	212,560	(30,225)	13 %	102,201	(13,215)
<60 days	22 %	71,907	(15,923)	14 %	26,107	(3,633)
<90 days	21 %	111,872	(23,674)	50 %	21,700	(10,900)
<120 days	19 %	123,774	(24,028)	53 %	10,282	(5,450)
<180 days	22 %	110,333	(23,690)	56 %	8,353	(4,712)
<270 days	33 %	47,129	(15,758)	52 %	3,335	(1,729)
<360 days	33 %	109,903	(36,698)	70 %	2,845	(2,003)
Above 360 days	100 %	252,872	(252,872)	100 %	202,982	(202,982)
Total		1,040,350	(422,868)		377,805	(244,624)

Balance at 30 September 2022

	Expected credit loss rate	Group		Expected credit loss rate	Company	
		Gross carrying amount	Loss allowance (Lifetime expected credit loss)		Gross carrying amount	Loss allowance (Lifetime expected credit loss)
			-		-	-
<30 days	13 %	387,235	(50,093)	19 %	146,378	(27,701)
< 60 days	13 %	92,934	(12,178)	17 %	10,127	(1,706)
<90 days	25 %	61,913	(15,452)	37 %	9,609	(3,581)
<120 days	34 %	50,116	(17,182)	52 %	9,832	(5,071)
<180 days	32 %	89,468	(29,063)	68 %	9,753	(6,649)
< 270 days	22 %	66,122	(14,485)	65 %	2,359	(1,366)
<360 days	40 %	98,128	(39,213)	67 %	15,706	(10,451)
Above 360 days	100 %	226,717	(226,717)	100 %	187,063	(187,423)
Total		1,072,633	(404,383)		390,827	(243,948)

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Trade and other receivables impaired				
Trade receivable impaired:				
3 to 6 months	422,868	404,385	244,624	243,948
Reconciliation of provision for impairment of trade and other receivables				
Opening balance	404,385	317,207	243,948	238,962
Increase/(Decrease) of impairment charge during the year	18,483	87,178	676	4,986
Balance at 30 September	422,868	404,385	244,624	243,948

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 group does not hold any collateral as security other than bank guarantees from certain customers with bank guarantee.

Amount charged/(credit) during the year				
Receivable from third party	18,483	87,178	676	4,987
Receivable from related party	-	(85,078)	(24,673)	7,864
	18,483	2,100	(23,997)	12,851

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 2022	404,385	-	404,385	243,948	-	243,948
Impairment charged /(write-back) during the year	18,483	-	18,483	676	-	676
At 30 September 2023	422,868	-	422,868	244,624	-	244,624

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. Customer's in Ikeja had the highest number of ECL contribution (48%) 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

20. Trade and other receivables (continued)

20.1. Other receivable

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Unclaimed dividends held by Meristem Register	502,871	462,096	502,871	462,096
Withholding tax receivable (Note 20.2)	132,771	127,862	299	17,813
Other debtors (Note 20.3)	764,038	332,611	450,952	317,892
	1,399,680	922,569	954,122	797,801
20.2. Withholding tax receivable				
The movement on withholding tax receivables during the year was as follows:				
Balance at 1 October	127,862	26,355	17,813	3,675
Additions during the year	22,423	101,507	-	14,138
Utilizations during the year	(17,514)	-	(17,514)	-
Balance at 30 September	132,771	127,862	299	17,813

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.

20.3. Other debtors

Other debtors relates to deposit for spares with foreign partners and deposit for materials with local supplies.

21. Other assets

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

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Prepaid rent	119,161	66,648	68,580	49,786
Prepaid insurance	42,388	28,332	38,856	23,351
Prepaid advertisement	46,091	88,067	46,091	86,657
Prepaid subscription	26,163	13,519	24,774	12,140
Advance payment for forex (Note 21.1)	3,114,219	1,856,361	3,075,800	1,806,922
Other prepayments (Note 21.2)	563,190	57,091	378,972	43,891
	3,911,212	2,110,018	3,633,073	2,022,747

21.1. 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 they also, include (mainly) Central Bank of Nigeria matured forward foreign exchange contracts which Central Bank of Nigeria is yet to deliver to settle various foreign exchange obligations to commercial Banks; all related to settlement of invoices emanating from importation of raw materials, spare parts and machinery, which are in transit at the year end

21.2. Other prepayment relates to advance payment for health insurance, container deposits and advance for suppliers

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
22. Cash and cash equivalents				
Cash and cash equivalents consist of:				
Cash on hand	17,280	13,110	8,205	6,875
Bank balances	3,910,301	3,679,108	3,252,166	3,391,685
Fixed deposit	17,906,087	11,586,456	17,906,087	11,586,456
Cash and bank	21,833,668	15,278,674	21,166,458	14,985,016
Bank overdraft	(29,987)	(32,185)	-	-
	21,803,681	15,246,489	21,166,458	14,985,016

The Group has restricted cash balance N674.39 million (2022: N824.6 million), company N674.39 million (2022: N824.6 million) which is held as a collateral for credit line utilized for letter of credit and loan repayment reserves which is reported under bank balances

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Retricted cash balance				
Zenith Bank Plc	479,754	824,600	479,754	824,600
Globus bank Limited	194,636	-	194,636	-
Balance at 30 September	674,390	824,600	674,390	824,600
23. Borrowings				
Non-current				
Bank loan	51,336	166,729	-	-
Current				
Bank Overdraft	29,987	32,185	-	-
Letter of credit	23,257,118	13,949,397	23,257,118	13,980,830
Total current borrowings	23,287,105	13,981,582	23,257,118	13,980,830
Total borrowings	23,338,441	14,148,311	23,257,118	13,980,830
Bank Overdraft	(29,987)	(32,185)	-	-
Split between non-current and current portions				
Non-current liabilities	51,336	166,729	-	-
Current liabilities	23,287,105	13,981,582	23,257,118	13,980,830
	23,338,441	14,148,311	23,257,118	13,980,830

23.1 Bank Borrowings

The letter of credit obligation is secured by a negative pledge on the parent's fixed and floating assets, a lien of N1.25 billion was placed on the fixed deposits with Wema Bank Plc and stock hypothecation of at least N3 Billion..

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Reconciliation of borrowings				
Balance as at 1 October	14,148,311	11,795,472	13,980,829	11,386,210
Interest accrued	2,783,055	489,162	2,783,055	430,746
Additions to borrowings	15,851,825	14,212,868	15,851,825	14,212,868
Repayment of borrowings	(9,444,752)	(12,349,191)	(9,358,592)	(12,048,995)
At 30 September	23,338,441	14,148,311	23,257,118	13,980,829

24. Deferred income

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. This income is deferred upon recognition and recognised has earned over the tenor of the loans.

