



VITAFOAM NIGERIA PLC
UNAUDITED CONSOLIDATED AND SEPARATE INTERIM FINANCIAL
STATEMENTS
FOR THE 6 MONTHS ENDED MARCH 31, 2026

VITAFOAM NIGERIA PLC
QUARTER 2 ENDED 31 MARCH 2026

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.



VITAFOAM NIGERIA PLC RC NO. 3094

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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 31 2026
 Reporting Period: March 31 2026
 Share Price at end of reporting period: ₦118.00

Description	31-Mar-26		31-Mar-25	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	1,250,844,064	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	125,334,977	10.02	125,334,977	10.02
Total Substantial Shareholdings	374,044,860	29.90%	374,044,860	29.90%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Zakari M. Sada	237,280	0.02	237,280	0.02
Mr. Adeniyi Taiwo Ayodele	1,364,000	0.11	1,364,000	0.11
Mr. Bamidele S. Owoade	320,000	0.03	320,000	0.03
Mr. Joseph Alegbesogie	0	0	976,820	0.08
Mr. Dahiru Gambo	153,344	0.01	153,344	0.01
Mr. Olaoluwa Ogunfeyitimi	414,627	0.03	414,627	0.03
Mr. Ademola Bolarinde	100,000	0.01	100,000	0.01
Mr. Achike Charles Umunna	140,000	0.01	140,000	0.01
Mr. Abdul Akhor Bello	171,860	0.01	171,860	0.01
Mr. Gerson Silva	0	-	0	0.00
Mrs. Abiola O. Davies	0	-	0	0.00
Total Directors Shareholdings	2,901,111	0.23	3,877,931	0.31
Other Substantial Shareholdings				
Sanctus Nigeria Limited	50,134,231	4.01%	50,134,231	4.01%
Total other Substantial Shareholdings	50,134,231	4.01%	50,134,231	4.01%
Free Float in Units and Percentage	823,763,862	65.86%	822,787,042	69.79%
Free Float in Value	97,204,135,716.00		30,977,932,131.30	

Declaration:

Vitafoam Nigeria Plc with a free float value of N97,204,135,716.00 (65.86%) as at March 31, 2026 is compliant with the Nigerian Exchange Limited's free float requirements for companies listed on the Main Board.

LEKAN SANNT ACIS
 COMPANY SECRETARY/LEGAL ADVISER

DIRECTORS: Mr. Z. M. Sada (Chairman), Mr. T. A. Adeniyi (Managing Director), Mr. B. S. Owoade, Mr. O. Ogunfeyitimi, Mr. D. D. Gambo, Mr. A. C. Umunna, Mr. A. A. Bello, Mr. G. Parreira Silva (Brazilian), Dr. (Mrs) A. O. Davies, Mr. A. O. Bolarinde.

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Vitafoam Nigeria Plc

Unaudited Consolidated and Separate Interim Financial Statements for the 6 Months ended March 31, 2026

