Run My Own Business? Yes, I Can!

Starting and Operating a Woman-Owned Business in Nigeria

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Foreword

In today's fast-paced global economy, African women are beginning to be players. The last decade of reforms has given Africa's private sector an opportunity to grow and show that it can compete. African women have, in the same decade, built on their traditional market knowledge and more recent access to higher education to expand into an amazing variety of business ventures. West African women operate restaurants and sell cosmetics, yes, but they are also architects and doctors, school founders, owners of hotels, web cafés, diamond mines, flour mills, printing presses, and dry cleaners. This manual offers concrete, practical information for women on the road to building successful businesses.

From 2002 through 2005, International Business Initiatives–IBI has been implementing the USAID-funded Growth through Engendering Enterprise (ECOGEE) in Economic Community of West African States (ECOWAS) countries project. With IBI's support, West African businesswomen have received training, improved their capacity to network, developed information technology skills, and strengthened business linkages. As a result, businesswomen across the region have increased regional and international trade, grown their businesses, and increased profits.

This manual outlines the steps, procedures, and costs associated with starting a business and remaining competitive and profitable. Guides have been developed for the six countries where IBI worked: Ghana, Mali, Niger, Nigeria, Senegal, and Sierra Leone. The manuals cover topics such as business planning, human resources, marketing strategies, and financial management. More than other business owners, West African businesswomen have to overcome many obstacles—but the greatest of these has been the lack of a centralized source of information for businesswomen. We hope this manual represents a small but important step toward overcoming this lack.

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Contents

1. Factors to Consider when Starting a Business

When you are thinking of starting a business, it is wise to first ask yourself some questions:

- Do I know the product or service field?
- Do I have the resources or can I get them?
- How will my family cope?
- Do I have the qualities needed to succeed?

While chapter 3 provides a more detailed discussion of some of these issues, here are some basic factors you should consider:

Business idea
First is to decide what type of business you want to start. This is your business idea. Your business idea includes what your business will produce or what service it will provide, whom your business will sell to, how it will sell its products or services, and what customer needs the business will satisfy. Spelling out your business idea in detail at the beginning increases your chances of success.

Technical skills
Entrepreneurs need the practical abilities to produce the goods or services. If you plan to start a hairdressing business, for instance, you need to be able to wash, set, and style hair. Without the necessary technical skills, it is going to be difficult for you to start and run your hairdressing business.

Family situation
It is important to have your family's support. Starting and running your own business will take a lot of your time, which might conflict with your family responsibilities. When your family agrees with your business plan and supports you, you will be able to give enough time to your business.

Personal entrepreneurial characteristics and skills
You are the most important person in the business, and its success depends on your efforts. Since you are responsible for managing the business, you need certain entrepreneurial characteristics and skills:

- **Motivation:** You must be highly motivated by your business idea and enthusiastic about the prospects of starting and running your own business. Your plan should arise from your interests and desires, not because you have no other job to do. Motivation increases the chances that your business will succeed.

- **Commitment:** You must put your business above everything else and be willing to devote the time, attention, and resources the business needs.

- **Tolerance for risk:** Investing in a business involves risks, including the risk that the business will fail. You must be willing to take such risks. At the same time, you must learn to take calculated risks.

- **Decisionmaking skills:** A good entrepreneur must be able to make difficult decisions affecting the business.

- **People skills:** Good entrepreneurs must be able to deal with customers. They also have to be able to handle suppliers.

- **Self-knowledge:** Wise entrepreneurs know their managerial strengths and weaknesses. To compensate for the weaknesses, they can hire consultants or employees with complementary strengths.

Other key factors
Other factors to take into account when starting a business or preparing a business plan include understanding the following:

- **Customers/market potential:** Define your potential customers and their needs. It is important to estimate how much business you will receive from your target market.

- **Competition:** Know your potential competitors—firms selling similar or substitute products or services to your target market.

- **Resources/capital:** Determine the resources you will need, what you have available, how much they will cost, where you will get them, and how you will pay for them. Some of the basic resources you need to succeed or start a business include the following:

    - ***Human:*** Employees are the most important resources of a business.

    - ***Physical:*** Land, building, machines, equipment, and natural resources needed to achieve business objectives; however, these resources come with costs. As a beginner you can start operating from your home. You can also use the services of communication and business centers for typing letters or other secretarial services.

    - ***Financial:*** Organizations need cash and credit to operate. Physical and intangible resources are all obtained through financing. The major sources of finance are friends and relatives, banks and nonbank financial institutions (e.g., savings and loans companies). Nearly all successful businesses in Nigeria, as in other countries, rely on their own funds for the first two years.

- **Marketing:** Determine potential customers, which products or services to offer, the distribution system to get the products or services to the customer, means of promotion to induce the customer to buy the products, and pricing.

- **Uniqueness**: Your product or service should offer customers something unique that they cannot get elsewhere. You need an original idea or invention, or your idea may be to improve on somebody else's product/service. People must need your product or service: if they do not need it, no marketing effort will make it succeed.

- **Market saturation:** When selecting your business idea, consider whether there are more providers, suppliers, or service/product than there are customers. You may have a great idea, but there may not be enough room for you in the industry because too many people are already providing something similar.

- **Location:** Because of its long-term relationship to profitability, a firm's location is key and deserves thoughtful analysis. Poor location is a hindrance that is especially destructive when it comes to retail operations. For retail businesses, the key to profitability is traffic. If your business is located off the main traffic zone, its survival and prosperity diminishes. A firm's growth might force expansion requiring the business owner to make a decision about expanding at the same location, if possible, or moving to another area. Regardless of the reason, the location decision may involve a significant expenditure, and you will have to live with the decision. To start a business, you should know the various factors that are important in making your location decision:
  - proximity to the target market
  - proximity to your source of labor
  - transportation facilities
  - availability of raw materials
  - size of population/potential market
  - demographic factors (age, sex, distribution) of the population

2. Being an Entrepreneur

Introduction
The person setting up a business is an *entrepreneur*. Entrepreneurs need certain personal characteristics and managerial skills:

- commitment and determination
- willingness to take risks and tolerance of ambiguity and uncertainty
- creativity, self-reliance, and adaptability
- motivation to excel
- ability to deal with customers and handle suppliers
- ability to make decisions

As mentioned in chapter 1, entrepreneurs need a wide variety of skills to succeed, but not many can do everything from sales to service to accounting by themselves. In other words, you must have knowledge of different disciplines, such marketing, accounting, human resources management, but you do not need to be an expert in all of them. When you recognize your weaknesses, you can hire consultants or employees with complementary strengths.

Entrepreneurship has both advantages and disadvantages. Advantages include being independent, making your own decisions, having the option to work at home, and having the ability to focus on a select number of key customers. Disadvantages include long working hours and the risk you may fail and lose your capital. In fact, business failure is common: worldwide, fewer than half of all new businesses survive the first five years.

Women entrepreneurs
You should consider realistically what you can do at different stages in your life. For example, if you have young children, it maybe hard to balance family obligations with the demands of caring for them. It may also a time when traveling for regional and international business is difficult. As your children get older, you may have more time to devote to growing a business. On the other hand, if you plan to pay for private education for your children, those years may be a time to avoid financial risks.

More and more you will find women creating businesses in areas once considered reserved for men. It is important to recognize and be prepared for the additional challenges you will face should you choose to open up such a business. You should be open to learning what makes men in these fields successful and what advantages you still have.

Requirements for business success
What will make you a successful business owner? Generally speaking, successful entrepreneurs tend to exhibit the following characteristics:

- **Energy:** It takes a great deal of energy to start and run your own business. One of the greatest rewards an entrepreneur can achieve is developing a successful business that is a direct result of her own efforts.

- **Initiative**: The small business owner must possess the entrepreneur's initiative to operate independently. Small business ventures require people who are looking for independence and creativity, and not necessarily the potential for long-term security offered to an employee of an established firm.

- **Organization**: It is very important from the beginning that you are meticulous about records. At the minimum you should keep a ledger of the assets (money and goods) you put in, expenses, and income and orders. You will need this information—and so will bankers, consultants, and others.

- **Appearance:** Dress for success! You should be approachable by customers and business contacts, in part by dressing appropriately. Your manner should also convey your willingness to be helpful and attentive to customer needs. It is an asset if you reflect an attitude that portrays integrity and honesty. You should be able to present your business well at any opportunity. For example, you should always have business cards, business brochures, professional letterhead, etc., on hand.

- **Technical competence and experience:** You must have, or be able to acquire, good technical know-how of your product or service and a general knowledge of your industry. Working as an employee in an established firm can be good preparation. Experience you have already acquired dealing with employees, customers, and suppliers in a particular or related industry, and having been exposed to the running of a similar operation in the past, can be invaluable when you start your own firm. You should also keep up on new developments that could affect your business.

- **Administrative ability:** You must have an aptitude for running the business, including making decisions about employee work schedules, defining employee tasks, supervising every aspect of the daily operation, and setting up and running the record-keeping.

- **Good judgment:** You must learn to foresee the how different decisions may lead to different possible outcomes so that you have the best chance of choosing the optimal course.

- **Restraint and patience:** Try not to overreacting to a situation or act prematurely. A good entrepreneur needs to be level-headed in order to calmly make effective decisions. As you start out, you must be aware of the limitations of your employees so that you do not expect them to immediately achieve expert status.

- **Ability to communicate well:** Effective communication is crucial to the efficient operation of a business. You must be able to communicate with your customers and employees. When you do not clearly convey your thoughts, time, energy, customers, and inventory could be lost.

- **Leadership**: Leadership helps maintain the chain of command within your business. Your position as the business owner involves knowing when and how to act, when to talk and when to listen, when the rules need to be strictly followed, and when you can be flexible. And above all you must develop the ability to judge people and employees.

- **Managerial ability:** You should practice good customer relations. This involves knowledge of consumerism, which includes value, safety, adequacy, and price policies. Value entails making sure that the consumer receives something worthwhile for the money he or she is spending. You should also be aware of safety, both with the product and the premises. You should not only sell the consumer a product—and guarantee its safety if properly used—but also provide the customer a safe place in which to purchase the product. When selling the product, you should have an adequate knowledge of competitors' products as well as your own so that you can best inform the buyer about a particular product's benefits and limitations. Your business should also maintain an adequate inventory of the product, replacement parts, and if need be, easy access to repair facilities. The selling price should not be exorbitant; rather it should be set so that your business makes a reasonable profit for producing, storing, transporting, marketing, and selling the goods. As an astute entrepreneur you must keep abreast of changing consumer trends, government legislation, and regulations so that you can best adapt and market the product in the face of changing situations.

- **Sense of responsibility to community**: The importance of adopting community, ethical, and social responsibilities as a way of doing business is becoming increasingly important to businesspeople. As an individual, the entrepreneur may feel obligated to have high standards in the way the business is conducted. Should these be absent, however, customers may impose them from outside. Some key community, ethical and social responsibilities include the following:
  - ensuring that your products or services are of high quality and wholesome
  - ensuring sound environmental practices
  - exhibiting honesty in all your business dealings
  - providing employment for members of the communities in which you operate
  - providing social infrastructure for the communities in which you operate
  - supporting charity

Reasons Some Businesses Fail

Not all companies get off to a great start. Some die a quick death; others a slow, agonizing one. Even those that make honored lists don't always remain on the fast track. A common cause of failure is growth into new products, or new geographic areas, that are poorly understood by the entrepreneur. Success can cause the entrepreneur to become overconfident or complacent. And growth can be so fast that the business goes out of control and is not managed properly, resulting in lower quality goods and services.

- **Change of heart:** The hazards of striking out on your own are many. First, you may start your own business and find out that you don't enjoy it. One person who quit a large company to start his own small one stated, "As an executive in a large company, the issues are strategic. You're implementing programs that affect thousands of people. In a small business, the issues are less complex, you worry about inventory every day, because you may not be in business next week if you have negative cash flow." His most unpleasant surprise: "How much you have to sell. You're always out selling. I didn't want to be a salesman. I wanted to be an executive and survival is difficult. An entrepreneur should be able to sell his business else he will soon be out of business."

- **Misjudgments:** In small business there are no small mistakes. This comes up time and again when you talk to entrepreneurs. Some misjudgments can cause serious problems for new or small businesses, or even bring about their collapse, and this can be devastating.

- **Competition:** When competition gets tougher, small businesses feel it first.

- **Financing problems:** Sometimes the entrepreneur may think she is very comfortable financially, and suddenly something happens and she is in distress. Since the size of the business is small, any financial constraint is felt deeply. One entrepreneur remarked, “I remember trying to find enough money to buy food for my family.”

- **Mortality:** One long-term measure of an entrepreneur’s success is the fate of the venture after her death. The organization can outlive the entrepreneur under one of two conditions: if the business has gone public or if the entrepreneur has planned for an orderly succession. Both conditions are relatively rare in Nigeria.