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Current liabilities	-	1,047	-	-
25. 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	274,238	(708,524)	(63,487)	(764,945)

Group

30 September 2023	At 1 October	P&L (Charges)/ writeback	OCI (Charges) /write back	Retained earnings	At 30 September
Deferred tax assets/ liabilities in relation to:	N'000	N'000	N'000	N'000	N'000
Property, plant & Equipment	1,114,365	198,856	-	-	1,313,221
Tax losses	(9,506)	9,506	-	-	-
Unutilised tax credits	-	(69,188)	-	-	(69,188)
Provision	(414,105)	(111,977)	-	-	(526,082)
Exchange difference	38,472	(1,000,151)	-	-	(961,679)
Lease liability/ROU	(20,702)	(9,808)	-	-	(30,510)
	708,524	(982,762)	-	-	(274,238)

Group

30 September 2022	At 1 October	P&L (Charges)/ writeback	OCI (Charges) /write back	Retained earnings	At 30 September
Deferred tax assets/ liabilities in relation to:	N'000	N'000	N'000	N'000	N'000
Property, plant & Equipment	1,162,692	(48,327)	-	-	1,114,365
Tax losses	(123,349)	113,843	-	-	(9,506)
Adjustment	182,648	(182,648)	-	-	-
Provisions	(408,584)	(95,428)	89,907	-	(414,105)
Exchange difference	(125,381)	163,853	-	-	38,472
Lease liability/ROU	(15,532)	(5,170)	-	-	(20,702)
	672,494	(53,877)	89,907	-	708,524

Company

30 September 2023	At 1 October	P&L (Charges)/ writeback	OCI (Charges) /write back	At 30 September
Deferred tax assets/ liabilities in relation to:	N'000	N'000	N'000	N'000
Property, plant & Equipment	1,090,308	(6,569)	-	1,083,739
Provisions	(346,673)	(154,398)	-	(501,071)
Exchange difference	42,013	(530,983)	-	(488,970)
Lease liability/ROU	(20,703)	(9,808)	-	(30,511)
	764,945	(701,758)	-	63,187

Company

30 September 2023	At 1 October	P&L (Charges)/ writeback	OCI (Charges) /write back	At 30 September
Deferred tax assets/ liabilities in relation to:	N'000	N'000	N'000	N'000
Property, plant & Equipment	1,083,180	7,128	-	1,090,308
Provisions	(373,768)	(62,812)	89,907	(346,673)
Exchange difference	10,204	31,808	-	42,013
Lease liability/ROU	(15,532)	(5,170)	-	(20,703)
	704,084	(29,046)	89,907	764,945

25. Deferred tax (continued)

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	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Deferred tax assets	(1,587,459)	(444,313)	(1,020,552)	(367,376)
Deferred tax liabilities	1,313,221	1,152,837	1,083,739	1,132,321
	(274,238)	708,524	63,187	764,945

26. Employee benefit obligation

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Statement of financial position obligation				
Retirement benefit obligation	900,819	552,388	900,819	552,388
Long Service Awards Benefits	269,081	209,486	269,081	209,486
Liability in the statement of financial position	1,169,900	761,874	1,169,900	761,874

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 Miller Kingsley (FNAS,FSA) (FRC/2012/00000002392)**. The amounts recognised in the statement of financial position are determined as follows:

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Carrying value				
Present value of the defined benefit obligation	(1,975,895)	(1,343,231)	(1,975,895)	(1,343,231)
Fair value of plan assets	1,075,076	790,843	1,075,076	790,843
	(900,819)	(552,388)	(900,819)	(552,388)

26. Employee benefit obligation (continued)

Net defined benefit obligation

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

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
At 1 October	1,343,231	1,298,727	1,343,231	1,298,727
Current service cost	122,807	125,614	122,807	125,614
Interest cost	198,809	170,099	198,809	170,099
Actuarial (gains)/losses-change in assumption	(46,668)	(80,585)	(46,668)	(80,585)
Actuarial (gains)/losses-experience adjustment	413,683	(113,120)	413,683	(113,120)
Benefit paid by the Employer	(11,304)	(12,220)	(11,304)	(12,220)
Benefits paid by the fund	(44,663)	(45,284)	(44,663)	(45,284)
At 30 September	1,975,895	1,343,231	1,975,895	1,343,231
The movement in the fair value of the plan asset over the year is as follows:				
At 1 October	790,843	686,135	790,843	686,135
Expected return on plan assets	121,637	16,265	121,637	16,265
Employer contributions	163,490	96,000	163,490	96,000
Benefits paid by fund	(44,663)	(45,284)	(44,663)	(45,284)
Actuarial gain on plan asset	43,769	37,727	43,769	37,727
At 30 September	1,075,076	790,843	1,075,076	790,843
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				
Service cost	143,193	145,727	143,193	145,727
Interest cost	226,175	193,608	226,175	193,608
Expected return on plan assets (Note 12)	(121,637)	(91,719)	(121,637)	(91,719)
Actuarial (gain)/loss on long service award (Note 39)	(43,769)	16,226	(43,769)	16,226
Remeasurement (gains) or losses (Note 39)	410,339	(177,479)	410,339	(177,479)
	614,301	86,363	614,301	86,363

Key assumptions used

The principal actuarial assumptions were as follows:

	Group and company	
	2023	2022
Discount rates used (p.a)	16.70 %	14.30 %
Expected rate of return on assets (p.a)	16.70 %	6.50 %
Expected rate of return on reimbursement rights (p.a)	14.00 %	13.00 %
Expected increase in salaries	14.00 %	13.00 %

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

	Group and company	
Mortality in service	Number of deaths in year out of 10000	
Sample age	2023	2022
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

26. Employee benefit obligation (continued)

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 60years for all staff. The Scheme is unfunded.

Liability in the statement of financial position

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

	Group and Company	
	2023 N'000	2022 N'000
At 1 October	209,486	196,111
Current service cost	20,386	33,074
Interest cost	27,366	23,509
Actuarial (Gains) -change in assumption	(11,498)	(5,510)
Actuarial losses/(Gains)- experience adjustment	54,822	(11,403)
Benefits paid from the Employer	(31,481)	(26,295)
At 30 September	269,081	209,486

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 2023 N'000
Base	-	1,298,727
Discount rate	+1%	1,195,298
	-1%	1,415,884
Salary Increases	+1%	1,423,757
	-1%	1,187,782
Mortality experience	Age rated up by 1 year	1,298,830
	Age rated down by 1 year	1,298,630

The weighted average duration of the defined benefit obligation is 9.66 years.(2022 : 9.05)

	Group		Company	
	2023 N '000	2022 N '00	2023 N '000	2022 N '000
27. Trade and other payables				
Financial instruments:				
Trade payables	1,052,753	2,491,494	416,356	1,558,733
Dealers' security deposit	172,241	165,626	99,080	97,817
Other credit balances (Note 27.1)	608,071	226,476	406,978	179,386
Accrued expenses	158,305	167,070	27,625	44,118
Contract liability (Note 27.3)	1,148,351	910,027	1,148,351	910,027
Dividends unclaimed (Note 27.4)	1,438,098	1,039,329	1,405,742	1,028,320
Non-financial instruments:				
Withholding tax payable	113,816	66,105	91,600	54,694
Other accounts payable (Note 27.2)	93,740	162,362	15,002	21,806
Value added tax payable	128,716	557	-	-
	4,914,091	5,229,046	3,610,734	3,894,901

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

27.1. Other credit balances comprise of freighters and other service providers.

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 3. The Directors consider the carrying amount of trade and other payables to approximate their fair value.

27.2. Other accounts payable comprises of various payroll related obligations due as at 30 September 2023

Sundry creditors comprise trade debtors with credit balances as well as the amounts due to freighters

Payroll related obligations comprise of payables relating to the following: Pension, Nigeria Social Insurance Trust Fund (NSITF), National Housing Fund (NHF), Industrial Training Fund (IFT), Pay-As-You-Earn (PAYE), Co-operative Union dues and staff gratuity for the subsidiaries (as there was no valuation done).

27.3 Contract liability -Represent customer cash deposit for products

27.4 Unclaimed dividend

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Age (Years)				
<12	25,226	25,451	25,226	25,451
<11	30,586	31,022	30,586	31,022
<10	30,144	30,551	30,144	30,551
<9	35,845	36,268	35,845	36,268
<8	37,380	38,052	37,380	38,052
<7	38,030	38,709	38,030	38,709
<6	20,995	21,556	20,995	21,556
<5	33,627	34,839	33,627	34,839
<4	55,627	57,441	55,627	57,441
<3	109,141	112,310	109,141	112,310
<2	186,899	191,881	186,899	191,881
<1	834,598	421,249	801,972	410,240
	1,438,098	1,039,329	1,405,472	1,028,320

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
27.4.1 Movement in unclaimed dividend				
Balance at 1 October	1,039,329	657,695	1,028,320	657,695
Dividend declared with respect to prior year	2,368,917	2,224,319	1,901,284	1,876,266
Payments during the year to Meristem Registrars	(2,368,917)	(2,224,319)	(1,901,284)	(1,876,266)
Unpaid dividend received	24,872	-	24,872	-
Unclaimed dividend above 15 (fifteen) months receivable from the registrar (see (iii) below)	414,520	421,249	392,903	410,240
Statute barred dividend transferred to retained earnings (see (i) below)	(7,923)	(20,348)	(7,923)	(20,348)
Payments made to Shareholders during the period	(32,700)	(19,267)	(32,700)	(19,267)
Balance at 30 September	1,438,098	1,039,329	1,405,472	1,028,320

The balance as at year-end is included in trade and other payables (Note 27).

