VITAFOAM NIGERIA PLC

UNAUDITED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED MARCH 31, 2022

VITAFOAM NIGERIA PLC
QUARTER 2 ENDED 31 MARCH 2022

SECURITIES TRADING POLICY

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

Content

Index	Page
Statements of profit or loss and other comprehensive income	2
Statement of Financial Position	3
Consolidated and Separate statement of changes in equity	4 - 5
Statement of Cash Flows	6
Significant Accounting Policies	7 - 18
Notes to the Unaudited Consolidated And Separate Interim Financial Statements	19 - 25

Vitafoam Nigeria Plc

Unaudited Consolidated And Separate Interim Financial Statements for the 6 Months ended March 31, 2022

Statements of profit or loss and other comprehensive income

		Group				Company			
	Notes	6 Months to 31-Mar-22 N'000	6 Months to 31-Mar-21 N'000	3 Months to 31-Mar-22 N'000	3 Months to 31-Mar-21 N'000	6 months to 31-Mar-22 N'000	6 months to 31-Mar-21 N'000	3 Months to 31-Mar-22 N'000	3 Months to 31-Mar-21 N'000
Revenue	3	25,336,305	18,632,430	13,728,040	10,686,345	23,258,188	16,887,570	11,726,990	9,052,313
Cost of Sales	4	(16,783,567)	(11,924,088)	(9,193,950)	(6,879,456)	(16,180,012)	(11,406,851)	(7,958,395)	(5,871,697)
Gross profit		8,552,738	6,708,342	4,534,090	3,806,889	7,078,176	5,480,719	3,768,595	3,180,616
Other gains and losses	8	150,356	147,530	83,186	142,885	327,849	203,386	199,859	137,993
Administrative expenses	5	(2,862,259)	(2,337,910)	(1,483,587)	(1,353,718)	(1,963,620)	(1,735,353)	(1,051,345)	(1,044,241)
Distribution expenses	6	(799,671)	(732,375)	(400,129)	(455,020)	(760,443)	(708,136)	(384,972)	(442,373)
Operating profit		5,041,164	3,785,587	2,733,560	2,141,036	4,681,962	3,240,616	2,532,137	1,831,995
Finance income		434,664	59,249	245,006	33,131	428,207	56,905	241,725	34,627
Finance cost	7	(333,692)	(353,611)	(178,581)	(163,299)	(297,306)	(291,595)	(160,285)	(136,985)
Profit before taxation		5,142,136	3,491,225	2,799,985	2,010,868	4,812,863	3,005,926	2,613,577	1,729,637
Taxation		(1,528,871)	(1,003,964)	(828,557)	(579,979)	(1,428,497)	(903,419)	(784,704)	(522,298)
Profit for the period		3,613,265	2,487,261	1,971,428	1,430,889	3,384,366	2,102,507	1,828,873	1,207,339
Exchange difference on translating foreign operations		56,032	106,062	(89)	(134)	-	-	-	-
Gain on valuation of investment in equity instruments designated as at FVTOCI		1,610	-	1,610	-	1,610	-	1,610	-
Other comprehensive income		57,642	106,062	1,521	(134)	1,610	-	1,610	-
Total comprehensive income for the period		3,670,907	2,593,323	1,972,949	1,430,755	3,385,976	2,102,507	1,830,483	1,207,339
Profit attributable to :									
Equity holders of the parent		3,338,647	2,265,874	1,805,439	1,317,652	3,385,976	2,102,507	1,828,873	1,207,339
Non-controlling interests		274,618	221,387	165,989	113,237	-	-	-	-
		3,613,265	**2,487,261**	**1,971,428**	**1,430,889**	**3,385,976**	**2,102,507**	**1,828,873**	**1,207,339**
Earnings per share for profit from total operations attributable to equity holders of parent									
Basic and diluted		320.39 k	217.44 k	173.26 k	126.45 k	324.93 k	201.76	175.50 k	115.86 k

