

## STATEMENT OF ACCOUNTING POLICIES

### a. BASIS OF ACCOUNTING

The financial statements are prepared in compliance with Nigerian Statement of Accounting Standards [SAS], presented in the Local Currency Nigeria Naira (N), and prepared under the historical cost convention.

### b. INCOME

Income represents amount received as operating fees, subventions, grants from the Federal Government and Donor Agencies. The income during the year is recognised on cash basis in line with government accounting policies.

### c. STAFF PENSION AND RETIREMENT BENEFITS

The Commission provides pension and other retirement benefits as defined by the Pension Reform Act 2004; a minimum contribution of 15% of employee (that is basic salary, housing and transport allowance) must be made monthly; the sharing formula is on equal basis (7.5% employee/employer).

### d. DEPRECIATION

Fixed assets are stated at historical cost, except where certain assets have been revalued. Depreciation is calculated on the cost of fixed asset on a straight line basis over their expected useful lives. The principal annual rates used for this purpose are:

	%
Land and Buildings	2
Plant and Machinery	25
Office Equipment	20
Furniture and Fittings	20
Motor Vehicles	25
Power Installation	25
Computer Equipment	33.33

### e. CAPITAL GRANTS AND SUBVENTION

Capital grants and subventions are recorded in the year that they are received by the Commission. Capital grants received in any year are credited to Capital Accounts (Federal Government and Others) while subventions received are credited to the income of the year.