- 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 432 of the Companies and Allied Matters Act, 2020.
- 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
- As at 30 September 2023, N392.903 million (2022: N410.240 million) 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	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
28. Share capital				
Authorised				
2,400,000,000 Ordinary shares of 50 kobo each	1,200,000	1,200,000	1,200,000	1,200,000
28.1 The changes in reserves for the year is as follows;				
Reserves				
Reported as at 1 October 2022	286,218	195,827	450,892	443,977
Valuation of investments	5,898	6,915	5,898	6,915
Foreign currency translation reserves	(103,307)	83,476	-	-
	188,809	286,218	456,790	450,892
The reserves represent the following.				
i. Foreign currency translation reserves arising from translation of foreign subsidiary.				
ii. Valuation of investments in quoted shares.				
iii. Other reserves represents reserve on acquisition of Vono Product Plc in 2016.				
Issued				
Ordinary share 1,250,844 (2022 :1,250,844) of 50k each (issued and fully paid)	625,422	625,422	625,422	625,422

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
29. 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.				
29.1 From continuing operations				
Net profit attributable to shareholders (N'000)	3,939,439	4,223,481	3,418,992	4,411,111
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)	315	338	273	353

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, hence basic earnings per share and diluted earnings per share have the same values.

30. Dividends paid

Paid dividends in the last 2 years

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

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Dividend paid	2,445,080	2,087,661	1,901,284	1,876,268

Dividends of N1.901 billion (N1.52 per share) which relates to year ended 30 September 2022 (2021):N1.876 billion N1.50 per share) was paid by Vitafoam Nigeria Plc (Company) in arrears in the year 2023. Vitablom Nigeria Limited also paid a dividend of N212.84 million (N0.82 per share) , Vitavisco Nigeria Limited paid a dividend of N50.795 million (N0.65 per share) and Vitapur Nigeria Limited paid a dividend of N204 million (N1.02 per share) for the same period.

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
31. Cash generated from operations				
Profit before taxation	6,004,112	7,214,360	4,929,600	6,748,246
Adjustments for:				
Depreciation and amortisation on continuing operations (Note 40)	924,839	789,563	523,032	439,007
Translation adjustment on PPE	(176,259)	168,326	-	-
Profit/(loss) on disposal of asset	(44,338)	(4,760)	13,010	537
Adjustment on property, plant and equipment	23,582	-	23,582	-
Adjustment on right of use	(5,145)	-	-	-
Translation adjustment on Intangible assets	(860)	-	-	-
Translation difference on foreign subsidiary	(103,307)	83,476	-	-
Interest received	(1,303,163)	(998,618)	(1,302,377)	(988,644)
Finance costs	2,286,309	704,986	2,255,195	646,570
Movement in investment in subsidiary	-	-	-	(40,000)
Effect of corrected exchange difference	-	-	-	12,851
Effects of exchange rate movement on cash balance	36,663	64,669	36,663	64,669
Fair value loss on investment in financial assets	-	8,481	-	8,481
Service cost	122,807	137,521	122,807	137,521
Actuarial loss on long service award	43,324	5,510	43,769	5,510
Changes in working capital:				
Inventories	(432,268)	(5,239,639)	(731,805)	(4,494,140)
Trade and other receivables	65,782	(806,556)	(426,914)	(402,995)
Other assets	(1,801,194)	2,767,162	(1,610,326)	2,745,257
Trade and other payables	(144,573)	2,456,494	341,852	1,894,136
Deferred income	(1,047)	(224,705)	-	(220,473)
Benefit paid	(87,448)	(94,359)	(87,448)	(94,359)
	5,407,816	7,031,911	4,130,640	6,462,174

32. Contingent liabilities

Pending litigations and claims

In the opinion of the directors, and based on independent legal advice, the Company is not expected to suffer any material loss arising from any claim. Thus, no provision has been made in these financial statements.

33. 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 2023 was N22.48 billion (2022: N13.95billion)

Capital commitments

- a. Capital expenditure authorised by the directors but not contracted was Nil (2022: Nil)
- b. Capital expenditure contracted but not provided for in the financial statements was Nil (2022: Nil)

34. Directors and employees information

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Directors' emoluments				
Remuneration paid to the directors is as follows:				
Basic*	111,155	87,010	111,155	87,010
Other emoluments*	128,525	101,210	128,525	101,210
	239,680	188,220	239,680	188,220
Directors fee represents payment made to non executive directors, Group: N7.19m (2022: N6.89m), Company: N1.850m (2022: N1,550m)				
Chairman	13,450	9,343	13,450	9,343
Emoluments of the highest paid director	59,047	50,955	59,047	50,955
The number of directors excluding the chairman whose emoluments were within the following ranges were:				
In numbers	Number	Number	Number	Number
N6,000,000-- N12,000,000	6	5	6	5
N12,300,001 and above	5	4	5	4
	11	9	11	9
Employees				
The average number of persons employed by the Group and Company during the year were as follows:				
In numbers	Number	Number	Number	Number
Management	194	156	108	108
Non- management	483	522	340	351
	677	678	448	459

34. Directors and employees information (continued)

The breakdown of employee emoluments are as follows:

Employee cost charged to cost of sales (Note 7)	461,554	207,532	231,625	207,532
Employee cost charged to Administrative expenses (Note 9)	2,722,709	2,638,413	2,219,861	1,977,275
	3,184,263	2,845,945	2,451,486	2,184,807
Employees remuneration were within the following range				
N	Number	Number	Number	Number
100,001 - 200,000	2	4	-	-
200,001 - 300,000	19	18	-	-
300,001 - 400,000	26	24	-	1
400,001 - 500,000	23	74	5	40
500,001 - 600,000	31	87	10	41
600,001 - 700,000	53	79	26	66
700,001 - 800,000	26	86	10	81
800,001 - 900,000	42	58	31	44
900,001 - 1,000,000	42	45	40	39
1,000,001 - 1,100,000	72	23	64	19
1,100,001 - 1,200,000	51	15	47	13
1,200,001 - 1,300,000	36	6	29	3
1,300,001 - 1,400,000	33	4	30	2
1,400,001 - 1,500,000	18	6	17	1
1,500,001 - 2,000,000	60	39	39	23
2,000,001 - 2,500,000	15	37	8	27
2,500,001 - 3,000,000	16	23	11	17
3,000,001 - 3,500,000	29	8	17	7
3,500,001 - 4,000,000	19	8	14	7
4,000,001 - 4,500,000	16	6	10	5
4,500,001 - 5,000,000	4	-	4	3
5,000,001 - 5,500,000	7	3	7	5
5,500,001 - 6,500,000	10	8	8	1
6,500,001 - 8,000,000	3	1	2	-
8,000,001 - 9,000,000	5	4	4	4
9,000,001 - 11,000,000	2	4	2	6
Above 11,000,000	17	8	13	4
	677	678	448	459

35. Related parties

Related party balances

The following are the amount due from/to subsidiaries:

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Due from / (to) related entities				
Vitavisco Nigeria Limited	-	-	(69,072)	(18,638)
Vitafoam Sierra Leone	-	-	1,732,707	1,360,550
Vono Furniture Products Limited	-	-	117,942	146,980
Vitablom Nigeria Limited	-	-	(174,363)	(258,242)
Vitapur Nigeria Limited	-	-	35,863	207,400
Vitaparts Nigeria Limited	-	-	478,945	392,258
	-	-	2,122,022	1,830,308
The related parties balances are curent accounts with the parent.				
35.1 Reconciliation of loss allowance for related party receivables movement				
Allowance as 1 October			60,864	52,999
Impairment provision/(write-back) during the year			(24,673)	7,865
Allowance as at 30 September			36,191	60,864

Related party transactions

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

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Sales of goods and services				
Vitablom Nigeria Limited	-	-	20,793	-
Vono Furniture Products Limited	-	-	210,755	185,396
	-	-	231,548	185,396
Purchases from related parties				
Vitablom Nigeria Limited	-	-	2,087,857	1,625,735
Vitavisco Nigeria Limited	-	-	826,086	780,507
Vono Furnitures Products Limited	-	-	241,660	169,669
Vitapur Nigeria Limited	-	-	1,152,822	592,462
	-	-	4,308,425	3,168,373

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 off-set against one and other and difference in settled in cash.

