# VITAFOAM NIGERIA PLC

UNAUDITED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED MARCH 31, 2023

**VITAFOAM NIGERIA PLC**
**QUARTER 2 ENDED 31 MARCH 2023**

## SECURITIES TRADING POLICY

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

FREE FLOAT CALCULATION FOR VITAFOAM NIGERIA PLC

**Shareholding Structure and Free Float Status**

| | |
|---|---|
| Company Name: | Vitafoam Nigeria Plc |
| Board Listed: | Main Board |
| Period End: | March 31st, 2023 |
| Reporting Period: | March 31st, 2023 |
| Share Price at end of reporting period | ₦18.00 |

| Description | 31-Mar-22 | | **31-Mar-23** | |
|---|---|---|---|---|
| | Unit | Percentage | Unit | Percentage |
| Issued Share Capital | 1,250,244,114 | 100% | 1,250,844,064 | 100% |
| **Substantial Shareholdings (5% and above)** | | | | |
| Bolarinde Samuel Olaniyi | 150,427,902 | 12.03% | 150,427,902 | 12.03 |
| Awhua Resources Limited | 98,281,981 | 7.86% | 98,281,981 | 7.86 |
| Neemtree Limited | 63,856,765 | 5.11% | 95,335,535 | 7.62 |
| Total Substantial Shareholdings | 312,566,648 | 25.00% | **344,045,418** | 27.51 |
| **Directors' Shareholdings (direct and indirect), excluding directors with substantial interests** | | | | |
| **Dr. Bamidele Makanjuola (Direct)** | **5,320,566** | **0.42%** | **NA** | **NA** |
| **Dr. Bamidele Makanjuola (Indirect)** | **10,757** | **0.00%** | **NA** | **NA** |
| Mr. Adeniyi Taiwo Ayodele | 1,114,000 | 0.09% | 1,114,000 | 0.09 |
| Mr. Bamidele S. Owoade | 320,000 | 0.03% | 320,000 | 0.03 |
| Mr. Joseph Alegbesogie | 726,820 | 0.06% | 726,820 | 0.06 |
| Mrs. Adeola Adewakun | 144,000 | 0.01% | 144,000 | 0.01 |
| Mr. Achike Charles Umunna | NA | NA | 140,000 | 0.01 |
| Prof. (Mrs) Rosemary Egonmwan | 101,940 | 0.01% | 101,940 | 0.01 |
| Mr. Zakari M. Sada | NA | NA | 87,280 | 0.01 |
| Mr. Abdul Akhor Bello | 171,860 | 0.01% | 171,860 | 0.01 |
| Mr. Gerson Silva | 0 | 0 | 0 | 0.00 |
| **Total Directors Shareholdings** | **7,909,943** | **0.63%** | **2,805,900** | **0.22** |
| **Other Substantial Shareholdings** | | | | |
| **Sanctus Nigeria Limited** | NA | | 46,434,231 | 3.71 |
| **Total Other Substantial Shareholdings** | **NA** | | **46,434,231** | **3.71** |
| Free Float in Units and Percentage | 929,767,523 | 74.36 | **857,558,515** | 68.55 |
| Free Float in Value | 20,733,815,762.90 | | **15,436,053,270** | |

**Declaration:**

**Vitafoam Nigeria Plc with a free float percentage of 68.55% as at March 31st, 2023 is compliant with the Nigerian Exchange Limited's free float requirements for companies listed on the Main Board.**

**Vitafoam Nigeria Plc with a free float value of N20,733,815,762.90 as at March 31st 2022, is compliant with the Exchange's free float requirements for companies listed on the**

## Content

# Vitafoam Nigeria Plc

Unaudited Consolidated And Separate Interim Financial Statements for the 6 Months ended March 31, 2023

## Statements of profit or loss and other comprehensive income

| | Notes | Group | | | | Company | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | 6 Months to 31-Mar-23 N'000 | 6 Months to 31-Mar-22 N'000 | 3 Months to 31-Mar-23 N'000 | 3 Months to 31-Mar-22 N'000 | 6 months to 31-Mar-23 N'000 | 6 months to 31-Mar-22 N'000 | 3 Months to 31-Mar-23 N'000 | 3 Months to 31-Mar-22 N'000 |
| Revenue | 3 | 26,520,403 | 25,336,305 | 13,450,513 | 13,728,040 | 24,251,321 | 23,258,188 | 11,410,734 | 11,726,990 |
| Cost of Sales | 4 | (17,185,848) | (16,886,142) | (9,067,802) | (9,193,950) | (16,349,298) | (16,180,012) | (7,722,017) | (7,958,395) |
| Gross profit | | 9,334,555 | 8,450,163 | 4,382,711 | 4,534,090 | 7,902,023 | 7,078,176 | 3,688,717 | 3,768,595 |
| Other gains and losses | 8 | 137,401 | 150,356 | 148,339 | 83,186 | 344,371 | 327,849 | 278,720 | 199,859 |
| Administrative expenses | 5 | (3,962,920) | (2,759,684) | (2,074,961) | (1,483,587) | (2,959,202) | (1,963,620) | (1,667,701) | (1,051,345) |
| Distribution expenses | 6 | (1,100,210) | (799,671) | (557,469) | (400,129) | (1,043,066) | (760,443) | (528,032) | (384,972) |
| Operating profit | | 4,408,826 | 5,041,164 | 1,898,620 | 2,733,560 | 4,244,126 | 4,681,962 | 1,771,704 | 2,532,137 |
| Finance income | | 627,204 | 434,664 | 348,294 | 245,006 | 626,611 | 428,207 | 348,131 | 241,725 |
| Finance cost | 7 | (464,937) | (333,692) | (238,228) | (178,581) | (456,545) | (297,306) | (235,615) | (160,285) |
| Profit before taxation | | 4,571,093 | 5,142,136 | 2,008,686 | 2,799,985 | 4,414,192 | 4,812,863 | 1,884,220 | 2,613,577 |
| Taxation | | (1,486,595) | (1,528,871) | (653,884) | (828,557) | (1,324,490) | (1,428,497) | (582,434) | (784,704) |
| Profit for the period | | 3,084,498 | 3,613,265 | 1,354,802 | 1,971,428 | 3,089,702 | 3,384,366 | 1,301,786 | 1,828,873 |
| Exchange difference on translating foreign operations | | 55,990 | 56,032 | 61 | (89) | - | - | - | - |
| Gain on valuation of investment in equity instruments designated as at FVTOCI | | 773 | 1,610 | 319 | 1,610 | 773 | 1,610 | - | 1,610 |
| Other comprehensive income | | 56,763 | 57,642 | 380 | 1,521 | 773 | 1,610 | - | 1,610 |
| Total comprehensive income for the period | | 3,141,261 | 3,670,907 | 1,355,182 | 1,972,949 | 3,090,475 | 3,385,976 | 1,301,786 | 1,830,483 |
| **Profit attributable to :** | | | | | | | | | |
| Equity holders of the parent | | 2,899,186 | 3,338,647 | 1,245,543 | 1,805,439 | 3,090,475 | 3,385,976 | 1,301,786 | 1,828,873 |
| Non-controlling interests | | 185,312 | 274,618 | 109,259 | 165,989 | - | - | - | - |
| | | **3,084,498** | **3,613,265** | **1,354,802** | **1,971,428** | **3,090,475** | **3,385,976** | **1,301,786** | **1,828,873** |
| **Earnings per share for profit from total operations attributable to equity holders of parent** | | | | | | | | | |
| Basic and diluted | | 231.78 k | 266.91 k | 99.58 k | 144.34 k | 247.07 k | 270.70 k | 104.07 k | 146.21 k |

