

COMPANIES AND ALLIED MATTERS DECREE NO.1 1990 2ND SCHEDULE

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Commencement [2nd January 1990]

SECOND SCHEDULE

Sections 120, 335, 337.

FORM AND CONTENT OF COMPANY'S FINANCIAL STATEMENTS

PART I-GENERAL INFORMATION TO BE DISCLOSED

GENERAL RULES AND FORMATS

SECTION A-GENERAL INFORMATION TO BE DISCLOSED

1.All accounting information that will assist users to assess the financial liquidity, profitability and viability of a company should be disclosed and presented in a logical, clear and understandable manner.

2.The financial statements of a company shall state-

(a) The name of the company;

(b) the period of time covered;

(c) a brief description of its activities;

(d) its legal form;

(e) its relationship with its significant local and overseas suppliers (if any) including the immediate and ultimate parent associated or affiliated company.

3.Financial statements should include the following-

- (a) statement of accounting policies;
- (b) balance sheet;
- (c) profit and loss account or income statement;
- (d) notes on the accounts;
- (e) statement of source and application of funds;
- (f) value added statement;
- (g) five-year financial summary.

4. Financial implication of inter-company transfer and technical management agreements between the company and its significant local and overseas suppliers (if any) including its immediate and ultimate associated, affiliated company should be disclosed.

5. Financial statements should show corresponding figures for the preceding period.

SECTION B-GENERAL RULES

6. (1) Subject to the following provisions of this Schedule-

(a) every balance sheet of a company shall show the items listed in either of the balance sheet formats set out below in section C of this Part; and

(b) every profit and loss account of a company shall show the items listed in any one of the profit and loss account formats so set out; in either case in the order and under the headings and sub-headings given in the format adopted.

(2) Sub-paragraph (1) above is not to be read as requiring the heading or sub-heading for any items to be distinguished by any letter or number assigned to that item in the format adopted.

7. (1) Where in accordance with paragraph 1 a company's balance sheet or profit and loss account for any year has been prepared by reference to one of the formats set out in section

C of this Schedule, the directors of the company shall adopt the same format in preparing the accounts for subsequent years of the company unless in their opinion there are special reasons for a change.

(2) Particulars of any change in the format adopted in preparing a company's balance sheet or profit and loss account in accordance with paragraph 1 shall be disclosed, and the reasons for the change shall be explained in a note to the accounts in which the new format is first adopted.

8. (1) any item required in accordance with paragraph 1 to be shown in a company's balance sheet or profit and loss account may be shown in greater detail than required by the format adopted.

(2) A company's balance sheet or profit and loss account may include an item representing or covering the amount of any asset or liability, income or expenditure not otherwise covered by any of the items listed in the format adopted, but the following shall not be treated as assets in any company's balance sheet-

(a) preliminary expenses;

(b) expenses or commission on any issue of shares or debentures; and

(c) research and development costs

(3) In preparing a company's balance sheet or profit and loss account, the directors of the company shall adapt the arrangement and headings and sub-headings otherwise required by paragraph 1 in respect of the items to which an Arabic number is assigned in the format adopted, in any case where the special nature of the company's business requires such adoption.

(4) Items to which Arabic numbers are assigned in any of the formats set out in section B below may be combined in a company's account for any year if either-

(a) their individual amounts are not material to assessing the state of affairs or profit or loss or the company for that year; or

(b) the combination facilitates that assessment;

but in a case within paragraph (b) the individual amounts of any item so combined shall be disclosed in a note to the accounts

(5) Subject to paragraph 9(3) below, a heading or sub-heading corresponding to an item listed in the format adopted in preparing a company's balance sheet or profit and loss account shall not be included if there is no amount to be shown for that item in respect of the year to which the balance sheet or profit and loss account relates.

(6) Every profit and loss account of a company shall show the amount of the company's profit or loss on ordinary activities before taxation.

(7) Every profit and loss account of a company show separately as additional items-

(a) any amount set aside or proposed to be set aside to, or withdrawn or proposed to be withdrawn from, reserves; and

(b) the aggregate amount of any dividends paid and proposed.

9. (1) In respect of every item shown in a company's balance sheet or profit and loss account, the corresponding amount for the year immediately preceding that to which the balance sheet or profit and loss account relates shall also be shown.

(2) Where that corresponding amount is not comparable with the amount to be shown for the item in question in respect of the year to which the balance sheet or profit and loss account relates, the former amount shall be adjusted and particulars of the adjustment and the reasons for it shall be disclosed in a note to the accounts.

(3) Paragraph 8(5) does not apply in any case where an amount can be shown for the item in question in respect of the year immediately preceding that to which the balance sheet or profit and loss account relates, and that amount shall be shown under the heading or sub-heading required by paragraph 1 for that item.

10. Amounts in respect of items representing assets or income may not be set off against amounts in respect of items representing liabilities or expenditure (as the case may be), or vice versa.

SECTION C-THE REQUIRED FORMATS FOR ACCOUNTS

Preliminary

11. References in this Part of this Schedule to the items listed in any of the formats set out below are to those items read together with any of the notes following the formats which apply to any of those items, and the requirement imposed by paragraph 1 to show the items, listed in any such format in the order adopted in the format is subject to any provision in those notes for alternative positions for any particular items.

12. A number in brackets following any item in any of the format set out below is a reference to the note of that number in the notes following the formats.

13. In the notes following the formats-

(a) the heading of each note gives the required heading or sub-heading for the item to which it applies and a reference to any letters and numbers assigned to that item in the format set out below (taking a reference in the case of Format 2 of the balance sheet formats to the item listed under "assets" or under "liabilities" as the case may require); and

(b) reference to a numbered format are to the balance sheet format or as the case may required to the profit and loss account format of that number set out below.

Balance Sheet Formats

FORMAT 1

A. Called Up Share Capital Not Paid (1)

B. Fixed assets

1. Land and buildings.
2. Plant and machinery.
3. Fixtures, fittings, tools and equipment.
4. Construction-in-progress.
5. Pre-payment for stock in-transit.

C. Long-term investments

1. Shares in group companies.
2. Loans to group companies.
3. Shares in related companies.

- 4.Loans to related companies.
- 5.Other investments other than loans. 6.Other loans.
- 7.Own shares (Treasury shares) (4).
- 8.Bonds, Debentures and Federal Government Development Stocks.

D. Deferred charges

- 1.Development costs.
- 2.Concessions, Patents, Licenses, Franchise, Trademarks and similar rights and assets (2).
- 3.Goodwill (3).
- 4.Pre-payment for services to be received.

E. Current Assets

I Stocks

- 1.Raw materials and consumables.
- 2.Work-in-progress.
- 3.Finished goods and goods awaiting sale.
- 4.Pre-payment for stock in transit.

II Debtors (5)

- 1.Trade debtors.
- 2.Amount owed by group companies.
- 3.Amount owed by related companies.
- 4.Other debtors.
- 5.Called up share capital not paid (1).
- 6.Pre-payments and accrued income.

III Short-term investment

- 1.Shares in group companies
- 2.Own shares (Treasury shares) (4).
- 3.Other investments.

IV Cash at bank and in hand

F. Prepayments and accrued income (6)

G. Creditors: amounts falling due within one year

1. Debenture loans (7).
2. Bank loans and overdrafts.
3. Payments received on account (8).
4. Trade creditors.
5. Bills of exchange payable.
6. Amounts owed to group companies.
7. Amounts owed to related companies.
8. Other creditors including taxation (P.A.Y.E.) and National Provident Fund (social security) (9).
9. Accruals and deferred income (10).

H. Net current assets (liabilities) (II)

I. Total assets less current liabilities

J. Creditors: amount falling due after more than one year

1. Debenture loans (7).
2. Bank loans and overdrafts.
3. Payments received on accounts (8).
4. Trade creditors.
5. Bills of exchange payable.
6. Amounts owed to group companies.
7. Amounts owed to related companies.
8. Other creditors including taxation and social security (9).
9. Accruals and deferred income (10).

K. Provisions for liabilities and charges

1. Pensions and similar obligations.
2. Taxation, including deferred taxation.
3. Other provisions.

L. Accruals and deferred income (10)

M. Capital and reserves.

I Called up capital (12)

II Share premium account

III Revaluation reserves

IV Other reserves

1.Capital redemption reserve.

2.Reserve for own shares.

3.Reserves provided for by the articles of association.

4.Other reserves.

V. Profit and loss transferred from Profit and Loss Account or Income Statement

Balance Sheet Formats

FORMAT 2

ASSETS

A. Called up share capital not paid (1)

B. Tangible assets

1.Land and buildings.

2.Plant and machinery.

3.Fixtures, fittings, tools and equipment.

4.Payments on account and assets in course of construction.

C. Long-Term Investment

1.Shares in group companies.

2.Loans to group companies.

3.Shares in related companies.

4.Loans to related companies.

5.Other investments other than loans.

6.Other loans.

7.Own shares (Treasury Shares) (4).

D. Deferred Charges

- 1. Development costs.**
- 2. Concessions, patents, licenses, trademarks and similar rights and assets (2).**
- 3. Goodwill (3).**
- 4. Payments on account.**

E. Currents Assets

I Stocks

- 1. Raw materials and consumables.**
- 2. Work-in-progress.**
- 3. Finished goods and goods awaiting sale.**
- 4. Payments for stocks in transit.**

II Debtors (5)

- 1. Trade debtors.**
- 2. Amounts owed by group companies.**
- 3. Amounts owed by related companies.**
- 4. Other debtors.**
- 5. Called up share capital not paid (1).**
- 6. Pre-payments and accrued income (6).**

III Short-term Investments

- 1. Shares in group companies.**
- 2. Own shares (Treasury Shares)(4)**
- 3. Other investments**

IV Cash at bank and in hand

F. Prepayments and accrued income (6)

CAPITAL AND LIABILITIES

a. Capital and reserves.

I Called up capital (12)

II Share premium account

III Revaluation reserves

IV Other reserves

- 1. Capital redemption reserve.**
- 2. Reserve for own shares. (12A)**
- 3. Reserves provided for by the articles of association.**
- 4. Other reserves.**

V Profit and loss account (Retained Earnings) (12B)

B. Current liabilities

- 1. Debenture loans (7).**
- 2. Trade creditors.**
- 3. Bank loans and overdrafts.**
- 4. Payments received in advance (8).**
- 5. Bills of exchange payable.**

C. Non-trade current liabilities

- 1. Provision for pension and other similar obligations.**
- 2. Provisions for taxation including deferred taxes, National Provident Fund (social security) (9).**
- 3. Other provisions.**
- 4. Accruals and deferred income (10).**
- 5. Transactions between and within group:**
 - (a) Amount owed to group companies.**
 - (b) Amount owed to related companies.**
 - (c) Others.**

Portions of long-term liabilities due in the current period.

D. Long-term liabilities

- 1. Debenture Loans (portions not due next year).**
- 2. Bonds (portion not due next year).**
- 3. Other long-term debts (portion not due next year).**

Notes on the balance sheet formats

(1) (1) Called up share capital not paid (Formats I and 2, items A and E 11.5).

This item may be shown in either of the two positions given in Formats 1 and 2.

(2) (2) Concessions, patents, licenses, trademarks and similar rights and assets (Formats 1 and 2, item D2).

Amounts in respect of assets shall only be included in a company's balance sheet under this item if either-

(a) the assets were acquired for valuable consideration and are not required to be shown under goodwill; or

(b) the assets in question were created by the company itself.

(3) Goodwill- (Formats 1 and 2, items D. 3. - Amounts representing goodwill shall only be included to the extent that the goodwill was acquired for valuable consideration.

(4) Own shares. - (Formats 1 and 2, items C 7 and E. III 2)- The nominal value of the shares held shall be shown separately.

(5) Debtors. (Formats 1 and 2, items E II 1 to 6). The amount falling due after more than one year shall be shown separately for each item included under debtors.

(6) Pre-payment and accrued income. - Formats 1 and 2, items E II 6 and F)- This item may be shown in either of the two positions given in Formats 1 and 2.

(7) Debenture Loans (7)-Format 1, items G1 and B I, and Format 2, item C I) the amount of any convertible loans shall be shown separately.

(8) Payments received on account. - (Format 1, items G 3 and J 3 and Format 2, item C 3.)- Payments received on account of orders shall be shown for each of these items in so far as they are not shown as deductions from stocks.

(9) Other creditors Format 2, item C 2). The amount for creditors in respect of taxation shall be shown separately from the amount for other creditors.

(10) Accruals and deferred income. - (Format 2, items G 9, J 9 and L 1 and Format 2, item C 4).
- The two positions given for this item in Format 1 at E 9 and H9 are an alternative to the position at J, but if the item is not shown in a position corresponding to that at J it may be shown in either or both of the other two positions (as the case may require).

The two positions given for this item in Format 2 are alternatives.

(11) Net current assets (liabilities). (Format 1, item H) In determining the amount to be shown for this item any amount shown under prepayments and accrued income shall be taken into account wherever shown.

(12) Called up Share capital. - (Format 1, item K 1 and Format 2, item A). The amount of allotted share capital and the amount of called up share capital which has been paid up shall be shown separately.

(13) Creditors. - Amounts falling due within one year and after one year shall be shown separately for all of these items.

Profit and loss account formats

FORMAT 1

(See note [17] below)

1. Turnover.
2. Cost of sales (14)
3. Gross profit or loss.
4. Distribution expenses (14)
5. Administrative expenses (14)

6. Other operating income (14).
7. Income from shares in group companies.
8. Income from shares in related companies.
9. Income from other fixed asset investments (15).

10. Other interest receivable and similar income (15).

11. Amounts written off investments.

12. Accrued interest expense and similar charges.

13. Tax on profit or loss on ordinary activities.

14. Profit or loss on ordinary activities after taxation.

15. Extraordinary income

16. Extraordinary charges.

17. Extraordinary profits or loss.

18. Tax on extraordinary profit or loss.

19. Other taxes under the above items.

20. Profit or loss for the financial year.

21. Earnings per share.

22. Dividend per share.

Profit and loss account formats

FORMAT 2

1. Sales or Revenue.

2. Change in stocks of finished goods and in work-in-progress.

3. Own work capitalized.

4. Other operating income.

5. (a) Raw materials and consumables.

(b) Other external charges.

6. Staff costs.

(a) wages and salaries;

(b) other pension costs.

7. (a) Depreciation of fixed assets, depletion and amortization of wasting and intangible assets;

(b) Exceptional amounts written off current assets.

8. Other operating charges.

9. Income from shares in group companies.

10. Income from shares in related companies.

11. Income from other fixed asset investments (15).

12. Other interest receivable and similar income (15).

13. Amounts written off investments.

14. Interest payable and similar charges (16).

15. Tax on profit or loss on ordinary activities.

16. Profit or loss on ordinary activities after taxation.

17. Extraordinary income.

18. Extraordinary charges.

19. Extraordinary profits or loss.

20. Tax on extraordinary profit or loss.

21. Other taxes not shown under the above item.

22. Profit or loss for the current year transferred to Retained Earnings or Reserve.

Profit and loss account formats

FORMAT 3

(See note [17] below)

A. Charges

1. Cost of sales (14).

2. Distribution of costs. (14)

3. Administrative expenses (14).

4. Amounts written off investments.

5. Interest payable and similar charges (16).

6. Tax on profit or loss on ordinary activities.

7. Profit or loss on ordinary activities after taxation.

8. Extraordinary charges.

9. Tax on extraordinary profit or loss.
10. Other taxes not shown under the above items.
11. Profit or loss for the financial year.

B. Income

1. Turnover.
2. Other operating income.
3. Income from shares in group companies.
4. income from shares in related companies.
5. Income from other fixed asset investments (15).
6. Other interest receivable and similar income (15).
7. Profit or loss on ordinary activities after taxation.
8. Extraordinary income.
9. Profit or loss for the financial year.

Profit and loss account formats

FORMAT 4

A. Charges

1. 1. Reduction in stocks of finished goods and in work-in-progress.
2. (a) Raw materials and consumables.

(b) Other external charges.
3. Staff costs:

(a) wages and salaries;
(b) other pension costs.
4. (a) Depreciation and other amounts written off tangible and intangible fixed assets;

(b) Exceptional amounts written off current assets.
5. Other operating charges.
6. Amounts written off investments.

7. Interest payable and similar charges (16).
8. Tax on profit or loss on ordinary activities.
9. Profit or loss on ordinary activities after taxation.

10. Extraordinary charges.

11. Tax on extraordinary profit or loss.

12. Other taxes not shown under the above items.

13. Profit or loss for the financial year.

B. Income

1. 1. Turnover.

2. 2. Increase in stocks of finished goods and in work-in-progress.

3. 3. Own work capitalized.

4. 4. Other operating income.

5. 5. Income from shares in group companies.

6. 6. Income from shares in related companies.

7. 7. Income from other fixed asset investments (15).

8. 8. Other interest receivable and similar income (15).

9. 9. Profit or loss on ordinary activities after taxation.

10. 10. Extraordinary income.

11. 11. Profit or loss for the financial year.

Notes on the profit and loss account format

(14) Costs of sales: distribution costs: administrative expenses (Format 1 item 2, 4 and 5 and Format 3, items A1, 2, and 3. These items shall be stated after taking into account any necessary provisions for depreciation or diminution in value of assets.

(15) Income from other fixed asset investments: other interest receivable and similar income. - (Format 1, items 9 and 10: Format 2, items 11 and 12: Format 3, items B 5 and 6: Format 4, items B 7 and 8). Income and interest derived from group companies shall be shown separately from income and interest derived from other sources.

(16) Interest payable and similar charges. (Format 1, item 12: Format 2 item 14: Format 3, item A. 5: Format 1, item A. 7) The amount payable to group companies shall be shown separately.

(17) Formats 1 and 3. The amount of any provisions for depreciation and diminution in value of tangible and intangible fixed assets falling to be shown under items 7(a) and A. 4(a) respectively in Formats 2 and 4 shall be disclosed in a note to the accounts in any case where the profit and loss account is prepared by reference to Format 1 Format 3.

PART II

ACCOUNTING PRINCIPLES AND RULES

SECTION A

ACCOUNTING PRINCIPLES

Preliminary

14. Subject to paragraph 15 the amounts to be included in respect of all items shown in a company's financial statements shall be determined in accordance with generally accepted accounting principles, and with the Accounting Standards laid down from time to time by the Nigerian Accounting Standards Board.

