

**Vitafoam Nigeria Plc**  
**Financial Statements**  
**For the year ended 30 September 2013**

|                                            |      | <b>2013</b>             | <b>2012</b>              | <b>01.10.2011</b>       | <b>2013</b>             | <b>2012</b>              | <b>01.10.2011</b>       |
|--------------------------------------------|------|-------------------------|--------------------------|-------------------------|-------------------------|--------------------------|-------------------------|
| <b>ASSETS</b>                              | Note | <b>N' 000</b>           | <b>N' 000</b>            | <b>N' 000</b>           | <b>N' 000</b>           | <b>N' 000</b>            | <b>N' 000</b>           |
| <b>Non Current Assets</b>                  |      |                         |                          |                         |                         |                          |                         |
| Property, plant and equipment              | 13   | 3,375,736               | 2,986,536                | 2,555,606               | 2,582,637               | 2,535,991                | 2,362,787               |
| Intangible Assets                          | 12   | 33,963                  | -                        | -                       | 33,963                  | -                        | -                       |
| Investment property                        | 15   | 11,992                  | 12,642                   | 13,292                  | 11,992                  | 12,642                   | 13,292                  |
| Investment in subsidiaries                 | 16   | -                       | -                        | -                       | 136,029                 | 182,334                  | 156,979                 |
| Investment in associate                    | 17   | 295,700                 | 298,653                  | 47,504                  | 398,181                 | 398,181                  | 94,094                  |
| Available for sale financial assets        | 18   | 19,905                  | 18,644                   | 16,910                  | 19,905                  | 18,644                   | 16,910                  |
|                                            |      | <u>3,737,296</u>        | <u>3,316,475</u>         | <u>2,633,312</u>        | <u>3,182,706</u>        | <u>3,147,792</u>         | <u>2,644,062</u>        |
| <b>Current assets</b>                      |      |                         |                          |                         |                         |                          |                         |
| Inventory                                  | 19   | 4,131,820               | 4,955,388                | 4,341,282               | 3,491,592               | 4,453,130                | 4,017,504               |
| Trade and other receivables                | 20   | 1,828,837               | 1,616,116                | 1,435,081               | 2,601,369               | 2,191,704                | 1,947,170               |
| Cash and Bank                              | 21   | 263,085                 | 370,682                  | 739,263                 | 119,565                 | 323,596                  | 692,234                 |
|                                            |      | <u>6,223,742</u>        | <u>6,942,186</u>         | <u>6,515,626</u>        | <u>6,212,526</u>        | <u>6,968,430</u>         | <u>6,656,908</u>        |
| <b>Total assets</b>                        |      | <u><b>9,961,039</b></u> | <u><b>10,258,661</b></u> | <u><b>9,148,938</b></u> | <u><b>9,395,233</b></u> | <u><b>10,116,222</b></u> | <u><b>9,300,970</b></u> |
| <b>Non-current liabilities</b>             |      |                         |                          |                         |                         |                          |                         |
| Borrowings                                 | 22   | 547,983                 | 263,384                  | 362,964                 | 347,388                 | 243,384                  | 362,964                 |
| Deferred tax liability                     | 23   | 247,449                 | 265,687                  | 243,673                 | 247,449                 | 265,687                  | 243,673                 |
| Employee Benefits Obligations              | 24   | 305,361                 | 275,510                  | 302,894                 | 301,980                 | 272,606                  | 298,078                 |
|                                            |      | <u>1,100,793</u>        | <u>804,581</u>           | <u>909,531</u>          | <u>896,817</u>          | <u>781,677</u>           | <u>904,715</u>          |
| <b>Current liabilities</b>                 |      |                         |                          |                         |                         |                          |                         |
| Trade and other payables                   | 25   | 2,452,759               | 2,971,217                | 2,299,481               | 2,021,602               | 2,645,954                | 2,344,120               |
| Current Income tax liabilities             | 26   | 276,881                 | 327,731                  | 294,064                 | 276,881                 | 327,731                  | 287,074                 |
| Borrowings                                 | 22   | 3,020,580               | 3,243,393                | 3,002,468               | 2,913,615               | 3,243,393                | 3,002,468               |
|                                            |      | <u>5,750,220</u>        | <u>6,542,341</u>         | <u>5,596,013</u>        | <u>5,212,098</u>        | <u>6,217,078</u>         | <u>5,633,663</u>        |
| <b>Total liabilities</b>                   |      | <u><b>6,851,013</b></u> | <u><b>7,346,922</b></u>  | <u><b>6,505,544</b></u> | <u><b>6,108,915</b></u> | <u><b>6,998,755</b></u>  | <u><b>6,538,377</b></u> |
| <b>Equity attributable to shareholders</b> |      |                         |                          |                         |                         |                          |                         |
| Share capital                              | 27   | 409,500                 | 409,500                  | 409,500                 | 409,500                 | 409,500                  | 409,500                 |
| Reserves                                   | 28   | 2,763,815               | 2,533,757                | 2,220,001               | 2,876,818               | 2,707,967                | 2,353,093               |
| Non -controlling interest                  | 29   | (63,289)                | (31,518)                 | 13,893                  | -                       | -                        | -                       |
| <b>Total equity</b>                        |      | <u><b>3,110,026</b></u> | <u><b>2,911,739</b></u>  | <u><b>2,643,394</b></u> | <u><b>3,286,318</b></u> | <u><b>3,117,467</b></u>  | <u><b>2,762,593</b></u> |
| <b>Total equity and liabilities</b>        |      | <u><b>9,961,039</b></u> | <u><b>10,258,661</b></u> | <u><b>9,148,938</b></u> | <u><b>9,395,233</b></u> | <u><b>10,116,222</b></u> | <u><b>9,300,970</b></u> |