3. Your Business Plan

Business plans, business plans, business plans! Why are so many people obsessed with business plans? Are they really necessary?

One of the biggest advantages of creating a business plan is that it requires you to gather price information, which will help you determine how much money you will be able to make from your company's product or service. In addition, the plan asks you to research your competitors and potential customers, helping you determine how much of a profit margin you can afford to add on and still remain competitive. Your business plan also breaks out all the costs you incur to make and sell your product. This will help you do a break-even analysis that will reveal the minimum number of products you need to sell to cover all the costs. This information will tell you if your costs are too high or if you can afford to spend more and maintain the same profit margin as the market allows.

For businesses that sell services, a business plan is ideal, because it helps you define and fine-tune your service. In African economies, services make up a large percentage of business activity, so it is extremely important that your service be unique while at the same time be at a price that is good for you and your customers. The research and planning involved in creating a business plan allows you to do this.

Since a business plan outlines your business idea and objectives, it helps you realize your goals and projected profits. Many potential entrepreneurs have an idea but don't really have a plan to sell it. Or they have been selling a product for a while but have no idea what their customers think about their product or how it compares to those of competitors. Such information is very valuable as business owners expand into new markets and think of new product lines. In developing a business plan, entrepreneurs measure their products' performance, determine appropriate business strategies, and implement changes to achieve short-, medium-, and long-term goals.

Usually you will be in business for two to three years before approaching a bank for a loan to finance growth. At that point, the business plan will include the company's historical and forecast financial picture; this will help illustrate how financially stable the company is and where the company is headed in the near future. This information is extremely important for bankers and investors when considering an entrepreneur's application for credit or a loan. To the bank, the business plan is written evidence of success. After analyzing the client's business plan, banking history, and financial statements, the banker will determine if the entrepreneur will receive financing.

Many people compare a business plan to a set of blueprints. An architect would not build a house without a set of plans, or a blueprint. Nor should an entrepreneur start a business without a well-thought-out business plan. However, while many argue it is an excellent idea to have a business plan with all your ideas and forecasted costs written down on paper, successful businesses have been started without business plans. A great product or service positioned correctly in the right market, a lot of hard work, and a little luck are sometimes enough to get a business up and running quite quickly. On the other hand, a thorough upfront analysis may save an entrepreneur time and money—both very valuable in the startup stage—and if the entrepreneur is looking for financing or joint venture opportunities, business plans are generally required.

While you may not have enough knowledge to do a full business plan before you start, it is still a good idea to complete a simple one. Then as you gather your research and develop your strategy, you can add to it. You should keep in mind that business plans are "working documents," which means they may change in response to new developments or changes in your company. The information should be included in a business plan:

1. **Cover sheet:** Considered your title page, you should include
   - name, address, and phone number of your company
   - name, title, address, phone number of owners/corporate officers
   - month and year your plan was prepared
   - name of preparer

2. **Executive summary:** Explain in a short one- or two-page overview the content of the business plan. Outline your management style, strengths, objectives, and why you think your business will succeed. Your goals should be clear and interesting to the reader. If applying for a loan or financing credit, the executive summary should state why you are looking for financing, the proposed amount, and how you intend to repay the loan or investor. Since it summarizes the entire business plan, the executive summary is always written last, after all the other elements of the plan are completed.

3. **Company overview:** Summarize the following critical aspects of your company:

   - ***Company description:*** A few briefs paragraphs on your business, historical background, and why it is unique

   - ***Company mission statement:*** A good mission statement provides vision and direction for the company for at least 5–10 years and should not have to be revised every few years. The mission statement defines your business's purpose and helps staff and management focus on preserving or strengthening the company's unique competitive niche. Mission statements are difficult to write, so take your time and brainstorm with your staff.

   - ***Short- and long-term goals:*** Answer the question "What business are you in?" Remember that how you define your business positions you in the market and sets the tone for success. After answering this question, you should list and describe your short- and long-term objectives (keep in mind that short-term goals always lead to long-term goals).

   - ***Description of products or services:*** Provide a technical description of your product and/or service, including
     - brief description of competitive products or services
     - how your product differs from those of your competitors (unique features, patent, expertise, special training, etc.)
     - why customers will want to buy your product/service, i.e., your unique selling point
     - how the product is made or manufactured
     - advantages and disadvantages (and how you will overcome them) of your product
     - production capacity and lead times (current and projected)
     - sales prices

    - licenses or certifications needed or obtained to meet industry quality standards

- ***Legal structure:*** Introduces what type of business you have, whether retail, wholesale, manufacturing, services, or project development. List any licenses or permits needed to operate the business. Address whether this is a new business or an expansion. It is always a good idea to include some historical background as well as the company's legal status (for example, a sole proprietorship, partnership, or joint venture).

- ***Principal ownership*****:** List key owners: founders, investors, key employees, and directors. Include who they are, what they contribute to the business, their education, experience in this type of business, and the role they play in management. Also list any partnerships or relationships with others that you have developed to enhance your business' performance.

- ***Physical location and facilities:*** Describe all physical facilities and their locations. List specific equipment and manufacturing/production processes to make the product. In addition to addresses, discuss how your facilities meet your business needs and the hours of operation.

- ***Management:*** List who will run the company along with descriptions of their responsibilities, capabilities, and projected salaries.

- ***Personnel:*** List employees, positions, responsibilities, necessary qualifications, and salaries/wages. It is also a good idea to estimate hiring projections.

4. **Marketing plan and strategy:** Explain how you will sell your product or service, including who you want to sell to and how you will advertise.

   - ***Overview and objectives of the marketing strategy:*** Briefly summarize what your marketing strategy accomplishes and specific objectives.

   - ***The industry:*** Generally divided into two parts, this section is the first part of your market analysis. Gives an overview of the industry as well as a brief summary of where your business is positioned compared to other businesses that have the same or similar product. A complete industry overview includes
     - the industry's size
     - sectors within the industry
     - geographic scope
     - product varieties and complementary products/services
     - major players and buyer profiles
     - markets and customers within the industry
     - degree of competitiveness of the industry (high, medium, low) and how easy it is to enter (list barriers)
     - industry's estimated sales this year, last year, and projected
     - trends—economic, social, or political—that affect the industry and how
     - long-term outlook analysis

One way to learn about the industry is by talking to customers, gathering research and statistics at government agencies, online, trade shows, and by looking at competitor products. Focus groups can also provide valuable insights. Ask yourself questions about where your business fits in the industry:

- What products/services does your business sell?
- Who is your competition and what is their market share?
- What differentiates you from your competitors and what is your business' competitive advantage?
- If just starting, what are your barriers to entry?
- What is your target market?
- What is your strategy to stay abreast industry trends and ahead of competition?

- ***Market analysis and competition:*** Describe your target market, that is, the people to whom you are going to sell your product or services, your customers or clients. It is important to include

    - *Definition of target markets:* In general, the more you know about your customer, the better. Researching your target market will give you insight into their preferences, spending patterns, attitudes about your services or product, and future buying trends (whether they plan to buy the product at the same, increased, or decreased rate in the future). This information will help you "position" your product not only to capture market share but also to attract new customers. Researching your customers is critical to success. Areas to consider include age, gender, geographic location and residence, income, education level, lifestyle, factors that may affect customer trends, and customer type (individuals, wholesalers, private sector, organizations, retailers, government)

    - *Projected analysis:* Based on your research of your target markets, figure out how much of your product you think you can sell by looking at how many similar products are already on the market, how many people are actually buying (a good estimate) this product, and whether the market allows for growth. These numbers will be help you estimate anticipated market trends, such as your market share for next year, percentage of repeat customers, percentage of new customers, buyer frequency, and customer preferences. This information will assist you in determining whether to hire new staff, increase production, develop new product lines, or expand outside your current target market.

    - *Competition:* As we mentioned, assessing your competition is important to your ability to make strategic decisions about positioning your product or modifying it to remain competitive. One way to check out competition is to buy samples of their products and test them against your own. In doing so, you should pay attention to price, quality, and performance.[1] You should also list your competitors and their products. By each product, you should write a brief

[1] A great way to get feedback about your own product is to conduct a focus group or blind test with potential consumers. Focus groups usually consist of 8–10 people, preferably strangers who will be able to give you an unbiased opinion of your product. In the focus group, a moderator asks specific questions about what the customer would like to see in the product, how s/he likes the current product, and what changes could be made to improve it. A focus group gives a company the opportunity to "pick the consumer's brain," and you can ask questions that will help you better sell your product.

description and comment on its strengths and weaknesses. You can also note how well you think these other products sell in comparison to yours and how your product differs from them.

- *Market strategy:* Explain how you are going to sell your product and achieve long-term sustainable growth and profitability. Include in this section a general description of what percentage of your budget will you allocate to the market strategy. Consider whether this is reasonable given market demands and what your competitors are doing. Also include a description of your sales and distribution plan: where and how are you going to sell your product (in retail stores, open markets, direct buyer networking, trade shows, kiosks, catalogs, internationally, regionally, online through a shopping website)? List the promotional/advertising sources you will use, including personal contacts, import/export agent or broker, internet, flyers, brochures, newspapers, other publications, TV/radio, U.S. government, trade associations, catalogs, trade shows, or other.

- *Sales incentives/promotions:* If you are a new company or have a new product, decide how consumers will learn about your product or service. In many cases, entrepreneurs give out free samples or discount coupons on their first order. It may be a good idea to hold an open house or throw a small party for potential customers at your offices. Another idea is to create an attractive, informative web site.

- *Packaging:* Packaging is often used as a strategic marketing tool because it is the first thing consumers see. For businesses where competitors have similar products, packaging helps set the products apart. Some things to consider in packaging are the quality, durability, aesthetic appeal, and special requirements for certain products (for example agriculture).

- *Labeling:* Labeling is equally important, especially if your clientele is international. Countries such as the United States have labeling requirements for products, especially for agricultural goods. As a general rule, the label should be creative and include your company contact information in addition to the product name. Other important information may be the size, weight, certification, ingredients, expiration date, care and handling instructions, and country of origin. Also, many businesses have both a label and a tag. Since the tag is usually larger, you will be able to put more information on the tag and be more creative with color and marketing logos.

- *Pricing:* Explain the price strategy you'll use to maintain your competitive position. You have a few options. After analyzing your competition, decide if your product will be priced significantly above, below, or close to prices of your competitors. Remember that your price strategy is not only about selecting actual numbers. You need to justify your prices given how your product's competitiveness and quality meet industry standards. Your pricing structure should also be broken out by volume. In other words, the larger the order, the lower your unit price should be. It is your decision, again based on your analysis, to determine price brackets. The following pricing data will help you determine your position:

Cost of producing or acquiring the item:
Costs of running the business (overhead):
Percentage markup:
Suggested Prices:
Competitive
Below Competition
Premium Price

Are your prices in line with your image?
Does your pricing strategy cover costs and allow a reasonable profit?

One option is to conduct a break-even analysis. This might be especially appropriate if you have a new business or product. The break-even analysis predicts how much the you will need to sell in terms of both units and money to reach the point where sales cover all the expenses. After the break-even point, the company will start to make a profit. A break-even analysis also helps established businesses identify ways to lower the break-even point to increase profits. Now, a break-even analysis is easy if you have an actual product that you can count. But how do you do a break-even analysis if you are selling a service? One way is to use your per hour (or daily) rate as one unit. The analysis will then tell you how many hours or days you will need to work at a certain rate to break even. (A sample break-even analysis is included in chapter 9.)

- *Branding:* Brand marketing involves creating a name and reputation for your company and product by using logos and phrases that will make customers automatically recognize your product. After time, the label, advertising, and logo will represent the product's quality. Examples of brand marketing in the U.S. are the red and white can and writing for Coca-Cola and the golden arches of McDonald's. Building a name for your business is not cheap and may require high investment in advertising and communications. While branding is not mandatory for a successful business, it is something to think about, especially if your competitors are pursuing brand strategies.

- *Advertising/public relations:* An important part of the marketing strategy is how consumers find out about your product. What kind of advertising do you need and what can you afford at the beginning? Options may include word of mouth, newspaper announcements, flyers, sponsorships, radio spots, TV commercials, website or internet, and email networking. Participating in events such as tradeshows will also help increase your product's recognition. Accepting interviews, speaking at conferences, and sending out press releases on your company's community development will help keep your company in the spotlight. Advertising and sales promotions and incentives go together. As you advertise, you may put a discount coupon in the newspaper or on your website.

- *Networking:* Networking is a powerful marketing tool and if used correctly can be extremely effective for minimal cost. Networking should be a top priority for entrepreneurs, and they should be networking at all levels. Always have a stack of business cards in your purse ready to pull out. You never know when you might meet a potential customer or strategic partner. Networking venues to consider are women's business associations, chambers of commerce, and specific industry member associations. Attending government briefings and meetings with the country's investment promotion center and ministry of trade are also beneficial—not only for them to know who you are, but also for you to know the latest events and happenings.