## Statement of Financial Position as at

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note(s) | 31st March 2023 N'000 | 30th September 2022 N'000 | 31st March 2023 N'000 | 30th September 2022 N'000 |
| **Assets** | | | | | |
| **Non-Current Assets** | | | | | |
| Property, plant and equipment | 9 | 6,365,003 | 6,274,919 | 3,316,320 | 3,004,961 |
| Intangible assets | | 60,819 | 21,364 | 57,901 | 17,833 |
| Investment property | | - | - | 1,743,795 | 1,778,044 |
| Investments in subsidiaries | | - | - | 1,032,139 | 1,032,139 |
| Investment in financial assets | 10 | 6,505 | 5,732 | 6,505 | 5,732 |
| Finance lease receivables | | 80,056 | 95,469 | 80,056 | 95,469 |
| Right of use assets | | 188,609 | 193,039 | 188,609 | 193,039 |
| | | - | - | - | - |
| | | **6,700,992** | **6,590,523** | **6,425,325** | **6,127,217** |
| **Current Assets** | | | | | |
| Inventories | 11 | 10,530,430 | 13,864,400 | 8,099,346 | 11,003,143 |
| Other assets | 19 | 3,912,920 | 2,110,018 | 3,734,615 | 2,022,747 |
| Trade and other receivables | 12 | 1,759,406 | 1,593,401 | 2,672,206 | 2,774,988 |
| Cash and bank balances | 15 | 15,683,325 | 15,278,674 | 15,452,864 | 14,985,016 |
| | | **31,886,081** | **32,846,493** | **29,959,031** | **30,785,894** |
| **Total Assets** | | **38,587,073** | **39,437,016** | **36,384,356** | **36,913,111** |
| **Equity and Liabilities** | | | | | |
| **Equity** | | | | | |
| Share capital | 16 | 625,422 | 625,422 | 625,422 | 625,422 |
| Reserves | | 342,981 | 286,218 | 451,664 | 450,892 |
| Accumulated profit | | 14,748,673 | 13,750,771 | 15,125,177 | 13,936,759 |
| | | 15,717,076 | 14,662,411 | 16,202,263 | 15,013,073 |
| Non-controlling interest | | 912,362 | 1,006,107 | - | - |
| | | **16,629,438** | **15,668,518** | **16,202,263** | **15,013,073** |
| **Liabilities** | | | | | |
| **Non-Current Liabilities** | | | | | |
| Borrowings | 17 | 72,510 | 166,729 | - | - |
| Retirement benefit obligation | | 927,103 | 761,874 | 892,449 | 761,874 |
| Lease liabilities | | 171,409 | 160,099 | 171,409 | 160,099 |
| Deferred tax | | 708,524 | 708,524 | 764,945 | 764,945 |
| | | **1,879,546** | **1,797,226** | **1,828,803** | **1,686,918** |
| **Current Liabilities** | | | | | |
| Current tax payable | 18 | 1,585,938 | 2,759,597 | 1,325,285 | 2,337,389 |
| Trade and other payables | 14 | 4,846,512 | 5,229,046 | 3,382,935 | 3,894,901 |
| Borrowings | 17 | 13,645,070 | 13,981,582 | 13,645,070 | 13,980,830 |
| Deferred income | | 568 | 1,047 | - | - |
| | | **20,078,088** | **21,971,272** | **18,353,290** | **20,213,120** |
| **Total Liabilities** | | **21,957,634** | **23,768,498** | **20,182,093** | **21,900,038** |
| **Total Equity and Liabilities** | | **38,587,073** | **39,437,016** | **36,384,356** | **36,913,111** |

The unaudited consolidated and separate interim financial statements and the notes on pages 2 to 24, were approved by the board on 27 April, 2023 and were signed on its behalf by:

**Group Managing Director/CEO**
**Taiwo Adeniyi**
**FRC/2015/IOND/0000010639**

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

The accounting policies on pages 7 to 18 and the notes on pages 19 to 24 form an integral part of the unaudited consolidated and separate interim financial statements.