Statement of Profit or Loss and other Comprehensive Income

	Notes	Group				Company			
		6 Months to 31-Mar-26 N'000	6 Months to 31-Mar-25 N'000	3 Months to 31-Mar-26 N'000	3 Months to 31-Mar-25 N'000	6 months to 31-Mar-26 N'000	6 months to 31-Mar-25 N'000	3 Months to 31-Mar-26 N'000	3 Months to 31-Mar-25 N'000
Revenue	3	62,900,397	56,711,410	34,079,520	30,121,565	54,336,108	50,050,583	27,141,200	24,710,070
Cost of Sales	4	(40,500,441)	(37,656,796)	(22,721,988)	(19,795,268)	(36,433,055)	(34,440,733)	(18,005,937)	(16,007,938)
Gross profit		22,399,956	19,054,614	11,357,532	10,326,297	17,903,053	15,609,850	9,135,263	8,702,132
Other gains and losses	8	1,193,728	604,998	1,176,982	525,507	1,404,395	796,834	1,095,409	560,447
Administrative expenses	5	(6,051,231)	(5,163,253)	(3,147,174)	(2,804,518)	(4,314,440)	(3,677,396)	(2,236,722)	(2,133,255)
Distribution expenses	6	(2,137,143)	(2,138,729)	(1,053,957)	(1,045,315)	(1,938,011)	(1,921,817)	(963,806)	(938,643)
Operating Profit/(loss)		15,405,310	12,357,630	8,333,383	7,001,971	13,054,997	10,807,471	7,030,144	6,190,681
Finance income		319,619	138,506	233,721	69,307	319,529	138,340	233,679	69,199
Finance cost	7	(994,101)	(2,611,574)	(477,105)	(1,444,101)	(885,970)	(2,573,014)	(425,968)	(1,409,940)
Profit/(loss) before taxation		14,730,828	9,884,562	8,089,999	5,627,177	12,488,556	8,372,797	6,837,855	4,849,940
Taxation		(5,092,904)	(3,182,834)	(2,740,399)	(1,746,667)	(4,246,109)	(2,679,295)	(2,324,870)	(1,516,752)
Profit for the period		9,637,924	6,701,728	5,349,600	3,880,510	8,242,447	5,693,502	4,512,985	3,333,188
Exchange difference on translating foreign operations		(885,164)	(258,015)	(659)	(1,311,469)	-	-	-	-
Gain on valuation of investment in equity instruments designated as at FVTOCI		5,861	1,372	3,136	(746)	5,861	1,372	3,136	-
Other comprehensive income		(879,303)	(256,643)	2,477	(1,312,215)	5,861	1,372	3,136	-
Total comprehensive income for the period		8,758,621	6,445,085	5,352,077	2,568,295	8,248,308	5,694,874	4,516,121	3,333,188
Profit/(loss) attributable to :									
Equity holders of the parent		8,876,794	6,273,508	4,975,217	3,675,961	8,248,308	5,694,874	4,512,985	3,333,188
Non-controlling interests		761,130	428,220	374,383	204,549	-	-	-	-
		9,637,924	6,701,728	5,349,600	3,880,510	8,248,308	5,694,874	4,512,985	3,333,188
Earnings per share for profit from total operations attributable to equity holders of parent									
Basic and diluted per share (kobo)		710	502	398	294	659	455	361	266


Statement of Financial Position as at

		Group		Company	
		31st March 2026 N'000	30th September 2025 N'000	31st March 2026 N'000	30th September 2025 N'000
	Note(s)				
Assets					
Non-Current Assets					
Property, plant and equipment	9	15,786,763	15,914,443	11,952,948	11,801,468
Intangible assets		44,934	42,815	27,784	33,856
Investment property		-	-	1,539,237	1,575,376
Investments in subsidiaries		-	-	1,584,621	1,584,621
Investment in financial assets	10	27,492	21,631	27,492	21,631
Finance lease receivables		190,787	121,141	190,787	121,141
Right of use assets		173,174	176,747	173,174	176,747
Deferred tax		642,152	899,287	-	-
		16,865,302	17,176,064	15,496,043	15,314,840
Current Assets					
Inventories	11	23,197,080	28,734,447	18,045,350	22,132,867
Other assets	19	8,256,131	6,048,934	7,159,814	5,373,908
Trade and other receivables	12	5,522,279	4,298,889	5,690,284	5,095,912
Cash and cash equivalents	15	12,888,574	9,017,055	10,185,780	6,605,284
		49,864,064	48,099,325	41,081,228	39,207,971
Total Assets		66,729,366	65,275,389	56,577,271	54,522,811
Equity and Liabilities					
Equity					
Share capital	16	625,422	625,422	625,422	625,422
Reserves		6,038,817	6,918,121	6,744,300	6,738,439
Retained earnings		30,994,082	25,869,820	27,038,779	22,548,864
		37,658,321	33,413,363	34,408,501	29,912,725
Non-controlling interest		2,384,375	2,141,098	-	-
		40,042,696	35,554,461	34,408,501	29,912,725
Liabilities					
Non-Current Liabilities					
Borrowings	17	979,186	2,386,520	448,425	906,873
Retirement benefit obligation		1,747,412	1,636,926	1,634,171	1,636,926
Lease liabilities		149,399	139,437	149,399	139,437
Deferred income		162,619	223,324	54,888	138,698
Deferred tax		3,752,513	3,752,513	3,659,591	3,659,591
		6,791,129	8,138,720	5,946,474	6,481,525
Current Liabilities					
Current tax payable	18	5,603,735	5,792,599	4,267,975	4,637,354
Trade and other payables	14	11,224,517	8,659,624	9,656,726	6,407,429
Borrowings	17	2,311,184	6,916,159	2,129,976	6,916,159
Deferred income		756,104	213,826	167,619	167,619
		19,895,540	21,582,208	16,222,296	18,128,561
Total Liabilities		26,686,669	29,720,928	22,168,770	24,610,086
Total Equity and Liabilities		66,729,366	65,275,389	56,577,271	54,522,811