- *Trade shows:* Participating in trade shows is another great networking opportunity. However, before attending or displaying, it is imperative to be well prepared. You should be able to give a smooth three-minute sales pitch of your product as well as be able to answer all technical questions. Preparation for trade shows can take months, so it is a good idea to start early and brainstorm anticipated customer questions. If you are displaying, you will need to have fully developed your product and started your market research. Since direct sales often result from trade shows, be sure that you are aware of your production capacity and can meet the average customer order size.

- *Shipping and logistics:* One of the major issues with regional and international trade is shipping and handling logistics. It is important to not only understand how this process works, but also what are your best options—air, road, marine? Some of this will depend on your customer's lead time and how soon he needs his order, but price may be an issue as well. If you are shipping internationally and do not have a full container load, look into container consolidation. Sharing a container with another company may save you and the buyer money. When shipping agricultural goods, it is critical that the packaging be adequate to preserve the goods and avoid damage in transit.

- *Financing strategy:* Financing options, which will be discussed in a later chapter, are extremely important. Your financing strategy gives you and potential lenders and investors a snapshot of your company's financial stability. Included in the financing strategy are both historical and projected financials. Projected income (profit and loss) statements are valuable as both a planning and a management tool to help control business operations. It enables the owner/manager to have an idea of the income generated each month and for the business year, based on reasonable predictions of monthly sales, costs, and expenses. At the top of each financial statement, fill in the legal name of business, the type of statement, and the time period. Financial documents show past, current, and projected finances. The following are the major documents you should include in your business plan. The work is much easier if done in the order presented here, because they build on each other, utilizing information from the ones previously developed. Your financial strategy should include the following:

    - A summary of financial needs (only necessary if you are seeking financing): Explain why you are applying for financing and how much capital you are seeking.

    - Pro forma cash flow statement (budget): Shows cash inflow and outflow over a period of time. This is used for internal planning and is of prime interest to the lender as it shows how you intend to repay your loan. Cash flow statements show both *how much* and *when* cash must flow in and out of your business.

- Three-year income projection: A pro forma profit and loss (income) statement shows projections for your company for the next three years. Use the revenue and expense totals from the pro forma cash flow statement for the 1st year's figures and project for the next two years according to expected economic and industry trends.

- Projected balance statement: Projects the company's assets, liabilities, and net worth through the end of the next fiscal year.

- Break-even analysis: Expresses in total dollars or revenue the point at which a company's expenses exactly match the sales or service volume. The analysis can be done either mathematically or graphically. Revenue and expense figures are drawn from the three-year income projection.

- Profit and loss statement (historical income statement): Shows your financial activity over a period of time, such as monthly or annually. This illustrates what has happened in your business and is an excellent assessment tool. Your ledger is closed, balanced, and the revenue and expense totals are transferred to this statement.

- Balance sheet (historical): Shows your financial status at a fixed date in time. It is a snapshot of your business' financial performance at a particular moment and will show whether your financial position is strong or weak. It is usually done at the close of an accounting period. The balance sheet contains the company's assets, liabilities, and net worth.

- Financial statement analysis: This analysis uses both your income and balance statements to make comparisons. Analyses you may include are
  - liquidity analysis (net working capital, current ratio, quick ratio)
  - profitability analysis (gross profit margin, operating profit margin, net profit margin)
  - debt ratios (debt to assets, debt to equity)
  - measures of investment (return on investment)
  - vertical financial statement analysis (shows relationship of components in a single financial statement)
  - horizontal financial statement analysis (percentage analysis of the increases and decreases in the items on comparative financial statement)

- Business financial history: Summarizes your company's financial information from start to present. Your business financial history is often used as your loan application. If you have completed the rest of the financial section, you should have all of the information you need to transfer to this document.

- Supporting documents: At the end of the plan, it is always a good idea to attach supporting documents. You may want to include
  - personal resumes of key personnel
  - owner's financial statements
  - credit reports
  - leases, mortgages, and purchase agreements

- letters of reference
- contracts
- legal documents associated with your legal structure, proprietary rights, insurance
- any supporting documents not included in the main body such as cost analyses, advertising rates, competition analysis, shipping information

4. Business Ownership and Types/Legal Forms

There are many different kinds of businesses in Nigeria. To decide which is right for you, you must think about some difficult questions. There are no right answers. The kind of business you start should be a reflection of your own personal goals. Each type of business has positives and negatives. Some provide more legal protection to the owner. Others provide less protection but more potential personal gain.

This manual will cover some of the basics for getting a business up and running. We will cover several different business structures and let you decide which one will work best for you. As you consider each kind of business, consider also the following questions:

- How much start up capital would you need?
- How much financial risk do you want?
- How much will your business need to make to cover your liabilities?
- How much personal liability do you want?
- Do you want to be your own boss or share the daily decisions with others?
- How will the company run in the event of your death or absence?

Since there is no "correct" form for an organization to take, you must examine the pros and cons of each and decide which is best for you. We shall look at six common organizational structures for a business in Nigeria:

- sole proprietorship
- partnership
- private limited company
- public company
- company limited by guarantees
- trusteeship

Remember that businesses must be registered in Nigeria to avoid being fined. Any two or more people can form a company. However, lawyers and accountants are exempt from these stipulations. Individuals may not join or form a company until they are at least 18, in sound mind, with no history of bankruptcy.

Sole proprietorship
A company that is owned by one person is known as a sole proprietorship. Sole proprietorship businesses make up a large percentage of Nigeria's economic life. Owning a business yourself has many advantages. You will retain full control over all decisions about how the business should be run, who should work for it and how many hours you want to put into it. All the profits of the company are yours to keep. The start-up costs are low and very little legal documentation or registration certification is required.

However sole proprietorship has some disadvantages. As private and personal company, it becomes a legal extension of the owner. All debts and payments of the company become the personal property of the owner and the owner must bear the burden of all losses and liabilities of the company.

A sole proprietorship is also barred from certain types of contracts. Small single-owner businesses tend to have a lack of organizational and management structure. Often they are not equipped for the transition from one owner to the next if the business is sold or inherited upon the death of its founder.

Partnership
A partnership is similar to a sole proprietorship but the risk and responsibility is shared among two or more people. Each owner takes a share of the profits and has a say in the decisions and direction of the business. A partnership is easy to set up and requires almost no paperwork. However, neither a sole proprietorship nor a partnership provides a separate legal identity for the business. Each partner is fully legally responsible for any debts the firm might incur and neither has legal protection if the business fails.

The advantages of a partnership include the shared benefits of pooling resources. A partnership also remains exempt from the Nigerian company income tax. However, as any losses are spread across the partnership so too are all the gains. Partnerships also have some legal restrictions over what contracts they can enter. It is very difficult to transfer the ownership of the company.

Further information can be found at www.businesslink.gov.uk/.

Tax regulations
The legal framework for sole ventures and for partnerships is the same. The Business name must be registered with the Corporate Affairs commission. Small businesses that fall into this category are not obligated to pay company income tax.

Private limited liability company (ltd)
A limited liability company or partnership allows legal protection for investors. Each member will only be held responsible for the original amount of their investment and no more. However, for each arrangement, there must be at least two designated partners who bear more responsibility for the others. However, it is possible for these people to change as the company grows. Because the company is protected under a legal charter, the company can continue to exist without the presence of the founders. The shares of the company are non-tradable and the number of shareholders is limited, usually to less than 50. The public cannot invest in a private limited liability company and the number of share transfers is limited. Although this provides the owners and investors with firm control on the company's operations and investment, it limits the amount of capital available to the amount that the shareholders can raise. It is very expensive to incorporate a private limited liability company.

Public liability company (plc)
A public liability company is a tradable public company with shares. It has certain size and capital requirements as well as currency and capital restrictions. It is very expensive to start this kind of corporation and it is subject to stringent government regulation. However, it has some advantages. Its members enjoy limited liability should the company fail. The separate legal identity of the company provides potential investors with a degree of security that is lacking in a sole proprietorship. The shares and investment in the company are transferable should one or more of the investors wish to invest elsewhere. Tradable shares make it easier to raise necessary capital for company growth. There is no limit on the amount of investors or share-holders a company can have. However, there is also no control over who buys the shares. A person or corporation who holds the majority of shares will inevitably influence the business.

Tax regulations and legal framework

Private limited companies must end their name with LTD. Public companies must end their name in PLC. The minimum authorized share capital for a private company is N100,000. A Public company must have at least N500,000 available.

The worldwide income of a Nigerian company is taxable in Nigeria. Companies are first assessed for their tax bracket 18 months after their incorporation or six months after the end of their financial year – whichever comes first. The amount of taxes owed to the government will be based on the income earned in the accounting period ending in the preceding fiscal year.

A private company must have at least 2 members and a maximum of 50 subscribers.

A public company must also have a minimum of two with no maximum limit for subscribes. At least one of the required two must be a resident in Nigeria and possess the authorization to accept legal notices on behalf of the company. The company name, address and registration incorporation numbers, with the number of directors, must be disclosed on letterhead papers. Annual returns and financial statements should be filed in the Corporate Affairs Commission within 18 months of registration. Public companies must also be registered with the securities and exchanges commission. The Certification of Registration must be displayed at the head and branch offices.

Company limited by guarantee

No share capital is required for registering a company limited by guarantee; however the registration process is very cumbersome and time consuming. The members of the company are prohibited from receiving any profits of the company. If the company closes there is no limited liability of the members. The registered name of the company must end with LTD/GTE. The consent of the Attorney General of the Federation is needed to incorporate the company and register the memorandum.

Trusteeship

Trusteeships are tax empted and no share capital is required for its registration. The disadvantages include a time consuming and cumbersome registration process. Members are prohibited from receiving any profit from the company.

The legal framework for a trusteeship includes a board of trustees. The members of the board will not be allowed to receive any of the company's profits. The name of the organization, address, incorporation number, names of trustees must be disclosed on letterhead paper. The certificate of registration must be displayed at the office. A lawyer must prepare the necessary legal documents.

5. Business Registration Procedures

This chapter provides information on how to legally start a business. We encourage you to first read chapter 4 to help you determine which type of business works best for you. The most common types of businesses in Nigeria are sole proprietorship, partnerships or companies. We have not included detailed information on how to start a public limited company or a trusteeship. We encourage anyone considering this type of company to talk to the Corporate Affairs Commission and seek legal advice. For your convenience, the most common forms needed to register the types of businesses under discussion are included at the end of this manual.

Start-up requirements and steps will be different depending on what type of business you choose. Small single-owner businesses are only required to file a business registration form. Registering larger companies is more complex, requiring more time, money and legal advice. Detailed information on these various registration procedures is below, as well as a chart, which will allow you to make sure you have followed all the necessary steps.

Sole proprietorship, partnership or associations
It is easy to start your own business, partnership or association. Registering the name of your new company is the first step. It is not necessary to hire a lawyer, although you may wish to do so.

First Step: Obtain form CAC1. This form will obtain the availability of the proposed name of your company. If it is available you may reserve it. Filing this form will cost N200 and take about a day.

Second Step: Once the name has been successfully reserved (see step one above) you will need to use Form 1A to apply to register the name. The cost of Form 1A is N250.

Third Step: Attach two passport-sized photos of each sponsor and attach it to form 1A and return the form to the CAC. You must pay a fee of N4000 to file this form.

Five working days after the business registration form has been filed, a registration certificate will be released. Your business is now officially registered!

Registering a small business: three steps

Step	Form	Cost	Purpose of Form/Instructions
1	AC1	N200	Checks the availability and reserves your business name.
2	1A	N250 (to buy the form)	Registers the name of your business
3	1A	N4000 (to file it)	File it with the CAC with 2 passport sized pictures for each sponsor

Private and public limited companies
Officially registering a private or public limited company will require the services of a lawyer, accountant or "chartered secretary" to handle the legal documentation.

First, you will need to check the availability of the proposed company name. If it is available you will need to reserve it using form CACI. The reservation will cost N200 and will take between one hour and one day to do. If the name is available you can reserve it for up to 60 days.

Second, you will need to use Form C.O.1 to make the statutory declaration of compliance with the Companies and Allied Matters Act (1990).

Third, you will need Form CAC2.2 to declare the address where your company is registered. This will become your official business address.

Fourth, you will need Form CAC2.3. This form will be used to note the details of the first directors and their written consent to be a part of the company.

Fifth, you will need to complete CAC2.4, which states your share capital.

Sixth and finally, you will need to fill out CAC2.5, which declares the return on the allotment of shares.

The cost of obtaining all of these forms will be N500.