35.2 Related party transactions

The company controls a number of related parties in which it has controlling interest. This has been detailed in Note 38.

35.3 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 34. No loans were advanced to any key personnel management during the year.

35.4 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

36. 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 Chief Operating Decision Maker 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 and liabilities have been disclosed.

Operating profits

	Group	
	2023	2022 N'000
Foam products	6,977,560	6,957,631
Furniture/other products	9,698	(36,903)
	6,987,258	6,920,728
Revenue is generated from local and international sales. An analysis based on customer location is set out below:		
Within Nigeria	51,201,052	45,480,858
Outside Nigeria (Sierra Leone)	1,785,414	829,157
Total revenue	52,986,466	46,310,015
The following is an analysis of the Group revenue from continuing operations from its major products:		
Foam products	52,183,409	45,659,171
Furniture/other products	803,057	650,844
Total revenue	52,986,466	46,310,015
36.1 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:		
Non-current assets (excluding deferred tax)		
Within Nigeria	6,743,430	6,162,321
Outside Nigeria (Vitafoam Sierra leone)	579,889	428,202
Total	7,323,319	6,590,523
The following is an analysis of the total segment assets and liabilities by product line:		
Foam products	49,289,855	39,056,749
Furniture/other products	371,219	380,266
Total segment assets	49,661,074	39,437,015

36. Segment information (continued)

From products	31,812,393	23,233,623
Furniture/other products	442,603	534,875
Total segment liabilities	32,254,996	23,768,498

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 20) and tax assets

36.2 Revenues from major products and services

The Group's revenues from its major products and services are disclosed in Note 6.

36.3 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.

37. Events after the reporting period

On December 20, 2023, the board of Directors approved a dividend payment in respect of the year ended 30 September 2023 of N1.56 per share amounting to a total dividend of N1.951 billion is proposed by Vitafoam Nigeria Plc while a dividend of N0.85 per share amounting to N212.84 million is proposed by Vitablom Nigeria Limited, a dividend of N0.65 per share amounting to N50.79 million is proposed by Vitavisco Nigeria Limited and a dividend of N1.02 per share amounting to N204 million is proposed by Vitapur Nigeria Limited. There were no other post balance sheet events that could have material effect on the state of affairs of the Group at 30 September 2023

38. 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 held by parent 2023	Proportion of ordinary shares held by Parent 2022	Carrying amount 2023 N'000	Carrying amount 2022 N'000
Vitafoam Sierra Leone Limited	Sierra Leone	Manufacture of foam and allied products	91.28 %	81.93 %	1,316,908	640,526
Vitapur Nigeria Limited	Nigeria	Manufacturing of Insulation Products	40.08 %	40.08 %	132,225	132,225
Vitablom Nigeria Limited	Nigeria	Fibre processing and soft furnishing company	40.64 %	40.64 %	103,066	103,066
Vitavisco Nigeria Limited	Nigeria	Production and sales of Visco elastic foam and latex products	40.00 %	40.00 %	32,421	32,421
Vono Furnitures Products Limited	Nigeria	Manufacture of furniture products	100.00 %	100.00 %	134,864	134,864
Vitaparts Nigeria Limited	Nigeria	Manufacture of motor vehicle oil filters	52.95 %	52.95 %	123,900	123,900
Provision for diminution in value of investment in subsidiary					1,843,384 (134,863)	1,167,002 (134,863)
					1,708,521	1,032,139
38.1						
Provision For Diminution						
At October 1					134,863	174,864
Write back					-	(40,001)
At September 30					134,863	134,863

38. Investment in subsidiaries (at cost) (continued)

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 and there are no restriction on the company ability to control the subsidiaries.

38.1 Investment in Vitafoam Sierra Leone Limited: In line with the requirements of IAS 36 the Group annually perform impairment assessment to determine the recoverable amount of the investment in the subsidiary by using value in use (VIU) model to determine the recoverable amount of the investment as at 30 September 2023 and this approach involved the use of discounted cash flow model with several key assumptions including revenue growth rate, discount rate, gross margin rate and terminal value growth rate . If the assessment resulted in sufficient head room no impairment loss would be recognised.

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	Vitapur Nigeria Limited	Vitablom Nigeria Limited	Vitavisco Nigeria Limited	Vitagreen Nigeria Limited	Vono Furnitures Products Limited
30 September 2023							
Current assets	157,979	1,911,465	1,318,617	859,589	324,936	40,688	263,864
Non-current assets	351,224	583,694	314,930	641,049	127,205	35,933	135,645
Current liabilities	(526,460)	(1,954,600)	(633,310)	(451,916)	(83,597)	(22,510)	(444,994)
Non-current liabilities	-	(3)	(115,579)	(97,957)	(80,463)	-	(26,259)
Equity	(17,255)	(607,274)	884,658	(950,765)	(288,081)	(54,091)	(71,748)
Profit or loss items							
Revenue	56,777	1,785,414	3,397,403	2,664,382	1,088,795	-	804,275
Cost of sales	(38,608)	(733,574)	(2,510,916)	(1,946,525)	(719,870)	-	(579,072)
Expenses	(131,067)	(853,817)	(331,231)	(312,680)	(296,316)	-	(219,502)
Retained income/ (loss)	(112,898)	291,214	378,934	289,764	72,609	-	4,435

	Vitaparts Nigeria Limited	Vitafoam Sierra Leone Limited	Vitapur Nigeria Limited	Vitablom Nigeria Limited	Vitavisco Nigeria Limited	Vitagreen Nigeria Limited	Vono Furnitures Products Limited
30 September, 2022							
Current assets	109,082	779,298	1,993,207	912,103	428,769	40,668	252,142
Non-current assets	417,888	428,203	154,331	241,715	144,175	35,933	158,026
Current liabilities	(431,328)	(1,504,766)	(1,217,472)	(253,189)	(231,250)	(22,510)	(486,352)
Non-current liabilities	-	(2)	(120,341)	(16,630)	(80,811)	-	(50,622)
Equity	(95,642)	(296,737)	(809,724)	(884,001)	(260,882)	(54,091)	76,183
Profit or loss items							
Revenue	18,334	829,157	3,031,559	2,121,757	908,073	-	650,821
Cost of sales	(12,716)	(423,532)	(2,074,901)	(1,493,933)	(578,530)	-	(482,435)
Expenses	(143,975)	(655,424)	(474,109)	(370,877)	(207,078)	-	(227,017)
Retained income /(loss)	(111,841)	(293,698)	335,295	256,947	85,103	-	(44,515)