The unaudited consolidated and separate interim financial statements and the notes on pages 2 to 21, were approved by the board on 27 April, 2026 and were signed on its behalf by:



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



Head, Finance and Accounts
Julius Familoje, FCA
FRC/2025//PRO/ICAN/001/395185

The accounting policies on pages 7 to 15 and the notes on pages 16 to 21 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, 2026

Consolidated and Separate Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Other reserve	Revaluation 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	N'000
Group									
Balance at 01 October 2024	625,422	439,255	393,018	8,063,548	(24,808)	14,073,967	23,570,402	1,459,381	25,029,783
Profit/(loss) for the 6 months						6,273,508	6,273,508	428,220	6,701,728
Other comprehensive income	-	(258,015)	-	-	1,372	-	(256,643)	-	(256,643)
Total comprehensive income for the period	-	(258,015)	-	-	1,372	6,273,508	6,016,865	428,220	6,445,085
Dividends paid	-	-	-	-	-	(1,313,386)	(1,313,386)	(343,879)	(1,657,265)
Balance at 31 March 2025	625,422	181,240	393,018	8,063,548	(23,436)	19,034,089	28,273,881	1,543,722	29,817,603
Balance at 01 October 2024	625,422	439,255	393,018	8,063,548	(24,808)	14,073,967	23,570,402	1,459,381	25,029,783
Profit for the year	-	-	-	-	-	13,511,380	13,511,380	1,025,841	14,537,221
Other comprehensive income	-	(165,173)	-	(1,791,900)	4,181	(402,141)	(2,355,033)	-	(2,355,033)
Total comprehensive profit for the year	-	(165,173)	-	(1,791,900)	4,181	13,109,239	11,156,347	1,025,841	12,182,188
Dividends	-	-	-	-	-	(1,313,386)	(1,313,386)	(344,124)	(1,657,510)
Balance at 30 September, 2025	625,422	274,082	393,018	6,271,648	(20,627)	25,869,820	33,413,363	2,141,098	35,554,461
Profit for 6 months	-	-	-	-	-	8,876,794	8,876,794	761,130	9,637,924
Other comprehensive income	-	(885,164)	-	-	5,861	-	(879,303)	-	(879,303)
Total comprehensive income for the period	-	(885,164)	-	-	5,861	8,876,794	7,997,491	761,130	8,758,621
Dividends	-	-	-	-	-	(3,752,532)	(3,752,532)	(517,853)	(4,270,385)
Balance at 31 March 2026	625,422	(611,082)	393,018	6,271,648	(14,766)	30,994,082	37,658,322	2,384,375	40,042,697

Vitafoam Nigeria Plc

Unaudited Consolidated and separate interim financial statements for the 6 Months ended March 31, 2026

Consolidated and Separate Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Fair value adjustment assets-available-for- sale reserve	Retained income	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000
Company						
Balance at 01 October 2024	625,422	487,418	8,063,548	(24,808)	12,473,293	21,624,873
Profit for the 6 months					5,693,502	5,693,502
Other comprehensive income				1,372		1,372
Dividends paid					(1,313,386)	(1,313,386)
Balance at 31 March 2025	<u>625,422</u>	<u>487,418</u>	<u>8,063,548</u>	<u>(23,436)</u>	<u>16,853,409</u>	<u>26,006,361</u>
Balance at 01 October 2024	625,422	487,418	8,063,548	(24,808)	12,473,290	21,624,870
Profit for the year		-	-	-	11,791,101	11,791,101
Other comprehensive income	-	-	(1,791,900)	4,181	(402,141)	(2,189,860)
Total comprehensive income for the year	-	-	(1,791,900)	4,181	11,388,960	9,601,241
Dividends	-	-	-	-	(1,313,386)	(1,313,386)
Balance at 30 September, 2025	625,422	487,418	6,271,648	(20,627)	22,548,864	29,912,725
Profit for the 6 months	-	-	-	-	8,242,447	8,242,447
Other comprehensive income	-	-	-	5,861	-	5,861
Total comprehensive income for the period	-	-	-	5,861	8,242,447	8,248,308
Dividends	-	-	-	-	(3,752,532)	(3,752,532)
Balance at 31 March 2026	<u>625,422</u>	<u>487,418</u>	<u>6,271,648</u>	<u>(14,766)</u>	<u>27,038,779</u>	<u>34,408,501</u>