Once these forms are filed out, two copies of the Memorandum and Article of Association and two copies of the Statement of Nominal Shares Capital are prepared and taken for stamp duties at the Office of the Commissioner for Stamp Duties. The stamp duty must be paid by bank draft. The amount due will be based on an ad valorem rate of N15000 per N1000000(million) of the share capital. The complete set of incorporation forms and memorandum and article, once stamped, must be presented for filing.

For a public company, N20,000 for share capital up to a million and N30,000 for share capital above one million.

For unlimited companies the filing fee will be N20000.

Once the forms have been filed it will take about three weeks to complete the incorporation process. Once this is complete the registrar-general will issue a certificate of incorporation. This certificate must be visibly posted at the main headquarters of the company.

Step	Form	Purpose	Time	Cost
1	CACI	Checks availability of proposed company name	1 day	N200
2a	C.O.1	Declares compliance with the Act	will vary	N500
2b	CAC2.2	Declares intended business address		
2c	CAC2.3	Notes the details of the first directors and their consent to be a part of the company.		
2d	CAC2.4	Declaration of share capital		
2e	CAC2.5	Declares the return on the allotment of shares.		
3	Forms from step 2	Forms must be filed out and taken along with 2 copies two copies of the Memorandum and Article of Association and two copies of the statement nominal shares capital to Office of the commissioner for stamp duties		
4	Forms from steps 2 & 3	Stamp duty must be paid for filing and receipt of Registration Certification	3-5 weeks	N20000

Additional overhead and operating costs
Business owners should be aware of addition potentially unforeseen registration costs. These may include a sector specific license, inspection requirements or a permit to operate a business in an urban center.

Business permit requirements
To set up and do business in a commercial center, owners usually require a permit from the city or regional government. The fees for these registration permits vary depending on the area and usually have to be renewed annually.

Urban areas (which may be defined differently by each state) cost a maximum of N10,000 for registration and N5,000 *per annum* for the renewal of the registration.

Rural areas will cost less. The permits will cost approximately N2,000 for registration and N1,000 *per annum* for renewal of registration.

In addition, additional fees may be levied for advertising your business with a sign, billboard or poster, or if you would like to serve liquor on the premises.

Sector-Specific License Requirements

You will need a permit to operate a business in any of these industry areas. This list is not exhaustive so make sure to check the local requirements.

1. Petroleum Drilling, Marketing and Distribution: Available from The Department of Petroleum Resources (DPR) of the Nigerian National Petroleum Corporation (NNPC). Tourism and Tour Operation Permit: Available from the Nigerian Tourism Development Corporation (NTDC).
2. Banking License: Available from Central Bank of Nigeria (CBN).
3. Travel Agents: Available from IATA.
4. Television and Radio Broadcast Stations: Available from Broadcasting Organization of Nigeria (BON).
5. Insurance: Available from National Insurance Commission.
6. Telecommunications: Available from Nigerian Communications Commission (NCC).
7. Export and Trade: Available from Nigerian Export Processing Council (NEPC), Nigerian Export Processing Zones Authority (NEPZA), Nigerian Export Promotion Council (NEPC), Nigerian Investment Promotion Council (NIPC).
8. Stock Brokerage: Available from Nigerian Stock Exchange (NSE), Securities and Exchange Commission (SEC).
9. Drug, Food Production, Distribution and Marketing: Available from National Agency for Food and Drug Administration and Control (NAFDAC).
10. Product Quality Control: Available from Standard Organization of Nigeria (SON).

6. Taxes and Duties

Paying taxes and duties is one of the legal responsibilities entrepreneurs have to fulfill. Other legal responsibilities include getting licenses and permits, respecting regulations concerning employees, upholding contractual agreements and, in some instances, insuring your business.

This chapter will outline the most important kinds of taxes you are required to collect for the tax authorities to protect your business and your employees. We will discuss each type of tax and provide information on how to calculate it and when to pay it.
Remember that tax laws and policies may change every year based on the government budget provision and fiscal policy. It is therefore impossible for this manual to summarize all the tax laws that will prevail permanently. This chapter rather serves as a guide to the current taxes and duties, in particular the common ones applicable to the types of businesses discussed in the manual.

Types of taxes
Below is a list of the most important and common taxes you will need to calculate and pay each year. These taxes are levied by the federal government and usually collected by the Federal Board of Inland Revenue (referred to here as the FBIR).

- Personal Income Tax
- Value Added Tax (VAT)
- Educational Tax
- Capital Gain Tax
- Company income Tax
- Pre-operational Levy

In addition to Federal taxes there will also be some taxes levied at the state and local level. These will be collected by the State Board of Inland Revenue or local chambers. State taxes include

- Pay-As-You-Earn (PAYE) Personal Income taxes (for all residents who are non-military, non-state official, not residents of the Federal Capital Territory, Abuja or non-residents of Nigeria)
- Capital Gains Tax (for individual assets only)
- Stamp duties on forms/instruments overseen by the state Government
- Business Premises Registration Fees (which may include right of occupancy fees)

Fees that will be levied and are payable to local governments may include

- Shops and Kiosks Rates
- Tenement rates
- Public convenience, sewage and refuse disposal fees
- On and off liquor licenses fees
- Signboard and advertisement permit fees

We will now explain a little bit about each federal tax bracket and discuss how you calculate each type.

Personal income taxes
The FBIR is the government agency responsible for the assessment and collection individual and corporate income taxes. As a business owner, it is your responsibility to collect personal income taxes from your employees on behalf of the IRS. In Nigeria the military and the paramilitary and expatriate, residents in the FCT, Abuja, and the staff of the ministry of foreign affair must also pay this tax to the federal government. All others will pay their personal income tax to the state government. The amount of the tax is calculated on .5% of the individual's income per total income. The rate is the same for corporations as for individuals. The percentage owed to the government increases as you make a higher salary. A chart detailing the different tax brackets is below.

Income	**Tax Rate (%)**
Between N1 and N30,000	5
Between N30,000 and N60,000	10
Between N60,000 and N110,000	15
Above N160,000	25

Personal Income taxes are due annually and are calculated from the date of commencement to the end of the assessment year.

Value added tax
VAT is a tax on consumer expenditure. It is collected on business transactions, imports and acquisitions.

VAT is calculated at 5% of all the goods and services of a company. However, it is not paid by the company but by the consumer. The collection of VAT does not influence company profits. Any company registered to start collecting VAT on its goods and services automatically becomes an agent to the FIRS, where a VAT number and VAT certificate will be issued and the money collected can be remitted.

VAT returns are due every month, either on or before the 31st of the following month. If the VAT is not paid on time a penalty of 5000 and 5% of what you are supposed to have paid are charged cumulatively based on the number or defaults.

Educational tax
This is a tax levied on business profits in order to help the government fund educational programs. It is calculated at 2% of assessed profits of the company.

The Educational tax is due annually.

Capital gains
This arises out of the profit made from the sales of an asset. It is calculated at 10% of the asset's worth.

The capital gains tax must be paid before the current year ending in which the asset was sold.

Company income tax
Company income tax is calculated at 30% of assessable profit of a company for the year of operation. For new companies, returns must be filed 18 months from the date of its

incorporation or not later than 6 months after the end of its first accounting period (whichever is earliest).

This should be paid every month, six months or every 18 months or yearly depending on the period the company makes a profit.

Preoperational levy
This is a tax levy paid by a company that is pre-operational. It must be paid by all newly started or starting businesses. However, a new company that has not been doing business for six months may not submit a statement of affairs until they have obtained a tax clearance certificate (TCC). After six months the company must pay the POL and submit the statement of affairs with the payment. A POL of 500 paid for the first year and 400 for every year after that.

When business commences operations the company should submit an audited account prepared by an accountant from either the Institute of Chartered Accounts in Nigeria (ICAN) or The Association of National Accountants of Nigeria (ANAN). The audited account forms must be signed and sealed by the accountant.

Be aware when preparing these forms that there is a late filing fee. There is a penalty of 2500 if the tax is paid one month late and an extra 500 for each subsequent month.

This is remitted in the first and subsequent years before a business commences its operations.

Stamp duties
Additional charges can be levied on document preparation. Known as “stamp duties” these are usually flat-fee rates charged for an original copy or a necessary state to make a document official. Although they do count as taxes, they will not be levied on a company or an individual unless the company or individuals has need of the forms.

Examples of Federal Inland Revenue Standard Stamp Duties in Nigeria

Form	**Costs**
Memorandum, Trusts Deeds Partnership agreements	N500
For the Appointment of a Trustee	N50
Bank Cheque (per leaflet)	N1
Share Capital Share Equity	N3 on every N200 registered

However not all stamp duties are levied by the Federal Government. The State Inland Revenue Service collects many stamp duties on documents. Please see examples below:

State Inland Revenue Service Stamp Duties in Nigeria

Form	Cost for Original	Cost for an Extra Copy
Statutory Declaration	N1000;	N20
Agreement (under Seal)	N500	N50
Partnership	N1000	N50
Bank Guarantee	N1000	N50
Appointment of Trustee/Attorney	N500	N50
Lease Agreement Rent	N6 on every N100 x Number of Years	

Paying your taxes

Taxes can be paid in cash or by cheque to the FIRS or through a designated and approved bank. Payments made in cash will be remitted the next day to the FIRS. Cheques will be remitted in 4 to five days.

7. Overhead and Operating Costs

There are always more expenses then we plan for. Pipes burst, refrigerators fail or the company van gets a slew of parking tickets. However, while even the best owner can not always anticipate the unexpected, with a little planning most expenses don't have to be a surprise. Below we outline some of the most common business expenses what you should expect to pay for the services you require. Remember that some things are worth a slightly higher cost while others can be cut. It may not be necessary for your business to have a phone line, but paying a little extra for a more visible or highly trafficked retail space might pay off in the end. Look at your overall costs before you decide how much you want to spend on any one thing.

Rent
Average rent for different sizes and locations
The following lists are not meant to be exhaustive but to provide an average price listing for retail space in the following areas. Use these figures as a guide to rental space. Remember to take into account the size constraints, location, and visibility needs of your business when choosing a venue. The kind of business you want to run will determine what kind of space you need.

Location	**Rent / Letting**	**Per Square Meter (m2)**
Victoria Island		
Highest rate	All Areas	N 40,000
Average rate	All Areas	N 5,000 – N10,000
Churchgate House	Afribank Street	N 22,000
Fortune House	Adeyemo Alakija Street	N 22,000
Eleganza Building	Adeyemo Alakija Street	N 22,000
Murphies Plaza	Sanusi Fafunwa	N 22,000
AIICO Plaza	Afribank Street	N 20,000
Nurses House	Afribank Street	N 19,500
Banker's House	Adeola Hopewell Street	N 18,000
Ark House	Ligali Ayorinde Street	N 15,000
Amazing Grace	Ligali Ayorinde Street	N 15,000
Mega Plaza	Idowu Martins	N 15,000
Ivie House	Ajose Adeogun Street	N 15,000
Stallion House	Ajose Adeogun Street	N 15,000
Construction House	Adeyemo Alakija Street	N 10,000
Commerce House	Idowu Taylor Street	N 8,500
N.U.J House	Adeyemo Alakija Street	N 8,000
N.I.J House	Adeyemo Alakija Street	N 8,000
Okoi Arikpo House	Idowu Taylor Street	N 8,000
Octagon Building	Marinho Drive	$ 112
Broad Street		
Average rates	All Areas	N3,000 – N5,000
Ikoyi		
Average rates	All Areas	N 12,000 – N14,000
Golden Plaza	Falomo	N 22,000
Marble House	Kingsway Road	N 18,000
Foreshore Towers	Osborne Road	N 18,000
Maku Towers	Awolowo Road	N 18,000
Shopping Plaza	Osborne Road	N 17,000

Warpic House	Awolowo Road	N 15,000
Ikeja (Average rates)	All Areas	N 6,000 – N8,000
Apapa (Average rates)	All Areas	N 10,000 – N12,000
Others (Average rates)	All Areas	N 3,000 – N5,000
Abuja		
Suburb (Average rates)	All Areas	N 650
Garki (Average rates)	All Areas	N 12,000
Kaduna (Average rates)	All Areas	N 1,000 - N2,500
Port Harcourt (Average rates)	All Areas	N 3,000 – N7,000

This table is provided for further detail on retail space.

