

DETERMINANTS OF AUDIT FEES OF LISTED CONSUMER GOODS COMPANIES IN NIGERIA

By

¹Hussaini Dahiru, ²Bagu Ashaba Ibrahim & ³Kwazhi W. John (Ph.D)

¹*Department of Accounting, University of Maiduguri
dhussaini1985@gmail.com,*

²*PhD Student of Department of Accounting, Nasarawa State University,
Keffi baguabraham@gmail.com*

³*Department of Accounting, University of Maiduguri
Johnkwazhi69@gmail.com*

ABSTRACT

This study empirically examined the determinants of audit fees of listed consumer goods companies in Nigeria. The study employed a descriptive approach where 14 out of 21 quoted companies in the consumer goods sector were purposively sampled. The result of the panel regression with the aid of STATA indicated that audit firm size is a positive but insignificant factor in determining audit fees, auditor tenure is negatively significant while return on asset is a significant factor in determining audit fees. The result also revealed that leverage is an insignificant determinant of audit fees of quoted consumer goods companies in Nigeria. It is concluded therefore, that return on assets and audit tenure can significantly determine audit fees while audit firm size and leverage does not significantly determine audit fees of quoted consumer goods companies in Nigeria. The study recommended that insignificant consideration should be accorded to size of the audit firm and the leverage of companies studied while determining audit fees while adequate consideration should be accorded to auditors' tenure and return on assets of the companies as they significantly determine audit fees.

Keywords: *Audit fees, Audit Tenure, Consumer Goods Companies, firms' size, Leverage, Return on Assets.*

Introduction

Every listed business organization on the floor of Nigerian stock (NSE) exchange that engaged in business is statutorily required to be audited at the end of its accounting period. This is because resources are committed and most times the management of such ventures are separated

from the owners. The activities of an organization is also of interest to other users ranging from internal and external. Auditors are expected to be independent from the organization they audit. This is done to ensure unbiased presentation of expression on the financial records being audited by them. Audit fee is the amount of money that a company pays to their external auditor for audit services. The fee(s) is/are of interest to both auditors and their clients as it represents cost to companies as much as the reputation of quality of audit services. Generally, the audit fee should cover audit costs and provide a reasonable profit. Therefore, the audit fee can be seen as a combination of two items; audit cost and profit or auditors reward. Meanwhile, supervision of activities to ensure accountability in management is a key in corporate management and external audit constitutes a very important aspect for maintaining good governance level.

The issue of audit fee encourages the value attached to the quality of accounting information. The case of Enron is an indication that the reputation of firms is closely related to independent audit conducted by them. In the same manner, audit of financial report has value up to an extent that investors and the general market believed that the auditor is independent and as a result, he or she may report a very significant distortions determined in the audited firm and this could reduce a privileged behavior of managers (agency costs) (Watts & Zimmerman, 1983). The concentration of firms in auditing industry undermines competitiveness and reduces the options available to audited organizations. This concentration, along with accounting information scandals and importance of auditing for corporate management as opined by (Yuniarti, 2011) explained professional independence issues and serve as determinants of external auditors' fees.

Urhoghide and Izedonmi, 2015 opined that since the early work on the audit services fee by Simunic (1980), some progress has been made in understanding and providing country specific empirical evidence on the factors which are involved in the determination of audit fee. These include the US studies, like the Taylor and Simon (1999); Callaghan, Parkash and Singhal (2008); Mellett, Peel and Karbhari (2007); Pratt and Stice (1994) and Bedard and Johnstone (2010). In the same vein, studies in the UK include Moizer, (1997); Brinn, Peel and Roberts (1994) and Pong (2004).

However, (Urhoghide & Izedonmi, 2015) observed that 'it can be inappropriate to assume implicitly that findings in the developed countries

in respect of audit fee determinants can be taken as being exactly the same in the developing economies'. They asserted that because of certain peculiarities of the business environments in several developing markets, for example, developing markets have only a few business entities listed on the stock exchanges and most audit firms' sizes can be classified as small and medium and the presence of the big audit firms looms large in certain sectors such as in the financial and petroleum industries unlike the developed market.

Also, the audit environment, general business environment, regulatory framework, culture, technology, legal and business sizes differ significantly. For instance, what may be considered as a small company in developed countries may be regarded as large in developing countries. All these factors could in fact impinge on the determination of the audit fee. This indicates that country specific findings will be significantly relevant in stimulating the discourse of audit fees worldwide.