The accounting policies on pages 7 to 15 and the notes on pages 16 to 21 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, 2026

Statement of Cash Flows

	Note(s)	Group		Company	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		N'000	N'000	N'000	N'000
Cash flows from operating activities					
Profit/(loss) before taxation		14,730,828	9,884,562	12,488,556	8,372,797
Adjustments for:					
Depreciation and amortisation		570,613	538,675	264,150	274,085
Profit on sale of assets		-	(9,881)	-	(9,881)
Translation adjustment on intangible		872	-	-	-
Translation adjustment on PPE		227,940	95,498	-	-
Deferred income		(60,705)	-	-	-
Finance income		(319,619)	(138,506)	(319,529)	(138,340)
Finance cost		994,101	2,611,574	885,970	2,573,014
Movement in Deferred Tax		257,135	62,075	-	-
Effects of exchange rate movement on cash balance		(7,317)	(7,022)	(7,317)	(7,022)
Service cost		171,144	98,034	57,903	98,034
Gain/Loss on exchange difference translation		(885,164)	(258,015)	-	-
Changes in working capital:					
Inventories		5,537,367	(8,084,685)	4,087,517	(7,995,604)
Trade and other receivables		(1,077,371)	1,035,543	(451,289)	2,117,917
Other assets		(2,207,197)	(4,873,011)	(1,785,906)	(4,854,626)
Trade and other payables		2,426,499	(691,880)	3,113,839	(117,861)
Deferred income		542,278	390,126	(83,810)	390,126
Benefit paid		(60,658)	(66,138)	(60,658)	(66,138)
		20,840,746	586,949	18,189,426	636,501
Tax paid		(5,281,768)	(858,341)	(4,615,488)	-
Net cash from operating activities		15,558,978	(271,392)	13,573,938	636,501
Cash flows from investing activities					
Purchase of property, plant and equipment	9	(659,026)	(593,700)	(369,846)	(184,805)
Proceeds from sale of property, plant and equipment	9	-	9,881	-	9,881
Purchase of intangible assets		(11,265)	-	-	-
Finance receipt		44,639	26,315	44,639	26,315
Finance lease payment		(114,285)	-	(114,285)	-
Interest received		176,536	138,506	176,446	138,340
Net cash from investing activities		(563,401)	(418,998)	(263,046)	(10,269)
Cash flows from financing activities					
Proceeds from borrowings		-	6,014,737	-	4,850,000
Repayment of borrowings		(6,012,309)	(5,017,374)	(5,244,631)	(5,017,374)
Lease liabilities		-	(91,253)	-	(91,253)
Dividends paid		(4,270,385)	(1,657,265)	(3,752,532)	(1,313,386)
Interest paid		(848,681)	(2,372,695)	(740,550)	(2,334,137)
Net cash from financing activities		(11,131,375)	(3,123,850)	(9,737,713)	(3,906,150)
Net cash and cash equivalent for the period					
Cash at the beginning of the period		3,864,202	(3,814,240)	3,573,179	(3,279,918)
Cash at the beginning of the period		9,017,055	7,110,133	6,605,284	5,474,936
Effect of exchange rate movement on cash balances		7,317	7,022	7,317	7,022
Cash and cash equivalent at the end of the period	15	12,888,574	3,302,915	10,185,780	2,202,040

The accounting policies on pages 7 to 15 and the notes on pages 16 to 21 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, 2026

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, 2026

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.

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.

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 recognised 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.

Significant Accounting Policies

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.

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:

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

Significant Accounting Policies

1.12 Property, plant and equipment (continued)

- 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.

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 that financial 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.

Significant Accounting Policies

1.14 Financial instruments (continued)

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.

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 substantively 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 make decisions 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.