AREA DESCRIPTION	***LOCATION***		*Rent (per annum)*	
			Low	High
Victoria island	Kofo Abayomi	3-bedroom flat	N2.5m	N3.0m
	Adeyemo Alakija	3-bedroom flat	N2.0	$25,000
	Idowu Taylor	3-bedroom flat	N2m	$30,000
	Adeola Odeku	3-bedroom flat	$40,000	$45,000
	Ozumba Mbadiwe	3-bedroom flat	N1.5m	N2.5m
	Akin Adesola	3-bedroom flat	$40,000	$50,000
	Sanusi Fafunwa	3-bedroom flat	$30,000	$40,000
	Adetokunbo Ademola	3-bedroom flat	N1.8m	N3.0m
Lekki	Christ Avenue Road	3-bedroom flat	N800,000	N1.2m
	Fola Osibo Road	3-bedroom flat	N900,000	N1.2m
	Chris Madu Street	3-bedroom flat	N750,000	N1.0m
	Bisola Durosimi Etiti	3-bedroom flat	N800,000	N1.0m
	Ogidi Crescent	3-bedroom flat	N750,000	N900,000
	Lekki Phase 1	3-bedroom flat	N700,000	N1.2m
	Lekki Phase 1	3-bedroom flat	N900,000	N1.3m
	Lekki Phase 1	3-bedroom flat	N850,000	N1.2m
Park View	Ajayi Bembe	3-bedroom flat	N3.0m	N3.0m
	Olufemi Pedro	3-bedroom flat	N3.5m	$60,000
	Dr Olabode Olajumoke	3-bedroom flat	N3.5m	$45,000
	Eko Street	3-bedroom flat	N2.0m	N3.5m
	Olufemi Shokan Street	3-bedroom flat	N3.0m	$42,000
Surulere	Adeniran Ogunsanya	3-bedroom flat	N250,000	N300,000
	Bode Thomas	3-bedroom flat	N200,000	N250,000
	Ogunlana Drive	3-bedroom flat	N180,000	N250,000
	Alaka Estate	3-bedroom flat	N300,000	N400,000
	Aguda Road	3-bedroom flat	N150,000	N200,000
	Itire Road	3-bedroom flat	N120,000	N150,000

	Olufemi Street	3-bedroom flat	N200,000	N250,000
	Odejayi Crescent	3-bedroom flat	N180,000	N250,000
	Adelabu Street	3-bedroom flat	N180,000	N200,000
	Lawanson	3-bedroom flat	N80,000	N120,000
	Falolu	3-bedroom flat	N350,000	N400,000
Ogudu	Ojota Area	3-bedroom flat	N120,000	N250,000
	Ogudu-Ori Oke	3-bedroom flat	N150,000	N350,000
	Ogudu GRA	3-bedroom flat	N600,000	N800,000
	Ramat Crescent	3-bedroom flat	N600,000	N1.0m
	Adepegba Street	3-bedroom flat	N400,000	N500,000
Ikeja	Allen Avenue	3-bedroom flat	N350,000	N500,000
	Opebi Street	3-bedroom flat	N350,000	N400,000
	Toyin Street	3-bedroom flat	N350,000	N450,000
	Adeniyi Jones	3-bedroom flat	N350,000	N400,000
	Ikeja GRA	3-bedroom flat	N350,000	N400,000
	Oregun ikeja	3-bedroom flat	N150,000	N250,000
	Omotayo Ojo	3-bedroom flat	N250,000	N300,000
	Oduduwa Crescent	3-bedroom flat	N300,000	N350,000
	Aba Johnson Crescent	3-bedroom flat	N250,000	N350,000
	Ogundana Street	3-bedroom flat	N300,000	N350,000
	Ajanaku Street	3-bedroom flat	N300,000	N350,000
	Omole Phase 1 Estate	3-bedroom flat	N250,000	N300,000
	Omole Phase 11 Estate	3-bedroom flat	N250,000	N280,000
Gbagada	Gbagada Phase 1	3-bedroom flat	N300,000	N350,000
	Gbagada Phase 11	3-bedroom flat	N280,000	N300,000
	Medina Estate	3-bedroom flat	N250,000	N300,000
	Soluyi Estate	3-bedroom flat	N250,000	N300,000
	Ifako Area	3-bedroom flat	N200,000	N250,000
Anthony/ Ilupeju	Association Road	3-bedroom flat	N250,000	N300,000
	Anthony Village	3-bedroom flat	N300,000	N350,000
	Coker Road	3-bedroom flat	N200,000	N250,000
	Ajao Street	3-bedroom flat	N150,000	N200,000
	Olatunde Ayoola	3-bedroom flat	N250,000	N300,000
	Opeifa Crescent	3-bedroom flat	N250,000	N350,000
	By – pass Ilupeju	3-bedroom flat	N150,000	N250,000
Maryland	Maryland Estate	3-bedroom flat	N600,000	N750,000
	Shonibare Estate	3-bedroom flat	N500,000	N600,000
	Ibironke Crescent	3-bedroom flat	N400,000	N450,000
	Idiroko Estate	3-bedroom flat	N450,000	N500,000
	Oki Lane	3-bedroom flat	N300,000	N350,000
	Adebisi Close	3-bedroom flat	N250,000	N300,000
	Ajose Street	3-bedroom flat	N300,000	N350,000
Apapa/GRA	Parklane, Oduduwa	3-bedroom flat	N800,000	N2.5m
	Marine Road	3-bedroom flat	N1m	N1.5m
	Randle Street	3-bedroom flat	N900,000	N1.5m
	Liverpool Road	3-bedroom flat	N500,000	N1.5m

Mail or courier services

Prompt, efficient and reliable communication skills are all important tools of business. Below we have listed a comparison chart for the Nigerian postal system, with rates and times inside and outside the country. The address and contact information of individual companies are listed below. For the ease of comparison, all prices on this chart represent the cost of mailing one .5 Kg document.

Shipping Costs in Nigeria

1. DHL	***Destination***	Speed of Delivery	***Amount (N)***
	Lagos	same day	₦ 620
	North/ West	next day	₦ 2,240
	East	next day	₦ 1,600
	Inside London	next day	₦ 7,720
2. EPS Courier	Lagos (within)	same day	₦ 210
	Lagos (lekki)	same day	₦ 340
	Abuja (North) collect from office	next day	₦ 500
	Port Harcourt (East) collect from office	next day	₦ 500
	Abuja (North) delivered to address	next day	₦ 600
	Port Harcourt (East) - delivered to address	Next day	₦ 600
3. Abex Express Parcel Services	Lagos (within)	same day	₦ 200
	Western Region	next day	₦ 1,090
	Eastern/Northern	Next day	₦ 1,360
	London	Next day	₦ 5095
	USA	Next day	₦ 7410
4. Speedmark Services Ltd.	Lagos (within)	Same day	₦ 300
	Lagos (outside)	12-48 hours	₦ 530
	London	72 hours	₦ 5260-5500
5. TNT/IAS Global Express Logistics & Mail	Lagos (within)	Same day	₦ 230
	Lagos (island)	Next day	₦ 230
	Western region	Next day	₦ 985
	North/south/east region	Next day	₦ 1580

Contact information for shippers

1.) **DHL Worldwide Express**
DHL House, Isolo Expressway, Airport Road
P.O.Box 51901, Ikoyi-Lagos
Tel: 234-1-4527076-86, 4524514, 4524531, 7747386
Fax: 234-1-4523616, 2692182
Email: dhl@los-co.ng.dhl.com

2.) **EPS Courier**
31 Ikorodu Road, Jibowu-Lagos
Tel: 234-1-2881101, 5239296

3). **Abex Express Parcel Services**.
52c Ikorodu Road, Fadeyi-Lagos
Tel; 234-1-7741326, 4714895, 4714896
Fax: 234-1-5821325
Hotlines: 234-1-8115124, 4733935
234-(0)8033283480, 08022243436
Email: abex@abex.com
Website : www.abex-ng.com

4**) Speedmark Services Ltd.**
1&2, Jibowu street, off Ikorodu Road,
P.M.B 03003 Surulere, Lagos- Nigeria
Tel: 234-1-8043848, 862648
Fax: 234-1-5878867

5) TNT/IAS – global Express Logistics & Mail
Express House
338 Ikorodu Road, Idiroko- Maryland
Lagos- Ngeria

Utilities

In this section we will discuss the same expenses of business, heat, water, electricity and then give some average rates for internet service and mobile phone coverage.

Residential and commercial electricity rates are set by the unit. For residential buildings, electricity is 4.00 N per unit and at a commercial space it is 8.5. Bills are paid monthly with a 5% VAT tax collected. Electricity is distributed through the government run industry, NEPA.

Both water and gas are also distributed by the government and paid for by the unit. Water costs 7.71 per unit. Bills are due monthly. Petrol costs around 52.90N per liter (and slightly more for diesel). The price is regulated by the government.

Commodity	Provider	**Cost per unit**	VAT at 5%	**Payments Due**
Electricity				
	NEPA (Govt)		5%	Monthly
-- Residential		4.00	5%	Monthly
--Commercial		8.50	5%	
Water				
		7.71	5%	Monthly
Gas				
Petrol		52.90 Per/litre		
Diesel		63.90 Per/litre		

Below is a comparison of major telecom providers and their prices.

Telecom Providers				
	Location	**Period**	**Pre-paid Tariff** =N=	
Nitel	Local/urban	Peak	8.50	
		Off peak/ weekend	6.50	
	Regional	Peak	14.00	
		Off peak/ weekend	10.00	
	National	Peak	24.00	
		Off peak/ weekend	18.00	
	GSM	Calls to GSM	28.00	
	International	Peak	39.00	
		Off peak	34.00	

		Peak	44.00	
		Off peak	39.00	
		Peak	49.00	
		Off peak	44.00	
Intercellular	**Tariffs**	**Cost billing in =N=**		
	Local			
	Peak	6.50		
	Off Peak	3.47		
	Gsm	19.50		
	International	30.10		
GSM Provider	**Tariffs**	**Cost per/min billing in =N=**	**Cost per/sec billing in =N=**	
Vmobile	Monthly	2,500	2,500	
	Peak: other networks	20	0.40	
	Peak: Vmobile	20	0.40	
	Off Peak: other networks	18	0.40	
	Off Peak: Vmobile	18	0.30	
Glo Mobile	***Tariffs***	***Optimiser***	***Business 400***	**Business 600**
	Monthly	1,750	9,000	12,000
	Peak: other networks	24	0.36	0.33
	Peak: Glo	19	0.26	0.22
	Off Peak: other networks	24	0.36	0.33
	Off Peak: Glo	19	0.36	0.22

Below is a comparison of Internet services and corresponding rates. Intercellular offers a three month unlimited subscription that includes a free terminal. The cost is N 42000. Repurchase of your Internet terminal in one year is also a possibility. Check with your local providers.

Internet Service					
Koochi	**Solo**	**Personal**	**Professional**	**Corporate**	**Commercial**
VSAT Equipment IDU& ODU	=N=37,500	=N=225,000	=N=225,000	=N=225,000	=N=225,000
Monthly subscription	=N=8,250	=N=7,500	=N=37,500	=N=112,500	=N=247,500
Installation	=N=9,000	=N=22,500	=N=22,500	=N=22,500	=N=22,500
Total start up price	=N=5,475	=N=270,000	=N=360,000	=N=360,000	=N=495,000
Data rate (kbps)	128/512	32/128	64/256	128/256	128/512
No of Recommended systems	1	1-5	1-10	1-20	1-30
No of Voice Ports	N/A	N/A	N/A	1	2
	Subject to 12 mths contract	Subject to 12 mths contract	Subject to 12 mths contract	Flexible plans	Flexible plans
	VSAT	VSAT	VSAT	VSAT	VSAT
Intercellular					
Dowtel					

(integrated)					
i-surf	Always 24hrs	All day 6am-6pm	All night 6pm-6am	After hours 6pm-12am	Early 12am-9am
Terminal& Activation	=N=18,000	=N=18,000	=N=18,000	=N=18,000	=N=18,000
Monthly access fee	=N=14,000	=N=10,000	=N=6,000	=N=5,000	=N=4,000
Total	=N=32,000	=N=28,000	=N=24,000	=N=23,000	=N=22,000
Dowtel (Terminal type)					
i-surf	Always 24hrs	All day 6am-6pm	All night 6pm-6am	After hours 6pm-12am	Early 12am-9am
Terminal& Activation	=N=18,000	=N=18,000	=N=18,000	=N=18,000	=N=18,000
Monthly access fee	=N=14,000	=N=10,000	=N=6,000	=N=5,000	=N=4,000
Total	=N=32,000	=N=28,000	=N=24,000	=N=23,000	=N=22,000

8. Incorporating Human Resources into Your Business

Often in a small business, entrepreneurs have neither the time nor the resources to invest into a human resource department. However, hiring the right people for the job and managing a company's staff are perhaps just as important, if not more, than developing a competitive product. Regardless of the size of the business and its resources, there are simple systems a business can implement to manage its human resources.