39. Other comprehensive income

Components of other comprehensive income - Group - 2023

	Gross	Tax	Net
	N'000	N'000	N'000
Items that will not be reclassified to profit			
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	(366,570)	-	(366,570)
Movements on valuation of equity investments			
Gains on valuation	5,898	-	5,898
Total items that will not be reclassified to profit (loss)	(360,672)	-	(360,672)
Items that may be reclassified to profit			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	(103,307)	-	(103,307)
Total	(463,979)	-	(463,979)

Components of other comprehensive income - Group - 2022

	Gross	Tax	Net
	N'000	N'000	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	139,752	(89,907)	49,845
Movements on valuation of equity investments			
Gains on valuation	6,915	-	6,915
Total items that will not be reclassified to profit (loss)	146,667	(89,907)	56,760
Items that may be reclassified to profit/(loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	83,476	-	83,476
Total	230,143	(89,907)	140,236

Components of other comprehensive income - Company - 2023

	Gross	Tax	Net
	N'000	N'000	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	(366,570)	-	(366,570)
Movements on valuation of equity investments			
Gains on valuation	5,898	-	5,898
Total items that will not be reclassified to profit/(loss)	(360,672)	-	(360,672)

39. Other comprehensive income (continued)

Components of other comprehensive income - Company - 2022

	Gross	Tax	Net
	N'000	N'000	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	139,752	(89,907)	49,845
Movements on valuation of equity investments			
Gains on valuation	6,915	-	6,915
Total items that will not be reclassified to profit	146,667	(89,907)	56,760

40. Depreciation and amortisation

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

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
Depreciation				
Property, plant and equipment	910,505	769,681	442,806	347,910
Right-of-use assets	7,146	12,290	7,146	12,290
Investment property	-	-	71,616	71,616
	-	-	-	-
	917,651	781,971	521,568	431,816
Amortisation				
Intangible assets	7,188	7,592	6,608	7,191
Total depreciation and amortisation				
Depreciation	917,651	781,971	521,568	431,816
Amortisation	7,188	7,592	6,608	7,191
	924,839	789,563	528,176	439,007
Cost of sales	474,689	446,969	198,404	193,854
Admin	450,150	342,594	329,772	245,153
	924,839	789,563	528,176	439,007
41. Finance lease receivables				
Gross investment in the lease due				
- first year	-	-	-	-
At october 1	95,469	56,350	95,469	56,350
Additions	-	65,836	-	65,836
Receipt	(40,258)	(26,717)	(40,258)	(26,717)
Net investment in the lease	55,211	95,469	55,211	95,469
Non-current assets	55,211	95,469	55,211	95,469
Current assets	-	-	-	-
	55,211	95,469	55,211	95,469

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 12% (2022: 12.00%).

42. Right of use assets

Group

	Buildings N '000	Total N '000
Cost		
At 1 October 2021	229,909	229,909
At transition	-	-
At 30 September 2022	229,909	229,909
At 1 October 2022	229,909	229,909
At 30 September 2023	229,909	229,909
Depreciation and impairment		
At 1 October 2021	24,580	24,580
Depreciation	12,290	12,290
At 30 September 2022	36,870	36,870
At 1 October 2022	36,870	36,870
Adjustment	(5,145)	(5,145)
Charge for the year	7,146	7,146
At 30 September 2023	38,871	38,871
Carrying amount		
Cost	229,909	229,909
Accumulated depreciation and impairment	(36,870)	(36,870)
At 30 September 2022	193,039	193,039
At 30 September 2023	191,038	191,038

Company

	Buildings N '000	Total N '000
Cost		
At 1 October 2021	229,909	229,909
At 30 September 2022	229,909	229,909
At 1 October 2022	229,909	229,909
At 30 September 2023	229,909	229,909
Depreciation and impairment		
At 1 October 2021	24,580	24,580
Depreciation	12,290	12,290
At 30 September 2022	36,870	36,870
At 1 October 2022	36,870	36,870
Adjustment(Note 42.3)	(5,145)	(5,145)
Charge for the year	7,146	7,146
At 30 September 2023	38,871	38,871
Carrying amount		
At 30 September 2022	193,039	193,039
At 30 September 2023	191,038	191,038

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 one year. 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 42.1 and the extension options for the leases has been presented in Note 42.2

The maturity analysis of lease liabilities is presented in Note 43.

42.1. Amounts recognised in profit/(loss) for leases

	2023	2022
	N'000	N'000
Interest expense on lease liabilities (included in finance cost)	21,617	22,216
Expenses relating to leases of low-value assets (included in administrative expenses)	20,832	26,790
Depreciation expense on right-of-use assets (included in administrative expenses)	7,146	12,290
	49,595	61,296

42.2. 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.

42.3 **Adjustment.** It relates to over provision write back of depreciation in prior year

	Group		Company	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
43. 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
	1,009,873	1,009,873	1,009,873	1,009,873
less: future finance charges	(828,157)	(849,774)	(828,157)	(849,774)
As at 30 September	181,716	160,099	181,716	160,099

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	
	2023 N '000	2022 N '000	2023 N '000	2022 N '000
At 1 October	160,099	137,883	160,099	137,883
Payments made during the year	-	-	-	-
Interest on lease liabilities	21,617	22,216	21,617	22,216
At 30 September	181,716	160,099	181,716	160,099
Non-current liabilities	181,716	160,099	181,716	160,099
Current liabilities	-	-	-	-
	181,716	160,099	181,716	160,099

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

The average lease term was 25 years and the average effective borrowing rate was 17% in 2023 (2022: 17%)

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.

44. Non-audit services

- i. No non-audit service has been rendered by Pricewaterhousecoopers to the Group.
- ii. Non-audit and other forms of assurance service has been rendered on the financial statements.

The details of the professional firms are disclosed below:

Name of Signer	FRC Number	Name of Firm	Services Rendered
Miller Kingsley (FINAS, FSA)	FRC/2012/00000002392	Ernst & Young	Actuarial Valuation Services
Ogunbamowo Olukunle	FRC/2013/ICAN/00000000818	Deloitte & Touche	Tax Services
Jide Taiwo	FRC/2012/0000000000254	Jide Taiwo Estate Surveyors & Valuers	Investment proprty valuation



	Group		Company	
	12 months ended 30 September 2023 N '000	12 months ended 30 September 2022 N '000	12 months ended 30 September 2023 N '000	12 months ended 30 September 2022 N '000
45. Proceeds on sale of shares in subsidiary to non-controlling interest where control is not lost				
	N'000	N'000		
Cash flows of held for sale / discontinued operations	-	229,861	-	-
Cash flows of held for sale / discontinued operations	-	(92,225)	-	-
	-	137,636	-	-

Sales of subsidiaries shares represents value of shares taken over by Parent and non controlling shareholders from the sale of shares in Vitapur Nigeria Limited in 2022 and Vitavisco Nigeria Limited in 2021.