Statement of Financial Position as at

	Note(s)	Group 31st March 2022 N'000	Group 30th September 2021 N'000	Company 31st March 2022 N'000	Company 30th September 2021 N'000
Assets					
Non-Current Assets					
Property, plant and equipment	9	6,524,768	6,510,419	2,962,603	2,859,214
Intangible assets		23,300	24,486	19,716	20,460
Investment property		-	-	1,835,663	1,849,660
Investments in subsidiaries		-	-	928,571	888,571
Investment in financial assets	10	8,908	7,298	8,908	7,298
Finance lease receivables		81,405	56,350	81,405	56,350
Right of use assets		199,184	205,329	199,184	205,329
		6,837,565	**6,803,882**	**6,036,050**	**5,886,882**
Current Assets					
Inventories	11	10,422,451	8,624,761	8,058,677	6,509,003
Other assets	19	5,195,355	4,877,180	5,048,180	4,768,004
Trade and other receivables	12	1,142,209	786,845	2,352,649	2,384,844
Cash and bank balances	15	13,876,487	10,697,004	13,508,368	10,145,107
		30,636,502	**24,985,790**	**28,967,874**	**23,806,958**
Total Assets		**37,474,067**	**31,789,672**	**35,003,924**	**29,693,840**
Equity and Liabilities					
Equity					
Share capital	16	625,422	625,422	625,422	625,422
Reserves		253,469	195,827	445,587	443,977
Accumulated profit		12,795,744	11,333,365	12,839,821	11,331,723
		13,674,635	12,154,614	13,910,830	12,401,122
Non-controlling interest		844,291	781,067	-	-
		14,518,926	**12,935,681**	**13,910,830**	**12,401,122**
Liabilities					
Non-Current Liabilities					
Borrowings	17	528,624	652,408	241,779	273,344
Retirement benefit obligation		862,189	808,704	835,346	808,704
Lease liabilities		147,734	137,883	147,734	137,883
Deferred income	20	101,425	133,682	101,425	133,682
Deferred tax		672,543	672,494	704,084	704,084
		2,312,515	**2,405,171**	**2,030,368**	**2,057,697**
Current Liabilities					
Current tax payable	18	2,502,062	2,496,712	2,238,235	2,092,236
Trade and other payables	14	4,447,979	2,716,974	3,095,584	1,943,128
Borrowings	17	13,614,535	11,143,064	13,653,510	11,112,866
Deferred income	20	78,049	92,070	75,397	86,791
		20,642,625	**16,448,820**	**19,062,726**	**15,235,021**
Total Liabilities		**22,955,140**	**18,853,991**	**21,093,094**	**17,292,718**
Total Equity and Liabilities		**37,474,067**	**31,789,672**	**35,003,924**	**29,693,840**

The unaudited consolidated and separate interim financial statements and the notes on pages 2 to 25, were approved by the board on 28 April, 2022 and were signed on its behalf by:

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

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

The accounting policies on pages 7 to 18 and the notes on pages 19 to 25 form an integral part of the unaudited consolidated and separate interim financial statements.

Vitafoam Nigeria Plc

Unaudited Consolidated And Separate Interim Financial Statements for the 6 Months ended March 31, 2022

Consolidated and Separate statement of changes in equity

	Share capital N'000	Foreign currency translation reserve N'000	Other reserve N'000	Fair value adjustment assets-available-for-sale reserve N'000	Retained earnings N'000	Total attributable to equity holders of the group / company N'000	Non-controlling interest N'000	Total equity N'000
Group								
Balance at 01 October 2020	625,422	(90,463)	393,018	(45,647)	7,769,014	8,651,344	389,029	9,040,373
Profit for the 6 months					2,265,874	2,265,874	221,387	2,487,26
Other comprehensive income	-	106,062	-	-	-	106,062	-	106,062
Total comprehensive income for the period	**-**	**106,062**	**-**	**-**	**2,265,874**	**2,371,936**	**221,387**	**2,593,323**
Dividends paid	-	-	-	-	(875,591)	(875,591)	(63,631)	(939,222)
Balance at 31 March, 2021	**625,422**	**15,599**	**393,018**	**(45,647)**	**9,159,297**	**10,147,689**	**546,785**	**10,694,474**
Balance at 01 October 2020	**625,422**	**(90,463)**	**393,018**	**(45,647)**	**7,769,014**	**8,651,344**	**389,029**	**9,040,373**
Profit for the year	-	-	-	-	4,237,307	4,237,307	359,739	4,597,046
Other comprehensive income	-	(63,287)	-	2,206	179,027	117,946	-	117,946
Total comprehensive profit for the year	**-**	**(63,287)**	**-**	**2,206**	**4,416,334**	**4,355,253**	**359,739**	**4,714,992**
	-	-	-	-	-	-	-	-
Changes in NCI as a result of share allotment not resulting in loss of control	-	-	-	-	-	-	80,552	80,552
Effect of corrected exchange diference	-	-	-	-	-	-	15,378	15,378
Stattute barred unclaimed dividend income	-	-	-	-	23,592	23,592	-	23,592
Dividends	-	-	-	-	(875,575)	(875,575)	(63,631)	(939,206)
Balance at 30 September, 2021	**625,422**	**(153,750)**	**393,018**	**(43,441)**	**11,333,365**	**12,154,614**	**781,067**	**12,935,681**
Profit for 6 months	-	-	-	-	3,338,647	3,338,647	274,618	3,613,265
Other comprehensive income	-	56,032	-	1,610	-	57,642	-	57,642
Total comprehensive income for the period	**-**	**56,032**	**-**	**1,610**	**3,338,647**	**3,396,289**	**274,618**	**3,670,907**
Dividends	-	-	-	-	(1,876,268)	(1,876,268)	(211,394)	(2,087,662)
Balance at 31 March 2022	**625,422**	**(97,718)**	**393,018**	**(41,831)**	**12,795,744**	**13,674,635**	**844,291**	**14,518,926**
Note(s)	16							