Departure from the accounting principles

15. If it appears to the directors of a company that there are special reasons for departing from any of the principles stated above in preparing the company's financial statements in respect of any financial year they may do so, but particulars of the departure, the reasons for it and its effect shall be given in a note to the accounts.

SECTION B

HISTORICAL COST ACCOUNTING RULES

Preliminary

16. Subject to section C of this Part of this schedule, the amounts to be included in respect of all items shown in a company's financial statements shall be determined in accordance with the rules set out in paragraphs 17 – 28.

Fixed assets

17. Subject to any provision for depreciation or diminution in value made in accordance with paragraph 18 or 19 the amount to be included in respect of any fixed asset shall be its purchase price or production cost.

18. In the case of any fixed asset which has a limited useful economic life, the amount of –

(a) (a) its purchase price or production cost; or

(b) (b) where it is estimated that any such assets will have a residual value at the end of the period of its useful economic life, its purchase price or production cost less that estimated residual value;

shall be reduced by provisions for depreciation calculated to write off that amount systematically over the period of the asset's useful economic life.

19. (1) Where a fixed asset investment of a description failing to be included under item BIII of either of the balance sheet format set out in Part I of this Schedule had diminished in value provisions for diminution in value may be made in respect of it and the amount to be included in respect of it may be reduced accordingly; and any such provisions which are not

shown in the profit and loss account shall be disclosed (either separately or in aggregate) in a note to the accounts.

(2) Provisions for diminution in value shall be made in respect of any fixed asset which had diminished in value if the reduction in its value is expected to be permanent (whether its useful economic life is limited or not), and the amount to be included in respect of it shall be reduced accordingly; and any such provisions which are not shown in the profit and loss account shall be disclosed (either separately or in aggregate) in a note to the accounts.

(3) (3) Where the reasons for which any provision was made in accordance with sub-paragraph (1) or (2) have ceased to apply to any extent, that provision shall be written back to the extent that it is no longer necessary; and any amount written back in accordance with this sub-paragraph which are not shown in the profit and loss account shall be disclosed (either separately or in aggregate) in a note to the accounts.

Rules for determining particular fixed asset items

20. (1) Notwithstanding that an item in respect of “development cost” is included under “fixed assets” in the balance sheet formats set out in Part I of this Schedule, an amount may only be included in a company’s balance sheet in respect of development costs in special circumstances.

(2) If any amount is included in a company’s balance sheet in respect of development costs the following information shall be given in a note to the accounts-

(a) (a) the period over which the amount of those costs originally capitalized is being or is to be written off; and

(b) (b) the reason for capitalizing the development costs in question.

21. (1) The application of paragraphs 17 to 19 in relation to goodwill (in any case where goodwill is treated as an asset) is subject to the following provisions of this paragraph.

(2) The amount of the consideration for goodwill acquired by a company shall be reduced by provisions for amortization calculated to write off that amount systematically over a period of 5 years or less as may be determined by the directors of the company.

(3) (3) In any case where any goodwill acquired by a company is shown or included as an asset in the company's balance sheet the period chosen for writing off the consideration for that goodwill and the reasons for choosing that period shall be disclosed in a note to the accounts.

22. Subject to paragraph 23, the amount to be included in respect of any current asset shall be its purchase price or production cost.

23. (1) If the net realizable value of any current asset is lower than its purchase price or production cost the amount to be included in respect of that asset shall be the net realizable value.

(2) Where the reason for which any provision for diminution in value was made in accordance with sub-paragraph (1) have ceased to apply to any extent, that provision shall be written back to the extent that it is no longer necessary.

Miscellaneous and supplementary provision

Excess of money owed over value received as an asset item

24. (1) Where the amount repayable on any debt owed by a company is greater than the value of the consideration received in the transaction giving rise to the debt, the amount of the difference may be treated as an asset.

(2) Where any such amount is so treated-

(a) (a) it shall be written off reasonable amounts each year and must be completely written off before repayment of the debt; and

(b) (b) if the current amount is not shown as a separate item in a company's balance sheet it must be disclosed in a note to the accounts.

Assets included at a fixed amount

25. (1) Subject to the following sub-paragraph assets which fail to be included-

(a) (a) amongst the fixed assets of a company under the item "tangible assets"; or

(b) amongst the current assets of a company under the item “raw material and consumables”; may be included at a fixed quantity and value.

(2) Sub-paragraph (1) applies to assets of a kind which are constantly being replaced, where-

(a) their overall value is not material to assessing the company’s state of affairs; and

(b) their quantity, value and composition are not subject to material variation.

Determination of purchase price or production cost

26. (1) The purchase price of an asset shall be determined by adding to the actual price paid any expenses incidental to its acquisition.

(2) The production cost of an asset shall be determined by adding to the purchase price of raw materials and consumables used the amount of the costs incurred by the company, which are directly attributable to the production of the asset.

(3) In addition, there may be included in the production cost of an asset-

(a) a reasonable proportion of the costs incurred by the company which are only indirectly attributable to the production of that asset, but only to the extent that they relate to the period of production; and

(b) interest on capital borrowed to finance the production of that asset, to the extent that it accrues in respect of the period of production; provide, however, in a case within paragraph (b) above, that the inclusion of the interest in determining the cost of that asset and the amount of the interest so included is disclosed in a note to the accounts.

(4) In the case of current assets distribution costs may not be included in production costs.

27. (1) Subject to the qualification mentioned below, the purchase price or production cost of-

(a) any asset which fail to be included under any item shown in a company’s balance sheet under the general item “stocks”; and

(b) (b) any assets which are tangible assets (including investments) may be determined by the application of any of the methods mentioned in sub-paragraph (2) below in relation to any such assets of the same class.

The method chosen must be one which appears to the directors to be appropriate in the circumstances of the company.

(2) Those methods are-

(a) (a) the method known as “first in, first out” (FIFO);

(b) (b) the method known as “last in, first out” (LIFO);

(c) (c) a weighted average price; and

(d) (d) any other method similar to any of the methods mentioned above.

(3) Where in the case of any company-

(a) (a) the purchase price or production cost of assets failing to be included under any item shown in the company’s balance sheet has been determined by the application of any method permitted by this paragraph; and

(b) (b) the amount shown in respect of that item differs materially from the relevant alternative amount given below in this paragraph; the amount of that differences shall be disclosed in a note to the accounts.

(4) (4) Subject to sub-paragraph (5) below for the purposes of sub-paragraph (3) (b) above, the relevant alternative amount in relation to any item shown in a company’s balance sheet, is the amount which would have been shown in respect of that item if assets of any class included under that item at an amount determined by any method permitted by this paragraph had instead been included at their replacement cost as at the balance sheet date.

(5) (5) The relevant alternative amount may be determined by reference to the most recent actual purchase price or production cost before the balance sheet date of assets of any class included under the item in question instead of by reference to their replacement cost as at that date, but only if the former appears to the directors of the company to constitute the more appropriate standard of comparison in the case of assets of that class.

(6) (6) For the purposes of this paragraph, assets of any description shall be regarded as tangible if assets of that description are substantially indistinguishable one from another.

Substitution of original stated amount where price or cost unknown

28. Where there is no record of the purchase price or production cost of any assets of a company or of any price, expenses or costs relevant for determining its purchase price or production cost in accordance with paragraph 26, or any such record cannot be obtained without unreasonable expense or delay, its purchase price or production cost shall be taken for the purposes of paragraph 17 to 23 to be the value recorded of its value made on or after its acquisition or production by the company.

SECTION C

ALTERNATIVE ACCOUNTING RULES

Preliminary

29. (1) The rules set out in section B referred to below in this Schedule as the historical cost accounting rules.

(2) Those rules, with the omission of paragraph 16, 21 and 25 to 28, are referred to below in this Part of this Schedule as the depreciation rules; and references below in this Schedule to the historical cost accounting rules do not include the depreciation rules as they apply by virtue of paragraph 32.

30. Subject to paragraphs 32 to 34 the amount to be included in respect of assets of any description mentioned in paragraph 26 may be determined on any basis so mentioned.

Alternative accounting rules

31. (1) Intangible fixed assets, other than goodwill, may be included at their current price.

(2) Tangible fixed assets may be included at a market value determined as at date of their last valuation or at their current cost.

(3) Investments of any description failing to be included under item B III of either of the balance sheet formats set out in Part I of this Schedule may be included either-

(a) (a) at a market value determined as at the date of their last valuation; or

(b) (b) at a value determined on any basis which appears to the directors to be appropriate in the circumstances of any company;

but in the latter case particulars of the method of valuation adopted and of the reasons for adopting it shall be disclosed in a note to the accounts.

(4) Investments of any description failing to be included under item C III of either of the balance sheet formats set out in Part I of this Schedule may be included at their current cost.

(5) (5) Stocks may be included at their current cost.

Application of the depreciation rules

32. (1) Where the value of any assets of a company is determined on any basis mentioned in paragraph 31, that value shall be, or (as the case may require) be the starting point for determining, the amount to be included in respect of that asset in the company's accounts, instead of its purchase price or production cost or any value previously so determined for that asset; and the depreciation rules shall apply accordingly in relation to any such asset with the substitution for any reference to its purchase price or production cost of a reference to the value most recently determined for that asset on any basis mentioned in paragraph 31.

(2) The amount of any provision for depreciation required in the case of any fixed asset by paragraph 18 or 19 as it applies by virtue of sub-paragraph (1) is referred to below in this paragraph as the adjusted amount, and the amount of any provision which would be required by that paragraph in the case of that asset according to the historical cost accounting rules is referred to as the historical cost amount.

(3) Where sub-paragraph (1) applies in the case of any fixed asset the amount of any provision for depreciation in respect of that asset-

(a) (a) included in any item shown in the profit and loss account in respect of amounts written off assets of the description in question; or

(b) (b) taken into account in stating any item shown which is required by note (14) of the notes on the profit and loss account formats set out in Part I of this Schedule to be stated after taking into account any necessary provisions for depreciation or diminution in value of assets included under it;

may be the historical cost amount instead of the adjusted amount provided that the amount of any difference between the two is shown separately in the profit and the loss account or in a note to the accounts.

Additional information to be provided in case of departure from historical costs accounting rules

33. (1) This paragraph applies where the amounts to be included in respect of assets covered by any items shown in a company's accounts have been determined on any basis mentioned in paragraph 31.

(2) The items affected and the basis of valuation adopted in determining the amounts of assets in question in the case of such item shall be disclosed in a note to the accounts.

(3) In the case of each balance sheet item affected (except stocks) either-

(a) (a) the comparable amounts determined according to the historical cost accounting rules; or

(b) (b) the differences between those amounts and the corresponding amounts actually shown in the balance sheet in respect of that item; shall be shown separately in the balance sheet or in a note to the accounts.

(4) (4) In subparagraph (3) above references in relation to any item to the comparable amounts determined as there mentioned are references to-

(a) (a) the aggregate amount which would be required to be shown in respect of that item if the amounts to be included in respect of all the assets covered by that item were determined according to the historical cost accounting rules; and

(b) (b) the aggregate amount of the cumulative provisions for depreciation or diminution in value which would be permitted or required in determining those amounts according to those rules.

Revaluation reserve

34. (1) With respect to any determination of the value of an asset of a company on any basis mentioned in paragraph 31, the amount of any profit or loss arising from that determination (after allowing where appropriate, for any provisions for depreciation or diminution in value made otherwise than by reference to the value to be determined and any adjustments of any such provisions made in the light of that determination) shall be credited or (as the case may be) debited to a separate reserve ("the revaluation reserve").

(2) The amount of the revaluation reserve shall be shown in the company's balance sheet under a separate sub-heading in the position given for the item "revaluation reserve" in Format 1 or 2 of the balance sheet formats set out in Part 1 of this Schedule, but need not be shown under that name.

(3) The revaluation reserve shall be reduced to the extent that the amounts standing to the credit of the reserve are in the opinion of the directors of the company no longer necessary for the purpose of the accounting policies adopted by the company; but an amount may only be transferred from the reserve to the profit and loss account if either-

(a) (a) the amount in question was previously charged to that account; or

(b) (b) it represents realized profit.

(4) The treatment for taxation purposes of amounts credited or debited to the revaluation reserve shall be disclosed in a note to the accounts.

PART III

NOTES TO THE ACCOUNTS

Preliminary

35. Any information required in the case of any company by the following provisions of this Part of this Schedule shall (if not given in the company's accounts) be given by way of a note to those accounts.

Disclosure of accounting policies

36. The accounting policies adopted by the company in determining the amounts to be included in respect of items shown in the balance sheet and in determining the profit or loss of the company shall be stated (including such policies with respect to the depreciation and diminution in value of assets).

Information supplementing the balance sheet

37. Paragraphs 38 to 50 require information, which either supplement the information given with respect to any particular items shown in the balance sheet or is otherwise relevant to assessing the company's state of affairs in the light of the information so given.

Share capital and debentures

38. (1) the following information shall be given with respect to the company's share capital-

(a) (a) the authorized share capital; and

(b) (b) where shares of more than one class have been allotted, the number and aggregate nominal value or shares of each class allotted.

(2) In the case of any part of the allotted share capital that consists of redeemable shares the following information shall be given-

(a) (a) the earliest and latest dates on which the company has power to redeem those shares;

(b) (b) whether those shares must be redeemed in any event or are liable to be redeemed at the option of the company or of the shareholder; and

(c) (c) whether any (and, if so, what) premium is payable on redemption.

39. (1) if the company has allotted any shares during the financial year, the following information shall be given-

(a) (a) the reason for making the allotment;

(b) (b) the classes of shares allotted; and

(c) (c) the price to be paid for the shares allotted.

(2) In sub-paragraph (1) above “contingent right to the allotment of Shares” means any option to subscribe for shares and any other right to require the allotment of shares and to any person whether arising on the conversion into shares of securities of any other description or otherwise.

40. (1) If the company has issued any debentures during the financial year to which the accounts relate, the following information shall be given-

(a) (a) the reason for making the issue;

(b) (b) the classes of debentures issued; and

(c) (c) as respects each class of debentures, the amount issued and the consideration received by the company for the issue.

(2) Particulars of any redeemed debentures which the company has power to reissue shall also be given.

(3) (3) Where any of the company’s debentures are held by a nominee of or trustee for the company, the nominal amount of the debentures and the amount at which they are stated in the accounting records kept by the company in accordance with section 331 of this Act shall be stated.

Fixed assets

41. (1) In respect of each item which is or would but for paragraph 8, (4) (b) be shown under the general item “fixed assets” in the company’s balance sheet the following information shall be given-

(a) (a) the appropriate amounts in respect of that item as at the date of the beginning of the financial year and as at the balance sheet date respectively;

(b) (b) the effect on any amount shown in the balance sheet in respect of that item of –

(i) (i) any revision of the amount in respect of any assets included under that item made during that year on any basis mentioned in paragraph 31;

(ii) (ii) acquisition during that year of any assets;

(iii) (iii) disposal during that year of any assets; and

(iv) (iv) any transfers of assets of the company to and from that item during that year.

(2) The reference in sub-paragraph (1) (a) to the appropriate amounts in respect of any item as at any date there mentioned is a reference to amounts representing the aggregate amounts determined, as at that date, in respect of assets failing to be included under that item on either of the following bases, that is to say-

(a) (a) on the basis of purchase price or production cost (determined in accordance with paragraphs 21 and 27); or

(b) (b) on any basis mentioned in paragraph 31, (leaving out of account in either case any provision for depreciation or diminution in value)

(3) In respect of each of each item within sub-paragraph (1)-

(a) (a) the cumulative amount of provisions for depreciation or diminution in value of assets included under that item as at each date mentioned in sub-paragraph (1) (a);

(b) (b) the amount of any such provisions made in respect of the financial year;

(c) (c) the amount of any adjustment made in respect of any such provisions during that year in consequence of the disposal of any assets; and

(d) (d) the amount of any other adjustments made in respect of any such provisions during that year shall also be stated.

42. Where any fixed assets of the company other than listed investments included under any item shown in the company's balance sheet at an amount determined on any basis mentioned in paragraph 31, the following information shall be given-

(a) (a) the years (so far as they are known to the directors) in which the assets were severally valued and the several values; and

(b) (b) in the case of assets that have been valued during the financial year, the name of the persons who valued them or particulars of their qualification for doing so and (whichever is stated) the bases of valuation used by them.

43. In relation to any amount which is or would but for paragraph 8 (4) (b) be shown in respect of the item "land and buildings" in the company's balance sheet there shall be stated-

(a) (a) how much of the amount is ascribable to land held under statutory right of occupancy and how much to land held under a sublease; and

(b) (b) how much of the amount ascribable to land held under a sublease is ascribable to land held on long lease and how much to land held on short lease.

Investments

44. (1) In respect of the amount of each item which is or would for paragraph 8 (4) (b) be shown in the company's balance sheet under the general item investments (whether as fixed assets or as current assets) there shall be stated-

(a) (a) how much of that amount is ascribable to listed investments; and

(b) (b) how much of any amount so ascribable is ascribable to investments as respects which there has been granted a listing on a recognized stock exchange and how much to other listed investments.

(2) Where the amount of any listed investments is stated for any item in accordance with subparagraph (1) (a), the following amounts shall also be stated-

(a) (a) the aggregate market value of those investments where it differs from the amount so stated; and

(b) (b) both the market value and the stock exchange value of any investments of which the former value is, for the purposes of the accounts, taken as being higher than the latter.

Reserves and provisions

45. (1) Where any amount is transferred-

(a) (a) to or from any reserves; or

(b) (b) to any provisions for liabilities and charges; or

(c) (c) from any provisions for liabilities and charges otherwise than for the purpose for which the provision was established;

and the reserves or provisions are or would but for paragraph 8 (4) (b) be shown as separate items in the company's balance sheet, the information mentioned in the following subparagraph shall be given in respect of the aggregate of reserves or provisions included in the same item.

(2) That information is-

(a) (a) the amount of the reserves or provisions as at date of the beginning of the year and as at the balance sheet date respectively;

(b) (b) any amount transferred to or from the reserves or provisions during that year; and

(c) (c) the source and application respectively of any amount so transferred.

(3) Particulars shall be given of each provision included in the item "other provisions" in the company's balances sheet in any case where the amount of that provision is material.