Value Added Statement

	2023	2023	2022	2022
	N '000	%	N '000	%
Group				
Value Added				
Revenue	52,986,466		46,310,015	
Interest received	1,303,163		998,618	
Other gains and losses	393,071		397,915	
Bought - in materials and services	(42,264,693)		(36,149,596)	
Total Value Added	12,418,007	100	11,556,952	100
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	3,184,263		2,845,945	
	3,184,263	26	2,845,945	25
To Pay Providers of Capital				
Finance costs	2,286,309		704,986	
Share of profit to non-controlling interest	434,518		298,797	
	2,720,827	22	1,003,783	9
To Pay Government				
Income tax	2,356,396		2,492,854	
Police Trust Fund levy	301		388	
Education tax	256,220		225,028	
Back duty tax	(383,102)		80,135	
	2,229,815	18	2,798,405	24
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation	943,322		791,663	
Deferred tax	(599,659)		(106,322)	
	343,663	3	685,341	6
Value retained				
Retained profit	3,939,439		4,223,478	
	3,939,439	32	4,223,478	42
Total Value Distributed	12,418,007	100	11,556,952	100

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

Value Added Statement

	2023	2023	2022	2022
	N '000	%	N '000	%
Company				
Value Added				
Turnover	47,723,375		42,128,595	
Interest received	1,302,377		988,644	
Other gains and losses	523,446		551,552	
Bought - in materials and services	(39,408,738)		(33,637,310)	
Total Value Added	10,140,460	100	10,031,481	100
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	2,451,486		2,184,807	
	2,451,486	21	2,184,807	21
To Pay Providers of Capital				
Finance costs	2,255,195		646,570	
	2,255,195	22	646,570	6
To Pay Government				
Income tax	1,996,002		2,145,817	
Police levy	246		338	
Back duty tax	-		29,585	
Education tax	215,818		190,441	
	2,212,066	25	2,366,181	24
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation	504,179		451,858	
Deferred tax	(701,458)		(29,046)	
Retained profit or loss	3,418,992		4,411,111	
	3,221,713	32	4,833,923	47
Value retained				
Retained profit	3,418,992		4,411,111	
	-	-	-	-
Total Value Distributed	10,140,460	100	10,031,481	100

Five - Year Financial Summary

	2023	2022	2021	2020	2019
	N '000	N '000	N '000	N '000	N '000
Group					
Statement of Financial Position					
Assets					
Non-current assets	7,597,557	6,590,523	6,803,882	5,818,133	3,031,914
Net-current assets/(liabilities)	11,211,473	10,875,221	8,536,970	7,211,864	2,849,215
Assets of disposal groups held for sale	-	-	-	-	2,782,997
Total assets	18,809,030	17,465,744	15,340,852	13,029,997	8,664,126
Liabilities					
Non-current liabilities	(1,402,952)	(1,797,226)	(2,405,171)	(3,989,624)	(2,118,353)
Liabilities of disposal groups held for sale	-	-	-	-	(576,063)
Net assets	17,406,078	15,668,518	12,935,681	9,040,373	5,969,710
Equity					
Share capital	625,422	625,422	625,422	625,422	625,422
Reserves	188,809	286,218	195,827	256,908	552,449
Retained earnings	15,430,279	13,750,771	11,333,365	7,769,014	4,658,091
Non-controlling interest	1,161,568	1,006,107	781,067	389,029	133,748
Total equity	17,406,078	15,668,518	12,935,681	9,040,373	5,969,710
Profit and loss account					
Revenue	52,986,466	46,310,015	35,404,072	23,443,830	22,283,163
Profit before taxation	6,004,112	7,214,360	7,341,723	5,646,565	3,495,838
Taxation	(1,630,155)	(2,692,082)	(2,744,677)	(1,730,685)	(1,031,133)
Profit/(loss) from continued operations	4,373,957	4,522,278	4,597,046	3,915,880	2,464,705
Profit/(loss) for the year	4,373,957	4,522,278	4,597,046	4,107,506	2,386,708
Non-controlling interest	(434,518)	(298,797)	(359,739)	(295,271)	(104,690)
Profit/(loss) attributable to owners of the parent retained	3,939,439	4,223,481	4,237,307	3,812,235	2,282,018
Per share data					
Earnings per share (Basic)	315	338	339	305	182
Net assets per share	1,392	1,253	1,034	723	470

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.

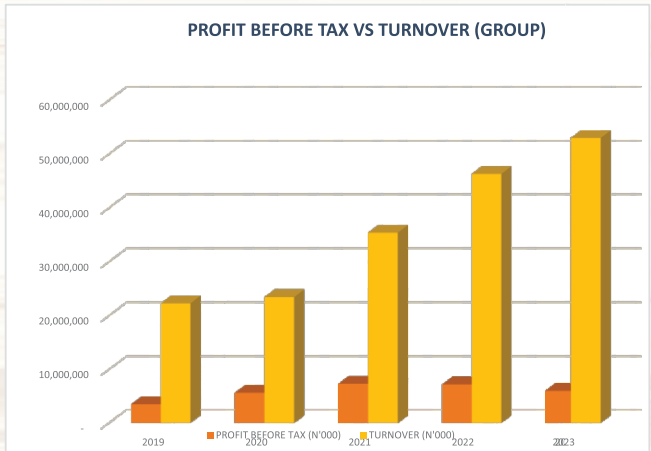
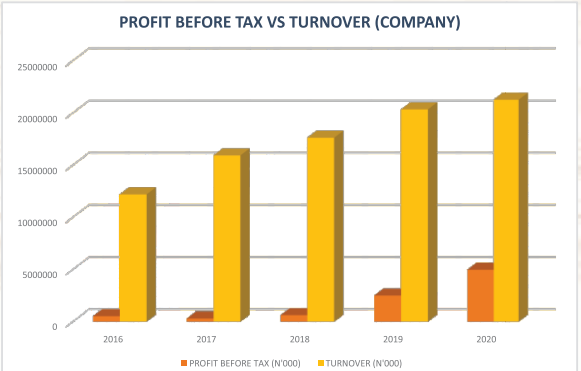
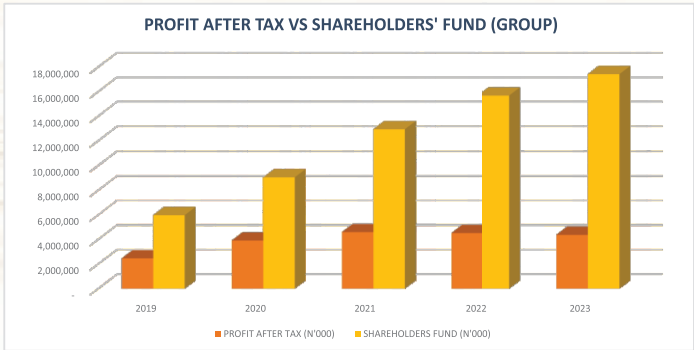
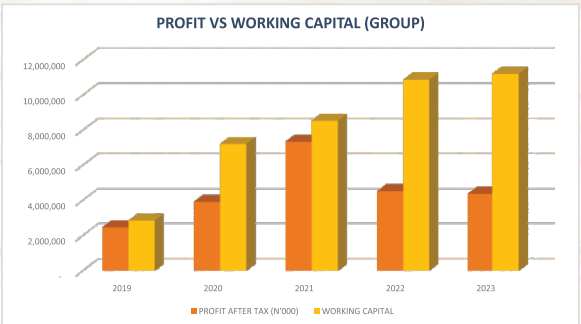
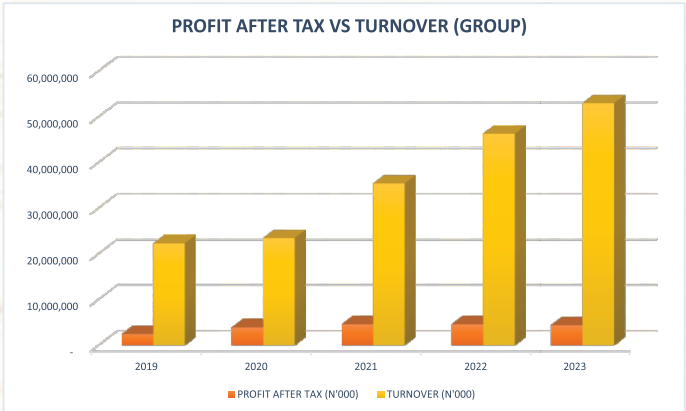
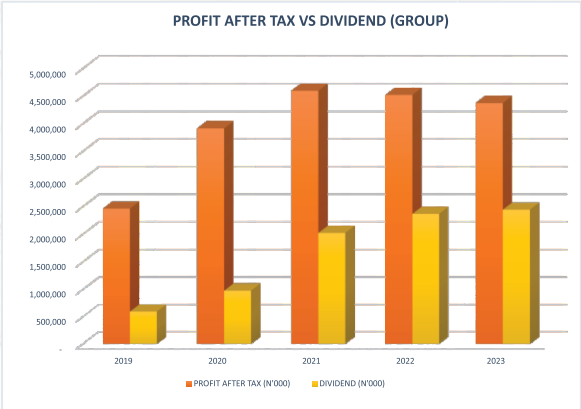
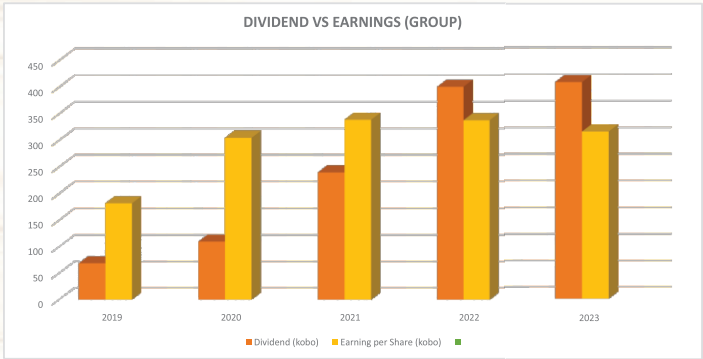
Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