# Vitafoam Nigeria Plc

Unaudited Consolidated And Separate Interim Financial Statements for the 6 Months ended March 31, 2023

## Consolidated and Separate statement of changes in equity

| | Share capital | Foreign currency translation reserve | Other reserve | Fair value adjustment assets-available-for-sale reserve | Retained earnings | Total attributable to equity holders of the group / company | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Group** | | | | | | | | |
| Balance at 01 October 2021 | 625,422 | (153,750) | 393,018 | (43,441) | 11,333,365 | 12,154,614 | 781,067 | 12,935,681 |
| Profit for 6 months | | | | | 3,338,647 | 3,338,647 | 274,618 | 3,613,26 |
| Other comprehensive income | - | 56,032 | - | 1,610 | - | 57,642 | - | 57,642 |
| **Total comprehensive income for the period** | **-** | **56,032** | **-** | **1,610** | **3,338,647** | **3,396,289** | **274,618** | **3,670,907** |
| Dividends paid | - | - | - | - | (1,876,268) | (1,876,268) | (211,393) | (2,087,661) |
| **Balance at 31 March 2022** | **625,422** | **(97,718)** | **393,018** | **(41,831)** | **12,795,744** | **13,674,635** | **844,291** | **14,518,926** |
| **Balance at 01 October 2021** | **625,422** | **(97,718)** | **393,018** | **(41,831)** | **13,730,423** | **14,609,314** | **868,471** | **15,477,785** |
| | - | - | - | - | - | - | - | - |
| Changes in NCI as a result of share allotment not resulting in loss of control | - | - | - | - | - | - | 137,636 | 137,636 |
| Stattute barred unclaimed dividend income | - | - | - | - | 20,348 | 20,348 | - | 20,348 |
| **Balance at 30 September, 2022** | **625,422** | **(70,274)** | **393,018** | **(36,526)** | **13,750,771** | **14,662,411** | **1,006,107** | **15,668,518** |
| **Profit for 6 months** | - | - | - | - | 2,899,186 | 2,899,186 | 185,312 | 3,084,498 |
| Other comprehensive income | - | 55,990 | - | 773 | - | 56,763 | - | 56,763 |
| **Total comprehensive income for the period** | **-** | **55,990** | **-** | **773** | **2,899,186** | **2,955,949** | **185,312** | **3,141,261** |
| Dividends | - | - | - | - | (1,901,284) | (1,901,284) | (279,057) | (2,180,341) |
| **Balance at 31 March 2023** | **625,422** | **(14,284)** | **393,018** | **(35,753)** | **14,748,673** | **15,717,076** | **912,362** | **16,629,438** |
| Note(s) | 16 | | | | | | | |

## Consolidated and Separate statement of changes in equity

| | Share capital | Foreign currency translation reserve | Fair value adjustment assets-available-for-sale reserve | Retained income | Total equity |
|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 |
| **Company** | | | | | |
| **Balance at 01 October 2021** | **625,422** | **487,418** | **(43,441)** | **11,331,723** | **12,401,122** |
| Profit for the 6 months | | | | 3,384,366 | 3,384,366 |
| Other comprehensive income | | | 1,610 | | 1,610 |
| Dividens paid | - | - | - | (1,876,268) | (1,876,268) |
| **Balance at 31 March 2022** | **625,422** | **487,418** | **(41,831)** | **12,839,821** | **13,910,830** |
| **Balance at 01 October 2021** | **625,422** | **487,418** | **(43,441)** | **11,331,723** | **12,401,122** |
| Profit for the year | | - | - | 4,411,111 | 4,411,111 |
| Other comprehensive income | - | - | 6,915 | 49,845 | 56,760 |
| **Total comprehensive income for the year** | **-** | **-** | **6,915** | **4,460,956** | **4,467,871** |
| Statute barred unclaimed received | - | - | - | 20,348 | 20,348 |
| Dividends | - | - | - | (1,876,268) | (1,876,268) |
| **Balance at 30 September, 2022** | **625,422** | **487,418** | **(36,526)** | **13,936,759** | **15,013,073** |
| **Profit for the 6 months** | - | - | 773 | 3,089,702 | 3,090,475 |
| **Total comprehensive income for the period** | **-** | **-** | **773** | **3,089,702** | **3,090,475** |
| Dividends | - | - | - | (1,901,284) | (1,901,284) |
| **Balance at 31 March 2023** | **625,422** | **487,418** | **(35,753)** | **15,125,177** | **16,202,264** |
| Note(s) | 16 | | | | |

The accounting policies on pages 7 to 18 and the notes on pages 19 to 24 form an integral part of the unaudited consolidated and separate interim financial statements.