The notes on pages 7 to 49 are an integral part of these financial statements.

The financial statements on pages 2 to 6 were approved and authorised for issue by the board of directors on 21 January 2014 and were signed on its behalf by:

Sign: Mr. Joel O. Ajiga  
FRC/2013/ICMN/00000005307

Sign: Mr. Brabindoh O. Ogun  
FRC/2013/ICAN/00000005303

**Vitafoam Nigeria Plc**  
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**For the year ended 30 September 2013**

| <b>Statement of Comprehensive Income</b>                          |      | <b>Group</b>                 |                              | <b>Company</b>               |                              |
|-------------------------------------------------------------------|------|------------------------------|------------------------------|------------------------------|------------------------------|
|                                                                   | Note | <b>2013</b><br><b>N' 000</b> | <b>2012</b><br><b>N' 000</b> | <b>2013</b><br><b>N' 000</b> | <b>2012</b><br><b>N' 000</b> |
| Revenue                                                           | 7    | 16,338,823                   | 14,479,781                   | 15,592,358                   | 14,126,527                   |
| Cost of Sales                                                     |      | (10,870,143)                 | (9,336,174)                  | (10,467,897)                 | (9,374,072)                  |
| Gross Profit                                                      | 8    | 5,468,680                    | 5,143,607                    | 5,124,461                    | 4,752,455                    |
| Other Income                                                      | 9    | 165,274                      | 146,305                      | 137,113                      | 121,674                      |
| Distribution Cost                                                 | 9    | (955,826)                    | (945,191)                    | (952,522)                    | (759,103)                    |
| Administrative Expenses                                           |      | (3,384,745)                  | (3,006,508)                  | (3,007,079)                  | (2,763,732)                  |
| Operating Profit                                                  |      | 1,293,383                    | 1,338,213                    | 1,301,973                    | 1,351,294                    |
| Finance Costs                                                     | 10   | (660,645)                    | (472,546)                    | (668,803)                    | (477,809)                    |
| Share of loss of associate                                        | 16   | (2,953)                      | (52,938)                     | 0                            | 0                            |
| Profit before income tax                                          |      | <b>629,785</b>               | <b>812,729</b>               | <b>633,170</b>               | <b>873,485</b>               |
| Income tax expense                                                | 11   | (219,472)                    | (311,135)                    | (219,472)                    | (311,135)                    |
| Profit for the year                                               |      | <b>410,313</b>               | <b>501,594</b>               | <b>413,698</b>               | <b>562,350</b>               |
| Other Comprehensive Income:                                       |      |                              |                              |                              |                              |
| Remeasurements of retirement benefit obligations                  | 24   | (405)                        | 36,489                       | (405)                        | 36,489                       |
| Change in fair values of available for sale financial instruments | 18   | 1,261                        | 1,734                        | 1,261                        | 1,734                        |
| Total comprehensive income for the year                           |      | <b>411,169</b>               | <b>539,817</b>               | <b>414,554</b>               | <b>600,573</b>               |
| Profit for the year                                               |      |                              |                              |                              |                              |
| Attributable to:                                                  |      |                              |                              |                              |                              |
| – Owners of the parent                                            |      | 435,515                      | 566,851                      | 413,698                      | 562,350                      |
| – Non-controlling interests                                       |      | (25,202)                     | (65,257)                     | -                            | -                            |
| Total profit for the year                                         |      | <b>410,313</b>               | <b>501,594</b>               | <b>413,698</b>               | <b>562,350</b>               |
| Total Comprehensive income for the year                           |      |                              |                              |                              |                              |
| Attributable to:                                                  |      |                              |                              |                              |                              |
| – Owners of the parent                                            |      | 436,371                      | 605,074                      | 414,554                      | 600,573                      |
| – Non-controlling interests                                       |      | (25,202)                     | (65,257)                     | -                            | -                            |
| Total comprehensive income for the year                           |      | <b>411,169</b>               | <b>539,817</b>               | <b>414,554</b>               | <b>600,573</b>               |
| Earnings per share:                                               |      |                              |                              |                              |                              |
| Basic (kobo)                                                      |      | 0.50                         | 0.61                         | 0.51                         | 0.69                         |
| Diluted(kobo)                                                     |      | 0.50                         | 0.61                         | 0.51                         | 0.69                         |