Consolidated and Separate statement of changes in equity

	Share capital	Foreign currency translation reserve	Fair value adjustment assets-available-for-sale reserve	Retained income	Total equity
	N'000	N'000	N'000	N'000	N'000
Company					
Balance at 01 October 2020	**625,422**	**487,418**	**(45,647)**	**7,619,820**	**8,687,013**
Profit for the 6 months				2,102,507	2,102,507
Dividens paid	-	-	-	(875,591)	(875,591)
Balance at 31 March, 2021	**625,422**	**487,418**	**(45,647)**	**8,846,736**	**9,913,929**
Balance at 01 October 2020	**625,422**	**487,418**	**(45,647)**	**7,619,820**	**8,687,013**
Profit for the year		-	-	4,384,859	4,384,859
Other comprehensive income	-	-	2,206	179,027	181,233
Total comprehensive income for the year	**-**	**-**	**2,206**	**4,563,886**	**4,566,092**
Statute barred unclaimed received	-	-	-	23,592	23,592
Dividends	-	-	-	(875,575)	(875,575)
Balance at 30 September, 2021	**625,422**	**487,418**	**(43,441)**	**11,331,723**	**12,401,122**
Profit for the 6 months	-	-	1,610	3,384,366	3,385,976
Total comprehensive income for the period	**-**	**-**	**1,610**	**3,384,366**	**3,385,976**
Dividends	-	-	-	(1,876,268)	(1,876,268)
Balance at 31 March 2022	**625,422**	**487,418**	**(41,831)**	**12,839,821**	**13,910,830**
Note(s)	16				

The accounting policies on pages 7 to 18 and the notes on pages 19 to 25 form an integral part of the unaudited consolidated and separate interim financial statements.

Statement of Cash Flows

		Group		Company	
	Note(s)	March 31, 2022 N'000	March 31, 2021 N'000	March 31, 2022 N'000	March 31, 2021 N'000
Cash flows from operating activities					
Profit before taxation		5,142,136	3,491,225	4,812,863	3,005,926
Adjustments for:					
Depreciation and amortisation		359,373	235,365	184,561	153,480
Profit on sale of assets		(5,430)	(5,359)	(132)	(5,569)
Adjustment on property,plant and equipment		-	39,231	-	39,231
Translation adjustment on PPE		58,942	27,551	-	-
Finance income		(434,664)	(59,249)	(428,207)	(56,905)
Finance cost		333,692	353,611	297,306	291,595
Movement in Deferred Tax		49	90,977	-	-
Depreciation on discotinued operation		-	-	-	-
Movement in investment in subsidiary		-	-	(40,000)	-
Service cost		90,976	46,192	64,132	19,023
Gain/Loss on exchange difference translation		56,033	106,062	-	-
Changes in working capital:					
Inventories		(1,797,690)	(2,976,210)	(1,549,674)	(2,198,344)
Trade and other receivables		(309,505)	(47,306)	78,055	52,828
Other assets		(318,175)	905,031	(280,176)	380,008
Trade and other payables		1,688,480	1,166,325	1,067,406	671,353
Deferred income		(46,278)	(96,928)	(43,651)	(92,689)
Benefit paid		(37,492)	-	(37,492)	-
		4,780,447	**3,276,518**	**4,124,991**	**2,259,937**
Tax paid		(1,523,521)	(621,297)	(1,282,498)	(546,385)
Net cash from operating activities		**3,256,926**	**2,655,221**	**2,842,493**	**1,713,552**
Cash flows from investing activities					
Purchase of property, plant and equipment	9	(427,724)	(745,197)	(267,063)	(178,997)
Proceeds from sale of property, plant and equipment	9	7,822	6,891	132	6,686
Purchase of other intangible assets		-	-	-	-
Finance receipt		9,682	18,681	9,682	18,682
Finance lease receivable		(34,737)	(58,794)	(34,737)	(58,794)
Interest received		388,805	59,249	382,348	56,905
Net cash from investing activities		**(56,152)**	**(719,170)**	**90,362**	**(155,518)**
Cash flows from financing activities					
Proceeds from borrowings		6,390,061	5,004,164	6,390,061	4,886,168
Repayment of borrowings		(4,042,374)	(4,221,442)	(3,880,981)	(4,008,206)
Dividends paid		(2,087,662)	(939,222)	(1,876,268)	(875,591)
Interest paid		(281,316)	(345,030)	(202,406)	(283,014)
Net cash from financing activities		**(21,291)**	**(501,530)**	**430,406**	**(280,643)**
Net cash and cash equivalent for the year		**3,179,483**	**1,434,521**	**3,363,261**	**1,277,391**
Cash at the beginning of the year		10,697,004	6,920,410	10,145,107	6,409,214
Cash and cash equivalent at the end of the year	15	**13,876,487**	**8,354,931**	**13,508,368**	**7,686,605**