## Statement of Cash Flows

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Note(s) | March 31, 2023 N'000 | March 31, 2022 N'000 | March 31, 2023 N'000 | March 31, 2022 N'000 |
| **Cash flows from operating activities** | | | | | |
| **Profit before taxation** | | 4,571,093 | 5,142,136 | 4,414,192 | 4,812,863 |
| **Adjustments for:** | | | | | |
| Depreciation and amortisation | | 437,658 | 361,604 | 252,776 | 187,059 |
| Profit on sale of assets | | (2,053) | (5,430) | (1,705) | (132) |
| Translation adjustment on PPE | | 79,736 | 58,942 | - | - |
| Finance income | | (627,204) | (434,664) | (626,611) | (428,207) |
| Finance cost | | 464,937 | 333,692 | 456,545 | 297,306 |
| Movement in Deferred Tax | | - | 49 | - | - |
| Depreciation on discotinued operation | | - | - | - | - |
| Movement in investment in subsidiary | | - | - | - | (40,000) |
| Service cost | | 96,290 | 90,976 | 61,637 | 64,132 |
| Gain/Loss on exchange difference translation | | 55,990 | 56,033 | - | - |
| **Changes in working capital:** | | | | | |
| Inventories | | 3,333,970 | (1,797,690) | 2,903,797 | (1,549,674) |
| Trade and other receivables | | (166,005) | (309,505) | 102,782 | 78,055 |
| Other assets | | (1,808,274) | (318,175) | (1,711,868) | (280,176) |
| Trade and other payables | | (377,161) | 1,688,480 | (511,966) | 1,067,406 |
| Deferred income | | (479) | (46,278) | - | (43,651) |
| Benefit paid | | (28,074) | (37,492) | (28,074) | (37,492) |
| | | **6,030,424** | **4,782,678** | **5,311,505** | **4,127,489** |
| Tax paid | | (2,660,254) | (1,523,521) | (2,336,594) | (1,282,498) |
| **Net cash from operating activities** | | **3,370,170** | **3,259,157** | **2,974,911** | **2,844,991** |
| **Cash flows from investing activities** | | | | | |
| Purchase of property, plant and equipment | 9 | (599,048) | (427,724) | (520,368) | (267,063) |
| Proceeds from sale of property, plant and equipment | 9 | 2,195 | 7,822 | 1,705 | 132 |
| Purchase of intangible assets | | (43,597) | - | (43,597) | - |
| Purchase of investment property | | - | - | (1,559) | - |
| Finance receipt | | 15,413 | 9,682 | 15,413 | 9,682 |
| Finance lease receivable | | - | (34,737) | - | (34,737) |
| Interest received | | 627,204 | 388,805 | 626,611 | 382,348 |
| **Net cash from investing activities** | | **2,167** | **(56,152)** | **78,205** | **90,362** |
| **Cash flows from financing activities** | | | | | |
| Proceeds from borrowings | | 587,310 | 6,387,830 | 587,310 | 6,387,563 |
| Repayment of borrowings | | (1,018,041) | (4,042,374) | (923,070) | (3,880,981) |
| Dividends paid | | (2,180,341) | (2,087,662) | (1,901,284) | (1,876,268) |
| Interest paid | | (356,614) | (281,316) | (348,224) | (202,406) |
| **Net cash from financing activities** | | **(2,967,686)** | **(23,522)** | **(2,585,268)** | **427,908** |
| **Net cash and cash equivalent for the period** | | **404,651** | **3,179,483** | **467,848** | **3,363,261** |
| Cash at the beginning of the period | | 15,278,674 | 10,697,004 | 14,985,016 | 10,145,107 |
| **Cash and cash equivalent at the end of the period** | 15 | **15,683,325** | **13,876,487** | **15,452,864** | **13,508,368** |

The accounting policies on pages 7 to 18 and the notes on pages 19 to 24 form an integral part of the unaudited consolidated and separate interim financial statements.

# Significant Accounting Policies

## 1.1 General Information

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

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

The consolidated and separate interim financial statements were authorised for issue by the Board of Directors on 27 April, 2023

## 1.2 Basis of Preparation and Adoption of IFRS

The consolidated and separate interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) effective for the period ended March 31, 2023

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

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

The consolidated and separate interim financial statements were authorised for issue by the board of directors on 27 April, 2023

## 1.3 Summary of significant accounting policies

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

### 1.4 Consolidation

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

**Subsidiaries**

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

They are deconsolidated from the date that control ceases.

The Company's subsidiaries' are listed below:

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

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

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

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

## Significant Accounting Policies

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

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

### Changes in ownership interests in subsidiaries without change in control

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

### Disposal of subsidiaries

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

## 1.5 Foreign currency translation

### Functional and presentation currency

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

# Significant Accounting Policies

## 1.5 Foreign currency translation (continued)

### Transactions and balances

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

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

### Foreign operations

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

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

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

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

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

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

## 1.6 Revenue recognition

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

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

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

## 1.7 Trade receivables

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

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

## 1.8 Cash and cash equivalents

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

## 1.9 Trade payables

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

## 1.10 Inventories

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

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

# Significant Accounting Policies

## 1.11 Provisions

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

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

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

## 1.12 Property, plant and equipment

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

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

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

## Significant Accounting Policies

### 1.12 Property, plant and equipment (continued)

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

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

### 1.13 Impairment of assets

#### 1.13.1 Impairment of non-financial assets

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

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

#### 1.13.2 Impairment of financial assets

**a. Assets carried at amortised cost**

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

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

• Significant financial difficulty of the issuer or obligor;

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

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

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

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

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

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

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

The Group first assesses whether objective evidence of impairment exists.

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

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

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

**b. Assets carried as available for sale**

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

# Significant Accounting Policies

## 1.13 Impairment of assets (continued)

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

## 1.14 Financial instruments

### Classification

The Company classifies its financial assets in the following categories:

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

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

### 1.14.1 Financial assets

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

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

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

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

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

### ii Loans and receivables

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

# Significant Accounting Policies

## 1.14 Financial instruments (continued)

### 1.14.2 Financial liabilities

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

**(a) Financial liabilities at amortised cost**

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

### Offsetting financial Instruments

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

### Derecognition

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

## 1.15 Taxation

### Current Income tax

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

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

### Deferred Income tax

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

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

# Significant Accounting Policies

## 1.16 Employee benefits

The Group has both defined benefit and defined contributory schemes.

