Vitafoam Nigeria Plc
Consolidated and Separate Financial Statements
for the year ended September 30, 2024

Contents

QUALITY POLICY STATEMENT

Our policy at Vitafoam Nigeria Plc. is to continually manufacture, distribute and sell polyurethane/reconstituted foam (mattress, cushions, pillows, sheetings) and allied products that conform to international standards, applicable statutory, regulatory and other requirements as well as surpass customers' expectations at a price that represents value.

Vitafoam Nigeria Plc is committed to satisfying customer, legal and our relevant interested parties' requirements as well as the continual improvement of the quality management system.

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. To reflect its national spread as a truly Nigerian entity, Vitafoam has operational sites/factories in the three geographical regions of the country, namely, Aba, Ikeja, Jos and Kano, with loyal and committed distributors and comfort centres spread across the length and breadth of the nation. By use of contours cutting equipment Vitafoam designs and constructs custom-made mattresses and pillows. In addition, a range of profile products that are versatile in use are offered to the market e.g Mats (Vitarest, Leisuremats etc) and Foam sitting chairs (Vitasolid). The needs of nursing mothers are addressed by the offering of a number of foam based baby products (Changing mat, Baby cot mattresses, pillows, breast feeding covers etc.).

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 63rd Annual General Meeting of members **of VITAFOAM NIGERIA PLC (the Company)** will be held virtually on Thursday, 6th March, 2025 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 2024 together with the Report of the Auditor and the Audit Committee thereon.
2. To declare a Dividend.
3. To re-elect Mr. Gerson P. Silva as a Director.
4. To re-elect Mr. Zakari M. Sada as a Director.
5. To confirm the appointment of Dr. (Mrs). Abiola O. Davies as a Director.
6. To authorize the Directors to fix the remuneration of the Auditor.
7. To disclose the remuneration of managers in compliance with the Companies and Allied Matters Act 2020.
8. To elect Members of the Audit Committee.

Special Business

9. To approve Directors' fees.
10. 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.

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 also available on the company's website wwww.vitafoam.com.ng. if it is to be valid for the purpose of the meeting the proxy form 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 or emailed to info@meristemregistrars.com not later than 48 hours before the time of the meeting. The cost and expenses of stamp duties will be borne by the company.

Dated 19 December, 2024
BY ORDER OF THE BOARD

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

NOTES:

(a) **Virtual Meeting Link**

Sequel to the enactment of the Business Facilitation (Miscellaneous Provisions) Act, 2022 and the amended Memorandum & Articles of Association of the company, this Annual General Meeting shall be held virtually. The virtual meeting link https://attend.meristemregistrars.ng will be made available on the company's and Registrar's website and also circulated by the company's Registrars.

(b) **Dividend Payment**

The Board of Directors has recommended a dividend payment of N1.05K 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, 6th March, 2025 to the bank accounts of shareholders whose names appear in the Register of Members at the close of business on Friday 14th February, 2025 and who have completed the E-Dividend registration and mandated the Registrars to pay their dividends directly into their bank accounts.

(c) **Closure of Register of Members**

Notice is hereby given that the Register of Members and Transfer books of the Company will be closed from Monday 10th February, 2025 to Friday 14th February, 2025 (both dates inclusive) for updating the Register of Members.

(d) **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.mersitemregistrars.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.

Corporate Information

Directors:

Mr. Zakari M. Sada	-	Chairman/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
Mr. Gambo D. Dahiru	-	Commercial Director
Mr. Abdul A. Bello	-	Independent Non-Executive Director
Mr. Gerson P. Silva	-	Non- Executive Director
Mr. Achike C. Umunna	-	Non-Executive Director
Mr. Ademola Bolarinde	-	Non-Executive Director
Dr. (Mrs.) Abiola O. Davies	-	Non-Executive Director (Appointed 1/6/24)
Prof. Rosemary Egonmwan	-	Independent Non-Executive Director (Retired 10/3/24)

Company Secretary/Legal Adviser: Mr. Olalekan Sanni

Registrar:
Meristem Registrars & Probate Services Limited
213, Herbert Macaulay Way
Adekunle, Yaba
Lagos.
Website: www.meristemregistrars.com
E-mail: 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

MR. ZAKARI MOHAMMED SADA
(Non-Executive)

Mr. Zakari holds a Bachelor 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.

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 and subsequently appointed as the Chairman of the Board with effect from 10th of March 2024.

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

DIRECTORS' PROFILE CONT'D

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 25 years professional and

DIRECTORS' PROFILE CONT'D

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

Mr. DAHIRU GAMBO
(Executive)

Mr. Dahiru Gambo holds a Bachelors 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 Masters Degree in Chemical Engineering (M.Eng) from Nnamdi Azikwe University, Awka, Nigeria and a Bachelors 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

DIRECTORS' PROFILE CONT'D

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 and North-Central Regions, 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 continues to 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 positions such as Group Chief Executive Officer; Group Executive Director/Chief Financial Officer; Managing

DIRECTORS' PROFILE CONT'D

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. ADEMOLA BOLARINDE

(Non-Executive)

Mr. Ademola Bolarinde holds a Bachelor of Arts (B.A.) Honours Economics from University of Nottingham, United Kingdom, and M.sc from the prestigious London School of Economics, London, United Kingdom. He has attended the Advanced Management Programme (AMP) of the Lagos Business School, among others. He has extensive knowledge and experience in business development, project start-up, HR and Administration, IT and team building skills, among others. Mr. Bolarinde has undergone various Management and Leadership Programs and other local and international development courses.

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

DIRECTORS' PROFILE CONT'D

Dr. ABIOLA OLUFUNKE DAVIES
(Non-Executive)

Dr. Abiola Davies holds a Master of Science (Msc.) Degree in Pharmacology from University of Lagos, Nigeria. She has extensive knowledge in Business Development, Business Management, Research and Policy Development and robust Leadership Skills, among others. Prior to her appointment, Dr. Davies was at various times Associate of the Medical Director, Pfizer Products Plc, Lagos, a Pharmaceutical Company; Medical Manager, Glaxo Wellcome, Health Manager, UNICEF Nigeria. She is currently the Chief Executive Officer, Diamed Healthcare Centre, Nigeria. Mrs. Davies has undergone Management and Leadership Programs and numerous local and international development courses.

She was appointed to the Board of the Company with effect from 1st June 2024.

FINANCIAL HIGHLIGHTS

For the year ended 30 September 2024			
			Increase/ (decrease)
GROUP	**2024**	**2023**	
	N'000	**N'000**	
Revenue	82,639,888	52,986,466	56%
Profit before income tax	1,145,324	6,004,112	-82%
Profit for the year	952,190	4,373,957	-89%
Proposed dividend	0	0	
Share capital	625,422	625,422	0%
Total Equity	25,029,783	17,406,078	44%
			Increase/ (decrease)
Company	**2024**	**2023**	
	N'000	**N'000**	
Revenue	73,492,246	47,723,375	54%
(Loss)/Profit before income tax	(1,059,606)	4,929,600	-121%
(Loss)/Profit for the year	(906,511)	3,418,992	-126%

Proposed dividend (=N=)	1.05	1.56	-33%
Share capital	625,422	625,422	0%
Total Equity	21,624,873	16,178,032	35%
			Increase/
Data per 50k share	**2024**	**2023**	**(decrease)**
Basic Earnings (=N=)	(0.72)	2.73	-74%
Declared dividend (=N=)	0	0	
Net assets (=N=)	17	13	35%
			Increase/
Stock Exchange Information	**2024**	**2023**	**(decrease)**
Stock exchange quotation at 30 September (=N=)	22	22.25	-1%
Number of shares issued (000)	1,250,844	1,250,844	0%
Market capitalisation (N'000)	27,518,568	27,831,279	-1%

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. 10 of the agenda of the Annual General Meeting.

The aggregate value of all transactions entered into with related companies during the financial year as stated on page 120 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, along with the audited financial statements for both the group and the company, for the year ended 30th September 2024.

1. OUR BUSINESS

The company, along with its subsidiaries (Vitapur Nigeria Limited, Vitablom Nigeria Limited, Vitavisco Nigeria Limited, and Vitafoam Sierra Leone Limited) specializes in the manufacture, marketing, and distribution of flexible and rigid foam, fibre and textile-based products in Nigeria and other West African countries. Additionally, the group includes Vono Furniture Products Limited and Vitaparts Nigeria Limited, which produce high-quality furniture and spin-on and catridge vehicle oil filters. The diverse range of products offered by the group is expertly designed and manufactured to cater to the needs of consumers in real estate, healthcare, hospitality, oil and gas, automotive, and agricultural sectors amongst others.

Our diverse range of products- foam, spring, and orthopedic mattresses, pillows, cushions, complete bed sets, and a variety of other complementary items provide comfort and enhance the quality of life of our customers. The products undergo a rigorous process of product research and development, manufacturing, quality assurance, marketing and distribution to make them easily accessible. The company's objective is to remain the leading provider of professional, reliable, and high-quality comfort solutions.

MAJOR PRODUCT OFFERINGS

a) Inner Core Spring Mattresses

Inner core spring mattresses are crafted using the latest technology provided by our Infinity spring machine. The continuous coil design enhances the rigidity, firmness, and lightness of the product compared to older models. This advanced technology enables us to deliver premium products with improved reliability and aesthetics by incorporating materials such as regular flexible foam, visco-elastic foam, steel, coils, felt, and chip foam. The different branded variants of these product lines include Vita Spring Firm, Vita Spring Flex, and Vita Divan Bed.

REPORT OF THE DIRECTORS CONT'D

b) Regular Flexible Foams

The segmentation of our products into Early Days, Lifestyle, Premium Health, and Leisure has enabled consumers from different age groups and social backgrounds to benefit from a wide range of high-quality offerings.

The Early Days segment features products designed with nursing mothers in mind, such as baby mats, baby cot mattresses, baby pillows, baby feeders, baby solid chairs, baby back supports, and more.

Our Lifestyle segment offers stylish and trendy products with various profiles and contours, catering to the tastes of our discerning customers. Notable items in this category include the Vita Sofa Bed, Vita Solid Chair, Vita Roll, and more.

The Premium Health segment focuses primarily on high-quality mattresses and pillows. These products are typically available in standard sizes, often customized to meet individual customer preferences. Popular brands under this segment include Vita Supreme, Vita Galaxy, Vita Grand, Vita Hospital Mattress, and others. Our Vita Sizzler mattress, for example, is an ultra-soft, high-density product made from regular flexible foam and reconstituted foam, providing both support and stress relief.

The Leisure segment is tailored for sports enthusiasts and individuals with diverse lifestyles. This range features portable, trendy, and flexible mats that are suitable for both indoor and outdoor use.

c) Fibre-based and allied Products

This product range is unique in that it is not based on PU foam. It primarily consists of items such as pillows, cushions, duvets, and textile linens. Some of the branded fibre-based products available include the Jumbo Pillow, Gazelle Pillow, Flip Pillow, Music Pillow, and Vita Duvet. In addition, we offer a variety of linens, including bed sheets and pillows, in different textures, sizes, and designs. This segment is driven by our soft furnishings subsidiary, Vitablom Nigeria Limited, which also manufactures scouring sponges in various sizes and shapes.

REPORT OF THE DIRECTORS CONT'D

d) Rigid Foam

Our rigid foam segment, led by our subsidiary Vitapur Nigeria Limited, offers significant growth potential and is strategically positioned for expansion into the insulation market. To support this growth, Vitapur is committed to continuous investment in cutting-edge equipment and providing specialized training for its workforce. This ensures that the team is well-equipped to meet the insulation demands across a variety of sectors, including construction, agriculture, oil and gas, food processing, and pharmaceuticals. By staying at the forefront of industry advancements and prioritizing team development, Vitapur can effectively address the unique challenges of each sector and deliver high-quality insulation solutions.

Vitapur Nigeria Limited became the first insulation company in Nigeria to earn the prestigious certifications from the Standard Organization of Nigeria (SON) for Integrated Management Systems: ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, following a comprehensive audit of its factory and production processes. This achievement underscores Vitapur's commitment to providing high-quality products in a safe manufacturing environment, ensuring it meets and exceeds the expectations of its customers.

e) System House Project

In partnership with the United Nations Development Programme (UNDP) and the Federal Ministry of Environment, Vitapur pioneered the establishment of a System House (chemical blending factory) in Nigeria. The System House is primarily focused on producing pre-blended polyols used in rigid polyurethane foam production, as well as Prepolymer and adhesives.

Vitapur's System House plays a crucial role in supporting the Group's backward integration strategy by supplying Prepolymer and adhesive used by the parent company for the production of reconstituted foam and foam laminations. This initiative offers Vitafoam a significant advantage by enabling just-in-time procurement of these essential chemicals, thereby eliminating the need to maintain inventory. By streamlining the supply chain and reducing storage costs, Vitapur ensures that Vitafoam can operate more efficiently and cost-effectively, while maintaining a steady and reliable flow of critical materials.

REPORT OF THE DIRECTORS CONT'D

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, bushings and other PU-based Elastomers.

Memory pillow brands from Vitavisco include Vitacool, Vitalite, Seat Support, and Neck pillows among others. These high-tech foam products provide a unique experience with their pressure sensitivity and resilience.

During the year, the company expanded its range of health and lifestyle products. The new offerings include the Cervical Collar, Lumbar Rolls in various sizes, PU Soft Desk, PU Foam Seat Pads, Wedge Pillow, Leg Spacer, and Throw Pillows.

In line with our commitment to innovation, the company has invested in a manufacturing plant for Polyethylene Foam Sheets and EPE Pipes. Production has already begun for EPE sheets and other products that serve industries such as automotive, furniture, agriculture, and foam. These products are utilized in applications including air conditioning insulation ducts, cool bags, protective packaging, life jackets, suits, and more.

The polyurethane shoe sole business has experienced significant growth, both in market presence and plant output. This segment is being further strengthened for greater success in the years to come.

g) Furniture Products

Vono Furniture Products Limited has established a strong presence in the household and institutional furniture business, specializing in both wood and metal furniture. The synergy between Vono and the parent company enables seamless collaboration on projects and in offering integrated solutions in a variety of settings to deliver comprehensive furniture solutions for offices, bedrooms, lounges in homes, as well as public and hospital environments. The collaboration thus provides a platform to meet the diverse needs of clients for high-quality, customized products for both residential and commercial spaces.

REPORT OF THE DIRECTORS CONT'D

h) Oil Filters

Vitaparts Nigeria Limited began the production and sale of Spin-on and Paper Cartridge Oil filters in 2021. Since then, these products have been gradually gaining market acceptability. The products are establishing a reputation for quality and reliability, and Vitaparts is positioning itself as a trusted supplier in the automotive and industrial sectors. The growing market acceptance of these oil filters reflects the company's commitment to meeting customer needs and contributing to the broader automotive aftermarket industry.

i) Expansion to ECOWAS Countries

Vitafoam Group's expansion into Sierra Leone is already showing positive results, with successful market penetration and growing acceptance of its products. The factory in Sierra Leone is producing high-quality products for sale locally and exporting premium products to Guinea and Liberia as part of its broader market expansion strategy. Vitafoam is also strengthening its collaboration with stakeholders in Sierra Leone, including humanitarian agencies, to support the mass production and distribution of quality mattresses across the country. This expansion will enhance Vitafoam's market reach and contribute to improving living standards in the region.

2. TRADING RESULTS

The financial results for the year ended 30th September 2024 are summarized below:

REPORT OF THE DIRECTORS CONT'D

	GROUP		COMPANY	
	2024	**2023**	**2024**	**2023**
	₦'000	₦'000	₦'000	₦'000
Turnover	82,639,888	52,986,466	73,492,246	47,723,375
Profit before taxation	1,145,324	6,004,112	(1,059,811)	4,929,600
Taxation	(193,134)`	(1,630,155)	153,300	(1,510,608)
Profit after taxation but before non-controlling interest	952,190	4,373,957	(906,511)	3,418,992
Non-controlling interest	592,486	434,518		-
Profit retained for the year	952,190	4,373,957	(906,511)	3,418,992

3. **DIVIDEND**

The Board has recommended a dividend of N1,375,928,000 representing 105 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 N462,434,000(group) and N188,540,000(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

REPORT OF THE DIRECTORS CONT'D

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 retain and secure their loyalty to the brand. We adopt 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.

6. RESEARCH AND DEVELOPMENT

Design and development of innovative products remain at the core of our strategy for future growth. In crafting our extensive product range, we integrate efficient production processes that provide us with a competitive edge in terms of cost efficiency.