1.27 Interests in subsidiaries

Company unaudited consolidated and separate interim financial statements

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

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

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

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

2 Critical accounting estimates and judgements

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

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

2.1 Critical accounting estimates and assumptions

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

2.1.1 Pension obligations

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

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

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

2.1.2 Income Taxes

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

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

Significant Accounting Policies

2.1.3 Impairment of available-for-sale equity investments

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

2.1.4 Useful lives and residual values

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

2.2 Critical judgements in applying the entity's accounting policy

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

2.2.1 Impairment of Non-financial assets

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

2.2.2 Investment in subsidiary - Vitapur Nigeria Limited

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

2.2.3 Functional currency of Vitafoam Sierra Leone

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

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

2.2.4 Impairment of financial assets

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

Vitafoam Nigeria Plc

Unaudited Consolidated and separate interim financial statements for the 6 Months ended March 31, 2026

Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	6 Months to 31-March-26 N'000	6 Months to 31-March-25 N'000	3 Months to 31-March-26 N'000	3 Months to 31-March-25 N'000	6 months to 31-March-26 N'000	6 Months to 31-March-25 N'000	3 Months to 31-March-26 N'000	3 Months to 31-March-25 N'000
3. Revenue								
Local	60,567,257	54,096,983	32,949,002	28,817,856	54,336,108	50,050,583	27,141,200	24,710,070
Outside Nigeria	2,333,140	2,614,427	1,130,518	1,303,709	-	-	-	-
	62,900,397	56,711,410	34,079,520	30,121,565	54,336,108	50,050,583	27,141,200	24,710,070

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

Raw materials and consumables	39,701,938	37,151,807	22,312,829	19,571,226	35,862,460	33,965,146	17,710,293	15,754,698
Depreciation and impairment	352,752	304,887	175,698	154,504	124,844	105,880	62,183	52,834
Labour Cost	445,751	200,102	233,461	69,538	445,751	369,707	233,461	200,406
	40,500,441	37,656,796	22,721,988	19,795,268	36,433,055	34,440,733	18,005,937	16,007,938

5. Administrative expenses

AGM expense	32,748	20,613	29,441	19,830	31,350	18,322	26,970	18,322
Advertising	431,951	285,973	282,991	182,902	381,684	245,497	254,889	163,333
Audit fees	32,665	32,238	4,883	16,785	20,200	18,813	9,133	9,406
Impairment allowance on trade and other debtors	68,196	16,578	6,023	16,578	71,384	16,578	-	16,578
Bank charges	45,779	64,142	32,164	33,108	27,641	42,965	17,825	23,152
Cleaning	54,627	46,999	27,288	27,088	30,784	30,322	15,630	17,388
Consulting and professional fees	108,813	92,980	80,333	44,730	53,898	52,467	39,337	17,791
Amortisation	8,093	7,347	4,187	3,711	6,072	6,625	3,036	3,174
Depreciation	209,377	218,610	110,142	104,749	133,233	161,579	69,868	76,846
Donations	3,581	8,459	302	3,853	2,345	2,876	-	-
Employee costs*	2,459,334	1,895,025	1,311,396	1,033,341	1,686,653	1,151,795	921,139	775,394
Entertainment	29,001	29,371	10,783	15,423	19,572	22,594	9,156	12,107
Other expenses	10,007	12,931	2,871	9,432	4,183	8,720	997	7,419
Gratuity Expenses	172,297	107,464	87,347	53,350	133,315	89,686	66,661	45,041
Insurance	161,790	102,581	105,790	38,435	130,384	81,578	87,311	30,010
Rent and rates	78,015	79,379	69,323	62,750	18,252	20,745	10,729	8,885
Stationery, newspaper and periodicals	38,691	37,354	19,739	19,487	23,622	23,482	12,801	12,752
Postage, telecommunication and internet*	44,173	38,663	19,421	13,605	32,064	23,783	14,938	5,688
Uniform and protective clothing	2,586	4,384	944	3,475	531	3,857	157	3,359
Repairs and maintenance	500,704	376,937	258,549	210,272	284,174	260,375	153,305	148,047
Research and development costs (Note 5.2)	5,187	-	3,043	-	-	-	-	-
Exchange loss (Note 5.1)	511,607	764,507	131,084	402,117	440,232	661,996	107,112	345,198
Security	50,516	38,457	25,605	21,198	33,526	26,212	17,379	14,364
Subscriptions*	22,209	18,201	23,654	12,072	17,529	13,971	10,018	9,848
Transport and traveling	312,459	221,612	148,794	120,329	173,336	144,541	91,618	79,286
Electricity and other utilities	656,825	642,448	351,077	335,898	558,476	548,017	296,713	289,867
	6,051,231	5,163,253	3,147,174	2,804,518	4,314,440	3,677,396	2,236,722	2,133,255