**a) Defined Contributory scheme**

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

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

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

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

**b) Defined Benefits scheme**

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

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

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

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

### Other Long term benefits

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

### Termination Benefits

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

## 1.17 Share capital

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

## 1.18 Dividend distribution

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

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

## 1.19 Leases

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

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

# Significant Accounting Policies

### 1.19 Leases (continued)

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

### 1.20 Government grants

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

### 1.21 Segment Reporting

An Operating segment is a component of an entity

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

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

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

### 1.22 Borrowings

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

### 1.23 Borrowing Costs

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

### 1.24 Investment property

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

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

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

### 1.25 Intangible assets

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

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

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

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

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

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

product are available; and

## Significant Accounting Policies

### 1.25 Intangible assets (continued)

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

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

### 1.26 Comparatives

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

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

# Significant Accounting Policies

## 1.27 Interests in subsidiaries

**Company unaudited consolidated and separate interim financial statements**

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

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

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

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

## 2 Critical accounting estimates and judgements

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

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

### 2.1 Critical accounting estimates and assumptions

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

### 2.1.1 Pension obligations

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

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

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

### 2.1.2 Income Taxes

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

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

# Significant Accounting Policies

### 2.1.3 Impairment of available-for-sale equity investments

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

### 2.1.4 Useful lives and residual values

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

## 2.2 Critical 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.

**Business model assessment**

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

**Impairment of investment in subsidiaries**

In line with the requirements of IAS 36 the Group annually perform impairment assessment to determine the recoverable amount of the investment in the subsidiary by using value in use (VIU) model to determine the recoverable amount of the investment as at 30 September 2022 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 (i.e. property, plant & equipment) were impaired.

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

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

**Impairment of financial assets**

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

# Notes to the Unaudited Consolidated and Separate Interim Financial Statements

## 3. Revenue

| | 6 Months to 31-March-23 N'000 | 6 Months to 31-March-22 N'000 | 3 Months to 31-March-23 N'000 | 3 Months to 31-March-22 N'000 | 6 months to 31-March-23 N'000 | 6 Months to 31-March-22 N'000 | 3 Months to 31-March-23 N'000 | 3 Months to 31-March-22 N'000 |
|---|---|---|---|---|---|---|---|---|
| Local | 25,976,125 | 24,900,766 | 13,187,796 | 13,529,967 | 24,251,321 | 23,258,188 | 11,410,734 | 11,726,990 |
| Outside Nigeria | 544,278 | 435,539 | 262,717 | 198,073 | - | - | - | - |
| | **26,520,403** | **25,336,305** | **13,450,513** | **13,728,040** | **24,251,321** | **23,258,188** | **11,410,734** | **11,726,990** |

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

## 4. Cost of sales

### Sale of goods

| | 6 Months to 31-March-23 N'000 | 6 Months to 31-March-22 N'000 | 3 Months to 31-March-23 N'000 | 3 Months to 31-March-22 N'000 | 6 months to 31-March-23 N'000 | 6 Months to 31-March-22 N'000 | 3 Months to 31-March-23 N'000 | 3 Months to 31-March-22 N'000 |
|---|---|---|---|---|---|---|---|---|
| Raw materials and consumables | 16,853,867 | 16,581,219 | 8,870,362 | 9,012,541 | 16,147,487 | 16,003,475 | 7,597,975 | 7,851,490 |
| Depreciation and impairment | 231,186 | 209,124 | 115,593 | 104,562 | 103,009 | 84,735 | 54,504 | 42,367 |
| Labour Cost | 100,795 | 95,799 | 81,847 | 76,847 | 98,802 | 91,802 | 69,538 | 64,538 |
| | **17,185,848** | **16,886,142** | **9,067,802** | **9,193,950** | **16,349,298** | **16,180,012** | **7,722,017** | **7,958,395** |

## 5. Administrative expenses

| | 6 Months to 31-March-23 N'000 | 6 Months to 31-March-22 N'000 | 3 Months to 31-March-23 N'000 | 3 Months to 31-March-22 N'000 | 6 months to 31-March-23 N'000 | 6 Months to 31-March-22 N'000 | 3 Months to 31-March-23 N'000 | 3 Months to 31-March-22 N'000 |
|---|---|---|---|---|---|---|---|---|
| AGM expense | 16,732 | 38,142 | 13,971 | 34,779 | 16,314 | 38,235 | 13,710 | 34,678 |
| Conference & award expense | - | 60 | - | 15 | - | 60 | - | 15 |
| Advertising | 235,195 | 290,628 | 113,428 | 152,841 | 205,471 | 268,519 | 98,272 | 141,011 |
| Audit fees | 15,374 | 16,591 | 7,507 | 8,045 | 12,008 | 12,375 | 5,912 | 6,188 |
| Impairment allowance on trade and other debtiors | - | 14,039 | - | - | - | - | - | - |
| Bank charges | 28,842 | 34,047 | 18,041 | 18,977 | 21,075 | 26,235 | 14,092 | 15,167 |
| Cleaning | 25,777 | 23,673 | 12,583 | 12,882 | 15,211 | 11,426 | 7,451 | 5,764 |
| Consulting and professional fees | 34,435 | 33,523 | 22,617 | 17,075 | 22,411 | 22,433 | 14,543 | 14,702 |
| Amortisation | 4,142 | 3,417 | 1,952 | 1,261 | 3,529 | 3,243 | 1,808 | 1,174 |
| Depreciation | 202,330 | 149,063 | 103,619 | 114,614 | 146,239 | 99,081 | 83,834 | 43,197 |
| Donations | 6,222 | 1,217 | (1,004) | 349 | 5,931 | 850 | - | - |
| Employee costs* | 1,297,422 | 1,225,027 | 643,510 | 592,831 | 969,413 | 904,001 | 487,833 | 442,610 |
| Entertainment | 18,953 | 13,763 | 9,871 | 6,956 | 14,691 | 10,445 | 7,970 | 5,197 |
| Other expenses * | 25,915 | 24,363 | 9,382 | 23,683 | 7,841 | 3,310 | 5,794 | 2,146 |
| Gratuity Expenses | 76,862 | 76,489 | 36,666 | 38,141 | 61,639 | 62,810 | 30,706 | 31,403 |
| Insurance | 68,218 | 36,403 | 40,617 | 18,441 | 56,789 | 25,970 | 33,907 | 12,978 |
| Rent and rates | 26,826 | 39,510 | 26,094 | 33,525 | 8,728 | 18,952 | 5,446 | 11,322 |
| Stationery,newspaper and periodicals | 18,306 | 17,984 | 9,376 | 10,076 | 12,942 | 12,844 | 6,645 | 7,505 |
| Postage, telecommunication and internet* | 27,291 | 21,579 | 13,133 | 8,640 | 21,453 | 16,046 | 10,034 | 6,290 |
| Uniform and protective clothing | 1,595 | 3,917 | 847 | 1,048 | 366 | 560 | 57 | 265 |
| Repairs and maintenance | 159,202 | 162,925 | 82,774 | 82,736 | 119,437 | 111,669 | 61,143 | 60,718 |
| Exchange loss | 1,290,424 | 229,864 | 700,931 | 145,607 | 922,796 | 77,382 | 611,986 | 77,382 |
| Security | 26,815 | 26,853 | 12,510 | 13,311 | 18,594 | 18,843 | 9,228 | 8,589 |
| Subscriptions* | 11,423 | 10,921 | 5,059 | 5,489 | 8,822 | 6,920 | 3,919 | 3,368 |
| Impairment of property,plant and equipment | (15,584) | - | (14,144) | - | - | - | - | - |
| Transport and traveling | 59,843 | 76,369 | 28,865 | 43,876 | 46,211 | 65,469 | 24,312 | 41,388 |
| Electricity and other utilities | 300,361 | 189,317 | 176,756 | 98,389 | 241,291 | 145,942 | 129,099 | 78,288 |
| | **3,962,921** | **2,759,684** | **2,074,961** | **1,483,587** | **2,959,202** | **1,963,620** | **1,667,701** | **1,051,345** |