The accounting policies on pages 7 to 18 and the notes on pages 19 to 25 form an integral part of the unaudited consolidated and separate interim financial statements.

Significant Accounting Policies

1.1 General Information

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

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

The consolidated and separate interim financial statements were authorised for issue by the Board of Directors on 28 April, 2022

1.2 Basis of Preparation and Adoption of IFRS

The consolidated and separate interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective for the period ended March 31, 2022

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

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

The consolidated and separate interim financial statements were authorised for issue by the board of directors on 28 April, 2022

1.3 Summary of significant accounting policies

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

1.4 Consolidation

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

Subsidiaries

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

They are deconsolidated from the date that control ceases.

The Company's subsidiaries' are listed below:

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

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

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

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

Significant Accounting Policies

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

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

Changes in ownership interests in subsidiaries without change in control

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

Disposal of subsidiaries

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

1.5 Foreign currency translation

Functional and presentation currency

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

Significant Accounting Policies

1.5 Foreign currency translation (continued)

Transactions and balances

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

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

Foreign operations

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

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

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

b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

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

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

1.6 Revenue recognition

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

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

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

1.7 Trade receivables

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

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

1.8 Cash and cash equivalents

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

1.9 Trade payables

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

1.10 Inventories

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

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

Significant Accounting Policies

1.11 Provisions

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

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

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

1.12 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the profit or loss in the period they are incurred.

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

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

Significant Accounting Policies

1.12 Property, plant and equipment (continued)

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

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

1.13 Impairment of assets

1.13.1 Impairment of non-financial assets

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

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

1.13.2 Impairment of financial assets

a. Assets carried at amortised cost

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

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

• Significant financial difficulty of the issuer or obligor;

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

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

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

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

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

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

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

The Group first assesses whether objective evidence of impairment exists.

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

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

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

b. Assets carried as available for sale

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

Significant Accounting Policies

1.13 Impairment of assets (continued)

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

1.14 Financial instruments

Classification

The Company classifies its financial assets in the following categories:

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

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

1.14.1 Financial assets

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

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

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

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

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

ii Loans and receivables

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

Significant Accounting Policies

1.14 Financial instruments (continued)

1.14.2 Financial liabilities

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

(a) Financial liabilities at amortised cost

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

Offsetting financial Instruments

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

Derecognition

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

1.15 Taxation

Current Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted as at each reporting period end in the countries where the Group operates and generates taxable income.Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at each report period end and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

Significant Accounting Policies

1.16 Employee benefits

The Group has both defined benefit and defined contributory schemes.

a) Defined Contributory scheme

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

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

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

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

b) Defined Benefits scheme

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

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

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

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

Other Long term benefits

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

Termination Benefits

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

1.17 Share capital

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

1.18 Dividend distribution

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

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

1.19 Leases

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

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

Significant Accounting Policies

1.19 Leases (continued)

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

1.20 Government grants

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

1.21 Segment Reporting

An Operating segment is a component of an entity

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

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

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

1.22 Borrowings

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

1.23 Borrowing Costs

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

1.24 Investment property

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

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

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

1.25 Intangible assets

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

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

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

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

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

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

product are available; and

Significant Accounting Policies

1.25 Intangible assets (continued)

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

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

1.26 Comparatives

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

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

Significant Accounting Policies

1.27 Interests in subsidiaries

Company unaudited consolidated and separate interim financial statements

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

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

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

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

2 Critical accounting estimates and judgements

The preparation of consolidated and separate interim financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate interim financial statements are disclosed herein.