Provision for taxation

46. The amount of any provisions for taxation other than deferred taxation shall be stated.

Details of indebtedness

47. (1) In respect of each item shown under “creditors” in the company’s balance sheet there shall be stated-

(a) (a) the aggregate amount of any debts included under that item which are payable or repayable otherwise than by installments and fall due for payment or repayment after the end of the period of five years beginning with the day next following the end of the financial year; and

(b) (b) the aggregate amount of any debts so included which are payable or repayable by installments and any of which fall due for payment after the end of that period;

and in the case of debts within paragraph (b) above the aggregate amount of installment falling due after the end of that period shall also be disclosed for each such item.

(2) Subject to sub-paragraph (3), in relation to each debt failing to be taken into account under sub-paragraph (1), the terms of payments or repayment and the rate of any interest payable on debt shall be stated.

(3) If the number of debts is such that, in the opinion of the directors, compliance with sub-paragraph (2) would result in a statement of excessive length, it shall be sufficient to give a general indication of the terms of payment or repayment and the rates of any interest payable on the debts.

(4) In respect of each item shown under “creditors” in the company’s balance sheet there shall be stated-

(a) (a) the aggregate amount of any debts included under that item in respect of which any security has been given by the company; and

(b) (b) an indication of the nature of the securities so given.

(5) References above in this paragraph to an item shown under “creditors” in the company’s balance sheet include references where amounts falling due to creditors within one year and after more than one year are distinguished in the balance sheet-

(a) (a) in a case within sub-paragraph (1), to an item shown under the latter of those categories; and

(b) (b) in a case within sub-paragraph (4), to an item shown under either of those categories;

and references to items shown under “creditors” include references to items which would but for paragraph (4) (b) be shown under that heading.

48. If any fixed cumulative dividends on the company’s shares are in arrear, there shall be stated-

(a) (a) the amount of the arrears; and

(b) (b) the period for which the dividends or, if there is more than one class, each class of them are in arrear.

Guarantee and other financial commitments

49. (1) Particulars shall be given of any charge on the assets of the company to secure the liabilities of any other person, including where practicable, the amount secured.

(2) The following information shall be given with respect to any other contingent liability not provided for-

(a) (a) the amount or estimated amount of that liability;

(b) (b) its legal nature; and

(c) (c) whether any valuable security has been provided by the company in connection with that liability and if so, what

(3) There shall be stated, where practicable-

(a) (a) the aggregate amount or estimated amount of contracts for capital expenditure, so far as not provided for; and

(b) (b) the aggregate amount or estimated amount of capital expenditure authorized by the directors which has not been contracted for

(4) Particulars shall be given of;

(a) (a) any pension commitments included under any provision shown in the company's balance sheet; and

(b) (b) any such commitments for which no provision has been made; and where any such commitment relates wholly or partly to pensions payable to past directors of the company separate particulars shall be given of that commitment so far as it relates to such pensions.

(5) Particulars shall also be given of any other financial commitments which-

(a) (a) have not been provided for; and

(b) (b) are relevant to assessing the company's state of affairs.

(6) Commitments within any of the preceding sub-paragraphs undertaken on behalf of or for the benefit of-

(a) (a) any holding company or fellow subsidiary of the company; or

(b) (b) any subsidiary of the company; /span>

shall be stated separately from the other commitments within that sub-paragraph and commitments within paragraph (a) shall be stated separately from those within paragraph (b).

Miscellaneous

50. (1) Particulars shall be given of any case where the purchase price or production cost of any asset is for the first time determined under paragraph 28.

(2) Where any outstanding loans made under the authority of section 159 (3) (b) or (c) of this Act (various cases of financial assistance by a company for purchase of its own shares) are included under any item shown in the company's balance sheet, the aggregate amount of those loans shall be disclosed for each item in question.

(3) The aggregate amount, which is recommended for distribution by way of dividend, shall be stated.

INFORMATION SUPPLEMENTING THE PROFIT AND LOSS ACCOUNT

51. (1) Paragraphs 52 to 56 require information which either supplements the information given with respect to any particular items shown in the profit and loss account or otherwise provides particulars of income or expenditure of the company or of circumstances affecting the items shown in the profit and loss account.

Separate statement of certain items of income and expenditure

52. (1) Subject to the following provisions of this paragraph, each of the amounts mentioned below shall be stated.

(2) The amount of the interest on or any similar charges in respect of-

(a) (a) bank loans and overdrafts, and loans made to the company (other than bank loans and overdrafts) which-

(i) (i) are repayable otherwise than by installments and fall due for repayment before the end of the period of five years beginning with the day next following the end of the financial year; and

(ii) (ii) are repayable by installments the last of which falls due for payment before the end of that period; and

(b) loans of any other kind made to the company.

This sub-paragraph shall not apply to interest or charges on loans to the company from group companies, but with that exception, it applies to interest or charges on all loans, whether made on the security of debentures or not.

(3) The amounts respectively set aside for redemption of shares capital and for redemption of loans.

(4) The amount of income from listed investments.

(5) The amount of rents from land (after deduction of ground rents, rates and other outgoings).

This amount need only be stated if a substantial part of the company's revenue for the financial year consists of rents from land.

(6) The amount charged to revenue in respect of sums payable in respect of the hire of plant and machinery.

(7) The amount of the remuneration of the auditors (taking "remuneration" for the purposes of this sub-paragraph, as including any sums paid by the company in respect of the auditors' expenses).

Particulars of Taxes

53. (1) The basis on which the charge for Nigerian corporation tax and Nigerian income tax is computed shall be stated.

(2) Particulars shall be given of any special circumstances affecting liability in respect of taxation of profits, income or capital gains for the financial year or liability in respect of taxation of profits, income or capital gains for succeeding financial years.

(3) The following amount shall be stated-

(a) (a) the amount of the charge for Nigerian corporation tax;

(b) (b) if that amount would have been greater but for relief from double taxation, the amount which it would have been but for such relief;

(c) (c) the amount of the charge for Nigerian income tax; and

(d) (d) the amount of the charge for taxation imposed outside Nigeria profits, income and (so far as charged to revenue) capital gains.

These amounts shall be stated separately in respect of the amount, which is or would but for paragraph 8 (4) (b) be shown under the following items in the profit and loss account, that is to say "tax on profit or loss on ordinary activities" and "tax on extraordinary profit or loss".

Particulars of turnover

54. (1) If in the course of the financial year the company has carried on business of two or more lines that, in the opinion of the directors, differ substantially from each other, there shall be stated in respect of each line (describing it-

(a) (a) the amount of the turnover attributable to that line; and

(b) (b) the amount of the profit or loss of the company before taxation, which is in the opinion of the directors attributable to that line.

(2) If in the course of the financial year the company has supplied markets that, in the opinion of the directors, differ substantially from each other, the amount of the turnover attributable to each such market shall also be stated.

In this paragraph "market" means a market delimited by geographical bounds.

(3) In analyzing for the purposes of this paragraph, the source, in terms of business or in terms of market, of turnover or, (as the case may be) of profit or loss, the directors of the company shall have regard to the manner in which the company's activities are organized.

(4) For the purposes of this paragraph-

(a) (a) classes of business which, in the opinion of the directors, do not differ substantially from each other shall be treated as one class; and

(b) (b) markets which, in the opinion of the directors, do not differ substantially from each other shall be treated as one market; and any amounts properly attributable to one line of business or (as the case may be) to one market which are not material may be included in the amount stated in respect of another.

Particulars of staff

55. (1) The following information shall be given with respect to the employees of the company-

(a) (a) the average number of persons employed by the company in the financial year; and

(b) (b) the average number of persons so employed within each category of persons employed by the company.

(2) The average number required by sub-paragraph (1) (a) or (b) shall be determined by dividing the relevant annual number by the number of weeks in the financial year.

(3) The relevant annual number shall be determined by ascertaining for each week in the financial year.

(a) (a) for the purposes of sub-paragraph (1) (a), the number of persons employed under contracts of service by the company in that week (whether throughout the week or not);

(b) (b) for the purposes of sub-paragraph (1) (a), the number of persons in the category in question of person so employed; and in either case, adding together all the weekly numbers.

(4) In respect of all persons employed by the company during the financial year who are taken into account in determining the relevant annual number for the purposes of sub-paragraph (1) (a) there shall also be stated the aggregate amounts respectively of-

(a) (a) wages and salaries paid or payable in respect of that behalf; and

(b) (b) other pension costs co incurred;

save in so far as those amounts or any of them are stated in the profit and loss account.

(5) The categories of persons employed by the company by reference to which the number required to be disclosed by sub-paragraph (1) (b) is to be determined shall be such as the directors may select, having regard to the manner in which the company's activities are organized.

Miscellaneous matters

56. (1) Where any amount relating to any preceding year is included in any item in the profit and loss account, the effect shall be stated.

(2) Particulars shall be given of any extraordinary income or charges arising in the year.

(3) The effect shall be stated of any transactions that are exceptional by virtue of size or incidence though they fall within the ordinary activities of the company.

General

57. (1) Where sums originally denominated in foreign currencies have been brought into account under any items shown in the balance sheet or profit and loss account, the basis on which those sums have been translated into Nigerian currency shall be stated.

(2) Subject to the following sub-paragraph, in respect of every item stated in a note to the accounts the corresponding amount for the financial year immediately preceding that to which the accounts relate shall also be stated and where the corresponding amount is not comparable, it shall be adjusted and particulars of the adjustment and reasons for it shall be given.

(3) Sub-paragraph (2) shall not apply in relation to any amount stated by virtue of any of the following provisions of this Act -

(a) (a) section 339 as applying Parts I and II of Schedule 3 (proportion of share capital of subsidiaries and other bodies corporate held by the company, etc.);

(b) (b) sections 340 to 341 and Schedule 4 to this Act (particulars of loans to directors, etc.);
and

(c) (c) paragraphs 41 and 45 above.

PART IV

SPECIAL PROVISIONS WHERE THE COMPANY IS A HOLDING OR SUBSIDIARY COMPANY

Company's own financial statements

58. Where a company is a holding company or a subsidiary of another body corporate and any item required by Part I of this Schedule to be shown in the company's balance sheet in relation to group company's includes-

(a) (a) amounts attributable to dealings with or interests in any holding company or fellow subsidiary of the company; or

(b) (b) amounts attributable to dealings with or interests in any subsidiary of the company;

the aggregate amounts within paragraphs (a) and (b) respectively shall be shown as separate items, either by way of sub-division of the relevant item in the balance sheet or in a note to the company's accounts.

59. (1) Subject to the following sub-paragraph, where the company is a holding company, the number, description and amount of the shares in and debentures of the company held by its subsidiaries or their nominees shall be disclosed in a note to the company's accounts.

(2) Sub-paragraph (1) shall not apply in relation to any shares or debentures-

(a) (a) in the case of which the subsidiary is concerned as personal representative; or

(b) (b) in the case of which it is concerned as trustee;

provided that in the latter case neither the company nor any subsidiary of the company is beneficially interested under the trust, otherwise than by way of security only for the purposes of a transaction entered into by the ordinary course of a business which includes the lending of money.

Schedule 2 to this Act has effect for the interpretation of the reference in this sub-paragraph to a beneficial interest under a trust.

Consolidated accounts of holding company and Subsidiaries

60. Subject to paragraph 62 and 65, the consolidated balance sheet and profit and loss account shall combine the information contained in the separate balance sheets and profit and loss accounts of the holding company and of the subsidiaries dealt with by the

consolidated accounts, but with such adjustments (if any) as directors of the holding company think necessary.

61. Subject to paragraphs 62 and 65, and to Part V of this Schedule, then consolidated accounts shall, in giving the information required by paragraph 60, comply so far as practicable with the requirements of this schedule and with the other requirements of this Act as if they were the accounts of an actual company.

62. The following provisions of this Act namely-

(a) (a) section 339 as applying Schedule 6, but only Parts II, III, V and VI of that schedule; and

(b) (b) sections 415 and 416 and Schedule 6, so far as relating to accounts other than group accounts,

shall not, by virtue of paragraphs 60 and 61; apply for the purposes of the consolidated accounts.

63. Paragraph 61 is without prejudice to any requirement of this Act , which applies (otherwise than by virtue of paragraph 61 or 62 to group accounts).

64. (1) Notwithstanding paragraph 61, the consolidated accounts prepared by a holding company may deal with an investment of any member of the group in the shares of any body corporate by way of the equity method of accounting in any case where it appears to the directors of the holding company that that body corporate is so closely associated with any member of the group as to justify the use of that method in dealing with investments by that or any other member of the group in the shares of that body corporate.

(2) In this paragraph, references to the group, in relation to consolidated accounts prepared by a holding company, are references to the holding company and the subsidiaries dealt with by the accounts.

65. (1) Notwithstanding paragraphs 60 and 61, paragraphs 17 to 19 and 21 shall not apply to any amount shown in the consolidated balance sheet in respect of goodwill arising on consolidation.

66. In relation to any subsidiaries of the holding company not dealt with by the consolidated accounts paragraphs 58 and 59 apply for the purpose of those accounts as if those accounts were the accounts of an actual company of which they were subsidiaries.

Group financial statements not prepared as consolidated financial statements

67. Group financial statements which are not prepared as consolidated statements, together with any notes to those statements, shall give the same equivalent information as that required to be given by consolidated financial statements by virtue of paragraphs 60 to 66.

Provisions of general application

68. (1) This paragraph applies where the company is a holding company and either-

(a) (a) does not prepare group accounts; or

(b) (b) prepares group accounts which do not deal with one or more of its subsidiaries;

and references below in this paragraph to the company's subsidiaries shall be read in a case within paragraph (b) as references to such of the company's subsidiaries as are excluded from the group accounts.

(2) Subject to the following provisions of this paragraph-

(a) (a) the reasons why the subsidiaries are not dealt with in group accounts; and

(b) (b) a statement showing any qualifications contained in the reports of the auditors of the subsidiaries on their accounts for their respective years ending with or during the year of the company, and note or saving contained in those accounts to call attention to a matter which, apart from the note or saving, would properly have been referred to in such qualification, in so far as the matter which is the subject of the qualification or note is not covered by the company's own accounts and is material from the point of view of its members, shall be given in a note to the company's accounts.

(3) Subject to the following provisions of this paragraph, the aggregate amount of the total investment of the holding company in the shares of the subsidiaries under the equity method of valuation shall be stated in a note to the company's financial statements.

(4) (4) Sub-paragraph (3) shall not apply where the company is a wholly-owned subsidiary of another body corporate incorporated in Nigeria if there is indeed in a note to the company's accounts statement that in the opinion of the directors of the company the aggregate value of the assets of the company consisting of shares in or amounts owing (whether on accounts of a loan or otherwise) from, the company's subsidiaries is not less than the aggregate of the amounts at which those assets are stated or included in the company's balance sheet.

(5) (5) In so far as information required by any of the preceding provisions of this paragraph to be stated in a note to the company's accounts is not obtainable, a statement to that effect shall be given instead in a note to those accounts.

(6) (6) The Commission may, on the application or with the consent of company's directors, direct that in relation to any subsidiary sub-paragraphs (2) and (3) shall not apply or shall apply only to such extent as may be provided by the direction.

(7) (7) Where in any case within sub-paragraph (1) (b) the group accounts are consolidated accounts, references above in this paragraph to the company's accounts and the company's balance sheet respectively shall be read as references to the consolidated accounts and the consolidated balance sheet.

69. Where a company has subsidiaries whose years did not end with that of the company, the following information shall be given in relation to each such subsidiary (whether or not dealt with in any group accounts prepared by the company) by way of a note to the company's accounts or (where group accounts are prepared) to the group accounts, that is to say-

(a) (a) the reasons why the company's directors consider that the subsidiaries' years should not end with that of the company;

(b) (b) the dates of which the subsidiaries year ending last before that of the company respectively ended or the earliest and latest of those dates; and

(c) (c) the date immediately following the last statements when the accounts will be consolidated or be reclassified where appropriate as investment properties (long time investments).

PART V

INTERPRETATION OF SCHEDULE

70. The following paragraphs apply for the purposes of this Schedule and its interpretation.

Assets: fixed or current

71. Assets of a company are taken to be fixed assets if they are intended for use on a continuing basis in the company's activities and any assets not intended for such use shall be taken to be current assets.

Balance Sheet date

72. "Balance sheet date" in relation to a balance sheet, means the date as at which the balance sheet was prepared.

Capitalization

73. References to capitalizing any work or costs are to treating that work or those costs as a fixed assets.

Fellow subsidiary

74. A body corporate is treated as a fellow subsidiary of another body corporate if both are subsidiaries of the same body corporate but neither is the other's.

Group Companies

75. "Group company" in relation to any company, means any body corporate, which is that company's subsidiary or holding company, or a subsidiary of that company's holding company.

Historical cost accounting rules

76. References to the historical cost accounting rules shall be read in accordance with paragraph 29.

Leases

77. (1) "Long lease" means a lease with respect to which the portion of the term for which it was granted remaining unexpired at end of the year-

(a) (a) in the case of a right of occupancy to land not less than 50 years;

(b) (b) in any other case, not less than 12 months.

(2) "short lease" means a lease, which is not a long lease.

(3) "lease" includes an agreement for a lease.

Listed investments

78. "Listed investment" means an investment as respects which there has been granted a listing on a recognized stock exchange, or on any stock exchange of repute (other than a recognized stock exchange) outside Nigeria.

Loans

79. A loan is treated as falling due for repayment, and an installment of a loan is treated as falling due for repayment, on the earliest date on which the lender could require repayment or (as the case may be) payment, if he exercised all options and rights available to him.

Materiality

80. Amounts which in the particular context of any provision of this Schedule, the disclosure of which will influence the opinion of the reader or user of financial statements, and which are not material may be disregarded for the purposes of that provision.

Notes to the accounts

81. Notes to a company's accounts may be contained in the accounts or in a separate document annexed to the accounts.

Provisions

82. (1) References to provisions for depreciation or diminution in value of assets are to any amount written off by way of providing for depreciation or diminution in value of assets.

(2) Any reference in the profit and loss account formats set out in Part I of this Schedule to the depreciation of, or amounts written off, assets of any description is to any provision for depreciation or diminution in value of assets of that description.

83. References to provisions for liabilities or charges are to any amount retained as reasonably necessary for the purpose of providing for any liability or loss which is either likely to be incurred, or certain to be incurred but uncertain as to amount or as to the date on which it will arise.