5.1 Unrealised exchange loss comprise majorly N449.31 million (Company: N393.56 million) on receivable from Vitafoam Sierra leone and N62.3 million (Company: N46.67 million) dollar denominated cash and bank balances as at March 31, 2026

5.2 This represent cost incurred with respect to new product development

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	6 Months to 31-March-26 N'000	6 Months to 31-March-25 N'000	3 Months to 31-March-26 N'000	3 Months to 31-March-25 N'000	6 months to 31-March-26 N'000	6 Months to 31-March-25 N'000	3 Months to 31-March-26 N'000	3 Months to 31-March-25 N'000
6. Distribution cost								
This represent cost of freight of goods								
Distribution cost	2,137,143	2,138,729	1,053,957	1,045,315	1,938,011	1,921,817	963,806	938,643
7. Finance cost								
Interest on Term Loan	640,518	1,659,401	292,331	981,479	532,385	1,620,842	241,192	947,316
Other Bank charges	71,791	71,846	36,164	51,958	71,792	71,845	36,165	51,959
Interest on overdraft	-	684,265	7,629	313,568	-	684,265	7,629	313,568
Interest on defined benefit obligation	271,830	183,281	135,915	91,639	271,830	183,280	135,915	91,640
Finance leases	9,962	12,781	5,067	5,457	9,963	12,782	5,067	5,457
	994,101	2,611,574	477,105	1,444,101	885,970	2,573,014	425,968	1,409,940
8. Other gains and losses								
Profit on disposal of assets	-	9,881	-	9,881	-	9,881	-	9,881
Investment income	251,377	24,470	484,392	220,884	541,469	232,896	472,841	220,884
Sale of scrap items	564,777	464,303	330,598	183,253	430,995	415,388	262,811	217,874
Interest refund	286,251	-	286,251	-	286,251	-	286,251	-
Rental income	13,536	6,526	31,601	27,999	61,871	54,860	31,601	27,999
Provision no longer required	(3,593)	3,033	2,235	9,289	-	-	-	-
Government grants	81,380	96,785	41,905	74,201	83,809	83,809	41,905	83,809
	1,193,728	604,998	1,176,982	525,507	1,404,395	796,834	1,095,409	560,447

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Notes to the Unaudited Consolidated and Separate Interim Financial Statements

9. Property, plant and equipment

Group

	Freehold Land N'000	Buildings N'000	Plant and machinery N'000	Furniture and Fixtures N'000	Motor Vehicle N'000	IT Equipment '000	Total N'000
Cost							
Balance at 01 October 2024	9,398,211	6,994,257	5,863,910	527,028	996,357	120,801	23,900,564
Additions	-	50,756	785,298	68,041	118,671	49,812	1,072,578
Disposals	-	-	(7,605)	(717)	(71,561)	(558)	(80,441)
Reclassification	-	-	60,821	-	-	-	60,821
Effect of exchange differences	-	(181,090)	(33,309)	(3,103)	(10,981)	(616)	(229,099)
Balance at Sept. 30, 2025	9,398,211	6,863,923	6,669,115	591,249	1,032,486	169,439	24,724,423
Balance at 01 October 2025	9,398,211	6,863,923	6,669,115	591,249	1,032,486	169,439	24,724,423
Addition	-	55,303	268,193	43,840	259,714	31,977	659,027
Reclassification	-	(3,662)	-	3,662	-	-	-
Write off	-	-	(34,796)	(138,139)	(3,901)	-	(176,837)
Effect of exchange differences	-	(292,232)	(70,371)	(3,726)	(30,071)	(5,307)	(401,707)
Balance at 31 March, 2026	9,398,211	6,623,332	6,832,141	496,886	1,258,228	196,109	24,804,907
Accumulated depreciation							
Balance at 01 October 2024	-	2,268,546	4,355,198	421,758	819,885	98,065	7,963,452
Charge for the year	-	215,242	625,957	40,954	124,984	20,249	1,027,386
Disposal	-	-	(7,605)	(657)	(71,561)	(558)	(80,381)
Effect of exchange differences	-	(54,460)	(33,539)	(2,781)	(9,106)	(591)	(100,477)
Transfer from disposal group	-	-	-	-	-	-	-
Balance at Sept. 30, 2025	-	2,429,328	4,940,011	459,274	864,202	117,165	8,809,980
Balance at 01 October 2025	-	2,429,328	4,940,011	459,274	864,202	117,165	8,809,980
Charge for the period	-	105,824	352,752	24,510	57,780	17,900	558,766
Write off	-	-	(34,796)	(138,139)	(3,901)	-	(176,837)
Effect of exchange differences	-	(95,010)	(56,771)	(2,521)	(16,336)	(3,129)	(173,767)
Balance at 31 March, 2026	-	2,440,142	5,201,196	343,124	901,745	131,936	9,018,143
Carrying amount							
Balance as at 31 March, 2026	9,398,211	4,183,190	1,630,945	153,762	356,483	64,173	15,786,763
Balance at September 30, 2025	9,398,211	4,434,595	1,729,104	131,975	168,284	52,274	15,914,443