* Other expenses comprise of research and development expenses of N5.8m spent on product improvement and quality

## Notes to the Unaudited Consolidated and Separate Interim Financial Statements

| | 6 Months to 31-March-23 N'000 | 6 Months to 31-March-22 N'000 | 3 Months to 31-March-23 N'000 | 3 Months to 31-March-22 N'000 | 6 months to 31-March-23 N'000 | 6 Months to 31-March-22 N'000 | 3 Months to 31-March-23 N'000 | 3 Months to 31-March-22 N'000 |
|---|---|---|---|---|---|---|---|---|

### 6. Distribution cost

This represent cost of freight of goods

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Distribution cost | 1,100,210 | 799,671 | 557,469 | 400,129 | 1,043,066 | 760,443 | 528,032 | 384,972 |

### 7. Finance cost

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Interest on Term Loan | 8,391 | 230,280 | (57,385) | 123,225 | - | 101,759 | (60,000) | 48,793 |
| Other Bank charges | 19,313 | 8,510 | 11,907 | 7,821 | 19,313 | 8,510 | 11,906 | 7,821 |
| Interest on overdraft | 328,911 | - | 228,254 | - | 328,911 | 92,135 | 228,255 | 56,135 |
| Interest on defined benefit obligation | 97,013 | 85,051 | 49,702 | 42,525 | 97,011 | 85,050 | 49,702 | 42,525 |
| Finance leases | 11,309 | 9,851 | 5,751 | 5,010 | 11,310 | 9,852 | 5,752 | 5,011 |
| | **464,937** | **333,692** | **238,228** | **178,581** | **456,545** | **297,306** | **235,615** | **160,285** |

### 8. Other gains and losses

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Profit on disposal of assets | 2,053 | 5,430 | 568 | - | 1,705 | 132 | 220 | - |
| Investment income | 574 | 2,629 | 57,867 | 2,627 | 169,811 | 122,994 | 169,718 | 111,946 |
| Sale of scrap items | 88,069 | 89,867 | 49,025 | 53,847 | 77,816 | 63,937 | 43,735 | 37,011 |
| Interest refund | 38,695 | - | 38,695 | - | 38,695 | - | 38,695 | - |
| Rental income | 3,933 | 3,919 | 2,184 | 1,964 | 52,267 | 52,274 | 26,352 | 26,154 |
| Provision no longer required | 4,077 | 5,311 | - | 4,336 | 4,077 | 45,311 | - | 4,336 |
| Government grants | - | 43,651 | - | 20,863 | - | 43,652 | - | 20,863 |
| Exchange gain / (losses) | - | (451) | - | (451) | - | (451) | - | (451) |
| | **137,401** | **150,356** | **148,339** | **83,186** | **344,371** | **327,849** | **278,720** | **199,859** |

## Notes to the Unaudited Consolidated and Separate Interim Financial Statements

### 9. Property, plant and equipment

**Group**

| | Freehold Land N'000 | Building N'000 | Plant and machinery N'000 | Furniture and Fixtures N'000 | Motor Vehicle N'000 | Total N'000 |
|---|---|---|---|---|---|---|
| Cost | | | | | | |
| Balance at 01 October 2021 | 301,708 | 5,807,479 | 4,250,527 | 481,859 | 661,513 | 11,503,086 |
| Additions | - | 189,995 | 347,518 | 73,084 | 112,637 | 723,234 |
| Disposals | - | - | (73,759) | (686) | (35,934) | (110,379) |
| Effect of exchange differences | - | (207,904) | (38,192) | (4,088) | (10,467) | (260,651) |
| Balance at Sept. 30, 2022 | 301,708 | 5,789,570 | 4,486,094 | 550,169 | 727,750 | 11,855,290 |
| Balance at 01 October 2022 | 301,708 | 5,789,570 | 4,486,094 | 550,169 | 727,750 | 11,855,290 |
| Addition | - | 126,305 | 167,953 | 8,629 | 296,162 | 599,049 |
| Disposal | - | - | (375) | - | (17,108) | (17,483) |
| Reclassification | 136,459 | (136,459) | - | - | - | - |
| Effect of exchange differences | - | (87,436) | (16,062) | (1,747) | (4,402) | (109,647) |
| Balance at 31 March, 2023 | 438,167 | 5,691,980 | 4,637,610 | 557,051 | 1,002,402 | 12,327,210 |