To stay ahead of the competition, seize emerging opportunities, and maintain our leadership in the industry, the company has invested in a state-of-the-art laboratory. This facility not only supports our internal development efforts but is also available for use by other industry professionals, fostering collaboration and innovation across sectors.

REPORT OF THE DIRECTORS CONT'D

7. DONATIONS AND CHARITABLE GIFTS

The following donations were made during the year ended 30 September 2024:

S/N.	BENEFICIARIES	AMOUNT
1.	National Orthopedic Hospital Igbobi - Medical surgery support for indigent student	5,095,398
2.	HDI Tertiary education trust fund	1,980,000
3.	Furniture donated to Nigeria Immigration Services Alausa office	564,375
4.	Sponsorship for the International Day for the Girl Child	750,000
	Company	**8,389,773**
6	Community development - Road expansion - Irewole community	300,000
7	Solar panels donated to Hastings community project	866,525
	Group	**9,556,298**

8. HUMAN RESOURCES MANAGEMENT

The company places a strong emphasis on the efficient management of its human resources as a foundation for achieving excellent performance. Its strategy focuses on attracting and retaining highly motivated and talented personnel across all functions to ensure sustainable growth and development. To maintain a productive work environment, several key strategic initiatives have been adopted, including:

1. **Group Synergy:** As part of cost-effective approach to Human Capital Development, the group structure has provided a platform for shared

REPORT OF THE DIRECTORS CONT'D

services and synergy in our operations. Appropriate resources that are available in the group are deployed to achieve optimal results throughout the group.

2. **Talent Acquisition and Retention**: The company prioritizes attracting top talent by offering competitive compensation, career development opportunities, and a supportive workplace culture to foster employee loyalty and long-term retention.

3. **Continuous Training and Development**: By investing in the ongoing professional development of its staff, the company ensures that employees stay skilled, adaptable, and prepared to meet the evolving demands of the business.

4. **Employee Engagement**: Initiatives aimed at enhancing employee satisfaction, well-being, and involvement in decision-making contribute to a positive and collaborative work environment, boosting morale and productivity.

5. **Performance Management**: A clear and transparent performance management system is in place to set goals, track progress, and reward high performance, ensuring alignment between individual and organizational objectives.

6. **Workplace Innovation and Collaboration**: Encouraging innovation, teamwork, and cross-functional collaboration supports problem-solving and drives creativity, keeping the company competitive and agile in a dynamic market.

   By adopting these strategic initiatives, the company fosters a motivated workforce that plays a key role in driving its long-term success.

9. **CORPORATE GOVERNANCE REPORT**

The company's business is driven by a collective commitment to a culture of integrity, accountability, and transparency. We conduct our operations in strict accordance with high moral and ethical standards, while adhering to all

REPORT OF THE DIRECTORS CONT'D

relevant laws and regulations. Our goal is to remain a responsible and responsive corporate entity, dedicated to ensuring healthy and comfortable living for our customers. At the same time, we aim to make a positive contribution to the overall growth and development of the country, through sustainable practices, innovation, and community engagement. This commitment reflects our desire to create long-term value for all stakeholders while upholding the highest standards of corporate responsibility.

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 Council of Nigeria. The Board is also responsible for safeguarding the company's assets by taking reasonable steps to ensure 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 allows for broad and objective evaluation of policy framework for effective implementation of company strategy.

REPORT OF THE DIRECTORS CONT'D

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

REPORT OF THE DIRECTORS CONT'D

- 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 five (5) times during the 2023/2024 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:

DIRECTORS	20/12/23	06/03/24	07/03/24	22/05/24	5/09/24
Mr. Zakari Sada	X	✓	✓	✓	✓
Mr. T. A. Adeniyi	✓	✓	✓	✓	✓
Mr. B. S. Owoade	✓	✓	✓	✓	✓
Mr. J. Alegbesogie	✓	✓	✓	✓	✓

Mr. Gambo Dahiru	✓	✓	✓	✓	✓
Mr. Olaoluwa Ogunfeyitimi	✓	✓	✓	✓	✓
Mr. Achike Charles Umunna	✓	✓	✓	✓	✓
Mr. Gerson P. Silva	✓	✓	✓	✓	✓
Mr. Abdul Akhor Bello	✓	✓	✓	✓	✓
Mr. Ademola Bolarinde	✓	✓	✓	✓	✓
Mrs. Abimbola O.Davies	**NYA**	**NYA**	**NYA**	**NYA**	✓
Prof (Mrs.) Rosemary Egonwan	✓	✓	✓	**RTD**	**RTD**

Keys

✓ **=Present**

X= Absent

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:

REPORT OF THE DIRECTORS CONT'D

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	27/10/23	25/1/24	29/04/24	29/07/24
Mr. A.A. Bello	✓	✓	✓	✓
Mr. Taiwo Adeniyi	✓	✓	✓	✓
Mr. A.C. Umunna	✓	✓	✓	✓

Keys

✓ = Present

B. Establishment & Remuneration Committee

At the time of this report, the Committee comprised three Non-Executive Directors with Mr. A.C. Umunna as the Chairman. Other members are Mr. Gerson Silva and Dr. Abiola Davies. The Committee did not meet during the year.

C. Nomination & Governance Committee

At the date of this report, the Committee comprised two Non-Executive Directors. It is chaired by Mr. Ademola Bolarinde a Non-Executive Director.

REPORT OF THE DIRECTORS CONT'D

The Committee met once during the year. The table below shows the list and attendance of members at the meeting:

Directors	15/05/24
Mr. Ademola Bolanrinde	✓
Mr. Gerson P. Silva	✓

Key

✓ = Present

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 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 judgments. 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 4(four) times during the financial year and some of the meetings were attended by representatives of PricewaterhouseCoopers

REPORT OF THE DIRECTORS CONT'D

(PwC), the External Auditors. The following is a list of members of the Committee and their attendance at the meetings:

Members	19/12/23	24/01/24	29/04/24	29/07/24
Com. S.B. Adenrele	✓	✓	✓	✓
Rev. I.O. Elushade	✓	✓	✓	✓
Alhaji Gbadebo Olatokunbo	✓	✓	✓	✓
Mr. Ademola Bolarinde	NYA	NYA	X	✓
Mr. Abdul A. Bello	✓	✓	✓	✓
Mr. Zakari Sada	✓	✓	ex	ex

Key

✓=Present
X= Absent
Ex= Exited the committee

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 the execution of tasks and monitors 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

REPORT OF THE DIRECTORS CONT'D

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 reports 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 a 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 system is effective and adequate for the company's business and in line with standard practice.

Compliance with the code of corporate governance

The company's level of compliance with the code of corporate governance in the 2023/2024 financial year was adequate and satisfactory. Required

REPORT OF THE DIRECTORS CONT'D

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.

Vitafoam Nigeria Plc's environmental policy demonstrates its commitment to sustainable practices and adherence to environmental regulations. The company ensures that it meets national, state, and internal environmental policies, regulations, and laws pertinent to its sector. Vitafoam actively monitors its environmental impact through regular checks and assessments in accordance with its Environmental Management policies and regulations.

The company also conducts Environmental Impact Assessments (EIA) for new projects, evaluating potential environmental effects before implementation. For ongoing operations and established projects, Vitafoam carries out Environmental Audits, develops Environmental Management Plans (EMP), and implements Environmental Compliance Monitoring to ensure consistent adherence to environmental standards and regulations. This proactive approach underscores the

REPORT OF THE DIRECTORS CONT'D

company's dedication to environmental sustainability and regulatory compliance in its operations.

Vitafoam Nigeria Plc places a strong emphasis on maintaining a robust Occupational Health and Safety (OHS) management system and environmental performance, ensuring continuous improvement and compliance through both internal and external audits. These audits and validations help assess the effectiveness of the company's health, safety, and environmental procedures.

Our Health, Safety, and Environment (HSE) Manager oversees all HSE matters. This includes the coordination and timely analysis of environmental data, ensuring that all health, safety, and environmental concerns are promptly addressed.

Environmental Management Plans

Vitafoam Nigeria Plc's Environmental Management Plan incorporates a series of proactive measures designed to mitigate, monitor, and manage environmental and social impacts at its operational sites. The company's approach aims to ensure that adverse environmental impacts are reduced to acceptable levels through sustainable practices.

Key Areas of Environmental Management:

1. Energy Management

The primary energy source is the national grid operated by the Transmission Company of Nigeria, with diesel-powered generators installed as backups across various operational sites in Lagos, Jos, Aba and Kano. These generators are routinely maintained by certified energy management contractors to ensure efficiency.

2. Air Quality Management

Foam blowing processes emit hazardous volatile compounds like acetic acid and oxides. Vitafoam has implemented several measures to minimize these emissions:

REPORT OF THE DIRECTORS CONT'D

- Exhaust gases are filtered through fume extractors and activated carbon filters before being discharged
- Smoking and waste incineration are prohibited across all operational sites.
- Dust levels are reduced through extractor fans installed within operational facilities.
- Relevant personal protective equipment (PPE) such as rubber gloves, face masks, and safety shoes are worn by staff to minimize exposure to occupational risks.

3. Noise and Vibration Management
   - Installation of silencers on air compressors and blowers.
   - Equipment is mounted on vibration isolating platforms and rubber mats to reduce noise and vibrations.
   - Air conditioning systems, fans, and ventilation systems are fitted with noise-proof ducting and acoustically designed openings.
   - Service Level Agreements (SLAs) are in place for regular maintenance of generators, air compressors, and air conditioners.
4. Water Management
   - Water for the factories is sourced from boreholes, with drinking water treated by a portable water treatment plant.
   - The water is used for both drinking and general cleaning, ensuring safe and efficient water usage.
5. Waste Management
   - Waste generation mainly comes from ancillary activities such as kitchen wastes, sanitary wastewater, and cleaning activities. Foam production, being a dry process, does not generate wastewater.
   -

REPORT OF THE DIRECTORS CONT'D

- Foam scraps, which constitute 98% of solid waste, are recyclable and are sent to foam recycling plants located in Lagos and Jos for reuse in orthopaedic and hospital mattress production.
- Polyethylene films are also collected and sold to third-party recyclers
- Non-recyclable wastes are handled by certified local waste management contractors for proper disposal.

6. Waste Oil Storage and Management
    - Waste oils from servicing generators and compressors are carefully managed through SLAs with certified contractors.
    - Salvaged oils are reused as mold degreasers in batch foaming operations, ensuring responsible waste management.
7. Chemical Storage and Management
    - Chemicals used in production are stored in dedicated areas and handled in compliance with regulatory guidelines and Material Safety Data Sheets (MSDS).
    - This ensures safe handling and reduces the risk of chemical accidents.
8. Fire Safety
    - All factories are equipped with standard fire detection, fire protection and suppression gadgets.
    - Smoke and heat detectors, hose reels, automatic sprinkler systems, and fire hydrants are strategically installed for rapid response in case of fire emergencies.
    - Fire extinguishers are also available at marked fire points for emergency use.

Vitafoam's commitment to a comprehensive environmental management plan reflects its dedication to minimizing environmental impacts, enhancing sustainability, and complying with both local and international environmental

REPORT OF THE DIRECTORS CONT'D

regulations. Through these efforts, the company is ensuring the responsible management of resources and the protection of both the environment and the health of its workers**.**

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 graduates are recruited 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.

REPORT OF THE DIRECTORS CONT'D

As a company that acknowledges the importance of education to the society, we have undertaken the construction of blocks of Government-owned classrooms on a build, equip and transfer basis.

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

Health & Safety Policy

The safety of our employees is paramount, and we take adequate steps to provide a safe workplace. At all of the company's factory and office 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 and other related activities.

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

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

The company has in-house canteens across our factories where quality, nutritious and balanced meals are served to employees at heavily subsidized rates. This in a way contributes to the wellbeing of our staff. Regular health tests are conducted for our Kitchen staff and food handlers in order to safeguard the health of the employees.

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

REPORT OF THE DIRECTORS CONT'D

employees with special facilities provided to support the physically challenged.

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 employee 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. We hold regular quarterly town hall meetings, a forum for management-employee interaction which has become a key platform for dialogue.

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 the right to freedom of Association. Over the years, we have enjoyed industrial harmony.

Sustainability Performance highlights in the financial year

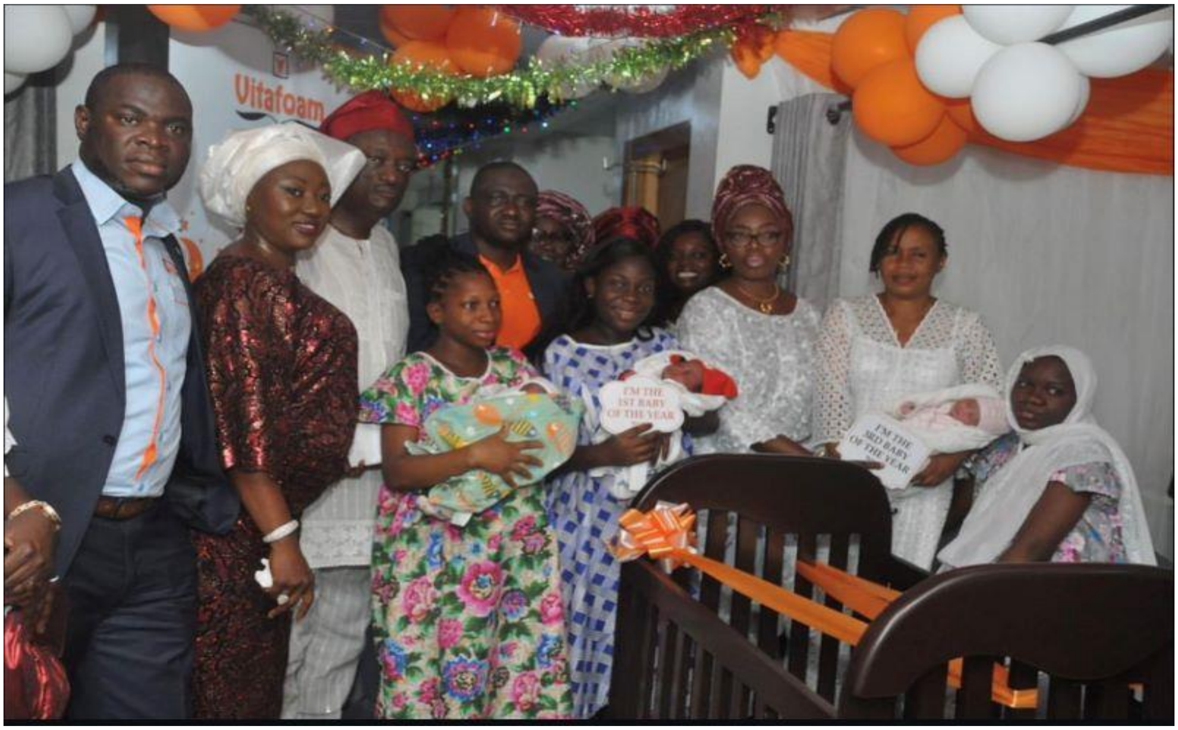
Our sustainability performance in 2024 is graphically illustrated below using the key elements of Governance, Economic, Social and Environment:

	We have a wide range of employees who are actively engaged and decently remunerated.

2 ZERO HUNGER	We run in-house canteen across our operating facilities where clean, nutritious and balanced meals are served at subsidized rates to employees.
3 GOOD HEALTH AND WELL-BEING	Prioritising the 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.
4 QUALITY EDUCATION	The company accepts an average of 40 Corps Members and students on Students Industrial Work Experience (SIWES) annually. We support children of our employees with varying degrees of scholarships. We regularly host students of several institutions on learning excursions.
5 GENDER EQUALITY	Despite being a manufacturing company, conscious efforts are made to promote gender equality. Consideration is given to gender balance in recruitments across all levels.
7 AFFORDABLE AND CLEAN ENERGY	Achieved significant decrease in energy consumption through installation of energy saving bulbs.
8 DECENT WORK AND ECONOMIC GROWTH	Sporting Center maintained Work-life balance is encouraged Periodic improvement of employee welfare. Provision and enforcement of the use of personal protective equipment (PPEs).