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Company

	Freehold Land N'000	Buildings N'000	Plant and machinery N'000	Furniture and Motor Vehicle fixtures N'000	IT Equipment N'000	Total N'000
Cost						
Balance at 01 October 2024	9,390,601	2,643,636	2,839,334	368,777	756,547	16,042,646
Addition	-	5,235	379,678	48,015	12,818	468,780
Disposal	-	-	(4,653)	(292)	(71,561)	(77,064)
Balance at 30th September, 2025	9,390,601	2,648,871	3,214,359	416,500	697,804	16,434,362
Balance at 01 October 2025	9,390,601	2,648,871	3,214,359	416,500	697,804	16,434,362
Addition	-	32,866	160,950	26,591	132	369,846
Write off	-	-	(34,796)	(138,139)	(3,901)	(176,836)
Balance at 31 March, 2026	9,390,601	2,681,737	3,340,513	304,952	826,688	16,627,372
Accumulated depreciation						
Balance at 01 October 2024	-	894,088	2,408,451	318,868	617,760	4,276,187
Charge for the year	-	80,129	217,280	22,536	102,573	433,771
Disposal	-	-	(4,653)	(292)	(71,561)	(77,064)
Balance at 30 September, 2025	-	974,217	2,621,078	341,112	648,772	4,632,894
Balance at 01 October 2025	-	974,217	2,621,078	341,112	648,772	4,632,894
Charge for the period	-	40,189	124,844	14,499	28,779	218,366
Disposal	-	-	-	-	-	-
Write off	-	-	(34,796)	(138,139)	(3,901)	(176,836)
Balance at 31 March, 2026	-	1,014,406	2,711,126	217,472	673,650	4,674,424
Carrying amount						
Balance as at 31 March, 2026	9,390,601	1,667,331	629,387	87,480	153,038	11,952,948
Balance as at 30 September 2025	9,390,601	1,674,655	593,281	75,387	49,032	11,801,468

10. Available for-sale financial assets

Investment in Financial assets

Quoted Security

27,492	21,631	27,492	21,631
27,492	21,631	27,492	21,631

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.

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Notes to the Unaudited Consolidated and Separate Interim Financial Statements

	Group		Company	
	31-March-26 N'000	30 September 2025 N'000	31-March-26 N'000	30 September 2025 N'000
11. Inventories				
Finished goods - cost	2,868,461	2,718,808	1,673,425	2,115,943
Raw materials - cost	18,195,158	21,876,901	14,795,853	16,879,018
Work in progress - cost	758,866	2,210,817	539,766	1,569,281
Spare parts and consumables - cost	1,411,005	1,964,331	1,069,754	1,602,073
	23,233,490	28,770,857	18,078,798	22,166,315
Inventories (write-downs)	(36,410)	(36,410)	(33,448)	(33,448)
	23,197,080	28,734,447	18,045,350	22,132,867

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

12. Trade and other receivables

Trade receivables	2,753,704	1,177,133	976,443	372,373
Allowance for doubtful debt receivables	(489,829)	(440,176)	(295,020)	(221,124)
Other receivables (Note 12.1)	3,238,775	3,546,742	2,925,494	3,165,506
Staff Debtors	19,629	15,190	2,308	8,281
Receivables from related parties (Note 13)	-	-	2,081,059	1,770,876
	5,522,279	4,298,889	5,690,284	5,095,912