Purchase price

84. References (however expressed) to the purchase price of any asset of a company or of raw materials or consumables used in the production of any such asset include any consideration (whether in cash or otherwise) given by the company in respect of that asset or in respect of those materials or consumables (as the case may require). This includes the costs of putting it into condition ready for its intended use.

Realized profits

85. Without prejudice to-

(a) (a) the construction of any other expression (where appropriate) by reference to accepted accounting principles or practice, or

(b) (b) any specific provision for the treatment of profits of any description as realized,

it is hereby declared for the avoidance of doubt that references in this Schedule to realized profits, in relation to a company's accounts are to such profits of the company's fall to be treated as realized profits for the purposes of those accounts in accordance with principles generally accepted with respect to the determination for accounting purposes of realized profits at the time when accounts are prepared.

Related companies

86. (1) "Related company", in relation to any company, means any body corporate (other than one which is a group company in relation to that company) in which that company holds on a long term basis a qualifying capital interest for the purpose of securing a contribution to

that company's own activities by the exercise of any control or influence arising from that interest.

(2) In this paragraph "qualifying capital interest" means, in relation to any body corporate an interest in shares comprised in the equity share capital of that body corporate of a class carrying rights to vote all circumstances at general meetings of that body corporate.

(3) Where-

(a) (a) a company holds a qualifying capital interest in a body corporate;

(b) (b) a company exercises material influence in matters relating to dividends, commercial and financial policies; and

(c) (c) the nominal value of any relevant shares in that body corporate held by that company is equal to twenty per cent or more of the nominal value of all relevant shares in that body corporate;

it shall be presumed to hold that interest on the basis and for the purpose mentioned in sub-paragraph (1), unless the contrary is shown.

In this sub-paragraph "relevant shares" means, in relation to any body corporate, any such shares in that body corporate as are mentioned in sub-paragraph

Staff costs

87. (1) "Pension costs" include any (past or present costs) other contributions by the company for the purposes of any pension scheme established for the purpose of providing pensions for persons employed by the company, any sums set aside for that purpose and any amounts paid by the company in respect of pensions without first being so set aside.

(2) Any amount stated in respect of either of the above items or in respect of the item "wages and salaries" in the company's profit and loss account shall be determined by reference to payments made or costs incurred in respect of all persons employed by the company during the year who are taken into account in determining the relevant annual number for the purposes of paragraph 55 (1) (a).

Turnover

88. "Turnover", in relation to a company, means the amounts derived from the provision of goods and services falling within the company's ordinary activities, after deduction of-

(a) (a) trade discounts;

(b) (b) value added tax; and

(c) (c) any other taxes based on the amounts so derived.

SCHEDULE 3

Section 339

MISCELLANEOUS MATTERS TO BE DISCLOSED IN NOTES TO COMPANY FINANCIAL STATEMENTS

PART I

PARTICULARS OF SUBSIDIARIES

1.If at the end of the year the company has subsidiaries, there shall in the case of each subsidiary be stated-

(a) (a) the name of the subsidiary and

(i) (i) if it is incorporated in Nigeria the address of its registered office; and

(ii) (ii) if it is incorporated outside Nigeria, the country in which it is incorporated and the address of its registered office; and

(b) (b) in relation to shares of each class of the subsidiary held by the company, the identity of the class and the proportion of the nominal value of the allotted shares of that class represented by the shares held.

2. 2. The particulars required by paragraph 1 include, with reference to the proportion of the nominal value of the allotted shares of a class represented by shares held by the company, a statement of the extent (if any) to which it consists in shares held by, or by a nominee for, a subsidiary of the company and the extent (if any) to which it consists in shares held by, or by a nominee for, the company itself.

3. 3. Paragraph 1 does not require the disclosure of information with respect to a body corporate which is the subsidiary of another and is incorporated outside Nigeria or, being incorporated in Nigeria, carries on business outside it if the disclosure would, in the opinion of the Minister be harmful or jeopardizes national interest.

4. 4. If at the end of its financial year the company has subsidiaries and the directors are of the opinion that the number of them is such that compliance with paragraph 1 would result in particulars of excessive length being given, compliance with that paragraph is required only in the case of the subsidiaries carrying on the businesses the results of the carrying on of which (in the opinion of the directors) principally affected the amount of the profit or loss of the company and its subsidiaries or the amount of the assets of the company and its subsidiaries.

5. 5. If advantage is taken of paragraph 4, there must be included in the statement required by this part the information that it deals only with the subsidiaries carrying on such businesses as are referred to in that paragraph; and in that case section 339 (3) (subsequent disclosure with annual return) applies to the particulars given in compliance with paragraph 1, together with those which (but for the fact that advantage is so taken) would have to be so given.

6. 6. For purposes of this Part, shares of a body corporate are treated as held, or not held, by another such body if they would, by virtue of section 338 (4) of this Act be treated as being held or (as the case may be) not held by that other body for the purpose of determining whether the first-mentioned body is its subsidiary.

PART II

SHAREHOLDINGS IN COMPANIES, ETC. OTHER THAN SUBSIDIARIES

7. 7. If at the end of a year the company holds shares of any class comprised in the equity share capital of another body corporate (not being its subsidiary) exceeding in nominal value 20 per cent of the nominal value of the allotted shares of that class, there shall be stated-

(a) (a) the name of that other body corporate and-

(i) (i) if it is incorporated in Nigeria and if it is registered in Nigeria, the part of Nigeria in which it is registered; and

(ii) (ii) if it is incorporated outside Nigeria, the country in which it is incorporated;

(b) (b) the identity of the class and the proportion of the nominal value of the allotted shares of that class represented by the shares held;

(c) (c) if the company also holds shares in that other body corporate or another class (whether or not comprised in its equity share capital), or of other classes (whether or not so comprised), the like particulars as respects that other class or (as the case may be) those other classes; and

(d) (d) the accounting treatment, that is to say, the equity or costs.

8. 8. If at the end of its year the company holds shares comprised in the share capital of another body corporate (not being its subsidiary) exceeding in nominal value one-tenth of the allotted share capital of that other body, there shall be stated-

(a) (a) with respect to that body corporate, the same information as is required by paragraph 7 (a), and

(b) (b) the identity of each class of such shares held and the proportion of the nominal value of the allotted shares of that class represented by the shares of that class held by the company.

9. 9. If at the end of its year the company holds shares in another body corporate (not being its subsidiary) and the amount of all shares in it which the company holds (as stated or included in the company accounts) exceeds one-tenth of the amount of the company's assets (as so stated), there shall be-

(a) (a) with respect to the other body corporate, the same information as is required by paragraph 7 (a), and

(b) (b) in relation to shares in that other body corporate of each class held, the identity of the class and the proportion of the nominal value of the allotted shares of that class represented by the shares held.

10. 10. None of the foregoing provisions of this Part requires the disclosure by a company of information with respect to another body corporate if that other is incorporated outside Nigeria or, being incorporated in Nigeria, carries on business outside it if the disclosure would, in the opinion of the company's directors, be harmful to the business of the company or of that other body and the Minister agrees that the information need not be disclosed.

11. 11. If at the end of its year the company falls within paragraph 7 or 8 in relation to more bodies corporate than one, and the number of them is such that, in the directors opinion, compliance with either or both of those paragraphs would result in particulars of excessive length being given, compliance with paragraph 7 or (as the case may be) paragraph 8 is not required except in the case of the bodies carrying on the business the results of the carrying on of which (in the directors' opinion) principally affected the amount of the profit or loss of the company or the amount of its assets.

12. 12. If advantage is taken of paragraph 11, there shall be included in the statement dealing with the bodies last mentioned in that paragraph the information that it deals with them; and section 414 (3) of this Act (subsequent disclosure in annual return) applies to the particulars given in compliance with paragraph 7 or 8 (as the case may be), together with those which, but, for the fact that advantage is so taken, would have to be so given.

13. 13. For purposes of this Part, shares of a body corporate are treated as held, or not held, by another such body if they would, by virtue of section 659 (1) of this Act (but on the assumption that paragraph (b) (ii) were omitted from that subsection) be treated as being held or (as the case may be) not held by that other body for the purpose of determining whether the first-mentioned body is its subsidiary.

PART III

FINANCIAL INFORMATION ABOUT SUBSIDIARIES

14. 14. If-

(a) (a) at the end of its year the company has subsidiaries, and

(b) (b) it is required by paragraph 1 in Part I above to disclose particulars with respect to any of those subsidiaries,

the additional information specified below shall be given with respect to each subsidiary to which the requirement under paragraph 1 applies.

15. 15. If-

(a) (a) at the end of the year the company holds shares in another body corporate, and

(b) (b) it is required by paragraph 8 in Part II above to disclose particulars with respect to that body corporate, and

(c) (c) the shares held by the company in that body corporate exceed in nominal value 51 per cent of the allotted share capital of that body the additional information specified below shall be given with respect to that body corporate.

16. 16. The information required by paragraph 10 is, shall in relation to any body corporate (whether a subsidiary of the company or not) the aggregate amount of the capital and reserves of that body corporate as at the end of its relevant year, and its profit or loss for that year; and for this purpose the relevant year is-

(a) (a) if the year of the body corporate ends with that of the company giving the information in a note to its accounts, that financial year, and

(b) (b) if not, the body corporate's financial year ending last before the end of the year of the company giving that information.

This is subject to the exception and other provisions in the next paragraph.

17. 17. (1) The information otherwise required by paragraph 16 need not be given in respect of a subsidiary of a company if either-

(a) (a) the company is exempted under this Act from the requirement to prepare group accounts, as being at the end of its year the wholly-owned subsidiary of another body corporate incorporated in Nigeria, or

(b) (b) the company prepares group and-

(i) (i) the accounts of the subsidiary are included in the group accounts or

(ii) (ii) the investment of the company in the shares of the subsidiary is included in, or in a note to, the company's accounts by way of the equity method of valuation.

(2) That information need not be given in respect of another body corporate in which the company holds shares if the company's investment in those shares is included in or in, a note to, the accounts by way of the equity method of valuation.

(3) That information need not be given in respect of any body corporate if-

(a) (a) that body is not required by any provision of this Act to deliver a copy of its balance sheet for its relevant year mentioned in paragraph 16, and does not otherwise publish that balance sheet in Nigeria or elsewhere and

(b) (b) the shares held by the company in that body do not amount to at least 51 per cent in nominal value of the body's allotted share capital.

(4) Information otherwise required by paragraph 16 need not be given if it is not material.

18. 18. Where, with respect to any subsidiary of the company or any other body corporate, particulars which would otherwise be required by paragraph 1 in part I or paragraph 8 in Part II of this Schedule to be stated in a note to the company's accounts are omitted by virtue of paragraph 4 or (as the case may be paragraph 11, section 339 (3) of this Act (subsequent disclosure in next annual return) applies-

(a) (a) to any information with respect to any other subsidiary or body corporate which is given in a note to the company's accounts in accordance with this part; and

(b) (b) to any information which would have been required by this part to be given in relation to a subsidiary or other body corporate but for the exemption under paragraph 4 or 11.

19. 19. For purposes of this Part, shares of a body corporate shall be treated as held, or not held, by the company if they would, by virtue of section 659 (1) of this Act (but on assumption that paragraph (b) (ii) were omitted from that subsection), be treated as being held or (as the case may be) not held by company for the purpose of determining whether that body corporate is the company's subsidiary.

PART IV

IDENTIFICATION OF ULTIMATE HOLDING COMPANY

20. 20. If at the end of its year the company is the subsidiary of another body corporate, there shall be stated the name of the body corporate regarded by the directors as being the company's ultimate holding company and, if known to them, the country in which it is incorporated.

21. 21. Paragraph 20 shall not require the disclosure by a company which carries on business outside Nigeria of information with respect to the body corporate regarded by the Minister, as being its ultimate holding company if the disclosure would, in his opinion, be harmful to or jeopardize national interest.

PART V

CHAIRMAN'S AND DIRECTORS' EMOLUMENTS, PENSIONS AND COMPENSATION FOR LOSS OF OFFICE

22. 22. (1) There shall be shown the aggregate amount of the directors' emoluments.

(2) This amount-

(a) (a) includes any emoluments paid to or receivable by a person in respect of his services as director of the company or in respect of his services, while director of the company, as director of any subsidiary of it or otherwise in connection with the management of the affairs of the company or any subsidiary of it; and

(b) (b) shall distinguish between emoluments in respect of services of a director, whether of the company or its subsidiary, and other emoluments.

(3) For purposes of this paragraph, “emolument” in relation to a director, includes fees and percentages, any sums paid by way of expenses, allowances (in so far as those sums are charged to Nigerian income tax) any contributions paid in respect of him under any pensions scheme and estimated money value of any other benefits received by him otherwise than in cash.

23. 23. A company which is neither a holding company nor a subsidiary of another body corporate need not comply with paragraph 24 to 27 below as respects a year in the case of which the amount shown in compliance with paragraph 22 above does not exceed N120,000:00.

24. 24. (1) The following applies as respects the emoluments of the company’s chairman, and for this purposes “chairman” means the person elected by the directors to be chairman of their meetings and includes a person, who, though not so elected, holds any office (however designated) which in accordance with the company’s constitution carries with it functions substantially similar to those discharged by a person so elected.

(2) If one person has been chairman throughout the year, there shall be shown his emoluments, unless his duties as chairman were wholly or mainly discharged outside Nigeria.

(3) Otherwise, there shall be shown with respect to each person who has been chairman during the year his emoluments so far as attributable to the period during which he was chairman, unless his duties as chairman were wholly or mainly discharged outside Nigeria.

25. 25. (1) The following applies as respects the emoluments of directors.

(2) With respect to all directors (other than any who discharged their duties as such wholly or mainly outside Nigeria), there shall be shown-

(a) (a) the number (if any) who had no emoluments or whose several emoluments amounted to not more than N10, 000 and

(b) (b) by reference to each pair of adjacent points on a scale whereon the lowest point is N10, 000 and the succeeding ones are successive integral multiples of N10, 000, the number (if any) whose several emoluments exceeded the lower point but did not exceed the higher.

(3) If, of the directors (other than any who discharged their duties as such wholly or mainly outside Nigeria), the emoluments of each of two or more exceed the relevant amount the emoluments of him (or them, in the case of equality) who had the greater or, as the case may be, the greatest shall also be shown.

(4) If, of the directors (other than any who discharge their duties as such wholly or mainly outside Nigeria), the emoluments of each of two or more exceed the relevant amount, the emoluments of him (or them, in the case of equality) who had the greater or, as the case may be, the least shall also be shown.

(5) (5) "The relevant amount"-

(a) (a) if one person has been chairman throughout the year, means the amount of his emoluments; and

(b) (b) otherwise means an amount equal to the aggregate of the emoluments, so far as attributable to the period during which he was chairman, of each person who has been chairman during the year.

26. 26. There shall under paragraphs 24 and 25 be brought into account as emoluments of a person all such amounts (other than contributions paid in respect of him under a pension scheme) as in his case are to be included in the amount shown under paragraph 22.

Emoluments waived

27. 27. (1) There shall be shown-

(a) (a) the number of directors who have waived rights to receive emoluments which, but for the waiver, would have fallen to be included in the amount shown under paragraph 22, and

(b) (b) the aggregate amount of those emoluments.

(2) For these purposes-

(a) (a) it is assumed that a sum not receivable in respect of a period would have been paid at the time at which it was due to be paid.

(b) (b) A sum not so receivable that was payable only on demand, being a sum the right to receive which has been waived, is deemed to have been due to be paid at the time of the waiver.

Pensions of Directors and Past Directors

28. 28. (1) There shall be shown the aggregate amount of directors' or past directors' pensions.

(2) This amount shall not include any pension paid or receivable under a pension scheme if the scheme is such that the contributions under it are substantially adequate for the maintenance of the scheme; but, subject to this, it includes any pension paid or receivable in respect of any such services of a director or past director as are mentioned in paragraph 22 (2) whether to or by him or, on his nomination or by virtue of dependence on or other connection with him, to or by any other person.

(3) The amount shown shall distinguish between pensions in respect of services as director, whether of the company or its subsidiary, and other pensions.

Compensation to Directors for loss of Office

29. 29. (1) There shall be shown the aggregate amount of any compensation to directors or past directors in respect of loss of office.

(2) This amount-

(a) (a) includes any sums paid to or receivable by a director or past director by way of compensation for the loss of office as director of the company or for the loss, while director of the company or on or in connection with his ceasing to be a director of it, of any other office in connection with the management of the company's affairs or of any office as director or otherwise in connection with the management of the affairs of any subsidiary of the company; and

(b) (b) shall distinguish between compensation in respect of the office of director, whether of the company or its subsidiary, and compensation in respect of other offices.

(3) References to compensation for loss of office include sums paid as consideration for or in connection with a persons' retirement from office.

Supplementary

30. 30. (1) The following applies with respect to the amounts to be shown under paragraphs 22, 28 and 29.

(2) The amount in each case includes all relevant sums paid by or receivable from

(a) (a) the company; and

(b) (b) the company's subsidiaries; and

(c) (c) any other person,

except sums to be accounted for to the company or any of its subsidiaries, to past or present members of the company or any of the subsidiaries or any class of those members.

(3) The amount to be shown under paragraph 29 shall distinguish between the sums respectively paid by or receivable from the company, the company's subsidiary and persons other than the company and its subsidiaries.

31. 31. (1) The amounts to be shown for any year under paragraphs 22, 28 and 29 are the sums receivable in respect of that year (whenever paid) or, in the case of sums not receivable in respect of a period, the sums paid during that year.

(2) But where

(a) (a) any sums are not shown in a note to the accounts for the relevant year on the ground that the person receiving them is liable to account for them as mentioned in paragraph 30 (2), but the liability is thereafter wholly or partly released or is not enforced within a period of 2 years; or

(b) (b) any sums paid by way of expenses allowance are charged to income tax after the end of the relevant year;

those sums shall, to the extent to which the liability is released or not enforced or they are charged as mentioned above (as the case may be), be shown in a note to the first accounts in which it is practicable to show them and shall be distinguished from the amounts to be shown apart from this provisions.

32. 32. Where it is necessary to do so for the purpose of making any distinction required by the preceding paragraphs in an amount to be shown in compliance with this Part, the directors may apportion any payments between the matters in respect of which these have been paid or are receivable in such manner as they think appropriate.