	Awarded the Best Kept Industrial Premises in the Domestic and Industrial sector by Manufacturers Association of Nigeria (MAN.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Regular Research is being undertaken Certified ISO 9001:2015 on quality management standards Awarded Best Premium Bedding & foam product manufacturer.
11 SUSTAINABLE CITIES AND COMMUNITIES	Support is given to security agencies within our community of operations.
13 CLIMATE ACTION	Significant decrease in energy consumption. Responsible management of liquid and solid waste.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	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.
17 PARTNERSHIPS FOR THE GOALS	Management is in consultation with all major stakeholders and key distributors and 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. 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.

PHOTOS SPEAK




Vitafoam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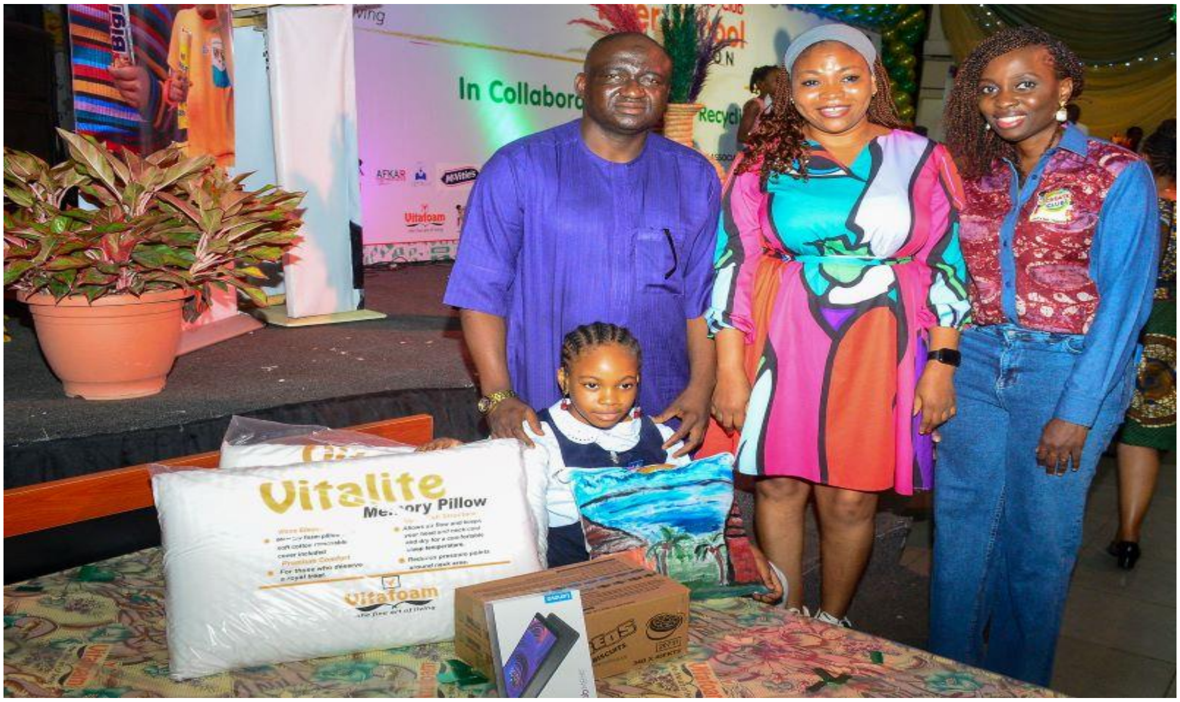
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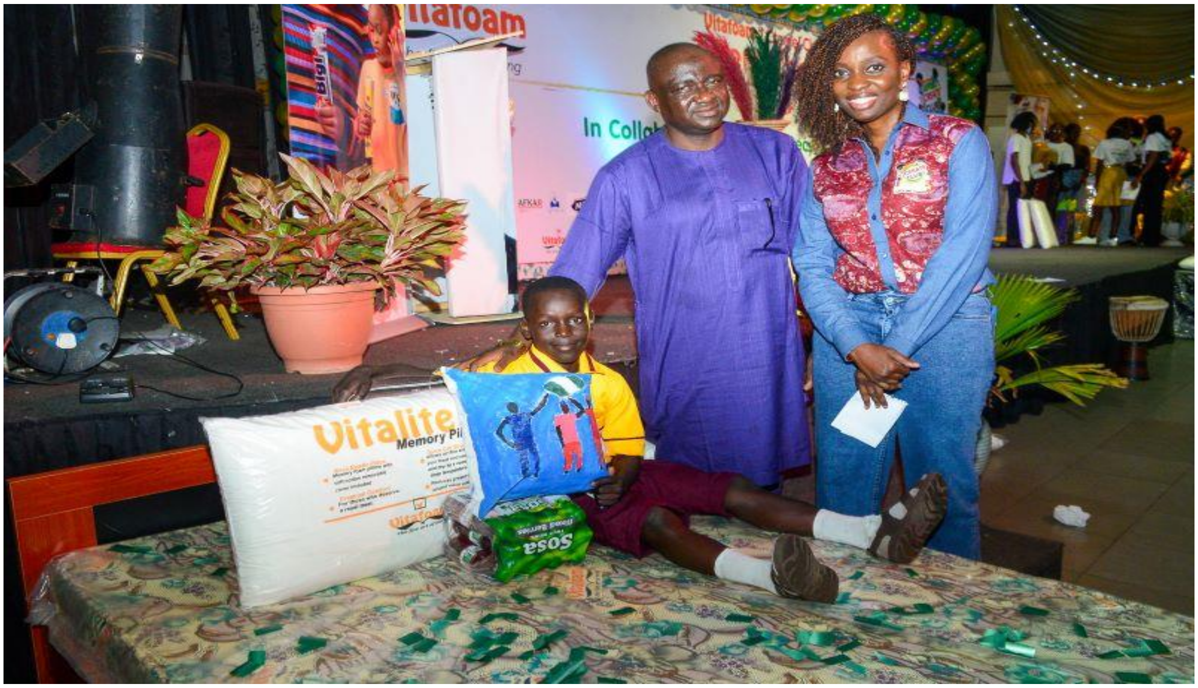
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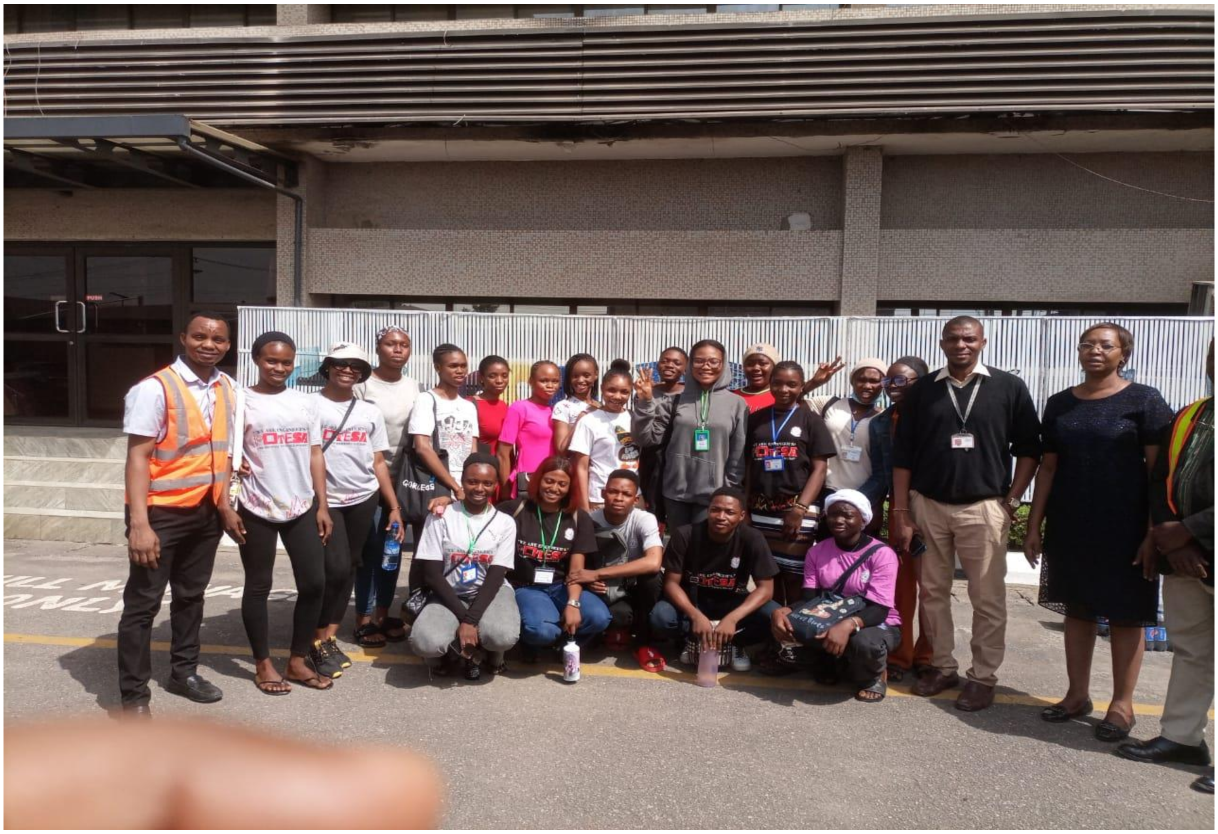

11. DIRECTORS' INTEREST IN SHARES

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 30/09/2024 (No. of shares)**	**As at 30/09/2023 (No. of Shares)**
Mr. Zakari M. Sada	87,280	87,280
Mr. T.A. Adeniyi	1,364,000	1,364,000
Mr. B. S. Owoade	320,000	320,000

Mr. J. I. Alegbesogie	976,820	726,820
Mr. Ademola Bolarinde	100,000	Nil
Mr. Gerson P. Silva	Nil	Nil
Mr. Achike C. Umunna	140,000	140,000
Mr. Abdul Akhor Bello	171,860	171,860
Mr. Olaoluwa Ogunfeyitimi	414,627	379,627
Mr. Gambo Dahiru	109,553	26,004
Mrs. Abiola O. Davies	Nil	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 association 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

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, 2024

Type	Shareholding	%	Shareholders	%
Individual	736,863,852	58.89	40,413	96.06
Corporate	512,674,098	40.99	1,569	3.72
Foreign	1,306,114	0.1	86	0.20
Total	1,250,844,064	100	42,068	100

c) The range analysis of the shareholding as at 30th September, 2024 is as below:

Range	No. of Holders	% of Holders	Units	Shareholding %
1-5000	29,037	69.02%	39,562,429	3.1629%
5001-10,000	5159	12.26%	39,136,159	3.1288%
10,001-100,000	6,931	16.47%	194,575,307	15.55%
100,001-500,000	762	1.81%	153,636,316	12.28%
500,001-1,000,000	89	0.21%	63,467,273	5.074%
1,000,001-100,000,000	90	0.21%	484,703,701	38.75%
100,000,001-Above	2	0.004%	275,762,879	22.046%

14. ACQUISITION OF SHARES

The Company did not purchase any of its own shares during the 2023/2024 financial year.

REPORT OF THE DIRECTORS CONT'D

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's code of business ethics and Whistle blowing policy set a standard of ethical behaviour in the workplace for all employees. A key component of workplace ethics and behavior is integrity which the Board upholds to ensure a culture of honesty and transparency at all levels of the company. The company maintains a steady awareness of these values through periodic sensitization 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.vitafoam.com.ng.

18. RETIREMENT BY ROTATION

The Directors retiring by rotation in accordance with the company's Articles of Association are Mr. Gerson P. Silva and Mr. Zakari M. Sada and being eligible, offer themselves for re-election. Also, since the last Annual General Meeting, Dr. (Mrs.) Abiola O. Davies was appointed a Non-Executive Director of the company. In line with the Companies and Allied Matters Act, 2020 and the Articles of Association of the company, the appointment of Dr. (Mrs.) Abiola O. Davies will be presented for confirmation by Shareholders at the Annual General Meeting. Bio-data of the Directors is on pages 8 to 14 of the Annual Report.

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 *ACIS*

Company Secretary/Legal Adviser
FRC/20I3/NBA/00000005309

19 December, 2024

REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 30 SEPTEMBER 2024

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 2024 and report as follows:

- Reviewed the scope and planning of the audit requirements and found them adequate;
- Reviewed the financial statement for the year ended 30th September 2024 and are satisfied with the explanations obtained;
- Reviewed the external auditors' management letter for the year ended 30th September 2024 and are satisfied with management responses to the issues raised; and
- Ascertained that the accounting and reporting policies for the year ended 30th September, 2024 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 18th December, 2024

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

Other Members of the Committee are:

Rev. I.O. Elushade	-	Shareholders Representative
Alh. Gbadebo Olatokunbo	-	Shareholders Representative
Mr. Abdul A. Bello	-	Independent Non-Executive
Mr. Ademola Bolarinde	-	Non-Executive

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

STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF 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 2024, and the results of its operations, cash flows and changes in equity for the year ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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 ended 30 September 2024 were approved by the directors on 19th December, 2024.

Signed on behalf of the Board of Directors by:

Mr. Taiwo Adeniyi	**Mr. Joseph Alegbesogie, FCA**
Group Managing Director/CEO	**Finance Director**
FRC/2015/IODN/00000010639	**RC/2013/ICAN/0000000372**

CERTIFICATION OF THE FINANCIAL STATEMENTS

In accordance with section 405 of the Companies and Allied Matters Act of Nigeria 2020, 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 and 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) Have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of its audited financial statements, and

(iii) Certify 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 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 have 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 significant deficiencies and material weaknesses.

The financial statements of the Group for the year ended 30 September 2024 were approved by the directors on 19 December 2024.

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/0000000372

Management's Annual Assessment of, and Report on, Vitafoam Nigeria Plc's Internal Control over Financial Reporting

To comply with the provisions of Section 1.3 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, we hereby make the following statements regarding the Internal Controls of Vitafoam Nigeria Plc for the year ended 30 September 2024:

i. Vitafoam Nigeria Plc's management is responsible for establishing and maintaining a system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards.

ii. Vitafoam Nigeria Plc's management used the Committee of Sponsoring Organization of the Treadway Commission (COSO) Internal Control-Integrated Framework to conduct the required evaluation of the effectiveness of the entity's ICFR;

iii. Vitafoam Nigeria Plc's management has assessed that the entity's ICFR as of the end of 30 September 2024 is effective.

iv. Vitafoam Nigeria Plc's external auditor Messrs PricewaterhouseCoopers that audited the financial statements, included in the annual report, has issued an attestation report on management's assessment of the entity's internal control over financial reporting.

The attestation report of Messrs PricewaterhouseCoopers that audited its financial statements will be filed as part of Vitafoam Nigeria Plc's annual report.

Mr. Zakari Mohammed Sada	Mr. Tajwo A. Adeniyi
Chairman:	Group Managing Director
FRC/2013/PRO/ICAN/004/00000001848	FRC/2015/IODN/00000010639

Certification of management's assessment on internal control over financial reporting

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Vitafoam Nigeria Plc for the year ended 30 September 2024.

I, Taiwo Adeniyi, certify that:

a) I have reviewed this management assessment on internal control over financial reporting of Vitafoam Nigeria Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) Vitafoam Nigeria Plc Group Finance Director and I:

1) are responsible for establishing and maintaining internal controls;
2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls

e) Vitafoam Nigeria Plc Group Finance Director and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) Vitafoam Nigeria Plc Group Finance Director and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Taiwo Adeniyi
Group Managing Director/CEO
FRC/2013/ICAN/00000003728

Signature:

Date:

VITAFOAM NIGERIA PLC
Annual Report Financial Statements for the year ended
30 September 2024

Certification of Management assessment on internal control over financial reporting,

To comply with the provisions of Section 1.1 of SEC Guidance on Implementation of Sections 60-63 of Investments and Securities Act 2007, I hereby make the following statements regarding the Internal Controls of Vitafoam Nigeria Plc for the year ended 30 September 2024.

I, Joseph Alegbesogie, certify that:

a) I have reviewed this Management assessment on internal control over financial reporting of Vitafoam Nigeria Plc;

b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the entity as of, and for, the periods presented in this report;

d) Vitafoam Nigeria Plc Group Managing Director and I:

1) are responsible for establishing and maintaining internal controls;
2) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the entity, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable

4) have evaluated the effectiveness of the entity's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
e) Vitafoam Nigeria Plc Group Managing Director and I have disclosed, based on our most recent evaluation of internal control system, to the entity's auditors and the audit committee of the entity's board of directors (or persons performing the equivalent functions):

1) All significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the entity's ability to record, process, summarize and report financial information; and
2) Any fraud, whether or not material, that involves management or other employees who have a significant role in the entity's internal control system.

f) Vitafoam Nigeria Plc Group Managing Director and I have identified, in the report whether or not there were significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation including any corrective actions with regard to significant deficiencies and material weaknesses.