The notes on pages 7 to 62 are an integral part of these financial statements.

Vitafoam Nigeria Plc  
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Company Statement of Changes in Equity

|                                                  | Attributable to equity holders |                        |                           |                                      |                  |
|--------------------------------------------------|--------------------------------|------------------------|---------------------------|--------------------------------------|------------------|
|                                                  | Share capital<br>N'000         | Share Premium<br>N'000 | Retained Profits<br>N'000 | Available-for-sale Reserves<br>N'000 |                  |
| <b>Balance at 1 October 2011</b>                 | 409,500                        | 3                      | 2,390,201                 | - 37,111                             | 2,762,593        |
|                                                  | 409,500                        | 3                      | 2,390,201                 | - 37,111                             | 2,762,593        |
| Total comprehensive income or loss               |                                |                        |                           |                                      |                  |
| Profit or loss for the period                    | -                              | -                      | 562,350                   | -                                    | 562,350          |
| <b>Other comprehensive income</b>                |                                |                        |                           |                                      |                  |
| Change in available for sale financial asset     | -                              | -                      | -                         | 1,734                                | 1,734            |
| Remeasurements of retirement benefit obligations | -                              | -                      | 36,489                    | -                                    | 36,489           |
| <b>Total comprehensive income or loss</b>        | -                              | -                      | <b>598,839</b>            | <b>1,734</b>                         | <b>600,573</b>   |
| <b>Transaction with owners:</b>                  |                                |                        |                           |                                      |                  |
| Dividend paid                                    | -                              | -                      | 245,700                   | -                                    | 245,700          |
| Total Transactions with owners                   | -                              | -                      | 245,700                   | -                                    | 245,700          |
| <b>At 30 September 2012</b>                      | <b>409,500</b>                 | <b>3</b>               | <b>2,743,340</b>          | <b>(35,377)</b>                      | <b>3,117,466</b> |
| <b>Balance at 1 October 2012</b>                 | 409,500                        | 3                      | 2,743,340                 | (35,377)                             | 3,117,466        |
|                                                  | 409,500                        | 3                      | 2,743,341                 | (35,377)                             | 3,117,467        |
| <b>Total comprehensive income or loss</b>        |                                |                        |                           |                                      |                  |
| Profit or loss for the period                    | -                              | -                      | 413,698                   | -                                    | 413,698          |
| <b>Other comprehensive income</b>                |                                |                        |                           |                                      |                  |
| Change in available for sale financial asset     | -                              | -                      | -                         | 1,261                                | 1,261            |
| Remeasurements of retirement benefit obligations | -                              | -                      | 405                       | -                                    | 405              |
| <b>Total comprehensive income or loss</b>        | -                              | -                      | <b>413,293</b>            | <b>1,261</b>                         | <b>414,554</b>   |
| <b>Transaction with owners</b>                   |                                |                        |                           |                                      |                  |
| Dividend paid                                    | -                              | -                      | (245,700)                 | -                                    | (245,700)        |
| <b>Total Transactions with owners</b>            | -                              | -                      | <b>(245,700)</b>          | -                                    | <b>(245,700)</b> |
| <b>At 30 September 2013</b>                      | <b>409,500</b>                 | <b>3</b>               | <b>2,910,934</b>          | <b>- 34,116</b>                      | <b>3,286,321</b> |