In Nigeria, some studies have examined the determinants of audit fees such as Izedonmi and Donwa (1999), Adeyemi and Uadiale (2010), Urhoghide and Izedonmi (2015), Ilaboya, Izevbekhai and Ohiokha (2017). However very few of these studies have attempted a combination of auditee and audit specific firm characteristics in modelling for audit pricing in Nigeria, especially in the consumer goods sector. The combination of these characteristics gives a high preference towards determining audit fee of listed companies as it provide a clear description of the various issues that relate to audit fee. Consequently, the main objective of the study is to examine the effect of audit clients' firms' size, audit tenure, return on assets and leverage on audit fee determination in Nigeria's consumer goods sector.

LITERATURE REVIEW

International Standards on Auditing defines Audit fees as 'the amount that remunerates the financial auditor's activity and the certification of financial statements'. The code of Ethics for professional accountants stated that this reward called audit fees should be calculated in an objective way and the auditor's independence should not be influenced by them. A number of researches have been done on the determinants of audit fee. Most of these studies findings showed that the major determinants of audit fees may include firm size, return on assets, business

complexity, auditor type, audit tenure, company performance, leverage etc. Audit fees can be described as all charges that the companies pay to the external auditors against the audit services and non-audit services such as management advisory and consultants. The Securities and Exchange Commission (SEC) defined audit fee as the fees paid for annual audits and reviews of financial statements for the relevant year(s). Audit fee can also be the sums of money payable/paid to the auditor, for the audit services carried out on the auditee or firm.

Audit fee represents the amount charged by the auditing firm for assignment carried out. That is, the amount expected by the auditor for any work done in order to express opinion on the true and fair state of affairs or position of the client's enterprise. This is in line with the opinion of the Securities and Exchange Commission, Final Rule (Yuniarti, 2011) that the audit fee is the fees paid for annual audits and reviews of financial statements for the previous year. The amount of the fee can vary depending on the nature of services, assignment risk, cost of Public Accountants Firm, the expertise level needed and other professional considerations. Moreover, Hoitash, Markelevich and Barragato (2007) concludes that the totality of audit consideration are the amount of all costs covered for audit engagement. There are variations in the amount of the fee paid, depending on audit firm size and how difficult the auditing processes are. This is further corroborated by Turley and Willekens (2008) who states that three composite factors contribute to the establishment of fees paid to auditors, which include complexity, Client size and associated risk. Auditor entitlements are the fees paid to the auditors that reflect the consideration of the effort made by the public auditors and litigation risks (Choi, 2009).

Also, auditing fees consist mainly of the wages and benefits of office and field personnel, travel costs, and other costs necessary to the audit and related support activities. The fees equal the estimated cost of staff time and the actual cost of travel for those activities, plus margin of profit. In their discussion Kinney and Libby (2002) suggested that the threat to auditor independence could be as strong when the audit fee is large and they argued that managers and entrepreneurs are willing to pay higher audit fees to receive what are perceived to be higher quality audits.

Studies such as Francis and Simon (1987) documented a relationship between auditor prestige or reputation and audit fees. They did not only report an audit fee premium for the Big 8 name, but also an audit

fee premium for audit specialization within the Big 8. Although there is some evidence that audit fees do not contain this premium, it appears that economic agents are willing to bear some increase in cost for what are perceived to be higher quality audits (Francis & Simon, 1987).

Scholars suggests that for effective and quality financial reporting, the audit-firm tenure is also considered because it is of great influence. Audit-firm tenure is the extent to which audit-firm-client relationship based on the fiscal year-end is covered by the audited financial reports. Following prior research such as Bedard and Johnstone (2010), audit tenure is observed as short when the same auditor has audited the financial statements of a client for two or three accounting period and long when the same auditor has audited the financial statements of a company above nine years. On the basis of definition of short and long term tenure, audit tenure is seen as medium when the same auditor has audited the financial statements of a company between a periods of four to eight accounting periods.

Audit tenure is the agreed period of engagement between the auditor and client (Hartadi, 2009). Meanwhile, audit firm tenure is the length of time auditors have serviced their clients. It is an important determinant factor of audit fee. Audit time decreases with increase in tenure probably because the auditor is now used to that particular job as he knows where and how to get whatever information is needful for his work. Regulations of audit rotation are to decrease the familiarity threat due to long audit tenure. Bedard and Johnstone (2010) argued that a long tenure means in-depth knowledge of the client and hence creates a more valuable auditor-client relation. Since an auditor client desires such a relation, audit fees will increase.