Joseph Alegbesogie
Group Finance Director
FRC/2013/ICAN/00000003728

Signature:

Date:

Independent practitioner's report

To the Members of Vitafoam Nigeria Plc

Report on an assurance engagement performed by an independent practitioner to report on management's assessment of controls over financial reporting

Our opinion

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management of Vitafoam Nigeria Plc ("the company's") are not adequate as of September 30, 2024, based on the SEC Guidance on Implementation of Section 60 – 63 of The Investments and Securities Act 2007 issued by The Securities and Exchange Commission.

What we have performed

We have performed an assurance engagement on Vitafoam Nigeria Plc's internal control over financial reporting as of September 30, 2024, based on FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting ("the Guidance") issued by the Financial Reporting Council of Nigeria. The company's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Assessment of, and Report on, Vitafoam Nigeria Plc Internal Control over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our assurance engagement.

Basis for opinion

We conducted our assurance engagement in accordance with the Guidance, which requires that we plan and perform the assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other matter

We also have audited, in accordance with the International Standards on Auditing, the consolidated and separate financial statements of Vitafoam Nigeria Plc and our report dated 23 December 2024, expressed and unqualified opinion.

For: **PricewaterhouseCoopers**

23 December 2024

Chartered Accountants
Lagos, Nigeria

Engagement Partner: Edafe Erhie
FRC/2013/PRO/ICAN/004/00000001143

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 2024, 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 as issued by the International Accounting Standards Board ("IFRS Accounting 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 2024 ;
- the consolidated and separate statements of financial position as at 30 September 2024;
- 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;
- Material 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 judgement, 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.

We have determined that there are no key audit matters to communicate in our report.

Other information

The directors are responsible for the other information. The other information comprises Quality policy statement, Corporate profile, Notice of annual general meeting, 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, Management's annual assessment of, and report on Vitafoam Nigeria Plc internal control over financial reporting, Certification of management's assessment on internal control over financial reporting, 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 2024 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of the Vitafoam Nigeria Plc 2024 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with "IFRS Accounting Standards" and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are 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.

In accordance with the requirements of the Financial Reporting Council, we performed a limited assurance engagement and reported on management's assessment of Vitafoam Nigeria Plc's internal control over financial reporting as of 30 September 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control Over Financial Reporting issued by the Financial Reporting Council of Nigeria, and we have issued an unqualified opinion in our report dated 23 December 2024.

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

23 December 2024

Engagement Partner: Edafe Erhie
FRC/2013/PRO/ICAN/004/00000001143

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

		Group		Company	
	Note	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Revenue	6	82,639,888	52,986,466	73,492,246	47,723,375
Cost of sales	7	(52,333,877)	(35,044,994)	(48,006,383)	(32,964,200)
Gross profit		**30,306,011**	**17,941,472**	**25,485,863**	**14,759,175**
Other gains	8	603,110	393,071	771,096	523,446
Distribution costs	10	(2,887,785)	(2,260,341)	(2,679,742)	(1,946,551)
Movement in expected credit loss allowances	20 &34.1	(69,745)	(18,483)	21,275	23,997
Administrative expenses	9	(7,616,871)	(5,420,219)	(5,689,720)	(4,352,469)
Foreign exchange loss	9.2	(12,723,435)	(3,648,242)	(12,526,188)	(3,125,180)
Operating Profit		**7,611,285**	**6,987,258**	**5,382,584**	**5,882,418**
Finance income	12	1,048,320	1,303,163	1,048,090	1,302,377
Finance costs	11	(7,132,818)	(2,286,309)	(7,109,466)	(2,255,195)
Minimum tax	42	(381,463)	-	(381,019)	-
Profit/(Loss) before taxation		**1,145,324**	**6,004,112**	**(1,059,811)**	**4,929,600**
Taxation	13	(193,134)	(1,630,155)	153,300	(1,510,608)
Profit/(loss) for the year		**952,190**	**4,373,957**	**(906,511)**	**3,418,992**
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements on net defined benefit liability	38	183,433	(366,570)	183,433	(366,570)
Gains on property revaluation	38	8,063,548	-	8,063,548	-
Gain on valuation of investments in equity instruments designated as at FVTOCI	38	5,820	5,898	5,820	5,898
Total items that will not be reclassified to profit or loss	38	**8,252,801**	**(360,672)**	**8,252,801**	**(360,672)**
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange differences on translation of foreign operations	38	612,836	(103,307)	-	-
Other comprehensive Income/(loss) for the year net of taxation	38	**8,865,637**	**(463,979)**	**8,252,801**	**(360,672)**
Total comprehensive income for the year		**9,817,827**	**3,909,978**	**7,346,290**	**3,058,320**
Profit/(loss) attributable to:					
Owners of the parent		359,704	3,939,439	(906,511)	3,418,992
Non-controlling interest		592,486	434,518	-	-
		952,190	**4,373,957**	**(906,511)**	**3,418,992**
Total comprehensive income attributable to:					
Owners of the parent		9,225,341	3,475,460	7,346,290	3,058,320
Non-controlling interest		592,486	434,518	-	-
		9,817,827	**3,909,978**	**7,346,290**	**3,058,320**
Earnings per share					
Per share information					
Basic (loss)/earnings per share (kobo)	28	29.00	315.00	(72.00)	273.00
From Continuing operations					
Basic (loss)/earnings per share (kobo)	28	29.00	315.00	(72.00)	273.00
Diluted earnings per share (Kobo)	28	29.00	315.00	(72.00)	273.00

The accounting policies and the notes on pages 71 to 129 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position

	Note	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Assets					
Non-Current Assets					
Property, plant and equipment	15	15,937,112	7,006,612	11,766,459	3,200,289
Intangible assets	16	124,654	58,828	46,554	54,822
Investment property	17	-	-	1,647,654	1,707,986
Investments in subsidiaries	37	-	-	1,708,521	1,708,521
Right-of-use assets	41	183,892	191,038	183,892	191,038
Investment in financial assets	18	17,450	11,630	17,450	11,630
Finance lease receivables	40	86,352	55,211	86,352	55,211
Deferred tax	24	-	274,238	-	-
		16,349,460	**7,597,557**	**15,456,882**	**6,929,497**
Current Assets					
Inventories	19	20,543,078	14,296,668	16,256,299	11,734,948
Trade and other receivables	20	4,089,713	2,021,969	6,442,365	3,209,325
Other assets	21	3,255,858	3,911,212	2,276,979	3,633,073
Cash and cash equivalents	22	7,110,133	21,833,668	5,474,936	21,166,458
		34,998,782	**42,063,517**	**30,450,579**	**39,743,804**
Total Assets		**51,348,242**	**49,661,074**	**45,907,461**	**46,673,301**
Equity and Liabilities					
Equity					
Share capital	27	625,422	625,422	625,422	625,422
Reserves	27.1	8,871,013	188,809	8,526,158	456,790
Retained earnings		14,073,967	15,430,279	12,473,293	15,095,820
		23,570,402	16,244,510	21,624,873	16,178,032
Non-controlling interest		1,459,381	1,161,568	-	-
		25,029,783	**17,406,078**	**21,624,873**	**16,178,032**
Liabilities					
Non-Current Liabilities					
Borrowings	23	3,513,145	51,336	3,484,148	-
Lease liabilities	43	208,610	181,716	208,610	181,716
Retirement benefit obligation	25	895,765	1,169,900	895,765	1,169,900
Deferred tax	24	199,213	-	992,837	63,487
		4,816,733	**1,402,952**	**5,581,360**	**1,415,103**
Current Liabilities					
Trade and other payables	26	10,114,593	4,914,091	8,243,982	3,610,734
Borrowings	23	10,474,953	23,287,105	10,449,736	23,257,118
Current tax payable	14	912,180	2,650,848	7,510	2,212,314
		21,501,726	**30,852,044**	**18,701,228**	**29,080,166**
Total Liabilities		**26,318,459**	**32,254,996**	**24,282,588**	**30,495,269**
Total Equity and Liabilities		**51,348,242**	**49,661,074**	**45,907,461**	**46,673,301**

The consolidated and separate financial statements and notes on pages 66 to 133 were authorised and approved for issue by the board on the 19 December 2024 and were signed on its behalf by:

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

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

The accounting policies and the notes on pages 71 to 133 form an integral part of these consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Reserve for valuation of investments	Other reserves	Retained earnings	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Group									
Balance at 1 October 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 loss	-	(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 1 October 2023	**625,422**	**(173,581)**	**-**	**(30,628)**	**393,018**	**15,430,279**	**16,244,510**	**1,161,568**	**17,406,078**
Profit for the year	-	-	-	-	-	359,704	359,704	592,486	952,190
Other comprehensive income	-	612,836	8,063,548	5,820	-	183,433	8,865,637	-	8,865,637
Total comprehensive income for the year	**-**	**612,836**	**8,063,548**	**5,820**	**-**	**543,137**	**9,225,341**	**592,486**	**9,817,827**
Statute barred unclaimed dividend received	-	-	-	-	-	51,869	51,869	-	51,869
Dividend paid	-	-	-	-	-	(1,951,318)	(1,951,318)	(294,673)	(2,245,991)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**-**	**(1,899,449)**	**(1,899,449)**	**(294,673)**	**(2,194,122)**
Balance at 30 September 2024	**625,422**	**439,255**	**8,063,548**	**(24,808)**	**393,018**	**14,073,967**	**23,570,402**	**1,459,381**	**25,029,783**

The accounting policies and the notes on pages 71 to 129 form an integral part of the consolidated and separate financial statements

Separate Statement of Changes in Equity

	Share capital	Revaluation reserve	Reserve for valuation of investments	Other reserves	Retained earnings	Total equity
	N '000	N '000	N '000	N '000	N '000	N '000
Company						
Balance at 1 October 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 loss	-	-	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 1 October 2023	**625,422**	**-**	**(30,628)**	**487,418**	**15,095,820**	**16,178,032**
Loss for the year	-	-	-	-	(906,511)	(906,511)
Other comprehensive income	-	8,063,548	5,820	-	183,433	8,252,801
Total comprehensive income for the year	**-**	**8,063,548**	**5,820**	**-**	**(723,078)**	**7,346,290**
Statute barred unclaimed dividend received	-	-	-	-	51,869	51,869
Dividend paid	-	-	-	-	(1,951,318)	(1,951,318)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**-**	**(1,899,449)**	**(1,899,449)**
Balance at 30 September 2024	**625,422**	**8,063,548**	**(24,808)**	**487,418**	**12,473,293**	**21,624,873**

The accounting policies and the notes on pages 71 to 129 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows

		Group		Company	
	Note(s)	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Cash flows from operating activities					
Cash generated from operations	30	5,925,242	5,495,264	3,926,943	4,218,088
Tax paid	14	(2,541,001)	(2,721,666)	(2,204,804)	(2,337,141)
Benefit paid	25	(86,963)	(87,448)	(86,963)	(87,448)
Net cash from operating activities		**3,297,278**	**2,686,150**	**1,635,176**	**1,793,499**
Cash flows from investing activities					
Purchase of property, plant and equipment	15	(462,434)	(1,516,722)	(188,540)	(686,113)
Proceed from disposal of property, plant and equipment	8.1	6,797	70,681	6,798	11,387
Purchase of investment property	17	-	-	-	(1,559)
Acquisition of shares in subsidiary	37	-	-	-	(676,382)
Purchase of other intangible assets	16	(82,304)	(43,792)	(6,988)	(43,597)
Finance lease payment	40	(83,006)	-	(83,006)	-
Finance lease receipts	40	51,865	40,258	51,865	40,258
Interest Income	12	866,562	1,181,526	866,332	1,180,740
Net cash from investing activities		**297,480**	**(268,049)**	**646,461**	**(175,266)**
Cash flows from financing activities					
Proceeds from borrowings	23.1	12,507,040	15,851,825	12,507,040	15,851,825
Repayment of borrowings	23.1	(21,857,383)	(7,467,334)	(21,830,274)	(7,351,189)
Dividends paid	29	(2,245,991)	(2,180,341)	(1,951,318)	(1,901,284)
Finance costs	11	(6,746,045)	(2,038,517)	(6,722,693)	(2,007,403)
Statute barred dividend received (Note 26.4 .1)		51,869	7,923	51,869	7,923
Net cash from financing activities		**(18,290,510)**	**4,173,556**	**(17,945,376)**	**4,599,872**
Total movement for cash & cash equivalent for the year		**(14,695,752)**	**6,591,657**	**(15,663,739)**	**6,218,105**
Cash at the beginning of the year		21,833,668	15,278,674	21,166,458	14,985,016
Effect of exchange rate movement on cash balances		(27,783)	(36,663)	(27,783)	(36,663)
Cash and cash equivalent at the end of the year	22	**7,110,133**	**21,833,668**	**5,474,936**	**21,166,458**

The accounting policies and the notes on pages 71 to 129 form an integral part of the consolidated and separate financial statements.

Material accounting policies

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 19 December, 2024.

1. Material 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;
- Material 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 applicable international financial reporting standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) for the year ended September 30, 2024, including IFRIC® Interpretations issued by IFRS Interpretations Committee, the Financial Reporting Council of Nigeria (Amendment) Act, 2023 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.

1.2 Basis of measurement and preparation (continued)

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 is 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.

1.3 Consolidation (continued)

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.

Foreign exchange gains and losses are presented on a net basis in the income statement.

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. Sales of goods is recognised at point in time.

Material accounting policies

1.5 Revenue recognition (continued)

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 recognise 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 recognise impaired value of inventory held, 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 addictive 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.

Consumables/Spares : Impairment provision is recognised based on obsolescence and damage.

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 of useful in the production process. These 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.

1.7 Financial assets (continued)

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, pant 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 vehicles from four years to two years while the useful life of IT equipment from five years to two years under the assets class of furniture and fittings.

To ensure the Company's financial position reflects current economic realities, the Board of Directors decided during the year to change the basis of measuring land from historical cost model to revaluation model. Valuations will be performed with sufficient regularity to ensure that the fair value of a revalued asset does not materially differ from its carrying amount.

Revaluation gain/losses in the carrying amounts arising on revaluation of land are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. When revalued assets are sold, it is group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Gains and losses arising on disposal or retirement of an assets is determined as the difference between sales proceeds and the carrying amount of the assets. When revalued assets are sold, it is the Group policy to transfer any amount included in other reserves in respect of those assets to retained earnings.

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

1.8 Property, plant and equipment (continued)

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

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

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

Property, plant and equipment that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. Property, plant and equipment that suffer impairment are reviewed for possible reversal of the impairment at each balance sheet date.

The impact of the change in accounting policy on the relevant financial statements line items is shown below

Amount prior to revaluation	**N'000**
Property, plant and equipment	
Cost	430,557
Accumulated depreciation	-
Carrying amount	**430,557**

Amount post revaluation	**N'000**
Property, plant and equipment	
Cost	8,959,498
Accumulated depreciation	-
Carrying amount	**8,959,498**

	N'000
Equity (Revaluation Surplus)	8,959,498
Other Comprehensive income (Revaluation Surplus)	8,959,498

The change in policy was not applied retrospectively

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.

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.

Material accounting policies

1.9 Taxation (continued)

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% of taxable profit
- Tertiary eduction at 3% of assessable profit
- Police trust fund levy at 0.005% of profit before tax

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.

1.10 Employee benefits (continued)

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.

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 and finance income (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

1.10 Employee benefits (continued)

- 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 429 of the Companies and Allied Matters Acts, 2020 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.

Material accounting policies

1.13 Leases (continued)

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 41 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 deprciation.

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.

1.13 Leases (continued)

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.

Material accounting policies

1.15 Borrowing costs (continued)

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 (2023: 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.

Material accounting policies

1.17 Intangible assets (continued)

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 Companys.The calculation of which includes historical data, assumptions and expectations of future conditions. An historical/observed default rates obtained and regress with the historical data of the two chosen macroeconomic variables sourced over the same length of period which the default rates were obtained. The model generates regression coefficients (intercept and slopes) which are applied of the forecast macroeconomic data. A scalar is obtained which is applied to the Historical loss rate.

Material accounting policies

1.18 Critical accounting judgements and sources of estimation uncertainty (continued)

Useful life of property, plant and equipment and investment property

The Company calculates depreciation of property, plant and equipmentand investment property 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 and investment property 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.