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Group Statement of Changes in Equity

|                                                         | Share<br>capital | Share<br>Premium | Retained<br>Profits | Available-<br>Sale<br>Reserves | Non-<br>controlling<br>Interest | Total<br>equity  |
|---------------------------------------------------------|------------------|------------------|---------------------|--------------------------------|---------------------------------|------------------|
|                                                         | N'000            | N'000            | N'000               | N'000                          | N'000                           | N'000            |
| <b>Balance at 1 October 2011</b>                        | 409,500          | 3                | 2,257,109           | (37,111)                       | 13,893                          | 2,643,394        |
| <b>Retrospective restatement errors</b>                 | -                | -                | 6,990               | -                              | -                               | 6,990            |
| <b>Restated balance</b>                                 | 409,500          | 3                | 2,264,099           | (37,111)                       | 13,893                          | 2,650,384        |
| <b>Total comprehensive income or loss</b>               |                  |                  |                     |                                |                                 | -                |
| Profit or (loss) for the period                         |                  |                  | 566,851             |                                | (65,257)                        | 501,594          |
| <b>Other comprehensive income</b>                       |                  |                  |                     |                                |                                 | -                |
| Change in available for sale financial asset            |                  |                  |                     | 1,734                          |                                 | 1,734            |
| Remeasurements of retirement benefit obligations        |                  |                  | 36,489              |                                |                                 | 36,489           |
| <b>Total comprehensive income or loss</b>               | -                | -                | <b>603,340</b>      | <b>1,734</b>                   | <b>(65,257)</b>                 | <b>539,817</b>   |
| <b>Transaction with owners:</b>                         |                  |                  |                     |                                |                                 |                  |
| Retrospective restatement of errors                     |                  |                  |                     |                                |                                 |                  |
| Issue of new shares                                     |                  |                  |                     |                                | 19,846                          | 19,846           |
| Dividend paid                                           |                  |                  | (251,718)           |                                |                                 | (251,718)        |
| <b>Total Transactions with owners</b>                   | -                | -                | (251,718)           | -                              | 19,846                          | (231,872)        |
| <b>Retrospective restatement of errors</b>              |                  |                  |                     |                                |                                 |                  |
| Retrospective restatement of share of loss of associate |                  |                  | (46,590)            |                                |                                 | (46,590)         |
| <b>Total retrospective restatement of errors</b>        |                  |                  | (46,590)            |                                |                                 | (46,590)         |
| <b>At 30 September 2012</b>                             | 409,500          | 3                | 2,569,131           | (35,377)                       | (31,517)                        | 2,911,739        |
| <b>Balance at 1 October 2012</b>                        | 409,500          | 3                | 2,569,131           | (35,377)                       | (31,517)                        | 2,911,739        |
|                                                         | 409,500          | 3                | 2,569,131           | (35,377)                       | (31,517)                        | 2,911,739        |
| Profit or loss for the period                           |                  |                  | 435,515             |                                | (25,202)                        | 410,313          |
| <b>Other comprehensive income</b>                       |                  |                  |                     |                                |                                 |                  |
| Change in available for sale financial asset            |                  |                  |                     | 1,261                          |                                 | 1,261            |
| Remeasurements of retirement benefit obligations        |                  |                  | (405)               |                                |                                 | (405)            |
| <b>Total comprehensive income or loss</b>               | -                | -                | 435,110             | 1,261                          | (25,202)                        | 411,169          |
| <b>Transaction with owners</b>                          |                  |                  |                     |                                |                                 |                  |
| Issue of new shares                                     | -                |                  |                     |                                | (6,569)                         | (6,569)          |
| Other reserves                                          |                  |                  | 46,590              |                                |                                 | 46,590           |
| Transfer of interest to non-controlling interest        |                  |                  | 4,000               |                                | -                               | 4,000            |
| Other dividend paid                                     |                  |                  | (11,200)            |                                |                                 | (11,200)         |
| Dividend paid                                           |                  |                  | (245,700)           |                                |                                 | (245,700)        |
| <b>Total Transactions with owners</b>                   | -                | -                | (206,310)           | -                              | (6,569)                         | (212,879)        |
| <b>At 30 September 2013</b>                             | <b>409,500</b>   | <b>3</b>         | <b>2,797,931</b>    | <b>(34,116)</b>                | <b>(63,291)</b>                 | <b>3,110,026</b> |