The issue of audit tenure is usually linked to auditor independence. A study conducted by Ghosh and Moon (2003) shows that audit quality increases as audit tenure increases. The study result is in disagreement with a study conducted by Indah (2010) which shows that as the length of the relationship of auditors and clients increases; there could be decrease in the level of audit quality, because a long auditor-client relationship impairs auditor's independence. Furthermore, audit quality decreases as the auditor-client relationship extended (Deis & Giroux, 1992). Corroborating this finding, Carey and Simnett (2006) also find that a long audit tenure leads to lower propensity to issue a going-concern report. However, the

study involving going-concern report in the US suggest that audit reporting failures are significantly higher in the first few years of auditor- client relationship (Geiger & Raghunandan, 2002). According to Chen, Lin and Lin (2008), audit firm tenure as well as audit partner tenure, affects financial reporting quality.

Ilaboya *et al.* (2017) cited Lu and Sapra (2009) who observed that companies with high risk are associated with auditor conservatism and increased customer pressure improves auditing quality in such situations. Leverage as opined by Zaman, Hudaib and Haniffa (2011) is positively related to abnormal audit fees probably because companies that are highly levered require careful monitoring to shelter them from business risks. Bedard and Johnstone (2004) and Defond, Raghunandan and Subramanyam (2002) found a positive relationship between leverage and abnormal audit fees. Ashbaugh, Lafond and Mayhew (2003) identify a positive relationship between leverage and consulting fee.

Hogan and Wilkins (2008) studied how auditors respond to higher internal control risk levels. They found that audit fees are significantly high for organisations that showed significant weaknesses in internal control.

Bedard and Johnstone (2004) observed that better practices may reduce audit fees. Also, Chung and Wynn (2014) found that, in listed Canadian companies, the auditor charges higher fees to clients who have greater governance risks. Conversely, this showed that companies with greater governance structures may pay high audit fees. Zaman *et al.* (2011) used financial leverage as a measure of risk, observed a positive relationship with auditing costs, concluding that leveraged companies require greater monitoring – in order to protect themselves from business risks – and that the auditor can charge higher fees as part of risk premium. Conversely, Naser and Nuseibeh (2008) and Hallak and Silva (2012) found significant negative relationship between leverage and expenditures on audit. Sandra and Patrick (1996) and Thinggaard and Kiertzner (2008) used leverage and liquidity to measure the risk of auditing clients; however, both results were insignificant. In the same manner, Brinn, Peel, and Roberts (1994) used clients' liquidity to represent the risk of audit and they obtained evidence that this variable is significant to determine audit fees.

In Simunic (1980), the variable “total assets” is the most widely used to measure company size. Joshi and AL-Bastaki (2000) mention several authors who concluded that client size is the most significant

variable to explain audit fees. In addition, Brinnet *al.* (1994) indicate that clients' size and complexity are significant factors in determining audit fees.

Another factor under study is firm's size; the large ones, known as Big 4, have become consolidated in the market. In the same way, researches have shown a positive relationship between firm size and the quality of its services (Palmrose, 1986; Brinnet *al.*, 1994; Thinggaard & Kiertzner, 2008; Hassan & Naser 2013).

DeAngelo (1981b) observed that audit quality is not independent in relation to the size of the firm; the larger the audit firm – measured by the number of clients – the smaller incentive for an auditor to behave wrongly for establishing or maintaining a client. In other words, the higher financial independence of large audit firms puts them at a less vulnerable position in relation to client pressures.

Furthermore, other studies show that the Big 4 charge premium fees, when compared to smaller firms in the sector (Francis, 1984; Palmrose, 1986; Whisenant, Sankaraguruswamy & Raghunandan, 2003). They reported that premium fees are justified because Big firms have higher quality teams and they apply better processes and it is expected that they better identify errors in financial statements. Other studies observed that higher fees paid to Big 4 firms might be related to the fact that the market reacts more favorably when a client chooses a large firm (Nichols & Smith, 1983; Lennox, 1999).