Estimation of fair values of property, plant and equipment

The Company engages external, independent and qualified valuers to perform independent valuations for its property, plant and equipment at sufficient regularity to ensure that the fair value of the revalued asset does not differ materially from it carrying amount. At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties.

All resulting fair value estimates for properties are included in level 2. The level 2 fair value of land held for resale has been derived using the Depreciated Replacement Cost (DRC) method. This method equates the open market value of an asset to the estimated total cost of the items as new at the date of valuation less allowance for depreciation to account for age, wear and tear and obsolescence

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 balance sheet date 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 25.

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.

Material accounting policies

1.18 Critical accounting judgements and sources of estimation uncertainty (continued)

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

Even though Vitafoam holds only 40.08% 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 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.

1.19 Financial instruments (continued)

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

1.19 Financial instruments (continued)

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 year

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 October 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective:

Supplier finance arrangements - amendments to IAS 7 and IFRS 7

2. New Standards and Interpretations (continued)

The amendment applies to circumstances where supplier finance arrangements exist. These are arrangements whereby finance providers pay the suppliers of the entity, thus providing the entity with extended payment terms or the suppliers with early payment terms. The entity then pays the finance providers based on their specific terms and conditions. The amendment requires the disclosure of information about supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows as well as on the entity's exposure to liquidity risk.

The effective date of the amendment is for years beginning on or after January 1, 2024.

The group has early adopted the amendment for the first time in the 2024 consolidated and separate financial statements.

The impact of the amendment is not material.

Non-current liabilities with covenants - amendments to IAS 1

The amendment applies to the classification of liabilities with loan covenants as current or non-current. If an entity has the right to defer settlement of a liability for at least twelve months after the reporting period, but subject to conditions, then the timing of the required conditions impacts whether the entity has a right to defer settlement. If the conditions must be complied with at or before the reporting date, then they affect whether the rights to defer settlement exists at reporting date. However, if the entity is only required to comply with the conditions after the reporting period, then the conditions do not affect whether the right to defer settlement exists at reporting date. If an entity classifies a liability as non-current when the conditions are only required to be met after the reporting period, then additional disclosures are required to enable the users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

The effective date of the amendment is for years beginning on or after January 1, 2024.

The group has early adopted the amendment for the first time in the 2024 consolidated and separate financial statements.

The impact of the amendment is not material.

Lease liability in a sale and leaseback

The amendment requires that a seller-lessee in a sale and leaseback transaction, shall determine ‘lease payments’ or ‘revised lease payments’ in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

The effective date of the amendment is for years beginning on or after January 1, 2024.

The group has early adopted the amendment for the first time in the 2024 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’s accounting periods beginning on or after October 1, 2024 or later periods:

IFRS 19 Subsidiaries without Public Accountability: Disclosures

This is a new standard which may be applied by subsidiaries which do not have public accountability. It is a disclosure only standard and provides for reduced disclosures for qualifying subsidiaries to apply, while still remaining compliant with the recognition, measurement and presentation requirements of IFRS accounting standards. The reduced disclosures provided in IFRS 19 may be applied by the subsidiary in their consolidated, separate or individual financial statements, provided that the ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS accounting standards. A subsidiary has public accountability, and may not apply IFRS 19, if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The effective date of the amendment is for years beginning on or after January 1, 2027.

The group expects to adopt the amendment for the first time in the 2028 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.

2. New Standards and Interpretations (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the amendment is for years beginning on or after January 1, 2027.

The group expects to adopt the amendment for the first time in the 2028 consolidated and separate financial statements.

The impact of this amendment is currently being assessed.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.

The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

The effective date of the amendment is for years beginning on or after January 1, 2026.

The group expects to adopt the amendment for the first time in the 2027 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.

Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after January 1, 2025.

The group expects to adopt the amendment for the first time in the 2026 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.

Notes to the 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 2024 **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	7,110,133	-	-	-	7,110,133
Trade receivables (Net)	20	798,126	63,795	52,824	375,994	1,290,739
Staff advances	20	7,754	-	-	-	7,754
Other receivables(Net WHT)	20	3,283,833	-	-	-	3,283,833
		11,199,846	**63,795**	**52,824**	**375,994**	**11,692,459**

30 September 2023 **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	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**

Notes to the Consolidated and Separate Financial Statements

3. Financial instruments and risk management (continued)

Company
30 September 2024

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**
Cash and bank balances	22	5,474,936	-	-	-	5,474,936
Trade receivables (Net)	20	194,872	22,474	10,800	10,338	238,484
Other receivables (Net WHT)	20	2,945,032	-	-	-	2,945,032
Due from related parties	20	3,302,461	-	-	-	3,302,461
		11,917,301	**22,474**	**10,800**	**10,338**	**11,960,913**

30 September 2023

		-	-	-	-	-
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**
Cash and bank balances	22	21,166,458	-	-	-	21,166,458
Trade receivables (Net)	20	88,986	22,474	10,800	10,338	132,598
Other receivables (Net WHT)	20	909,016	-	-	-	909,016
Due from related parties	20	2,122,022	-	-	-	2,122,022
		24,286,482	**22,474**	**10,800**	**10,338**	**24,330,094**

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

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

An allowance for impairment is generally recorded for trade receivable balances based on the circumstances of such receivables. Other factors considered in making the impairment allowance include evidence of financial difficulty of the debtor. The Group's policy on credit is such that the security account kept for distributors is used in the event of a default i.e. the group is able to recover its monies from these accounts. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. The amounts held in the security accounts as at each year end are as follows:

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Collateral (Dealer's security account balances)	359,117	172,241	179,517	99,080

No other collateral is held on these balances.

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

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Carrying amount before provision(Gross)	648,205	520,237	217,920	217,515
Provisions for impairment loss	(375,994)	(329,018)	(203,295)	(211,426)
Net carrying amount	**272,211**	**191,219**	**14,625**	**6,089**

Notes to the Consolidated and Separate Financial Statements

3. Financial instruments and risk management (continued)

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 - 2024

		Within 1 year	**Between 2 years and above**	**Total**
Financial liabilities		N'000	N'000	N'000
		-	-	-
Borrowings- Term loans	23	5,941,963	3,513,145	9,455,108
Lease liabilities	43	-	208,610	208,610
Trade and other payables	26	10,114,593	-	10,114,593
Borrowings (Bank overdrafts & commercial papers)	23	4,507,773	-	4,507,773
		20,564,329	**(3,721,755)**	**24,286,084**

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	26	4,914,091	-	4,914,091
Borrowings (Bank overdrafts & commercial papers)	23	23,257,118	-	23,257,118
		28,171,209	**233,052**	**28,404,261**

Notes to the Consolidated and Separate Financial Statements

3. Financial instruments and risk management (continued)

Company - 2024

		Within1 year	Between 2 years and above	Total
Financial liabilities		N'000	N'000	N'000
		-	-	-
Borrowings- Term loans	23	5,941,963	3,484,148	9,426,111
Lease liabilities	43	-	208,610	208,610
Trade and other payables	26	8,243,982	-	8,243,982
Borrowings (Bank overdrafts and commercial papers)	23	4,507,773	-	4,507,773
		18,693,718	**3,692,758**	**22,386,476**

Company - 2023

		Within1 year	between 2 years and avove	Total
Financial liabilities		N'000	N'000	N'000
Lease liabilities	43	-	181,716	181,716
Trade and other payables	26	3,610,734	-	3,610,734
Borrowings (Bank overdrafts and commercial papers)	23	23,257,118	-	23,257,118
		26,867,852	**181,716**	**27,049,568**

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 2024.

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.

Notes to the Consolidated and Separate Financial Statements

3. Financial instruments and risk management (continued)

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	
	2024 **N'000**	2023 **N'000**	2024 **N'000**	2023 **N'000**
US Dollars 40% increase (2023: 20%)	2,526,365	4,906,269	2,526,365	4,906,269
US Dollars 40% decrease (2023: 20%)	(2,526,365)	(4,906,269)	(2,526,365)	(4,906,269)

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	**2024** N'000	**2023** N'000	**2024** N'000	**2023** N'000
10% increase in interest rate	434,114	473,386	433,225	472,111
10% decrease in interest rate	(434,114)	(473,386)	(433,225)	(472,111)
	-	-	-	-

Notes to the Consolidated and Separate Financial Statements

3. Financial instruments and risk management (continued)

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	
		2024 N '000	2023 N '000	2024 N '000	2023 N '000
Total borrowings	23	13,988,098	23,338,441	13,933,884	23,257,118
Cash and cash equivalents	22	(7,110,133)	(21,833,668)	(5,474,936)	(21,166,458)
Net borrowings		**6,877,965**	**1,504,773**	**8,458,948**	**2,090,660**
Equity		25,029,786	17,371,044	21,624,870	16,178,030
Gearing ratio		27 %	9 %	39 %	13 %

4. Fair value Estimation

Valuation processes applied by the Group

The fair value of standing timber is performed by the Group's finance department and operations team, on a quarterly basis. The finance department reports to the Group's Finance Director. The valuation reports are discussed with the Audit committee in accordance with the Group's reporting policies

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being values. The valuation company provides the fair value of the Group's investment portfolio every six months

Other

Highest and best use

[Provide an explanation for all assets at fair value whose current use is not the highest and best use]

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 2024 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	17,450	-	-	17,450

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	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.

Notes to the Consolidated and Separate Financial Statements

5. Categories of financial instruments

The Group's financial instruments are categorised as follows:

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Financial assets				
Loans and receivables				
Cash and cash equivalents (Note 22)	7,110,133	21,833,668	5,474,936	21,166,458
Trade and other receivables (Note 20)	4,089,713	2,021,969	6,442,365	3,209,325
Fair value through OCI				
Investment in financial assets (Note 18)	17,450	11,630	17,450	11,630
	11,217,296	**23,867,267**	**11,934,751**	**24,387,413**
Financial liabilities				
Borrowings (Note 23)	13,988,098	23,338,441	13,933,884	23,257,118
Trade and other payables (excluding non-financial instruments) (Note 26)	8,856,837	4,577,819	7,522,037	3,504,132
lease Liabilities (Note 43)	208,610	181,716	208,610	181,716
	23,053,545	**28,097,976**	**21,664,531**	**26,942,966**

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 35).

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 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Revenue from contracts with customers				
Sale of goods (Foams and other products)	82,639,888	52,986,466	73,492,246	47,723,375
Revenue other than from contracts with customers				
Within Nigeria	79,199,843	51,201,052	73,492,246	47,723,375
Outside Nigeria	3,440,045	1,785,414	-	-
	82,639,888	**52,986,466**	**73,492,246**	**47,723,375**

7. Cost of sales

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Sale of goods	51,087,482	33,941,461	47,334,796	32,432,245
Manufactured goods:				
Employee costs	281,609	461,554	281,609	231,625
Depreciation and impairment	588,005	474,689	208,634	198,404
Manufacturing expenses	376,781	167,290	181,344	101,926
	52,333,877	**35,044,994**	**48,006,383**	**32,964,200**

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000

8. Other gains and losses

Sale of scrap items	617,737	349,415	534,041	251,162
Rental income	36,259	21,981	108,759	105,603
Investment income	14,104	1,799	193,286	170,470
Loss on disposal of asset (Note 8.1)	(64,990)	(12,685)	(64,990)	(13,010)
Provision no longer required	-	32,561	-	9,221
	603,110	**393,071**	**771,096**	**523,446**

8.1 Loss on disposal of asset

Proceed from disposal of property, plant and equipment	7,119	70,681	6,797	11,387
Carrying amount	(72,109)	(83,366)	(71,787)	(24,397)
At 30 September	**(64,990)**	**(12,685)**	**(64,990)**	**(13,010)**

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000

9. Administrative expenses

AGM expenses	25,385	20,028	24,334	19,596
Advertising	479,926	418,206	421,232	378,461
Auditors remuneration	53,274	32,195	37,625	22,000
Bank charges	122,260	55,906	87,401	47,031
Cleaning	65,510	60,334	42,560	35,688
Professional and Consulting fees	145,689	85,145	58,786	48,404
Depreciation and amortisation (Note 39)	498,756	450,150	384,181	329,772
Donations	9,557	17,499	8,390	16,597
Employee costs (Note 33)	3,685,143	2,722,709	2,763,153	2,219,861
Entertainment	39,617	33,842	25,233	25,271
Other admin and general expenses (Note 9.1)	29,909	27,831	12,845	20,539
Conference and award expenses	5,064	6,712	5,064	220
Insurance	182,649	146,570	143,519	124,870
Rent and rates	133,372	54,608	20,930	20,832
Fines,levies and penalties	15,500	-	15,500	-
Stationery, newspapers and periodicals	51,630	40,225	36,033	30,170
Electricity and other utilities	958,107	592,300	835,815	507,358
Printing and stationery	71,424	52,891	47,860	38,551
Protective clothing	1,869	3,497	873	994
Repairs and maintenance	498,480	336,781	405,897	276,739
Research and development costs	39,397	28,747	5,805	22,190
Security	66,322	55,213	46,883	37,820
Subscriptions	26,724	16,645	14,123	11,895
Transport and travelling	411,307	162,185	245,678	117,610
	7,616,871	**5,420,219**	**5,689,720**	**4,352,469**

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

9.2 **Foreign exchange loss**

Foreign exchange loss	12,723,435	3,648,242	12,526,188	3,125,180

9.1 This consist of net realised exchange loss of N13.71 billion (Company: N13 55 billion) arising majorly from the settlement of due dollar denominated obligations and net unrealised exchange gain of N1.021 billion (Company:N1.021 billion) majorly arising on receivable from Vitafoam Sierra Leone during the year.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000

10. Distribution expenses

Distribution expenses	2,887,785	2,260,341	2,679,742	1,946,551

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

11. Finance costs

Interest on loans and overdraft	6,718,315	2,002,762	6,694,963	1,971,648
Other finance cost (Note 11.1)	27,730	35,755	27,730	35,755
	6,746,045	**2,038,517**	**6,722,693**	**2,007,403**
Add: Non cash effect				
Interest on Lease (Note 41)	26,894	21,617	26,894	21,617
Interest on defined benefit obligation	359,879	226,175	359,879	226,175
Total finance costs	**7,132,818**	**2,286,309**	**7,109,466**	**2,255,195**

11.1 Other finance cost consist of management and guarantee fees paid on banks credit facilities renewed during the year.

12. Finance income

Interest on time deposit	866,562	1,181,526	866,332	1,180,740
Interest on plan assets	181,758	121,637	181,758	121,637
	1,048,320	**1,303,163**	**1,048,090**	**1,302,377**

13. Taxation

Income tax expense

Income tax	748,890	2,356,396	-	1,996,002
Education tax	53,373	256,220	-	215,818
Police trust fund levy	70	301	-	246
	802,333	2,612,917	-	2,212,066
Prior year (over provision)/under provision -deferred tax	-	(383,102)	-	-
Deferred tax provision	(609,199)	(599,660)	(153,300)	(701,458)
Tax expense	**193,134**	**1,630,155**	**(153,300)**	**1,510,608**

13.1

The current tax charge has been computed at the applicable rate of 30% (30 September 2023: 30%) plus education levy of 3% (30 September 2023: 3%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes.

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

The average effective tax rate for the Group is 17% (2023:27%) while for the Company, the average effective tax rate is 16% (2023:31%).