Interpretation

33. 33. (1) The following shall apply for the interpretation of paragraphs 22 to 32.

(2) A reference to the company's subsidiary-

(a) (a) in relation to a person who is or was, while a director of the company, a director also, by virtue of the company's nomination (direct or indirect) or any other body corporate includes (subject to the following sub-paragraph) that body corporate, whether or not it is or was in fact the company's subsidiary, and

(b) (b) for purposes of paragraphs 22 to 28 (including any provision of this Part referring to paragraph 22) is to a subsidiary at the time the services were rendered, and for purposes of paragraph 29 to a subsidiary immediately before the loss of office as director.

(3) The following definitions apply-

(a) (a) "pension" includes any superannuation allowance, superannuation gratuity or similar payment.

(b) (b) "pension scheme" means a scheme for the provision of pension in respect of services as director or otherwise which is maintained in whole or in part by means of contributions, and

(c) (c) "contribution", in relation to a pension scheme, means any payment (including an insurance premium) paid for the purposes of the scheme by or in respect of persons

rendering services in respect of which pensions will or may become payable under the scheme, except that it does not include any payment in respect of two or more persons if the amount paid in respect of each of them is not ascertainable.

Supplementary

34. 34. This Part of this Schedule requires information to be given only so far as it is contained in the company's books and papers or the company has the right to obtain it from the persons concerned.

PART VI

PARTICULARS RELATING TO NUMBER OF EMPLOYEES REMUNERATED AT HIGHER RATES

35. 35. (1) There shall be shown by reference to each pair of adjacent points on a scale whereon the lowest point is N60, 000 and the succeeding ones are successive integral multiples of N10, 000 beginning with that in the case of which the multiplier is 7, the number (if any) or persons in the company's employment whose several emoluments exceeded the lower point but did not exceed the higher.

(2) The persons whose emoluments are to be taken into account for this purpose shall not include-

(a) (a) directors of the company; or

(b) (b) persons (other than directors of the company) who-

(i) if employed by the company throughout the financial year, worked wholly or mainly during that year outside Nigeria, or

(iii) (iii) if employed by the company for part only of that year, worked wholly or mainly during that part outside Nigeria.

36. 36. (1) For these purposes, a person's emoluments include any paid to or receivable by him from the company, the company's subsidiaries and any other person in respect of his services as a person in the employment of the company or a subsidiary of it or as a director of a subsidiary of the company (except sums to be accounted for to the company or any of its subsidiaries).

(2) "Emoluments" here includes fees and percentages, any sums paid by way of expenses allowances in so far as those sums are charged to Nigerian income tax, and the estimated money value of any other benefits received by a person otherwise than in cash.

(3) The amount to be brought into account for the purpose of complying with paragraph 35 are the sums receivable in respect of the year (whenever paid) or, in the case of sums not receivable sums in respect of a period, the sums paid during that year.

(4) (4) But where-

(a) (a) any sums are not brought into account for that year on the ground that the person receiving them is liable to account for them as mentioned in sub-paragraph (1), but the liability is wholly or partly released or is not enforced within a period of 2 years; or

(b) (b) any sums paid to a person by way of expenses allowance are charged to Nigerian income tax after the end of the year;

those sums shall, to the extent to which the liability is released or not enforced or they are charged as above mentioned (as the case may be) be brought into account for the purpose of complying with paragraph 25 on the first occasion on which it is practicable to do so.

37. 37. References in paragraph 36 to a company's subsidiary-

(a) (a) in relation to a person who is or was, while employed by the company a director, by virtue of the company's nomination (direct or indirect), of any other body corporate, include that body corporate (but subject to the following sub-paragraph), whether or not it is or was in fact the company's subsidiary; and

(b) (b) are to be taken as referring to a subsidiary at the time the services were rendered.

SCHEDULE 4

Sections 340, 341

PARTICULARS IN COMPANY FINANCIAL STATEMENTS OF LOAN AND OTHER TRANSACTIONS FAVOURING DIRECTORS AND OFFICERS

PART 1

MATTERS TO BE DISCLOSED UNDER SECTION 240

1. 1. Group financial statements shall contain the particulars required by this Schedule of-

(a) (a) any transaction or arrangement of a kind described in section 270 entered into by the company or by a subsidiary of the company for a person who at any time during the year was a director of the company or its holding company, or was connected with such a director;

(b) (b) an agreement by the company or by a subsidiary of the company to enter into any such transaction or arrangement for a person who was at anytime during the year a director of the company or its holding company, or was connected with such a director; and

(c) (c) any other transaction or arrangement with the company or subsidiary of it in which a person who at any time during the year was a director of the company or its holding company had, directly or indirectly, a material interest.

2. 2. The accounts prepared by a company other than a holding company shall contain the particular required by this Schedule of-

(a) (a) any transaction or arrangement of a kind described in section 270 of this Act entered into by the company for a person who at any time during the year was a director of it or of its holding company or was connected with such a director;

(b) (b) an agreement by the company to enter into any such transaction or arrangement for person who at any time during the year was a director of the company or its holding company or was connected with such a director; and

(c) (c) any other transaction or arrangement with the company in which a person who at any time during the year was a director of the company or of its holding company had, directly or indirectly, a material interest.

3. 3. (1) For purposes of paragraphs 1 (c) and 2 (c), a transaction or arrangement between a company and a director of it or of its holding company, or a person connected with such a director, is to be treated (if it would not otherwise be so) as a transaction, arrangement or agreement in which that director is interested.

(2) An interest in such a transaction or arrangement is not “material” for purposes of those sub-paragraphs if in the board’s opinion it is not so; but this shall be without prejudice to the question whether or not such an interest is material in a case where the board have not considered the matter.

“The board” here means the directors of the company preparing the accounts, or a majority of those directors, but excluding in either case the director whose interest it is.

4. 4. Paragraphs 1 and 2 shall not apply, for the purposes of accounts prepared by a company which is or is the holding company of, a recognized bank, in relation to a transaction or arrangement of a kind described in section 270 of this Act or an agreement to enter into such a transaction or arrangement, to which that recognized bank is a party.

5. 5. Paragraphs 1 and 2 shall not apply in relation to the following transactions, arrangement and agreements-

(a) (a) a transaction, arrangement or agreement between one company and another in which a director of the former or of its subsidiary or holding company is interested only by virtue of his being a director of the latter;

(b) (b) a contract of service between a company and one of its directors or a director of its holding company, or between a director of a company and any of that company’s subsidiaries; or

(c) (c) a transaction, arrangement or agreement which was not entered into during the year and which did not subsist at any time during that year.

6. 6. Paragraphs 1 and 2 shall apply whether or not-

(a) (a) the transaction or arrangement was prohibited by section 270; of this Act .

(b) (b) the person for whom it was made was a director of the company or was connected with a director of it at the time it was made;

(c) (c) in the case of a transaction or arrangement made by a company which at any time during a financial year is a subsidiary of another company it was a subsidiary of that other company at the time the transaction or, arrangement was made.

7. 7. Neither paragraph 1 (c) nor paragraph 2 (c) applies in relation to any transaction or arrangement if-

(a) (a) each party to the transaction or arrangement which is a member of the same group of companies (meaning a holding company and its subsidiaries) as the company entered into the transaction or arrangement in the ordinary course of business.

(b) (b) the terms of the transaction or arrangement are not less favorable to any such party than it would be reasonable to expect if the interest mentioned in that sub-paragraph had not been an interest of a person who was a director of the company or of its holding company.

8. 8. Neither paragraph 1 (c) nor paragraph 2 (c) applies in relation to any transaction or arrangement if-

(a) (a) the company is a member of a group of companies (meaning a holding company and its subsidiaries); and

(b) (b) either the company is a wholly-owned subsidiary or no body corporate (other than the company or a subsidiary of the company) which is a member of the group of companies which includes the company's ultimate holding company was a party to the transaction or arrangement; and

(c) (c) the director in question was at some time during the relevant period associated with the company; and

(d) (d) the material interest of the director in question in the transaction or arrangement would not have risen if he had not been associated with the company at any time during the relevant period.

The particulars required by this Part

9. 9. (1) Subject to the next paragraph, the particulars required by this Part are those of the principal terms of the transaction, arrangement or agreement.

(2) Without prejudice to the generality of sub-paragraph (1), the following particulars are required-

(a) (a) a statement of the fact either that the transaction, arrangement or agreement was made or subsisted (as the case may be) during the year;

(b) (b) the name of the person for whom it was made and, where that person is or was connected with a director of the company or of its holding company, the name of that director;

(c) (c) in a case where paragraph 1 (c) or 2 (c) applies, the name of the director with the material interest and the nature of that interest;

(d) (d) in the case of a loan or an agreement for a loan or an arrangement within section 270 of this Act relating to a loan-

(i) (i) the amount of the liability of the person to whom the loan was or was agreed to be made, in respect of principal and interest, at the beginning and at the end of the year;

(ii) (ii) the maximum amount of that liability during that year;

(iii) (iii) the amount of any interest which, having fallen due, has not been paid; and

(iv) (iv) the amount of any provision (within the meaning of Schedule 2 to this Act) made in respect of any failure or anticipated failure by the borrower to repay the whole or part of the loan or to pay the whole or part of any interest on it;

(e) (e) in the case of a guarantee or security or an arrangement within section 270 of this Act relating to a guarantee or security-

(i) (i) the amount for which the company (or its subsidiary) was liable under the guarantee or in respect of the security both at the beginning and the end of the year;

(ii) (ii) the maximum amount for which the company (or its subsidiary) may become so liable; and

(iii) (iii) any amount paid and any liability incurred by the company (or its subsidiary) for the purpose of fulfilling the guarantee or discharging the security (including any loss incurred by reason of the enforcement of the guarantee or security); and

(f) (f) in the case of any transaction, arrangement or agreement other than those mentioned in sub-paragraphs (d) and (e), the value of the transaction or arrangement or (as the case may be) the value to which the agreement relates.

10. 10. In paragraph 9 (2) above, sub-paragraphs (c) to (f) shall not apply in the case of a loan or quasi-loan made or agreed to be made by a company to or for a body corporate which is either-

(a) (a) a body corporate of which that company is a wholly-owned subsidiary; or

(b) (b) a wholly-owned subsidiary of a body corporate of which that company is a wholly-owned subsidiary; or

(c) (c) a wholly-owned subsidiary of that company, if particulars of that loan, quasi-loan or agreement for it would not have been required to be included in that company's annual accounts if the first-mentioned body corporate had not been associated with a director of that company at any time during the relevant period.

Transactions excluded from section 340

11. 11. (1) In relation to a company's accounts for a year, compliance with this Part shall not be required in the case of transactions of a kind mentioned in the following sub-paragraph which are made by the company or a subsidiary of it for a person who at any time during that financial year was a director of the company or of its holding company, or was connected with such a director, if the aggregate of the values of each transaction, arrangement or arrangement so made for that director or any person connected with him, less the amount (if any) by which the liabilities of the person for whom the transaction or arrangement was made has been reduced, did not at any time during the year exceed N10,000.

(2) The transactions in question are-

(a) (a) credit transactions;

(b) (b) guarantee provided or securities entered into in connection with credit transactions;

(c) (c) arrangements within section 270 of this Act relating to credit transactions;

(d) (d) agreements to enter into credit transactions.

12. In relation to a company's accounts for a financial year, compliance with this Part shall not be required by virtue of paragraph 1(c) or 2 (c) in the case of any transaction or arrangement with a company or any of its subsidiaries in which a director of the company or its holding company had, directly or indirectly, a material interest if-

(a) (a) the value of each transaction or arrangement within paragraph 1 (c) or 2 (c) (as the case may be) in which that director had (directly or indirectly) a material interest and which was made after the commencement of the year with the company or any of its subsidiaries; and

(b) (b) the value of each such transaction or arrangement which was made before the commencement of the year less the amount (if any) by which the liabilities of the person for whom the transaction or arrangement was made have been reduced;

not at any time during the year exceed in the aggregate N3, 000 or, if more did not exceed N19, 000 or 1 per cent of the value of the net assets of the company preparing the accounts in question as at the end of the year which ever is the less.

For this purpose a company's net assets are the aggregate of its assets less the aggregate of its liabilities ("liabilities" to include any provision for liabilities or charges within paragraph 83 of Schedule 2) to this Act .

PART II

MATTERS TO BE DISCLOSED UNDER SECTION 341

13. This Part of this Schedule shall apply in relation to the following classes of transactions, arrangements and agreements-

(a) (a) loans, guarantees and securities relating to loans, arrangements of a kind described under section 270 of this Act relating to loans and agreements to enter into any of the foregoing transactions and agreements;

(b) (b) quasi-loans, guarantees and securities relating to quasi-loans arrangements of a kind described in either of those subsections relating to quasi-loans and agreements to enter into any of the foregoing transactions and arrangements;

(c) (c) credit transactions, guarantees and securities relating to credit transactions and arrangements of a kind described in either of those subsections relating to credit transactions and agreement to enter into any of the foregoing transactions and arrangements.

14. (1) To comply with this Part of this Schedule, the accounts must contain a statement, in relation to transactions, arrangements and agreements made as mentioned in section 270 (1), of this Act .

(a) (a) the aggregate amounts outstanding at the end of the financial year under transactions, arrangements within sub-paragraphs (a), (b) and (c) respectively of paragraph 14 above; and

(b) (b) the number of officers for whom the transactions, arrangements and agreements falling within each of those sub-paragraphs were made.

(2) This paragraph does not apply to transactions, arrangements and agreements made by the company or any of its subsidiaries for an officer of the company if the aggregate amount outstanding at the end of the year under such transactions, arrangements, and agreement do not exceed N5, 000.00.

SCHEDULE 5

Section 342

MATTERS TO BE DEALT WITH IN DIRECTORS' REPORT

PART I

MATTERS OF A GENERAL NATURE

Asset Values

1. 1. (1) If significant changes in the fixed assets of the company or of any of its subsidiaries have occurred in the financial year, the report shall contain particulars of the changes.

(2) If, in the case of such of those assets as consist in interests in land, their market value (as at the end of the year) differs substantially, from the amount at which they are included in the balance sheet, and the difference is, in the directors' opinion, such significance as to require that the attention of members of the company or of holders of its debentures should be drawn to it, the report shall indicate the difference with such degree of precision as is practicable.

Directors' Interests

2. 2. (1) The report shall state the following with respect to each person who at the end of the year, was a director of the company-

(a) (a) whether or not, according to the register kept by the company for the purposes of sections 276 and 277 of this Act (director's obligation to notify his interests in the company and companies in the same group), he was at the end of that year interested in shares in, or debentures of, the company or any other body corporate, being the company's subsidiary or holding company or a subsidiary of the company's holding company;

(b) (b) if he was so interested-

(i) (i) the number and amount of shares in, and debentures of, each body (specifying it) in which, according to that register, he was then interested.

(ii) (ii) Whether or not (according to that register) he was, at the beginning of that year or, if he was not then a director, when he became one, interested in shares in, or debentures of, the company or any other such body corporate; and

(iii) (iii) If he was the number and amount of shares in and debentures of, each body (specifying it) in which, according to that register, he was interested at the beginning of the year or (as the case may be) when he became a director.

(2) An interest in shares or debentures which, under sections 276 and 277, of this Act falls to be treated as being the interest of a director is so treated for the purposes of this paragraph; and the references above to the time when a person became a director, in the case of a person who became director on more than one occasion, is the time when he first became a director.

(3) The particulars required by this paragraph may be given by way of notes to the company's accounts in respect of the year, instead of being stated in the director's report.

Charitable Gifts

3. (1) Money given for charitable purposes to a person who, when it was given, was ordinary resident outside Nigeria is to be left out of account.

(2) "Charitable purposes" means purposes which are exclusively charitable.

Miscellaneous

4. 4. The directors' report shall contain-

(a) (a) particulars of any important events affecting the company or any of its subsidiaries which have occurred since the end of the year.

(b) (b) An indication of likely future developments in the business of the company and of its subsidiaries;

(c) (c) An indication of the activities (if any) of the company and its subsidiaries in the field of research and development;

(d) (d) Names of distributors of the company's products, and

(e) (e) Particulars of donations and gifts made for any purpose.

PART II

DISCLOSURE REQUIRED BY COMPANY ACQUIRING ITS OWN SHARES, ETC.

5. 5. This Part of this Schedule shall apply where shares in a company-

(a) (a) are purchased by the company or are acquired it by forfeiture or surrender in lieu of forfeiture, or in pursuance of section 160 of this Act (acquisition of own shares by company limited by shares) or,

(b) (b) are required by another person in circumstances where paragraph (c) or (d) of section 159 (1) of this Act applies (acquisition by company's nominee, or by another with company financial assistance, the company having a beneficial interests); or

(c) (c) are made subject to a lien or other charges taken (whether expressly or otherwise) by the company and permitted by section 125(1) or (4) of this Act .

6. 6. The directors' report with respect to a year shall state-

(a) (a) the number and nominal value of the shares so purchased, the aggregate amount of the consideration paid by the company for such shares and the reasons for their purchase;

(b) (b) the number and nominal value of the shares so acquired by the company, acquired by another person in such circumstances and so charged respectively during the year;

(c) (c) the maximum number and nominal value of shares which having been so acquired by the company, acquired by another person in such circumstances or so charged (whether or not during that year) are at any time by the company or that other person during the year;

(d) (d) where the number and nominal value of the shares of any particular description are stated in pursuance of any of the preceding sub-paragraphs the percentage of the called up share which shares of that description represent;

(e) (e) where any of the shares have been so charged the amount of the charge in each case;

(f) (f) where any of the shares have been disposed of by the company or the person who acquired them in such circumstances for money or money's worth the amount or value of the consideration in each case; and

(g) (g) the excess of the selling price over the purchase price of each share resold or the excess of the cost over the selling price which was taken to capital reserve.

PART III

EMPLOYMENT AND EMPLOYEES

Employment of disabled persons

7. 7. The directors' report shall contain a statement showing how many disabled persons were employed during the year and describing the policy which the company has applied during the year-

(a) (a) for giving full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities;

(b) (b) for continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company; and

(c) (c) otherwise for the training, career development and promotion of disabled persons employed by the company.