Another variable under study is audit rotation. When a client decides to change the auditor, the new one is elected by taking into account firms with better prices and conditions. Simon and Francis (1988) and Deis and Giroux (1996) highlighted that change is associated with significant reductions in fees; this might be justified by firms on the grounds that, to establish new clients, they could charge lower initial values and adjusting them later. This practice is called "low balling," where the effect of such a procedure on auditor's independence is discussed. DeAngelo (1981a) opined that such behavior is a competitive response from auditors and it does not hinder independence.

Nevertheless, audit cost does not necessarily follow this initial reduction; when it comes to new audits, auditors tend to apply more time to grasp business, risks, and thus define auditing strategies. This process tends

to be quicker in recurrent audits, due to the expertise and knowledge acquired in previous years.

DeAngelo (1981a) also points out that, in audits where initial costs are significant, the auditor who is already in the entity enjoys a competitive advantage in further audits.

Although there are the same expectations with regard to the way certain variables must affect these fees, more empirical approaches are needed to make progress in knowledge about the topic.

Theoretically, agency theory and theory of inspired confidence can justify the function of auditing as a means of controlling information asymmetries among the various parties. The demand for audit of companies' financial records is created by the agency problems which are related to the separation of corporate ownership from control. The agency problem arises from the existence of asymmetric information in the principal-agent contracts (Jensen & Meckling, 1976). Studies have shown that the existence of information asymmetry between corporate management and shareholders is a necessary condition for easy perpetration of earnings and financial statements manipulations. The audit of a company's accounts is a monitoring or control mechanism that decreases information asymmetry and protects the interests of the principal.

The auditors' theory of inspired confidence also offers a link bridging the users' requirement for credible and reliable financial reports and the capacity of the audit processes to meet those needs. It sees through the development of these needs of the public (stakeholders) and the audit processes over time. Developed by the Limperg Institute in Netherlands in 1985, the theory of inspired confidence states that the auditor, as a confidential agent, derives his broad function in society from the need for expert and independent examination as well as the need for an expert and independent judgement supported by the examinations. Auditors are expected to know that the public continues to expect a low rate of audit failures among organisations. This requires that they must plan and perform their functions in a way that will reduce the risks of undetected material misstatements.

METHODOLOGY

This study employed descriptive design. Secondary data were obtained from a sample of 14 quoted consumer goods firms out of a

population of 21 firms over a period of ten years (10) from 2008 to 2017. The companies were purposively selected because of their availability of up to date financial reports for the period under study. Data were extracted from annual reports and accounts of the selected companies. Panel regression analysis was used to analyze the data obtained. In this study, literature provides the conceptual and theoretical bases for the development and construction of the propositions tested.

Model Specification

The model for the study is stated below to test for possible relationship between the dependent variable and the independent variables. The study was guided by the econometric models below:

$$AUFEZ = \beta_0_{it} + \beta_1 AUFSZ_{it} + \beta_2 AUTEN_{it} + \beta_3 ROA_{it} + \beta_4 LEV_{it} + e$$

Where:

AUFEZ = Audit Fees β_0 = Constant AUFSZ = Audit Firm Size

AUTEN = Audit Tenure

ROA = Return on Assets LEV = Leverage e = Error Terms

Table 1: Variables Measurement

S/N	Variable	Measurement used	Source
1.	Auditor fee premium	The total amount of fees charged by the audit firms.	Ahmed and Goyal, (2005)
2.	Audit firm size	Measured by dichotomous variable 1 for the companies audited by Big 4 and 0 for non-big 4.	Chan <i>et al.</i> (1993).
3.	Audit tenure (Rotation)	Measured by dichotomous variable, 1 for all the time spent by the same audit firm and 0 for the year of audit firm change.	-
4.	Return on Asset	If 1- Return on assets of the company in year f.-1 given a log of total assets for the period.	-
5.	Leverage	Measured as total debt divided by total asset	Zaman <i>et al.</i> (2011)

Source: Compiled by authors

Results and Discussion

An analysis and discussion of the results of this study are presented below:

Table 2: Descriptive Statistics Table

Stats	AUFEZ	AUFSZ	AUTEN	ROA	LEV
Mean	4.0440	.3357	.15	1.22171	4.6908
Min	3.1670	0	0	-78.3232	.0892
Max	4.7323	1	1	20.7550	.9288
SD	.3072	.4739	.3583	10.3654	.1948
SKW	-.3747	.6957	1.6903	-4.0404	.1948
KUR	2.8063	1.4831	4.8431	27.7102	2.60138