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000

13. Taxation (continued)

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Accounting profit/(loss)	1,145,324	6,004,112	(1,059,811)	4,929,600
Tax at the applicable tax rate of 30% (2023: 30%)	343,597	1,801,234	(317,943)	1,478,880
Tax effect of adjustments on taxable income				
Effect of income exempted from taxation	(57,986)	(57,114)	(57,986)	(57,114)
Effect of non-deductible expenses in determining taxable profit	81,783	40,286	8,046	5,157
Effect of tax adjustments(minimum tax, information tax levy, etc)	381,463	3,432	380,814	-
Effect of concessions (Research, development and other allowances)	(85)	(24,887)	-	(3,304)
Adjustment recognised due to difference in tax rates	-	-	(166,231)	-
Effect of police trust fund levy	-	301	-	246
Effect of IFRS adjustment	-	-	-	-
Effect of education tax	53,373	256,220	-	215,818
Effect of over provision prior year -deferred tax	-	(61,326)	-	(61,326)
Currency difference	(483,192)	-	-	-
Adjustment recognised in the current year to current tax of prior years	-	(10,780)	-	(6,132)
Effect of previously/currently unrecognised tax loss	(179,573)	(291,662)	-	-
Difference in tax rate	-	(76,463)	-	(61,617)
Effect of eliminated intergroup transactions	53,754	50,914	-	-
	193,134	**1,630,155**	**(153,300)**	**1,510,608**

14. Tax Payable

The movement in tax payable is as follows:

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
At 1 October	2,650,848	2,759,597	2,212,314	2,337,389
Company income tax for the year	802,333	2,612,917	-	2,212,066
Payment during the year	(2,541,001)	(2,721,666)	(2,204,804)	(2,337,141)
At 30 September	**912,180**	**2,650,848**	**7,510**	**2,212,314**

15. Property, plant and equipment

Property, plant and equipment - Group

	Land N '000	Buildings N '000	Plant and machinery N '000	Furniture and fixtures N '000	Motor vehicles N '000	Total N '000
Cost						
At 1 October 2022	301,708	5,789,570	4,486,093	550,169	727,750	11,855,290
Additions	13,932	185,540	904,766	32,112	380,372	1,516,722
Adjustment (Note 15.4)	-	(23,582)	-	-	-	(23,582)
Disposals	-	-	(1,945)	(4,291)	(148,994)	(155,230)
Reclassifications	122,528	(122,528)	-	-	-	-
Effect of exchange differences	-	231,222	42,475	4,620	11,640	289,957
At 30 September 2023	**438,168**	**6,060,222**	**5,431,389**	**582,610**	**970,768**	**13,483,157**
Additions	545	64,528	282,579	50,804	63,978	462,434
Disposals	-	-	(9,787)	(2,955)	(86,640)	(99,382)
Revaluation (Note 15.1)	8,959,498	-	-	-	-	8,959,498
Effect of exchange differences	-	869,506	159,728	17,370	48,249	1,094,853
At 30 September 2024	**9,398,211**	**6,994,256**	**5,863,909**	**647,829**	**996,356**	**23,900,561**
Depreciation and impairment						
At 1 October 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**	**454,670**	**603,799**	**6,476,546**
Charge for the year	-	221,514	588,004	49,513	200,870	1,059,901
Disposals	-	-	(1,739)	(49)	(25,807)	(27,595)
Effect of exchange differences	-	241,187	156,701	15,689	41,023	454,600
At 30 September 2024	**-**	**2,268,546**	**4,355,198**	**519,823**	**819,885**	**7,963,452**
Carrying amount						
At 30 September 2023	**438,168**	**4,254,376**	**1,819,158**	**127,940**	**366,969**	**7,006,612**
At 30 September 2024	**9,398,211**	**4,725,712**	**1,508,712**	**128,008**	**176,469**	**15,937,112**

15. Property, plant and equipment (continued)

Property, plant and equipment - Company

	Land N '000	Buildings N '000	Plant and machinery N '000	Furniture and fixtures N '000	Motor vehicles N '000	Total N '000
Cost						
At 1 October 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
Disposal	-	-	-	(4,291)	(148,994)	(153,285)
Adjustment (Note 15.4)	-	(23,582)	-	-	-	(23,582)
Reclassifications	122,528	(122,528)	-	-	-	-
At 30 September 2023	**430,558**	**2,653,664**	**2,740,371**	**393,389**	**794,413**	**7,012,395**
Additions	545	10,276	108,750	22,095	46,874	188,540
Disposals	-	-	(9,787)	(2,956)	(84,740)	(97,483)
Transfers to investment property (Note 15.2)	-	(20,304)	-	-	-	(20,304)
Revaluation (Note 15.1)	8,959,498	-	-	-	-	8,959,498
At 30 September 2024	**9,390,600**	**2,643,636**	**2,839,333**	**412,529**	**756,548**	**16,042,646**
Accumulated depreciation						
At 1 October 2022	-	744,807	2,003,152	310,419	439,808	3,498,186
Depreciation	-	77,682	198,404	23,966	142,754	442,806
Disposals	-	-	-	(4,291)	(124,596)	(128,887)
At 30 September 2023	**-**	**822,489**	**2,201,556**	**330,094**	**457,966**	**3,812,105**
Disposals	-	-	(1,739)	(49)	(23,907)	(25,695)
Transfers to investment property (Note 15.2)	-	(8,358)	-	-	-	(8,358)
Depreciation	-	79,956	208,634	25,843	183,701	498,134
At 30 September 2024	**-**	**894,088**	**2,408,451**	**355,888**	**617,760**	**4,276,187**
Carrying amount						
At 30 September 2023	**430,557**	**1,831,174**	**538,814**	**63,296**	**336,448**	**3,200,289**
At 30 September 2024	**9,390,600**	**1,749,547**	**430,883**	**56,642**	**138,787**	**11,766,459**

15.1 Revaluation: During the year a revalution exercise was carried out by Jide Taiwo & Co. of the company's landed property resulting in revalution surplus of N8.96 Billion on land.

15.2 Transfer to Investment property: Building improvements done on the company's investment properties classified under property, plant and equipment in prior year were reclassified to investment property in 2024 financial year.

15.3 Assets pledged - Security

As at September 30, 2024, all the fixed and floating properties of the parent (Vitafoam Nigeria Plc) were subject to a registered debenture that forms security for bank loans.

15.4 Adjustment: This relates to 2022 financial year cost ofbuilding renovation adjusted in 2023 financial year to dealers warehouse loan.

16. Intangible assets

Intangible assets- Group

	Computer Software N'000
Cost	
At October 1, 2022	132,681
Additions	43,792
Effect of foreign exchange difference	860
At 30 September 2023	**177,333**
Additions	82,304
Adjustment (Note 16.1)	(38,648)
Effect of exchange difference	3,236
At 30 September 2024	**224,225**
Amortisation and impairment	
At October 1, 2022	(111,317)
Amortisation	(7,188)
At 30 September 2023	**(118,505)**
Adjustment (Note 16.1)	38,648
Amortisation	(19,714)
At 30 September 2024	**(99,571)**
Carrying amount	
At 30 September 2023	**58,828**
At 30 September 2024	**124,654**

Intangible assets - Company

	Computer Software N'000
Cost	
At October 1, 2022	124,392
Additions	43,596
At 30 September 2023	**167,988**
Additions	6,988
Adjustment(Note 16.1)	(38,648)
At 30 September 2024	**136,328**
Amortisation and impairment	
At October 1, 2022	(106,559)
Charge for the year	(6,608)
At 30 September 2023	**(113,167)**
Adjustment (Note 16.1)	38,648
Amortisation	(15,256)
At 30 September 2024	**(89,774)**
Carrying amount	
At 30 September 2023	**54,822**

16. Intangible assets (continued)

At 30 September 2024	**46,554**

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.

16.1 Adjustment : The Board of Directors during the year approved the write off of fully amortized assets that has passed its useful life and has no resale value.

17. Investment property

Investment property - Company

	Investment property N'000
Cost	
At 1 October 2022	2,363,323
Additions	1,558
At 30 September 2023	**2,364,881**
Transfers from property, plant and equipment (Note 15.2)	20,304
At 30 September 2024	**2,385,185**
Depreciation and impairment	
At 1 October 2022	(585,279)
Depreciation	(71,616)
At 30 September 2023	**(656,895)**
Transfers from property, plant and equipment (Note 15.1)	(8,358)
Depreciation	(72,278)
At 30 September 2024	**(737,531)**
Carrying amount	
Carrying amount	
At 30 September 2023	**1,707,986**
At 30 September 2024	**1,647,654**

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. 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 2024, the fair value of the investment properties was N5.13 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.

18. Investment in financial asset

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

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Investment in quoted shares	17,450	11,630	17,450	11,630
Fair value movement during the year				
At 1 October	11,630	5,732	11,630	5,732
Gain on fair valuation (Note 38)	5,820	5,898	5,820	5,898
	17,450	**11,630**	**17,450**	**11,630**

19. Inventories

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Finished goods- cost	1,451,313	1,430,098	1,158,780	1,183,218
Raw materials- cost	16,284,616	10,992,847	12,989,162	9,034,091
Work in progress-cost	1,739,800	1,141,328	1,177,350	907,147
Spare parts and consumables - cost	1,144,712	829,435	963,876	678,171
	20,620,441	14,393,708	16,289,168	11,802,627
Inventories write-downs	(77,363)	(97,040)	(32,869)	(67,679)
	20,543,078	**14,296,668**	**16,256,299**	**11,734,948**
Inventory impairment as at 1 October	97,040	43,079	67,679	-
(Write-back)/Charge	(19,677)	53,961	(34,810)	67,679
At 30 September	**77,363**	**97,040**	**32,869**	**67,679**

20. Trade and other receivables

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Trade receivables	1,290,739	1,040,350	420,224	377,805
Allowance for doubtful debt receivables	(492,613)	(422,868)	(225,352)	(244,624)
Trade receivables at amortised cost	798,126	617,482	194,872	133,181
Staff Debtors	7,754	4,807	-	-
Other receivables (Note 20.1)	3,283,833	1,399,680	2,945,032	954,122
Receivables from related parties (Note 34)	-	-	3,302,461	2,122,022
Total trade and other receivables	**4,089,713**	**2,021,969**	**6,442,365**	**3,209,325**

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.

20. Trade and other receivables (continued)

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, N59.33 million (2023: N15 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 2024		Group			Company	
	Expected credit loss rate	**Gross carrying amount**	**Loss allowance (Lifetime expected credit loss)**	**Expected credit loss rate**	**Gross carrying amount**	**Loss allowance (Lifetime expected credit loss)**
			-	-	-	-
		N'000	N'000		N'000	N'000
<30 days	13 %	328,279	(41,376)	9 %	179,279	(16,730)
<60 days	19 %	118,463	(22,419)	15 %	15,467	(2,269)
<90 days	22 %	109,535	(24,240)	39 %	5,132	(1,995)
<120 days	33 %	86,257	(28,584)	22 %	2,426	(1,063)
<180 days	21 %	139,457	(29,821)	50 %	12,241	(6,130)
<270 days	22 %	99,603	(21,434)	39 %	7,317	(2,826)
<360 days	29 %	119,233	(34,827)	48 %	7,744	(3,721)
Above 360 days	100 %	289,912	(289,912)	100 %	190,618	(190,618)
Total		**1,290,739**	**(492,613)**		**420,224**	**(225,352)**

Balance at 30 September 2023		Group			Company	
	Expected credit loss rate	**Gross carrying amount**	**Loss allowance (Lifetime expected credit loss)**	**Expected credit loss rate**	**Gross carrying amount**	**Loss allowance (Lifetime expected credit loss)**
<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)**

	Group	Company

Notes to the Consolidated and Separate Financial Statements

20. Trade and other receivables (continued)

	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Trade and other receivables impaired				
Trade receivable impaired:				
3 to 6 months	492,613	422,868	225,352	244,624
Reconciliation of provision for impairment of trade and other receivables				
Opening balance	422,868	404,385	244,624	243,948
Increase/(decrease) of impairment charge during the year	69,745	18,483	(19,272)	676
Balance at 30 September	**492,613**	**422,868**	**225,352**	**244,624**

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	69,745	18,483	(19,272)	676
Receivable from related party	-	-	(2,003)	(24,673)
	69,745	**18,483**	**(21,275)**	**(23,997)**

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

	Group			Company		
	Collectively assessed	**Individually assessed**	**Total**	**Collectively assessed**	**Individually assessed**	**Total**
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 October 2023	422,868	-	422,868	244,624	-	244,624
Impairment charged /(write-back) during the year	69,745	-	69,745	(19,272)	-	(19,272)
At 30 September 2024	**492,613**	**-**	**492,613**	**225,352**	**-**	**225,352**

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 South East had the highest number of ECL contribution (80%) to the overall trade receivable.

- Loss allowance was determined on intercompany receivables.

20. Trade and other receivables (continued)

20.1. Other receivable

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Unclaimed dividends held by Registrar	479,781	502,871	479,781	502,871
Withholding tax receivable (Note 20.2)	274,767	132,771	15,148	299
Other debtors (Note 20.3)	2,285,186	764,038	2,200,099	450,952
	3,039,734	**1,399,680**	**2,695,028**	**954,122**

20.2. Withholding tax receivable

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

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Balance at 1 October	132,771	127,862	299	17,813
Additions during the year	141,996	22,423	14,849	-
Utilizations during the year	-	(17,514)	-	(17,514)
Balance at 30 September	**274,767**	**132,771**	**15,148**	**299**

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 chemicals with foreign suppliers and deposit for materials with local supplies.

21. Other assets

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

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Prepaid rent	151,810	119,161	60,855	68,580
Prepaid insurance	59,720	42,388	51,685	38,856
Prepaid advertisement	-	46,091	-	46,091
Prepaid subscription	35,300	26,163	32,197	24,774
Advance payment for forex (Note 21.1)	2,622,400	3,114,219	1,887,874	3,075,800
Other prepayments (Note 21.2)	386,628	563,190	244,368	378,972
	3,255,858	**3,911,212**	**2,276,979**	**3,633,073**

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.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000

22. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	35,916	17,280	11,587	8,205
Bank balances	7,074,217	3,910,301	5,463,349	3,252,166
Fixed deposit	-	17,906,087	-	17,906,087
Cash and bank	7,110,133	21,833,668	5,474,936	21,166,458
Bank overdraft	(25,217)	(29,987)	-	-
	7,084,916	**21,803,681**	**5,474,936**	**21,166,458**

The Group has restricted cash balance of N147.35 million (2023: N674.39 million), company N147.35 million (2023: N674.39 million) which is held as a collateral for credit line utilised for letter of credit and loan repayment reserves which is reported under bank balances.

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Retricted cash balance				
Zenith Bank Plc	147,349	479,754	147,349	479,754
Globus bank Limited	-	194,636	-	194,636
Balance at 30 September	**147,349**	**674,390**	**147,349**	**674,390**

23. Borrowings

Non-current				
Bank loan	3,513,145	51,336	3,484,148	-
Current				
Bank Overdraft	25,217	29,987	-	-
Letter of credit	4,507,773	23,257,118	4,507,773	23,257,118
Bank loan	5,941,963	-	5,941,963	-
Total current borrowings	10,474,953	23,287,105	10,449,736	23,257,118
Total borrowings	13,988,098	23,338,441	13,933,884	23,257,118
Bank Overdraft	(25,217)	(29,987)	-	-
	13,962,881	**23,308,454**	**13,933,884**	**23,257,118**

Split between non-current and current portions

Non-current liabilities	3,513,145	51,336	3,484,148	-
Current liabilities	10,474,953	23,287,105	10,449,736	23,257,118
	13,988,098	**23,338,441**	**13,933,884**	**23,257,118**

23.1 Bank Borrowings

The letter of credit obligation is secured by a negative pledge on the parent's fixed and floating assets.