| | Freehold Land N'000 | Building N'000 | Plant and machinery N'000 | Furniture and Fixtures N'000 | Motor Vehicle N'000 | Total N'000 |
|---|---|---|---|---|---|---|
| Accumulated depreciation | | | | | | |
| Balance at 01 October 2021 | - | 1,376,710 | 2,749,394 | 375,778 | 490,785 | 4,992,667 |
| Charge for the year | - | 199,757 | 446,969 | 35,008 | 87,947 | 769,681 |
| Disposal | - | - | (69,760) | (434) | (18,849) | 89,043 |
| Effect of exchange differences | - | (46,063) | 35,659 | (3,517) | (7,696) | (92,935) |
| Transfer from disposal group | - | - | - | - | - | - |
| Balance at Sept. 30, 2022 | - | 1,530,405 | 3,090,944 | 406,835 | 552,187 | 5,580,371 |
| Balance at 01 October 2022 | - | 1,530,405 | 3,090,944 | 406,835 | 552,187 | 5,580,371 |
| Charge for the period | - | 102,414 | 232,215 | 23,816 | 70,640 | 429,085 |
| Disposal | - | - | (233) | - | (17,108) | (17,341) |
| Effect of foreign currency exchange diff | - | (15,222) | (8,624) | (1,565) | (4,498) | (29,909) |
| Balance at 31 March, 2023 | - | 1,617,597 | 3,314,302 | 429,086 | 601,221 | 5,962,206 |
| Carrying amount | | | | | | |
| Balance as at 31 March, 2023 | 438,167 | 4,074,383 | 1,323,308 | 127,965 | 401,181 | 6,365,003 |
| Balance at September 30, 2022 | 301,708 | 4,259,165 | 1,395,150 | 143,334 | 175,563 | 6,274,919 |

## Notes to the Unaudited Consolidated and Separate Interim Financial Statements

**Company**

| | Freehold Land | Building | Plant and machinery | Furniture and fixutres | Motor Vehicle | Total |
|---|---|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 | N'000 | N'000 |
| Cost | | | | | | |
| Balance at 01 October 2021 | 294,098 | 2,466,479 | 2,478,148 | 328,543 | 512,422 | 6,079,690 |
| Addition | - | 173,326 | 211,885 | 43,944 | 79,253 | 508,408 |
| Disposal | - | - | (60,114) | (685) | (24,150) | (84,949) |
| Balance at 30th September, 2022 | 294,098 | 2,639,805 | 2,629,919 | 371,802 | 567,525 | 6,503,149 |
| Balance at 01 October 2022 | 294,098 | 2,639,805 | 2,629,919 | 371,802 | 567,525 | 6,503,149 |
| Addition | - | 124,426 | 98,544 | 7,831 | 289,567 | 520,368 |
| Disposal | - | - | - | - | (17,108) | (17,108) |
| Reclassification | 136,459 | (136,459) | - | - | - | - |
| Balance at 31 March, 2023 | 430,557 | 2,627,772 | 2,728,463 | 379,633 | 839,984 | 7,006,409 |
| Accumulated depreciation | | | | | | |
| Balance at 01 October 2021 | - | 671,391 | 1,867,904 | 298,558 | 382,623 | 3,220,476 |
| Charge for the period | - | 73,416 | 193,854 | 12,295 | 68,345 | 347,910 |
| Disposal | - | - | (58,606) | (434) | (11,160) | (70,200) |
| Balance at 30 September, 2022 | - | 744,807 | 2,003,152 | 310,419 | 439,808 | 3,498,186 |
| Balance at 01 October 2022 | - | 744,807 | 2,003,152 | 310,419 | 439,808 | 3,498,186 |
| Charge for the period | - | 38,487 | 103,009 | 10,577 | 56,938 | 209,011 |
| Disposal | - | - | - | - | (17,108) | (17,108) |
| Balance at 31 March, 2023 | - | 783,294 | 2,106,161 | 320,996 | 479,638 | 3,690,086 |
| Carrying amount | | | | | | |
| Balance as at 31 March, 2023 | 430,557 | 1,844,478 | 622,302 | 58,637 | 360,346 | 3,316,320 |
| Balance as at 30 September 2022 | 294,098 | 1,894,999 | 626,767 | 61,382 | 127,717 | 3,004,961 |

### 10. Available for-sale financial assets

**Investment in Financial assets**

| | | | | |
|---|---|---|---|---|
| Quoted Security | 6,505 | 5,732 | 6,505 | 5,732 |

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

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

| | |
|---|---|
| | - |

## Notes to the Unaudited Consolidated and Separate Interim Financial Statements

| | Group | | Company | |
|---|---|---|---|---|
| | 31-March-23 N'000 | 30 September 2022 N'000 | 31-March-23 N'000 | 30 September 2022 N'000 |

### 11. Inventories

| | | | | |
|---|---|---|---|---|
| Finished goods - cost | 2,050,138 | 1,418,387 | 1,265,712 | 1,037,500 |
| Raw materials - cost | 7,503,574 | 10,543,158 | 5,877,767 | 8,295,860 |
| Work in progress - cost | 479,673 | 1,291,614 | 393,318 | 1,076,277 |
| Spare parts and consumables - cost | 673,609 | 654,320 | 562,548 | 593,506 |
| | 10,706,994 | 13,907,479 | 8,099,345 | 11,003,143 |
| Inventories (write-downs) | (176,565) | (43,079) | - | - |
| | **10,530,429** | **13,864,400** | **8,099,345** | **11,003,143** |