Source: STATA V.13 output, 2018

Table two above shows the result of the descriptive statistics. The result indicated that Audit fees has a mean of 4.0440. The mean values are .3357, .15, 1.2217 and 4.6908 for Audit Firm size, Audit Tenure, return on assets and leverage respectively. The standard deviation values stood at .3072 and .4739 for audit fees and Audit Firm size respectively while Audit tenure, return on assets and leverage have SD values of .3583, 10.3654 and .1948. It was also observed that Audit fees, return on assets and leverage were negatively skewed while audit firm size and audit tenure were positively skewed. The result of the kurtosis show that all variables are normally distributed.

Correlation Coefficient Matrix

Table three below show the pearson correlation coefficients between all combinations of dependent and independent variables. The correlation matrix is used to determine the relationship between the dependent and independent variables of the study.

Table 3: Correlation Coefficient Matrix

VARIABLES	AUFEES	AUDSIZE	AUTEN	ROA	LEV
AUFEES	1.0000				
AUDSIZE	0.2249	1.0000			
AUTEN	-0.3726	-0.1292	1.0000		

ROA	0.2725	0.2265	-0.1494	1.0000	
LEV	-0.0486	-0.0867	0.2252	-0.0592	1.0000

Source: Regression Result Using STATA

Table three revealed that audit firm size and return on assets are positively correlated with audit fees to a tune of 22% and 27% respectively while audit tenure and leverage are negatively correlated.

Multicollinearity Test

Multicollinearity is a statistical situation where some independent variables in a multiple regression are highly correlated. It is important to undertake a multicollinearity test to help reduce variables that measure the same thing. In order to identify if there were multicollinearity among independent variables in this study, a Variance Inflation Factor (VIF) measure was used.

Table four shows the result.

Table 4: VIF and Tolerance of Audit Fees and Control Variables

Variables	VIF	1/VIF
AUDSIZE	1.07	0.933829
AUTEN	1.08	0.924018
ROA	1.07	0.936529
LEV	1.06	0.94572
Mean VIF	1.07	

Source: Regression Result Using STATA

Table four shows that VIF and tolerance value for all the variables had VIF of less than 10 and tolerance less than 1, it therefore implies that there was no multicollinearity among the independent variables.

Breusch-Pagan / Cook-Weisberg test for heteroskedascity

Ho: Constant variance

Variables: fitted values of AUFEES

Chi2(1) = 0.09

Prob> chi2 = 0.7608

The result shows a total absence of heteroskedascity as the p-value is higher than 0.05.

Table 5: Summary of Regression Result

Number of obs.	140
F (4, 135)	8.84
Prob> F	0.0000
R-squared	0.2076
Adj. R-squared	0.1841
Root MSE	.2775

Table 6: Regression Result

AUFEES	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
AUDSIZE	.0910966	.0569341	1.60	0.110	-.0204922	.2026854
ROTATION	-.2928788	.0776706	-3.77	0.000	-.4451104	-.1406472
ROA	.005805	.0024164	2.40	0.016	.0010689	.0105411
LEV	.0007517	.1336397	0.01	0.996	-.2611773	.2626806
_cons	4.049927	.0729187	55.54	0.000	3.907009	4.192845

Source: STATA OUTPUT

Table five presented the summary of the result for the model of the study. This is used to predict the relationship between the dependent and independent variables and to further test the strength of the relationship. The overall R Square indicated 0.2076 representing 21% which evidences a statistically strong relationship. The result of the adjusted R Squared indicates 0.1841. This means that the variables (audit size, rotation, return on asset and leverage) determined audit fees by 18%. The table also shows that the model is fitted as evidenced by the F-Statistics of 8.84 is significant at 1% level of confidence (P-value 0.0000). Together with result of multicollinearity which proved the absence of the problem of heterogeneity and the absence of heteroskedascity and the result of the hausman test which indicate that random effect model is appropriate for the analysis.

However, based on the evaluation effects of the explanatory variables on audit fees, accordingly, coefficient slope of AUDIT FIRM SIZE appeared positive (0.9109) and insignificant at 5% (p=0.110). This shows that there is a positive insignificant relationship between AUDIT

FIRM SIZE and AUDIT FEES in the sector covered by the study. Again, the result indicate that AUDIT TENURE has a negative coefficient of -.2929 and a p= value of 0.000 which is significant at 5% level of confidence. It means AUDIT TENURE has a negative but significant impact on AUDIT FEES determination on the companies in the area covered by the study. The study also found that ROA has a positive coefficient and p= value of .0058 and 0.015 respectively.