**Vitafoam Nigeria Plc**  
**Financial Statements**  
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**CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS**

|                                                                    | <b>Group</b>       |                    | <b>Company</b>     |                    |
|--------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                    | <b>N'000</b>       | <b>N'000</b>       | <b>N'000</b>       | <b>N'000</b>       |
| Cash receipts from customers                                       | 16,253,213         | 14,543,509         | 15,558,814         | 14,197,920         |
| Cash paid to suppliers and employees                               | (13,824,491)       | (12,693,393)       | (13,357,298)       | (12,538,528)       |
| VAT                                                                | (603,276)          | (469,559)          | (603,276)          | (469,599)          |
| Tax paid                                                           | (288,560)          | (248,464)          | (288,560)          | (248,464)          |
| <b>Net cashflows from operating activities</b>                     | <b>1,536,886</b>   | <b>1,132,093</b>   | <b>1,309,680</b>   | <b>941,329</b>     |
| Acquisition of investments in subsidiaries, associates             | -                  | (302,353)          | (8,000)            | (369,342)          |
| Acquisition of property, plant and equipment and intangible assets | (833,839)          | (768,881)          | (425,151)          | (505,922)          |
| Proceeds from sale of investment                                   | 8,000              | -                  | 8,700              | -                  |
| Additions to intangible assets                                     | (33,963)           | -                  | (33,963)           | -                  |
| Loan repayment                                                     | 42,000             | 150,000            | 42,000             | 150,000            |
| Interest received                                                  | 2,908              | 1,976              | 2,908              | 1,976              |
| Dividend received                                                  | 1,350              | 10,044             | 30,150             | 10,044             |
| Proceeds from sale of property, plant and equipment                | 13,619             | 5,441              | 9,920              | 5,441              |
| <b>Net cash used in investing activities</b>                       | <b>(799,925)</b>   | <b>(903,773)</b>   | <b>(373,436)</b>   | <b>(707,803)</b>   |
| <b>Cash flows from financing activities</b>                        |                    |                    |                    |                    |
| Dividend paid                                                      | (245,700)          | (245,700)          | (245,700)          | (245,700)          |
| Loan proceeds                                                      | 579,083            | -                  | 350,000            | -                  |
| Loan repaid                                                        | (169,903)          | (105,509)          | (133,162)          | (105,509)          |
| Interest repaid                                                    | (660,645)          | (472,546)          | (668,803)          | (477,809)          |
| <b>Net cash used in financing activities</b>                       | <b>(497,165)</b>   | <b>(823,755)</b>   | <b>(697,665)</b>   | <b>(829,018)</b>   |
| <b>Increase/(Decrease) in cash and cash equivalents</b>            | <b>239,796</b>     | <b>(595,435)</b>   | <b>238,579</b>     | <b>(595,492)</b>   |
| <b>Cash and cash equivalents at start of year</b>                  | <b>(2,744,561)</b> | <b>(2,149,126)</b> | <b>(2,791,647)</b> | <b>(2,196,155)</b> |
| <b>Cash and cash equivalents at end of year</b>                    | <b>(2,504,765)</b> | <b>(2,744,561)</b> | <b>(2,553,068)</b> | <b>(2,791,647)</b> |
| <b>Cash and cash equivalents comprise:</b>                         |                    |                    |                    |                    |
| Cash at bank                                                       | 161,781            | 276,175            | 23,840             | 235,114            |
| Cash on hand                                                       | 64,708             | 60,826             | 59,129             | 54,801             |
| Fixed deposits                                                     | 36,596             | 33,681             | 36,596             | 33,681             |
| Short term borrowings                                              | (2,767,850)        | (3,115,243)        | (2,672,631)        | (3,115,243)        |
|                                                                    | <b>(2,504,765)</b> | <b>(2,744,561)</b> | <b>(2,553,066)</b> | <b>(2,791,647)</b> |