Health, Safety and Welfare at work of Company's employees

8. 8. The directors' report shall contain a statement as to the arrangement in force in the year for securing the health, safety and welfare at work of employees of the company and its subsidiaries, and for protecting other persons against risks to health or safety arising out of or in connection with the activities at work of those employees.

Employee involvement and Training

9. 9. The directors' report shall contain a statement describing the action that has been taken during the year to introduce, maintain or develop arrangements aimed at-

(a) (a) providing employees systematically with information on matters of concern to them as employees;

(b) (b) consulting employees or their representatives on a regular basis so that the views of employees can be taken into account in making decisions which are likely to affect their interests;

(c) (c) encouraging the involvement of employees in the company's performance through an employees' share scheme or by some other means; and

(d) (d) achieving a common awareness on the part of all employees of the financial and economic factors affecting the performance of the company.

10. 10. The directors' report shall contain a statement showing the arrangements made or facilities provided by the company for the training of employees during the year.

SCHEDULE 6

Section 359

MATTERS TO BE EXPRESSLY STATED IN AUDITOR'S REPORT

1. 1. Whether they have obtained all the information and explanations, which to the best of their knowledge and belief were necessary for the purpose of their audit.

2. 2. Whether in their opinion, proper books of account have been kept by the company, so far as appears from their examination of those books, and proper returns adequate for the purposes of their audit have been received from branches not visited by them.

3. 3. (1) Whether the company's balance sheet and (unless it is framed as a consolidated profit and loss account) profit and loss account dealt with by the report are in agreement with the books of account and returns.

(2) Whether in their opinion and to the best of their information and according to the explanations given them, the said statements give the information required by this Act in the manner so required and give a true and fair view-

(a) (a) in the case of balance sheet, of the state of the company's affairs as at the end of its year and;

(b) (b) in the case of the profit and loss account, of the profit and loss for the year, or as the case may be, give a true and fair view thereof subject to the non-disclosure of any matters (to be indicated in the report) which by virtue of Part I of Schedule 2 of this Act are not required to be disclosed.

4. 4. In the case of a holding company submitting group financial statements whether, in their opinion, the group financial statements have been properly prepared in accordance with the provisions of this Act so as to give a true and fair view of the state of affairs and profit or loss of the company and its subsidiaries and associates dealt with hereby, so far as concerns members of the company, or the case may be so as to give a true and fair view thereof subject to the non-disclosure of any matters to be indicated in the report which by virtue of Part I of Schedule 2 to this Act are not re-required to be disclosed.

SCHEDULE 7

MODIFIED FINANCIAL STATEMENTS OF COMPANIES QUALIFYING AS SMALL

Sections 350, 351, 352, 353. PART I

MODIFIED INDIVIDUAL FINANCIAL STATEMENTS

Introductory

Accounts Modified as for a small Company

1. 1. (1) In respect of the relevant financial year, there may be delivered a copy of a modified balance sheet, instead of the full balance sheet.

(2) The modified balance sheet shall be an abbreviated version of the full balance sheet, showing only those items to which a letter or Roman number is assigned in the balance sheet format adopted under Schedule 2 Part I, to this Act but in other respects corresponding to the full balance sheet.

(3) The copy of the modified balance sheet shall be signed as required by section 343 of this Act .

2.A copy of the company's profit and loss account need not be delivered nor a copy of the directors' report otherwise required by section 345 of this Act .

3. 3. The information required by Parts V and VI of Schedule 3 to this Act need not be given.

4. 4. The information required by Schedule 3 to this Act to be given in notes to the accounts need not be given, with the exception of any information required by the following provisions of that Schedule-

Paragraph 36 (accounting policies)

Paragraph 38 (share capital)

Paragraph 39 (particulars of allotments)

Paragraph 47 (1) and (4) (particulars of debts)

Paragraph 57 (1) (basis of translation of foreign currency amounts into Naira, and

Paragraph 57 (2) (corresponding amounts for preceding year); and the reference here to paragraph 52 (2) includes that sub-paragraph as applied to any item stated in a note to the company's accounts, whether by virtue of a requirement of Schedule 3 or under any other provision of this Act .

5. 5. If a modified balance sheet is delivered, there shall be disclosed in it (or in a note to the company's accounts delivered)-

(a) (a) the aggregate of the amounts required by note (5) of the notes on the balance sheet formats set out in Schedule 2 Part I to be shown separately for each item included under debtors (amounts falling due after one year); and

(b) (b) the aggregate of the amounts required by note (13) of those notes to be shown separately for each item included under creditors in format 2 (amounts falling due within one year or after more than one year).

6. 6. The company's balance sheet shall contain a statement by the directors that-

(a) (a) they rely on sections 350 to 353 of this Act as entitling them to deliver modified accounts; and

(b) (b) they do so on the ground that the company is entitled to the benefit of those sections as a small company;

7. 7. (1) The accounts delivered shall be accompanied by a special report of the auditors stating that in their opinion –

(a) the directors are to deliver modified accounts, in respect of the financial year, as claimed in the directors statements, and

(b) any accounts comprised in the documents delivered as modified accounts are properly prepared as such in accordance with this Schedule.

(2) A copy of the auditors' report under section 359 of this Act need not be delivered; but the full text of it shall be reproduced in the special report under this paragraph.

If the directors propose to rely on sections 350 to 353 of this Act as entitling them to deliver modified accounts, it shall be the auditors' duty to provide them with a report stating whether in their opinion the directors are so entitled, and whether the documents to be delivered as modified accounts are properly prepared in accordance with this Act .

8. 8. Subject as above, where the directors rely on sections 350 to 353 of this Act in delivering any documents, and-

(a) (a) the company is entitled to the benefit of those sections on the ground claimed by the directors in their statement under paragraph 6; and

(b) (b) the accounts comprised in the documents are properly prepared in accordance with this Schedule,

then section 345(3) of this Act shall have effect as if any document which by virtue of this Part of this Schedule is included in or omitted from the documents delivered as modified accounts were (or, as the case may be), were not required by this Act to be comprised in the company's accounts in respect of the year.

PART II

MODIFIED GROUP FINANCIAL STATEMENTS (IN CONSOLIDATED FORM) FOR SMALL COMPANIES

Introductory

9. 9. In this Schedule paragraphs 10-16 relate to modified financial statements for a small group.

Small Groups

10. 10. (1) In respect of the relevant year, there may be delivered a copy of a modified balance sheet, instead of the full-consolidated balance sheet.

(2) The modified balance sheet shall be an abbreviated version of the full consolidated balance sheet, showing only those items to which a letter or Roman numeral is assigned in the balance sheet format adopted under Schedule 2 Part I, but in other respects corresponding to the full consolidated balance sheet.

11. 11. A copy of the profit and loss account need not be delivered nor a copy of the directors' report otherwise required by section 343 of this Act .

12. 12. The information required by Schedule 2 to this Act to be given in notes to group financial statements need not be given, with the exception of any information required by provisions of that Schedule listed in paragraph 4 above.

13. 13. There shall be disclosed in the modified balance sheet, or in a note to the group accounts delivered, aggregate amounts corresponding to those specified in paragraph 5 above.

14. 14. The information required by Part V and VI of Schedule 3 need not be given.

PART III

(MODIFIED GROUP ACCOUNTS CONSOLIDATED OR OTHERS)

15. 15. If modified group accounts are delivered, the following paragraphs apply.

16. 16. The director's statement required by paragraph 6 to be contained in the balance sheet include a statement that the documents delivered include modified group accounts, in reliance on section 353.

17. 17. (1) The auditors' special report under paragraph 7 shall include a statement that in their opinion-

(a) (a) the directors are entitled to deliver modified group accounts, as claimed in their statement in the balance sheet, and

(b) (b) any accounts comprised in the documents delivered as modified group financial statements are properly prepared as such in accordance with this Schedule.

(2) A copy of the auditors' report under section 359 need not be delivered; but the full text of it shall be reproduced in the special report under paragraph 7.

(3) If the directors propose to rely on section 351 as entitling them to deliver modified group financial statements, it is the auditor's duty to provide them with a report stating whether in their opinion the directors are so entitled, and whether the documents to be delivered as modified group financial statements are properly prepared in accordance with this Schedule.

18. 18. Subject as above where the directors rely on section 353 in delivering any documents, and

(a) (a) the company is entitled to the benefit of that section on the ground claimed by the directors in their statement in the balance sheet, and

(b) (b) the accounts comprised in the documents delivered as modified financial statements are properly prepared in accordance with this Schedule, then section 345(3) has effect as if any document which by virtue of this Schedule is included in or omitted from the documents delivered as modified group financial statements were (or, as the case may be, were not) required by this Act to be comprised in the company's financial statements in respect of the year.

SCHEDULE 8

Section 371

CONTENTS AND FORM OF ANNUAL RETURN OF A COMPANY HAVING SHARES OTHER THAN A SMALL COMPANY

PART I

CONTENTS

1. 1. The address of the registered office of the company.

2. 2. (1) If the register of members is under the provisions of this Act , kept elsewhere than at the registered office of the company, the address of the place where it is kept.

(3) If any register of holders of debentures of the company or any duplicate of any such register or part of any such register is, under the provisions of this Act kept elsewhere than at the registered office of the company, the address of the place where it is kept.

3. 3. A summary distinguishing between shares issued for cash and shares issued as fully or partly paid or otherwise than in cash, specifying the following particulars-

(a) (a) the amount of the share capital of the company and the number of shares into which it is divided;

(b) (b) the number of shares taken from the commencement of the company up to the date of the return;

(c) (c) the amount called up on each share;

(d) (d) the total amount of calls received;

(e) (e) the total amount of calls unpaid;

(f) (f) the total amount of the sums (if any) paid by way of commission in respect of any shares or debentures;

(g) (g) the discount allowed on the issue of any shares issued at a discount or so much of that discount as has not been written off at the date on which return is made;

(h) (h) the total amount of the sums (if any) allowed by way of discount in respect of any debentures since the date of the last return; and

(i) (i) the total number of shares forfeited.

4. 4. Particulars of the total amount of the indebtedness of the company in respect of all mortgages and charges which are required to be registered with the Commission under this Act .

5. 5. A list-

(a) (a) containing the names and addresses of all persons who, on the fourteenth day after the company's annual general meeting for the year, are members since the date of the last return or, in the case of the first return since the incorporation of the company;

(b) (b) stating the number of shares held by each of the existing members at the date of the return, specifying shares transferred since the date of the last return (or in the case of the first return, since the incorporation of the company) by persons who are still members and have ceased to be members respectively, and the dates of registration of the transfer;

(c) (c) if the names aforesaid are not arranged in alphabetical order, having annexed thereto an index sufficient to enable the name of any person therein to be easily found.

6. 6. All such particulars with respect to the persons who at the date of the return are the directors of the company and any person who at that date is the secretary of the company as are by this Act required to be contained with respect to directors and the secretary respectively in the register of the directors and secretaries of a company.

PART II

FORM

ANNUAL RETURN OF. Limited made up to the day of19.....(being the fourteenth day after the date of the annual general meeting for the year 19.....)

1. 1. Address.

(Address of the registered office of the company)

2. 2. Situation of Registers of Members and Debenture Holders.

(a) (a) (Address of place at which the register of members is kept, if other than the registered office of the company).

(b) (b) (Address of any place in Nigeria other than the registered office of the company at which is kept any register of holders of debentures of the company or any duplicate of any such register or part of any such register).

3. 3. Summary of Share Capital and Debentures.

(a) (a) Nominal Share Capital

Nominal Share Capital N divided into

(insert number and class) shares of each

shares of each

shares of each

shares of each

(b) (b) Issued Share Capital and Debentures

Number Class Shares

Number of shares of each shares

class taken up to the date shares

of this return (which number shares

must agree with the shares

total shown in the list as shares

held by existing members).

Numbers of shares of each shares

class issued subject to shares

payment wholly in cash shares

Number of shares of each shares issued as paid up

class issued as partly to the extent of =N= per

paid up for a consideration share.

other than cash and extent shares issued as paid

to which each such share up to the extent of

is so paid up. =N= per share.

Number of shares (if any) shares

of each class issued at shares

a discount. shares

Amount of discount on the

issued of shares which has

not been written off at the

date of this return =N=.....

Number Class

Amount called =N= per share shares

on up on number =N= per share shares

on of shares of =N= share shares

on each class =N= per share shares

Total amount of calls received,

including payments on

application and allotment

and any sums received on

shares forfeited. =N=.....

Total amount (if any) agreed

To be considered as paid on the

Number of shares each

class issued as fully paid shares

up for a consideration shares

paid other than cash. shares

Total amount (if any) agreed as shares

=N=.....to be considered shares

paid on number of shares of each shares

class issued as partly

paid up for a consideration other than cash.

Total amount of calls unpaid =N=.....

Total amount of the sums (if any)

paid by way of commission

in respect of any shares or debentures. =N=.....

Total amount of the sums (if any)

allowed by way of discount

in respect of any debentures

since the date of the last return. =N=.....

Number Class

Total number of shares of shares

each class forfeited shares

4. 4. Particulars of Indebtedness.

Total amount of indebtedness of the company in respect of all mortgages and charges, which are required to be registered with the Commission under this Act No.

5. 5. List of Past and Present Members.

List of persons holding shares or stock in the company on the fourteenth day after the annual general meeting for 19..... . And of persons who have held shares or stock therein at any time since the date of the last return, or, in the case of the first return, of the incorporation of the company.

Account of Shares

Folio in register containing particulars.

Name and addresses.

Numbers of shares held by existing members at date of return.

Particulars of shares transferred since the date of the last return, or, in the case of the first return, of the incorporation of the company of (a) persons who are still members and (b) persons who have ceased to be members.

Remark

Number

Date of registration of transfer.

(a)

(b)

The aggregate number of shares held by each member must be stated, and the aggregate must be added up so as to agree with the number of shares stated in the Summary of Shares Capital and Debentures to have been taken up.

When the shares are of different classes these columns should be sub-divided so that the number of each class held, or transferred may be shown separately. Where any shares have been converted into stock the amount of stock held by each member must be shown.

The date of registration of each transfer should be given as well as the number of shares transferred on each date. The particulars should be placed together with that of the transferee, but the name of the transferee may be inserted in the "Remarks" column immediately opposite the particulars of each transfer.

(i) If the return for either of the two immediately preceding years has given as at the date of that return the full particulars required as to past and present members and the shares and stock held and transferred by them, only such of the particulars need be given as relate to persons ceasing to be or becoming members since the date of the last return and to shares transferred since that date or to changes as compared with the date in the amount of stock held by a member.

(ii) If the names in the list are not arranged in alphabetical order, an index sufficient to enable the name of any person to be readily found must be annexed.

6. 6. Particulars of Directors and Secretaries.

Particulars of the persons who are directors of the company at the date of this return.

Name Present fore- name or names and surnames.

Any former forename or names and surname.

Nationality.

Usual residential address.

Business occupation and particulars of other directorships.

Date of birth.

Particulars of the person who is secretary of the company at the date of this return.

Name (In the case of an individual, present forename or names and surname, in the case of a corporation, the corporate name).

Any former forenames or surnames.

Usual residential address (In the case of a corporation, the registered or principal office).

.....

Signed Director.

Notes

“Directors” include any person who occupies the position of a director by whatsoever name called and any person in accordance with whose directions or instructions the directors of the company are accustomed to act.

“Former forename” and “former surname” do not include in the case of a married woman the name or surname by which she was known in previous marriage.

The names of all bodies corporate of which the company making the return is the wholly-owned subsidiary or bodies corporate which are the wholly-owned subsidiaries either of the company or of another company of which the company is a subsidiary of another if it has no members except that other and that other’s wholly-owned subsidiaries and its or their nominees. If the space provided in the form is insufficient, particulars of both directorships should be listed on a separate statement attached to the return.

Where all the partners in a firm are joint secretaries, the name and principal office of the firm may be stated.

*Delivered for filling by _____

*This should be printed at the bottom of the first page of the return.

CERTIFICATES AND OTHER DOCUMENTS ACCOMPANYING ANNUAL RETURNS

Certificate to be given by a Director and the Secretary of every Private Company

We certify that the company has not since the date of incorporation of the company/the last annual return issued any invitation to the public to subscribe for any shares or debentures of the company.

.....

Signed (Director)

.....

Signed (Secretary)

Further certificate to be given as aforesaid if the number of members of the company exceeds fifty.

We certify that the excess of the number of members of the company over fifty consists wholly of persons who, under subsection (3) of section 19 of the Companies and Allied Matters Decree 1990 are not to be included in reckoning the number fifty.

.....

Signed (Director)

.....

Signed (Secretary)

Certified copies of Accounts

There shall be annexed to this return a written copy, certified both by a director and by the secretary of the company to be a true copy, every balance sheet laid before the company in general meeting during the period to which this return relates (including every document required by law to be annexed to the balance sheet) and a copy (certified as aforesaid) of the report of the directors accompanying each such balance sheet. If any such balance sheet or document required by law to be annexed thereto is in foreign language there must also be annexed to that balance sheet a translation in English of the balance sheet or document certified in prescribed manner to be a correct translation. If any such balance sheet as aforesaid or document required by law to be annexed thereto did not comply with the

requirements of the law as in force at the date of audit with respect to the form of balance sheet or documents aforesaid, as the case may be, there shall be made such addition to and corrections in the copy as would have been required to be made in the balance sheet or document in order to make it comply with the said requirements, and the fact that the copy has been amended must be stated thereon.

SCHEDULE 9

Section 372

ANNUAL RETURN OF A SMALL COMPANY

PART I

Contents

1. 1. The name and address of the registered office of the company.
2. 2. If the register of member is under the provisions of the Decree kept elsewhere than at the registered office of the company, the address of the place where it is kept.
3. 3. If any register of holders of debentures of the company or any such register or part of any such register is under the provisions of this Act is kept elsewhere than at the registered office of the company, the address of the place where it is kept.
4. 4. The authorized share capital of the company.
5. 5. The issued capital.
6. 6. The total paid-up capital.
7. 7. Particulars of the total amount of the indebtedness of the company in respect of all mortgages and charges which are required to be registered with the Registrar under the Decree.
8. 8. Particulars of the directors and secretary.

PART II

ANNUAL RETURN OFLimited made up of theday of19..... (being the fourteenth day after the date of the annual general meeting for the year

.....

1. 1. Name

.....

2. 2. Address

(Address of the registered office of the company).