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

2.1 Critical accounting estimates and assumptions

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

2.1.1 Pension obligations

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

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

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

2.1.2 Income Taxes

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

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

Significant Accounting Policies

2.1.3 Impairment of available-for-sale equity investments

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

2.1.4 Useful lives and residual values

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

2.2 Critical judgements in applying the entity's accounting policy

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

2.2.1 Impairment of Non-financial assets

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

2.2.2 Investment in subsidiary - Vitapur Nigeria Limited

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

2.2.3 Functional currency of Vitafoam Sierra Leone

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

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

2.2.4 Impairment of financial assets

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

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	6 Months to 31-March-22 N'000	6 Months to 31-March-21 N'000	3 Months to 31-March-22 N'000	3 Months to 31-March-21 N'000	6 months to 31-March-22 N'000	6 Months to 31-March-21 N'000	3 Months to 31-March-22 N'000	3 Months to 31-March-21 N'000

3. Revenue

Local	24,900,766	18,192,272	13,529,967	10,483,539	23,258,188	16,887,570	11,726,990	9,052,313
Outside Nigeria	435,539	440,158	198,073	202,806	-	-	-	-
	25,336,305	**18,632,430**	**13,728,040**	**10,686,345**	**23,258,188**	**16,887,570**	**11,726,990**	**9,052,313**

The company's primary geographical segment is Nigeria. Over 99.9% of the sales of the company are made in Nigeria. Also, the Company's products have identical risks and returns. No further business or geographical segment information is therefore reported.

4. Cost of sales

Sale of goods

Cost of goods sold	16,687,768	11,843,289	9,117,103	6,825,909	16,088,210	11,326,052	7,893,857	5,818,150
Labour Cost	95,799	80,799	76,847	53,547	91,802	80,799	64,538	53,547
	16,783,567	**11,924,088**	**9,193,950**	**6,879,456**	**16,180,012**	**11,406,851**	**7,958,395**	**5,871,697**

5. Administrative expenses

AGM expense	38,412	21,405	34,779	21,244	38,235	21,174	34,678	21,079
Conference & award expense	60	5,221	15	5,221	60	30	15	30
Advertising	290,628	112,350	152,841	44,848	268,519	90,843	141,011	34,599
Audit fees	16,591	15,951	8,045	7,925	12,375	11,250	6,188	5,625
Impairment allowance on trade and other debtiors	14,039	-	-	-	-	-	-	-
Bank charges	34,047	30,373	18,977	19,587	26,235	25,914	15,167	17,001
Cleaning	23,673	13,519	12,882	8,173	11,426	8,765	5,764	5,182
Consulting and professional fees	33,523	52,935	17,075	19,066	22,433	40,722	14,702	13,898
Amortisation	3,417	5,914	1,261	2,376	3,243	5,055	1,174	1,919
Depreciation	251,368	185,734	114,614	93,635	99,081	102,438	43,197	52,444
Donations	1,217	436	349	131	850	-	-	-
Employee costs*	1,225,027	1,042,220	592,831	565,968	904,001	793,806	442,620	437,437
Entertainment	13,763	7,952	6,956	4,167	10,445	6,122	5,197	3,308
Other expenses	24,363	29,586	23,683	10,568	3,310	4,589	2,146	(1,989)
Gratuity Expenses	76,489	70,628	38,141	34,998	62,810	57,288	31,403	28,555
Fines and penalties	-	63	-	63	-	-	-	-
Insurance	36,403	29,189	18,441	15,700	25,970	21,714	12,978	11,347
Rent and rates	39,510	35,876	33,525	22,004	18,952	7,892	11,322	291
Stationery,newspaper and periodicals	17,984	13,807	10,076	8,600	12,844	10,318	7,505	6,939
Postage, telecommunication and internet*	21,579	23,109	8,640	13,963	16,046	17,839	6,290	11,039
Uniform and protective clothing	3,917	2,202	1,048	1,634	560	674	265	226
Repairs and maintenance	162,925	148,583	82,736	91,778	111,669	113,718	60,708	70,520
Exchange loss	229,864	257,585	145,607	232,193	77,382	202,279	77,382	216,046
Security	26,853	24,518	13,311	12,688	18,843	18,907	8,589	10,001
Subscriptions*	10,921	14,239	5,489	9,050	6,920	12,126	3,368	8,008
Transport and traveling	76,369	37,799	43,876	19,458	65,469	31,445	41,388	15,777
Electricity and other utilities	189,317	156,716	98,389	88,680	145,942	130,445	78,288	74,959
	2,862,259	**2,337,910**	**1,483,587**	**1,353,718**	**1,963,620**	**1,735,353**	**1,051,345**	**1,044,241**

6. Distribution cost

This represent cost of freight of goods

Distribution cost	799,671	732,375	400,129	455,020	760,443	708,136	384,972	442,373

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	6 Months to 31-March-22 N'000	6 Months to 31-March-21 N'000	3 Months to 31-March-22 N'000	3 Months to 31-March-21 N'000	6 months to 31-March-22 N'000	6 Months to 31-March-21 N'000	3 Months to 31-March-22 N'000	3 Months to 31-March-21 N'000

7. Finance cost

Interest on Term Loan	230,280	279,012	123,225	123,287	193,894	216,996	104,928	96,972
Other Bank charges	8,510	5,649	7,822	6,050	8,510	5,649	7,821	6,050
Interest on defined benefit obligation	85,051	60,369	42,525	29,597	85,050	60,369	42,525	29,598
Finance leases	9,851	8,581	5,010	4,365	9,852	8,581	5,011	4,365
	333,692	**353,611**	**178,581**	**163,299**	**297,306**	**291,595**	**160,285**	**136,985**

8. Other gains and losses

Profit on disposal of assets	5,430	5,360	-	3,584	132	5,569	-	3,578
Investment income	2,629	-	2,627	50,191	122,994	50,191	111,946	50,191
Sale of scrap items	89,867	63,925	53,847	33,239	63,937	54,771	37,011	28,352
Rental income	3,919	-	1,964	8,959	52,274	14,609	26,154	8,959
Provision no longer required	5,311	-	4,336	-	45,311	-	4,336	-
Government grants	43,651	78,245	20,863	46,912	43,652	78,246	20,863	46,913
Exchange gain / (losses)	(451)	-	(451)	-	(451)	-	(451)	-
	150,356	**147,530**	**83,186**	**142,885**	**327,849**	**203,386**	**199,859**	**137,993**

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

9. Property, plant and equipment

Group

	Freehold Land N'000	Building N'000	Plant and machinery N'000	Furniture and Fixtures N'000	Motor Vehicle N'000	Total N'000
Cost						
Balance at 01 October 2020	301,708	5,510,253	3,225,962	424,380	645,801	10,108,104
Additions	-	299,160	1,086,281	57,577	69,127	1,512,145
Disposals	-	-	(20,786)	(61)	(53,337)	(74,184)
Adjustment	-	-	(40,583)	-	-	(40,583)
Effect of exchange differences	-	(1,934)	(347)	(37)	(78)	(2,396)
Balance at Sept. 30, 2021	301,708	5,807,479	4,250,527	481,859	661,513	11,503,086
Balance at 01 October 2021	301,708	5,807,479	4,250,527	481,859	661,513	11,503,086
Addition	-	97,190	208,653	39,012	82,868	427,723
Disposal	-	-	(4,980)	-	(2,650)	(7,630)
Reclassification	-	(138)	(8,663)	-	(7,689)	(16,492)
Effect of exchange differences	-	(71,892)	(13,207)	(1,414)	(3,619)	(90,132)
Balance at 31 March, 2022	301,708	5,832,639	4,432,330	519,457	730,423	11,816,557

	Freehold Land N'000	Building N'000	Plant and machinery N'000	Furniture and Fixtures N'000	Motor Vehicle N'000	Total N'000
Accumulated depreciation						
Balance at 01 October 2020	-	1,197,828	2,542,975	355,399	471,198	4,567,400
Charge for the year	-	179,570	227,812	20,483	72,617	500,482
Disposal	-	-	(19,669)	(61)	(52,922)	(72,652)
Effect of exchange differences	-	(688)	(371)	(43)	(108)	(1,210)
Transfer from disposal group	-	-	-	-	-	-
Adjustment	-	-	(1,353)	-	-	(1,353)
Balance at Sept. 30, 2021	-	1,376,710	2,749,394	375,778	490,785	4,992,667
Balance at 01 October 2021	-	1,376,710	2,749,394	375,778	490,785	4,992,667
Charge for the period	-	84,760	209,122	17,211	40,949	352,042
Disposal	-	-	(2,591)	-	(2,650)	(5,241)
Reclassification	-	(138)	(8,663)	-	(7,689)	(16,490)
Effect of foreign currency exchange diff	-	(15,252)	(12,243)	(1,201)	(2,493)	(31,189)
Balance at 31 March, 2022	-	1,446,080	2,935,019	391,788	518,902	5,291,789
Carrying amount						
Balance as at 31 March, 2022	301,708	4,386,559	1,497,311	127,669	211,521	6,524,768
Balance at September 30, 2021	301,708	4,430,769	1,501,133	106,081	170,728	6,510,419