Employment contract
You should be mindful that when you hire an employee that there is a contract between the worker and the business. You should determine beforehand the type of worker that you are hiring, whether continuous (full time), part-time, temporary, or casual. There should be a contract of employment spelling out the capacity under which the worker is employed:

1. Work conditions
- hours of work
- rest period
- meal breaks
- annual leave
- occupational health and safety measures

2. Remuneration and the method of calculating the remuneration

3. Period of probation and conditions of probation

4. Termination
- period of notice of termination
- transfer
- discipline

5. Grievance resolution procedures

6. Principles for matching remuneration with productivity

7. Specification of essential services within the establishment

8. Freedom of unionism

9. Rights and duties of both the employer and employee

The employee manual
An employee manual is an excellent way to give your employees guidance as to what is or is not allowable in the workplace. A manual outlines the company's policies and procedures and communicates the employer's expectations in a simple, easy-to-read form. Once hired, the employer should give the new employee a copy of the manual and have the employee acknowledge with a signed receipt his or her willingness to comply with the policies. Written

for everyone employed, an employee manual should include brief descriptions of the company’s policies on

- work hours
- pay periods
- benefits (including bank holidays, vacation, and worker’s compensation)
- work attire
- disciplinary actions
- an “at will” statement allowing either party to terminate the relationship at any time for any or no reason at all

It is sometimes useful to include a welcome statement, an anti-harassment policy, and an equal opportunity employer statement.

Hiring Staff

One of the entrepreneur’s most valuable resources is staff. Once you have decided you need to hire someone, your first step is to write a job description. The job description specifies the requirements and qualifications needed to perform the position effectively. It also outlines the daily job responsibilities and the employer’s expectations.

Once completed, the recruiting process can begin. The first step is to advertise through appropriate channels. This may include advertising in a newspaper or business journal, at universities, chambers of commerce, and other places where qualified candidates might be searching. It is always a good idea to offer the position internally to already employed staff: you may already have the perfect person for the job working for you. Hiring from within will save much time and money. While it is common for entrepreneurs to look to family and friends to fill positions, keep in mind that the person needs to be qualified for the position—if he or she is not qualified, this will be more problematic in the long term.

9. Managing Money

"Balance sheets, income statements, and statement of cash flows. I hear these terms all the time, but what do they mean?" Managing your money is critical to the success of your business. We all want to know where our money goes, how we spend it, and whether what we sell will cover our costs. To do these things requires a basic understanding of accounting. By following basic accounting guidelines, you can keep an updated chart of accounts and organized ledgers that will reveal how well your business is doing and guide you as you work to bring your business to the next level. After the general ledgers are in order, you can then start interpreting balance sheets, income statements, and cash flows. This will let you compare your past and present financial performances to help you establish financial goals for the future. While you may have an accounting firm to do your books, understanding your finances will help you and your management keep your business on track. Your analyses will help you answer important questions such as What do I need to do in order to increase my profits by 5 percent, 10 percent, or 20 percent? How much do I need to invest to tap into a new export market?

To start, you should first define and then list all of the accounts that will go in the general ledger. Each account should have a separate reference number. For example, your expense account could be 1000 and your asset account 1010. While not necessary in the beginning, many accountants advise spacing out reference numbers so that as your company grows you can add more accounts and keep the numbers in order. A sample chart of accounts for a product is outlined below.

Asset accounts

Current assets

10000	Petty cash
11000	Accounts receivable
12000	Supplies inventory
12200	Raw materials inventory
13000	Finished product inventory

Fixed assets

14000	Equipment
15000	Office building
15500	Furniture
16000	Land
17000	Depreciation

Liability accounts

18000	Accounts payable
19000	Wages payable
20000	Taxes payable
21000	Other liabilities

Revenue Accounts

22000	Sales from product
23000	Interest income

Expense Accounts

24000	Advertising
25000	Bank fees
26000	Employee benefits
27000	Travel

Costs of Goods Sold Accounts

28000	Costs for product
29000	Direct labor
30000	Electricity
31000	Miscellaneous costs

When you are just starting out, you may use a simpler chart of accounts. This is fine, but keep in mind that as you start growing and become more established, you will want to add details to your chart to get a more exact picture of your general ledgers.

After you have an idea of how you are going to chart your accounts, you will have a general ledger for each referenced account. There are many software packages that can do the general ledger for you, but doing it yourself is not difficult. While the general ledger does not include every single accounting entry in a given period, it does summarize all transactions.

If your business is small and cash-based, you can set up much of your general ledger out of your checkbook. The checkbook includes several pieces of information vital to the general ledger—cumulative cash balance; and date, amount, and purpose of the entry. However, if you plan to sell and buy on account as most businesses do, a cash log or checkbook alone will not suffice as a log for general ledger transactions. Even for cash-based businesses, a checkbook cannot be the sole source for establishing a balance sheet.

An important component of any general ledger is source documents. Two examples of source documents are copies of invoices to customers and from suppliers. Source documents are critical, because they provide an "audit trail" that you or an accountant can use to go back and study financial transactions made in your business. For instance, a customer might claim that he never received an invoice from you, but your source document (your copy of the customer's invoice) will prove otherwise. Your source documents are also needed by your accountant at tax time. Other examples of source documents include canceled checks, utility bills, payroll tax records, and loan statements.

All general ledger entries are double entries: for every financial transaction in your business, the money (or commitment to pay) goes from one place to arrive at another. For instance, when you write your payroll checks, the money flows out of your payroll account (cash) into the hands of your employees (expense). When you sell goods on account, you record a sale (income) but must have a journal entry to make sure you collect that account later (account receivable).

The system used in recording entries on a general ledger is called a system of debits and credits. In fact, if you have even a basic understanding of debits and credits, you will be well on your way to understanding your entire accounting system.

As outlined above, for every debit there should be an equal and offsetting credit. When the debits and credits are not equal, then your books don't balance. A key advantage of any automated bookkeeping system is that it will police your debit-and-credit entries as they are made, making it far more difficult not to balance.

All debits and credits either increase or decrease an account balance. These basic relationships are summarized as follows:

Account Type	***Debit***	***Credit***
Assets	Increases	Decreases
Liability	Decreases	Increases
Stockholder's Equity	Decreases	Increases
Income	Decreases	Increases
Expense	Increases	Decreases

In a general ledger, debits always go on the left and credits always go on the right.

Most general ledger entries follow this form:

Date	**Account Name**	**Debit**	**Credit**
Date			
	Name of account debited	Amount	
	Name of account credited		Amount
	Short description of transaction (optional)		

For example:

12/30/04			
	Cash	150,000	
	Capital		150,000
	(Owner contributes ₦ 150,000 to business)		
12/31/04			
	Mango Juice Machine	100,000	
	Accounts Payable		100,000
	(Bought machine on credit with terms of 30 days)		

Once you understand general ledgers, the next step is to familiarize yourself with the three primary financial statements: the *balance sheet*, the *income statement*, and the *statement of cash flows*. Used together in an analysis, they paint an accurate picture of your business's financial status and where it is headed in the near future.

Balance sheet

The balance sheet is a snapshot of your company's resources owned (assets) and debts (liabilities and owners' or shareholders' equity) at a particular point in time, often at the end of an accounting period such as a quarter or a year. The balance sheet helps a small business owner quickly get a handle on the financial strength of the business: Is the business in a position to expand? Can the business easily handle the normal financial ups and downs of revenue and expenses? Should the business take steps to increase its cash reserves? Balance sheets, along with income statements, are also a basic element of the financial reporting required by potential lenders such as banks, investors, or vendors considering how much credit to grant the firm.

In the balance sheet, the following formula always holds true:

Assets = Liabilities + Owner's equity

Assets are the business's possessions—items with actual values.[2] Assets are either current or long-term, reflecting how easily each can be liquidated. *Current assets* can be converted into cash within one calendar year and include cash, checking accounts, and accounts receivables. *Long-term* or *fixed assets* include land, buildings, office equipment, machinery, and vehicles. With the exception of land, most long-term fixed assets need to be depreciated.

All debts and obligations owed by the business to outside creditors, vendors, or banks that are payable within one year are considered *liabilities*. Liabilities also tend to be divided into short-term and long-term. *Short-term liabilities* are accounts payable (money owed to creditors, suppliers, and vendors), bank notes, mortgage obligations, vehicle payments, and accrued payroll. *Long-term liabilities* are debt obligations due beyond one year, such as extended bank loans and bond repayments.

Shareholder or owner equity is also categorized as a liability. Shareholders (or stockholders), own a corporation based on their holdings. They own an interest in the corporation through investment rather than specific corporate property. After all business obligations are met, the shareholders' equity is the remaining value (net worth) of a business. This generally reflects the amount of capital the owners have invested and any profits the company has generated. Profits reinvested into the company are called *retained earnings*. Shareholders of a company are analogous to owners of a limited liability company (LLC), who are called members.

[2] Some company assets are unrecorded, such as employees. While employees are valuable resources and clearly contribute to the company's profitability, it is difficult to objectively measure their value.

Example of balance sheet

Everything Mango, Inc.
Balance Sheet ending December 31, 2004

	2003	2004
ASSETS		
Current assets		
Cash/cash equivalents	₦ 10,000	₦ 10,000
Accounts receivables	35,000	30,000
Inventory	25,000	20,000
Total current assets	**70,000**	**60,000**
Fixed Assets		
Factory and machinery	20,000	20,000
Less depreciation	(12,000)	(10,000)
Land	8,000	8,000
Goodwill/intangible assets	2,000	7,000
Total assets	**₦ 88,000**	**₦ 85,000**
LIABILITIES AND SHAREHOLDER'S EQUITY		
Liabilities		
Accounts payable	₦ 20,000	₦ 15,500
Accrued payroll	3,500	4,500
Taxes payable	6,000	5,000
Total liabilities	**29,500**	**25,000**
Shareholder's equity		
Owner's equity	40,000	40,000
Retained earnings	18,500	20,000
Total shareholder's equity	**58,500**	**60,000**
LIABILITIES AND SHAREHOLDER'S EQUITY	**₦ 88,000**	**₦ 85,000**

Income statement

The income statement (also known as profit and loss statement) shows a summary of a company's profit or loss over a period of time, usually a year. Small business owners can use these statements to find out what areas of their business are over or under budget. Items that may cause unexpected expenditures can be pinpointed. Income statements also track dramatic increases in product returns or cost of goods sold as a percentage of sales. The income statement identifies where the company spends the majority of its income and compares the company's performance with that of previous years. Most importantly, the income statement reveals if the business is profitable.

The income statement is divided into revenue and expenses. *Revenues* measure the inflow of new assets to the business; *expenses* measure the outflow or use of assets. As a result, the bottom line is *net income* means an increase in assets and owner's equity, whereas a *net loss* means a decrease in assets and owner's equity. Simply put, if revenues exceed expenses, the business has earned income; if expenses exceed revenues, a loss has occurred.

Example of income statement

Everything Mango, Inc.
Income Statement 2003 and 2004

	2003	**2004**
Sales	₦ 200,000	₦290,000
Less cost of goods sold	(75,000)	(88,000)
Gross profit on sales	**125,000**	**202,000**
Less general operating expenses	(55,000)	(57,000)
Less depreciation	(10,000)	(10,000)
Operating income	**60,000**	**135,000**
Other income	5,000	6,500
Earnings before interest and taxes (EBIT)	**65,000**	**141,500**
Less interest expense	(8,000)	(8,000)
Less taxes	(19,500)	(42,450)
Net earnings (Income or Loss) (Available for dividends)	37,500	91,050
Less common dividends paid	n/a	n/a
Retained earnings	**₦ 37,500**	**₦ 91,050**

In the above income statement, it is important to understand what items fall under each category and to ensure that each category is complete. Below are the definitions of the categories:

Sales is the revenue generated by the business minus any refunds, rebates, discounts, or allowances.

Cost of goods sold (COGS) is the total costs directly associated with making or acquiring your products, including raw materials, packaging and labeling materials, and any internal expenses directly related to the manufacturing process.

Gross profit on sales (Sales – COGS). The gross profit on sales reveals the profitability of a company's core business. A company with a high gross profit has more money to pump into product development, marketing, or to pass on to investors. Investors usually monitor changes in gross profit percentages since these changes often indicate the causes of decreases or increases in a company's profitability. For instance, a decrease in gross profit could be caused by industry price fluctuations that have forced the company to sell products at lower prices. It may also indicate poor management.
General operating expenses (general and administrative expenses [G&A]) are normal expenses incurred in the day-to-day operation of a business. Typical items in this category

include sales or marketing expenses, salaries, product samples, advertising, staff travel, trade show and conference participation, research and development, equipment rental, rent, utilities (electricity, air conditioning, heating), and other overhead (telephone, office supplies, insurance, fax, photocopies).