This means that ROA has a significant and positive impact in determining AUDIT FEES of companies in the area covered by the study. It was also found that LEVERAGE has a positive coefficient value of .00007 and a negative p= value of 0.999. This is consistent with the studies of Ashbaugh *et al.*, (2003); Bedard *et al.*, (2004); Defond *et al.*, (2002); Zaman *et al.*, (2011) who found a positive relationship between leverage and abnormal audit fees as reported by Ilaboya *et al.* (2017). This implies that the predictive ability of leverage in determining AUDIT FEES of quoted consumer goods firms in Nigeria is very insignificant at 5% level of confidence.

Conclusion and Recommendation

Based on these findings it is concluded that return on assets and audit tenure can significantly determine audit fees while audit firm size and leverage does not significantly determine audit fees of quoted consumer goods companies in Nigeria. The evaluation effects of the explanatory variables on audit fees, appeared positive and insignificant. This shows that there is a positive insignificant relationship between AUDIT FIRM SIZE and AUDIT FEES in the sector covered by the study. It can be concluded that AUDIT TENURE has a negative but significant impact in determination of AUDIT FEES among the companies in the area covered by the study. The study also concluded that ROA has a significant and positive impact on determining AUDIT FEES of companies in the area covered by the study. It was observed and concluded that LEVERAGE has a positive but insignificant effect in determining audit fees.

Based on the findings and conclusion, it was recommended that insignificant consideration should be given to the size of the audit firm and the debt to equity position of the companies while determining audit fees while adequate contemplation should be accorded to auditors' tenure and

return on assets of the companies as they have a significant influence in determining audit fees.

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APPENDIX

Appendix 1: Listed consumer goods companies (Population of the study)

1	CADBURY NIGERIA PLC.	CADBURY
2	CHAMPION BREW. PLC.	CHAMPION
3	DANGOTE FLOUR MILLS PLC	DANGFLOUR
4	DANGOTE SUGAR REFINERY PLC	DANGSUGAR
5	DN TYRE & RUBBER PLC[DIP]	DUNLOP
6	FLOUR MILLS NIG. PLC.	FLOURMILL
7	GOLDEN GUINEA BREW. PLC.[MRS]	GOLDBREW
8	GUINNESS NIG PLC	GUINNESS
9	HONEYWELL FLOUR MILL PLC	HONYFLOUR
10	INTERNATIONAL BREWERIES PLC.	INTBREW
11	MCNICHOLS PLC	MCNICHOLS
12	MULTI-TREX INTEGRATED FOODS PLC[BLS]	MULTITREX
13	N NIG. FLOUR MILLS PLC.	NNFM
14	NASCON ALLIED INDUSTRIES PLC	NASCON
15	NESTLE NIGERIA PLC.	NESTLE
16	NIGERIAN BREW. PLC.	NB
17	NIGERIAN ENAMELWARE PLC.	ENAMELWA
18	P Z CUSSONS NIGERIA PLC.	PZ
19	UNILEVER NIGERIA PLC.	UNILEVER
10	UNION DICON SALT PLC.[BRS]	UNIONDICON
21	VITAFOAM NIG PLC.	VITAFOAM

Source: NSE, 2018

Appendix 2: Sampled companies

1	CADBURY NIGERIA PLC	CADBURY
2	CHAMPION BREWERIES PLC	CHAMPION
3	DANGOTE FLOOR MILLS PLC	DANGFLOUR
4	DANGOTE SUGAR REFINARIES PLC	DANGSUGAR
5	FLOUR MILLS NIG. PLC	FLOURMILL
6	GUINNESS NIG PLC	GUINNESS
7	N. NIG. FLOOR MILLS PLC	NNFM
8	NASCON ALLIED INDUSTRIES PLC	NASCON
9	NESTLE NIGERIA PLC	NESTLE
10	NIGERIAN BREWERIES PLC	NB
11	NIGERIAN ENAMELWARE PLC.	ENAMELWA
12	P Z CUSSONS NIGERIAN PLC.	PZ
13	UNION DICON SALT PLC	UNIONDICON
14	VITAFOAM NIG. PLC.	VITAFOAM