Five - Year Financial Summary

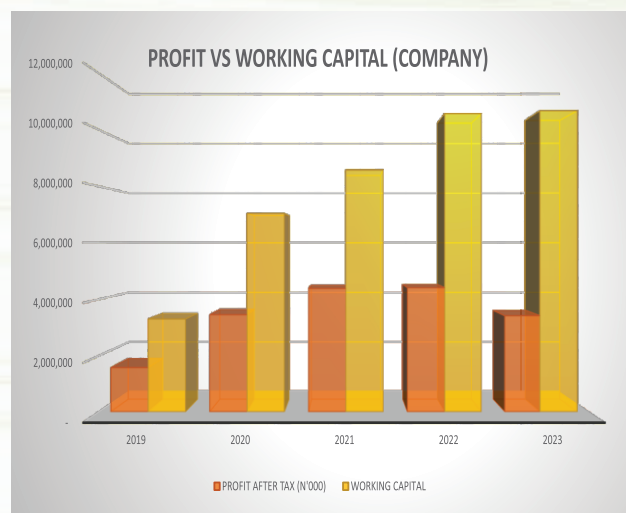
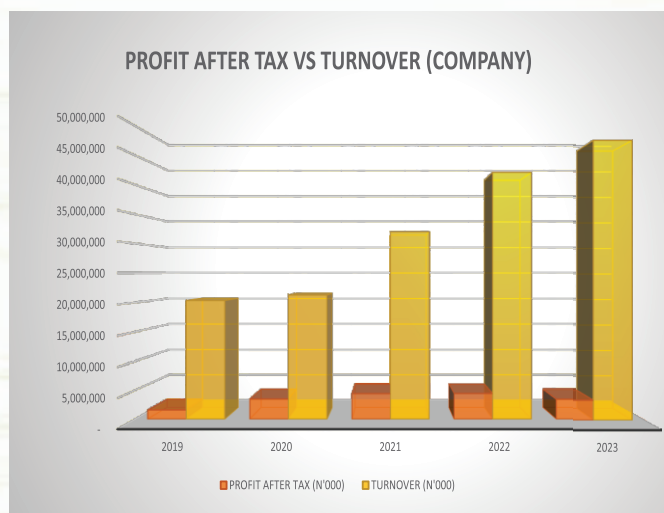
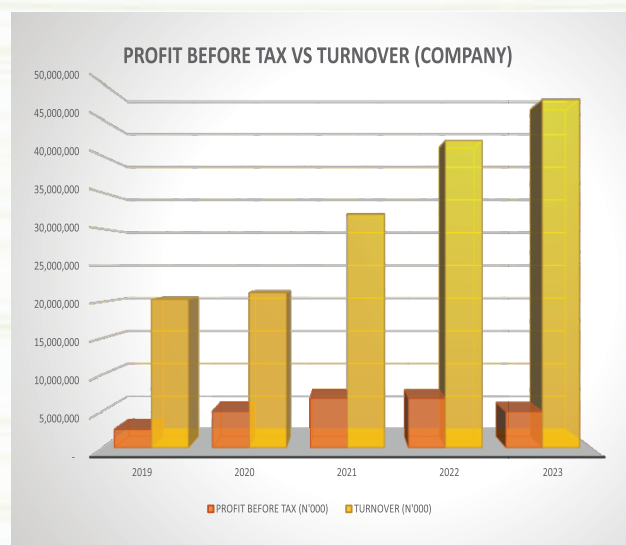
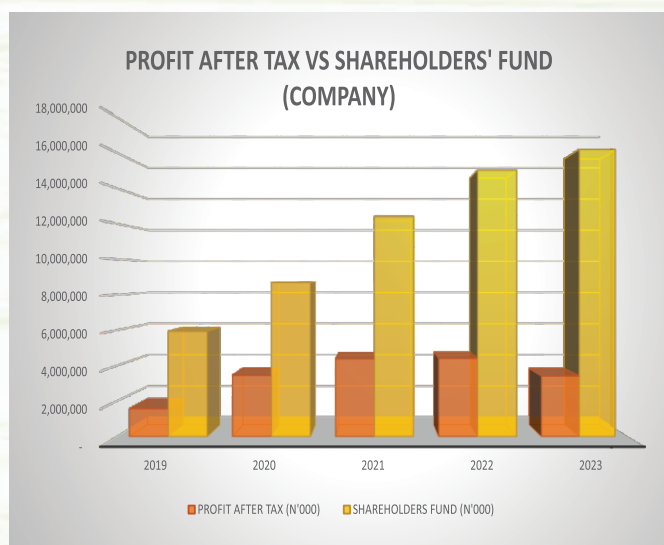
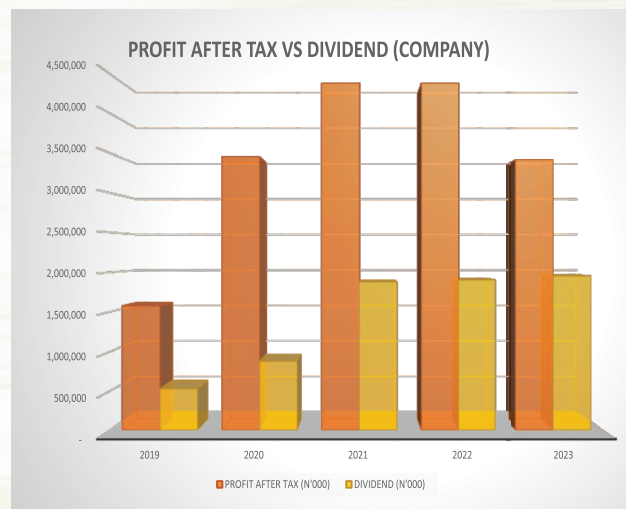
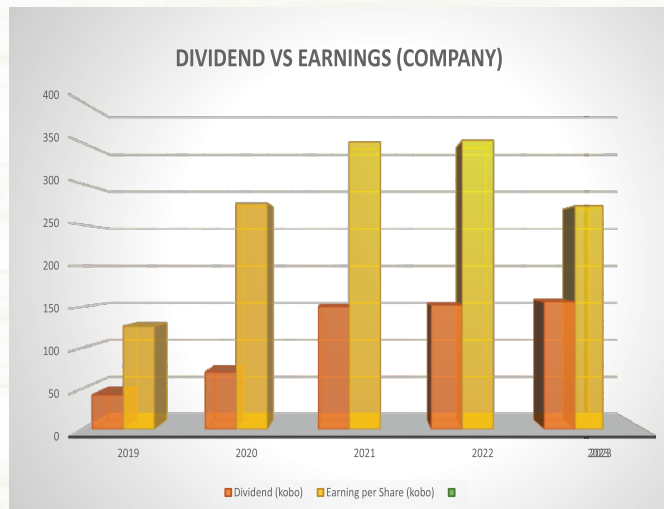
	2023	2022	2021	2020	2019
	N '000	N '000	N '000	N '000	N '000
Company					
Statement of Financial Position					
Assets					
Non-current assets	6,929,497	6,127,217	5,886,882	5,108,181	2,798,616
Net current assets	10,663,638	10,572,774	8,571,937	7,039,262	3,348,917
Assets of disposal groups held for sale	-	-	-	-	1,748,160
Total assets	17,593,135	16,699,991	14,458,819	12,147,443	7,895,693
Liabilities					
Non-current liabilities	(1,415,103)	(1,686,918)	(2,057,697)	(3,460,429)	(1,963,649)
Net assets	16,178,032	15,013,073	12,401,122	8,687,014	5,932,044
Equity					
Share capital	625,422	625,422	625,422	625,422	625,422
Reserves	456,790	450,892	443,977	441,771	452,184
Retained earnings	15,095,820	13,936,759	11,331,723	7,619,821	4,864,438
Total equity	16,178,032	15,013,073	12,401,122	8,687,014	5,942,044
Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income					
Revenue	47,723,375	42,128,595	32,007,979	21,571,097	20,330,040
Profit before taxation	4,929,600	6,748,246	6,779,894	4,963,946	2,496,008
Taxation	(1,510,608)	(2,337,135)	(2,395,035)	(1,507,252)	(921,099)
Profit after tax	3,418,992	4,411,111	4,384,859	3,456,694	1,574,909
Profit for the year	3,418,992	4,411,111	4,384,859	3,456,694	1,574,909
Retained income for the year	3,418,992	4,411,111	4,384,859	3,456,694	1,574,909
Per share data					
Earnings per share (Basic)	273	353	351	276	126
Net assets per share	1,293	1,200	991	694	471