Depreciation is the gradual loss in the value of equipment and/or other tangible assets over the course of its useful life. Usually, depreciation is a separate line item on the income statement. The simplest method to calculate depreciation is the straight line method. This is calculated by taking the purchase or acquisition price of an asset, subtracting the salvage value (the price you can expect to sell it on the current market), and dividing by the total productive years the asset can be reasonably expected to benefit the company. These remaining years are often referred to as the asset's "useful life" in accounting.

$$\text{Straight line depreciation} = \frac{\text{Asset's acquisition price} - \text{Salvage value}}{\text{Useful life}}$$

Operating income is a company's earnings from its core operations after deducting its cost of goods sold (COGS) and general operating expenses. The operating income does not include interest expenses, financing costs, or investment earnings from unrelated businesses or taxes. Operating income is particularly important, because it assesses whether the company is fundamentally profitable. A simple calculation for operating income is

$$\text{Operating income} = \text{Gross profit} - \text{G\&A} - \text{Depreciation}$$

Other income is generated from business outside the normal scope of operational activity, such as leasing part of your building to another firm or foreign currency gains.

Earnings before interest and taxes (EBIT) = Operating income – Other income.

Net earnings (profit or loss): Perhaps the most important line item in the income statement, this is "the bottom line." Computed by subtracting taxes and interest paid from EBIT, net earnings or loss illustrate how well the business has done after it has paid all its obligations. In other words, did the company come out with a profit or a loss for that particular time period? Extremely important to investors, net earnings determine what funds are available to be distributed to shareholders or invested back into the company to promote growth (*retained earnings*).

Statement of cash flows

The statement of cash flows analyzes the company's liquidity and allows the owner to estimate future cash needs for operation, investment, and financing activities. This report shows the actual sources from where the business received cash, how the cash was used, and the changes in the cash balance over a period of time. Typical sources of cash include sales from operations, issuing stock, borrowing money, and selling assets, whereas uses of cash are when the business develops and markets products, reacquires stock, pays debt, buys assets, pays taxes, and pays out dividends. Broken out by operations, investment, and financing, the cash flow statement describes all the changes in terms of their effect on cash that have occurred in the balance sheet for that period of time (usually the business's fiscal year). Many companies consolidate their statement of cash flows to show the changes from year to year.

Managing a company's cash flow should be a top priority. Companies stay in business not only because they are profitable, but because the owners effectively predict and manage how much cash they will need for the short and long term. Making a profit does not necessarily guarantee a business's longevity. In fact, more businesses fail for lack of cash flow than for their inability to turn a profit. Thus it is important to understand the difference between profit and cash-flow control. When a sale is made, revenue is generated. However, the actual payment may be deferred as a result of giving credit to the customer. At the same time, the business must pay its suppliers, staff, and lenders. As a result, a certain amount of cash needs to be available to keep the business afloat. When cash receipts lag behind cash payments, the company could easily experience a temporary cash shortage. For this reason, it is critical to forecast cash flows as well as project likely profits.

The cash flow statement reveals the differences between cash inflows and outflows for a given period. In financial analysis, a cumulative positive net cash flow over several periods affirms the business's ability to generate surplus cash. Conversely, a cumulative negative cash flow indicates the amount of additional cash required to sustain the business. When preparing the cash flow statement, accurate and intelligent estimations are essential. It is not a good idea to overestimate sales forecasts, underestimate costs, ignore market value and competition, or rely on bank loans that have not been secured. These are risky assumptions that can lead to underestimation of cash flow: the business may not be able to meet all of its payment obligations. To prevent this from happening, many business owners produce three cash flow statements that portray worst, most likely, and best-case scenarios.

After analyzing the cash flows, the entrepreneur may realize that there is not enough cash readily available to sustain operations. While focusing on increasing sales, some options that can help improve cash flow include

1. Reducing overhead expenses
2. Reducing number of days (credit) given to customers, especially slow and late payers
3. Billing on a real-time basis (as soon as work is completed)
4. Using the 80/20 rule to control inventories, receivables, and payables
5. Adding late payment charges when possible
6. Improving collection system with a collections team in the accounting department
7. Becoming more selective when issuing credit to customers
8. Slowly increasing prices (as long as they remain in line with market standards)
9. Implementing a stringent credit policy and training staff to adhere to it
10. Negotiating longer credit terms with suppliers
11. Improving manufacturing efficiency and controlling work-in-progress
12. Considering extending repayment terms on loans

Sample cash flow statement (annual, prepared monthly)

Month	1	2	3	4	5	6	7	8	9	10	11	12
Cash balance/beginning of period												
Operating cash flow												
+ Sales revenue												
+ Other income												
- Purchases (materials)												
- Salaries												
- Employee benefits/taxes												
- Rent												
- Utilities												
- Telephone												
- Office supplies												
- Advertising												
- Insurance												
Subtotal: cash from operations												
Investing cash flow												
+/– Purchase/Sale of Equipment												
+/– Investments (securities, bonds)												
+/– Noncurrent assets												
Subtotal: cash from investing												
Financing cash flow												
+/– Revenue/payment on loans												
+/– Dividends												
Subtotal: cash from financing												
Total cash flow during period												
Cash balance, end of period												

Break-even analysis

While a break-even analysis is not a standard part of accounting analysis, it is extremely important for startup businesses and projections for new product lines. The break-even analysis predicts the level of sales the business needs to reach the point where the sales cover all the expenses and allow the business to begin making a profit. A startup venture uses this analysis as a benchmark to both assess sales projections and monitor whether operations are on track to achieve the targets. These analyses are also beneficial to established businesses, because they help identify ways to lower the break-even point and thus increase profits.

Calculating the break-even point requires fixed and variable costs to be identified under the following assumptions:

- Average per-unit sales price (SP): price you receive per unit of sales
- Average variable per-unit cost (VC): the variable cost (includes direct materials, labor, variable overhead, transportation) of each unit of sales
- Contribution margin (CM): Sales revenues (SP) – Variable costs (VC)
- Fixed costs (FC): Fixed costs remain constant and include rent/facilities, most general and administrative costs, interest, and depreciation
- Units or number of items sold or produced; in a break-even analysis, it is assumed that the number of units produced during a period is equal to the number sold during the same period

The break-even point is when total sales revenue is equal to total costs (fixed and variable).

- Calculate the number of units produced or sold at break even.
  SP(X) = VC(X) + FC

  Rearranging the formula to solve for X, the number of units at break even will give you
  X = FC / (SP - VC) or X = FC / CM
- Calculate the break-even revenue as follows:
  Break-even revenue (₦) = (Break-even units)(Selling price)

Example

Using our sample business, Everything Mango, Inc., each jar of mango jam sells for ₦ 1000 and costs ₦ 500 to make. The fixed costs for the period are ₦ 5000.

SP = ₦ 1000
VC = ₦ 500
FC = ₦ 5000

Break-even units:
X = FC / (SP – VC)
= ₦ 5000/ (₦ 1000 – ₦ 500)
= ₦ 5000/ ₦ 500
= 10 units

Break-even sales revenue = (break-even units)(SP):
= 10 x ₦ 1000
= ₦ 10,000

In other words, Everything Mango has to sell 10 jars of jam to break even, resulting in revenue of ₦ 10,000.

10. Secrets of Financing

Access to letters of credit, loans, lines of credit, export insurance, or operating capital would significantly help woman-owned businesses to expand and grow. However, obtaining short- or long-term financing is difficult for these businesses in Africa. Mainly due to limited access to information and resources, women entrepreneurs are less likely to meet lender requirements and therefore receive very little financing for their business operations. Is there a secret for African businesswomen to gain better access to credit? Unfortunately, there isn't: the way to increase your competitiveness by being better prepared, submitting excellent proposals, and understanding what types of financing are available.

Preparation and planning
Each bank or financial institution has its own set of criteria that applicants must meet when applying for financing. Examples of lender requirements are audited historical financial statements, a decent credit rating, and collateral (such as a building or land). In addition, to apply for operating capital and medium- to long-term loans, you may also have to submit a comprehensive business plan—complete with a management plan, profit projections, and a repayment timeline. Details about how to write a business plan are found in chapter 3.

Types of financing
Financing comes in many shapes and forms. Microfinance, equity financing, loans, letters of credit, and export insurance policies are only a few examples. The puzzle is to determine the best type of financing for your business. After identifying your needs and understanding what is available, you should ask whether you need to apply for microfinance, a letter of credit, a line of credit, a loan, or if you need to attract individual investors who will put money into your company. To decide what is best, it is important to understand the different types of financing, primarily microfinance, equity financing, and debt financing.

For many small enterprises just getting off the ground or operating in the informal sector, microfinance may be appropriate. Realizing that many small businesses are unable to tap into credit programs of banks and financial institutions, microfinance institutions grant loans in small amounts to small enterprises and cooperatives (mostly women-owned). These loans may run as little as ₦ 5,000 to as much as ₦ 500,000. Depending on its structure, the program may offer a variety of financial services such as loans, payment services, money transfers, and insurance. It is also important to keep in mind that microfinance programs may be available through different sources. Cooperatives, nonprofit organizations, multilateral organizations, and governments (local and foreign) are known to run microfinance funds. In *most* programs, however, to tap into the fund's resources, it is mandatory that that the person or business contribute to the fund by becoming a member and paying dues. Each program designs its own criteria and lending rules, so it is important to research what is available in Nigeria and what best fits your needs.

If your business has a few years of audited financial statements, there are several types of financing options worth exploring. However, keep in mind that most banks in Africa tend to have steep criteria, and it may take some time to qualify. When talking about financing, people tend to lump all the types together. It is very important to understand the differences and what they mean to your business.

The two main types of financing are known as equity and debt. *Equity financing* is when an individual or investment firm invests in a business or project. The expectation is that as the business grows, the investor's ownership and share of profits will grow as well. For many small businesses, it is common for family and friends to be equity investors. However, some investment firms invest in new companies—usually businesses that are two to three-years old or startup projects. Such investment companies are called venture capitalists. In addition to their anticipated return on investment (ROI), venture capitalists analyze the firm's competitive advantage, quality, management, and industry growth trends before committing funds.

Debt financing is known to most entrepreneurs as a loan. Unlike equity financing, the entrepreneur has a relationship with a lender. The lender gives money to the entrepreneur (debtor) up front. Then the entrepreneur repays this sum over time with accumulated interest. The lender and debtor agree upon the repayment terms of the loan—the length of the repayment period and the date by which the entire loan will be repaid. In debt financing, lenders make their money on the difference between the rate at which they borrow and the rate at which they lend. For example, the bank may borrow money at a rate of 8 percent and then lend to you at an interest rate of 18 percent. Many entrepreneurs prefer debt financing, because if the business meets the bank's criteria, the loan process tends to be straightforward and they receive money without having to share the company's ownership.

Specific types of financing

Equity financing

Your own money: Often overlooked, your own money is possibly the best financing available. With no bank fees or interest to repay, investing in your own business makes financial sense and shows other potential investors that you are underwriting some of the risk involved in your project. Your financial commitment builds investor confidence and reduces their risk: your equity decreases their financial commitment, which should help you obtain lower interest rates. If your project is fairly new—less than three years old or a startup—you should anticipate making significant investment in your own business. Receiving 100 percent financing for startup projects is extremely rare and, if granted, the interest rates tend to be very high above market rates. With average loan interest rates in Nigeria ranging from 20–27 percent, 100 percent financing is not economically viable. So, committing 20–30 percent of your own money—even if you have to downsize the project to do so—is a good idea.

Friends and family (usually equity): In some cases, borrowing from your friends and family is second best to investing on your own. By doing this, you avoid bank fees and interest. However, since most friends and relatives usually don't sign legal contracts with one another, you are on a good-faith basis to repay the amount.

Equity partnerships/joint ventures (equity): Before applying to a bank for a loan or line of credit, entrepreneurs may decide to enter an equity partnership or joint venture. In return for financially investing into the business, the partner owns a percentage of the business and is entitled to a share in profits.

Debt financing
Medium- to long-term debt financing

Loans: In an agreement between a bank or financial institution and a client, the lender underwrites a certain sum to be repaid during a specific period of time at agreed upon interest rates. Interest is usually charged monthly and is linked to the country's prime lending rate. Interest rates and repayment terms are negotiable. Therefore, you should shop around for the most competitive packages. One type of debt financing is a general operating or working capital loan, where the lender underwrites a loan that will be used for business operations such as product development or activity expansion. These loans are granted on the basis of a company's financial statements, projected growth, and anticipated profits generated over the repayment period. While a working capital loan is used for actual business operations, the lender does not acquire any equity or ownership.

Short-term debt financing (very popular for trade): Short-term financing refers to loans that will be repaid in a few years. Very popular with trade and, as a result, known as trade finance, these loans finance actual transactions such as the purchase of commodities or equipment. Repayment terms range from 30 days net to just under a year for consumables and commodities, or up to five years for larger transactions involving equipment or machinery. In trade finance, the lending bank or financial institution anticipates that the sales from the transaction sales are used to pay down the loan. Any money remaining is credited to the borrower's account. In this case, the letter or line of credit is ongoing and replenished. For example, you might be given a $10,000 line of credit. You use $5,000 and pay back $4,000, this leaves you with $6,000 of credit. A letter of credit or line of credit usually stays open until a fixed date agreed upon by you and your lender.