.....

3. 3. Situation of Registers of Members and Debenture holders.

.....

(a) (a) (Address of place at which the register of members is kept, if other than the registered office of the company).

(b) (b) Address of any place in Nigeria other than the registered office of the company at which is kept any register of holders of debentures of the company or any duplicate of any such register or part of any such register.

.....

4. 4. Particulars of Indebtedness.

Total amount of indebtedness of the company in respect of all mortgages and charges which are required to be registered with the Commission under the Companies and Allied Matters Decree 1990, the particulars of which are set in the annexed statement. =N=.....

5. 5. Particulars of Directors and Secretaries.

Particulars of persons who are directors of the Company at the date of this return.

Name Present forename or names and surname.

Any former forename or names and surname.

Nationality.

Usual residential address.

Business occupation and particulars of other directorships.

Date of Birth.

Particulars of the person who is secretary of the company at the date of this return.

Name (In the case of an individual, present forename or names and surname, in the case of a corporation, the corporate name).

Any former forenames or surnames.

Usual residential address (In the case of a corporation, the registered or principal office).

.....

Signed (Director)

“Director” includes any person who is appointed a director by the company, or is described as a director by the company, and any person in accordance with whose directions or instructions the directors or the company are accustomed to act.

“Former forename” and former surname” do not include in the case of a married woman the name or surname by which she was known previous to the marriage.

The names of all bodies corporate incorporated in Nigeria of which the director is also a director should be given, except bodies corporate of which the company making the return is wholly-owned subsidiary or bodies corporate which are the wholly-owned subsidiaries either

of the company or of another company of which the company is the wholly-owned subsidiary. A body corporate is deemed to be wholly-owned subsidiary of another if it has no members except that other and that other's wholly-owned subsidiaries and its or their nominees. If the space provided in the form is insufficient, particulars of other directorships should be listed on a separated statement attached to this return.

Where all partners in a firm are joint secretaries, the name and principal office of the firm should be stated.

*Delivered for filling by

*This should be printed at the bottom of the page of the return.

CERTIFICATES AND OTHER DOCUMENTS ACCOMPANYING ANNUAL RETURN

Certificate to be given by a Director and the Secretary of every Private Company

We certify that the company has not since the date of the incorporation of the company /the last annual return issued any invitation to the public to subscribe for any shares or debentures of the company.

.....

Signed (Director)

.....

Signed (Secretary)

Further certificate to be given as aforesaid if the number of members of the company exceeds fifty.

We certify that the excess of the number of members of the company over fifty consists wholly of persons, who under section 22 (3) of the Companies and Allied Matters Decree 1990 are not to be included in reckoning the number of fifty, and we also certify that the company still retains its smallness.

.....

Signed (Director)

.....

Signed (Secretary)

Certified copies of Accounts

There shall be annexed to this return a written copy, certified both by a director and by the secretary of the company to be a true copy of every balance sheet laid before the company in general meeting during the period to which this return relates (including every document required by law to be annexed to the balance sheet) and a copy (certified as aforesaid) of the report of the auditors on, and of the report of the directors accompanying each such balance sheet. If any such balance sheet or document required by law to be annexed thereto is in foreign language there must also be annexed to that balance sheet a translation in English of the balance sheet or document certified in the prescribed manner to be a correct translation. If any such balance sheet as aforesaid or document required by law to be annexed thereto did not comply with the requirements of the law as in force at the date of the audit with respect to the form of balance sheets or documents aforesaid, as the case may be, there must be made such additions to and corrections in the copy as would have been required to be made in the balance sheet or document in order to make it comply with the said requirements, and the fact that the copy has been so amended must be stated thereon.

SCHEDULE 10

Section 363

ANNUAL RETURN OF A COMPANY LIMITED BY GUARANTEE

(Under the Companies and Allied Matters Decree 1990)

ANNUAL RETURN OF Limited made up to theday of19.....(being the fourteenth day after the date of the annual general meeting for the year,)

1. 1. Address

(Address of the registered office of the company)

2. 2. Situation of Registers of Members and Debenture Holders.

(a) (a) (Address of place at which the register of members is kept, if other than the registered office of the company).

(b) (b) (Address of any place in Nigeria other than the registered office of the company at which is kept any register of holders of debentures of the company or any duplicate of any such register or part of any such register).

3. 3. Particulars of indebtedness.

Total amount of indebtedness of the company in respect of all mortgages and charges which are required to be registered with the Commission under this Act , the particulars of which are set out in the annexed statement.

=N=.....

4. 4. Particulars of the persons who are directors of the company at the date of this return.

Name Present forenames or names and surname.

Any former forename or names and surname.

Nationality

Usual residential address.

Business occupation and particulars of other directorship.

Date of birth.

Particulars of the person who is the secretary of the company at the date of this return.

Name (In the case of an individual, present forename or names and surname, in the case of a corporation, the corporate name).

Any former forenames or surnames.

Usual residential address, (In the case of a corporation of the registered or principal office).

.....

Signed (Director)

Notes

“Director includes any person who occupies the position of a director by whatsoever name called and any person in accordance with whose directions or instructions the directors of the company are accustomed to act.

“Former forename” and “former surname” do not include in the case of a married woman the name or surname by which she was known previous to the marriage.

The names of all bodies corporate incorporated in Nigeria of which the director is also a director, should be given except bodies corporate of which the company making the return is the wholly-owned subsidiary of bodies corporate which are wholly-owned subsidiaries either of the company or of another company of which the company is the wholly-owned subsidiary of another if it has no members except that other and that other's wholly-owned subsidiaries and its or their nominees. If the space provided in the form is insufficient, particulars of other directorships should be listed on a separate statement attached to this return.

Where all partners are joint secretaries, the name and principal office of the firm should be stated.

*Delivered for filing by

*This should be printed at the bottom of the first page.

CERTIFICATES AND OTHER DOCUMENTS ACCOMPANYING ANNUAL RETURN

Certificate to be given by a Director and the Secretary of every Private Company

We certify that the company has not since the date of the incorporation of the company /the last annual return issued any invitation to the public to subscribe for any shares or debentures of the company.

.....

Signed (Director)

.....

Signed (Secretary)

Further certificate to be given as foresaid if the number of member of the company exceeds fifty.

We certify that the excess of the number of members of the company over fifty consists wholly of persons, who under subsection (3) of the section 22 of the Companies and Allied Matters Decree 1990 are not to be included in reckoning the number of fifty.

.....

Signed (Director)

.....

Signed (Secretary)

Certified copies of Accounts

There shall be annexed to this return a written copy, certified both by a director and by the secretary of the company to be a true copy of every balance sheet laid before the company in general meeting during the period to which this return relates (including every document required by law to be annexed to the balance sheet) and a copy (certified as aforesaid of the report of the auditors on, and of the report of the directors accompanying each such balance sheet. If any such balance sheet or document required by law to be annexed thereto is in a foreign language, there must also be annexed to that balance sheet a translation in English of the balance sheet or document certified in the prescribed manner to be a correct translation. If any such balance sheet as aforesaid or document required by law to be annexed thereto did not comply with the requirements of the law as in force at the date of the audit with respect to the form of balance sheets or documents aforesaid, as the case may be, there must be made such additions to and corrections in the copy as would have been required to be made in the balance sheet or document in order to make it comply with the said requirements, and the fact that the copy has been so amended must be stated thereon.

SCHEDULE 11

Section 393(3)

POWERS OF RECEIVERS AND MANAGERS OF THE WHOLE OR SUBSTANTIALLY THE WHOLE OF COMPANY'S PROPERTY

1. 1. Power to take possession of, collect and get in the property of the company and, for that purpose, to take such proceedings as may seem to him expedient.

2. 2. Power to sell or otherwise dispose of property of the company by public auction or private contract.

3. 3. Power to raise or borrow money and grant security therefore over the property of the company.

4. 4. Power to appoint a solicitor or accountant or other professionally qualified person to assist him in the performance of his functions.

5. 5. Power to bring or defend any action or other legal proceedings in the name and on behalf of the company.

6. 6. Power to refer to arbitration any question affecting the company.

7. 7. Power to effect and maintain insurances in respect of the business and property of the company.

8. 8. Power to use the company's seal.

9. 9. Power to do all acts and to execute in the name and on the behalf of the company and deed, receipt or other document.

10. 10. Power to draw, accept, make and endorse any bill of exchange or promissory note in the name and on the behalf of the company.

11. 11. Power to appoint any agent to do any business which he is unable to do himself or which can more conveniently be done by an agent and power to employ and dismiss employees.

12. 12. Power to do all such things (including the carrying out of works) as may be necessary for the realization of the property of the company.

13. 13. Power to make any payment, which is necessary or incidental to the performance of his functions.

14. 14. Power to carry on business of the company.

15. 15. Power to establish subsidiaries of the company.

16. 16. Power to transfer to subsidiaries of the company the whole or any part of the business and property of the company.

17. 17. Power to grant or accept a surrender of a lease or tenancy of any property required or convenient for the business of the company.

18. 18. Power to make any arrangement or compromises on behalf of the company.

19. 19. Power to call up any uncalled capital of the company.

20. 20. Power to rank and claim in the bankruptcy, insolvency, sequestration or liquidation of any person indebted to the company and to receive dividends, and to accede to trust deeds for the creditors of any such person.

21. 21. Power to present or defend a petition for the winding up of the company.

22. 22. Power to change the situation of the company's registered office.

23. 23. Power to do all other things incidental to the exercise of the foregoing powers.

SCHEDULE 12

PROVISIONS NOT APPLICABLE ON WINDING UP UNDER SUPERVISION OF COURT

Section Subject Matter

388 388 Power to appoint official receiver for debenture holders and others.

420 420 Statement of company's affairs to be submitted to official receiver.

421 421 Report of official receiver.

422 422 Appointment, remuneration and title of liquidators. (except subsection 8)

427 427 Exercise and control of liquidator's powers.

428 428 Payments by liquidator into companies liquidation account.

429 429 Audit, etc. of liquidator's account.

430 430 Books to be kept by liquidator.

431 431 Release of liquidator.

432 432 Control over liquidators.

433 433 Power to appoint committee of inspection, etc.

434 434 Powers etc. of committee of inspection.

435 435 Powers where no committee of inspection.

436 436 Power to appoint special manager.

450 450 Power to order public examination of promoters, etc.

453 453 Delegation to liquidation of certain powers of the Court.

SCHEDULE 13

Section 629

PROVISION OF this Act APPLYING TO UNREGISTERED COMPANIES

Provisions of this Decree

Subject Matter

Limitation on application

Sections 370-378 and Schedules 8, 9 and 10.

Annual return.

Not to apply so as to require particulars in respect of any period before the commencement of this Act , and as respects any period thereafter to apply so far only as may be specified as aforesaid and to such bodies corporate as may be so specified.

Sections 331-369 and Schedules 5-9.

Accounts and audit.

To apply so far as may be specified as aforesaid and to such bodies corporate as may be so specified.

Sections 314-330

Investigations.

Sections 275, 276, 277, 632, 633, 634, 638, 640, 645, 647 (1) and 649, and Schedule 17.

Registration of documents, enforcement and supplemental matters.

To apply so far only as they have effect in relation to provisions applying by virtue of the foregoing entries in this schedule.

SCHEDULE 14

Section 636

FORMS OF STATEMENT TO BE PUBLISHED BY BANKING AND INSURANCE COMPANIES AND DEPOSIT, PROVIDENT OR BENEFIT SOCIETIES

The share capital is divided in toshares ofeach.

The number of shares issued is

Calls to the amount of Naira per share have been made under which the sum ofNaira has been received.

The liabilities of the company on the first day of January (or July) were-

Debts owing to sundry persons by the company-

On judgment, =N=

On specialty, =N=

On notes or bills, =N=

On simple contracts, =N=

On estimated liabilities, =N=

The assets of the company on that day were-

Government securities (stating them) =N=

Bills of exchange and promissory notes, =N=

Other securities, =N=

*If the company has no share capital the portion of the statement relating to capital and shares must be omitted.

SCHEDULE 15[1]

Sections 548, 550, 553, 557, 567, 571

MANDATORY CONTENTS OF PROSPECTUS

PART 1- MATTERS TO BE STATED

The Company's proprietorship, management and its capital requirement

1. 1. The prospectus shall state-

(a) (a) the number of founders or management or deferred shares (if any) and the nature and extent of the interest of the holders in the property and profits of the company;

(b) (b) the number of shares (if any) fixed by the company's articles as the qualification of a director, and any provision in the articles as to the remuneration of directors; and

(c) (c) the names, descriptions and addresses of the directors or proposed directors.

2. 2. Where shares are offered to the public for subscription, prospectus shall give particulars as to-

(a) (a) the minimum amount which, in the opinion of the directors must be raised by the issue of those shares in order to provide the sums (or, if any part of them is to be defrayed in any other manner, the balance of the sums) required to be provided in respect of each of the following-

(i)(i)the purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the issue,

(ii) any preliminary expenses payable by the company, and any commission so payable to any person in consideration of his agreeing to subscribe for, or of his procuring subscriptions for, any shares in the company,

(iii) the repayment of any money borrowed by the company in respect of any of the foregoing matters,

(iv) (iv) working capital, and

(b) (b) the amounts to be provided in respect of the matters above mentioned otherwise than out of the proceeds of the issue and the sources out of which those amounts are to be provided.

Details relating to the offer

3 (1) The prospectus shall state-

(a) (a) the time of the opening of the subscription lists, and

(b) (b) the amount payable on application and allotment on each share (including the amount, if any, payable by way of premium).

(2) In the case of a second or subsequent offer of shares, there shall also be stated the amount offered for subscription on each previous allotment made within the 2 preceding years, the amount actually allotted and the amount (if any) paid on the shares so allotted, including the amount (if any) paid by way of premium.

4. (1) There shall be stated the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for.

(2) The following particulars of the option must be given-

(a) (a) the period during which it is exercisable,

(b) (b) the price to be paid for shares or debentures subscribed for under it,

(c) (c) the consideration (if any) given or to be given for it or the right to it

(d) (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such the relevant shares or debentures.

(3) References in this paragraph to subscribing for shares or debentures include acquiring them from a person to whom they have been allotted or agreed to be allotted with a view to his offering them for sale.

5. 5. The prospectus shall state the number and amount of shares and debentures which within the 2 preceding years have been issued, or agreed to be issued, as fully or partly paid up otherwise than in cash; and

(a) (a) in the latter case the extent to which they are so paid up, and

(b) (b) in either case the consideration for which those shares or debenture have been issued or are proposed or intended to be issued.

Property acquired or to be acquired by the company

6. 6. (1) For purposes of paragraphs 8 and 9 of this Schedule relevant property is purchased or acquired by the company, or proposed to be purchased or acquired-

(a) (a) which is to be paid wholly or partly out of the proceeds of the issue offered for subscription by the prospectus, or

(b) (b) the purchase or acquisition of which has not been completed at the date of the issue of the prospectus.

(2) The two paragraphs referred to in subparagraph (1) above do not apply to property-

(a) (a) the contract for which purchase or acquisition was entered into in the ordinary course of the company's business, the contract not being made in contemplation of the issue nor the issue in consequence of the contract, or

(b) (b) as respects which the amount of the purchase money is not material.

7. 7. As respects any relevant property, the prospectus shall state-

(a) (a) the names and addresses of the vendors,

(b) (b) the amount payable in cash, shares or debentures to the vendor and, where there is more than one separate vendor, or the company is a sub-purchaser, the amount so payable to each vendor; and

(c) (c) short particulars of any transaction relating to the property completed within 2 preceding years in which any vendor of the property to the company or any person who is, or was at the time of the transaction, a promoter or a director or proposed director of the company had any interest direct or indirect.

8. 8. There shall be stated the amount (if any) paid or payable as purchase money in cash, shares or debentures for any relevant property, specifying the amount (if any) payable for goodwill.

9. 9. (1) Sub-paragraphs (2) to (4) of this paragraph shall apply with respect to the interpretation of paragraphs 6, 7 and 8.

(2) Every person is deemed a vendor who has entered into any contract (absolute or conditional) for the sale or purchase, or for any option of purchase of any property to be acquired by the company, in any case where-

(a) (a) the purchase money is not fully paid at the date of the issue of the prospectus.

(b) (b) The purchase money is to be paid or satisfied wholly original paid out of the proceeds of the issue offered for subscription by the prospectus, or

(c) (c) The contract depends for its validity or fulfillment on the result of that issue.

(3) Where any property to be acquired by the company is to be taken on lease, paragraphs 6, 7 and 8 as if “the vendor” include the lessor, “purchase money” include the consideration for the lease, and “sub-purchaser” include a sub-lessor.

(4) For purposes of paragraph 8, where the vendors or any of them are a firm, the members of the firm are not to be treated as separate vendors.

Commissions, preliminary expenses, etc.

10. 10. (1) The prospectus shall state-

(a) (a) the amount (if any) paid within the 2 preceding years, or payable, as commission (but not including commission to sub-underwriters) for subscribing or agreeing to procure subscriptions for shares in or debentures of the company, or the rate of any such commission.

(b) (b) The amount or estimated amount of any preliminary expenses and the person by whom any of those expenses have been paid or are payable, and the amount or estimated amount of the expenses of the issue and the persons by whom any of those expenses have been paid or are payable.

(c) (c) Any amount or benefit paid or given within the 2 preceding years or intended to be paid or given to any promoter, and the consideration of.

(2) Sub-paragraph (1) (d) above, so far as it relates to preliminary expenses, does not apply in the case of a prospectus issued more than 2 years after the date at which the company is entitled to commence business.

Contracts

11. 11. (1) The prospectus shall give the dates of parties to and general nature of every material contract.

(2) Sub-paragraph (1) of this paragraph does not apply to a contract entered into in the ordinary course of the business carried on or intended to be carried on by the company, or a contract entered into more than 2 years before the date of issue of the prospectus.

Auditors

12. 12. The prospectus shall state the names and addresses of the company's auditors (if any).

Interests of directors

13. 13. (1) The prospectus shall give full particulars of-

(a) (a) the nature and extent of the interest (if any) of every director in the promotion of, or in the property proposed to be acquired by the company, or

(b) (b) where the interest of such a director consists in being a partner in a firm.