12.1 Other receivable comprise majorly of unclaimed dividends held by meristem registrar and unclaimed dividend trust fund of N1.56 billion (Company:N1.56 billion), deposit for chemicals with foreign suppliers N1.13 billion (Company: N1.13 billion), withholding tax receivables N0.29 billion (Company: N0.01 billion) and other debtors N0.26 billion (company: N0.23 billion)

13. Related parties

Due from/to related entities

Vitapur Nigeria Limited	-	-	342,615	46,051
Vitablom Nigeria Limited	-	-	(541,629)	(477,216)
Vono Furniture Products Ltd.	-	-	283,847	137,140
Vitafoam Sierra -Leone	-	-	1,555,669	1,884,330
Vitavisco Nig. Ltd	-	-	(152,589)	(400,491)
Vitaparts	-	-	616,052	606,015
Allowance for Impairment	-	-	(22,906)	(24,953)
	-	-	2,081,059	1,770,876

14. Trade and other payables

Trade payables	4,129,967	2,505,068	3,744,496	2,127,702
Dealers Securities' Deposit	555,416	681,910	484,300	477,493
Dividends Unclaimed	2,451,985	1,784,707	2,389,065	1,782,458
Value added tax payable	901,892	448,467	470,431	25,434
Other credit balances	646,494	1,404,946	219,836	416,604
Accrued expenses (Note 14.1)	1,009,609	275,936	906,682	104,843
Withholding tax payable	501,823	142,286	488,975	147,040
Other accounts payable	177,473	149,608	103,083	59,159
Contract liability	849,858	1,266,696	849,858	1,266,696
	11,224,517	8,659,624	9,656,726	6,407,429

14.1 Accruals comprise, allowance for Customer loyalty bonus payable at year end N373.8 million, freight expense N231.23 million, interest expense on defined benefit obligation N283.08 million and accrual others N120.75 million.

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	Group		Company	
	31-March-26	30 September 2025	31-March-26	30 September 2025
	N'000	N'000	N'000	N'000
15. Cash and bank balances				
Cash and cash equivalents consist of:				
Cash	61,882	44,720	40,905	23,316
Bank Balances	8,576,685	8,972,335	5,894,868	6,581,968
Fixed deposits	4,250,007	-	4,250,007	-
	12,888,574	9,017,055	10,185,780	6,605,284
16. Share capital				
Authorised				
1,250,844,064 Ordinary shares of 50 kobo each	625,422	625,422	625,422	625,422
Issued				
Ordinary shares 1,250,844,064 of 50 kobo each	625,422	625,422	625,422	625,422
17. Borrowings				
Non Current				
	-	-	-	-
Bank loan	979,186	2,386,520	448,425	906,873
Total	979,186	2,386,520	448,425	906,873
Current				
Letter of credit	-	2,266,081	-	2,266,081
Bank loan	2,311,184	4,650,078	2,129,976	4,650,078
Total current borrowings	2,311,184	6,916,159	2,129,976	6,916,159
Total borrowings	3,290,370	9,302,679	2,578,401	7,823,032
18. Current tax Payable				
The movement in current tax payable is as follows:				
	-	-	-	-
At 1 October	5,792,599	912,180	4,637,354	7,510
Company income tax	5,092,904	5,883,089	4,246,109	4,629,844
Payment during the year	(5,281,768)	(1,002,670)	(4,615,488)	-
At 31 March 2026	5,603,735	5,792,599	4,267,975	4,637,354
19. Other assets				
Prepaid rent	85,932	201,562	1,428	91,608
Prepaid insurance	299,847	59,307	272,613	48,338
Prepaid advertisement	193,983	-	193,983	-
Prepaid subscription	102,492	42,918	75,618	41,610
Letter of credit cash back (Note 19.1)	6,662,317	5,460,444	6,029,005	5,009,081
Other prepayment (Note 19.2)	911,560	284,703	587,167	183,271
	8,256,131	6,048,934	7,159,814	5,373,908

19.1 Letter of credit cash back represent committed cash no longer available for another purpose other than that for which it has been designated. N6.13 billion (Company: N5.5 billion) represent naira deposit for foreign currencies purchased for funding of letter of credit and N0.53 billion (Company: N0.53billion) amount paid in advance for import duty and clearing related expense for importation of raw materials, spare parts and machinery which are in transit as at the March 31, 2026.

19.2 Other prepayment relates to advance payment for health insurance, container deposits and interest expense amortised over repayment period of the term loans.