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 2023



Performance Indicator 2023





Vitafoam 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	36,154,420.02
38	FINAL	245,700,000.00	30	6/9/2015	37,879,293.57
39	FINAL	245,700,000.00	25	3/14/2016	38,514,913.26
40	FINAL	125,084,406.36	12	3/9/2017	21,276,252.43
41	FINAL	156,355,507.95	15	3/9/2018	34,330,202.91
42	FINAL	260,592,513.25	25	3/8/2019	56,384,467.32
43	FINAL	525,354,506.88	42	3/5/2020	110,655,561.11
44	FINAL	875,590,844.80	70	3/5/2021	189,994,504.98
45	FINAL	1,876,266,096.00	1.5	3/4/2022	402,738,778.80
46	FINAL	1,901,282,977.28	1.52	2/3/2023	410,121,171.76

SHARE CAPITALISATION HISTORY

Date	Authorised (N)		Issued (N)		No. of Shares	Consideration	Share Ratio
	Increase	Cumulative	Increase	Cumulative			
1978	-	5,480,000	-	5,480,000	10,960,000	-	-
1978							
20 June	8,170,000	13,650,000	8,170,000	13,650,000	27,300,000	Cash	-
1978							
30 March	4,550,000	18,200,000	4,550,000	18,200,000	36,400,000	Bonus	;
1991							
11 April	18,200,000	36,400,000	18,200,000	36,400,000	72,800,000	Bonus	1:1
1995							
9 March	113,600,000	150,000,000	36,400,000	72,800,000	145,600,000	Bonus	1:1
1998							
26 Feb.	-	150,000,000	72,800,000	145,600,000	291,200,000	Bonus	1:1
1999							
25 Feb.	450,000,000	600,000,000	-	145,600,000	291,200,000	-	-
2000							
24 Feb.	-	600,000,000	72,800,000	218,400,000	436,800,000	Bonus	1:2
2003							
6 March	-	600,000,000	109,200,000	327,600,000	655,200,000	Bonus	1:2
2006							
2 March	-	600,000,000	81,900,000	409,500,000	819,000,000	Bonus	1:4
2010							
4 March	-	1,200,000,000	-	409,500,000	819,000,000	-	-
2015							
4 June	-	1,200,000,000	81,900,000	491,400,000	982,800,000	Bonus	1:5
2016							
7 March	-	1,200,000,000	59,570,053	521,185,026	1,042,370,053	scheme of merger with Vono	1:5
2019							
7 March	-	1,200,000,000	104,207,000	625,422,531	1,250,844,064	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 Informationfor Issue resolution or clarification: 01-2809250-4



Meristem Registrars Limited
Web: www.meristemregistrars.com; email: info@meristemregistrars.com



VITAFOAM NIGERIA PLC RC 3094

Annual General Meeting to be held at 10.00 a.m. on Thursday, 7th March, 2024 at NECA House Hakeem Balogun Street, Central Business District, Alausa, Ikeja, Lagos State.

PROXY FORM

I/Webeing 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 7th March, 2024 and at any and every adjournment thereof.
Dated this day of 2024.

Shareholder's signature.....

IF YOU ARE UNABLE TO ATTEND THE MEETING

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

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

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

RESOLUTION	VOTES	
	For	Against
To declare a Dividend		
To re-elect Mr. Achike Charles Umunna as a Director		
To re-elect Mr. Abdul A. Bello as a Director		
To confirm the appointment of Mr. Olaoluwa Ogunfeyitimi as a Director		
To confirm the appointment of Mr. Gambo Dahiru as a Director		
To confirm the appointment of Mr. Ademola Bolarinde as a Director		
To authorize the Directors to fix the remuneration of the Auditor.		
To disclose the remuneration of managers in compliance with the Companies and Allied Matters Act 2020.		
To elect members of the Audit Committee		
To approve the Directors' Fees.		
To approve the renewal of general mandate for related party transactions.		
To approve the amendment of Article 45 of the company's Articles of Association by creating a new Article 45.1		

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

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

ADMISSION CARD

Please admit to the Annual General Meeting of VITAFOAM NIGERIA PLC which will be held at 10.00 a.m. on the 7th March, 2024 at NECA House, Hakeem Balogun Street, CBD, Alausa, Ikeja, Lagos State.

Shareholder's Signature Proxy's Signature

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



SECOND FOLD HERE AND INSERT

PLEASE AFIX
POSTAGE STAMP

THE MANAGING DIRECTOR
MERISTEM REGISTRARS & PROBATE SERVICES LIMITED
213, HERBERT MACAULAY WAY,
ADEKUNLE, YABA,
P.O.BOX 51585 FALOMO, IKOYI,
LAGOS.

SECOND FOLD HERE

FIRST FOLD

The softest thing in the world is a child's *smile*



Children bring so much joy and laughter into our lives and we would do anything to protect them. At Vitafoam, we understand the importance of creating safe products for children to play and explore with, that's why we use only soft, durable, and non-toxic foam in our products, so you can be sure that your children are safe. So next time you're looking for a way to create a safe and fun space for your children, be sure to check out Vitafoam.

We'll help you make memories that will last a lifetime.



Toll free line - 0800VITAFOAM

Phone No/WhatsApp - 234 812 998 2143

Email - response.centre@vitafoam.com.ng

Website - <https://www.vitafoamng.com/store/>

Vitafoam Nigeria PLC Vitafoam.ng @Vitafoamng



Mattress | Pillow | Bedding | Furniture | Lifestyle | Insulation | Oil Filter | Chemical System

 response.centre@vitafoam.com.ng  [@Vitafoam.ng](https://www.instagram.com/Vitafoam.ng)  [@Vitafoamng](https://twitter.com/Vitafoamng)  Vitafoam Nigeria Plc

VITAFOAM HEAD OFFICE
140 Oba Akran Avenue, Industrial Estate,
PMB 21092, Ikeja, Lagos.

RESPONSE CENTRE
Tel: +234 812 998 2143, 0800VITAFOAM (Toll free)
Email: response.centre@vitafoam.com.ng
Website: www.vitafoamng.com