(2) With the particulars under sub-paragraph (1) (d) must be provided a statement of all sums paid or agreed to be paid to the director or the firm in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a director or otherwise for services rendered by him or the firm in connection with the promotion or formation of the company.

(3) This paragraph does not apply in the case of a prospectus issued more than 2 years after the date at which the company is entitled to commence business.

Other matters

14. 14. If the prospectus invites the public to subscribe for shares in the company and the company's share capital is divided into different classes of shares, the prospectus shall state the right of voting at meetings of the company conferred by, and the rights in respect of capital and dividends attached to the several classes of shares respectively.

15. 15. In the case of a company which has been carrying on business or of a business which has been carried on for less than 3 years, the prospectus shall state the length of time during which the business of the company (or the business to be acquired, as the case may be) has been carried on.

PART II

AUDITORS AND ACCOUNTANTS REPORTS TO BE SET OUT IN PROSPECTUS

Auditors Report

16. 16. (1) The prospectus shall set out a report by the company's auditors with respect to-

(a) (a) profits and losses and assets and liabilities, in accordance with sub-paragraphs (2) and (3) below, as the case requires, and

(b) (b) the rates of the dividends (if any) paid by the company in respect of each class of shares in respect of each of the 5 financial years immediately preceding the issue of the prospectus, giving particulars of each such class of shares on which such dividends have been paid and particulars of the cases in which no dividends have been paid in respect of any class or shares in respect of any of those years,

and if no accounts have been made up in respect of any part of the 5 years ending on a date 3 months before the issue of the prospectus, the report shall contain a statement of that fact.

(2) If the company has no subsidiaries, the report shall-

(a) (a) deal with profits and losses of the company in respect of each of the 5 financial years immediately preceding the issue of the prospectus, and

(b) (b) deal with the assets and liabilities of the company at the last date to which the company's accounts were made up.

(3) If the company has subsidiaries, the report shall-

(a) (a) deal separately with the company's profits and losses, as provided by sub-paragraph (2), and in addition deal either-

(i) as a whole with the combined profits or losses of its subsidiaries, so far as they concern members of the company or

(ii) individually with the profits or losses of each subsidiary so far as they concern members of the company.

Or, instead of dealing separately with the company's profits or losses, deal as a whole with the profits or losses of the company and (so far as they concern members of the company) with the combined profits and losses of its subsidiaries; and

(b) deal separately with the company's assets and liabilities as provided by sub-paragraph (2), and in addition deal either-

(i) as a whole with the combined assets and liabilities of its subsidiaries with or without the company's assets and liabilities, or

(ii) individually with the assets and liabilities of each subsidiary, indicating, as respects the assets and liabilities of the subsidiaries, the allowance to be made for persons other than members of the company.

Accountant's report

17. If the proceeds of the issue of the shares or debentures are to be applied directly or indirectly in the purchase of any business, or any part of the proceeds of the issue is to be so applied, there shall be set out in the prospectus a report made by accountants upon-

(a) the profits or losses of the business in respect of each of the 5 years immediately preceding the issue of the prospectus, and

(b) the assets and liabilities of the business at the last date to which the accounts of the business were made up.

18. (1) Sub-paragraphs (2) and (3) of this paragraph apply if-

(a) the proceeds of the issue are to be applied directly or indirectly in any manner resulting in the acquisition by the company of shares in any other body corporate, or any part of the proceeds is to be so applied, and

(b) by reason of that acquisition or anything to be done in consequence of or in connection with it, that body corporate will become a subsidiary of the company.

(2) There shall be set out in the prospectus a report made by accountants upon-

(a) (a) the profits or losses of the other body corporate in respect of each of the 5 years immediately preceding the issue of the prospectus, and

(b) (b) the assets and liabilities of the other body corporate at the last date to which its accounts were made up.

(3) The accountants' report required by this paragraph shall-

(a) (a) indicate how the profits and losses of the body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the company and what allowance would have fallen to be made, in relation to assets and liabilities so dealt with, for holders of other shares, if the company had at all material time held the shares to be acquired, and

(b) (b) where the other body corporate has subsidiaries, deal with the profit or losses and the assets and liabilities of the body corporate and its subsidiaries in the manner provided by paragraph 16 (3) above in relation to the company and its subsidiaries.

Provisions interpreting preceding paragraphs and modifying them in certain cases

19. 19. If in the case of a company which has been carrying on business, or of a business which has been carried on for less than 5 years, the accounts of the company or business have only been made up in respect of 4 years, 3 years, 2 years or one year, the preceding paragraphs of this Part have effect as if references to 4 years, 3 years, 2 years or one year (as the case may be) were substituted for references to 5 years.

20. 20. The expression financial year in this Part means the year in respect of which the accounts of the company or of the business (as the case may be) are made up; and where by reason of any alteration of the date on which the financial year of the company or business terminates the accounts have been made up for a period greater or less than one year, that greater or less period is for purposes of this Part deemed to be a year.

21. 21. Any report required by this Part shall either indicate by way of note any adjustments as respects the figures of any profits or losses or assets and liabilities dealt with by the report which appear to the persons making the report necessary, or shall make those adjustments and indicate that adjustments have been made.

22. 22. (1) A report required by paragraph 17 or 18 shall be made by accountants qualified under this Act for appointment as auditors of a company.

(2) Such a report shall not be made by any accountant who is an officer or servant, or a partner of or in the employment of an officer or servant of the company or the company's subsidiary or holding company or of a subsidiary of the company's holding company; and in this sub-paragraph, "officer" includes a proposed director, but not an auditor.

(3) The accountant making any report for purposes of paragraph 17 or 18 shall be named in the prospectus.

SCHEDULE 1[2]6

Sections 561, 569

FORM OF STATEMENT IN LIEU OF PROSPECTUS TO BE DELIVERED TO THE COMMISSION BY A COMPANY UNDER SECTION 50, 62 OR 561 OF THE COMPANIES AND ALLIED MATTERS DECREE 1990 AND REPORTS TO BE SET OUT IN IT

PART I

FORM OF STATEMENT AND PARTICULARS TO BE CONTAINED IN IT

Statement in lieu of prospectus delivered for registration by –

(insert the name of the company)

Pursuance to section of the Companies Decree 198.

Delivered for registration byshares of =N= ...each

The nominal share capital of the company shares of =N= ...each

Divided into shares of =N= ... each

Amounts (if any) of above capital which consists of redeemable shares

The earliest date on which the company has Shares power to redeem these shares Names, descriptions and addresses of directors or proposed directors

Amount of shares issued

Amount of commissions paid in connection with the issue of the shares

Amount of discount, if any, allowed on the issue of shares, or so much of them as has not been written off at the date of the statement

Amount (if any) paid or payable as commission Amount paid.

for subscribing or agreeing to procure subscription Amount payable.

for any shares or debentures in the company; or

Rate of the commission Rate percent.

The number of shares (if any) which persons have agreed for a commission to subscribe absolutely

Unless more than one year has elapsed since the date on which the company was entitled to commence business:

Amount of preliminary expenses=N=

By whom those expenses have been paid or are payable Names of promoters.

Amount paid or intended to be paid to any Amount paid =N=

promoter. Amount intended to be paid =N=

Consideration for payment Consideration-

Any other benefit given to any promoter Name of promoter-

Nature and value of benefit-

Consideration for giving of benefit..... Consideration-

If the share capital of the company is divided into different classes of shares, the right of voting at meetings of the company conferred by, and the rights in respect of capital and dividends attached to, the several classes of shares respectively.

Number and amount of shares and debentures 1. shares of =N= fully paid.

issued within the two years preceding the date 2. shares upon which =N= per

date of this statements as fully or partly paid share credited as paid.

up otherwise than for cash or agreed to be so 3. Debenture

issued at the date of this statement.

Consideration for the issue or intended issue Consideration-

of those shares or debenture.

Number, description and amount of any shares shares of =N= and debenture

or debentures which any person has or is entitled to be given an option to subscribe for, or to acquire from a person to whom they have been allotted with a view to his offering them for sale.

Period during which option is exercisable. Until

Price to be paid for shares or debentures subscribed for or acquired under option

Consideration for option or right to option. Consideration-

Persons to whom option or right to option was given or, if given to exist in shareholders or debenture holders as such the relevant shares or debentures.

Names and addresses of vendors of property purchased or acquired, or proposed to be purchased or acquired by the company except where the contract for its purchase or acquisition was entered into in the ordinary course of the business intended to be carried on

by the company or the amount of the purchase money is not material: or in the case of re-registration of a private company as public, names and addresses of vendors property (1) purchased or acquired by the company within the two years preceding the date of this statement or (2) agreed or proposed to be purchased or acquired by the company, except where the contract for its purchase or acquisition was entered into in the ordinary course of business and there is no connection between the contract and the company ceasing to be a private company or where the amount of the purchase money is not material.

Amount (in cash, shares or debentures) paid Total purchase price =N=

or payable to vendor.

Amount paid or payable in cash, shares or Cash=N=

debentures for any such property, specifying Share=N=

the amount paid or payable for goodwill. Debentures=N=

Goodwill.....=N=

Short particulars of transaction relating to any such property which was completed within the two preceding years and in which any vendor to the company or any person who is, was at the time of transaction a promoter, director or proposed director of the company had any interest direct or indirect.

Dates of, parties to, and general nature of every material contract (other than contracts entered into in the ordinary course of business or entered into more than two years before the delivery of this statement).

Time and place at which the contracts or copies of them may be inspected and, in the case of a contract wholly or partly in a foreign language, a copy of a translation certified in the prescribed manner to be a correct translation.

Names and addresses of the auditor of the company.

Full particulars of the nature and extent of the interest of every director in any property purchased or acquired by the company within the two years preceding the date of this statement or proposed to be purchased or acquired by the company or, where the interest of

such a director consists in being a partner in a firm, the nature and extent of the interest of the firm with a statement of all sums paid or agreed to be paid to him or to the firm in cash or shares, or otherwise, by any person either to induce him to come or to qualify him as a director or otherwise for services rendered or to be rendered to the company by him or by the firm.

Rates of the dividends (if any) paid by the company in respect of each class of shares in the company in each of the 5 years immediately preceding the date of this statement or since the incorporation of the company whichever period is the shorter.

Particulars of cases in which no dividends have been paid in respect of any class of shares in any of these years.

(Signatures of the persons named above as directors or of their agents authorized in writing).

.....

.....

.....

Date.....

PART II

REPORTS TO BE SET OUT

1. 1. Where it is proposed to acquire a business, there shall be set out a report made by accountant (who shall be named in the statement) upon-

(a) (a) the profits or losses of the business in respect of each of the 5 financial years immediately preceding the delivery of the statement to the commission; and

(b) (b) the assets and liabilities of the business at the last date to which the accounts of the business were made up.

2. 2. Where it is proposed to acquire share in a body corporate which by reason of the acquisition or anything to be done in consequence thereof or in connection therewith will

become a subsidiary of the company, there shall be set out a report made by accountants (who shall be named in the statement) with respect to the profits and losses and assets and liabilities of the other body corporate in accordance with sub-paragraph (1) or (2) of paragraph 3 of this schedule as the case requires indicating-

(a) (a) how the profits or losses of the body corporate dealt with by the report would, in respect of the shares to be acquired, have concerned members of the company; and

(b) (b) what allowance would have fallen, to be made in relation to assets and liabilities so dealt with, for holders of other shares, if the company had at all material time held the shares to be acquired.

3. 3. (1) If in the case mentioned in paragraph 2 above the other body corporate has no subsidiaries, the report referred to in that paragraph shall-

(a) (a) so far as regards profits and losses, deal with the profits or losses of the body corporate in respect of each of the 5 financial statement years immediately preceding the delivery of the statement to the Commission; and

(b) (b) so far as regards assets and liabilities, deal with the assets and liabilities of the body corporate at the last date to which the accounts of the body corporate were made up.

(2) If the other body corporate has subsidiaries, the report shall-

(a) (a) so far as regards profits and losses, deal separately with the other body corporate's profits and losses as provided by sub-paragraph (1) (a) of this paragraph; and in addition deal either-

(i) as a whole with the combined profits or losses of its subsidiaries, so far as they concern members of the other body corporate; or

(ii) individually with the profits or losses of each subsidiary, so far as they concern members of the other body corporate;

or, instead of dealing separately with the other body corporate's profits or losses, deal as a whole with the profits or losses of the other body corporate and, so far as they concern members of the other body corporate, with the combined profits or losses of its subsidiaries; and

(b) (b) so far as regards assets and liabilities, deal separately with the other body corporate's assets and liabilities as provided by sub-paragraph (1) of this paragraph and, in addition, deal either-

(i) as a whole with the combined assets and liabilities of its subsidiaries, with or without the other body corporate's assets and liabilities ; or

(ii) individually with the assets and liabilities of each subsidiary; and shall indicate as respects the assets and liabilities of the subsidiaries the allowance to be made for persons other than members of the company.

PART III

PROVISIONS APPLYING TO PART I AND II OF THIS SCHEDULE

4. 4. In this Schedule the expression "vendor" includes a vendor as defined in paragraph 10 of Schedule 15 of this Act and the expression.

5. 5. If in the case of a business which has been carried on, or of a body corporate which has been carrying on business for less than 5 years, the accounts of the business or body corporate have only been made up in respect of 4 years, 3years, 2years or 1 year, Part II of this Schedule shall have effect as if references to 4 years, 3years, 2years or 1 year, as the case may be, were substituted for references to 5 years.

6. 6. Any report required by Part II of this Schedule shall either indicate by way of note any adjustments as respects the figures of any profits or losses or assets and liabilities dealt with by the report which appear to the persons making the report necessary, or shall make those adjustments and indicate that adjustments have been made.

7. 7. Any report by accountants required by Part II of this Schedule shall be made by accountants qualified under this Act for appointment as auditors of a company and shall not be made by any accountant who is an officer or servant, or a partner of or in the employment of an officer or servant of the company, or of the company's subsidiary or holding company or of a subsidiary of the company's holding company; and for the purposes of this paragraph the expression "officer" shall include a proposed director but not an auditor.

SCHEDULE 17

Section 632

FEES TO BE PAID TO THE REGISTRAR

COMPANIES AND ALLIED MATTERS (FEES) REGULATIONS 1998

PART I

By a Company Having a Share Capital =N=

1. For registration of a company whose nominal share capital does not exceed =N=4,000 20.00
2. For every =N=2,000.00 of nominal share capital or part of =N=20,000.00 up to =N=10,000.00 5.00
3. For every =N=2,000.00 of nominal share capital or part of =N=20,000.00 after the first =N=10,000.00 3.00
4. For every =N=2,000.00 of nominal share capital or part of =N=2,000.00 after the first =N=200,000.00 3.00
5. For registration of any increase of share capital made after the first registration of the company, the same fees per =N=2,000.00 or part of =N=2,000.00 as would have been payable if the increased share capital had formed part of the original share capital at the time of registration.
6. Provided that no company shall be liable to pay in respect of nominal share capital on registration or afterwards, any greater amount of fees than =N=100,000.00 taking into account in the case of fees payable on an increase of share capital after registration, the fees paid on registration.
7. For registering any document required or authorized to be registered other than the Memorandum or the abstract required to be filed with the Registrar by a receiver or a manager or the statement required to be sent to the Registrar by liquidator in winding up. 5.00

8. 8. For making a record of any fact required or authorized to be recorded by the Registrar
5.00

PART II

By a Company not having a Share Capital

9. For registration of any company whose number of members as stated in the articles does not exceed 20 20.00

10. For registration of a company whose number of members as stated in the articles exceeds 20 but does not exceed 100 20.00

11. 11. For registration of a company whose number of members as stated in the articles exceeds 100 but is not stated to be unlimited the above fee of =N= 20 with an additional 75k for every 50 members or less number than 50 members after the first 100.

12. 12. For registration of any increase on the number of members made after the registration of the company in respect of every 50 members or less than 50 members of the increase 5.00

13. 13. For registration of any document required or authorized to be registered, other than the Memorandum or the abstract required to be filed with the Registrar by receiver or manager or the Statement required to be sent to the Registrar on a winding up 5.00

14. 14. For making a record of any fact required or authorized to be recorded by the Registrar
5.00

PART III

By persons inspecting, etc. Records

15. For inspecting of any document 2.00

16. For every certified copy or extract-

(a) Certified True Copy of certificate of incorporation 5.00

(b) for the first 360 words or less 2.00

(c) for every folio (or part) thereafter of 72 words 2.00

PART IV

Limitation on operation of Part I

17. Where in the case of company limited by guarantee or an unlimited company having a share capital an increase of share capital is made at the same time as an increase of membership, the company shall pay whichever fee is the higher, but not both.

18. Except as provided in Part II, item No. 12 above, the total of the fees payable by any company by reference to its membership shall in no case exceed =N=100.00 (One Hundred Naira) 100.00

19. 19. The total of the fees payable by any company by reference to its membership shall in no case exceed =N=200 (Two Hundred Naira) 200.00

PART V

Miscellaneous

20. Form C. O. 1 (Declaration of Compliance with requirements of Companies Act or this Act) 5.00

21. Form C. O. 3 (Mortgages, etc.) 50.00

22. Form C. O. 4 5.00

23. Form C. O. 5 (Declaration verifying memorandum of satisfaction of mortgage of charge) 10.00

24. Form C. O. 6 (Notice of situation of Registered office) 5.00

- 25. Form C. O. 7 (Particulars of Directors) 5.00
- 26. Form C. O. 7A (Particulars of Secretaries) 5.00
- 27. Statement of nominal share capital and certificate of Incorporation 20.00
- 28. Memorandum and Articles of Association 10.00
- 29. Form E (Annual Returns) 25.00
- 30. Change of name 25.00
- 31. Bill of Sales 20.00
- 32. Penalty- after 14 days 250.00
- 33. Penalty for late filing of increase in share capital 50.00
- 34. Penalty for late filing of Resolutions 50.00

SUBSIDIARY LEGISLATION

COMPANIES WINDING-UP RULES 1983

Link to file "[windingup.pdf](#)"

REVOKED BY COMPANIES WINDING-UP RULES

Made at Lagos this 2nd day of January 1990.

act changed to Decree By Companies And Allied Matters (Amendment) Decree No.32 1990
Commencement 10/10/90

Editor's note: The commencement date in section 696(2) Companies And Allied Matters (Amendment) Decree No.32 1990 is at variance with commencement date of the Decree itself viz: 10/10/90