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

### 12. Trade and other receivables

| | | | | |
|---|---|---|---|---|
| Trade receivables | 929,851 | 1,072,633 | 311,622 | 390,827 |
| Allowance for doubtful debt receivables | (292,925) | (404,385) | (243,948) | (243,948) |
| Other receivables (Note 12.1) | 1,120,683 | 922,569 | 817,931 | 797,801 |
| Staff Debtors | 1,797 | 2,584 | - | - |
| Receivables from related parties ( Note 13) | - | - | 1,786,601 | 1,830,308 |
| | - | - | - | - |
| | **1,759,406** | **1,593,401** | **2,672,206** | **2,774,988** |

**12.1** Other receivable comprise majorly of unclaimed dividends held by Meristem Registrar of N479.06 million

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

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

### 13. Related parties

| **Due from/to related entities** | | | | |
|---|---|---|---|---|
| Vitapur Nigeria Limited | - | - | 87,050 | 217,657 |
| Vitablom Nigeria Limited | - | - | (222,244) | (258,242) |
| Vono Furniture Products Ltd. | - | - | 150,333 | 151,064 |
| Vitafoam Sierra -Leone | - | - | 1,276,823 | 1,396,661 |
| Vitavisco Nig. Ltd | - | - | 50,253 | (18,638) |
| Vitaparts | - | - | 505,249 | 402,669 |
| Allowance for Impairment | - | - | (60,863) | (60,863) |
| | **-** | **-** | **1,786,601** | **1,830,308** |

### 14. Trade and other payables

| | | | | |
|---|---|---|---|---|
| Trade payables | 1,995,111 | 2,491,494 | 891,312 | 1,558,733 |
| Dealers Securities' Deposit | 24,875 | 165,626 | 20,693 | 97,817 |
| Dividends Unclaimed | 1,031,236 | 1,039,329 | 1,028,320 | 1,028,320 |
| Value added tax payable | 160,543 | 557 | 158,914 | - |
| Other credit balances | 229,729 | 226,476 | 177,430 | 179,386 |
| Accrued expenses | 575,086 | 167,070 | 445,734 | 44,118 |
| Witholding tax payable | 245,376 | 66,105 | 198,980 | 54,694 |
| Other accounts payable | 148,894 | 162,362 | 25,890 | 21,806 |
| Contract liability | 435,662 | 910,027 | 435,662 | 910,027 |
| | **4,846,512** | **5,229,046** | **3,382,935** | **3,894,901** |

## Notes to the Unaudited Consolidated and Separate Interim Financial Statements

| | Group | | Company | |
|---|---|---|---|---|
| | 31-March-23 N'000 | 30 September 2022 N'000 | 31-March-23 N'000 | 30 September 2022 N'000 |

### 15. Cash and bank balances

Cash and cash equivalents consist of:

| | | | | |
|---|---|---|---|---|
| Cash | 26,369 | 13,110 | 15,137 | 6,875 |
| Bank Balances | 6,156,952 | 3,679,108 | 5,937,723 | 3,391,685 |
| Fixed deposits | 9,500,004 | 11,586,456 | 9,500,004 | 11,586,456 |
| | **15,683,325** | **15,278,674** | **15,452,864** | **14,985,016** |

### 16. Share capital

| | | | | |
|---|---|---|---|---|
| **Authorised** | | | | |
| 2,400,000,000 Ordinary shares of 50 kobo each | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| **Issued** | | | | |
| Ordinary shares (50 kobo) | 625,422 | 625,422 | 625,422 | 625,422 |
| Share premium | - | - | - | - |
| | **625,422** | **625,422** | **625,422** | **625,422** |

### 17. Borrowings

| | | | | |
|---|---|---|---|---|
| **Non Current** | | | | |
| | - | - | - | - |
| | - | - | - | - |
| Bank loan | 72,510 | 166,729 | - | - |
| **Total** | **72,510** | **166,729** | **-** | **-** |
| **Current** | | | | |
| Bank overdrafts | - | 32,185 | - | - |
| Letter of credit | 13,645,070 | 13,949,397 | 13,645,070 | 13,980,830 |
| **Total current borrowings** | **13,645,070** | **13,981,582** | **13,645,070** | **13,980,830** |
| **Total borrowings** | **13,717,580** | **14,148,311** | **13,645,070** | **13,980,830** |

### 18. Current tax Payable

**The movement in current tax payable is as follows:**

| | | | | |
|---|---|---|---|---|
| | - | - | - | - |
| At 1 October | 2,759,597 | 2,496,712 | 2,337,389 | 2,092,236 |
| Company income tax | 1,486,595 | 2,718,270 | 1,324,490 | 2,336,596 |
| Payment during the year | (2,660,254) | (2,484,970) | (2,336,594) | (2,121,028) |
| Back duty assessment | - | 29,585 | - | 29,585 |
| **At 30 Sept. 2021** | **1,585,938** | **2,759,597** | **1,325,285** | **2,337,389** |

### 19. Other assets

| | | | | |
|---|---|---|---|---|
| **Prepayment** | | | | |
| Prepaid rent | 51,285 | 66,648 | 22,115 | 49,786 |
| Prepaid insurance | 123,670 | 28,332 | 106,731 | 23,351 |
| Prepaid advertisement | 49,693 | 88,067 | 48,993 | 86,657 |
| Prepaid subscription | 41,336 | 13,519 | 38,140 | 12,140 |
| Advance payment for forex | 3,284,351 | 1,856,361 | 3,185,104 | 1,806,922 |
| Other prepayment | 362,585 | 57,091 | 333,532 | 43,891 |
| - - | **3,912,920** | **2,110,018** | **3,734,615** | **2,022,747** |