Company

	Freehold Land	Building	Plant and machinery	Furniture and fixutres	Motor Vehicle	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost						
Balance at 01 October 2020	294,098	3,909,037	2,143,230	310,628	526,679	7,183,672
Addition	-	174,023	396,287	17,915	35,756	623,981
Disposal	-	-	(20,786)	-	(50,013)	(70,799)
Reclassification	-	(1,616,581)	-	-	-	(1,616,581)
Adjustment	-	-	(40,583)	-	-	(40,583)
Balance at 30th September, 2021	294,098	2,466,479	2,478,148	328,543	512,422	6,079,690
Balance at 01 October 2021	294,098	2,466,479	2,478,148	328,543	512,422	6,079,690
Addition	-	80,539	97,542	15,429	73,553	267,063
Disposal	-	-	-	-	(2,650)	(2,650)
Balance at 31 March, 2022	294,098	2,547,018	2,575,690	343,972	583,325	6,344,103
Accumulated depreciation						
Balance at 01 October 2020	-	889,949	1,779,652	291,460	378,276	3,339,337
Charge for the period	-	70,544	109,274	7,098	54,360	241,276
Disposal	-	-	(19,669)	-	(50,013)	(69,682)
Reclassification	-	(289,102)	-	-	-	(289,102)
Adjustment	-	-	(1,353)	-	-	(1,353)
Balance at 30 September, 2021	-	671,391	1,867,904	298,558	382,623	3,220,476
Balance at 01 October 2021	-	671,391	1,867,904	298,558	382,623	3,220,476
Charge for the period	-	41,340	84,735	5,819	31,780	163,674
Disposal	-	-	-	-	(2,650)	(2,650)
Balance at 31 March, 2022	-	712,731	1,952,639	304,377	411,753	3,381,500
Carrying amount						
Balance as at 31 March, 2022	294,098	1,834,287	623,051	39,595	171,572	2,962,603
Balance as at 30 September 2021	294,098	1,795,089	610,244	29,984	129,799	2,859,214

10. Available for-sale financial assets

Investment in Financial assets				
Quoted Security	8,908	7,298	8,908	7,298

The Group has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior 6 months.

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position.:

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Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	Group		Company	
	31-March-22 N'000	30 September 2021 N'000	31-March-22 N'000	30 September 2021 N'000

11. Inventories

Finished goods - cost	1,499,888	1,121,232	983,537	874,977
Raw materials - cost	7,692,688	6,258,529	6,021,058	4,540,527
Work in progress - cost	400,275	928,035	311,738	799,542
Spare parts- cost	158,500	160,494	150,100	151,958
Other consumables-cost	780,356	267,946	659,605	209,360
	10,531,707	8,736,236	8,126,038	6,576,364
Inventories (write-downs)	(109,256)	(111,475)	(67,361)	(67,361)
	10,422,451	**8,624,761**	**8,058,677**	**6,509,003**

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

12. Trade and other receivables

Trade receivables	1,025,279	600,101	391,598	333,330
Allowance for doubtful debt receivables	(304,826)	(317,207)	(238,962)	(238,962)
Other receivables	419,300	498,510	385,698	522,307
Staff Debtors	2,456	5,441	2,231	4,365
Receivables from related parties (Note 13)	-	-	1,812,084	1,763,804
	1,142,209	**786,845**	**2,352,649**	**2,384,844**

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

The other classes within the trade and other receivables do not contain impaired assets.

13. Related parties

Receivables from related parties				
Vitapur Nigeria Limited	-	-	198,148	315,977
Vitablom Nigeria Limited	-	-	(149,658)	(234,935)
Vono Furniture Products Ltd.	-	-	159,667	110,748
Vitafoam Sierra -Leone	-	-	1,293,922	1,293,924
Vitavisco Nig. Ltd	-	-	(37,248)	(52,531)
Vitaparts	-	-	400,253	383,621
Allowance for Impairment	-	-	(53,000)	(53,000)
	-	**-**	**1,812,084**	**1,763,804**

14. Trade and other payables

Trade payables	1,791,384	602,113	788,425	214,731
Dealers Securities' Deposit	144,677	83,452	132,165	61,472
Dividends Unclaimed	668,613	658,726	657,695	657,695
Value added tax payable	312,742	112,759	220,670	4,116
Other credit balances	94,266	207,121	75,001	175,476
Accrued expenses	592,536	123,172	505,665	37,468
Witholding tax payable	53,261	114,396	34,906	89,973
Other accounts payable	114,825	161,909	5,382	48,871
Contract liability	675,675	653,326	675,675	653,326
	4,447,979	**2,716,974**	**3,095,584**	**1,943,128**

15. Cash and bank balances

Cash and cash equivalents consist of:

Cash	25,348	16,145	10,644	9,635
Bank Balances	4,951,135	2,515,666	4,597,720	1,970,279
Fixed deposits	8,900,004	8,165,193	8,900,004	8,165,193
	13,876,487	**10,697,004**	**13,508,368**	**10,145,107**

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	Group		Company	
	31-March-22 N'000	30 September 2021 N'000	31-March-22 N'000	30 September 2021 N'000
16. 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
Issued				
Ordinary shares (50 kobo)	625,422	625,422	625,422	625,422
Share premium	-	-	-	-
	625,422	**625,422**	**625,422**	**625,422**

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	Group		Company	
	31-March-22 N'000	30 September 2021 N'000	31-March-22 N'000	30 September 2021 N'000

17. Borrowings

Non Current				
	-	-	-	-
	-	-	-	-
Bank loan	528,624	652,408	241,779	273,344
Total	**528,624**	**652,408**	**241,779**	**273,344**
Current				
Letter of credit	13,055,719	10,210,942	13,094,694	10,230,550
Bank loan	558,817	932,122	558,816	882,316
Total current borrowings	**13,614,535**	**11,143,064**	**13,653,510**	**11,112,866**
Total borrowings	**14,143,159**	**11,795,472**	**13,895,289**	**11,386,210**

18. Current tax Payable

The movement in current tax payable is as follows:

	-	-	-	-
At 1 October	2,496,712	1,721,181	2,092,236	1,443,131
Company income tax	1,528,871	2,356,386	1,428,497	2,053,516
Payment during the year	(1,523,521)	(1,626,634)	(1,282,498)	(1,435,828)
Back duty assessment	-	48,951	-	31,417
Under provision in prior year	-	(3,172)	-	-
At 30 Sept. 2021	**2,502,062**	**2,496,712**	**2,238,235**	**2,092,236**

19. Other assets

Prepayment						
Prepaid rent			26,287	63,738	8,356	42,016
Prepaid insurance			72,125	16,924	60,248	12,992
Prepaid advertisement			37,894	22,962	37,894	22,962
Prepaid subscription			47,788	17,668	36,494	12,946
Advance payment for forex			4,677,835	4,683,720	4,601,951	4,639,451
Other prepayment			333,426	72,168	303,237	37,637
	-	-	**5,195,355**	**4,877,180**	**5,048,180**	**4,768,004**

20. Deferred income

Non-current liabilities			101,425	133,682	101,425	133,682
Current liabilities			78,049	92,070	75,397	86,791
	-	-	**179,474**	**225,752**	**176,822**	**220,473**

The nature and extent of government grants recognised in the unaudited consolidated and separate interim financial statements and an indication of other forms of government assistance from which the entity has directly benefited; and

FREE FLOAT REPORT OF VITAFOAM NIGERIA PLC AS AT 31ST MARCH 2022

Description	31-Mar-22	
	Unit	Percentage
Issued Share Capital	1,250,244,114	100%
Substantial Shareholdings (5% and above)		
Bolarinde Samuel Olaniyi	150,427,902	12.03%
Awhua Resources Limited	98,281,981	7.86%
Neemtree Limited	63,856,765	5.11%
Total Substantial Shareholdings	**312,566,648**	**25.00%**
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests		
Dr. Bamidele Makanjuola (Direct)	5,320,566	0.42%
Dr. Bamidele Makanjuola (Indirect)	10,757	0.00%
Mr. Taiwo Adeniyi	1,114,000	0.09%
Mr. Bamidele S. Owoade	320,000	0.03%
Mr. Joseph Alegbesogie	726,820	0.06%
Mrs. Adeola Adewakun	144,000	0.01%
Prof. (Mrs) Rosemary Egonmwan	101,940	0.01%
Mr. Abdul Akhor Bello	171,860	0.01%
Total Directors Shareholdings	**7,909,943**	**0.63%**
Free Float in Units and Percentage	929,767,523	74.36
Free Float in Value	20,733,815,762.90	

Declaration:

(A) Vitafoam Nigeria Plc with a free float percentage of 74.36% as at 31 March 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.
(B) Vitafoam Nigeria Plc with a free float value of N20,733,815,762.90 as at 31 March 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.