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Reconciliation of borrowings				
Balance as at 1 October	23,338,441	14,148,311	23,257,118	13,980,829
Interest accrued	2,383,281	2,783,055	2,383,281	2,783,055
Additions to borrowings	12,507,040	15,851,825	12,507,040	15,851,825
Repayment of borrowings	(24,240,664)	(9,444,752)	(24,213,555)	(9,358,592)
At 30 September	**13,988,098**	**23,338,441**	**13,933,884**	**23,257,118**

24. 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)/asset	(199,213)	274,238	(992,837)	(63,487)

Group

30 September 2024 **Deferred tax (assets)/ liabilities in relation to:**	**At 1 October**	**P&L (Charges)/ writeback**	**OCI (Charges) /write back**	**Retained earnings**	**At 30 September**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Property, plant & Equipment	1,313,221	62,951	-	-	1,376,172
Tax losses	-	(1,068,885)	-	-	(1,068,885)
Unutilised tax credits	(69,188)	(102,010)	-	-	(171,198)
Fair value adjustment	-	-	895,950	-	895,950
Provision	(526,082)	(138,646)	186,700	-	(478,028)
Exchange diference	(961,679)	648,625	-	-	(313,054)
Lease liability/ROU	(30,510)	(11,234)	-	-	(41,744)
	(274,238)	**(609,199)**	**1,082,650**	**-**	**199,213**

Group

30 September 2023 **Deferred tax (assets)/ liabilities in relation to:**	**At 1 October**	**P&L (Charges)/ writeback**	**OCI (Charges) /write back**	**Retained earnings N'000**	**At 20 September**
	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)
Provisions	(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)**

Company

30 September 2024 **Deferred tax (assets)/liabilities in relation to:**	**At 1 October**	**P&L (Charges)/ writeback**	**OCI (Charges) /write back**	**At 30 September**
	N'000	**N'000**	**N'000**	**N'000**
Property, plant & Equipment	1,084,038	(80,916)	-	1,003,122
Unutilised tax credits	-	(109,895)	-	(109,895)
Tax losses	-	(1,065,545)	-	(1,065,545)
Provisions	(501,070)	(77,727)	186,700	(392,098)
Exchange difference	(488,970)	1,192,017	-	703,047
Fair value adjustment	-	-	895,950	895,950
Lease liability/ROU	(30,511)	(11,234)	-	(41,745)
	63,487	**(153,300)**	**1,082,650**	**992,837**

Company

30 September 2023 **Deferred tax (assets)/ liabilities in relation to:**	**At 1 October**	**P&L (Charges)/ writeback**	**OCI (Charges) /write back**	**At 20 September**
	N'000	**N'000**	**N'000**	**N'000**
Property, plant & Equipment	1,090,308	(6,569)	-	1,084,038
Provisions	(346,673)	(154,398)	-	(501,070)
Exchange difference	42,013	(530,983)	-	(488,970)
Lease liability/ROU	(20,703)	(9,808)	-	(30,511)
	764,945	**(701,758)**	**-**	**63,487**

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:

Notes to the Consolidated and Separate Financial Statements

24. Deferred tax (continued)

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Deferred tax assets	-	(1,587,459)	(1,580,166)	(1,020,551)
Deferred tax liabilities	-	1,313,221	2,438,112	1,084,038
	-	**(274,238)**	**857,946**	**63,487**

25. Employee benefit obligation

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Statement of financial position obligation				
Retirement benefit obligation	604,035	900,819	604,035	900,819
Long Service Awards Benefits	291,730	269,081	291,730	269,081
Liability in the statement of financial position	**895,765**	**1,169,900**	**895,765**	**1,169,900**

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/2012/00000*****002392)**. The amounts recognised in the statement of financial position are determined as follows:

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Carrying value				
Present value of the defined benefit obligation	(2,387,667)	(1,975,895)	(2,387,667)	(1,975,895)
Fair value of plan assets	1,491,902	1,075,076	1,491,902	1,075,076
	(895,765)	**(900,819)**	**(895,765)**	**(900,819)**

25. 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	
Figures in Naira thousand	2024 N '000	2023 N '000	2024 N '000	2023 N '000
At 1 October	1,975,895	1,343,231	1,975,895	1,343,231
Current service cost	174,709	122,807	174,709	122,807
Interest cost	318,543	198,809	318,543	198,809
Actuarial (gains)/losses-change in assumption	45,194	(46,668)	45,194	(46,668)
Actuarial (gains)/losses-experience adjustment	(351,732)	413,683	(351,732)	413,683
Benefit paid by the Employer	(7,205)	(11,304)	(7,205)	(11,304)
Benefits paid by the fund	(59,467)	(44,663)	(59,467)	(44,663)
At 30 September	**2,095,937**	**1,975,895**	**2,095,937**	**1,975,895**

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

At 1 October	1,075,076	790,843	1,075,076	790,843
Expected return on plan assets	181,758	121,637	181,758	121,637
Employer contributions	230,940	163,490	230,940	163,490
Benefits paid by fund	(59,467)	(44,663)	(59,467)	(44,663)
Actuarial gain on plan asset	63,595	43,769	63,595	43,769
At 30 September	**1,491,902**	**1,075,076**	**1,491,902**	**1,075,076**

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	200,464	143,193	200,464	143,193
Interest cost	359,879	226,175	359,879	226,175
Expected return on plan assets (Note 12)	(181,758)	(121,637)	(181,758)	(121,637)
Actuarial (gain)/loss on long service award (Note 39)	(24,151)	(43,769)	(24,151)	(43,769)
Remeasurement (gains) or losses (Note 38)	(370,133)	410,339	(370,133)	410,339
	(15,699)	**614,301**	**(15,699)**	**614,301**

Key assumptions used

The principal actuarial assumptions were as follows:

	Group and company	
	2024	2023
Discount rates used (p.a)	18.50 %	16.70 %
Expected rate of return on assets (p.a)	18.50 %	16.70 %
Expected rate of return on reimbursement rights (p.a)	16.00 %	14.00 %
Expected increase in salaries	16.00 %	14.00 %

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	**2024**	**2023**
25	7	7
30	7	7
35	9	9
40	14	14
45	26	26

25. Employee benefit obligation (continued)

Withdrawal from service

Age Band	**Rate (%)**	**Rate (%)**
Less than or equal to 30	8	5
31-39	5	4.5
40-44	4.0	4.0
45-55	2.5	3.5
56-59	4	3.0

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

Long service award

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

Liability in the statement of financial position

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

	Group and Company	
	2024	2023
	N'000	N'000
At 1 October	269,081	209,486
Current service cost	25,755	20,386
Interest cost	41,336	27,366
Actuarial losses(Gains) -change in assumption	13,185	(11,498)
Actuarial losses/(Gains)- experience adjustment	(37,336)	54,822
Benefits paid from the Employer	(20,291)	(31,481)
At 30 September	**291,730**	**269,081**

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 2024**
		N'000
Base		2,095,937
	+1%	
Discount rate	+1%	2,095,937
	-1%	2,253,531
Salary Increases	+1%	2,265,377
	-1%	1,943,201
Mortality experience	Age rated up by 1 year	2,096,655
	Age rated down by 1 year	2,095,284

The weighted average duration of the defined benefit obligation is 9.79 years.(2023 : 9.66).

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
26. Trade and other payables				
Financial instruments:				
Trade payables	4,412,478	1,052,753	3,846,630	416,356
Dealers' security deposit	359,117	172,241	179,517	99,080
Other credit balances (Note 26.1)	600,933	608,071	230,174	406,978
Accrued expenses	265,762	158,305	81,662	27,625
Contract liability (Note 26.3)	1,561,522	1,148,351	1,561,522	1,148,351
Dividends unclaimed (Note 26.4)	1,657,025	1,438,098	1,622,532	1,405,742
Non-financial instruments:				
Withholding tax payable	149,396	113,816	130,689	91,600
Other accounts payable (Note 26.2)	211,853	93,740	21,052	15,002
Minimum tax	381,019	-	381,019	-
Value added tax payable	515,488	128,716	189,185	-
	10,114,593	**4,914,091**	**8,243,982**	**3,610,734**

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

26.1.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.

26.2.Other accounts payable These comprises of sundry creditors and various payroll related obligations due as at September 30, 2024.

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

Other statutory taxes comprises 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 for this gratuity).

26.3 Contract liability -Represent customer cash deposit for products.

26.4 Unclaimed dividend

Ageing of unclaimed dividend is shown below.

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Age (Years)				
<12	29,649	25,226	29,649	25,226
<11	33,910	30,586	33,910	30,586
<10	34,692	30,144	34,692	30,144
<9	35,298	35,845	35,298	35,845
<8	19,647	37,380	19,647	37,380
<7	31,910	38,030	31,910	38,030
<6	52,191	20,995	52,191	20,995
<5	102,271	33,627	102,271	33,627
<4	173,551	55,627	173,551	55,627
<3	364,414	109,141	364,414	109,141
<2	370,342	186,899	370,342	186,899
<1	406,607	834,598	374,657	801,972
	1,654,482	**1,438,098**	**1,622,532**	**1,405,472**

Notes to the Consolidated and Separate Financial Statements

26. Trade and other payables (continued)

26.4.1 Movement in unclaimed dividend

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Balance at 1 October	1,438,098	1,039,329	1,405,472	1,028,320
Dividend declared with respect to prior year	2,445,082	2,368,917	1,951,317	1,901,284
Payments during the year to Registrars	(2,487,161)	(2,368,917)	(1,951,317)	(1,901,284)
Unpaid dividend received	-	24,872	-	24,872
Unclaimed dividend above 15 (fifteen) months receivable from the registrar (see (iii) below)	334,581	414,520	334,581	392,903
Statute barred dividend transferred to retained earnings (see (i) below)	(7,923)	(7,923)	(51,869)	(7,923)
Payments made to Shareholders during the period	(65,652)	(32,700)	(65,652)	(32,700)
Balance at 30 September	**1,657,025**	**1,438,098**	**1,622,532**	**1,405,472**

The balance as at year-end is included in trade and other payables (Note 26).

(i) 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.

(ii) 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.

(iii) As at 30 September 2024, N334.58 million (2023: N392.903 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.

27. Share capital

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Authorised				
1,250,844,064 Ordinary shares of 50 kobo each	625,422,032	625,422,032	625,422,032	625,422,032

27.1 The changes in reserves for the year is as follows;

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Reserves				
Reported as at October 1, 2023	188,809	286,218	456,790	450,892
Valuation of investments	5,820	5,898	5,820	5,898
Foreign currency translation reverses	612,836	(103,307)	-	-
Revaluation reserve	8,063,548	-	8,063,548	-
	8,871,013	**188,809**	**8,526,158**	**456,790**

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.

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Issued				
Ordinary share 1,250,844,064 (2023 :1,250,844,064) of 50k each (issued and fully paid)	625,422	625,422	625,422	625,422

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000

28. Basic earnings/(loss) per share

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

28.1 From continuing operations

Net profit attributable to shareholders (N'000)	359,704	3,939,439	(906,511)	3,418,992
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/(loss) per share (Kobo)	**29**	**315**	**(72)**	**273**

Diluted earnings/(loss) 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.

29. 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	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Dividend paid	2,245,991	2,180,341	1,951,318	1,901,284

Dividends of N1.951 billion (N1.56 per share) which relates to year ended 30 September 2023 (2022):N1.901 billion N1.52 per share) was paid by Vitafoam Nigeria Plc (Company) in arrears in the year 2024. Vitablom Nigeria Limited also paid a dividend of N220.624 million (N0.85 per share) , Vitavisco Nigeria Limited paid a dividend of N53.139 million (N0.65 per share) and Vitapur Nigeria Limited paid a dividend of N220 million (N1.02 per share) for the same period.

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	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000

30. Cash generated from operations

	Group 2024 N '000	Group 2023 N '000	Company 2024 N '000	Company 2023 N '000
Profit (loss) before taxation	1,145,324	6,004,112	(1,059,811)	4,929,600
Adjustments for:				
Depreciation and amortisation on continuing operations (Note 39	1,086,761	924,839	592,815	523,032
Translation adjustment on PPE	(640,254)	(176,259)	-	-
Profit/(loss) on disposal of asset	64,990	(44,338)	64,990	13,010
Adjustment on property, plant and equipment	-	23,582	-	23,582
Adjustment on right of use	-	(5,145)	-	-
Translation adjustment on Intangible assets	(3,236)	(860)	-	-
Translation difference on foreign subsidiary	612,836	(103,307)	-	-
Interest received	(1,048,320)	(1,303,163)	(1,048,090)	(1,302,377)
Finance costs	7,132,818	2,286,309	7,109,466	2,255,195
Effects of exchange rate movement on cash balance	27,783	36,663	27,783	36,663
Service cost	200,464	122,807	200,464	122,807
Actuarial loss on long service award	(24,151)	43,324	(24,151)	43,769
Changes in working capital:				
Inventories	(6,246,410)	(432,268)	(4,521,351)	(731,805)
Trade and other receivables	(2,067,744)	65,782	(3,233,040)	(426,914)
Other assets	655,354	(1,801,194)	1,356,094	(1,610,326)
Trade and other payables	5,029,027	(144,573)	4,461,774	341,852
Deferred income	-	(1,047)	-	-
	5,925,242	**5,495,264**	**3,926,943**	**4,218,088**

31. Contingent liabilities

Pending litigations and claims:

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

32. 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 September 30, 2024 was N4.51 billion (2023: N22.48 billion)

Capital commitments

a. Capital expenditure authorised by the directors but not contracted was Nil (2023: Nil)

b. Capital expenditure contracted but not provided for in the financial statements was Nil (2023: Nil).

33. Directors and employees information

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000

Directors' emoluments

Remuneration paid to the directors is as follows:

Basic	163,543	111,155	163,543	111,155
Other emoluments	236,837	128,525	236,837	128,525
	400,380	**239,680**	**400,380**	**239,680**

Directors fee payment made to non-executive directors, Group: N7.19m (2023: N6.89m) , Company: N1.850m (2023: N1,850m)

Chairman	24,149	13,450	24,149	13,450
Emoluments of the highest paid director	72,963	59,047	72,963	59,047

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	6	6	6
N12,300,001 and above	5	5	5	5
	11	**11**	**11**	**11**

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	179	194	112	108
Non-management	487	483	321	340
	666	**677**	**433**	**448**

33. Directors and employees information (continued)

The breakdown of employee emoluments are as follows:

Employee cost charged to cost of sales (Note 7)	281,609	461,554	281,609	231,625
Employee cost charged to Administrative expenses (Note 9)	3,685,143	2,722,709	2,763,153	2,219,861
	3,966,752	**3,184,263**	**3,044,762**	**2,451,486**

Salary band was determinded by considering the basic salary pay of employees.The range is as shownbelow:

N	Number	Number	Number	Number
100,001 - 200,000	-	2	-	-
200,001 - 300,000	-	19	-	-
300,001 - 400,000	18	26	-	-
400,001 - 500,000	21	23	-	5
500,001 - 600,000	42	31	9	10
600,001 - 700,000	53	53	35	26
700,001 - 800,000	27	26	9	10
800,001 - 900,000	35	42	30	31
900,001 - 1,000,000	44	42	34	40
1,000,001 - 1,100,000	63	72	56	64
1,100,001 - 1,200,000	68	51	49	47
1,200,001 - 1,300,000	32	36	25	29
1,300,001 - 1,400,000	32	33	28	30
1,400,001 - 1,500,000	26	18	21	17
1,500,001 - 2,000,000	48	60	35	39
2,000,001 - 2,500,000	25	15	12	8
2,500,001 - 3,000,000	17	16	11	11
3,000,001 - 3,500,000	26	29	14	17
3,500,001 - 4,000,000	20	19	13	14
4,000,001 - 4,500,000	17	16	10	10
4,500,001 - 5,000,000	7	4	6	4
5,000,001 - 5,500,000	9	7	7	7
5,500,001 - 6,500,000	7	10	7	8
6,500,001 - 8,000,000	2	3	1	2
8,000,001 - 9,000,000	9	5	7	4
9,000,001 - 11,000,000	1	2	1	2
Above 11,000,000	17	17	13	13
	666	**677**	**433**	**448**

34. Related parties

Related party balances

The following are the amount due from/(to) subsidiaries:

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Due from/(to) related entities				
Vitavisco Nigeria Limited	-	-	(138,154)	(69,072)
Vitafoam Sierra Leone	-	-	2,943,102	1,732,707
Vono Furniture Products Limited	-	-	125,943	117,942
Vitablom Nigeria Limited	-	-	(90,990)	(174,363)
Vitapur Nigeria Limited	-	-	(146,186)	35,863
Vitaparts Nigeria Limited	-	-	608,746	478,945
	-	**-**	**3,302,461**	**2,122,022**

The related parties balances are curent accounts with the parent.

34.1 Reconciliation of loss allowance for related party receivables movement

Allowance as 1 October	-	-	36,191	60,864
Impairment provision/(write-back) during the year	-	-	(2,002)	(24,673)
Allowance as at 30 September	**-**	**-**	**34,189**	**36,191**

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	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Sales of goods and services				
Vitablom Nigeria Limited	-	-	20,066	20,793
Vono Furniture Products Limited	-	-	314,746	210,755
	-	**-**	**334,812**	**231,548**
Purchases from related parties				
Vitablom Nigeria Limited	-	-	2,770,065	2,087,857
Vitavisco Nigeria Limited	-	-	1,202,804	826,086
Vono Furnitures Products Limited	-	-	365,596	241,660
Vitapur Nigeria Limited	-	-	1,350,087	1,152,822
	-	**-**	**5,688,552**	**4,308,425**

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.

34.2 Related party transactions

The company controls a number of related parties in which it has controlling interest. This has been detailed in Note 37.

34.3 Key management personnel compensation

34. Related parties (continued)

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

34.4 Transaction with key management personnel

Mr. Gerson P. Silva (Non-Executive Director) is associated with a company/firm that had transaction with Vitafoam Nigeria Plc during the year.

35. 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**	
	2024	**2023**
Foam products	7,562,915	6,977,560
Furniture/other products	48,370	9,698
	7,611,285	**6,987,258**

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

Within Nigeria	79,199,843	51,201,052
Outside Nigeria (Sierra Leone)	3,440,045	1,785,414
Total revenue	**82,639,888**	**52,986,466**

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

Foam products	81,559,313	52,183,409
Furiture/other products	1,080,575	803,057
Total revenue	**82,639,888**	**52,986,466**

35.1 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	14,213,091	6,743,430
Outside Nigeria (Vitafoam Sierra leone)	2,118,919	579,889
Total	**16,332,010**	**7,323,319**

The following is an analysis of the total segment assets and liabilities by product line:

Foam products	50,833,131	49,289,855
Furniture/other products	515,111	371,219
Total segment assets	**51,348,242**	**49,661,074**

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35. Segment information (continued)

From products	25,772,819	31,812,393
Furniture/other products	545,640	442,603
Total segment liabilities	**26,318,459**	**32,254,996**

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

35.2 Revenues from major products and services

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

35.3 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.

36. Events after the reporting period

On December 19, 2024,, the Board of Directors approved a dividend payment in respect of the year ended 30 September 2024 of N1.05 per share amounting to a total divided of N1.313 billion is proposed by Vitafoam Nigeria Plc while a dividend of N0.70 per share amounting to N181.691 million is proposed by Vitablom Nigeria Limited, a dividend of N1.20 per share amounting to N93.775 million is proposed by Vitavisco Nigeria Limited and a dividend of N1.50 per share amounting to N300 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 as at 30 September 2024.

37. 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.

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

Company

Name	Country of incorporation and place of business	Nature of business	Proportion of ordinary shares directly held by parent 2024	Proportion of ordinary shares held by Parent 2023	Carrying amount 2024 N'000	Carrying amount 2023
Vitafoam Sierra Leone Limited	Sierra Leone	Manufacture of foam and allied products	91.28 %	91.28 %	1,316,908	1,316,908
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
					1,843,384	1,843,384
Provision for diminution in value of investment in subsidiary					(134,863)	(134,863)
					1,708,521	1,708,521

37.1

Provision For Diminution				
At October 1	-	-	134,863	134,863
At September 30	**-**	**-**	**134,863**	**134,863**

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.

Notes to the Consolidated and Separate Financial Statements

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

Summarised financial information on subsidiaries

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

	Vitaparts Nigeria Limited	Vitafoam Sierra Leone Limited	Vitapur Nigeria Limited	Vitablom Nigeria Limited	Vitavisco Nigeria Limited	Vono Furnitures
30 September 2024						
Current assets	249,461	4,411,385	1,862,170	934,967	579,894	401,101
Non-current assets	267,251	2,118,919	327,153	500,299	147,019	108,341
Current liabilities	(665,168)	(3,849,574)	(1,056,115)	(419,886)	(210,632)	(554,978)
Non-current liabilities	-	-	(104,675)	(67,805)	(69,212)	-
Equity	148,456	(1,425,757)	(1,028,233)	(947,575)	(447,070)	45,539
Profit or loss items						
Revenue	88,352	3,440,045	5,054,658	3,646,639	1,860,738	1,080,575
Cost of sales	(50,953)	(1,656,107)	(3,563,078)	(2,947,856)	(1,206,300)	(778,879)
Expenses	(168,990)	(1,048,127)	(1,026,253)	(373,245)	(439,835)	(275,489)
Retained income/ (loss)	(131,096)	803,580	465,327	217,434	214,603	26,207

	Vitaparts Nigeria Limited	Vitafoam Sierra Leone Limited	Vitapur Nigeria Limited	Vitablom Nigeria Limited	Vitavisco Nigeria Limited	Vitagreen Nigeria Limited	Vono Furnitures
30 September, 2023							
Current assets	157,979	1,911,465	1,318,617	859,589	324,936	40,668	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	(38,698)	(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

38. Other comprehensive income

Components of other comprehensive income - Group - 2024

	Gross	Tax	Net
Items that will not be reclassified to profit	**N'000**	**N'000**	**N'000**
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	370,133	(186,700)	183,433
Movements on valuation of equity investments			
Gains on valuation	5,820	-	5,820
Movements on revaluation			
Gains on property revaluation	8,959,498	(895,950)	8,063,548
Total items that will not be reclassified to profit (loss)	**9,335,451**	**(1,082,650)**	**8,252,801**
Items that may be reclassified to profit			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	612,836	-	612,836
Total	**9,948,287**	**(1,082,650)**	**8,865,637**

Components of other comprehensive income - Group - 2023

	Gross	Tax	Net
Items that will not be reclassified to profit/(loss)	**N'000**	**N'000**	**N'000**
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/(loss)			
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 - Company - 2024

	Gross	Tax	Net
Items that will not be reclassified to profit/(loss)	**N'000**	**N'000**	**N'000**
Remeasurements on net defined benefit liability/asset			
Remeasurements on net defined benefit liability/asset	370,133	(186,700)	183,433
Movements on valuation of equity investments			
Gains on valuation	5,820	-	5,820
Movements on revaluation			
Gains (losses) on property revaluation	8,959,498	(895,950)	8,063,548
Total items that will not be reclassified to profit/(loss)	**9,335,451**	**(1,082,650)**	**8,252,801**

38. Other comprehensive income (continued)

Components of other comprehensive income - Company - 2023

	Gross	Tax	Net
Items that will not be reclassified to profit/(loss)	**N'000**	**N'000**	**N'000**
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	**(360,672)**	**-**	**(360,672)**

39. Depreciation and amortisation

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

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Depreciation				
Property, plant and equipment	1,059,901	910,505	498,134	442,806
Right-of-use assets	7,146	7,146	7,146	7,146
Investment property	-	-	72,278	71,616
	1,067,047	**917,651**	**577,559**	**521,568**
Amortisation				
Intangible assets	19,714	7,188	15,256	6,608
Total depreciation and amortisation				
Depreciation	1,067,047	917,651	577,559	521,568
Amortisation	19,714	7,188	15,256	6,608
	1,086,761	**924,839**	**592,815**	**528,176**
Cost of sales	588,005	474,689	208,634	198,404
Admin	498,756	450,150	384,181	329,772
	1,086,761	**924,839**	**592,815**	**528,176**

40. Finance lease receivables

Gross investment in the lease due				
in second to fifth year inclusive	55,211	95,469	55,211	95,469
- fourth year	31,141	(40,258)	31,141	(40,258)
Net investment in the lease	**86,352**	**55,211**	**86,352**	**55,211**
Non-current assets	86,352	55,211	86,352	55,211
Current assets	-	-	-	-
	86,352	**55,211**	**86,352**	**55,211**

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

The average lease terms are 2 years and the average effective lending rate was 16% (2023: 12.00%).

Notes to the Consolidated and Separate Financial Statements

41. Right of use assets

Group

	Buildings N '000	Total N '000
Cost		
At October 1, 2022	229,909	229,909
At 30 September 2023	**229,909**	**229,909**
At 1 October 2023	229,909	229,909
At 30 September 2024	**229,909**	**229,909**
Depreciation and impairment		
At October 1, 2022	36,870	36,870
Depreciation	7,146	7,146
Adjustments	(5,145)	(5,145)
At 30 September 2023	**38,871**	**38,871**
At 1 October 2023	38,871	38,871
Charge for the year	7,146	7,146
At 30 September 2024	**46,017**	**46,017**
Carrying amount		
At 30 September 2023	**191,038**	**191,038**
At 30 September 2024	**183,892**	**183,892**

Company

	Buildings N '000	Total N '000
Cost		
At October 1, 2022	229,909	229,909
At 30 September 2023	**229,909**	**229,909**
At 1 October 2023	229,909	229,909
At 30 September 2024	**229,909**	**229,909**
Depreciation and impairment		
At October 1, 2022	36,870	36,870
Depreciation	7,146	7,146
Adjustments	(5,145)	(5,145)
At 30 September 2023	**38,871**	**38,871**
At 1 October 2023	38,871	38,871
Charge for the year	7,146	7,146
At 30 September2024	**46,017**	**46,017**
Carrying amount		
At 30 September 2023	**191,038**	**191,038**
At 30 September 2024	**183,892**	**183,892**

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.

41. Right of use assets (continued)

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 41.1 and the extension options for the leases has been presented in Note 41.2

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

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

	2024 N'000	2023 N 000
Interest expense on lease liabilities (included in finance cost)	26,894	21,617
Expenses relating to leases of low-value assets (included in administrative expenses)	20,930	20,832
Depreciation expense on right-of-use assets (included in administrative expenses)	6,550	7,146
	54,374	**49,595**

41.2. 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. Minimum Tax

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Income tax	381,258	-	380,814	-

In line with IFRIC 21, N381.26 million (2023 :Nill) arising from minimum tax computations is included in the charge for the year on the statement of financial position but above the line in the statement of profit or loss and other comprehensive income for the year.

Notes to the Consolidated and Separate Financial Statements

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000

43. Lease liabilities

Minimum lease payments due				
- 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	(801,263)	(828,157)	(801,263)	(828,157)
As at 30 September	**208,610**	**181,716**	**208,610**	**181,716**

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	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
At 1 October	181,716	160,099	181,716	160,099
Interest on lease liabilities	26,894	21,617	26,894	21,617
At 30 September	**208,610**	**181,716**	**208,610**	**181,716**

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

The average lease term was 25 years and the average effective borrowing rate was 31% in 2024 (2023: 17%)

Interest rates are linked to prime lending rate 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 dislosed below:

Name of Signer	FRC Number	Firm's FRC Number	Name of Firm	Services Rendered
Miller Kingsley(FINAS,FSA)	FRC/2012/00000002392	FRC/2023/COY/209403	Ernst & Young	Actuarial Valuation Services
Ogunbamowo Olukunle	FRC/2013/ICAN/00000000818	FRC/2022/COY/091021	Deloitte & Touche	Tax Services
Jide Taiwo	FRC/2012/000000000254	FRC/2012/000000002540	Jide Taiwo Estate Surveyos & Valuers	Property Valuation

Value Added Statement

	2024 N '000	2024 %	2023 N '000	2023 %
Group				
Value Added				
Revenue	82,639,888		52,986,466	
Interest received	1,048,320		1,303,163	
Other gains and losses	603,110		393,071	
- Local	(26,912,672)		(12,138,802)	
- Foreign	(43,595,777)		(30,125,891)	
Total Value Added	**13,782,869**	**100**	**12,418,007**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	3,966,752		3,184,263	
	3,966,752	**29**	**3,184,263**	**26**
To Pay Providers of Capital				
Finance costs	7,132,818		2,286,309	
Share of profit to non-controlling interest	592,486		434,518	
	7,725,304	**56**	**2,720,827**	**22**
To Pay Government				
Income tax	748,890		2,356,396	
Minimum tax	381,463		-	
Police Trust Fund levy	70		301	
Education tax	53,373		256,220	
Back duty tax	-		(383,102)	
	1,183,796	**9**	**2,229,815**	**17**
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation	1,156,506		943,322	
Deferred tax	(609,199)		(599,659)	
	547,307	**4**	**343,663**	**3**
Value retained				
Retained (loss)/profit	359,710		3,939,439	
	359,710	**3**	**3,939,439**	**32**
Total Value Distributed	**13,782,869**	**100**	**12,418,007**	**100**

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

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

Value Added Statement

	2024 N '000	2024 %	2023 N '000	2023 %
Company				
Value Added				
Revenue	73,492,246		47,723,375	
Interest received	1,048,090		1,302,377	
Other gains and losses	771,096		523,446	
- Local	(20,548,557)		(17,412,060)	
- Foreign	(44,715,899)		(21,996,678)	
Total Value Added	**10,046,976**	**100**	**10,140,460**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	3,044,762		2,451,486	
	3,044,762	**30**	**2,451,486**	**24**
To Pay Providers of Capital				
Finance costs	7,109,466		2,255,195	
	7,109,466	**71**	**2,255,195**	**22**
To Pay Government				
Income tax	-		1,996,002	
Police levy	-		246	
Education tax	-		215,818	
Minimum tax	381,019		-	
	381,019	**4**	**2,212,066**	**22**
To be retained in the business for expansion and future wealth creation:				
Depreciation and amortisation	571,540		504,179	
Deferred tax	(153,300)		(701,458)	
Retained (loss)/profit	(906,511)		3,418,992	
	(488,271)	**(5)**	**3,221,713**	**32**
Value retained				
Retained (loss)/profit	(906,511)		3,418,992	
	-	**-**	**-**	**-**
Total Value Distributed	**10,046,976**	**100**	**10,140,460**	**100**

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

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

Five-Year Financial Summary

	2024 N '000	2023 N '000	2022 N '000	2021 N '000	2020 N '000
Group					
Statement of Financial Position					
Assets					
Non-current assets	16,349,460	7,597,557	6,590,523	6,803,882	5,818,133
Net-current assets/(liabilities)	13,497,056	11,211,473	10,875,221	8,536,970	7,211,864
Total assets	**29,846,516**	**18,809,030**	**17,465,744**	**15,340,852**	**13,029,997**
Liabilities					
Non-current liabilities	(4,816,733)	(1,402,952)	(1,797,226)	(2,405,171)	(3,989,624)
Net assets	**25,029,783**	**17,406,078**	**15,668,518**	**12,935,681**	**9,040,373**
Equity					
Share capital	625,422	625,422	625,422	625,422	625,422
Reserves	8,871,013	188,809	286,218	195,827	256,908
Retained earnings	14,073,967	15,430,279	13,750,771	11,333,365	7,769,014
Non-controlling interest	1,459,381	1,161,568	1,006,107	781,067	389,029
Total equity	**25,029,783**	**17,406,078**	**15,668,518**	**12,935,681**	**9,040,373**
Consolidated and separate statement of Profit and loss and Other Comprehensive income					
Revenue	82,639,888	52,986,466	46,310,015	35,404,072	23,443,830
Profit before taxation	**1,526,787**	**6,004,112**	**7,214,360**	**7,341,723**	**5,646,565**
Taxation	(193,134)	(1,630,155)	(2,692,082)	(2,744,677)	(1,730,685)
Profit from continued operations	**1,333,653**	**4,373,957**	**4,522,278**	**4,597,046**	**3,915,880**
Profit for the year	**1,333,653**	**4,373,957**	**4,522,278**	**4,597,046**	**4,107,506**
Non-controlling interest	(592,486)	(434,518)	(298,797)	(359,739)	(295,271)
Profit attributable to owners of the parent retained	**741,167**	**3,939,439**	**4,223,481**	**4,237,307**	**3,812,235**
Per share data					
(Loss)/Earnings per share (Basic)	29	315	338	339	305
Net assets per share	2,001	1,392	1,253	1,034	723

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

	2024 N '000	2023 N '000	2022 N '000	2021 N '000	2020 N '000
Company					
Statement of Financial Position					
Assets					
Non-current assets	15,456,882	6,929,497	6,127,217	5,886,882	5,108,181
Net current assets	11,749,351	10,663,638	10,572,774	8,571,937	7,039,262
Total assets	**27,206,233**	**17,593,135**	**16,699,991**	**14,458,819**	**12,147,443**
Liabilities					
Non-current liabilities	(5,581,360)	(1,415,103)	(1,686,918)	(2,057,697)	(3,460,429)
Net assets	**21,624,873**	**16,178,032**	**15,013,073**	**12,401,122**	**8,687,014**
Equity					
Share capital	625,422	625,422	625,422	625,422	625,422
Reserves	8,526,158	456,790	450,892	443,977	441,771
Retained earnings	12,473,293	15,095,820	13,936,759	11,331,723	7,619,821
Total equity	**21,624,873**	**16,178,032**	**15,013,073**	**12,401,122**	**8,687,014**
Statement of Profit or Loss and Other Comprehensive Income					
Revenue	73,492,246	47,723,375	42,128,595	32,007,979	21,521,097
(Loss)/profit before taxation	**(1,059,811)**	**4,929,600**	**6,748,246**	**6,779,894**	**4,963,946**
Taxation	153,300	(1,510,608)	(2,337,135)	(2,395,035)	(1,507,252)
(Loss)/Profit after tax	**(906,511)**	**3,418,992**	**4,411,111**	**4,384,859**	**3,456,694**
(Loss)/Profit for the year	**(906,511)**	**3,418,992**	**4,411,111**	**4,384,859**	**3,456,694**
Retained (loss)/income for the year	**(906,511)**	**3,418,992**	**4,411,111**	**4,384,859**	**3,456,694**
Per share data					
(Loss)/Earnings per share (Basic)	(72)	273	353	351	276
Net assets per share	1,729	1,293	1,200	991	694

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

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