Line of credit: Issued by a bank or financial institution, a line of credit gives the applicant access to a certain amount of money she does not currently have in her account. It is "revolving," that is, as the account holder pays off the borrowed portion, the credit limit automatically reissued to the maximum agreed upon amount. In a trade transaction, the buyer and supplier set up the deal assuming the LC will be issued.

Buyer	**Vendor**
Agrees to buy product	Agrees to ship goods if LC is opened
Requests bank to issue LC	LC assures payment if proper documents are presented Ships goods and submits shipping documents to bank for payment
Verifies documents for compliance Payment is made immediately or upon maturity of accepted draft	Payment is made when documents received or accepted

Letter of credit: A letter of credit provides a guarantee by a commercial bank on behalf of a client that is applied against a business transaction or payment obligation. The bank promises to pay an agreed sum upon receipt by the bank of certain documents within a specified time. Under a letter of credit, the business can repeatedly borrow, repay, and borrow7 again all or part of the credit available.

Overdraft: A line of credit that allows account holders to write credits for amounts larger than their existing deposits.

Export insurance: Strictly related to export trade transactions, export insurance offers buyers the opportunity to receive extended terms of credit for their payment schedule that they would normally not receive from the supplier. An export insurance policy acts as a guarantee of payment to the supplier. This allows the buyer to pay off the transaction over a period of time such as net 30, 60, or 180 days. Both public and private credit agencies exist. The U.S. government credit agency is called the U.S. Export-Import Bank, www.exim.gov. Here foreign buyers (not American citizens) can take out an export insurance policy when they are purchasing U.S. goods such as equipment, consumables, and foodstuff. The insurance policy benefits all parties involved. Given that it is a first-time customer and the transaction is riskier because the buyer is far away in Africa, the company may not be willing to give the buyer extended credit terms such as 60 days and will only make the sale if the buyer pays 100 percent of the transaction in advance. Once the money is received, the supplier ships the product. However, from the buyer's point of view, this is not a good setup. First, she does not have 100 percent of the cost upfront, because she wants to resell the product and pay the supplier with revenue that she made from her sales. Second, she doesn't know the supplier either, and is hesitant to pay in advance. There is a risk that she will not receive her product on time or at all. Or she may receive it in bad condition. If she pays 100 percent up front, she has no bargaining power with the supplier to mend things if she is not satisfied with the order. So, she and the supplier decide to take out an export insurance policy. This way, she can pay the supplier over her preferred extended credit terms of 60 days. The supplier is also happy because he is paid 100 percent of the transaction up front and does not have to wait 60 days to get paid.

Loan guarantee: Similar to export insurance, a buyer uses a loan guarantee to purchase goods from outside her country. As with an export insurance policy, they buyer is the importer. Used for larger transactions, a loan guarantee eliminates the bank's risk of payment default, because a credit agency guarantees the loan. In essence, if the buyer (borrower) defaults or doesn't submit her loan payment, the credit agency will pay the bank the default amount. As a result, this eliminates any financial risk to the bank, and the bank should in turn be able to offer the borrower competitive interest rates and repayment schedules. In Africa, the interest rates in some countries can be as high as 25 percent. With a loan guarantee, U.S. and other international banks have been known to give much lower interest rates, around 12 percent, to African buyers interested in buying U.S. goods. The lower interest rates are much more attractive, and the U.S. banks are more comfortable with underwriting the loan because they do have to compensate for the risk of payment default. For more information on loan guarantees, please visit www.exim.gov

These summaries give you an idea of the types of financing that may be available to you. Now it is up to you to decide what will work best for your business. To help you understand exactly what is available in Nigeria, a table in the appendix provides a description of the services and contact information for banks and financial institutions in Nigeria.

Appendix 1. Useful Contacts

1. **Nigerian Social Insurance Trust Fund (NDITF)**
   Abuja Office
   Plot 794 Muhammadu Buhari Way
   Central Business Area, Abuja-Nigeria
   Tel: 234-09-2340121, 2340105

   Lagos Zonal Office
   9 lijora Cuaseway, lijora
   P.M.B 12523, Lagos-Nigeria
   Contact Person: Mr. I.C Ojeli
   Lagos Zonal Manager

2. **Corporate Affairs Commission (CAC)**
   Abuja Head Quarters
   Plot 565, Ndola Square
   Wuse Zone 5
   P.M.B. 198, Abuja

   Lagos Office (1)
   UBA House, 9th Floor
   57 Marina Street, Lagos Island
   Contact Person: Barrister Saleh Ahmed

   Lagos Office (2)
   Elephant Cement House, (ASBIFFI)
   Alausa-Ikeja
   Lagos
   Tel: 234-1-7744799
   Fax: 234-1-4922944

3. **Federal Inland Revenue Service (FIRS)**
   Abuja Office
   Revenue House, Plot 522 Sokode Crescent
   Zone 5, Wuse-Abuja
   P.M.B. 33 Garki-Abuja
   Tel: 234-(0)9-2341911, 2340939, 5236610-1, 5236603
   Fax: 234-(0)9-2340670, 5236612

   Lagos Office
   Ilupeju Integrated Tax Office
   Lagos
   Contact Person: Mr. Okorocha, Tax Advisory Section

4. **Federal Environmental Protection Agency (FEPA)**
   Independence Way, South Central Area District
   P.M.B. 265 Abuja
   Tel: 234-(0)9-2342807-8

5. **Lagos State Environmental Protection Agency (LASEPA)**
Lasepa Building, The Secretariat, Alausa, Ikeja-Lagos
Tel: 234-1-4930280, 4979030-10 ext. 6424
Contact Person: Mr. Adebodun O. Sewanu
Special Assistant on Environmental Protection

6. **Nigerian Labour Congress (NLC)**
29 Olajuwon Street, Off Ojuelegba Road
Yaba-Lagos
P.O. Box 620, Yaba-Lagos
Tel: 234-1-5840288, 7743988
Fax: 234-1-5840288
Contact Person: Mrs. Mavuata

7. **Supports and Training Entrepreneurship Program (STEP)**
239 Herbert Macaulay Way, Yaba-Lagos
Tel: 234-1-4819938, 862256, 864954
Fax: 234-1-861073
Email: steplagos@linkserve.com
cagbaeze@yahoo.com
Contact Person: Charles Agbaeze
Manager

8. **Fate Foundation (Enterprise Promotion Services)**
Water House, 1st Floor
The Lagos State Water Corporation
Ijora Causeway, Ijora
P.O. Box 54495, Ikoyi
Tel: 234-1-4706836/40
Email: info@fatefoundation.com
www.fatefoundation.com

9. **W.O.D. Consultancy LTD**
   W.O.D. Consultancy Services LTD
   Plot 11, Road 12, Off Admiralty Way
   Lekki Peninsula Phase 1, Victoria Island
   Lagos
   P.O. Box 52327 Falomo, Ikoyi-Lagos
   Email: wodconsult@21ctl.com
   dafinone@wodconsulting.com
   Contact Person: Mr. W. O. Dafinone

10. **Cutting Edge Consulting**
    27 Amore Street, Off Toyin Street
    (Suite 4, 2nd Floor) Ikeja
    P.O. Box 1445, Ikeja- Lagos
    Tel: 234-1-7980953
    Email: aolusoji@cuttingdgeng.com
    www.cuttingdgeng.com
    Contact Person: Abiodun Olusoji

Appendix 2. Useful Business Forms

CORPORATE AFFAIRS COMMISSION

(Established Under The Companies And Allied Matters Act 1990)

PLOT 565, NDOLA SQUARE WUSE ZONE 5, ABUJA.

CORPORATE AFFAIRS COMMISSION CAC

33685

FORMS CAC 1

AVAILABILITY CHECK AND RESERVATION OF NAME

Pursuant to Section 32 (1)

Name of Presenter:			
Accreditation No:.			
Address:			
City:		State:	

I hereby apply for availability of:

PROPOSED NAME COMPANY / INCORPORATED TRUSTEES:

OPTION ONE

OPTION 2

The name is to be used for:

a. Private Limited Company (LTD) ☐

b. Public Limited Company (PLC) ☐

c. Unlimited Company (ULTD) ☐

G. Change of Name ☐

d. Company Limited by Guarantee LTD/GTE) ☐

e. Business Name ☐

f. Incorporated Trustees ☐

Dated this ______ **day of** ______ **20** ______

Signature of Applicant

NIGERIA
FEDERAL INLAND REVENUE SERVICE
EDUCATION TAX (1993 AND SUBSEQUENT YEARS)
SELF ASSESSMENT NOTICE

FORM 4D EDT

FOR OFFICE USE
Office ______________
Assmt. No ______________
Receipt No ______________
Date ______________
Signature of Recipient ______

PREAMBLE

This return is for use by all Companies carrying on any business or trade in Nigeria.

It is assumed that relevant Financial Statements, detailed schedules and tax computations for the period must have been delivered/mailed to Federal Inland Revenue Service in the State where the registered office is located and where there is no Federal Inland Revenue Service in the State, then the Federal Inland Revenue Service Office nearest to the Company's registered office within the period required by law.

Where however this is not the case, the above mentioned sets of Returns should accompany this Notice.

In pursuance of the provisions of Education Tax Decrees No. 7, 1993, this assessment is made by me on behalf of the Company as detailed below:-

(See the Guide for the completion of this form).

A. IDENTIFICATION

File Reference Number..

[redacted]

Name of Company [redacted]

....

Address of Head Office

....

....

....

Describe major business activities [redacted]

....

....

Year of Assessment [redacted] ....

Accounting Yr. End ....

Is the company resident in Nigeria. [redacted]

No ☐ Yes ☐

If No, state country of Residence

....

Is this the first year of filing? No ☐ Yes ☐

Is this an amended Return? No ☐ Yes ☐

Date of Incorporation...

Date of Commencement...

Mailing Address (if different from Head Office Address)

....

....

Has the accounting year end changed since last returns?

No ☐ Yes ☐

If yes, State reason

....

....

New date...

B. COMPUTATION OF ASSESSABLE INCOME/PROFIT

Turnover... ₦

Sources of Profits/Income (Itemize)

....

....

....

Total Assessable Profit [redacted]

TotalAssessable Profit of ₦....................................at the rate of...........................% = ₦.....................................

Education tax liability [redacted]

C. PAYMENT OF TAX DUE [redacted]

Payment of tax due should be made by BANK CERTIFIED CHEQUE/DRAFT drawn on "Federal Government of Nigeria - FIRS- Education Tax Account" at the Office of the FIRS where the Company normally files its return within 2 months of filing in accordance with the requirements of self assessment.

Attached herewith is the bank certified cheque...for the amount/part assessed by me on behalf of the company.

D. UNDERTAKING (Guide 10)

I...hereby declare that I am the Principal Officer of the company. I further declare that I have examined thoroughly the accompany statements, schedules and tax computations, and to the best of my knowledge and belief, this return is true, complete and in accordance with the Education Tax Decree 1993.

Given under my hands this...day of...

....

Official Stamp Signature of Principal Officer of the Company

Name..Designation...................................Date.........................

CORPORATE AFFAIRS COMMISSION

P.M.B. 198, ABUJA

Form CAC 2.2

RC

203599

COMPANIES AND ALLIED MATTERS DECREE (1990)

NOTICE OF SITUATION OF REGISTERED ADDRESS OF A COMPANY

Pursuant to section 35(2), (h)

Name of Company

LTD PLC UNLTD LTDGTE

do hereby give notice in accordance with section 35(2)(b) of the Companies and Allied Matters (1990), of the following:

(a) The registered office is situate at:

Name and Street Name:

Town: State:

(b) The head office (if different from (a)) is situate at:

Name and Street Name:

Town: State:

Signature: Director/Secretary

Date this ______________ **day of** ______________ 200____

Presented for filling by:

Name: ______________

Address: ______________

CORPORATE AFFAIRS COMMISSION

P.M.B. 198, ABUJA

Form CAC 2.3

RC

CORPORATE AFFAIRS COMMISSION
ABUJA OFFICE 203593
₦500:00

COMPANIES AND ALLIED MATTERS DECREE 1990

PARTICULARS OF FIRST DIRECTORS OF COMPANY

Pursuant to section. 35, (c)

Name of Company

LIST OF DIRECTORS

Surname

1

Other Names

Any former Name:

Nationality: Age:

Residential Address:

Town: State:

I consent to be a Director of the company

Signature Date:

Surname

2

Other Names

Any former Name:

Nationality: Age:

Residential Address:

Town: State:

I consent to be a Director of the company

Signature Date:

* Use continuation sheets if more than 6 Directors

No. of continuation sheets, if any *

Presented for filing by:-

Name:

Address: