

OYO STATE COUNCIL FOR ARTS AND CULTURE

CULTURAL CENTRE ROAD, MOKOLA,
IBADAN NIGERIA

ARCHIVES

FILE NO.	VOLUME NO.
SUBJECT : PREMIER HOTEL	
CLASS MARK CAC 2.29.1	
PIECE/SERIAL NO.	

CAC 0026

ARCHIVES OF OYSCAC

PREMIER HOTEL

CONNECTED PAPERS

No.

SUBJECT

PRECEDENTS RECORDS NOTED

DATE

IN RESPECT OF

LAFIA HOTEL
Ibadan, Nigeria

NP/H.1

18th April, 1966.

SP/S.51
The Secretary,
Western Nigeria Development Corp.,
Secretariat,
Ibadan.

Premier Hotel Working Capital

With reference to your endorsement No. NP/H.1/1/981 of 15th April, 1966, I should like to confirm once again that the Working Capital required for the new Hotel should be released six weeks before the opening in order to avoid any inconvenience.

- Thanking you for your kind co-operation.

(Sgd.)


O. Duldner,
General Manager.

WESTERN NIGERIA DEVELOPMENT CORPORATION

NP/H.1/1
26th April, 1966.

The Permanent Secretary,
Ministry of Finance,
Ibadan.

Above for your information, reference my letter NP/H.1/1 of 14th April, 1966. It will be greatly appreciated if you will release the amount required for working capital as soon as possible, in view of the fact that the opening of the Hotel is imminent.

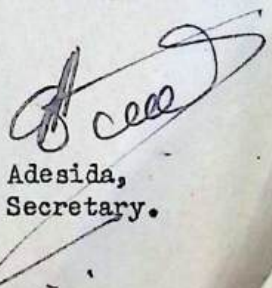

A. Adesida,
Ag. Secretary.

NP/H.1/1/
26th April, 1966.

Secretary to the Military Government,
Military Governor's Office,
Ibadan.

Above for your information; copy of my letter NP/H.1/1, attached. Your assistance in getting the necessary funds for the Premier Hotel will be greatly appreciated.




A. Adesida,
Ag. Secretary.

CONFIDENTIAL

The Permanent Secretary,
Ministry of Trade and Industry,
Secretariat,
Ibadan.

Premier Hotel Finance

I am directed to inform you that the Premier Hotel is now on the last lap of its construction; and, it is hoped that its opening which has hitherto been postponed several times is well in sight. The Contractors, the prospective managing agents and ourselves have been busy trying to put the finishing touches to the completion of the Hotel.

We are, however, faced by the problem of providing immediate funds which is necessary for its completion.

An additional sum of £159,567. 4. 5d. is now required and this amount will cover the following expenditure :-

(1) <u>Nigersol outstanding bills</u>			
Additional works commissioned by the Premier in 1965	£56,075. -- --.		
Construction of roads leading to the Hotel	25,700. -- --.		
	<u>81,775. -- --.</u>		
<u>Less</u> Payment made by W.N.D.C.	<u>5,000. -- --.</u>		
Balance	<u>£76,775. -- --.</u>		£76,775. -- --.
(2) <u>Furniture:</u> Customs & Clearance charges			
	<u>30,500. -- --.</u>		30,500. -- --.
(3) <u>Working Capital</u>			
for the initial period of three months			
Salaries, Wages & Allowances	15,600. -- --.		
Electricity, Water, Telephone, etc.	9,000. -- --.		
Stock of Food & Beverages	<u>7,400. -- --.</u>		
	<u>£32,000. -- --.</u>		32,000. -- --.
(4) Amount paid by Lafia Hotel for various expenditure such as training of staff; Federmann Enterprises Tax Liability; and Architects' fees.			

As you are aware, a total amount of £893,760. 10s. 10d. has so far been spent on the Hotel; and this amount was provided at various times by :-

Regional Government	£491,484. 6. 5d.
W. N. D. C.	381,984. - . -d.
Lafia Hotel on behalf of W.N.D.C.	<u>20,292. 4. 5d.</u>
	<u>£893,760.10.10d.</u>

It will be greatly appreciated if an immediate attention can be given to this request for additional £159,567. 4s. 5d because no further progress can be made until this additional finance is received. Already the opening of the Hotel is long overdue and any further delay will drastically affect its future profitability. Now that the promissory notes issued by the Government have started to mature (the first one became mature on 1/4/66) it is imperative that the Hotel should start earning revenue as soon as possible.

(Sgd.)

A. Adesida,
Ag. Secretary.

cc: Permanent Secretary,
Ministry of Finance,
Secretariat,
Ibadan.

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SP/S-268/4

NP/H1/1

CONFIDENTIAL

24th May, 66.

The Permanent Secretary,
Ministry of Finance,
Ibadan.

Premier Hotel: Payment of promisory notes

As you are aware, the Western Nigeria Development Corporation entered into an agreement with the Federmann Enterprises Limited, whereby Federmann Enterprises is to finance the equipping and furnishing of the Premier Hotel for the sum of £156,000. Interest on this is £43,108, thus making a total amount of £199,108 payable to Federmann Enterprises. Eleven promisory notes were duly issued by the Corporation which were guaranteed both by the then Regional Government and Federal Government. One of the notes became mature on the 15th of December, 1965, and payment was effected by the Ministry of Finance. Another one has become mature on the 1st of May, 1966, and I had expected that payment would be made, as previously, by the Ministry of Finance but I understand that up till now this has not been done.

2. I should be very grateful indeed, if you would therefore arrange payment as soon as possible and, for your information, I state below the maturity dates of the remaining promisory notes to enable you arrange payment as and when they become mature :-

15. 12. 65	-	£10,028.
1. 5. 66	-	£18,908.
1. 11. 66	-	£18,908.
1. 5. 67	-	£18,908.
1. 11. 67	-	£18,908.
1. 5. 68	-	£18,908.
1. 11. 68	-	£18,908.
1. 5. 69	-	£18,908.
1. 11. 69	-	£18,908.
1. 5. 70	-	£18,908.
1. 11. 70	-	£18,908.



(Sgd) A. Adesida,
Ag. Secretary.

WESTERN NIGERIA DEVELOPMENT CORPORATION

Ref. NP/H1/1
24th May, 1966.

The Secretary to the Military Government,
Office of the Military Government,
Ibadan.

For your information. This Corporation is unfortunately not in a position to make these payments.

U.S.
R257

Above of: pl. Thank you.

A. Adesida
Ag. Secy

AS (F&G)

I think you need this
file re p. 187 in file SP/S. 268/4/A

D 26/5/66.

attached.

ARCHIVES OF OYSON

SECRET

Telephone: IBADAN 21011

Telegrams: PERFIN



MINISTRY OF FINANCE
THE TREASURY

PRIVATE MAIL BAG 5001 · IBADAN · WESTERN NIGERIA

Your Ref. No.....

SUPPLY DIVISION

All communications on this matter should be addressed to the Permanent Secretary quoting

Our Ref. No. F. 254/487.....

Date ¹² 27 June, 1966.....

Secretary to the Military Government,
Office of the Military Governor,
Ibadan.

The Permanent Secretary,
Ministry of Trade and Industry,
Ibadan.

The Chairman,
Western Nigeria Development Corporation,
Ibadan.

SP/S. 268/4



Premier Hotel, Ibadan

I am directed to invite you or your representative to a meeting in Chief Dina's office at 10 a.m. on Friday 1st July, 1966, to discuss the question of the ownership of the Premier Hotel in relation to the present financial contribution already made by Government and the Western Nigeria Development Corporation to the execution of the Project and to fix future financial responsibility for the Hotel.

2. In this connection, I am to forward the attached brief for your information.

*att 7-11
204-208*

D 28/6

P. T. O.

T. A. Akinyele
(T. A. Akinyele),
for Permanent Secretary,
Ministry of Finance.

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PREMIER HOTEL - BRIEF

After two years of exploratory studies, the Government was convinced in 1960 that a high class hotel was necessary and a decision was taken to build one. Pending the determination of the establishment of a company to own and manage the proposed project, the Western Nigeria Development Corporation was authorised in 1960 to enter into an agreement with Messrs. Federmann Enterprises Limited to supervise the planning and construction of the new hotel, and to manage and operate the hotel for four years commencing from its opening.

2. In consideration of the services to be rendered relative to the erection of the Hotel, supervision of its construction, equipment and furnishing, the W.N.D.C. shall pay consultant fees to Federmann Enterprises equal to 2% of the cost of the Hotel Building plus 2% of the cost of the equipment and furnishing, provided the amount to be paid shall not exceed 3.5% of the total cost of the Hotel Project, but excluding Consultants' Fees.

3. For managing the Hotel, the W.N.D.C. shall pay Federmann Enterprises a yearly amount equal to 33.3% of the gross operating profits of the Hotel (but not less than £9,000). Federmann Enterprises shall provide adequate advertisement and publicity in various parts of the world, and shall arrange for the training of Nigerian personnel. The original Agreement dated 12th September, 1960, contracted with Federmann was amended by Aide Memoire and its annexes duly signed and dated on 8th June, 1961. The most important amendment is that the total cost of the Hotel Project shall not exceed £300,000 instead of £500,000 mentioned in the original Contract.

4. The construction of the Hotel started late in 1961 and Government initially made available a sum of £50,000. By the time the construction commenced the cost of the Hotel had been revised upwards to about £1m. After the Declaration of Emergency in Western Nigeria in 1962, work on this Hotel had to be stopped for financial reasons. By this time, however, the Corporation

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had spent out of its own resources a sum of £76,674. The total contribution of Government and W.N.D.C. amounting to £126,674 was spent on construction, payments made to Engineering Consultants and Architects and fees to Federmann Enterprises Ltd. The total payment outstanding on work already done at that time amounted to £124,335, and it was also estimated that the Hotel would need an additional sum of £600,000 to complete.

5. On the 22nd of October, 1963, the Chairman of W.N.D.C. wrote a letter No. NP/H.1/1 requesting Government to recommence with building of the Hotel and putting forward proposals for financing it. Negotiations for external credit were later made with Messrs. Solel Boneh and Federmann Enterprises Limited. W.N.D.C. signed both Agreements on behalf of Government.

6. Messrs. Solel Boneh agreed to secure external credit facilities amounting to £682,500 at 6½% per annum, half of which is to be repaid in cash, provided work progresses satisfactorily and the remaining half through 10 promissory notes according to the following schedule:-

<u>PAYMENT IN CASH</u>			<u>PROMISSORY NOTES</u>	
<u>Date of Payment</u>	<u>Amount</u>	<u>Notes to bear interest as from</u>	<u>Amount</u>	<u>Date of Payment</u>
1. 4.64	£34.125	1. 4.64	£34.125	1. 4.66
1. 6.64	34.125	1. 6.64	34.125	1.10.66
1. 8.64	34.125	1. 8.64	34.125	1. 4.67
1.10.64	34.125	1.10.64	34.125	1.10.67
1.12.64	34.125	1.12.64	34.125	1, 4.68
1. 2.65	34.125	1. 2.65	34.125	1.10.68
1. 4.65	34.125	1. 4.65	34.125	1. 4.69
1. 6.65	34.125	1. 6.65	34.125	1.10.69
1. 8.65	34.125	1. 8.65	34.125	1. 4.70
1.10.65	34.125	1.10.65	34.125	1.10.70

According to the schedule by 1st April, 1966, a total of £375,375 will have been paid to Messrs. Solel Boneh. By this arrangement Solel Boneh undertook to finance the completion of the hotel.

7. Federmann Enterprises undertook to provide credit facilities up to £199,108 against promissory notes for the supply of furniture, equipment and operating inventories to be repaid in 11 instalments - £10,028 as first instalment, and subsequent ones at £18,908

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from 15th December, 1965 to 1st November, 1970 as follows:-

		£
15.12.65	-	10,028
1. 5.66	-	18,908
1.11.66	-	18,908
1. 5.67	-	18,908
1.11.67	-	18,908
1. 5.68	-	18,908
1.11.68	-	18,908
1. 5.69	-	18,908
1.11.69	-	18,908
1. 5.70	-	18,908
1.11.70	-	18,908

In addition to external financing, the W.N.D.C.'s direct expenditure on the Hotel to date is £361,692. A further sum of £20,292 4s. 5d. has been spent on the Premier Hotel from Lafia Hotel funds. This covers:-

	£
(i) 3 monthly payments of £3,000 each now in arrears -	9,000
(ii) Payment due on 1/6/65	3,250
(iii) Over-expenditure on votes authorised	2,642 8. 5d.
(iv) Federmann Enterprises' Tax Liability paid by Lafia Hotel	5,399 16.
	£20,292 4.5d.

Up to date, Government has made the following payment in respect of Premier Hotel:-

	£
26. 1.61	Loan Payment to W.N.D.C. 50,000
20. 4.64	Cash Payment Nigersol 34,125
25. 5.64	" " 34,125
30. 7.64	" " 34,125
28. 8.64	" " 34,125
30.11.64	" " 34,125
8. 2.65	" " 34,125
31. 3.65	" " 34,125
9. 8.65	" " 34,125
12.10.65	" " 34,125
10. 6.65	" " 34,125
31. 1.65	- Werner O. Landwehr 75,000
31. 1.66	- Nigersol 15,629 6. 5d.
31. 1.66	- Nigersol 21,000
7. 1.66	Promissory Note, Solel Boneh 34,125
April, 1966	Interest: Solel Boneh 4,480
April, 1966	Promissory Note: Federmann 10,028
15.12.65	Federmann: Balance of Custom Duty, Clearing & Transport Charges for Equipment & Furniture 37,000
21. 5.66	
17. 6.66	Promissory Note: Federmann 18,908

£607,420 6. 5d.

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8. Apart from the financial commitments in respect of promissory notes amounting to £496,205 already issued in consideration of Agreements with Messrs. Solel Boneh and Federmann, it is essential to meet the following requirements of the project to enable the Hotel to be commissioned as early as possible.

(i)	Claim by Nigersol in respect of Additional Works	£76,775	(commitment may be reduced by some £20,000 as a result of recent negotiation)
(ii)	Working Capital for the initial period of 3 months	£32,000	
		£108,775	

The total cost of the project was formerly put at £800,000 but owing to later modifications to the original plans the Hotel is now expected to cost well over £1m.

9. With regard to the question of ownership of the Hotel, even though the Western Nigeria Development Corporation is declared the "OWNERS" in all the three subsisting Agreements on the project, it is clear from the first Executive Council decision on the project which was conveyed to the W.N.D.C. by the Permanent Secretary, Ministry of Trade and Industry that the intention was that W.N.D.C. should act as Government Agent even on an interim basis. The Hotel Project like all other new projects was approved by Government and passed to the Corporation for executive action. Government was to make available the funds that are necessary to bring the project to fruition. In Executive Council Conclusion SGEC 16(61)14, it was decided that as an interim arrangement the project might be financed from the resources of the W.N.D.C. Executive Council also directed that the Treasury should make, in due course, a refund of all expenses incurred by the Western Nigeria Development Corporation within the approved ceiling of £800,000, which on no account should be exceeded.

10. It would appear to be in pursuance of this Executive Council

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directive that W.N.D.C. has incurred expenses to the tune of £361,692 on the project. There is no doubt, as shown by exchange of letters between the W.N.D.C. and the Ministry of Trade and Industry, that W.N.D.C. became very enthusiastic about the project if only to rule out the chances of the Western Nigeria Finance Corporation which at one time was seriously pitched against it as possible holder of Government's interests in the project. Most of the expenditure incurred by the Corporation covered construction expenses on the project before cessation of work in 1962 together with payment for consultants' fees and technical services expenses.

ARCHIVES OF OYO STATE

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SP/S.268/4/209

28 June, 1966.

The Permanent Secretary,
Ministry of Finance,
Western Group of Provinces,
Ibadan.


(For the personal attention of Chief I.O. Dina, O.F.R., O.B.N.)

Premier Hotel, Ibadan

I have just received your Ministry's letter No. F.25/487 dated 27th June, 1966, signed by Mr. T.A. Akinyele of your office in which he says that he has "been directed to invite" me to a meeting in your office at 10 a.m. on Friday, 1st July, 1966, "to discuss the question of the ownership of the Premier Hotel in relation to the present financial contribution already made by Government and the Western Nigeria Development Corporation to the execution of the Project.....".

2. Apart from the fact that I cannot understand what is my connection with the subject to be discussed, I take the strongest exception to the manner in which you or your officers have tried to "instruct" me in this matter, particularly as this is not the first occasion that I have been treated with such discourtesy by you and your officers. I do not intend to attend or be represented at the meeting called by Mr. Akinyele.

3. I shall be glad if you will note and also make clear to Mr. Akinyele and the other officers concerned in your Ministry, that my position - if not my person - deserves to be treated with better consideration and courtesy than has been the case in the past.


(P. T. Odumosu),
Secretary to the Military Government
and Head of Service.

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ARCHIVING

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Copy to:

Ref. No. SP/S.268/4/210
Ibadan, 28 June, 1966.

The Permanent Secretary,
Ministry of Trade and Industry,
Ibadan.

The Chairman,
Western Nigeria Development Corporation,
Ibadan.

For information, reference Permanent Secretary,
Ministry of Finance's letter No. F.254/487 of 27th June, 1966.

P. 205

A
(P. T. Odumosu),
Secretary to the Military Government
and Head of Service.

P. A.

SECRET

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SP/S-268/4

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NP/H.1/6

7 June, 1966.

Senior Assistant Secretary,
Office of the Military Governor,
Secretariat,
Ibadan.

(For Attention Mr. E. O. Babatunde).

.....
With reference to our conversation on the 6th of June, 1966 I enclose herewith two copies of a schedule showing details of the establishment for the new Premier Hotel which have been requested by His Excellency.

2. I should be grateful if you would submit them to His Excellency for his information.

Mk
W. P. Daniel-Kalio,
Chairman.

REF. No. NP/H.1/6

7 June, 1966.

Copy to:

Secretary to the Military Government,
Office of the Military Governor,
Ibadan.

For information a copy of the schedule is attached.



Mkalio
W. P. Daniel-Kalio,
Chairman.

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P.212-215
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ARCHIVES

PREMIER HOTEL, IBADAN

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Establishment

S U M M A R Y

<u>Est.</u>	<u>Schedule</u>	<u>Department</u>	<u>Total Annual Amount.</u>
3	A	Management	£5,120
23	B	Front Office	£4,849
18	C	Maintenance	£5,714
69	D	Catering	£17,745
24	E	House-Keeping	£4,917
18	F	Accounts	£4,773
8	G	Personnel Office	£1,864
10	H	Swimming Pool	£1,382
====			=====
173			£46,364
====			=====

ARCHIVES OF O.S.C.A.C.

PREMIER HOTEL, IBADAN16
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Establishment

MANAGEMENT

Est.	Office	Present Salary
1	General Manager	3,120
1	Asst. Manager	1,570
1	Sec./Typist	430
<u>3</u>		<u>£5,120</u>

SCHEDULE 'B'FRONT OFFICE

Est.	Office	Present Salary
1	Chief Receptionist	796
1	Reservation Clerk	465
8	Receptionists & Clerks	1,795
6	Telephone Operators	924
6	Bell Boys	710
1	Doorman	159
<u>23</u>		<u>£4,849</u>

SCHEDULE 'C'MAINTENANCE

Est.	Office	Present Salary
1	Maintenance Engineer	2,400
1	Clerk of Works	759
6	Artisans	1,091
5	Compound Labourers	660
5	Security & Watchmen	804
<u>18</u>		<u>£5,714</u>

PREMIER HOTEL, IBADAN

Establishment

CATERING

Est.	Office	Present Salary
1	Chief Catering Officer	2,400
1	Chief Cook	2,640
1	Pattisier	1,440
2	Asst. Catering Officers	1,200
4	Head Waiters	1,076
19	Waiters, Wine Waiters	2,729
8	Waitresses	864
6	Barmen	1,046
1	Head Cook	402
2	Asst. Head Cooks	592
7	Cooks	1,310
10	Cookmates	1,290
7	Pantry Boys	756
<u>69</u>		<u>£17,745</u>

SCHEDULE 'E'

HOUSE-KEEPING

Est.	Office	Present Salary
1	House-Keeper	726
2	Asst. House-Keeper	598
17	Room Stewards	2,497
1	Laundry Mistress	691
3	Washermen	405
<u>24</u>		<u>£4,917</u>

PREMIER HOTEL, IBADAN

Establishment

ACCOUNTS

Est.	Office	Present Salary
1	Hotel Accountant	759
17	Acctg. Assistants, Accts. Clerk, Storemen, Control, Typist and Checker	4,014
<u>18</u>		<u>£4,773</u>

SCHEDULE 'G'

PERSONNEL OFFICE

Est.	Office	Present Salary
1	Staff Officer	630
3	Time-Keepers	624
1	Clerical Asst.	159
2	Drivers	264
1	Typist	187
<u>8</u>		<u>£1,864</u>

SCHEDULE 'H'

SWIMMING POOL

Est.	Office	Present Salary
3	Life Guards	482
3	Cloak Room Attnds.	396
2	Cashiers	288
2	Cleaners	216
<u>10</u>		<u>£1,382</u>



Western Nigeria Development Corporation

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

OFFICE OF THE CHAIRMAN

PRIVATE MAIL BAG 5085

IBADAN, NIGERIA

Telephone: IBADAN 22811
Telegrams, Cables: WESCORP, IBADAN

OUR REF: **NP/H.1/10**

YOUR REF:

8 August, 1966.

The Secretary to the Military Government,
Office of the Military Government,
Secretariat,
Ibadan.

(For attention of Mr. Odumosu)



Address of His Excellency the Military Governor on the occasion of the Opening of Premier Hotel, Ibadan

I enclose herewith in triplicate, a draft of an address to be delivered by His Excellency the Military Governor, at the opening ceremony of the new Premier Hotel, Ibadan on the 10th of August, 1966.

2. I shall be grateful if a copy of the approved text for His Excellency's address may be made available for press purposes in due course.

~~His~~
Miss Thomas

Pls. find att'd. copy of draft address, as slightly amended, for HE's use to forward.

Mkaho
W.P. Daniel-Kalio,
Chairman.

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ROBERT 21

SPEECH BY HIS EXCELLENCY THE MILITARY GOVERNOR,
~~HIS EXCELLENCY~~ COLONEL ~~BUNMI~~ ADEYINKA ADEBAYO,
ON THE OCCASION OF THE OPENING OF THE PREMIER
HOTEL, IBADAN, ON THE 10TH OF AUGUST, 1966

Your Excellencies, Obas, Distinguished Guests, Ladies and Gentlemen: Today marks another important milestone in the economic development of the Western Group of Provinces in particular and Nigeria in general.

It has fallen to my lot to declare open what is likely to become an important centre of international attraction in this ancient city of Ibadan. Before proceeding to declare this Hotel open I wish to mention that this ceremony is one of the functions already scheduled to be performed by the former Military Governor, Lt.-Col. Adekunle Fajuyi, MC. I would like to take this opportunity to acknowledge publicly the interest shown by Lt.-Col. Fajuyi in this Hotel and his belief that it will make a worthy contribution towards the economic development of this Group of Provinces.

Planning for this Hotel started in 1958 when it was discovered that an increasing number of foreign visitors coming to Ibadan were finding it difficult to secure suitable accommodation of international standard. The Government of the Region at that time, after reviewing the position, finally decided to build a Hotel of International Standard and by 1960, an agreement for the building of the Hotel which we now see had been signed between the W.N.D.C., representing the Government and Federmann Enterprises Limited, an Israeli firm of Hoteliers of international repute. The Western Nigeria Development Corporation, as the Agent of Government in Development Projects, continues to hold government interests in the Hotel.

Construction actually started in 1961 when Nigersol Construction Company, one of the Associated Companies of the Corporation, was commissioned to build the Hotel. The state of Emergency declared in 1962 resulted in the slowing down of work on the project and by 1963 work had virtually stopped. The difficulties thus encountered gave birth to some doubts about the urgent need for the Hotel to the extent that the question of abandoning the project was given some thought. But construction

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having already reached an advanced stage it was decided to continue with the project. In this connection, mention must be made of the assistance given by the Federmann Enterprises and the Nigersol Construction Company Limited who arranged external credit facilities to finance the project.

When it was originally planned, the Hotel was to contain 48 rooms and total investment was in the region of £ $\frac{1}{2}$ million. The plan was later revised and the Hotel, as it now stands, contains 80 rooms and 7 suites and total cost has risen to about £1.2 million. This certainly represents a very substantial investment but as you will soon see when you inspect the Hotel this has been money well spent. You will be impressed by both its architectural beauty and the superb finish and workmanship. Apart from the luxurious accommodation in its 80 rooms and 7 suites, the Hotel offers the following other amenities: a swimming pool of Olympic standard, a Coffee Shop, a big Banqueting Hall, and a Night Club. These are amenities designed to give the maximum comfort and pleasure to our guests.

You are all aware that Hotels of International standard have for sometime been operating in Kaduna, Enugu, Lagos, and Port Harcourt, and everyone has been looking forward to the day when one will function in Ibadan, the largest City in the ~~whole~~ of Nigeria and the second largest in Africa. Now that our own Hotel is ready to open its doors to visitors from all over Nigeria and tourists from other lands, we can certainly feel satisfied and proud that we are not being left behind in the march towards economic prosperity in this field. Our Hotel compares very favourably with its counterparts in the country and being on top of a Hill I sincerely hope that it will 'TOP' the rest in its standard of service.

The Hotel has plans for the development of Tourist Industry in this country. I understand in course of time it will arrange excursions to places of historical interest to tourists. Many people visit this country without having the opportunity of knowing more about our rich culture and heritage, and if the Hotel is able to provide the facilities which will help them to know more about these it will be helping to project us to the outside world. It is my sincere hope that the Hotel will establish close liaison with the Nigerian Tourist Association so as to

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develop Tourism in this part of the country. The advantages which a well developed Tourist Industry can bring to this country are too well known to need enumeration. | Quite apart from the fact that it will enable other people to know more about us and our way of life, our country will be able to earn much needed foreign exchange as a direct result of attracting Tourists here. I am confident, therefore, that any effort by the Hotel to promote a Tourist Industry will receive the full support of the Military Government.

One other advantage which I must not forget to mention is that the building of this Hotel will provide employment opportunities for our people. Everyone, including the Military Government, is conscious of the problem of unemployment in this country and the Military Government is taking necessary steps to combat it. I understand that this Hotel will offer employment to about 200 Nigerians initially. | Provided the patronage expected from the public is in fact forthcoming, it is hoped that the Hotel will in due course be able to employ about 300 Nigerians.

Last, but not the least, I must thank all those who have taken part in the planning and construction of this Hotel and in particular the Architects, Messrs. AMY Limited, the Contractors, Nigersol Construction Company Limited, and the Managing Agents, Federmann Enterprises Overseas and all the Craftsmen, artisans and labourers. Limited, | They have all made a magnificent job of the Hotel.

Your Excellencies, Obas, Ladies and Gentlemen, it is with the greatest pleasure that I now declare this Hotel open.

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developed countries in this part of the country. The advantages which
will be developed in this country can bring to this country and so well
known to the country. It will enable

Priv. Sec (H.E.)

other countries about us and our way of life, our country will
be able to have a direct result of

Pl. see from p 227

the other advantages which I must not forget to mention is that
the other advantages which I must not forget to mention is that
the other advantages which I must not forget to mention is that

Could you please supply a
copy of the amended draft speech
for enclosure in this file.

the publishing of this Hotel will provide opportunities for our
people. Everyone, including the Military Government, is concerned
with the problem of unemployment in this country and the Military Government
is taking necessary steps to combat it. I understand that the Hotel will

10/8/66
Ch.

other employment to about 200 Nigerians initially. Provided the patronage
expected from the public is in fact forthcoming it is hoped that the Hotel

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will in the course of time be able to employ about 500 Nigerians.
I am sure that all those who have taken

Your minute above. I attach as

part in the planning and construction of this Hotel an enclosure
containing a copy of the final draft of

H. E. Speech for the official opening
of Premier's Hotel

Company limited, and the Nigerian Agency for the Overseas
Construction of Hotels. They have all made a significant job of the Hotel.

Cladipo Koleoso
P-5
10/8/66

Yours faithfully,
I am sure that I now believe this Hotel will

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SPEECH BY HIS EXCELLENCY
THE MILITARY GOVERNOR, COLONEL ROBERT ADEYINKA ADEBAYO
ON THE OCCASION OF THE OPENING OF THE PREMIER HOTEL, IBADAN,
ON THE 10TH OF AUGUST, 1966

Your Excellencies, Obas, Distinguished Guests, Ladies and Gentlemen: Today marks another important milestone in the economic development of the Western Group of Provinces in particular and Nigeria in general.

It has fallen to my lot to declare open what is likely to become an important centre of international attraction in this ancient city of Ibadan. Before proceeding to declare this Hotel open I wish to mention that this ceremony is one of the functions already scheduled to be performed by the former Military Governor, Lt.-Col. Adekunle Fajuyi MC. I would like to take this opportunity to acknowledge publicly the interest shown by Lt.-Col. Fajuyi in this Hotel and his belief that it will make a worthy contribution towards the economic development of this Group of Provinces.

Planning for this Hotel started in 1958 when it was discovered that an increasing number of foreign visitors coming to Ibadan were finding it difficult to secure suitable accommodation of international standard. The Government of the Region at that time, after reviewing the position, finally decided to build a Hotel of International Standard and by 1960, an agreement for the building of the Hotel which we now see had been signed between the W.N.D.C., representing the Government and Federmann Enterprises Limited, an Israeli firm of Hoteliers of international repute. The Western Nigeria Development Corporation, as the Agent of Government in Development Projects, continues to hold government interests in the Hotel.

Construction actually started in 1961 when Nigersol Construction Company, one of the Associated Companies of the Corporation, was commissioned to build the Hotel. The State of Emergency declared in 1962 resulted in the slowing down of work on the project and by 1963 work had virtually stopped. The difficulties thus encountered gave birth to some doubts about the urgent need for the Hotel to the extent that the question of abandoning the project was given some thought. But construction having already reached an advanced stage

it was decided to continue with the project. In this connection, mention must be made of the assistance given by the Federmann Enterprises and the Nigersol Construction Company Limited who arranged external credit facilities to finance the project.

When it was originally planned, the Hotel was to contain 48 rooms and total investment was in the region of £ $\frac{1}{2}$ million. The plan was later revised and the Hotel, as it now stands, contains 80 rooms and 7 suites and total cost has risen to about £1.2 million. This certainly represents a very substantial investment but as you will soon see when you inspect the Hotel this has been money well spent. You will be impressed by both its architectural beauty and the superb finish and workmanship. Apart from the luxurious accommodation in its 80 rooms and 7 suites, the Hotel offers the following other amenities: a swimming pool of Olympic standard, a Coffee Shop, a big Banqueting Hall, and a Night Club. These are amenities designed to give the maximum comfort and pleasure to our guests.

You are all aware that Hotels of International standard have for sometime been operating in Kaduna, Enugu, Lagos, and Port Harcourt, and everyone has been looking forward to the day when one will function in Ibadan, the largest City in Nigeria and the second largest in Africa. Now that our own Hotel is ready to open its doors to visitors from all over Nigeria and tourists from other lands, we can certainly feel satisfied and proud that we are not being left behind in the march towards economic prosperity in this field. Our Hotel compares very favourably with its counterparts in the country and being on top of a Hill I sincerely hope that it will 'TOP' the rest in its standard of service.

The Hotel has plans for the development of Tourist Industry in this country. I understand in course of time it will arrange excursions to places of historical interest to tourists. Many people visit this country without having the opportunity of knowing more about our rich culture and heritage, and if the Hotel is able to provide the facilities which will help them to know more about these

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it will be helping to project us to the outside world. It is my sincere hope that the Hotel will establish close liaison with the Nigerian Tourist Association so as to develop Tourism in this part of the country. The advantage which a well developed Tourist Industry can bring to this country are too well known to need enumeration. Quite apart from the fact that it will enable other people to know more about us and our way of life, our country will be able to earn much needed foreign exchange as a direct result of attracting tourists here. I am confident, therefore, that any effort by the Hotel to promote a Tourist Industry will receive the full support of the Military Government.

One other advantage which I must not forget to mention is that the building of this Hotel will provide employment opportunities for our people. Everyone, including the Military Government, is conscious of the problem of unemployment in this country and the Military Government is taking necessary steps to combat it. I understand that this Hotel will offer employment to about 200 Nigerians initially. Provided the patronage expected from the public is in fact forthcoming, it is hoped that the Hotel will in due course be able to employ about 300 Nigerians.

Last, but not the least, I must thank all those who have taken part in the planning and construction of this Hotel and in particular the Architects, Messrs. AMY Limited, the Contractors, Nigersol Construction Company Limited, and the Managing Agents, Federmann Enterprises Overseas Limited, and all the Craftsmen, Artisans and Labourers. They have all made a magnificent job of the Hotel.

Your Excellencies, Obas, Ladies and Gentlemen, it is with the greatest pleasure that I now declare this Hotel open.

U.S.
May 2 1966 pp 219-221 pl
D. J. 10/16/66
C.R.

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4/17
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SECRET

NP/H.1/1

September, 1966.

The Permanent Secretary,
Ministry of Finance,
Ibadan.

Premier Hotel: Working capital

Further to your letter Ref. F.254/419 of 29th April, 1966 and with reference to my reply NP/H.1/1 of 17th June, 1966, I have had occasion recently to emphasize to you my anxieties regarding the non-availability of a working capital for the Premier Hotel. The position is fast deteriorating and unless something is done immediately the reputation of the Hotel is likely to suffer.

2. His Excellency the Military Governor recently mentioned the matter in a discussion and suggested that even if it is not immediately possible to release the full £32,000 releases could be made in two or three instalments.

3. In the circumstances I should be grateful if you would consider an early release of the £32,000 for the working capital.

4. A copy of this letter has been sent to the Secretary to the Military Governor for the information of His Excellency.

W.P. Daniel-Kalio,
Chairman.

WESTERN NIGERIA DEVELOPMENT CORPORATION

NP/H.1/1
8 September, 1966.

Secretary to the Military Governor,
Office of the Military Govt.,
Ibadan.

For information and necessary action.

2. His Excellency has expressed a wish to be informed of the progress of this matter.

3. Copies of the Permanent Secretary, Ministry of Finance's letter Ref. F.254/419 of 29th April, 1966, and my reply Ref. NP/H.1/1 of 17th June, 1966, are attached.

McAlis
W.P. Daniel-Kalio,
Chairman.



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12/9

MINISTRY OF FINANCE

THE TREASURY

Private Mail Bag 5001, Ibadan, Western Nigeria.

Your Ref: No. NP/H.1/1

Our Ref. No. F.254/419

29th April, 1966.

The Secretary,
Western Nigeria Development Corporation
Ibadan.

Premier Hotel Working Capital

With reference to your endorsement quoted-above of 14th April, 1966, you are requested to forward to this Ministry, a breakdown of item 3 - Working Capital, showing staff complement and expenditure on other items on monthly basis and also a revenue projection over a period of 3 months indicating the number of residents anticipated per month.

(Sgd.)

(M.A. Popoola)

for Permanent Secretary,
Ministry of Finance.

C O P Y

WESTERN NIGERIA DEVELOPMENT CORPORATION

Our Ref: NP/H.1/1/

17th June, 1966.

S E C R E T

The Permanent Secretary,
Ministry of Finance,
The Treasury,
Ibadan.

Premier Hotel - Working Capital

With reference to your letter No. F.254/419 of 29th April, I forward herewith, as requested, the breakdown of the Working Capital and the revenue projection over a period of 3 months.

(Sgd.)

A. Adesida,
Ag. Secretary.

PREMIER HOTEL

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REVENUE - FOR FIRST 3 MONTHS

	<u>FIRST MONTH</u>	<u>SECOND MONTH</u>	<u>THIRD MONTH</u>	<u>TOTAL</u>
1. Accommodation				
50 persons per day;				
Rate including continental				
Breakfast at £4,10:- = £225.				
For a month	6,750	6,750	6,750	20,250
2. Restaurant and Coffee Shop				
40 persons a day				
Lunch and Dinner at 38/6 = £88 per day	2,310	2,310	2,310	6,930
3. Night Club and Cocktail Lounge				
Drinks at £70 per day	2,100	2,100	2,100	6,300
4. Parties	1,000	1,000	1,000	3,000
	<u>12,160</u>	<u>12,160</u>	<u>12,160</u>	<u>36,480</u>
	=====	=====	=====	=====

NB: This will be minimum revenue for the first three months
and we hope it will be more and more every month.

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PREMIER HOTEL
WORKING CAPITAL
FOR THE FIRST 3 MONTHS.

	<u>FIRST MONTH</u>	<u>SECOND MONTH</u>	<u>THIRD MONTH</u>	<u>TOTAL FOR THE FIRST 3 MONTHS</u>
1. Salaries, Wages and allowances.				
Salary - Local	3,500	3,500	3,500	10,500
Foreign	1,000	1,000	1,000	3,000
Allowances - Medical	60	50	50	160
- Travelling	25	25	25	75
- Motor Basic, etc.	<u>421</u>	<u>421</u>	<u>423</u>	<u>1,265</u>
	<u>5,006</u>	<u>4,996</u>	<u>4,998</u>	<u>15,000</u>
2. Expenditures				
Electricity	1,000	1,000	1,000	3,000
Water	300	250	250	800
Administrative Fees (Federmann Enterprises O'Seas Ltd.,.)	750	750	750	2,250
Advertisement, Insurance, Etc.	400	50	50	500
Miscellaneous - Opening Expenses	1,200	-	-	1,200
Telephones	250	250	250	750
Stationery & Postages	160	100	90	350
Fuel and Gas	<u>50</u>	<u>50</u>	<u>50</u>	<u>150</u>
	<u>4,110</u>	<u>2,450</u>	<u>2,440</u>	<u>9,000</u>
3. Stock				
Food	4,800	-	-	4,800
Beverages	<u>3,200</u>	<u>-</u>	<u>-</u>	<u>3,200</u>
	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
TOTAL 1 & 2 + 3	<u>17,116</u>	<u>7,446</u>	<u>7,438</u>	<u>32,000</u>
	=====	=====	=====	=====

S.M.G.,

17 24/6 28
At p. 1 is an endorsement of a letter addressed by the Chairman, W.N.D.C. to the P.S., Ministry of Finance asking for an early release of £32,000 as working capital for the Premier Hotel, possibly in instalments as suggested by H.E. if it is not possible to release the whole amount at a time. At the request of the Minister of Finance, the Corporation has submitted the projection of revenue for 3 months at £36,480 and working capital for the same period at £32,000.

2. The request is endorsed for your information as it is said that H.E. has expressed the wish to be informed of the progress in this matter.

(E. O. Babatunde),
Ag. S.A.S. (III),
13/9/66.

K-L-V.

20/9

S.M.G.,

pp. 34 - 37

You directed that I should find out if there was any firm of Insurance Brokers in which the Govt. of Western Nigeria has interest. You also gave me the name of Mr. Gadmus, Manager of the C.T. Bowring and Co., (Nigeria) Ltd. to find out whether the Govt. of Western Nigeria has an interest in the Company. He has confirmed that we have no such interest. I have, however discovered that the Glanvill, Enthoven & Co. Ltd. which like the Great Nigeria Insurance Co. is Govt.-owned, is in fact, a firm of Insurance Brokers.

2. I have inquired from the Chairman of the W.N.D.C. [redacted] Glanvill, Enthoven & Co. Ltd. was not invited to submit proposals for the insurance of the Premier Hotel. His explanation was that he was not aware of the Company either as one of Insurance Brokers or one in which Govt. had any interest. This was indeed a great oversight and the fact of Govt. interest in Glanvill, Enthoven & Co. Ltd. as a firm of Insurance Brokers puts a new complexion on the whole exercise which the Board of the W.N.D.C. has carried out on the insurance of the hotel. I do not doubt Mr. Kalio's claim of ignorance of Glanvill, Enthoven & Co. Ltd. although I understand that S.A.S.(R) Min. of Finance had some correspondence with the W.N.D.C. on this Company lately quite apart from the Secretary W.N.D.C.'s knowledge and possession of papers relating to the same Company.

3. My suggestion is that the arrangements for the insurance of the Premier Hotel should be given to a firm in which Govt. is interested. You may wish to advise H.E. accordingly. I am aware of the committee recently set up to examine certain aspects of the re-capitalisation and profitability of the two Govt.-owned companies i.e. the Great Nigerian Insurance Company and Glanvill, Enthoven & Co. Ltd.; whatever the reports of this committee, Govt. would stand to lose nothing, and will in fact gain something, by giving this job to Glanvill, Enthoven & Co. Ltd.

(Sgd.) J. M. Akinola
U.S.,
23rd September, 1966.

Y.E.,

Mr. Kalio, Chairman, W.N.D.C. at page 468 of W.N.D.C.'s file Admin.6 submitted his recommendation for the award of an Insurance Brokers contract to Messrs. T. A. Braithwaite and Co. Ltd. in respect of our new Premier Hotel.

2. Y.E. may wish to see in this connection, Mr. Akinola's minute at pp.62/63 of this file. I must express my surprise - and disappointment - at the manner in which this matter has been treated both by Mr. Kalio and the Board of the Corporation. What Mr. Kalio and the Board are asking Y.E. to do is to employ an outside company to do what ~~_____~~ by Government is already in the market to do. 'X' in para.2 of p. ~~_____~~ the effect that this Government-owned company was not at all considered by the Board of the Corporation is rather revealing.

3. The least that one can do in the circumstance is to refer the matter back to the Board of the Corporation and ask

(a) why they need an Insurance Brokers at all in this matter (I have been informed by others knowledgeable in this field that a Government department or corporation like this could deal direct with the Insurance Company particularly as they have two separate Government Insurance Companies from whom they could obtain separate quotations for cross-checking purpose); and

(b) if it is considered essential to go through an Insurance Brokers Company, why the Board neglected to consider Glanvill, Enthoven and Co. Ltd. owned by the Government,

and I shall be glad if Y.E. will authorise action accordingly.

4. The above only serves to emphasise the need for some vigilance with our Statutory Corporations if we are to save ourselves from embarrassing decisions. It was only on my insistence that the Chairman, W.N.D.C. agreed to refer this insurance matter to his Board for decision instead of his deciding the matter himself, and also to defer implementation of such a decision until Y.E.'s approval has been obtained.

(Sgd.) P. T. Odumosu
S.M.G.
26/9/66

U.S.
F.N.A.

(Intld.) P.T. Odumosu
27/9/66

I agree entirely with your comment. Who are the members of the Board. One should ask for the minutes of the meeting of the Board when the decision was taken. We must be more vigilant

(Intld.) R. A. Adebayo
27/9/66

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CONFIDENTIAL

SP/S.268/4/355

28th September, 1966

The Chairman,
Western Nigeria Development
Corporation,
Ibadan. (Mr. W. P. Daniel-Kalio)

Insurance of Premier Hotel, Ibadan

With reference to the minute dated 16th September, 1966, addressed to His Excellency the Military Governor at page 468 of your file No. Admin.6 (returned herewith), His Excellency has considered your proposal but has not found it possible to give the approval sought by you for Messrs. Braithwaite & Company to be given a contract to arrange the insurance of the Premier Hotel.

2. His Excellency has directed that you be informed of his dissatisfaction with the manner in which this matter has been handled both by yourself and the Board of the Western Nigeria Development Corporation. His Excellency is surprised (and disappointed) that both you and the Board completely ignored the existence of two Government-owned Insurance Companies (i.e., the Great Nigeria Insurance Company Limited and Glanvill, Enthoven & Co. Ltd., the second-named being a firm of Insurance Brokers) in selecting a firm of Insurance Brokers to undertake the insurance of the Premier Hotel. It is understood that the Secretary of the Corporation did not only know of the existence of the Glanvill, Enthoven & Co. Ltd., but also recently engaged in some correspondence on this Company with the Ministry of Finance. It has also been suggested that it may not be necessary for a Corporation such as yours to arrange insurance of its property through an Insurance Broker, especially as there are two Government-owned Insurance Companies whose quotations can be obtained and cross-checked.

3. His Excellency has directed that the Board of the Corporation should re-consider its recommendation in the light of the points made above, and that the contents of this letter be brought to the notice of all the Members of the Board.

(Sgd.) P. T. Odumosu
Secretary to the Military Government

ARCHIVE
46-48

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C/M.59/16

22 September, 1966.

The Permanent Secretary,
Ministry of Finance,
Ibadan.

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W.N. Development Corporation: Finances

With reference to my letter CA.2/3/Vol.6 of 8th September, 1966, and further to the discussion, Chief Dina/Daniel-Kalio.

2. A re-examination of the needs of this Corporation in agricultural machinery, tractors, and transport vehicles has been undertaken in accordance with your advice. As emphasised during discussions, the financial position of the Corporation is, indeed, grave. For upwards of three years Government has had to give financial subsidy to the Corporation.

3. The upkeep of our plantations has been sadly neglected and the situation is aggravated by the fact that there are now no transport vehicles whatever for the evacuation of fruits, etc., from the plantations to the mills or the fermentary. It has therefore become absolutely urgent that at least a limited amount of financial subsidy to enable the purchase of much needed vehicles should be made available. To take one example of the difficulties which the Corporation is going through as a result of shortage of operating funds, I quote the case of Araromi Rubber Estate from which the bulk of the Corporation's revenue from agricultural projects is derived. On this Estate a new crepeing battery, coagulating tanks, and many hanging poles are urgently required. Unless these items are provided immediately, it would not be possible to carry out the necessary operations on this Estate.

4. I enclose herewith a summary of the minimum requirements with supporting schedules attached. A total of £460,140 will be required and this figure is made up of £94,430 for capital expenditure and £365,710 for recurrent expenditure. Considering the discussions which we have had I would now ask for the sum of £94,430 for capital expenditure to be made available immediately, provided the recurrent expenditure which would also be needed can be borne in mind and released over a period of six months.

5. I should be very grateful for a very early decision on this matter as the position of our agricultural projects is deteriorating fast.

(Sgd.) W. P. Daniel-Kalio
Chairman

C/M.59/
24 September, 1966

Secretary to the Military Govt.,
Office of the Military Govt.,
Ibadan.

Above for your information.

(Sgd.) W. P. Daniel-Kalio
Chairman.



Western Nigeria Development Corporation

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

OFFICE OF THE CHAIRMAN

PRIVATE MAIL BAG 5085

IBADAN, NIGERIA

Telephone: IBADAN 22811
Telegrams, Cables: WESCORP, IBADAN

CONFIDENTIAL

OUR REF: NP/H.1/6/397

YOUR REF:

17 September, 1966.

Secretary to the Military Government,
Office of the Military Government,
Ibadan.

For attention of Mr. J.M. Akinola

Staff employed in Premier Hotel

I enclose herewith a copy of the list of employees
of the Premier Hotel, showing details of notice place.



W. P. Daniel-Kalio
W.P. Daniel-Kalio,
Chairman.

PREMIER HOTEL STAFF LIST - PERSONNEL ORIGINALLY EMPLOYED

IN LAFIA HOTEL

NO.	MANAGEMENT		DESIGNATION	PRESENT SALARY P.A.	DATE OF APPOINTMENT	NATIVE PLACE/TRIBE	
	NAMES						
1.	Mr. O. Duldner		General Manager	3,120	1/4/65	Israel	(Israeli)
2.	" S. B. Onasanya		Secretary/Typist	430	4/3/58	Ijebu-Eruwon	(Yoruba)
<u>ACCOUNTS</u>							
3.	Mr. O. A. Babalola		Hotel Accountant	1,391	22/11/52	Ife	(Yoruba)
4.	" M. O. Tiyamiyu		Asst. Hotel Accountant	759	15/4/53	Ijebu-Ode	(")
5.	" J. A. Soboyejo		Acctg. Asst. Grd. I	574	15/4/53	Abeokuta	(")
6.	" D. A. Adelugba		" " II	465	29/1/62	Ilesha	(")
7.	" T. I. Falana		" " II	444	1/3/62	Ilesha	(")
8.	" A. Awokojo		Accts. Clerk Grd. II	221	1/12/63	Ife	(")
9.	" S. A. Adegboyega		" " " II	207	1/5/65	Abeokuta	(")
10.	" A. Folarin		" " " II	207	23/4/65	Abeokuta	(")
11.	" Isa Kadiri		Store-Keeper	344	1/10/59	Afenmai	(Mid-Wester)
12.	" O. Odukoya		Store Clerk	206	17/1/62	Ijebu-Ode	(Yoruba)
13.	" W. Olaniyan		Store Boy	7/- p.d	Trfd. Hq.	Ibadan	(")
14.	" V. Ikierigha		Checker	221	18/3/60	Brass	(Eastern)
15.	" D. Odejebi		"	207	3/5/65	Ife	(Yoruba)
16.	" J. O. Ige		"	122	2/12/63	Ilesha	(")
17.	" L. K. Adeyoola		"	151	10/3/65	Ibadan	(")
18.	" R. Adebayo		"	166	21/11/63	Ibadan	(")
19.	" M. Allo		Messenger	122	2/12/63	Ilesha	(")
20.	Miss. R. T. Akinseinde		Typist	146	21/11/63	Abeokuta	(")
21.	" E. Layade		Cleifical Assistant	159	7/9/65	Ife	(")
<u>ADMINISTRATION</u>							
22.	Mr. A. B. Kolawole		Staff Officer	630	1/4/53	Abeokuta	(")
23.	" M. O. Odelami		Clerk Grd. III	207	1/4/64	Ife	(")
24.	Mrs. D.M. Ogunjimi		Typist	187	1/11/61	Abeokuta	(")
25.	Mr. A. A. Oyedele		Timekeeper	163	12/5/65	Ilesha	(")
<u>KITCHEN</u>							
26.	Mr. R. Hauser		Chief Cook	2,640	1/12/65	Switzerland	(Swiss)
27.	" F. Bear		Pattisier	1,440	1/5/66	Rifferswil	(German)
28.	" B. Audu		Senior Cook	402	1/9/61	Ukpella	(Mid-Western)
29.	" P. Agbo		Cook	296	8/2/62	Ketu	(Dahomey)
30.	" I. Alabi		"	201	8/2/62	Ukpella	(Mid-Western)
31.	" B. Okoh		"	282	31/3/55	Benin	(")
32.	" J. Audu		"	215	1/5/58	Ayogwiri	(")
33.	" M. Ogedemgbe		"	215	7/4/59	Afemai	(")
34.	" G. Olaleye		"	296	9/2/57	Ilesha	(Yoruba)
35.	" E. Egbeyinu		"	142	8/2/63	Ketu	(Dahomey)
36.	" M. Musa		"	120	3/5/65	Ukpella	(Mid-Western)
37.	" P. Oshomo		"	135	8/11/65	Ikare	(Yoruba)
38.	Miss. F. Hayford		"	292	1/10/63	Abeokuta	(")
39.	Mr. J. Oni		Cookmate	135	9/9/64	Ilesha	(")

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KITCHEN CONTD.

<u>NO.</u>	<u>N A M E S</u>	<u>DESIGNATION</u>	<u>PRESENT SALARY P.A.</u>	<u>DATE OF APPOINTMENT</u>	<u>NATIVE PLACE/TRIBE</u>	
40.	Mr. A. Aliu	Cook-Mate	129	23/1/62	Afenmai	(Mid-Western)
41.	" I. Egbetade	" "	115	9/3/65	Ibadan	(Yoruba)
42.	" J. Adeniran	" "	115	9/3/65	Ilesha	(")
43.	" S. Oji	" "	108	13/11/65	Ekiti	(")
44.	" R. Ojo	Pastry Helper	115	24/4/65	Akure	(")
45.	" I. Ebadamosi	Pantry Boy	115	1/4/64	Ibadan	(")
<u>RECEPTION</u>						
46.	Mrs. E. P. Aparo	Chief Receptionist	796	16/6/58	Ireland	(Irish)
47.	Mr. B. A. Obadina	Asst. Chief Receptionist	465	22/10/57	Abeokuta	(Yoruba)
48.	" J. Enajerho	Receptionist	364	2/5/62	Urhobo	(Mid-Western)
49.	" D. Busari	"	139	19/11/64	Ibadan	(Yoruba)
50.	Miss. M. Ogunsanwo	"	180	19/5/65	Ijebu-Ode	(")
51.	Mr. A. Macaulay	D/T Clerk Grd. I	296	31/10/61	Abeokuta	(")
52.	" A. Daniel	D/T Clerk	235	1/12/63	Ijebu-Aiyeye	(")
53.	" S. A. Odedina	Night Auditor	180	16/12/65	Ijebu-Oru	(")
54.	" Y. Makinde	" "	180	7/1/66	Abeokuta	(")
55.	" P. Okhuofu	Bell Boy	135	21/8/58	Fugar	(Mid-Western)
56.	" P. Musa	22/4/63 Bell Boy	107	22/4/63	Ishan	(" ")
57.	" T. Afuwape	Bell Boy	108	1/2/66	Abeokuta	(Yoruba)
58.	" L. Okunribido	Lift Attendant	108	16/4/66	Abeokuta	(")
59.	" G. Adesina	Telephone Operator	215	1/11/58	Abeokuta	(")
60.	Mrs. D. B. Odumosu	" "	153	1/3/63	Ibadan	(")
61.	Miss. A. O. Faniyan	" "	139	19/11/64	Ilesha	(")
<u>CATERING</u>						
62.	Mr. R. Matan	Catering Manager	2,400	23/3/66	Israel	(Israeli)
63.	" M. Anofokhai	Asst. Catering Manager	600	25/4/55	Ishan	(Mid-Western)
64.	" M. O. Ogundana	" " "	600	8/11/65	Ekiti	(Yoruba)
65.	" L. Ojeah	2nd Head Waiter	324	1/3/57	Asaba	(Mid-Western)
66.	" P. Akinselure	Chef De Rang	288	1/7/56	Ondo	(Yoruba)
67.	" P. Elamah	" " "	246	1/5/58	Uzairuea	(Mid-Western)
68.	" J. Aliu	" " "	260	1/12/57	Afemai	(" ")
69.	" S. Ochie	" " "	218	14/10/61	Ubiaja	(" ")
70.	" A. Odekunle	" " "	218	1/12/57	Abeokuta	(Yoruba)
71.	" I. D. Babalola	Demi Chef	136	26/2/62	Ilesha	(")
72.	" L. Egbemuyiwa	" "	156	9/1/63	Ilesha	(")
73.	" G. Ighos	" "	153	28/2/62	Ubiaja	(Mid-Westerner)
74.	" E. Ogo	" "	146	15/8/61	Okpla	(" ")
75.	" J. Ologbojo	" "	158	21/11/63	Okitipupa	(Yoruba)
76.	" J. Meshe	" "	158	3/12/63	Okpella	(Mid-Westerner)
77.	" K. Afegbua	" "	153	12/3/62	Orlu	(Ibo)
78.	" C. Abazie	" "	139	14/12/64	Ofuga	(Mid-Westerner)
79.	" D. Aibinemo	" "	146	20/1/64	Ofuga	(" ")
80.	" J. Lawal	Comis De Rang	139	9/4/63	Okenne	(Northerner)

ARCHIVES OF OYSCF

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CATERING CONTD.

<u>NO.</u>	<u>N A M E S</u>	<u>DESIGNATION</u>	<u>PRESENT SALARY P.A.</u>	<u>DATE OF APPOINTMENT</u>	<u>NATIVE PLACE/TRIBE</u>
81	Mr. A. Adeagbo	Comis De Rang	122	21/11/63	Oyo (Yoruba)
82.	" C. Ogundola	" " "	136	19/4/61	Abeokuta (")
83.	" D. Atobatele	" " "	115	9/5/65	Ilesha (")
84.	" Y. Ikemokwe	" " "	108	9/5/65	Auchi (Mid-Westerner)
85.	" W. Ayang	" " "	156	1/4/61	Ogoja (Ibo)
86.	" L. Oyebade	" " "	115	12/4/65	Ilesha (Yoruba)
87.	" A. Adebayo	" " "	108	12/4/65	Oyo (")
88.	" F. Emegine	" " "	84	1/9/65	Mid-Westerner
89.	Miss. Y. Adeyemi	Waitress	108	13/1/66	Ijebu-Ode (Yoruba)
90.	" E. Adeyefa	"	108	13/1/66	Ilesha (")
91.	" H. Akinseinde	"	108	13/1/66	Abeokuta (")
92.	" I. Ademuyiwa	"	108	13/1/66	Ibadan (")
93.	" V. Egbetade	"	108	13/1/66	Ibadan (")
94.	" F. Gbadebo	"	108	13/1/66	Abeokuta (")
95.	" L. Basse	"	108	13/1/66	Calabar (Ibo)
96.	Mrs. B. Peters	"	108	13/1/66	Ekiti (Yoruba)
97.	Mr. E. O. Adesanya	Chief Barman	324	1/10/59	Abeokuta (")
98.	" A. Audu	Barman	175	5/7/62	Imiegba (Mid-Westerner)
99.	" I. O. Momoh	"	163	5/1/62	Auchi (" ")
100.	" J. Ogunleke	"	122	23/1/64	Oshogbo (Yoruba)
101.	" O. Adejumo	"	108	1/4/65	Oshogbo (")
102.	" O. Ajibulu	"	128	10/11/65	Ilesha (")
103.	" C. K. Tobi	Wine Waiter	149	1/6/61	Western-Ijaw
104.	" J. Odebunmi	" "	144	26/4/65	Abeokuta (Yoruba)
<u>HOUSE-KEEPING</u>					
105.	Mrs. A. Y. Ajayi	Chief Housekeeper	726	1/5/64	Ilesha (Yoruba)
106.	" S. A. Callisto	" "	726	1/12/64	Abeokuta (")
107.	" Y. Babatunde	Asst. Housekeeper	358	15/3/66	Ekiti (")
108.	" F. I. Omiyale	" "	358	8/11/65	Ekiti (")
109.	Mr. P. Ojei	Chief Room Steward	264	1/3/56	Ubiaja (Mid-Westerner)
110.	" S. Ayoke	Room Steward	227	1/3/57	Benin (" ")
111.	" D. Momoh	" "	217	1/9/56	Ishan (" ")
112.	" L. Ogoh	" "	217	1/11/56	Asaba (" ")
113.	" J. Okeri	" "	203	1/10/59	Ishan (" ")
114.	" M. Ibadon	" "	129	24/4/61	Idoa, Ishan (" ")
115.	" M. D. Imoru	" "	153	4/11/61	Ishan (" ")
116.	" F. Adebayo	" "	115	4/11/64	Ife (Yoruba)
117.	" J. Ad Fadare	" "	122	2/12/63	Ibadan (")
118.	" A. Adelaja	" "	115	5/5/64	Ijebu-Ode (")
119.	" A. Ajasa	" "	115	9/3/65	Abeokuta (")
120.	" A. Adegbola	" "	108	3/9/65	Oyo (")
121.	" L. Awolade	" "	108	5/5/65	Ife (")
122.	" O. Kateeb	" "	108	7/12/65	Ilesha Oshogbo (")

ARCHIVES OF ONSCAG

LAUNDRY

<u>NO.</u>	<u>N A M E S</u>	<u>DESIGNATION</u>	<u>PRESENT SALARY P.A.</u>	<u>DATE OF APPOINTMENT</u>	<u>NATIVE PLACE/TRIBE</u>
123.	Mr. J. Adelaka	Washerman	7/6d p.d.	19/7/65	Abeokuta (Yoruba)
124.	" NO. Ojo	"	6/10d "	4/11/65	Abeokuta (")
125.	" M. Awoyinka	"	6/10d "	10/8/65	Ilesha (")

MAINTENANCE

126.	Mr. R. Klinger	Maintenance Engineer	2,400	15/9/65	Israel (Israeli)
127.	" P. O. Sogaolu	Electrician	132	16/11/65	Abeokuta (Yoruba)
128.	" S. O. Ajayi	"	27	14/6/56	Oyo (")
129.	" L. Ajayi	"	85	20/10/61	Ilesha (")
130.	" E. Famuyiwa	Plumber	8/10d p.d	8/12/65	Abeokuta (")
131.	" S. Okoh	"	163	14/6/61	Benin (Mid-Western)
132.	" T. Aratunde	Carpenter	14/2d p.d	1/4/64	Ife (Yoruba)
133.	" S. Ajadi	Driver	139	1/5/65	Ibadan (")
134.	" B. Dada	Carpenter	7/- p.d.	1/4/65	Ekiti (")
135.	" K. Ogungbade	Painter	10/-	26/2/64	Abeokuta (")
136.	" R. Odutayo	Mech (Air-Con.)	296	1/10/64	Ijebu (")

SECURITY

137.	Mr. E. O. Alabi	Watchman	7/- p.d	Trfd. Hq.	Abeokuta (Yoruba)
138.	" G. Dangora	"	6/3 "	3/6/63	Zaria (Northerner)
139.	" S. A. Sholanke	"	6/3 "	1/8/66	Abeokuta (Yoruba)
140.	" K. Babalola	"	6/3 "	1/8/66	Abeokuta (")
141.	" L. Akingbile	"	6/3 "	1/8/66	Ife (")
142.	" W. Olabanji	"	6/3 "	1/8/66	Ibadan (")
143.	" J. Adeyemi	"	6/3 "	1/8/66	Ife (")
144.	" S. A. Olanibi	"	6/3 "	1/8/66	Ilesha (")

LABOURER/GARDENER

145.	Mr. S. Alfa	Gardener	7/10d p.d	Trfd. Hq.	Okenne (Northerner)
146.	" S. Origi	Labourer	7/- "	1/5/59	Okenne (")
147.	" M. Imoru	"	6/3d "	26/6/61	Okenne (")
148.	" A. Salami	"	6/3d "	8/12/65	Okenne (")
149.	" D. Bolaji	"	6/3d "	7/12/65	Ogbomosho (Yoruba)
150.	" O. Alao	"	6/3d "	8/12/65	Ibadan (")
151.	" A. Akerele	"	6/3d "	1/6/66	Ilesha (")
152.	" G. Fagbemi	"	6/3d "	1/4/64	Ife (")

SWIMMING POOL

153.	Mr. O. A. Jaiye	Life Guard	195	21/11/63	Ijebu (Yoruba)
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19
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ARCHIVES OF OVS/CAC

LIST OF STAFF TRANSFERRED/RECRUITED BY HEADQUARTERS

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<u>NO.</u>	<u>N A M E S</u>	<u>DESIGNATION</u>	<u>PRESENT SALARY P.A.</u>	<u>DATE OF APPOINTMENT</u>	<u>NATIVE PLACE/TRIBE</u>
1.	Mr. A. Ariyo	Asst. General Manager	1,265	1/8/66	Ekiti (Yoruba)
2.	Mrs. C. O. Adebimpe	Laundry Mistress	400	25/7/66	Oyo (")
3.	" M. Kuku	Receptionist	244	19/7/66	Ijebu (")
4.	Mr. A. Adesida	Bell Boy	108	19/7/66	Akure (")
5.	" F. Nosiru	" "	108	6/8/66	(")
6.	Miss. A. Wariso	Telephone Operator	108	14/6/66	Western-Ijaw
7.	" A. Adesanya	" "	132	1/8/66	Ijebu (Yoruba)
8.	Mrs. C. Idowu	" "	132	1/8/66	Ilaro (")
9.	Mr. T. Balogun	Timekeeper	156	16/7/66	Ijebu-Ode (")
10.	" A. Salami	Pantry Boy	108	19/7/66	Ibadan (")
11.	" A. Adeagbo	" "	108	19/7/66	Oyo (")
12.	" A. Olarewaju	" "	6/3 p.d	20/7/66	(")
13.	" P. Adeosun	" "	6/5d "	20/7/66	(")
14.	" J. Balekan	" "	6/5d "	20/7/66	Abeokuta (")
15.	" A. Shoyemi	" "	6/3d "	20/7/66	Abeokuta (")
16.	" J. Adegbite	" "	6/5d "	20/7/66	Egun (Badagry)
17.	" O. Olaribigbe	" "	108	27/7/66	Akure (Yoruba)
18.	" E. O. Adesanya	" "	108	2/8/66	Ijebu (")
19.	" J. K. Omomoye	" "	108	2/8/66	Ekiti (")
20.	" R. Yekini	" "	6/3d p.d	8/8/66	Ibadan (")
21.	" J. Ejimonu	" "	108	6/8/66	(Easterner)
22.	" S. Oke	" "	108	not yet come	
23.	" M. A. Oyeyemi	Room Steward	135	11/7/66	Ijebu (Yoruba)
24.	" S. A. Ashaolu	" "	135	11/7/66	Ekiti (")
25.	" S. Ogunsiji	" "	149	18/7/66	Oyo (")
26.	" Bili Adams	" "	135	18/7/66	Egbado (")
27.	" A. Olajide	" "	121	18/7/66	Lagos (")
28.	" A. Adesina	" "	128	18/7/66	Ibadan (")
29.	" J. Okoh	" "	6/5d p.d	18/7/66	Easterner
30.	" F. Akuri	" "	108	6/6/66	Mid-Westerner
31.	" M. Ule	" "	108	10/6/66	Calabar (Ibo)
32.	" U. J. Udoh	" "	108	6/6/66	Calabar (Ibo)
33.	" S. A. Adeboyejo	" "	108	6/6/66	Ijebu (Yoruba)
34.	Miss. B. Yesufu	Waitress	108	22/8/66	Okenne (Northerner)
35.	" R. Yesufu	"	108	22/8/66	Ibadan (Yoruba)
36.	" M. Osobor	Swimming Pool Cashier	132	25/7/66	Ishan (Mid-Westerner)
37.	" G. Olopade	" " "	132	25/7/66	Abeokuta (Yoruba)
38.	" E.T. Afolabi	Cloak Room Attendant	132	26/7/66	Oshogbo (")
39.	Mr. M. Adafa	Lift Attendant	108	5/8/66	Ibadan (")
40.	" A. O. Ogunbodede	Driver	128	8/8/66	Owo (")
41.	" E. L. Akintola	Electrician	163	18/7/66	Ibadan (")
42.	" Ade Akande	Security Officer	240	18/7/66	Abeokuta (")
43.	" V. O. Fatoke	Watchman	156	18/7/66	Ondo (")
44.	" A. Bomodeoku	Labourer	108	22/7/66	Ibadan (")
45.	" F. I. Adeyemi	Waiter	108	19/8/66	Ijebu (")
46.	" S. Okon	Commis Steward	108	24/8/66	Easterner
47.	" L. A. Lawal	" "	108	24/8/66	Ibadan (Yoruba)

ARCHIVES OF ONSCA

STAFF EMPLOYED AT PRESENT HOTEL

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<u>NO.</u>	<u>N A M E S</u>	<u>DESIGNATION</u>	<u>PRESENT SALARY P.A.</u>	<u>DATE OF APPOINTMENT</u>	<u>NATIVE PLACE/TRIBE</u>
1.	Mr. J. Saliu	Cookmate	108	7/8/66	Ishhan (Mid-Westerner)
2.	" G. Elamah	Pantry Boy	108	7/8/66	Ishan (" ")
3.	" S. Akindoyin	" "	108	4/8/66	Ibadan (Yoruba)
4.	" M. Audu	Porter	108	10/8/66	Ilorin (Northerner)
5.	" M. Apata	Carpenter	6/3d p.d	1/8/66	Iwo (Yoruba)
6.	" J. Adekunle	Labourer	6/3d "	1/8/66	Abeokuta (")
7.	" J. Alani	Bricklayer	9/- "	1/8/66	Abeokuta (")
8.	" J. A. Akindele	Canteen Attendant	108	7/8/66	Ekiti (")
9.	" B. Ajani	" "	108	7/8/66	Ibadan (")
10.	Miss. M. Anazi	Telephone Operator	132	1/8/66	Ishan (Mid-Westerner)
11.	" A. Alatise	Waitress	108	22/8/66	Ishan Abeokuta (Yoruba)
12.	Mrs. E. Popoola	"	108	22/8/66	Ekiti (")
13.	Mr. A. K. Oyewole	Comis Steward	108	22/8/66	Ibadan (")
14.	" V. Oyasebu	Pantry Boy	108	17/8/66	Afemai (Mid-Westerner)
15.	" Y. Joseph	Cookmate	108	17/8/66	Portonovo (Dahomey)
16.	" J. Ichiakegbu	Pantry Boy	108	17/8/66	(Mid-Westerner)
17.	" A. Ajayi	Chècker	108	22/8/66	Ekiti (Yoruba)
18.	" H. Agbaraevoh	Commis Steward	108	22/8/66	Aba (Easterner)
19.	" J. Emuonyon	" "	108	22/8/66	(Mid-Westerner)
20.	" L. Ebhodagha	" "	108	22/8/66	(" ")
21.	" A. Awokusibe	Chècker	159	24/8/66	Ekiti (Yoruba)
22.	" E. A. Olagunju	Barman	168	23/7/66	Ekiti (")
23.	" J. B. Adesina	Checker	159	24/8/66	Ife (")

ARCHIVES OF OYSS

45
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SNG ³⁹⁻⁴⁴

Please see pp ~~8-14~~ ³⁹⁻⁴⁴ being the list of employees of the Premier Hotel. I believe H.E. wanted to see the list.

In Reply:
US 22/9/66

Y.E.

List at pp. 39-44 obtained at Y.E.'s request, submitted pls.

Hadimaji
SNG 7/x

SNG

Could you ask Chairman WND C to try and employ our own people to replace the Non Westeners. This is our show piece

Hadimaji
24/x

Above discussed with Mr. Hadimaji, C.W.N.D.C. today.
P.A.

Hadimaji
29/x

ARCHIVES OF OYSCAC



Western Nigeria Development Corporation

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

OFFICE OF THE CHAIRMAN

PRIVATE MAIL BAG 5085

IBADAN, NIGERIA

8 October, 1966.

Telephone: IBADAN 22811
Telegrams, Cables: WESCORP, IBADAN

OUR REF: ADMIN.6/

YOUR REF:

SPC-100

Secretary to the Military Government
and Head of Service,
Office of the Military Government,
Secretariat,
Ibadan.



P. 36

Insurance of Premier Hotel, Ibadan

I have to refer to your letter No. SP/S.268/4/355 of the 28th September, 1966 on the subject of Insurance of the Premier Hotel. His Excellency's directions have been noted but I would like to point out for His Excellency's information certain facts which I and members of my Board, after due consultation, believe were not available to His Excellency when he considered the proposals submitted in my minute of the 16th of September, 1966.

2. In the first place it is not correct that either myself or my Board ignored the existence of the Great Nigeria Insurance Company Limited. The fact is that this company was offered the opportunity of carrying the insurance business of the Corporation on a previous occasion, but the company only selected such business as it considered profitable and refused to arrange the insurance of the doubtful lines. As the Corporation was faced with the necessity of ensuring that all its insurance business, whether profitable to the Insurance Company or not was satisfactorily covered, it was decided that the Great Nigeria Insurance Co. Ltd., although one in which Government was interested should be ruled out of consideration since it was unwilling to take the profitable and non-profitable insurance business offered. It was as a result of this situation that the insurance business of the Corporation was ultimately offered to other Insurance Brokers.

3. The Great Nigeria Insurance Company has not, as far as is known, altered its unhelpful stand in the matter and the Corporation has no alternative but to consider other Insurance Agencies in all its insurance matters.

4. Regarding Glanvill, Enthoven & Co. Ltd. which is a firm of Insurance Brokers in which the Government has an interest, I would like to state that neither myself nor members of my Board present at the meeting of the 27th July had any knowledge of the existence of this company at the time the insurance of the Premier Hotel was under consideration. It is true that after designating T.A. Braithwaite & Co. as the Broker for this project I was informed by an officer of the Ministry of Finance that the

firm of Glanvill, Enthoven & Co. Ltd. existed. The Acting Secretary of the Corporation, who is out of the country at present, if he did know of the existence of this firm, certainly did not inform the Board or myself of the fact before we took our decisions.

5. Further I would like to mention here that even if my Board had been aware of the existence of Glanvill, Enthoven & Co. at the time the insurance of the Premier Hotel was under consideration, it is by no means certain that in the face of the known efficient services of T.A. Braithwaite & Co. and the fact that it is the only firm of Insurance Brokers with a branch office in Ibadan, the decision would have gone in favour of Glanvill, Enthoven & Co. which firm is still untried and has no offices in Ibadan to facilitate communication. While my Board and I recognise the need to patronize the products or services of other state-owned enterprises, there would appear (except in one or two recent cases) to have been no declared government policy on the subject. And if I may say so, with due respect, such patronage should not necessarily be automatic. State-enterprises should in my opinion, fulfil other objective criteria e.g. efficiency, quality of product or service, competitive prices etc. A statutory Corporation like the W.N.D.C. should combine, especially in purely commercial matters, private initiative with flexibility. This, indeed, is the dividing line between statutory Corporations and normal government departments.

6. In regard to the suggestion that it may well be unnecessary for this Corporation to arrange its insurance through an Insurance Broker, this aspect of the matter was not lost sight of but it is considered that the advantages of insuring through a reputable Broker far outweigh any advantage to be expected from arranging insurance direct. Some of the advantages of insuring through a Broker are :-

- (a) The Insurance Broker surveys your risk with a view to assessing the extent of your liability but more particularly with a view to examining the possibility of reducing your risks and so saving insurance costs for you whereas the Insurance Company will only survey your risks with a view to raising its charges.
- (b) In the event of a claim the Insurance Company will settle on the terms most advantageous to itself but the Broker knowing that his continued existence or prosperity depends on his retaining his clients will do everything to ensure settlement on the terms most favourable to his clients.
- (c) The Broker being in the business has the whole field of the Insurance Market within his range and is therefore able to place clients insurance on more favourable terms than can usually be arranged by direct negotiation between Insured and Insurance Company.
- (d) An Insurance Company may give an "own Agency Commission" i.e. a commission paid to the Insurer but in every such case the premium is carefully loaded so that such commission as is paid is in fact added on to the customer's bill.

ARCHIVED

7. I and my Board feel that in the light of the facts available to us, the proposals submitted to His Excellency are right and justified. It is suggested that in the light of the additional information now made available you may consider re-submitting the proposals in my minute of 16th September (at page 468 of file ADMIN.6 attached) for His Excellency's reconsideration.

8. Finally, considering that an International Hotel of the class of the Premier Hotel would be running grave and disastrous risks to endeavour to operate even for a single day without adequate Insurance cover, I had, before receipt of your letter and without in any way intending to anticipate His Excellency's decision in the matter, requested T.A. Braithwaite & Co. to arrange necessary Insurances for the Hotel on the basis of my Board's decision.

Mkaho

W.P. Daniel-Kalio,
Chairman.

SMG

Please see from p. 46 The main file has been minuted to H.E. by the SMG.

D 18/1/66
CR.

P.S. (A & P)

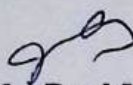
Above referred pls.

[Signature]
SMG 22/1

4 49
Copy: Original in WND C file, Admin 6.

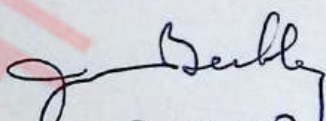
The Chairman, W.N.D.C.,

46 in this file
Your predecessor Mr. W. P. Daniel-Kalio wrote the letter which begins at p.471 in reply to the one at p.469 addressed to him by S.M.G. The duty has fallen to me to take up the matter with H.E. at this stage and I should like to know, as a matter of great urgency, what the present position is regarding the insurance transaction which forms the subject of the correspondence. now p.36


(J. M. Beckley),
P.S. (A. & P.),
31 October, 1966.


E.O. Conf Registry

PL submit the origin file as soon as it comes back. The original of the above minute has gone forward in WND C file, Admin 6.

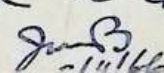

P.S.A.P.
31/10/66

P.S. (A & P)

Papers have now been merged with the main file — please see from p.46.


31/x/66
W. A. ADESINA
C.R.

Bu. 8/11/66
C.R.

C/R BU when Chairman WND C sends a reply to the minute above. 

P.S.(P.&A.),

In accordance with your instruction, I have been investigating the setup of the Premier Hotel. At the moment, the Hotel is one of the branches of the Western State Development Corporation. It means, in effect, that anything which goes wrong with the Corporation will also have some effect on the Hotel and the Corporation's other branches. To my mind, the interest of the Hotel cannot be protected adequately under this arrangement. However, at its last Board meeting, the Western State Development Corporation gave thought to appointing a Management Committee for the hotel. In my opinion, this, too, will not be adequate enough.

2. Hotel business in the real sense is always handled by limited liability ventures. Although there may, be a chain of them being run together, their identity as hotels has not been known to be mixed up with other types of commercial enterprise.

3. At present, the Western State Development Corporation owns the controlling shares in the hotel. The hotel's General Manager received £112,000 from the Ministry of Finance direct, and it has not been made known whether the £112,000 is a loan or not. Also, the Federmann Enterprises (Overseas) Limited, who are the Management Agents, have some shares in the business. The impression one gathers from the setup is that the affairs of the hotel are left to the Federmann Enterprises (Overseas) Ltd. and the Chairman of the Western State Development Corporation. Which, in normal circumstances, should not be.

4. The following are the advantages to be derived if the hotel is converted to a limited liability company:

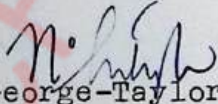
- (a) Whilst remaining as a distinct business from the Western State Development Corporation, the hotel will remain as one of the Corporation's subsidiaries.
- (b) It will have a Board of Directors who will be absolutely responsible for the hotel's progress and policies.

(c) The ultimate control will still rest with the shareholders, since by the use of their votes at general meetings they can appoint or remove Directors, and can approve or disapprove any names submitted to them to be appointed as Directors at general meetings.

(d) It will also be within the right of the company to allocate shares to the public.

5. From the report of the Internal Audit carried out by the Internal Auditor of the Western State Development Corporation, it is clear that all is not well with the hotel; and I am not very much impressed by the General Manager's reply. It could have been a different question if the hotel was under a Board of Directors who will determine policies and examine the activities of the Management from time to time. In order, therefore, to get the hotel functioning properly it is necessary to convert it to a limited liability company.

6. In view of the foregoing, you may wish to invite H.E. to direct that, as from 1st of October, 1967, the Premier Hotel should become a Liability Company, and remain as a subsidiary of the Western State Development Corporation.


(N. O. George-Taylor),
C.P.I.O.,

17 August, 1967.

52
P.S. (P. & A.),

Premier Hotel

It has been exercising my mind for some time now that Premier Hotel should be on its own and should be taken away from the W.N.D.C. in order to make it pave its way by getting independent capital to run it for the future.

2. I have already discussed this matter with the Commissioner for W.N.D.C. and he has no objection to this view. I would therefore like you to take the matter up with the State Commissioner for W.N.D.C. in conjunction with the State Commissioner for Trade and Industry for their advice.

Raa
(Brig. R. A. Adebayo),
Milgov, Western State,
27/9/67.

CONFIDENTIAL

SP/C.100/53

6 October, 1967.

The Administrator,
Western State Development Corporation,
Ibadan.

Premier Hotel

I am directed by His Excellency the Military Governor to take up with your Corporation the administration of the Premier Hotel as a self-contained unit independent of the Western State Development Corporation. I gather that the matter has already been mentioned to your Commissioner and that no objection has been raised.

2. One way which has been suggested of meeting His Excellency's wish and of improving the running of the hotel and its extension at Lafia is to convert it into a limited liability company which will be capable of tapping resources outside Government for its financial needs and will also be in a better position to solve management problems than the arrangement adopted at the present time.

3. The directive given to me includes consultation on this same matter with the Ministry of Trade and Industry. His Excellency wishes to have the benefit of the views of the Commissioner for that Ministry as well as those of your own Commissioner before giving further consideration to the proposal stated above. I should be grateful therefore if you would place the matter before your Commissioner and forward his views early for the benefit of His Excellency. A similar request is being made to the Permanent Secretary, Ministry of Trade and Industry.

JMB
(J. M. Beckley),
Permanent Secretary (Pol. & Admin.).

Ref. No. SP/C.100/53A
Ibadan 6 October, 1967.

Copy to:-

The Permanent Secretary,
Ministry of Trade and Industry,
Ibadan.

As indicated in the letter above, you are kindly requested to obtain the views of your Commissioner early and to forward them for the benefit of His Excellency.

JMB
(J. M. Beckley),
Permanent Secretary (Pol. & Admin.).

CONFIDENTIAL

C.P.10.

To see from page 52. your comments will be req'd when the views of the two Commissioners are received.
JMB 6/10/67

*Issued
b/c memo*

54, 56

5. A third benefit which, it is hoped, would be derived from a conversion of the hotel into a limited liability company is that the hotel would, thereby, be able to tap resources outside government for its financial needs. It is admitted that by converting the hotel into a limited liability company, outsiders will be in a position to buy shares in the hotel and the funds, thus realised, would be available to meet the financial needs of the hotel. An arrangement like this, therefore, has this great advantage over the existing arrangement whereby all the funds required derive from the government. However, it is doubtful whether an hotel, which has been sustaining losses since its inception and whose revenue is just not enough to cover its overheads can, even in normal times, attract participation from either the indigenous or expatriate investors, let alone in difficult times like the one this country is now going through.

6. Whilst my Commissioner is of the opinion that it is always a problem for any government to undertake the running of an hotel of the size of the Premier Hotel, he does not feel convinced that a conversion of a state owned establishment into a limited liability company will necessarily solve all the ills of that establishment. In the particular case of the Premier Hotel, the fact is apparent that the feasibility study carried out on the viability of the hotel would seem to have ignored, completely, the need for the hotel to start on a moderate scale and, eventually, grow from its profits. Instead, what has emerged is a prestigious project, whose conversion into a limited liability company would not necessarily now make it economic.

7. In sum, and seen from a distance, my Commissioner is of the opinion that whether or not it is converted into a limited liability company, the Premier Hotel would still take very many years from now before it can become an economic venture.

8. A copy of this letter has been forwarded to the Administrator, Western State Development Corporation, Ibadan, for information.

H. S. A. Adedeji
(H. S. A. Adedeji),
Ag. Permanent Secretary,
Ministry of Trade & Industry.

ARCHIVES

1/11



MINISTRY OF TRADE AND INDUSTRY

IBADAN · WESTERN NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting

Our Ref. No....C.440.Vol.VI/168

SP/C.100

Date: 27th October, 1967.....

The Permanent Secretary,
(Political & Admin.),
Office of the Military Governor,
Ibadan.



Premier Hotel

I am directed to refer to your endorsement No. SP/C.100/53A of the 6th of October, 1967, on the above subject and to convey to you in the following paragraphs, the views of my Commissioner.

2. Your letter of the 6th October, 1967 addressed to the Administrator, Western State Development Corporation, Ibadan appears to suggest that the proposal to make the administration of the Premier Hotel a self-contained unit, independent of the Western State Development Corporation, is intended to cure certain ills which are manifest in the running and management of the Premier Hotel, with its Lafia extension. These ills can be identified as

- and
- (a) lack of adequate patronage of the hotel;
 - (b) ineffective management;
 - (c) dependence on government for such funds as may be required either for the running or for the extension (should this be necessary) of the hotel.

3. In regard to the problem of lack of adequate patronage of the hotel, my Commissioner is of the view that this can be attributed, largely, to the present political condition in the country which has resulted in a rather slow inflow of business-men, visitors and tourists from abroad. These are the customers who usually give a boost to the activity of an hotel. It is perhaps relevant to note here that hotels, like the Ikoyi hotel and the Ikeja hotel, are also hard hit by the recent happenings in the country, but these latter hotels have been able to maintain a reasonable level of activity because they have all along exercised a control on their growth and can apply the brake when and as necessary. It is felt that they are able to do this because they started from humble beginnings and have grown from their own profits. In contrast, the Premier Hotel has been started in a rather big way with an expensive structure involving a very large capital out-lay. Saddled with a huge establishment from its start, it is just not in a position to withstand the unfavourable effect of the present political position which, as had been pointed out earlier, has resulted in a small inflow of customers from abroad, on which it can rely for patronage. The crucial point, therefore, is that whether or not the Premier Hotel is converted into a limited liability company, the custom position of the hotel is not likely to improve until there is a return to normalcy in the political life of the country.

4. Your letter under reference seems to suggest also that a conversion of the Premier Hotel into a limited liability company would make it possible for the hotel to be "in a better position to solve its management problems than the arrangement adopted at the present time". Whilst it is conceded that the present management structure of the hotel may be unduly costly, no positive statement has yet been made to show that the operational management of the hotel has not been good. It is my Commissioner's opinion, therefore, that before he can lend support to the view that the hotel should be converted into a limited liability company, an investigation should be conducted by a high powered Committee into the management of the hotel as early as possible.



Western Nigeria Development Corporation

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)

OFFICE OF THE CHAIRMAN

PRIVATE MAIL BAG 5085

IBADAN, NIGERIA

Telephone: IBADAN 22811

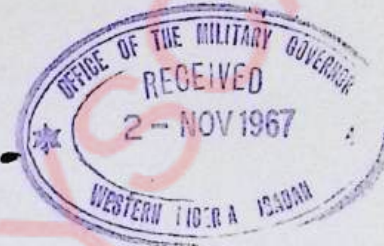
Telegrams, Cables: WESCORP, IBADAN

OUR REF: NF/H.1/1/Vol.10/74

YOUR REF: SP/C.100/53.

2nd November, 1967.

The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
Ibadan.



Premier Hotel

P. 53

I am directed to refer to your letter No. SP/C.100/53 of the 6th October, 1967 and to state that my Commissioner is of the opinion that while it is desirable that the Premier Hotel should assume a position independent of the Western Nigeria Development Corporation, he has never given any indication of his support for the incorporation of the hotel into a Private Limited Liability Company. No doubt the problems of the hotel are numerous, but incorporation of the hotel into a Limited Liability Company "per se" would not solve these problems. It is in recognition of the need to allow the hotel to operate independently in order to tackle its problems realistically that it was decided to set up a Board of Management to supervise the operations of the hotel after receiving the approval of His Excellency the Military Governor. The Committee has since been launched and it is believed that after solving some of the basic problems of the hotel, then the question of the incorporation of the hotel may be further examined. Right now, the question of effective management of the hotel seems paramount and all efforts should be directed towards achieving this.

2. One point mentioned in your letter in favour of the incorporation of the hotel into a Limited Liability Company is the possibility of tapping resources outside Government for the financial needs of the hotel. It is very doubtful that the present operations of the hotel can induce any outside investors to participate financially in the equity of the hotel. Most probably they will want to get a clearer picture of the prospects of the hotel before deciding to commit their funds to it. It would therefore seem that incorporation cannot immediately lead to the supply of funds from outside sources to meet the financial needs of the hotel.

3. As the Corporation is rather anxious to improve the management of the hotel, it has recently made contact with a reputable firm of hoteliers, the Quo Vadis, which has submitted the following proposals to the Corporation viz:

- (a) That they should be given the management of the hotel for a period of 5 years;
- (b) that they would provide working capital for running the hotel; the Corporation will not be requested to provide this;

P. 125

- (c) that all outstanding liabilities of the hotel will be taken care of by the Government, so that they will start with a clean slate;
- (d) that they would be paid a management fee of £15,000 per annum;
- (e) that after they have been able to run the hotel for sometime they would be in a position to interest Foreign Financiers to participate in the equity capital of the hotel.

These proposals were discussed with the management of Quo Vadis on Monday the 30th of October, 1967 and it was agreed that further consideration will be given to these proposals after they, that is Quo Vadis should have submitted to us a cost and profitability projection for the hotel for the next 5 years. It is strongly felt that the present management of the hotel leaves much to be desired and that a change is therefore desirable. If effective management can be installed in the place there is every possibility that it will be able to show favourable trading result soon.

4. On the wider issue of the catering business in the Region, it now appears that there should be a new approach to both the control and supervision of all catering establishments in this Region. In this respect, it seems consideration should now be given to the idea of having all Government catering establishments viz: Lafia Hotel, Premier Hotel, Lagos Air-Port Hotel and Catering Resthouses under one independent management. The advantages to be derived from this set-up are obvious as it will lead to better co-ordination and a more rational use of our resources, both man power and funds.

5. It will interest you to note that a Committee under the Chairmanship of Mr. Iwajomo, Acting Under-Secretary, Ministry of Economic Planning was set up early this year to look into the operations of the Premier Hotel and to submit recommendations. This Committee has just submitted its report which is now being studied by us and it is hoped that appropriate action would be taken in the light of its findings and recommendations.

6. May I reiterate my Commissioner's belief that a Board of Management that is given a free hand to supervise the hotel will help in solving a lot of its problems and if incorporation is to be considered at all, this should be regarded as a long term plan. The Corporation is not against incorporation but it believes that this will not solve the immediate problems of the Hotel. Moreover as the present managing agents do not appear to be performing their functions satisfactorily it is necessary to change them and steps are already being taken in this direction.

7. A copy of this letter is being forwarded to the Permanent Secretary, Ministry of Trade and Industry.

Akinyemi
 (N.S.A. AKINYEMI)
 ADMINISTRATOR.

pl 2/11

C.P.10

Pl see the PS(P&A)'s minute at foot of p. 53. The views of the two Commissioners to which reference is made in the P.S.'s

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minutes are recorded in the letters at pp. 54-57. You may therefore wish to take necessary action accordingly pl.

D
3/11/67
ch.

ARCHIVES OF OYSCAC

59

P.S.(P.&A.),

I respectfully wish to refer to your minutes at p. 53.

2. The PSMTI at pp. 54-55 has no doubt, expressed the views of his Commissioner. He is under the impression that the only reason why it was suggested that the Premier Hotel should be a self-sustaining unit, independent of the WSDC, is to cure certain ills plaguing the project, e.g. non-viability, ineffective management and dependence on Government for operational fund. He avers that although the present political situation in the country is partly responsible for the non-viability of the project, and the cost of its present management admittedly very high, there is nothing on record to show that its operational management is not sound. However, it has been suggested that before the Hotel is converted to a limited liability company, an investigation should be conducted as early as possible by a high-powered committee into its management. He then expressed doubt as to the possibility of such a conversion ever solving the afore-mentioned ills, and consequently making the Hotel a lucrative proposition. In short, the Commissioner seems to be of the opinion that, whether or not the Hotel is converted to a limited liability company, it will take very many years before it becomes an economic venture.

3. Although many reasonable points have been advanced in regards to the conversion of the Premier Hotel to a limited liability company, there has been no strong argument against it.

4. At pp. 66-67, the Administrator of the WSDC has commented on the letter at p. 53. Even though the Commissioner considered it desirable that the Premier Hotel should assume a position of independence, and would not subscribed to its becoming a limited liability company now, he admitted that its problems are numerous, and felt that the present Board of Management would be equal to the task of devising ways for solving them.

5. As doubts have also been expressed to whether any investor will, at the moment, like to participate financially in the

equity capital of the Hotel, the question of obtaining funds from outside sources to increase the equity of the Hotel is not realistic.

6. In view of the foregoing, and in order to improve the position, the following suggestions for a take-over of the Hotel's management have been made to a firm of reputable hotel, known as Quo Vadis:

- (a) Management term for 5 years;
 - (b) Provision by them of working capital to run the Hotel during this period;
 - (c) Settlement of all outstanding liabilities by the Government;
 - (d) Payment of a management fee of £15,000 per annum to Quo Vadis;
- and (e) Efforts to be made by Quo Vadis after they have managed the business for sometime to attract foreign participants.

These steps were suggested because it was felt that the present Management has left much to be desired in efficiency and effectiveness.

7. It has been also suggested that a new approach should be made whereby all Catering Rest Houses, Lafia Hotel, Premier Hotel and the Lagos Air-port Hotel should be placed under one and same management in order to achieve a better co-ordination in their running and use. In this connection, I will suggest that the report of the Iwajomo's Committee on the Premier Hotel should be carefully studied.

8. In view of the remarks made by the Commissioners of Trade and Industry and WSDC on this matter, it is clear that they were not opposing the incorporation of the Hotel as a limited liability company, but rather felt that the present Board of Management can effectively cope with the present work involved.

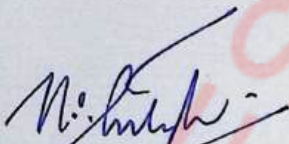
9. Personally, I do not think of any disadvantages that will arise from the conversion of the Hotel to a limited liability

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company. However, in order to re-assure the Commissioners, the present members of the Board of Management may be considered for appointment as Directors when the Hotel is incorporated as a limited liability company. I do not see much difference between a Board of Management and a Board of Directors, as there is no problem which each of them cannot solve equally satisfactorily.

10. What, then, can be deduced as uppermost in the minds of the two Commissioners is the proper and efficient management of the Premier Hotel, which in turn will make for profitability. The suggested high-powered committee is therefore a step in the right direction. Incidentally, the Administrator of the WSDC had said that a committee of that nature was set up sometime ago, and that it had submitted its report. Surely, the report must be interesting indeed. I will try to get you a copy of it.

11. You may wish to advise H.E. that the incorporation of Premier Hotel as a limited liability company would enhance the prestige of the Hotel in the International Hotel circles than leaving it under WSDC.


(N. O. George-Taylor),

C.P.I.O.,

8 November, 1967.

62
Telephone: IBADAN 22811
Telegrams, Cables: WESCORP, IBADAN

WESTERN NIGERIA DEVELOPMENT CORPORATION

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)



PRIVATE MAIL BAG 5085
IBADAN, NIGERIA

OUR REF: CM.114/10

SP/CLD



8th November, 1967.

YOUR REF:

The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
I b a d a n.

Premier Hotel

PG2-6
other copies
n.b.c.

I am directed to forward herewith 3 copies of the notes of the meeting between the representatives of this Corporation and those of the Quo Vadis Restaurants Limited held on Monday the 30th October, 1967 to discuss the management of Premier Hotel. It is expected that as soon as the cost and profitability projections have been received from Messrs. Quo Vadis Restaurants Limited, it would be possible to take a suitable decision on the matter.

200
9/1

A. Adesida
(A. Adesida)

for: Secretary.

ARCHIVED

Notes of Meeting on the Management of Premier Hotel between the Representatives of W.N.D.C. & those of Quo Vadis Restaurants Ltd. held at the office of the Administrator, W.N.D.C. on Monday, 30th October, 1967.

Present:

Representing Quo Vadis Restaurants Limited

Mr. Mike A. Sagrani,
Prince O.A. Sijuade,
Mr. E.O. Ola. Osinbowale,
Mr. R.S. Randerson,
Miss G.R. Afejuku.

Representing the W.N.D.C.

Dr. V.O.S. Olunloyo	-	State Commissioner, W.N.D.C.	
Chief N.O.A. Akinyemi	-	Administrator,	"
Mr. M.I. Owoeye	-	Secretary,	"
" S.A. Oladeinde	-	Chief Accountant,	"
" A. Adesida	-	Ag. Industrial Manager	"
" E.E. Adeniyi	-	Ag. Senior Industrial Officer	"

In Attendance

Mr. R.A. Odugbesan	-	Conf. Secretary	"
--------------------	---	-----------------	---

The meeting started at 12.15 a.m.

2. Prince Sijuade explained that he had had discussions about the Premier Hotel with His Excellency the Military Governor, Brigadier R.A. Adebayo who requested him to explore the possibility of securing a good Managing Agent to run the hotel. He had made contact with some expatriate firms of Hoteliers but only the Quo Vadis Restaurants Limited had forwarded what could be regarded as a reasonable offer. He had accordingly requested Quo Vadis to communicate their proposals to the Corporation for consideration. He had had some discussions with the Administrator, Chief Akinyemi on these proposals and it had been agreed that it would be better for a full length discussion to be held between the Corporation and Messrs. Quo Vadis Restaurants Limited in order to consider these proposals.

3. In reply the Administrator, Chief Akinyemi confirmed that a letter had been received from Messrs. Quo Vadis Restaurants Limited. He had pointed out to Prince Sijuade that although the Corporation would be interested in the change of management for the hotel, it would not be prepared to make the

change unless the terms were more favourable than those of Federmann Enterprises Limited. In this connection, the fee of £15,000 requested by Quo Vadis was more than £9,000 being paid to Federmann Enterprises Limited and unless they could guarantee reasonable profits from managing the hotel, there would be no point in changing the present Managing Agent. The Administrator also mentioned that the Corporation would be liable to pay Federmann Enterprises Limited damages amounting to £27,000 should the management contract be terminated. This was because the agreement still had 3 more years to run at £9,000 payable per year. Furthermore what the hotel needed apart from good management was working capital. The hotel had lacked working capital since its inception and this was a disease that had plagued most of the Corporation's projects. The Corporation would therefore be interested in someone who could provide working capital for the hotel. The Government through the Corporation had already invested about £1.6 million in this hotel and it should ensure that it obtained some reasonable returns from this investment. Thus, unless the new Managing Agent could provide enough working capital and also achieve reasonable profits from which management fees could be paid, there would be no point in changing the present Management Agent.

4. The Commissioner agreed with the points made by the Administrator and added that the main problem confronting the hotel were those of finance and management. He summarised the main points as follows:-

- (a) that should the Corporation terminate the management contract with Federmann Enterprises Limited it would be required to pay £27,000 immediately;
- (b) that the management fees would have to go up from £9,000 to £15,000 if Quo Vadis Restaurants Limited were appointed Management Agent;
- (c) that some working capital would be needed by the hotel possibly about £100,000.

5. The position at present therefore was that because of financial difficulties the Corporation was finding it difficult to provide working capital for the hotel. Apart from this the Corporation also felt that the running of the hotel left much to be desired and a change was therefore considered desirable. Any new Managing Agent should therefore be prepared to provide working capital as well as to run the hotel in such a way that it would be able to achieve profits out of which the Management fees could be paid. That

in short, was the problem.

6. Before Mr. Sagrani of Quo Vadis Restaurants Limited spoke, Mr. Owoeye, the Secretary asked whether Messrs. Quo Vadis would be willing to participate financially in the equity capital of the hotel. He thought if they had some faith in the future of the hotel they should be willing to participate financially in it.

7. Mr. Sagrani in his reply stated that while they did not intend to discredit Messrs. Federmann Enterprises Limited about the way they had been running the hotel, they sincerely felt that there was room for improvement and they were therefore confident that if given the opportunity they would run the hotel in such a way that profits would be achieved. Although they could not immediately guarantee profits, they would do their utmost to reduce the losses. It would be necessary for them to run the hotel for sometime, say at least a year, before they could confidently prepare a cost and profitability projection for the hotel. Moreover if they were to be given the management of the hotel, it should be on the following conditions:-

- (a) that all outstanding debts of the hotel were paid by the Corporation so that they could start with a clean slate (i.e. about £27,000 damages due to Federmann Enterprises Limited and sundry debts totalling about £10,000 should be paid by the Corporation);
- (b) that they would be given a free hand in running the hotel; for example they would be allowed to hire and fire staff as considered necessary;
- (c) that they would be paid a fee of £15,000; per annum;
- (d) that they would provide the working capital for the hotel themselves; the Corporation would not be required to provide any working capital.

8. Mr. Sagrani further mentioned that after they would have been able to run the hotel and have put it on a firm footing, they might be in a position to invite some financiers to participate in the equity capital of the hotel. Before then they could not undertake to invite anyone to participate financially in the hotel.

9. After a full exchange of views on the proposals it was agreed that before further consideration could be given by the Corporation to these proposals Messrs. Quo Vadis Restaurants Limited should try and submit the cost and

profitability projections for the hotel for the next 5 years which would show clearly the expected net profits per year after all costs for running the hotel should have been deducted. This projection was very necessary in order to help the Corporation decide whether or not it was worthwhile changing its Managing Agent. Mr. Sagrani was of the opinion that it was difficult to prepare such a projection since he did not have in his possession full figures of the present operations of the hotel, and moreover, in hotel business such projections might not be very realistic as it was not only occupancy that could contribute to the profitability of the hotel but other facts such as parties, shows, conferences which would depend on contacts. The Commissioner however insisted that Mr. Sagrani should submit the cost and profitability projections as this was of paramount importance to the Corporation in its decision to change its Managing Agent. Mr. Sagrani would be provided any of the figures that he wanted by the Accounting Division of this Corporation. Mr. Sagrani then said that it might be necessary to obtain the service of an independent firm of auditors to prepare a statement of the financial affairs of the hotel to-date and in order to accelerate this they were prepared to pay the fees for such an exercise.

10. The Commissioner then thanked the representatives of Messrs. Quo Vadis and stated that the proceedings of the meeting would be communicated to His Excellency the Governor, and as soon as the Cost and Profitability projections requested had been received, it would be possible within a short time to take a decision on the matter.

Ibadan,
8th November, 1967.

WESTERN NIGERIA DEVELOPMENT CORPORATION

Telephone No. IBADAN 22811

Telegrams: WESCOP, IBADAN

Our Ref. AC.175/

Your Ref. _____



Regional Headquarters

IBADAN

WESTERN REGION

NIGERIA

8th November, 1967.

CONFIDENTIAL



Permanent Secretary,
(Political & Administration),
Office of the Military Governor,
Secretariat,
Ibadan.

The Report of the Committee on Premier & Lafia Hotels

I am directed to forward to you three copies of the Report prepared by Iwajomo Committee on Premier and Lafia Hotels. This Report has just been submitted and it is being considered both by the Corporation and the Management Committee recently appointed for these two Hotels. The comments and the recommendations of the Corporation will be forwarded to you in due course.

lp. 68-123
Other Copies
a. b. c.

(Signature)
(M. I. Owoeye)
Secretary.

MIO/TL

C.P.10

Pl see from p. 62.

D 9/11/67
ck.

see p. 128

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S E C R E T

REPORT OF THE COMMITTEE

ON

PREMIER AND LAFIA HOTELS

OCTOBER, 1967

S E C R E T

ARCHIVES OF OYSCAC

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Chapter 1 : Management Agreement with Federmann Enterprises (Overseas) Limited

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Chapter 6 : Staff requirements, qualifications and salaries

Chapter 7 : Conditions of Service

Chapter 8 : General Matters

Chapter 9 : Summary of Recommendations

ARCHIVES OF OYSCAC

October, 1967.

Dr. V. O. S. Olunloyo,
State Commissioner,
Western State Development Corporation,
Cocoa House,
Ibadan.

Dear Sir,

Report of the Committee on
Premier and Lafia Hotels.

In a letter dated 23rd February, 1967, and signed "for Secretary", we were informed of our appointment to the above-mentioned Committee "to look into the staffing position and conditions of service in the above-mentioned hotels". At the inaugural meeting of the Committee held on 24th February, 1967, which the then Chairman, Mr. Ladimeji, attended and addressed, the terms of reference were expanded and they are, modified for the purpose of clarity, as follows:-

(i) Staff Complement

- (a) to examine in detail the staff requirements of the hotels in order to maintain a high standard of efficiency;
- (b) to look into the qualifications and experience required for the various posts in the hotels;
- (c) to examine the present salary structure and to recommend any changes that may be necessary in order to attract the right calibre of staff into the service of the hotels;
- (d) to examine the present conditions of service of the staff and to make suitable recommendations where necessary;

(ii) Management Agreement

to examine the existing Management Agreement between the Corporation and the Federmann Enterprises Limited with a view to ascertaining the extent of its fairness to both parties, and to make recommendations;

(iii) The Accounting System

- (a) to examine the present accounting system in order to determine its adequacy and the effectiveness of the system of internal chacking;
- (b) to recommend, where appropriate, accounting instructions in order to minimise errors and fraud;

(iv) Rates and Charges

to examine the present rates and charges with a view to ensuring that they are fair and reasonable;

(v) Publicity

to look into the present system of publicising the Premier Hotel and to recommend the most effective ways of doing this within and outside Nigeria;

(vi) Working Capital

to examine in detail the finances of the Premier Hotel with a view to recommending an adequate and realistic working capital;

(vii) General

- (a) to examine ways and means of instituting an effective organisation and financial control by the Western State Development Corporation without prejudice to the existing Management Agreement with the Federmann Enterprises Limited;
- (b) to recommend suitable uniforms for the uniformed staff of the hotels;
- (c) to recommend the type of statue to be erected and mural designs for the Premier Hotel;
- and (d) to examine the desirability of establishing a restaurant at Ikeja.

2. Although our terms of reference include the Lafia Hotel, it will be obvious from our report that the bulk of the discussions and recommendations deal, understandably, with the Premier Hotel. Therefore, except where otherwise stated, "the Hotel" means the "Premier Hotel", but the recommendations thereon could, in specific instances, apply mutatis

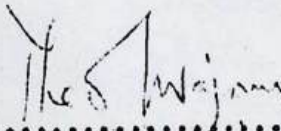
mutandis to the Lafia Hotel.


3. In view of the scope of our work and awareness of the commitments of some members in other directions, we were under no illusions that we could meet the dateline indicated in our letter of appointment. Accordingly, our Chairman was mandated to draw the attention of Mr. Ladimeji to certain problems and issues in respect of which appropriate action could be taken pending the formal submission of our report. This we did in two letters addressed to him in March and May.

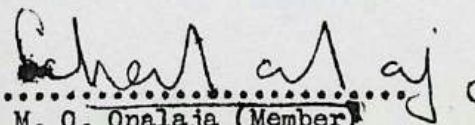
4. The Committee held a total of six meetings, the majority of which were at the Premier Hotel. We are grateful to the Management of the Hotel for allowing us the use of the Committee Room, and to those of the staff whom we inevitably had to consult in the course of our work, for their assistance and cooperation. Our thanks also go to our Secretary, Mr. M. B. Kassim, whose lot it was to assemble various papers and materials.

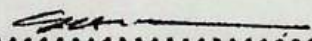
5. We have now completed the assignment and have great pleasure in submitting our report.

Yours sincerely,


.....
T. A. Iwajomo (Chairman)


.....
S. A. Alamutu (Member)


.....
M. O. Onalaja (Member)


.....
S. A. Oladeinde (Member)

I N T R O D U C T I O N

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About 1959, the Ministry of Trade and Industry informed the Western Nigeria Development Corporation (hereinafter referred to as the "W.N.D.C.") of Government's decision to establish in Ibadan a high class hotel of international standard to cater, especially, for important visitors, tourists, businessmen and international conferences. In pursuance of this decision, the Western Nigeria Development Corporation proceeded to make investigations regarding the planning, construction and management of the type of hotel just described. Since it was not in a position to provide enough funds from its own internal resources for the construction of the hotel, the Western Nigeria Development Corporation entered into an agreement with the Israeli firm of Solel Boneh (Overseas) and Harbour Works Ltd. to undertake the work under "contractor-finance" arrangements. The construction of the buildings was undertaken by the Nigersol Construction Company Ltd., acting on behalf of Solel Boneh.

2. For the planning and subsequent management of the hotel, the Western Nigeria Development Corporation scouted for a hotel organisation of international repute and Messrs Federmann Enterprises (Overseas) Ltd., an Israeli company, was eventually selected to undertake the job. The agreement between the Western Nigeria Development Corporation and the company is the subject-matter of chapter 1 of this report.

3. On 10th August, 1966, the projected de-luxe hotel under the name of "Premier Hotel", was officially opened by His Excellency the Military Governor of Western Nigeria, Col. (as he then was) R.A. Adebayo. In order, so it was alleged, to give the new hotel a good start, the Lafia Hotel owned by the Western Nigeria Development Corporation, was closed down temporarily by the Management. The propriety of this course of action had been questioned, but it was understood that Lafia has now been reopened. For a variety of factors, it became apparent to the authorities of the Western Nigeria Development Corporation that all was not well with the Premier Hotel and that immediate action was required if a fair return was to be obtained for the huge capital investment in the project. This, indeed, was the raison d'etre for setting up our Committee.

CHAPTER I

Management Agreement with Federmann Enterprises (Overseas) Ltd.

4. On 12th September, 1960, Mr. Ayo Akinsanya signed, on behalf of the Western Nigeria Development Corporation, a "Memorandum of Agreement" (hereinafter called the "Original Agreement") between the Western Nigeria Development Corporation and Federmann Enterprises (Hotel Division) Ltd., a company registered under the Laws of Israel. Later, this Agreement was revised and a new Agreement called "Revised Memorandum of Agreement" a copy of which is attached as Annexure I was entered into between Western Nigeria Development Corporation and Federmann Enterprises (Overseas) Ltd. and was signed in Ibadan on 18th April, 1964, by Prince D.A. Ademiluyi, then Chairman, on behalf of Western Nigeria Development Corporation. For the purpose of this exercise, it is the latter Agreement that is relevant. However, we must observe that there were substantial differences in some respects between the original and revised Agreement. For example, under clause 20 of the original Agreement, Federmann Enterprises was obliged to "make provision for adequate working capital for the efficient operation of the Hotel as a de-luxe Hotel in accordance with international standards; the entire cost of obtaining the required finance shall be the sole responsibility of Federmann Enterprises"..... But, in the revised Agreement, it was provided in clause 18 "Federmann Enterprises shall make provision for working capital as far as possible through the Lafia Hotel". We could find no satisfactory explanation for the change.

5. The Agreement falls broadly into two parts:

- (i) Supervision of the planning and construction of the Hotel;
- (ii) Management and operation of the Hotel after its opening.

It gives the general description of the Hotel as follows:

- (a) The Hotel will comprise 80 de-luxe rooms, each with private bathroom, 7 suites and one conference room.
- (b) The Hotel itself will include public rooms required by a de-luxe Hotel, such as bar, night club, lobby, swimming pool, and provided funds are sufficient, tennis courts and coffee shop.

(c) All mechanical equipment installed will be of new and of up-to-date standard and all inventories of highest quality, and international de-luxe Hotel design.

(d) Inner decorations are to consider the utmost use of Nigerian characteristics.

6. Supervision of the planning and construction of the Hotel:

Under this part of the Agreement the main obligations of the contracting parties may be summarised as follows:

Federmann Enterprises	W.N.D. Corporation
<p>(a) Supervision of the drawings</p> <p>(b) Advice on laundry installation, lighting effects, internal sound system, airconditioning, kitchen and restaurant design, accoustical characteristic of public areas, cold storage rooms, built-in refrigerators etc.</p> <p>(c) Supply of all necessary equipment, installations, furnishing and all other inventories required for the Hotel.</p> <p>(d) Planning the interior decoration, furnishing and all required installation of the Hotel.</p> <p>(e) Adequate advertisement and publicity for the Hotel</p> <p>(f) Arrangement of training of Nigerian personnel as waiters, desk, kitchen, Hotel accounting and stores personnel etc., in Israel.</p> <p>(g) Assignment of a Manager to the Hotel six months before opening.</p>	<p>(a) Payment to Federmann Enterprises consultants' fees of 2% of the cost of the Hotel building plus 2% of the cost of equipment and furnishing.</p> <p>(b) Income Tax of up to £3,700</p> <p>(c) Reimbursement of Federmann Enterprises for travelling expenses of experts, training of Nigerians abroad, pre-opening publicity, salaries of experts, remuneration of and salaries of Nigerian personnel, before opening etc. (total estimate £23,250)</p>

7. Management and operation of the Hotel: The obligations of the parties in this respect are as follows:

Federmann Enterprises	W.N.D. Corporation
<p>(a) Management of the Hotel as a de-luxe Hotel in accordance with international standards making maximum use of Nigerian personnel.</p> <p>(b) Management and operation of the Hotel until 1st November, 1970.</p>	<p>(a) Payment of a yearly amount equal to 33.3% of the gross profits of the Hotel, but not less than £9,000</p> <p>(b) Payment to be made at times and at the places denominated by Federmann Enterprises.</p>

Federmann Enterprises	W.N.D. Corporation
<p>(o) Option by mutual agreement to extend the period of the management for an additional period of two years six months before the expiration of the first period of agreement.</p> <p>(d) Keeping the books of the Hotel in accordance with accounting procedures prevailing in de-luxe Hotels.</p> <p>(e) Provision for working capital through the Lafia Hotel.</p> <p>(f) Furnish W.N.D.C. with monthly statement of profit and loss and annual statement of profit and loss certified by an independent firm of public accountants appointed by Western Nigeria Development Corporation.</p>	

Other provisions of a general nature relate to: appointment of an arbitrator by the International Hotel Association, Paris, in accordance with the Arbitration Law of Western Nigeria; right of Western Nigeria Development Corporation to assign and transfer of its rights and obligations to Nigerian public company with the consent of Federmann Enterprises, which consent shall not unreasonably be withheld.

8. From a careful consideration of the obligations of the parties indicated above, the conclusion is inescapable that, in terms of financial involvement, the Agreement had been weighted rather too heavily against the Western Nigeria Development Corporation. A few examples would suffice to illustrate this view:-

- (i) Supervisory Services: Under the Agreement, Western Nigeria Development Corporation was expected to pay to Federmann Enterprises as consultants' fees some £32,375 (3.5% of the total cost of the Hotel which was £925,000). There was no justification for Federmann to undertake supervision of construction because, as was represented to us, under Clause 6 of the Agreement with the contractors, Solel Boneh, adequate provision had been made for joint supervision by the architects and the Western Nigeria Development Corporation's nominee engineer. In addition, Nigersol's building operations normally make provision for supervision.

(ii) Cost of Advertisement, Training Nigerian Personnel abroad:

Being a separate project, the expenses involved in these areas should have been regarded as a proper charge on the Hotel because it should have been realised that the financial programme of the Hotel should be unrelated to that of any other body.

(iii) Working Capital: In the original Memorandum of Agreement, Federmann Enterprises were obliged to provide working capital, but this provision was deleted in the revised agreement. Instead, it was provided that Lafia Hotel, an on-going and independent project of the Western Nigeria Development Corporation, was saddled with the responsibility of finding working capital for the Premier Hotel. The motive for this change could not be entirely clean. The size of the funds needed was not disclosed, neither was consideration given to the ability of Lafia Hotel to provide the funds having regard to its own internal requirements. To make matters worse for the Western Nigeria Development Corporation, the managing agents closed down the Lafia Hotel prior to the opening of the Premier, indirectly making it incumbent upon the Western Nigeria Development Corporation to make working capital available. We were informed that a number of articles and fixtures were removed by Israeli personnel on the closure of Lafia Hotel. We were also informed that Western Nigeria Development Corporation would have to spend at least £1,000 to bring back Lafia Hotel to the previous level and standard of operations.

(iv) Management Fees: The minimum management fees of £9,000 per annum was on the high side having regard to the fact that the salaries of the Hotel staff, including the managerial staff, were to be borne out of the operational profits of the Hotel. The provision that the minimum amount should be carried over in the event of insufficiency of the profits of a previous year, is, in our view, unfair. It removes whatever incentives there might have been on the part of the Management to enhance the profitability of the Hotel. There is no safeguard in the

Agreement for W.N.D.C. that the minimum Management Fees of £9,000 per annum will not sink the Hotel, especially during the first year of operation.

- (v) Reimbursement for Group-services abroad: The financial arrangements under this section whereby £600 was to be remitted abroad monthly, should have been spelt out. Besides, the re-imbursable expenses ought to be made available to the Owners for scrutiny.

9. Having shown that the Management Agreement was loaded in favour of the Federmann Enterprises, it now remains for us to indicate the extent to which the managing agents have failed to fulfil their supervisory and management obligations. Their major shortcomings in this respect are itemised below:-

- (i) According to the construction plan, chains of rooms similar to those in the first floor were planned for the fifth floor. But instead of rooms, suites and a conference room were built.
- (ii) The air-conditioning installation is faulty, difficult to maintain and expensive to run. This is because the two compressors are made to work simultaneously instead of alternating, resulting in high fuel consumption. Whenever the two compressors break down, hotel activities automatically come to a standstill.
- (iii) The Hotel is very defective in several respects. For example, there are cracks all over the building, and some parts are already leaking very badly.
- (iv) In selecting equipment for an expensive hotel like the Premier, due account ought to have been taken of economy in running, simplicity of assembly, economy of space, efficiency of the machines, time-saving devices, availability of essential parts etc. This has not been so, and it is virtually impossible to repair the ice-cream making machine, the built-in refrigerators, accounting machine and even pressing irons, if they broke down.
- (v) Under the construction Agreement, the contractors were expected to build a laundry section in the Hotel. Although there is a space allocated for this at the basement, only two washing machines, both out of order, could be found there. At the present moment, the Hotel employs

the services of an outside laundry firm - "Same-day Cleaners (Ibadan) Ltd." which, in our opinion, are neither satisfactory nor economical.

(vi) Washing up facility is a basic necessity in a hotel in order to cope with the flow of washing arising from parties and daily catering. The non-installation in the Premier Hotel of a proper dish washing machine is a serious omission.

10. In view of the deficiencies highlighted in the preceding paragraph, the Committee considers that immediate action should be taken as follows :-

(i) that a competent and professionally qualified person in the field of laundry industry, e.g. Mr. Williams of the University of Ibadan Hospital, should be approached with a view to obtaining his expert advice on the establishment and running of a proper laundry section in the Hotel;

(ii) that an approach should be made to the Ministry of Works and Transport so that a qualified engineer and an architect could be commissioned to study the Construction and Management Agreements in order to determine whether or not the plan and the specifications have been complied with in all respects;

(iii) that a qualified engineer with at least three years' practical post-qualification experience, should be recruited immediately to ensure the proper functioning of the air-conditioning plant and other mechanical appliances in the Hotel.

11. The Committee is also of the opinion that the Agreement is very oppressive on the Corporation and recommends that the option to renew the Agreement should not be exercised in favour of Federmann in 1970.

CHAPTER 2

WORKING CAPITAL

12. To sustain any project or enterprise that involves operations after it is established requires capital in addition to that represented by long-life properties. This portion of the investment is generally referred to as "working capital" and is characterised by assets that are subject to frequent, perhaps daily, fluctuations in amount. Working capital must be sufficient to provide for adequate inventory, credit to customers, prepayment of certain obligations such as insurance, and cash (in bank or till), or liquid securities to meet financial obligations as they arise.

13. In the ordinary investment, the most important safeguard that a managing or investment group will not allow a project to fail is the simple fact that they have a substantial stake in it. This stake can take the form of an equity investment or - in the case of a proper management contract - a management contract formula that makes remuneration to management contingent upon successful financial performance of the project. For the Premier Hotel, such a safeguard does not exist. As has already been pointed out, the managing agents made no adequate provision for working capital with the result that Western Nigeria Development Corporation had to give an advance of £16,000 to the Hotel after the Barclays Bank had declined to approve a loan of £20,000 as working capital. At the time of our investigation, an additional loan of £4,000 by the Western Nigeria Development Corporation was being contemplated. It is a poor commentary on the business practice of Federmann Enterprises that at a time when the Premier Hotel was in dire need of working capital they were busy remitting £750 per month to Israel as commissions or management fees! In spite of the credit by the W.N.D.C., we were informed that the Hotel was still experiencing financial difficulties and could not pay its creditors regularly. As at 28th February, 1967, the bank balance stood at only £302. 7s. 11d. This is a most unsatisfactory state of affairs for a de-luxe hotel like the Premier.

14. Because the Premier Hotel has operated for less than a year, it is not easy to have a realistic estimate of either revenue or expenditure. However, we were informed that rough annual estimates of revenue and expenditure were of the order of £167,922 and £145,040 respectively. The estimated surplus of £22,882 of revenue over expenditure does not take into consideration depreciation of fixed assets. There is, of course, the question of time lag before cash starts to roll in from all operations.

15. It is evident that no general rule of thumb can be prescribed for estimating working capital needs of an enterprise. Experience or statistical information about the type of enterprise is the usual basis, but neither of this was available in respect of the Premier Hotel owing to its rather recent establishment. Management policy may, therefore, aim at an amount equal to a specified percentage of income, operating cost, or other criteria. The amount of anticipated income (volume of business) may be the best criterion

for a service business like a hotel. In all the circumstances, our committee is of the view that the sum of £35,000 to £40,000 is an adequate and realistic working capital for the Premier Hotel, but this should be kept under constant review.

16. It is recommended that since Lafia Hotel is unable to provide working capital for the Premier Hotel as envisaged, Federmann Enterprises and the Western State Development Corporation should hold consultations as to how the original intention could be fulfilled. In addition, the Corporation should arrange that one of its officers should be a signatory to all cheques issued by the Premier Hotel.

CHAPTER 3

Rates and Charges

17. The rates currently charged in the Hotel are as follows:

	<u>Hotel Tariff</u>	
Single Room	-----	£4. 10. 0d
Double Room	-----	£7. 10. 0d
Suite	-----	£12. 0. 0d
Luxury Suite	-----	£15. 0. 0d
Luxury Apartment	-----	£20. 0. 0d
Extra Cot	-----	£1. 10. 0d
Extra Bed	-----	£2. 10. 0d

(Early coffee or tea and continental breakfast included in Room price)

Meals

Luncheon	-----	17/6d
Dinner	-----	21/-

(A service charge of 5% is added to all prices)

18. The Hotel began business operations in August, 1966. For the first six months - August, 1966 to January, 1967 - actual revenue was £84,820. The breakdown is as follows:

	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>JAN.</u>	<u>TOTAL</u>
Rooms	£4,197	4,241	5,005	5,412	3,649	4,990	27,494
Food	4,677	4,286	5,413	5,524	5,647	4,994	30,541
Beverages	3,461	3,139	3,999	3,664	4,036	3,011	21,310
Telephone	120	140	331	178	129	148	1,046
Swimming Pool	-	-	260	397	326	316	1,299
Gate Fees	-	-	260	397	326	316	1,299
C/F.	£13,455	11,806	15,008	15,175	13,787	13,459	81,690

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	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>DEC.</u>	<u>JAN.</u>	<u>TOTAL</u>
B/F	£13,455	11,806	15,008	15,175	13,787	13,459	81,690
Guest Laundry	75	88	136	131	56	124	610
Night Club Gate Fees	-	31	59	35	116	99	340
Miscellaneous	119	1,779	123	89	45	25	2,180
	<u>£12,649</u>	<u>13,704</u>	<u>15,326</u>	<u>15,430</u>	<u>14,004</u>	<u>13,707</u>	<u>£84,820</u>
	=====	=====	=====	=====	=====	=====	=====

From the foregoing, it will be seen that revenue was rising from August to November, but started to drop from December. One possible explanation for this unsatisfactory state of affairs is the present political crisis in the country which has affected the flow of local and overseas visitors to Ibadan.

19. The estimated revenue for the remaining six months - February to July, 1967, was given as £83,103. Thus, total revenue for a calendar year (actual revenue for six months and estimated revenue for another six months) was of the order of £167,922. On the other hand, the Hotel's budget for the financial year 1st April 1967 to 31st March, 1968 gave a figure of £168,140 as expenditure. Assuming that revenue for the same period would be no more than £167,922, it means that there would be a budget deficit of £218.

20. The rentability calculation which was estimated by Federmann Enterprises as 75% of annual room occupancy is, in the opinion of our Committee, a very ambitious estimate which can be very misleading, for it does not compare at all with the actual figures.

21. In our view, the operating costs are on the high side and we believe that it is possible to reduce them considerably without adverse effects on total output and the level of operations consistent with efficiency and good service. But, it will be unrealistic to suggest a cut in the present rates and charges whilst the current political situation persists and whilst definite measures have not been taken to reduce operating costs. In the meantime, we feel unable to recommend any changes in the rates and charges, but the position should be reviewed as soon as practicable.

CHAPTER 4

The Accounting System

22. One of the features of a good accounting system is that it should make the discovery of fraud easy through effective control of expenditure and cash. The accounting forms currently in use in the Hotel are quite satisfactory, but will be more so with some modification and adaptation of the ones in use

by the Nigeria Hotels Limited of Lagos. The Chief Accountant of the W.N.D.C. is looking into this. However, the Committee is of the view that the current method of checking could be improved upon by the establishment of a control section and the introduction of the triplicate Order/Bill and Cash Register system in the Restaurant and the Services Department. According to the system, every diner should have a bill and any goods received must be accompanied by an Order chit, and they should be counter-checked by a member of the control section. In addition, it is suggested that, as a precautionary measure, the staff of the control section should rotate and cash registers should be available in all places in the Hotel where sales are made - the Bars, Coffee Shop, Restaurant, Reception Desk etc. Finally, it is recommended that the appropriate accounting records should indicate details of Revenue and Expenditure as shown in Annexure II and Annexure III respectively to this report.

23. Our committee would also like to see more frequent stock taking and stock control of the Hotel's Retail Bars.

CHAPTER 5

Publicity

24. As the General Manager of the Hotel who apparently handles publicity himself was out of the country at the time of our investigation, it was not possible to determine the adequacy or otherwise of publicity arrangements. It was possible that some kind of publicity overseas was undertaken just before the Hotel was officially opened. But since a Hotel of this nature would depend to a large extent on the patronage of overseas visitors, we consider that publicity should be regarded as a continuous process. Accordingly, it is recommended that a reasonable sum should be voted annually for local and overseas publicity, but a very watchful eye should be kept on this vote to prevent over-expenditure. In publicising the Hotel overseas, the services of Nigerian diplomatic missions abroad should be used. In places where the country has no embassies, it may be appropriate to employ the services of agents. In the first case, the Management of the Hotel should deposit brochures and information leaflets about the Hotel with Nigerian missions. Within Nigeria, use should be made of the various media of information. In the final analysis, however, a hotel would be giving itself good publicity to the extent it succeeds in providing prompt and efficient service.

CHAPTER 6Staff Requirements, Qualifications and Salaries

25. It is almost an axiom that the well-being and effectiveness of any establishment depends very largely on the quality, devotion, efficiency and vision of the men and women who are entrusted with the management of its affairs. This is more so in the case of a luxury hotel like the Premier whose main objective and pre-occupation should be to give maximum satisfaction to customers.

For effective organisation and operation, we suggest that the Hotel should be divided into the following main Departments :-

- | | |
|--|---|
| (i) Management/Administration Department | |
| (ii) Accounts | " |
| (iii) Catering | " |
| (iv) Maintenance | " |
| (v) Reception | " |
| (vi) Housekeeping | " |
| (vii) Kitchen | " |
| (viii) Stores | " |
| (ix) Swimming Pool | " |
| (x) Laundry | " |
| (xi) Security | " |
| (xii) Gardens | " |

26. Before making recommendations on what we consider to be optimum staff for the departments mentioned in the preceding paragraph, we wish to make some observations on the following posts and departments in the current establishment and set-up of the Hotel:

- (a) General Manager: The Agreement provides for the post of a "Manager" to be assigned by Federmann Enterprises but not "General Manager". It will be better to stick to the agreed nomenclature - "Manager". The present incumbent is an expatriate - Israeli. While not questioning the professional competence of the General Manager, we consider his total emoluments, made up as follows, to be on the high side:

Salary (tax free)	£3,120 per annum
Vehicle Allowance	500 " "
Children's Allowance	480 " "
Tax (estimated and paid by the Hotel)	<u>1,250</u> " "
	£5,350
	=====
	=

It was represented to us that every expatriate staff receives a motor vehicle allowance of £500 per annum. We can find no justification for this practice which should be stopped forthwith. Instead, the Hotel should buy a motor vehicle which should be placed at the disposal of expatriate and other management staff for the efficient performance of their duties. As soon as practicable the post of Manager should be nigerianised, but the Nigerian holder of the post should have the necessary professional qualifications and experience. In addition, he must possess good appearance, human relations, patience, politeness and such other qualities that can enhance the personality of a Manager.

(b) Assistant General Manager: In view of the comments in (a) above, this post should be re-designated "Deputy Manager". Within the establishment the Deputy Manager is an obvious choice for the post of Manager. As such, he must possess all the attributes of a Manager, the same professional qualifications, but less number of years of experience. At the time of our investigation, there was no substantive holder of the post of Assistant General Manager, but Mr. Ariyo was in post in an acting capacity. We were informed that he was to serve a probationary period of six months. From what we saw of him during the exercise, we are constrained to record that the totality of his personality casts a great deal of doubt as to his suitability and possible effectiveness as a future Manager of a hotel of the size and importance of the Premier. We would, therefore, like to recommend that, having regard to his qualification and experience, Mr. Ariyo should be made a Catering Manager.

(c) Catering Manager: The current holder of the post is an expatriate - an Israeli-but on conversion of Mr. Ariyo, he (the expatriate) should be redesignated "Catering Instructor".

(d) Assistant Catering Manager: The present establishment provides for two Assistant Catering Managers, one of whom, a Mr. Macaulay, has neither educational nor professional qualifications. Having regard to his background, the Committee is left in no doubt that the advancement of Mr. Macaulay to the post was designed to annoy away the other qualified man, Mr. Ogundana. A Catering Manager must possess a recognised hotel and catering certificate with at least three years' experience. In the circumstances, we recommend that Mr. Macaulay's post be redesignated "Restaurant Supervisor" since he is, in fact, a Head Waiter in charge

of the Restaurant.

- (e) Accounts Department: At the present moment, the head of the Department is the Hotel Accountant who, it is understood, has no professional qualifications in accounting. We are of the view that, as a matter of urgency, a Chief Accountant should be appointed in view of the increasing volume of work in the Hotel, and having regard to the fact that the accounts of the Lafia Hotel would have to be supervised by the Accounts Department of the Premier Hotel. The appointee must be professionally qualified - a member of the Institute of Chartered Accountants or the Association of Certified and Corporate Accountants with at least three years' post-qualification experience. There should also be an Internal Auditor and one Assistant Hotel Accountant whose qualifications should not be lower than the Intermediate A.C.A. or A.C.C.A. or A.C.I.S. with accountancy as a special subject. For the post of Accounting Assistant, the minimum qualification should be the Intermediate A.C.I.S. or A.C.C.S. There are too many Accounting Assistants in the establishment, and it is recommended that Accounting Assistant Grade II should be reduced from 3 to 2 and that 4 Accounts Clerks grade I should now be employed instead of the present 5 Accounts Clerks grade II. This will enhance the efficiency and performance of the department because grade II Accounts Clerks are regarded as having no accounting knowledge and experience. The posts of messenger and typist currently included in the Accounts Department should be transferred to the Management/Administration Department. The post of a Clerical Assistant in the Department is superfluous; immediate action should be taken either to transfer the holder to another section or dispense with her services.
- (f) Maintenance Department: We were informed that the contract of the expatriate Chief Engineer has expired and that a Mr. Adunmi of the W.N.D.C. had taken over from him as a temporary measure. It was observed that the air-conditioning plant had not been properly handled by the expatriate Engineer and this negligence had resulted in frequent breakdowns. The Committee deplores the unsatisfactory manner in which this important arm of the Hotel is being run and recommends that an early action be taken to arrest the situation. Accordingly, it is strongly recommended that a qualified Engineer with at least three years' practical experience in refrigeration and air-conditioning, should be appointed immediately.

The post of "Chief Engineer" should be redesignated "Engineer" whilst that of "Clerk of Works" should be called "Assistant Engineer". A new post - Fitter Mechanic (Refrigeration) - should be created to replace the existing post of "Aircondition Attendant".

- (g) Reception Department: In most hotels, the Reception Department consists mainly of "Reservation", "Enquiries", and "Cash" branches. It is, therefore, suggested that the 4 machinists shown in the Accounts Department should be transferred to the Reception Department. In the current establishment there is provision for one Front Office Manager and one Assistant Front Office Manager. It is recommended that these two posts should be redesignated "Reception Supervisor" and "Assistant Reception Supervisor" respectively. The basic educational qualification for the two posts should be the West African School Certificate or its equivalent; proficiency in a foreign language e.g. French, and good personality would be additional advantage. Included in the establishment are two Lift Attendants, but since most guests and visitors to the Hotel are educated people and could operate the lifts, there is no need for the post. Accordingly, the post should be converted to that of "Luggage Porter" and the incumbents should stand outside the Hotel to help the guests with their luggage. It is also recommended that 3 Doormen selected from the existing Security Guards with some education and good physique and appearance, should be attached to the main Hotel entrance. The present Bell Boys should be redesignated "Hall Porters".
- (h) Housekeeping Department: The post of "Chief Housekeeper" should be redesignated "Housekeeper" whilst the number of Assistant Housekeepers should be reduced from 2 to 1. The minimum qualification for the post of Housekeeper should be the appropriate City and Guilds or similar approved professional certificate. Room stewards should be holders of at least either the Primary Six Certificate or the Secondary Modern III Certificate.
- (i) Kitchen Department: It is alleged that the total emolument of the Chief Cook is of the order of £3,140. Whilst the importance of the job is appreciated, the remuneration would appear to be on the high side, and a review is accordingly recommended. The post of Chef Pattissiere is currently held by an expatriate but it is believed that suitably-qualified Nigerians are available. Arrangements should be made to recruit a Nigerian at the expiry of the contract of the present holder of the post.

In order to facilitate quick service, it is recommended that the number of Commis Cooks be increased from 2 to 4. It is also recommended that all Cooks in the Hotel should be literate.

- (j) Stores Department: The present arrangement whereby the Store is placed under the Accounts Department is not considered satisfactory. In view of its size, and in keeping with the practice in similar establishments, the Stores should be a separate Department completely detached from the Accounts. In order to cope effectively with the duties and responsibilities of the Stores Department, the staff should be increased from 2 to 5 with a Stores Supervisor as the head.

27. We now proceed to suggest optimum staff requirements for each of the departments referred to in paragraph 25 above.

(i) Management/Administration Department

- 1 Manager
- 1 Deputy Manager
- 1 Confidential Secretary/Stenographer
- 1 Staff Clerk
- 2 Assistant Staff Clerks
- 1 Typist
- 1 Messenger

(ii) Accounts Department:

- 1 Chief Accountant
- 1 Internal Auditor
- 1 Assistant Hotel Accountant
- 1 Accounting Assistant Grade I (Cashier)
- 2 Accounting Assistants Grade II (Chief Checker)
- 4 Accounts Clerks Grade I (i.e. Head Control Clerks)
- 8 Checkers (i.e. Control Clerks)

(iii) Catering Department:

- 1 Catering Manager
- 1 Deputy Catering Manager (now post)
- 1 Assistant Catering Manager
- 1 Restaurant Supervisor
- 4 Head Waiters
- 4 Waiters
- 19 Demi-Waiters

- 10 Waitresses
- 8 Commis
- 4 Staff Canteen Attendants
- 1 Chief Barman
- 1 Wine Waiter
- 6 Barmen
- 2 Bar Pantrymen
- (iv) Maintenance Department
 - 1 Engineer
 - 1 Assistant Engineer
 - 1 Foreman
 - 1 Electrician Grade I
 - 1 Electrician Grade II
 - 2 Electricians Grade III
 - 1 Plumber
 - 1 Painter
 - 1 Fitter Mechanic (Refrigeration) (new post)
 - 2 Drivers
- (v) Reception Department
 - 1 Reception Supervisor (female)
 - 1 Assistant Reception Supervisor (female)
 - 1 Receptionist Grade I
 - 3 Receptionists Grade II
 - 1 Telephone Supervisor (male)
 - 6 Telephone Operators
 - 4 Machinists
 - 5 Bell Boys (i.e. Hall Porters)
 - 2 Porters (i.e. Luggage Porters)
 - 3 Doorman
- (vi) Housekeeping Department:
 - 2 Housekeepers
 - 1 Assistant Housekeeper
 - 1 Room Steward Grade I
 - 5 Room Stewards Grade II
 - 11 Demi Room Stewards
 - 10 Commis Room Stewards

(vii) Kitchen Department

- 1 Chief Cook
- 1 Pattissiere
- 2 Assistant Chief Cooks
- 3 Cooks Grade I
- 5 Cooks Grade II
- 9 Demi Cooks
- 4 Commis Cooks
- 17 Pantry Boys

(viii) Stores Department

- 1 Stores Supervisor
- 2 Storekeepers (cold store and provisions)
- 1 Storekeeper (non-trades & linen)
- 1 Storekeeper (liquour/empty containers store)

(ix) Swimming Pool Department

- 3 Life Guards
- 2 Swimming Pool Cashiers
- 1 Swimming Pool Cleaner
- 2 Garden Labourers

(x) Laundry Department

- 1 Laundry Mistress
 - 1 Laundry Attendant
- } Pending the installation
of laundry equipment

(xi) Security

- 1 Security Officer
- 1 Security Guard.

Note: For the general cleanliness of the Hotel surroundings, it is recommended that 3 Garden Labourers should be employed.

28. Although we are requested by our terms of reference to examine the present salary structure and to recommend necessary changes, it must be admitted that this aspect of the exercise is a tricky and highly specialised one, and we would not essay to have the necessary expertise. Except where already indicated, the present salary structure is, by and large, reasonable. However, having indicated the basic qualifications and experience required for a number of posts in the Hotel, we consider that the Management and the Western Nigeria Development Corporation should be able jointly to work out appropriate salaries using,

wherever possible, the structure in similar hotels (e.g. Nigeria Hotels Limited) for similarly-graded posts, as guide.

CHAPTER 7

Conditions of Service

29. Because of its newness, there is at the moment no approved Staff Regulations governing appointments, promotions, discipline and other conditions of service of the staff. As an alternative, the Management has, whenever necessary, been guided on staff matters by the service conditions prevailing in the Western Nigeria Development Corporation. This arrangement is not quite satisfactory having regard to the peculiar circumstances and nature of operations of the Premier Hotel. A more satisfactory arrangement is to adopt with necessary modifications, the conditions of service in an organisation performing functions similar to Premier's. This is what we have tried to do. Attached as Annexure IV to this report is a Junior Staff Rules, Regulations and Conditions of Service. Also attached as Annexure V is a letter of offer of appointment form embodying conditions of service for the Senior Staff. This can be later expanded into a Senior Staff Regulations and Conditions of Service.

30. Free Meals: We were informed that it is normal practice in hotel business that some senior staff should have free meals while on duty.

We have no reason to dispute the necessity for this practice, but we are alarmed at the number of staff enjoying this privilege in the Premier Hotel and its implications on operating costs. As represented to us, nearly 50 members of staff - both senior and junior - are involved. We recommend that this generous practice should be curtailed forthwith and only the following senior staff and important Heads of Departments should be allowed to have free meals while on duty :-

- (a) Manager
- (b) Deputy Manager
- (c) Chief Accountant
- (d) Assistant Hotel Accountant
- (e) Catering Manager
- (f) Deputy Catering Manager
- (g) Assistant Catering Manager
- (h) Chief Cook

- (i) Patisserie
- (j) Housekeeper
- (k) Engineer
- (l) Reception Supervisor
- (m) Restaurant Supervisor

CHAPTER 8

General Matters

31. (i) Supervision of the hotel

At the time of our investigation, we were informed that neither the General Manager nor the Chief Engineer was residing in the hotel. The Committee would like to recommend that, as a precautionary measure, arrangement should be made for either the Manager or the Engineer to live in the hotel so that he can be within easy reach at times of emergency.

(ii) Effective control of the Hotel by the Western Nigeria Development Corporation:

With the present set-up in the Hotel, the means by which the W.N.D.C. can exercise control, especially financial control, are very limited because the Management is not directly responsible to the Corporation. In the short-run, it is recommended that the Corporation should insist on Federmann Enterprises fulfilling its legal obligations under the following important clauses of the Agreement:

(a) Clause 11: Adequate advertisement and publicity of the Hotel in various parts of the world to obtain recognition before and after opening until the expiry of the Management Agreement on 1st November, 1970. The Corporation should have its own criteria for determining what is "adequate".

(b) Clause 12: Training of Nigerian personnel:

It is not sufficient that trainees in different departments of the Hotel should be jointly chosen by the Corporation and Federmann Enterprises. The Management must be requested to draw up a realistic training programme covering a period of, say, three years which should be approved by the Corporation.

Such a programme must be seen to satisfy the two main objectives of training - to increase the efficiency and productivity of an officer in the post currently held by him, and to prepare him for higher responsibilities leading to promotion.

(c) Clause 15: Here the Federmann Enterprises is expected to "operate the Hotel under its management as a de-luxe Hotel in accordance with international standards, maximum use of Nigerian personnel to be made". What constitutes "international standards" should be agreed upon and any departures should be pointed out. Also the Corporation should ensure that lip service is not paid to nigerianisation by constantly reviewing the staff situation.

(d) Clause 19: Under this clause, the managing agents are expected to furnish the Corporation "with a statement of profit and loss for each month of operation of the Hotel and an annual statement of profits and loss certified by an independent firm of qualified public accountants appointed by Owners". This provision is extremely important and the Corporation should pay special attention to the monthly statement of accounts and ensure its regular rendering.

In the long-run, that is, before 1st November, 1970, it is suggested that the Corporation should evoke the provisions of Clause 22 of the Agreement by turning the Hotel into a public limited company with about five members on its Board of Directors. The Board should consist of a Chairman appointed by the Owners, i.e. W. N. D. C. a representative of the Federmann Enterprises Ltd., and three other Nigerians of high repute appointed by the Corporation, one of whom should be conversant with the management and running of hotel business.

(iii) Uniforms: Criticisms abound about the unattractiveness of the uniforms, especially those of the waiters, in the Hotel. Our recommendations in this regard, communicated to the Chairman in May last, are as follows:

(a) Waiters:

White drill buba and "soro" trousers made to the following specifications:

(i) Buba: Round neck with long sleeves but buttonless to facilitate easy laundering and embroidered round the neck,

at the tip of the sleeves and top of the pockets.

- (ii) Trousers: Native "soro" (with two side pockets) which would taper downward so as to rest neatly on shoes. Black court shoes, maroon coloured "Awo" fez cap.

(b) Barmen:

Black trousers, white shirts, black shoes, black long ties and white jackets.

(c) Bedroom Stewards:

- (i) Khaki knickers and buba for cleaning
(ii) White tunic and black trousers for serving.

(d) Doormen:

Caftan, trousers, shoes and native caps embroidered with gold or silver all round.

(e) Waitresses:

Retain existing uniform but abolish the wearing of wigs and socks. Hair plaiting should replace wigs.

(f) Cleaners:

Khaki knickers and buba.

(g) Clerical Staff: (in the public eye, e.g. receptionists)

Black trousers, white long sleeve shirts, black long ties and black shoes.

- (iv) Statue: The Premier Hotel is located in one of the most beautiful sites in Ibadan. Because of the topography of the area, a statue will certainly add to the glamour and dignity of the surroundings. Accordingly, it is recommended that the statue of the first Military Governor of Western Nigeria, the late Lt.-Col. Francis Adekunle Fajuyi, M.C., who was originally scheduled to perform the official opening of the Hotel on 3rd August, 1966, should be erected in front of the building not far from the main car park. As for mural designs in the hotel, it is suggested that these should reflect the culture and artistic work of the Western State.

- (v) The Ikeja Restaurant: Although the Committee was asked "to examine the desirability of establishing a restaurant at Ikeja", it was understood that work had in fact started on this project before our Committee was appointed. We were also informed that the proposal to build the restaurant was never discussed at any of the meetings of the Corporation Board. Apart altogether from the question of viability of profitability of the project, we can hardly understand why it was at all thought necessary for the W.N.D.C. to establish a restaurant in a quiet residential area like Ikeja. We feel unable to support such a project, and we recommend that it should be stopped forthwith.
- (vi) Lafia Hotel: As already stated, it was alleged that this Hotel was closed by the managing agents shortly before the Premier began operations and that the closure did not receive the approval of the Corporation Board. We were also informed that the Israeli personnel in the Hotel removed a lot of fixtures and materials, including ceiling fans, air-conditioners, crockery, beds, beddings etc., and that a list of the articles so removed had been submitted to the Corporation. These are serious allegations which should be investigated and appropriate action taken against the culprits.
- (vii) Car Hire Agreement with Incar Motors: Owing to the absence from Ibadan of the Premier Hotel's Israeli General Manager at the time of our investigation, it was not possible to know all the facts about this Agreement. However, it was understood that the Hotel is obliged to pay to Messrs. Incar Motors £600 annually for the car hire service. While we are not in a position to question the necessity for the service, we are in doubt as to whether the arrangement is entirely satisfactory from the point of view of the Premier Hotel. Even if it is desirable to have a car hire service, we believe that, other things being equal, it would be preferable to make use of the National Motors which is owned by the State Government. The Corporation should look into this matter and effect necessary changes as soon as possible.

Summary Of Recommendations

32. We summarise below our recommendations:-

- (i) Approach to Mr. Williams of the University College Hospital for his expert advice on the establishment and running of a proper laundry department in the Hotel.
- (ii) Request Ministry of Works & Transport for an engineer and an architect to study the construction and Management Agreements to determine the extent to which the plan and specifications of the Hotel have been complied with.
- (iii) Recruitment of a qualified Engineer with at least three years' practical experience in refrigeration and air-conditioning.
- (iv) Provision of the sum of £35,000 to £40,000 as working capital, but the amount should be kept under constant review.
- (v) Retain the present rates and charges, but undertake a review as soon as practicable.
- (vi) Establish a control section in the Accounts Department and introduce the triplicate system of order sheet in the Restaurant Department.
- (vii) Provision of cash registers in the Bar, Coffee Shop, Restaurant, Reception Desk etc.
- (viii) Appropriate accounting records should indicate details of Revenue and Expenditure as shown in Annexures II and III
- (ix) Vote a reasonable sum annually for local and overseas publicity.
- (x) Make use of Nigerian missions abroad in publicising the Hotel.
- (xi) Divide the Hotel into twelve departments as indicated in paragraph 25 for effective organisation and operations.
- (xii) Stop forthwith the £500 per annum vehicle allowance paid to each expatriate staff of the Hotel. Instead, the Hotel should buy a motor vehicle for the use of the expatriate and other management staff.
- (xiii) The post of Manager should be nigerianised as soon as practicable.
- (xiv) Mr. Ariyo to be redesignated Catering Manager and the present expatriate holder of the post to become Catering Instructor.

- (xv) One of the two posts of Assistant Catering Manager should be redesignated "Restaurant Supervisor" to accommodate Mr. Macaulay who has no educational or professional qualifications for the post of Assistant Catering Manager.
- (xvi) Appoint a professionally qualified person as Chief Accountant of the hotel.
- (xvii) Reduce Accounting Assistant Grade II by one and replace the current 5 Accounts Clerks Grade II with 4 Accounts Clerk Grade I.
- (xviii) Transfer the messenger and typist in the Accounts Department to the Management/Administration Department.
- (xix) Transfer the Clerical Assistant in the Accounts Department to another section or abolish the post.
- (xx) Transfer the 4 machinists from Accounts to the Reception Department.
- (xxi) Redesignate "Front Office Manager" and "Assistant Front Office Manager" as "Reception Supervisor" and "Assistant Reception Supervisor" respectively.
- (xxii) Lift attendants should be converted to luggage porters.
- (xxiii) "Chief Housekeeper" should be called "Housekeeper" and reduce the number of Assistant Housekeepers by one who can be utilised at the Lafia Hotel, if required.
- (xxix) Review the remuneration of the Chief Cook.
- (xxv) Nigerianise the post of Pattissiere
- (xxvi) Increase the number of Commis Cook from 2 to 4
- (xxvii) Create a new Stores Department under the headship of a Stores Supervisor and increase the establishment from 2 to 5.
- (xxviii) Optimum staff requirements should be as in paragraph 27 of the report.
- (xxix) The Management of the Hotel and the Western Nigeria Development Corporation should jointly work out appropriate salaries using as guide, the structure in similar hotels (e.g. Nigeria Hotels Ltd.) for similarly graded posts.
- (xxx) Conditions of service for both junior and senior staff should, with necessary modifications and expansion, be as in Annexures IV and V.

- (xxxix) Only the 13 officers mentioned in paragraph 30 of the report should be entitled to free meals while on duty.
- (xxxii) Interim measures for the effective control of the Hotel by Western Nigeria Development Corporation should take cognizance of the suggestions in paragraph 31(ii).
- (xxxiii) Before 1st November, 1970, the Western Nigeria Development Corporation should evoke the provisions of Clause 22 of the Agreement relating to turning the Hotel into a public limited company. | X
- (xxxiv) The company proposed in (xxxiii) above should consist of five members, one of whom should be knowledgeable in the management and running of hotel business. | X
- (xxxv) The uniforms of the hotel staff should be re-designed as suggested in paragraph 31(iii) of the report.
- (xxxvi) The statue of the late Lt.-Col. Francis Adekunle Fajuyi M.C., should be erected in front of the Hotel.
- (xxxvii) Work on the proposed Ikeja restaurant should be stopped forthwith.
- (xxxviii) Investigations should be conducted into the allegation that Israeli personnel removed fixtures and other valuable articles from the Lafia Hotel.
- (xxxix) Review of the alleged car hire service Agreement with Incar Motors.
- (XL) Invoice of all furniture and other articles imported for the hotel to be demanded and an inventory taken to find out whether or not the actual goods shipped are now in use at the Hotel.
- (XLI) Arrangement to be made for either the Manager or the Engineer to reside in the Hotel.
- (XLII) Management Agreement should be abrogated on its expiration on 1st November, 1970.
- (XLIII) Corporation and Federmann Enterprises to hold consultations as to how original intention regarding provision of working capital by Federmann could be fulfilled.
- (XLIV) An officer of W.N.D.C. to be a signatory to all cheques issued by the Hotel.

REVISED MEMORANDUM OF AGREEMENT entered into between Western Nigeria Development Corporation (hereinafter called "Owners") of the one part, and Federmann Enterprises (Overseas) Limited, previously called Federmann Enterprises (Hotel Division) Limited, a Company registered under the Laws of Israel, the registered address of which is at 51, Heatzmout Road, Haifa, (hereinafter called "Federmann Enterprises") of the other part.

- (a) The Agreement made by the parties hereto on September 12, 1960 shall be called the "Original Agreement" and be revised as set out hereunder.
- (b) Whereas parties hereto have entered into a separate agreement with regard to the financing of equipping the Hotel shall be called the "Second Agreement".

WHEREAS the Owners are desirous of erecting and constructing at Ibadan a de-Luxe Hotel (hereinafter called the "Hotel"); and

WHEREAS the Owners are desirous that Federmann Enterprises shall supervise the planning and construction of the Hotel and shall manage and operate the Hotel after its opening in accordance with the conditions herein-after set out;

NOW, THEREFORE, the parties have declared and agreed as follows :-

1. The general description of the Hotel is set out in the Schedule attached hereto and marked Revised Schedule "A".
2. The total cost of the Hotel Project shall not exceed £925,000. out of said amount an amount of £156,000 - is destined for furniture, equipment and operating inventories. Said amount of £156,000. - does not include Architects and Hotel Consultants' Fees nor financing or any other expenses.
3. The Hotel will be constructed by Owners through Messrs Nigersol in accordance with the agreement made on 5th March, 1964 between Owners - Solel Boneh and Nigersol.
4. (a) Federmann Enterprises shall, on behalf of Owners, and subject to their concurrence, within one month from the determination of the site of the Hotel as aforesaid and after the signing of this agreement, instruct a qualified architect to be approved by Owners to draw the plans of the Hotel and will supervise the drawing of the plans and shall advise on the special and complex problems relating to Hotel design and construction such as laundry installation, lighting effects, internal sound system, air-conditioning, kitchen and restaurant design, accoustical characteristic of public areas, cold storage room built-in refrigerators as well as any other necessities of the Hotel. The fees of the architect shall be payable by Owners.
 (b) Owners have appointed Messrs; Amy Ltd. Haifa, Israel as the Architects for the Construction of the Hotel and Federmann Enterprises shall act as Hotel Consultants.
5. The plans and drawings of the Hotel shall be subject to approval of Owners and Federmann Enterprises.
6. Deleted.
7. Federmann Enterprises shall, subject to Owners concurrence, enter in the name of Owners and on their behalf into agreements with firms to be approved by Owners for the supply of all necessary equipment, installations, furnishing and all other inventories required for the Hotel.

8. Federmann Enterprises shall, subject to Owners concurrence in the name of Owners and on their behalf instruct interior architects and/or designers to be approved by Owners to plan the interior decoration, furnishing and all required installation of the Hotel in co-operation with, and under the supervision of, Federmann Enterprises experts. The fees of such architects and designers shall be paid by Owners.
9. (a) In consideration of the services to be rendered by Federmann Enterprises relative to the erection of the Hotel, supervision of its construction, equipment and furnishing as aforesaid, Owners shall pay to Federmann Enterprises Consultants fees equal to 2% of the cost of the Hotel building plus 2% of the cost of the equipment and furnishing provided the amount to be paid to Federmann Enterprises under this paragraph shall not exceed 3.5% of the total cost of the Hotel Project as defined in Clause 2 hereof but excluding the Consultants' Fees.
- (b) INCOME TAX on Balance of Consulting fees due as per 15.4.1964 in the amount of up to £3,750. - will be borne by the WNDC and will be paid on first request as/and when required by the Federal Inland Revenue on behalf of and for Federmann Enterprises.
10. In addition to the Consultants' Fees payable under paragraph 9 hereof, Owners shall reimburse Federmann Enterprises for the out-of-pocket expenses herein referred to incurred by Federmann Enterprises in discharging their duties under this Agreement. Travelling of experts shall be by economy-class transportation and Owners shall also arrange for their adequate insurance including medical insurance. Furthermore, it is agreed that experts and consultants of Federmann Enterprises to be assigned in connection with the construction of the Hotel shall be paid such expenses which shall include living, hotel, and in-town travelling expenses. Federmann Enterprises shall submit to Owners quarterly statements of account relative to the said out-of-pocket expenses.
11. Federmann Enterprises shall provide for adequate advertisement and publicity to the Hotel in various parts of the world to obtain recognition for the Hotel prior to opening and thereafter for the duration of the management hereinafter in clause 16 referred to.
12. Federmann Enterprises shall arrange for the training of Nigerian personnel, as waiters, desk, kitchen, Hotel accounting and stores personnel as well as for any other department in respect of which suitable candidates are available, at hotels in Israel, such trainees to be chosen jointly by Owners and Federmann Enterprises.
13. Owners shall reimburse Federmann Enterprises for the actual costs only incurred by them in connection with the matters referred to in clauses 11 and 12 hereof.
14. The Manager of the Hotel shall be assigned by Federmann Enterprises to Ibadan six months immediately before the opening of the Hotel in order to acquaint himself with the special local conditions of the Hotel. His salary and expenses to be advanced by Owners and reimbursed to them out of the operational profits of the Hotel.
15. Upon the completion of the Hotel, Federmann Enterprises shall operate the Hotel under its management as a de-Luxe Hotel in accordance with international standards, maximum use of Nigerian personnel to be made.
16. (a) The Hotel shall be managed and operated by Federmann Enterprises until 1st November, 1970.
- (b) Federmann Enterprises shall have the option by mutual agreement to extend the period of the management of the Hotel for an additional period of two years by giving notice to Owners not later than six months before the expiration of the first period of agreement.

17. (a) In consideration of managing the Hotel, Owners shall pay Federmann Enterprises a yearly amount equal to 33.3% of the gross operating profits of the Hotel (but not less than £9,000). Should profits of any given year not be sufficient or should there be no profit in any given year the annual minimum amount, or any unpaid part thereof shall be carried forward and be paid out of profits of succeeding years.
- (b) Out of abovementioned amount of £9,000. - the monthly payments of £600. - as per para. 2 of revised Schedule B will represent participation in re-imbusement of expenses incurred by Federmann Enterprises for Group-services provided by them abroad.
- (c) Gross operating Profits denote in standard Hotel accounting the profits remaining after all expenses incidental to the operating of the Hotel are charged against income, including salaries and wages, its equipment and furnishings, cost of sales promotions, advertisement, publicity and costs of operating insurance of all sorts.
- (d) Cost of fire insurance on building and contents, taxes, interest on capital investment and depreciation on buildings and other capital expenses (including expenses for the expansion of the Hotel) are not charged before the determination of the gross operating profits.
- (e) The books of the Hotel shall be kept in accordance with accounting procedures prevailing in de-Luxe Hotels and agreed upon by both parties and shall be open for inspection by both parties.
18. Federmann Enterprises shall make provision for working capital as far as possible through the Lafia Hotel.
19. Federman Enterprises shall furnish Owners with a statement of profit and loss for each month of operating of the Hotel and an annual statement of profits and loss certified by an independent firm of qualified public accountants appointed by Owners.
20. Payments to be made under this Agreement to Federmann Enterprises shall be effected by Owners at times and at the places set out in the Schedule attached hereto and marked Revised Schedule "B".
21. Any dispute between the parties relative to this agreement and the performance thereof shall be determined in Nigeria by an arbitrator to be appointed by the International Hotel Association, Paris, in accordance with the Arbitration Law for the time being in force in the Western Region of Nigeria.
22. Owners are entitled to assign and transfer their rights and obligations under these presents to a Nigerian Public Company, provided :-
- (a) such public company shall assume all the obligations of Owners emanating from these presents; and
- (b) the Government of the Western Region of Nigeria has control of the said Company;
- and further provided that for the duration of Management of the Hotel by Federmann Enterprises neither transfer nor allotment of shares shall be effected without Federmann Enterprises consent, which consent shall not unreasonably be withheld.
23. For the purposes of these presents the addresses of the parties shall be :
- (a) Owners - Western Nigeria Development Corporation,
Regional Headquarters,
IBADAN . NIGERIA.
- (b) Federmann Enterprises,
P. O. Box 596, HAIFA-ISRAEL.
- Each of the parties may change the above address by notifying the other party of the new address.

24. (a) Owners shall use their best endeavours to procure the necessary approvals required under the Laws of Nigeria to effectuate these presents.
- (b) Federmann Enterprises shall use their best endeavours to procure the necessary approvals required under the Laws of Israel to effectuate these presents.
25. These presents shall come into force on the 31st day of May, 1964 unless:
- (a) the Nigerian competent authorities have not issued before that date the required approval(s) including Western Nigeria Government's ratification of this revised agreement and notice to this effect has been given by Owners to Federmann Enterprises; and/or
- (b) the Israeli competent authorities have not issued before that date the required approval(s) and notice to this effect has been given by Federmann Enterprises to Owners;
- (c) should Owners fail to secure approvals as outlined in sub-para. (a) above and should this Revised Agreement consequently not come into force, Federmann Enterprises reserve their full rights as per the Original Agreement dated 12th September, 1960.
26. These presents shall be cited as "Ibadan Hotel Agreement".

In witness whereof the parties hereto have signed these presents at Ibadan, Western Region of Nigeria, this

(Sgd) D. A. Ademiluyi
Western Nigeria
Development Corporation.

(Sgd.) ? ? ?
Federmann Enterprises
(Overseas) Ltd.

Ibadan, 18th April, 1964.

REVISED SCHEDULE "A"

IBADAN HOTEL AGREEMENT - (CLAUSE 1)

1. The Hotel will comprise 80 de-Luxe rooms, each with private bath-room, 7 suites and one Conference room.
2. The Hotel itself will include public rooms required by a de-Luxe Hotel, such as Bar, Night Club, Lobby, Swimming Pool, and provided funds are sufficient, Tennis Courts and Coffee Shop.
3. All mechanical equipment installed will be of new and of up-to-date standard and all inventories of highest quality, and international de-Luxe Hotel design.
4. Inner decorations are to consider the utmost use of Nigerian characteristics.
5. A full and detailed description of the Hotel appeared in the plans and drawings of the Architects which were submitted and approved.

Consolidated copy of said plans and drawings is enclosed.

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REVISED SCHEDULE "B"

IBADAN HOTEL AGREEMENT - (CLAUSE 2)

1. Payments by Owner to Federmann Enterprises shall be made in free transferable Pounds Sterling to Federmann Enterprises' for transfer at payee's expense to Federmann Enterprises' Account at Barclays Bank D.C.O., Jerusalem, Israel!
2. Consultants' Fees under Clause 17 of the Revised Memorandum of Agreement shall be paid as determined in sub-para (a) and (b) below and these payments will be in addition to payments effected during period 12th September, 1960 - 15th April, 1964 amounting to £12,500. -.
 - (a) Twelve monthly payments of £1,500. - (One thousand and five hundred Pounds Sterling) each as from 1st May, 1965 totalling £18,000. -. (Eighteen thousands Pounds sterling).
 - (b) Balance within one month after date of opening of the Hotel in accordance with the Total cost under Clause 9 of the Revised Memorandum of Agreement.
3. Federmann Enterprises shall draw on account - under Clause 17 of the Revised Memorandum of Agreement from the Hotel an amount of £600.-.-. monthly which will be considered and will represent participation in reimbursement of expenses incurred by Federmann Enterprises for Group-Services provided by them abroad.
4. Reimbursement of out-of-pocket expenses incurred by Federmann Enterprises under the provisions of Clauses 10 - 13 of the Revised Memorandum of Agreement shall be effected on first request according to statements of account to be submitted to Owners.

5. Estimated forecast of various expenses:-

Travelling & Other various expenses	£4,000. -.
W.N.D.C.'s Income Tax responsibility re Hotel Consultant Fees	} 3,750. -.
Expenses in connection with the training of Nigerian Personnel Abroad	} 2,000. -.
Pre-opening Publicity/Stationery and other opening expenses	} 3,000. -.
Salaries and Travelling Expenses of Expa triate expert, remunerations and salaries of Nigerian Personnel during pre-opening period	} 5,500. -.
All Expenses in connection with all supplies FAS Apapa to Hotel site Ibadan	} 5,000. -.

Total Estimate : £23,250. -.

ANNEXURE II

Premier Hotel, Ibadan
R e v e n u e

Accommodation:-

- Rooms Available
- Rooms Occupied
- Beds Available
- Beds Occupied.

Catering:-

- Early Morning Teas
- Breakfast
- Luncheon Table D'Hote
- Luncheon A la Carte
- Afternoon Tea
- Dinner Table D' Hote
- Snacks & Beverages
- Hotel Functions
- Outside Catering
- Allowances.

Coffee Bar:-

- Snacks and Beverages
- Drink
- Tobacco

Bars:-

- Drink
- Hotel Functions
- Outside Functions
- Other Allowances.

Shop:-

- Rentals

Sundries:-

- Telephones
- Cables
- Laundry
- Miscellaneous.

ANNEXURE III

Premier Hotel, Ibadan.

Expenses.

Salaries & Wages:-

- Management & Executives
- Administrative Staff
- Productive Staff
- Maintenance Staff
- Other Staff
- Commission
- Leave Pay Provision
- Provident/Pension Fund Provision - Senior
- " " " " - Junior
- Bonus Provision.

Staff Expenses:-

- Staff Meals
- Rent for Accommodation
- Board & Food Allowances
- Entertainment
- Medical
- Welfare
- Insurance: Pers. Accident
- Workmen's Compensation.

Staff Travelling Expenses:-

- Local Passages
- Motor Vehicle Allowances
- Leave Passages
- Expenses
- Ex-gratia Payment.

Property Upkeep and Expenses:-

- Rent & Rates
- Insurance
- Building Maintenance
- Gardens.

Repairs & Renewals:-

- Glassware
- Linen & Uniforms
- Cutlery
- Crockery
- Kitchen Utensils
- Furniture
- Miscellaneous Equipment
- Air-Conditioning
- Motor Vehicles.

Operating Costs:-

- Electricity
- Fuel
- Water
- Motor Vehicle Insurance & Licences
- Laundry Materials
- Conservancy
- Cleaning
- Sundries.

Office Expenses:-

- Cables & Telegrams
- Telephones
- Postages
- Printing & Stationery
- Miscellaneous.

Sundry Expenses:-

- Local Recruiting
- Outfit Allowance
- Miscellaneous.

Administration Expenses:-

- Bank Charges
- Legal Charges
- Audit Fees
- Secretarial Fees
- Federmann Enterprises Ltd. Services.

General Charges:-

- Newspapers, periodicals etc.
- Advertising
- Subscriptions & Donations
- Insurance: Burglary & Public Liability.

ARCHIVES OF OYSCAC

ANNEXURE IV.

P R E M I E R H O T E L

I B A D A N

JUNIOR STAFF RULES, REGULATIONS

A N D

C O N D I T I O N S

EFFECTIVE FROM: _____

'Yinka:
14th Sept. '67.

ARCHIVES OF OYSCAO

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P R E M I E R H O T E L

Junior Service Rules, Regulations and Conditions

SECTION 1 - RULES AND REGULATIONS.

All junior service employees shall be subject to the following Rules and Regulations :-

1. Employment of casual workers may be terminated by either side at the end of any day.
2. The employment of established staff may be terminated by either party giving one month's notice in writing and the employment of unestablished staff may be terminated by either party giving seven days' notice in writing or either party paying in cash the equivalent of one month's or seven days' wages as the case may be.
3. The hours of employment for all established and unestablished staff are 48 per week but employees may be required as occasion demands, to work overtime.
4. Employees shall be ready to begin work at their stipulated time, and no employee shall leave work during normal working hours unless prior permission has been granted by the Head of section.
5. Any employee who is not ready to start work at the appointed time will be deemed to be absent and persistent lateness may involve loss of wages. In the case of monthly paid workers persistent abuse of this regulation may be considered a breach of contract and treated accordingly.
6. Employees must not bring to or consume alcoholic liquors on the premises and any employee found so doing whilst on duty or otherwise is liable to summary dismissal.
7. Appointment of employees shall be subject to satisfactory medical report from the Western Nigeria Development Corporation Medical Officer. Staff classified as Food Handlers will also be required to undergo additional periodical medical examinations.
8. The hotel provides facilities for treatment of accidents and any injury however trivial must be reported immediately to the Head of Section.
9. Employees unable to attend work must notify the hotel on the same day and give an indication when they are likely to be able to resume work.

Where such absence is due to ill-health, a Doctor's Certificate giving the reason for the incapacity must be produced otherwise employees may be regarded as being absent under regulations 6 above. Employees, who are sick, but who are able to attend for hospital outpatient treatment, must first obtain the hotel's standard sick report from the Head of Section before attending hospital, except in cases of emergency.

10. In their own interest, employees are expected to co-operate in the maintenance of health, cleanliness, discipline and orderly working conditions.
11. Management reserves the right to examine at any time the contents of parcels and packages carried by staff in and out of the premises at which they are employed.
12. The hotel may after consultation with the Union, add to, alter, or cancel these Rules and Regulations or any part thereof by publishing the changes on its Staff Notice Boards. Disregard of the Rules and Regulations for the time being in force can result in summary dismissal.

SECTION 2 - CONDITIONS OF SERVICE.

1. Probationary Period:

Junior staff other than those employed on temporary or daily paid basis shall serve a probationary period of one year after which, subject to satisfactory service, their employment shall be confirmed.

2. Salary Increments:

- (a) On completion of one calendar year, employees salaries shall be reviewed and subject to satisfactory service and good conduct and at the discretion of the General Manager, an increment shall be granted.
- (b) When an employee has proved himself of exceptional ability and efficiency throughout the year, an additional increment may be granted at the discretion of the General Manager.
- (c) Employees who reach the maximum wage of their grade but are not qualified to be upgraded may thereafter receive increments for good conduct and long service at two yearly intervals. The increment will be one applicable to the grade.

(d) Wage scales and gradings may be revised as necessary from time to time by the hotel's Board of Directors and will be notified to the staff on the hotel's Notice Boards.

3. The established junior posts in the service of the hotel are pensionable. Details of the hotel's Pension Scheme are similar to those of the W.N.D.C. Staff (Retiring Benefits) Rules, 1962. The scheme is non-contributory.

4. Retiring Age:

Retiring age shall be 50/55 years at the option of either party.

Retirement is compulsory at the age of 55 years.

5. Promotions:

Promotions will be based on merit and length of service.

6. Acting Allowance:

(a) When an employee satisfactorily performs the duties of a position in a higher grade, he will be paid an acting allowance equivalent to half the difference between his actual salary and the minimum salary of the grade for the post in which he is acting.

7. Hours of Work:

The hours of work for each section (within the maximum of 48 per week), will be as laid down in Sectional Duty Rosters which are subject to alteration at any time at the discretion of Head of Section.

8. Overtime:

(a) The hotel will pay overtime to employees for hours worked in excess of 8 hours per day, provided a week's work exceeds 48 hours in aggregate.

(b) Overtime performed by an employee on a working day shall be remunerated, when payable, at the rate of one and a quarter times the normal basic wage rate of such person.

(c) Work performed by an employee on a weekly day of rest shall be remunerated at the rate of one and half times the normal basic wage rate of such person.

(d) Work performed by an employee on a Public Holiday shall be remunerated at the rate of twice the normal basic wage rate of such person.

(e) Overtime must be claimed on the appropriate form within 24 hours

of the overtime being performed or the next normal working day in cases when there are two or more consecutive public holidays.

9. Leave:

(a) Established junior staff shall be granted leave annually and their rates of leave shall be set out below :-

<u>SALARY</u>	<u>RATE OF LEAVE</u>
£538 - £866 per annum inclusive	21 days
£386 - £537 per " "	18 days
Below £386 per " "	14 days

(b) Leave will be taken at a time convenient to the Management but every effort will be made to meet employees' wishes in this respect.

10. Accumulation of Leave:

Employees may be permitted to accumulate leave in respect of a maximum service period of two years provided that they give a request to so accumulate when the Annual Leave Rosters are published at December ending each year. It may be necessary, due to exigencies of the service, for the Management to request any member of the staff to accumulate his leave.

11. Leave Bonus:

Employees will be entitled to leave bonus at the following rates :-

<u>SALARY</u>	<u>BONUS</u>
£538 - £866 per annum inclusive	£12. 10/-
£386 - £537 per " "	£10. =/-
Below £386 per " "	£7. 10/-

12. Sick Leave:

(a) All employees may be granted sick leave when necessary for 30 days in any one year on full pay with a further period of 30 days on half pay.

(b) The above benefits will only be granted when a medical certificate is produced stating that absence is necessary on medical grounds, and provided that the sickness is not due to the employee's own fault, negligence or indiscretion.

13. Leave Rosters:

All applications for leave will be in writing and will be submitted via the Head of Section to the Manager concerned during the month of December

each year. Leave Rosters will then be completed for the following year, and published monthly on staff Notice Boards. When the leave roster has been approved it will be altered only under exceptional circumstances and at the discretion and agreement of the General Manager.

14. Public Holidays:

Should one or more of the recognised Public Holidays fall within the period of leave, such holidays or holiday shall run concurrently with the leave and there shall be no accrual of leave or benefits in connection therewith.

15. Overstayed Leave:

If any employee exceeds his leave period without notifying the hotel (such as sickness not supported by the production of a medical certificate), he may be treated as absent from duty and in breach of his agreement.

16. Transfer:

(a) An employee is liable to be transferred at the sole discretion of the hotel from one area to another and from one establishment to another.

17. Medical Treatment:

Free medical treatment is provided by the hotel for employees and their families; this includes :-

(i) Cost of ;

- (a) Treatment i.e. drugs and dressings supplied by other medical institutions provided relevant receipts are attached;
- (b) Injections;
- (c) Operations;
- (d) Consultation fee if incurred with the prior approval of the hotel's Medical Officer;
- (e) Dental treatment and operation if not due to the staff's negligence.

(ii) But does not include :-

- (a) Consultation fees if incurred without the prior approval of the hotel's Medical Officer;
 - (b) Bed fees
 - (c) Diet
 - (d) Denture
- } otherwise known as
accommodation;

18. Maternity Leave:

- (i) A woman employee may be granted 12 weeks maternity leave;
- (ii) It should be obligatory and not permissive for a woman employee who is pregnant to take six weeks leave before her confinement but the granting of this leave must be supported by a medical certificate to the effect that the confinement is expected to take place six weeks after a date named in the certificate. It is the employee's responsibility to obtain and submit in good time a medical certificate.
- (iii) A further six weeks must be taken after the confinement; this is also obligatory having been laid down by law (Section 145 (1) of the Labour Code Ordinance (Chapter 91 of the Laws of Nigeria) refers).
- (iv) Maternity Leave will be made up of the employee's accrued vacation leave, which will be granted on full pay; the remainder of the period being on half pay and being reckoned against the employee's sick leave entitlement in any one year.
- (v) If a woman employee's confinement in fact take place later than six weeks after she begins her maternity leave granted with the supported of medical certificate, she may be allowed such extension of leave on half pay as is necessary to make up her statutory period of six weeks off duty after confinement. Such extension will also count against her sick leave entitlement for the year it is granted.
- (vi) If after taking six weeks leave after confinement, (with or without any extension under sub-paragraph (v) above) a woman employee is medically certified as unfit to return to duty, she may be granted further sick leave within her entitlement for the year; this further sick leave will be regarded as normal sick leave and will therefore be granted on full pay.

19. Workmen's Compensation:

Compensation will be paid in accordance with the Workmen's Compensation Ordinance. All accidents must be reported and records of these will be kept by the Labour/Staff Department at each establishment.

20. Senior Appointments:

The hotel will endeavour, in so far as it is consistent with its policy

to promote deserving employees to positions of trust and responsibility. It is also the hotel's intention, as far as is possible, to offer training facilities to encourage employees to improve their experience.

21. Appeals and Letters, Etc.

- (a) Where an employees feels that he has a grievance or he has been subjected to unfair treatment, he may put such grievance or complaint in writing and forward it in the first place to the Head of his Section with a request that it be sent to the General Manager. The complaint will then be acknowledged and investigated.
- (b) Letters or other communications forwarded by employees direct to the General Manager will be returned to the writer un-answered.

22. Hotel Information:

Employees will not write articles for the Press or publish or issue any writings or give any oral information which concerns the business of the hotel or the hotel's terms and conditions of employment unless prior written permission to do so has been given by the General Manager. Any employee contravening this condition will be liable to summary dismissal.

23. Discipline:

Established Staff

- 1. Sectional Heads are responsible for the discipline of the staff in their sections. The following disciplinary measures are available against offending employees:
 - (a) Warning
 - (b) Termination of Appointment
 - (c) Interdiction
 - (d) Dismissal
 - (e) Deferment or withholding of Increment.

Notes on these disciplinary measures are set out in the succeeding paragraphs.

- 2. The power to terminate or interdict the employment of an established employee rests with the General Manager. Sectional Heads may, however, make recommendations that these measures be taken against an employee, but in all such cases the employee concerned must be given an opportunity of defending himself. Such recommendations, together with the employee's explanations, should be forwarded to the General Manager for his consi-

deration and decision. Appropriate letters will then be sent to the employee concerned through the Sectional Heads.

3. Un-established Staff

Heads of Sections may, subject to the provision of the Labour Code Ordinance, terminate the employment of any daily-rated staff.

4. Queries, Explanations and Warnings

- (a) An established employee whose work or conduct calls for disciplinary action shall be issued with a query clearly stating the allegation and inviting him to give his explanation. Where a case of general inefficiency or deterioration in capacity is involved, it must, as in all other breaches of discipline be related to specific examples.
- (b) Any official may issue a query to an established employee under his control.
- (c) The employee's explanation must normally be given within 48 hours of the receipt of the query and due weight must be given to it.
- (d) Failure to reply within the specified period will normally be regarded as an admission of the charge. In the event of delay a full explanation for this delay must accompany the reply.
- (e) Where the employee's explanation is considered un-satisfactory, or he admits the charge either in writing or by his failure to reply thereto within 48 hours, the papers connected with the case will (if the issuing official considers that the grade of warning merited by the offence committed falls above his authority) immediately be submitted to the official who is authorised to issue the grade of warning recommended.
- (f) If the employee's explanation does not in the opinion of the responsible official exculpate him from the charge, the employee will, without delay, be issued with the appropriate written warning.
- (g) An official who has received a recommendation for the issue of a grade of warning in accordance with (e) above, may direct that the warning be issued by an authorised official junior to him of an appropriate grade of warning if he finds that the offence does not warrant the issue of the query by himself.

Misconduct

6. Broadly the misconduct for which graded warnings may be issued is as

follows :-

Grade I Breach of discipline and other minor offence

Grade II Serious breach of discipline, absence from duty without permission where termination is not considered desirable, complaints regarding work, performance, and general behaviours, insubordination not involving damage to life and property, inefficiency, negligence not involving loss of or damage to property, and any other offence of a more serious nature.

Grade III ... Serious breach of discipline and insubordination endangering life and property, serious complaint regarding work, performance and general behaviours, gross inefficiency, and any other serious misconduct.

Grade IV This is final warning and may be called for either in extremely serious cases of misdemeanour or negligence, or as the culmination of a series of irregularities.

- NOTE:
- (i) Grade I warning should not involve loss of increment
 - (ii) A Grade II warning involves three months' deferment of increment
 - (iii) A Grade III warning involves six months' deferment of increment.
 - (iv) A Grade IV warning involves withholding of increment for the year,
 - (v) No loss of increment shall in any event be imposed without the approval of the General Manager.
- (b) After a Grade IV warning has been issued, a Grade I warning may be issued if, notwithstanding the Grade IV warning, the issuing official is convinced that the misconduct does not, even in conjunction with the previous bad record, warrant termination of appointment or dismissal.
- (c) Any warning higher than a Grade I warning must be authorised by the General Manager.
- (d) The purpose of warnings is to correct apparent defects in employees. Where all efforts fail, that is, where the frequency of misconduct shows that the employee is not making any improvement, the General Manager will consider the case personally and may issue the Final Warning.

Termination and Dismissal:

6. No employee shall be dismissed or have his employment terminated unless he has been given a written query and the opportunity to reply.
7. A confirmed employee whose appointment has been terminated or who has been dismissed shall be entitled to ask for an investigation of the facts. The General Manager will nominate an Investigation Officer from the Western Nigeria Development Corporation. The employee concerned may put the facts of his case in writing to the officer who in addition shall take into consideration the records of service of the employee. The General Manager will submit to the officer in writing the facts of the case on behalf of the hotel. The officer may call for and receive oral evidence from the employee and his witnesses and from the Sectional Head concerned and his witnesses. The officer will make his report and recommendation to the General Manager.

Termination of Appointment:

8. An employee's appointment may be terminated for inefficiency. Such an employee will be eligible for one month notice or one month salary in lieu of such notice in the case of a confirmed employee; and 14 days notice or 14 days pay in lieu of such notice in the case of an employee on probationary appointment. He will be entitled to the leave earned according to leave regulations and free transport facilities for himself, family and appropriate number of loads to his recorded home. The appointment of an employee may not normally be terminated unless he has received three separate warnings. He will be entitled to the leave earned according to leave regulations and free transport facilities for himself, family and appropriate number of loads to his recorded home. The appointment of an employee may not normally be terminated unless he has received three separate warnings.

Interdiction:

9. When an employee has been charged with a criminal offence or when in the opinion of the Sectional Head there are good reasons for suspecting that an employee has committed an act of misconduct which is of such nature as to warrant dismissal, recommendations should be made without delay to the General Manager that the employee be interdicted forthwith.

10. Pending the decision as to interdiction the employee, if it is considered necessary in the interest of the hotel, be prohibited from carrying out his duty, but may not be deprived of any portion of his emoluments.
11. When an employee has been interdicted he shall be entitled to receive such portion of his salary not less than one-half as the General Manager may determine. When an employee under interdiction is found not guilty of all the charges both criminal and disciplinary stated in the notice of interdiction, he shall be reinstated and shall receive the balance of his salary for the whole period of his interdiction. If he is found guilty on any of the charges he shall not receive any part of the short payment of his salary.
12. If a temporary or daily-rated employee is arrested on criminal charge or if it is not necessary to prevent him from exercising the powers and functions of his office pending the results of the criminal procedures, his employment may be terminated forthwith by payment of the appropriate wages in lieu of notice on the understanding that he may be re-engaged if he is acquitted.
13. Summary Dismissal:
An employee of the hotel may be summarily dismissed if :-
 - (a) he accepts or obtains from any person or persons, for himself or for any other person any gift or consideration as an inducement or reward for doing or forbearing to do any act in relation to the hotel's affairs or business or for showing, or forbearing to show favour or disfavour in relation to the hotel's affairs or business;
 - (b) he is guilty of any act of misconduct or any action considered prejudicial to the hotel's interest;
 - (c) he is guilty of dishonesty by failing to make correct disclosure of his age or if he falsifies his testimonials or personal records;
 - (d) threat of physical violence or refusal to obey a reasonable order in which case, action may be taken by the Sectional Head who will report the fact at once to the General Manager.
14. An employee summarily dismissed shall not be entitled to :
 - (a) notice or payment of salary in lieu of notice;
 - (b) leave or free transport;

(c) retirement benefits.

Deferment/Withholding of Increment:

15. An employee's increment will only be granted if his work and conduct have been satisfactory.
16. Annual increments will be awarded by Departmental Heads but no special increment shall be awarded and no increment shall be deferred or withheld without the approval of the General Manager.

24. Staff Advances:

To assist employees in travelling to and from their homes and in being punctual at their places of work the hotel at its discretion may grant the following advances to established staff :

Motor-cycle Advance	-	£250.
Auto-cycle "	-	£70.
Bicycle "	-	£22.

25. Leave Travel Time:

An employee serving at a station so far away from his home place which will involve days of travelling will be granted in addition to his vacation leave, travel time on full salary for the days necessarily spent in travelling to and from his home place up to a maximum of two nights.

26. Overstaying Leave:

An employee granted leave and who, without acceptable excuse, fails to return to duty at the due time (i.e. on the day following the expiration of his leave) will be regarded as absent from duty without leave, he will thereby render himself liable to disciplinary action.

27. Casual Leave:

An established employee may be granted up to five days casual leave in any one year to attend to private and urgent domestic matters.

====oOo====

Ref. _____

STAFF CONFIDENTIAL:

Dear

Letter of Appointment

I have pleasure in offering you the appointment of _____ with the Premier Hotel. The appointment will in the first place be for a probationary period of twelve months and will be subject to the receipt of satisfactory references as to character and work.

The conditions of service are as follows :-

1. SALARY

The commencing salary will be £ _____ per annum. The amount is confidential to you and to the management and will not be divulged. It will be subject to periodical reviews by the Board of Directors.

2. ACCOMMODATION

You will be required to live in one of the Hotel's quarters or in a house provided by the management; your accommodation will be provided free on an all-round basis for yourself, your wife and two children up to the age of eighteen.

3. ALLOWANCES

When on leave and not occupying the official quarters, a monthly living out allowance of £ _____ each will be paid for yourself and your wife, and £ _____ each for the two children up to the age of eighteen.

4. PERSONAL AND HOUSEHOLD LAUNDRY

This will be done in the Hotel's Laundry at no cost to you.

5. MEDICAL TREATMENT

The management will provide free medical and dental treatment (excluding maternity and the provision of dentures) whilst resident in Ibadan, for yourself, your wife and two children up to the age of eighteen, provided that such treatment is prescribed by the Hotel's Medical Practitioner. It will be necessary for your wife and yourself to have medical examination before taking up your appointment.

6. PAID LEAVE

This will normally be granted at the rate of _____ of service and will usually be taken after _____ months' service; but this period may be extended to _____ months. First class rail and/or economy class air fares will be paid from the place of work to your home

for yourself, your wife and two children up to the age of eighteen. This will include return fares if you are continuing in the employ of the Premier Hotel.

7. PROVIDENT FUND

You will be required to become a member of the Hotel's Provident Fund as from the date of your appointment. Contributions are as follows :-

	<u>Individual</u>	<u>Management</u>
First three years of service	10% of salary	15% of salary
Three to five years' service	5% of salary	20% of salary
Over Five years' service	• -	25% of salary

Your contributions will be credited to an 'A' account, which is yours at all times and is refundable on the termination of your employment. The management's contributions are credited to a 'B' account, which accrues to you after five years' service and is payable on the termination of your employment.

8. B O N U S

The payment of bonuses, the method and amounts thereof, will be entirely at the discretion of the Board of Directors.

9. CAR LOANS

In approved cases the management will make a loan to senior staff for the purchase of a new Car up to a maximum of £850 or 80% of salary, whichever is the lower. Loans must be repaid within three years. Interest at a rate to be approved from time to time by the Chairman and Managing Director will be charged on such loans and this interest is payable within three years from the drawing of the loan.

10. UNAUTHORISED DISCLOSURE OF COMPANY BUSINESS

You will not (either during or after your employment), without the consent in writing of the management, divulge any information concerning the Hotel or any associated company or any of their dealings, transactions or affairs which may come to your knowledge or in the course of employment.

11. STAFF INSTRUCTIONS

Nothing contained in any staff Instructions issued by the management shall impose on the Hotel any contractual obligations, and, accordingly, save in so far as the provisions thereof relating to privilege or any payments to employees are incorporated in this letter, the management reserves the right to withhold from the employee any such privileges or payments.

12. TERMINATION OF EMPLOYMENT

As stated above, the appointment will be for a probationary period of twelve months during which time no notice on either side is required to terminate the employment.

13. ACCEPTANCE OF CONDITIONS OR SERVICE

Will you kindly signify your acceptance of the terms and conditions of service set out in this letter, by signing and returning the duplicate copy.

Yours faithfully,

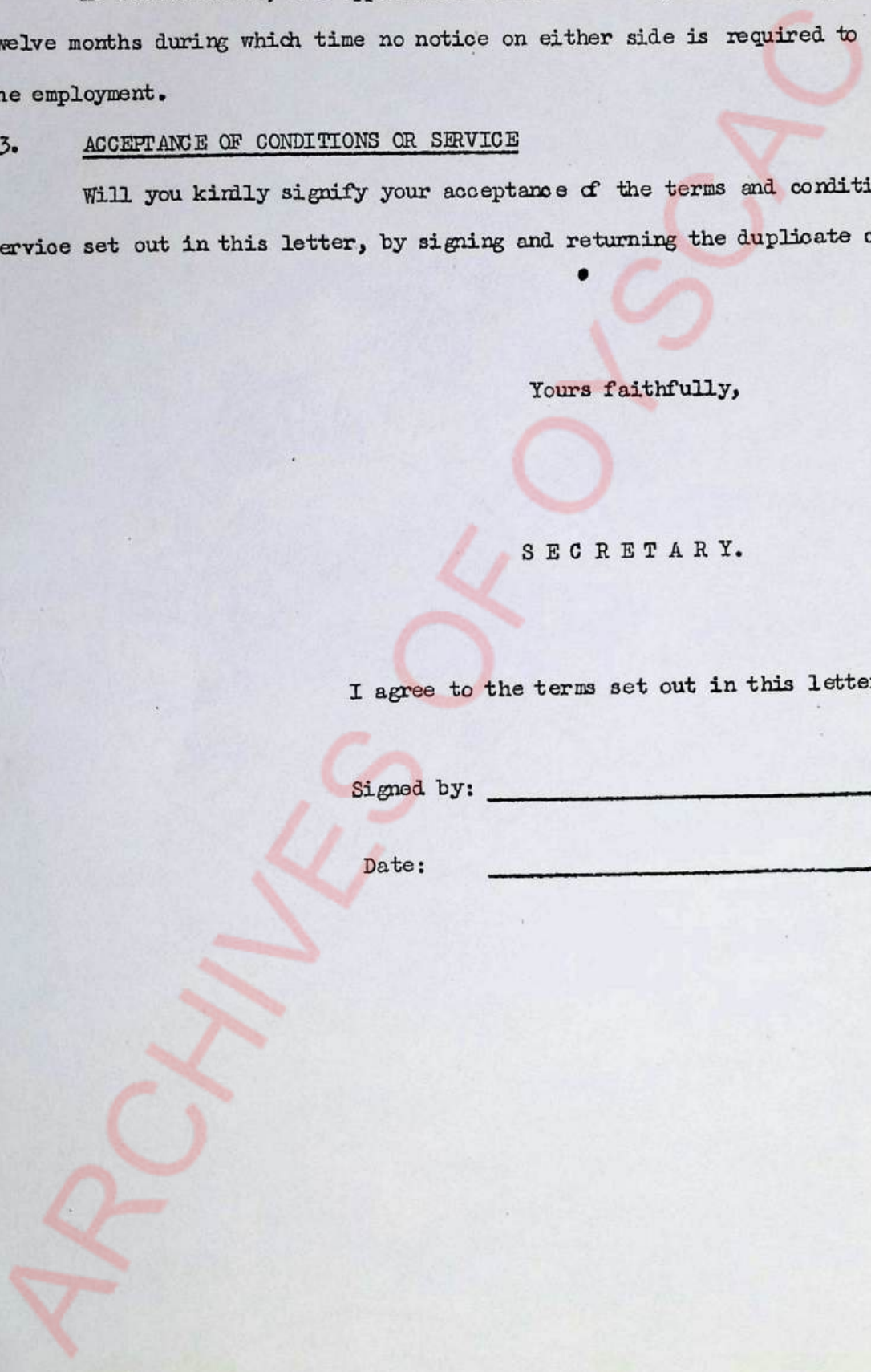
S E C R E T A R Y.

I agree to the terms set out in this letter.

Signed by: _____

Date: _____

'Yinka: /



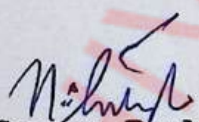
124
P.S.(P.&A.),

Before my minutes at pp. 59-61 get to you, pp. 62-67 were received in respect of the meeting held between WSDC and Quo Vadis Restaurants Ltd. They discussed Management problems of the Premier Hotel. It was agreed that the Quo Vadis Restaurants Ltd. should produce Cost and Profitability projections for the running of the Hotel, as it will assist in no small measure in taking final decision on the matter.

2. The awaited Iwajomo's Report on the Premier and Lafia Hotels has just been received. It is at pp. 67-¹²³127. This comprehensive report has dealt with all matters affecting Staffing, Management Agreement and Accounting Systems of the Hotels. The summary of their recommendations is at pp. 96-98 and is worthy of noting.

3. H.E. directive at p.52 and other comments in support of incorporating the Premier Hotel to a limited liability company have been vindicated by the recommendations of the Committee at p.98 paras. xxxiii & xxxiv marked X. Furthermore, during the inception of the Hotel, consideration had been given to converting the Hotel to a Public Limited Company. Please see clause 22 of the Agreement at p. 101 marked Y.

4. In view of the above facts you may wish to take step as advised by me at para.11 page 61.


(N. O. George-Taylor),

C.P.I.O.,

10 Nov. 1967.

bu 18/12/67

gms
4/12/67 D 5/12

P.S. (P&A),

Resubmitted pl.

D 18/12/67
CR.

CONFIDENTIAL

TELEGRAMS: PERMIND

TELEPHONE NO.: IBADAN 21011/471

DIRECT LINE: 24111

DEVELOPMENT
MINISTRY OF TRADE



DIVISION
AND INDUSTRY

IBADAN · WESTERN STATE OF NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting

Our Ref. No. C.440/474.....

SP/C-100

Date: 19 December, 1967...

The Permanent Secretary,
(Political & Administration)
Office of the Military Governor,
Ibadan.



Premier Hotel

I am directed to refer to my letter No. C.440Vol.VI/168 of the 27th October, 1967 and to request you to inform me of the decision taken on the subject matter. In this regard, attention is invited to letter No. NP/H.1/1/Vol.10/74 of 2nd November, 1967 addressed to you by the then Administrator of the Western Nigeria Development Corporation.

P. 54

P. 56

see P. 126

S. A. Adebajo
(S. A. Adebajo)
for Ag. Permanent Secretary

HU 21/12

PS (P&A)

Pl see the above letter and also

p. 124.

See P. 127

21/12/67
CR

CONFIDENTIAL



MINISTRY OF TRADE AND INDUSTRY

DEVELOPMENT DIVISION
IBADAN · WESTERN STATE OF NIGERIA

Your Ref. No.....
All communications to be addressed
to the Permanent Secretary quoting
Our Ref. No..C.440/178.....

sp/c w/o

Date...20 February, 1968

The Permanent Secretary
(Political & Administration),
Office of the Military Governor,
Ibadan.



Premier Hotel

P.125

I am directed to refer to the correspondence ending with my letter, No. C.440/174 of 19th December, 1967, and to request you to please inform me of the decision taken on the subject matter.

*and
a. n/w*

S. A. Adebajo
(S. A. Adebajo),
for Permanent Secretary,
Ministry of Trade & Industry.

PS(P&A),

Above is sub'd p/wt. p.125.

2. May I also respectfully invite attention to pp 124-125 p.

22/2/68

See P. 127

SP/C.100/127

127
6 March, 1968.

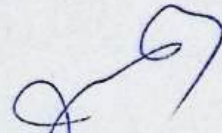
The Permanent Secretary,
Ministry of Trade & Industry,
Ibadan.

Premier Hotel, Ibadan

p. 126
p. 125
I refer to your letter No. C.440/174 of 19th December, 1967 and a subsequent reminder. I regret to inform you that no decision has been taken on the subject of the incorporation of Premier Hotel into a limited liability company. This is because soon after your comments and those of the Western Nigeria Development Corporation were received, the Iwajomo Report on the Premier and Lafia Hotels came out. If you have got a copy of the report, you will observe that one of the recommendations favours making the Premier Hotel a public company.

2. This and other recommendations are still being considered by the Western Nigeria Development Corporation and the comments they promise to forward are yet to be received.

Issued
6/3
mto


(J. M. Beckley),
Permanent Secretary (Pol. & Admin.).

128

6 March, 1968

SP/C.100/128

The Secretary,
Western Nigeria Development Corporation,
Ibadan.

The Report of the Committee on Premier
and Lafia Hotels

p. 69

I refer to your letter No. AC.175/ of 8th November, 1967 about the Report of the Iwajomo Committee on the Premier and Lafia Hotels. This Office is still awaiting to receive the promised comments of your Corporation before further consideration is given to the subject proposed to you some time ago of incorporating Premier Hotel into a limited liability company.

2. I should be grateful if you would send those comments as early as possible.

see p. 170

Used
6/3
mto

(J. M. Beckley),
Permanent Secretary (Pol. & Admin.).

D
6/3/68

CR. pl send a reminder if no reply is received by 18th March. 6/3/68

129

18th March, 1968


SP/C.100/129

The Secretary,
Western Nigeria Development Corporation,
Ibadan.

The Report of the Committee on Premier
and Lafia Hotels

P.128

I wish to refer to my letter No.SP/C.100/128
of 6th March, 1968 to which no reply has been
received and to request for the favour of an early
reply.


(W. A. Adesina)
for Permanent Secretary,
(Political & Administration)

Issued
18/3

Bu. 26/3/68.

ARCHIVED

✓
Telephone: IBADAN 22811
Telegrams, Cables: WESCORP, IBADAN 130

WESTERN NIGERIA DEVELOPMENT CORPORATION

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)



PRIVATE MAIL BAG 5085
IBADAN, NIGERIA

OUR REF: A/C.175/104.

YOUR REF:

SP/C 100

12th March, 1968.

CONFIDENTIAL

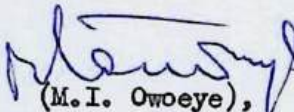


Permanent Secretary (Pol. & Admin.),
Office of the Military Governor,
Western State of Nigeria,
Ibadan.

Report of the Committee on Premier
and Lafia Hotels.

128
Pp. 131-2
Pp. 148-151
D 20/3/68

With reference to your letter SP/C.100/128 dated 6th March, 1968, I wish to state that the Board of the Corporation considered the Iwajomo Report at its Sixteenth Meeting held on the 30th of January, 1968. The comments of the Corporation on this Report and the record of the meeting are attached herewith as appendices.


(M. I. Owoeye),
Secretary.

WESTERN NIGERIA DEVELOPMENT CORPORATION16TH MEETING OF THE BOARDIWAJOMO COMMITTEE REPORT

Attached to this memorandum are the following documents for members' perusal :-

- a. b. c same
as p. 68-123
p. 133-137
p. 138-141
p. 142-147
- | | | |
|-------|---|---------------------|
| (i) | Report of the Committee on Premier and Lafia Hotels under the chairmanship of Mr. Iwajomo, as | <u>Annexure 'A'</u> |
| (ii) | The comments of the General Manager, Premier Hotel, as | <u>Annexure 'B'</u> |
| (iii) | Appointment papers for the post of Assistant General Manager, Premier Hotel, as | <u>Annexure 'C'</u> |
| (iv) | Summary of Iwajomo Committee Report, with Corporation's comments, as | <u>Annexure 'D'</u> |

2. Members may wish to consider summary of the recommendations of the Committee as contained in Chapter 9, page 24, of the Report item by item in the light of expositions already given in the General Manager, Premier Hotel's comments and the Corporation's official comments on this report.

3. The recommendation as at paragraph 32(xiv) in respect of Mr. Ariyo, at present, Assistant General Manager of the Hotel calls for special mention. The Committee's recommendation on this point would appear to have been made possibly because they were not adequately informed about the position of Mr. Ariyo and the way and manner he was appointed to the Premier Hotel. There is no doubt that there is some element of prejudice in the Committee's report based probably on hear-say. Members would have seen in Annexure 'C' the rigorous recruitment channel which Mr. Ariyo underwent before he was recruited and all available evidences about his performance both in his present job and in his previous employment belie the vague conclusion arrived at by the Committee on him, and it is therefore recommended that this portion of the recommendation be disregarded.

4. Some of the recommendations of the Committee had been overtaken by events, namely :-

- p. 93
p. 96
p. 98
- | | |
|-----|--|
| (a) | Paragraph 31(iii) in respect of uniforms for the staff. New materials and designs have been commissioned and it is expected that before the new year (1968) the new uniform would be put into use. |
| (b) | Paragraph 32(xii), the £500 per annum vehicle allowance paid to the expatriate staff of the Hotel had been stopped except that of the General Manager which terminates on 31st March, 1968. A station-waggon Peugeot car has been provided for the use of the Hotel. |
| (c) | 32(XLIV), the recommendation that an officer of the W.N.D.C. should be a signatory to all cheques in the Hotel has no bearing with the commercial nature of the Hotel. This has been put into practice in the past and instead of facilitating the work of the Hotel it has been a sort of impediment and it has therefore been cancelled. In its place it is recommended that the General Manager and the Assistant General Manager plus the Accountant should be signatories to cheques. |

/However,

5. However, members are requested to
- (i) accept the Committee's recommendations subject to the observations already made;
 - (ii) direct that the recommendations be implemented forthwith; and
 - (iii) express the Corporation's gratitude to the members of this Committee.

I b a d a n,
18th January, 1968.

ARCHIVES OF OYSCAC

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PREMIER HOTEL
IBADAN NIGERIA

GM.2/137

15th November, 1967

CONFIDENTIAL

The Secretary,
W. N. D. Corporation,
Cocoa House,
I b a d a n.

Dear Sir,

I received your letter A/C.175 from 9th November, 1967, together with the "Iwajomo Committee" Report. Please find hereunder my comments.

Federmann Enterprises (Overseas) Limited, was called in to manage the Lafia Hotel, with the intension to manage later on the newly built Premier Hotel.

The Managing Agent never closed the Lafia Hotel on their own. I received instruction to close the Lafia Hotel, when Premier Hotel starts to operate, to give Premier Hotel a good start, and later on to open again the Lafia Hotel. This was decided on by the then Chairman (Prince Ademiluyi) of Western Nigeria Development Corporation and Federmann Enterprises (Overseas) Limited. On my arrival I received instruction accordingly. (I am sorry to say not in writing).

The something with the Laundry. The Laundry was cancelled by both parties.

The General Manager was residing at the Lafia Hotel Compound, and took over furniture, Frigidaire, Air Conditioner Units, etc., from the former man in charge. When moving to Western Nigeria Development Corporation Quarters JR.33, Agodi, I transferred most of these items to Agodi, to save Western Nigeria Development Corporation further expenses. The Manager was also entitled to buy kitchen utensils for £50 which he never bought using all the old stuffs. The something with Mr. Matan, Catering Manager, he still has one Television Set from Lafia Hotel, whenever needed he will return same at once.

The name General Manager in an Hotel, is the right name for a man in charge of the whole Hotel. Therefore I see no reason why this name should be changed. Taking away the word "General" the man loses his overall power of the Hotel, and it can not be possible that there is a Catering Manager. For your information the Managing Agent did not give the name of General Manager, it was the Western Nigeria Development Corporation in their letter of 9th November, 1964 to Federmann Enterprises (Overseas) Limited, signed by the then Secretary, Mr. S.O. Oloko.

In every first class Hotel, Suites, Penthouses and Conference Rooms are built, I do not see any reason why this matter should be mentioned at all, if at least one man in the Committee is an Hotelier, who is expected to know better.

The Air Condition installation and plant is not faulty. Through mistakes of the Maintenance Department and inexperienced persons handling the plant, frequent breakdowns at the beginning were noticed. It is right, a plant like this is difficult to maintain and expensive to run, but this is a fact everywhere, not only at the Premier Hotel.

The Hotel has reservation offices as follows :-

- 1) International Hotel-Representative Office NEW-YORK
- 2) John A. Tetley Co. Inc. LOS-ANGELES
- 3) International Hotel Representative Office LONDON
- 4) Hotel Reservation Worldwide ZURICH

Local Publicity is handled by the General Manager only.

The Hotel is divided into the following Departments :

- Management
- Administration
- Accounts
- Catering
- Kitchen
- Stores
- Maintenance
- Housekeeping (incl. Swimming Pool, Gardeners)
- Security

General Manager: Most probably a mistake was made in stating all emoluments for this job.

Salary	-	£3,120 per annum	(Tax free)
Veh. All.	-	500 " "	
Tax paid	-	<u>372</u> " "	
		£3,992 " "	and not £5,350 as stated in the

report.

The General Manager will stay at this job until Federmann Enterprises (Overseas) Limited is handling over to Western Nigeria Development Corporation not before November, 1970.

Assistant General Manager: At the time the General Manager was on sick leave, Mr. Ariyo was acting General Manager, approved by Western Nigeria Development Corporation, and he also received Acting Allowance. He was not acting for Assistant General Manager as indicated by report.

In every Hotel everywhere, there is a General Manager and Assistant General Manager.

The Assistant General Manager must be able to act for the General Manager, Catering Manager etc., as he must be a man of sound and varied experience.

me Mr. A. Ariyo acted with success when I was away, and he should be the man to take over from/when the time comes. He received written praise from me and Chairman for it.

After my opinion this man should be encouraged by Western Nigeria Development Corporation and not be opposed. He has the required qualifications. He is hard working, honest and I am sure by 1970 he will be able to take over completely, and by end of 1969, an Assistant to him should be engaged. That report on him is false and damaging. He deserves an apology from them.

Catering Manager: The present Catering Manager is an able man and his contract should be renewed for at least another 18 months to train properly his successor still to be engaged. He is really international in matters of parties and reception of Guests.

Assistant Catering Manager: The committee is right about Mr. Macaulay Anofokhai but he was dead before my arrival, Catering Manager at the Lafia Hotel. This man is hard working, doing his best, but not enough to succeed the present Catering Manager. I would suggest, to engage one able man with enough experience, when the Catering Manager comes back from leave and work with him together for 18 months to be ready to take over this Department, the most important in a Hotel as production and sales.

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Accounts Department: I agree with the Committee report, that the present Hotel Accountant is not qualified, but he is working long years and aquired enough experience to fullfil this job. You want to change him, it is up to you, I do not mind. I also do not mind to change the Accounts Clerk Grade II to Grade I. This will be rather difficult, because all those boys are working many years with the Corporation and are really efficient and their present emolument is right for the job performed.

Maintenance Department: The present Maintenance Supervisor is not an Engineer, but he performs his duty competent and has a very able Foreman and together manages this Department without fault. He is a good planner.

Reception Department: The present Reception Manager is qualified for this job and doing it for the past many years. Good appearance, very good manners, polite etc., Her Assistant is in charge of Reservation. This arrangement is quite in order.

The Cash Department is an arm of the Accounts Department. This is not only at Premier Hotel, but in all good managed Hotels all the world over.

no

We have/Lift Attendant, we have so called Bell Boys and you call them here messengers. They are bringing guests to their rooms, carry luggage and doing Messengers work.

For your information the name "Hall Porter" is also called in French "Concierge" and is working in the Reception, in the enquiry section. All our Receptionists are trained to be also Hall Porters (enquiries), therefore a bell boy can not be a Hall Porter.

Housekeeping Department: I agree 100% with the Committee, there should be only one Housekeeper. But in our case it will be very hard to dismiss one. Good Luck to you.

Kitchen Department: A newly established Hotel everywhere in the world must have an experienced international Chef De Cuisine at least for three to four years until the local staff can take over. We had one very good Chef, but he left after completing his contract of 18 months. One Chef is waiting to come out any time we call him, he also signed already a contract, but due to the situation in the Country I persuaded him not to come out at the present moment. For your information our former Chef's salary was £2,640 plus £189 (car allowance) = £2,829 per annum and not £3,140 as stated in the Committee report. The new man has signed the contract for less monies £2,400 plus £189 = £2,589.

We had a Swiss Pattissier, he left us after completing his contract of 18 months. He has trained his staff very well, and they are able to continue without a new expatriate pattissier. But this under the strict supervision of the Catering Manager and Assistant General Manager until the arrival of Chef De Cuisine to maintain the standard.

Supervision of Hotel: No provision was made for an Apartment for the General Manager or the Maintenance Engineer in the Hotel premises. There was once a plan to build houses for the General Manager, Assistant General Manager, Chef, Catering Manager and Engineer, next to the Hotel, this was abandoned through lack of funds.

Uniforms: Confirmed by His Excellency. Will be ready in three to four weeks.

Statue: The plan to build a statue in front of the Hotel was abandoned for lack of funds.

Ikeja Restaurant: No work whatsoever was started at this project. It was the idea of the then Chairman, Mr. A.A. Ladimeji, to convert one of the West House in Ikeja to a Restaurant. I have been there many times, plans were made, but later on abandoned.

Car Hire Agreement: There was an agreement with Incar and Alitalia, for the rent of one shop in the Hotel premises. The rent of £480 was paid and the mentioned Firms vacated the shop three months before the first year expired. No business and some internal matters. Incar put 7 (seven) cars to the disposal of the guests. Their charges to and from 5/- for half an hour. Incar Motors with their own van made three trips daily to and from the Airport, the charge was £1 per day. This agreement was cancelled after few months in operation. The statement of the Committee is not correct that we paid £600 per annum to Incar. Nothing was paid to them, when they vacated the shop and terminated the Car Service, I called National Motors in and they are doing the car service with one car and will add another car when business approves. They also promised to rent a shop at a later date.

Laundry: I have received two Quotation from Firms for erecting a Laundry in our Hotel premises. I forwarded these Quotations to Mr. Oluyide, Manager, University College Hospital, Laundry Department for advice. When received back, Mr. Williams will give us then advice on what and how to do it better.

Staff: All staff matters, Condition of Service, Salaries Scale etc., will be handled by the newly formed Management Committee.

Only to say, that the staff list according to the Committee is too many. They are not arranged to be in uniformity with the general requirements of an Hotel of this nature. According to the overall reckoning of the Committee, total staff strength is 232 against our present staff strength of 218. Under a strict economy of retrenchment, we can still prune down the present strength to 200. The Committee recommends 63 strength for Kitchen; a maximum of 34 is just enough. It recommends 63 strength for Catering Department; a maximum of 54 is adequate. It recommends 2 Security Guards for the Hotel; at least a novice from street, will agree that for proper security measure for 24 hours a day, a minimum of 10 strength is needed. I will not blame the Committee so much for this shortcoming; as no one can be considered as a real Hotel expert of international standard in the Committee to air an accurate advice.

Thanking you for your co-operation at all times.

Yours faithfully,

(SGD). O. DULDNER,
General Manager.

ARCHIVING

Notes on Meeting of the Interview Panel for the Staffing of the Premier Hotel held on the 5th and 6th of July, 1966 at the Chairman's Office

Extracts

x

x

x

x

Assistant General Manager

The Panel decided to interview Mr. Ariyo one of the applicants on the first day and to request the other candidates Messrs Babalola and Akinrinade to come the following day for interview. The result of the interview of the three of them is as follows :-

(a) Mr. Ariyo

The Panel found that he has the basic qualifications and some experience on the job.

(b) Mr. Babalola

The Panel found that Mr. Babalola lacked the essential basic qualification and had also not yet acquired enough experience. This was due to the fact that Mr. Babalola had always been an Accountant and was only brought into the Management side of the Hotel in 1964. Although he had received 4 months training in Israel early in 1965 this had not equipped him sufficiently with the necessary background for the job. Mr. Babalola was however found to be of pleasant personality and disposition.

(c) Mr. Akinrinade

He was found to have the basic qualification and some experience on the job and in addition a good personality.

Considering that whoever was eventually appointed Assistant General Manager should reasonably be expected in due course to succeed the expatriate General Manager, it was considered that Mr. Babalola, a good man in his own field of Accountancy, could not adequately fill the bill and it was therefore decided that he should be eliminated from being considered for the post of Assistant General Manager but should be found a suitable post and status in the Accounting Section.

In examining the claims of Messrs Ariyo and Akinrinade the Panel came to the conclusion that both were good men in their chosen field and both were willing and able to carry the responsibilities of the post. From their showing at the interview there is little to choose between them as far as knowledge of the trade and experience go. The expert on the Panel however pointed out that personality was a great advantage in the holder of the post under consideration. And it was pointed out that in this respect Mr. Akinrinade had a slight edge over Mr. Ariyo.

x

x

x

x

x

Ibadan,
5/12/67.

NP/H.1/12.

Your Excellency

Via S.M.G.

In order to ensure that the best available material is recruited to staff the new Premier Hotel, which will open shortly, several applicants have been interviewed and the records of employees already serving with the Lafia Hotel examined.

2. A satisfactory selection has now been made, the full list of approved appointments having been compiled from the following lists :-

- (a) list of persons at present attached to the Lafia Hotel;
- (b) list of persons likely to be displaced as a result of re-organisation in the W.N.D.C.; and
- (c) list of persons who have submitted applications for appointment either direct to the W.N.D.C. or through the Military Governor's Office.

3. I do not propose to bother Y.E. with details of the appointments made to the lower posts in the establishment of the Premier Hotel as I am satisfied that each applicant has been given full and careful screening and those selected for appointment are the best available. There is, however, a top managerial post of Assistant General Manager which is graded in salary scale £1,265 x 65 - £1,525 p.a., which requires Y.E.'s approval. At pages 10 - 11 is an extract from the notes of the meeting of the interviewing panel held on the 5th and 6th July, relating to the post of Assistant General Manager. Three candidates were examined for this post:-

- (a) Mr. O.A. Babalola who is at present employed in the Lafia Hotel and had, it is understood, been promised the post of Assistant General Manager some time ago;
- (b) Mr. Ariyo who is at present serving as Assistant Catering Officer in the University College Hospital, Ibadan; and
- (c) Mr. A.O. Akinrinade who is the Business Manager in charge of Government Catering Rest Houses and is now serving in the Ministry of Home Affairs.

4. Mr. Duldner, General Manager of the Premier Hotel, served the interviewing panel as an expert consultant.

5. After a careful consideration of the merits of each applicant, the panel came to the conclusions recorded in the extracts at pages 10 and 11, i.e. :-

- (a) that Mr. Babalola, who has been engaged on accounting duties and was transferred from the W.N.D.C. to the Lafia Hotel to carry out accounting duties, had not the requisite qualifications to fit him for the post of Assistant General Manager and should not, therefore, be considered for appointment to this post;

/(b) that Messrs

- (b) that Messrs Ariyo and Akinrinade were very evenly matched in regard to qualifications and experience. They were both regarded as having a very good grounding in hotel management at all levels, but it was noted that Mr. Akinrinade had an advantage over Mr. Ariyo in personality, and as personal appearance is regarded as an advantage, the panel decided that Mr. Akinrinade should be given first consideration in filling the post of Assistant General Manager.

6. I have, however, further examined the claims for appointment of the two applicants and I have called for such confidential reports from the Heads of their present Departments as are available to enable me give the fairest assessment to their rival claims. The confidential report on Mr. Akinrinade is in Ministry of Home Affairs file CR.937 below. Unfortunately, it is a report of 1963 but the Permanent Secretary, Ministry of Home Affairs, with whom I discussed this matter has confirmed that it is the only confidential report available on Mr. Akinrinade and this he has confirmed with the Public Service Commission. I would invite Y.E.'s attention only to the remarks at :-

para. 3(b)(4), para. 7 and para. 9 of Part II of the report, and para. 2 of Part III; all the above quoted portions of the report have been marked "x" in the margin.

The essence of this confidential report is that in the vital area of supervision where an Assistant General Manager of an establishment of the type of the Premier Hotel should be very strong, Mr. Akinrinade is graded as mediocre.

7. Report of the other candidate, Mr. Ariyo, is at b/c of this file. It is generally satisfactory but I invite attention specially to paras. 4 and 7 of the confidential report by Mrs. Ogunfowora which states that Mr. Ariyo:

- (a) "is able to organize very well and can maintain the subordinate staff quite well; and
- (b) keeps a good standard of administration".

Also the House Governor at "x" in his letter recommending Mr. Ariyo as a suitable person states that if appointed, Mr. Ariyo's departure from the University College Hospital will create a vacancy which may be difficult to fill.

8. In view of the importance of the post and considering that whoever is appointed may well be expected to succeed to the post of General Manager in due course, I consider that the strong marks given Mr. Ariyo for :-

- (a) organisation and supervision of subordinate staff, and
- (b) administration,

weight the scales in his favour.

9. I therefore recommend Y.E.'s approval for the appointment of Mr. Ariyo as Assistant General Manager of the Premier Hotel at a salary of £1,265 x 65 - £1,525 p.a. on probation for a period of six months.

(Sgd.) W.P. Daniel-Kalio,
Chairman,
16th July, 1966.

10. This is a very balanced assessment. C. W. N. D. C. brought in the confidential reports on my suggestion. I fully support recommendation in para. 9 for Y.E.'s approval.

(Sgd.) P.T. Odumosu,
S. M. G. 19/7/66.

Approved.

(Sgd.) Lt.-Col. Adekunle Fajuyi,
Military Governor.
20/7/66.

C.W.N.D.C.

F. n. a.

(Initld) P.T.O.
20/7/67

ARCHIVES OF OYO STATES

WESTERN NIGERIA DEVELOPMENT CORPORATION

Summary of Iwajomo Committee Report
with Corporation's comments

I. Summary of Iwajomo Committee Report :-

1. The Committee first tackled the Management Agreement which they found was heavily weighted in favour of Federmann Enterprises and against the Corporation. A few examples given to illustrate this are as follows :-

- (a) Federmann Enterprises are to be paid a consultant fee of £32,375 (3.5% of the total building of the Hotel which was £925,000) when there was no justification for Federmann to undertake any supervision as both the Architects and Solel Boneh the Contractors were available for this.
- (b) Cost of Advertising and Training Nigerian personnel for the Hotel should have to be regarded as a charge on the Hotel.
- (c) Working Capital was originally supposed to be provided by Federmann but this was changed later in the revised agreement so that Lafia Hotel was saddled with providing working capital.
- (d) The minimum management fee of £9,000 is to be paid and if this could not be paid in one year, the unpaid portion would then be carried forward to the next year.
- (e) The sum of £600 at least is to be remitted abroad for reimbursement of Group Services abroad. This was not spelt out.

2. The Committee after pinpointing the various ways in which the agreement was loaded against the Corporation then noted the shortcomings of Federmann Enterprises in the performance of their supervisory functions.

- (a) Suites were built at the 5th Floor instead of chains of rooms as provided in the construction plan.
- (b) Faulty air-conditioning was installed and this is now difficult to maintain and expensive to run.
- (c) Cracks have appeared on the walls and the roofs are leaking badly.
- (d) Complicated equipments were installed which are both expensive to run or repair, e.g. Ice-cream machine.
- (e) A laundry was supposed to be built in the Hotel but only two washing machines are just placed at basement of the Hotel.
- (f) No dish-washing machine was installed and this no doubt was a serious omission.

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3. The Committee after high-lighting the above deficiencies then suggested the following actions to be taken immediately :-

- (i) Mr. Williams of the University of Ibadan should be approached with a view to advising on a proper laundry section for the Hotel;
- (ii) Ministry of Works should be requested to provide an Architect and an Engineer to study the construction and Management Agreements in order to determine whether the plans and specifications have been complied with in all respects.

4. As the Agreement on the whole is rather oppressive on the Corporation, it recommended that option to renew the Agreement should not be exercised in favour of Federmann in 1970.

Working Capital:

5. The Committee thought that no proper arrangement was made for the provision of adequate working capital. It thought that a sum of £35,000 to £40,000 would be an adequate and realistic working capital for the Hotel.

Staff Requirements, Qualifications and Salaries:

6. The Committee suggested that for effective organisation and operation, the Hotel should be divided into 12 Departments. It then proceeded to make some comments on some of the posts. There are :-

General Manager

The Committee felt that the title 'General Manager' should be changed to "Manager". They thought the total personal emolument of £5,350 p.a. for the Manager was excessive. The post should also be Nigerianised as soon as possible.

Assistant General Manager

They suggested the post should be re-designated "Deputy Manager" and they expressed an opinion about Mr. Ariyo that they were "constrained to record that the totality of his personality casts a great deal of doubt as to his suitability and possible effectiveness as a future Manager of a Hotel of the size and importance of the Premier". They then recommended that having regard to his qualifications and experience Mr. Ariyo should be made a Catering Manager.

Catering Manager

They recommended that on the conversion of Mr. Ariyo, the present holder of the office, Mr. Matan, an Israeli, should be re-designated "Catering Instructor".

Assistant Catering Manageress

The Committee felt that the advancement of Mr. Macaulay was designed to annoy Mr. Ogundana away. They recommended that in view of Mr. Macaulay's low qualifications he should be re-designated "Restaurant Supervisor".

Accounts Department

The Committee was of the view that a well-qualified Accountant possessing A.C.A. or A.C.C.A. should head this department. They also recommended appointment of more qualified staff.

Maintenance Department

The Committee was of the opinion that a more qualified staff with experience in air-conditioning equipment should be recruited as the maintenance of the air-conditioning plant had not been properly handled by the previous expatriate engineer.

Reception Department

The Committee felt that the Front Office Manager and the Assistant Front Office Manager should be re-designated "Reception Supervisor" and "Assistant Reception Supervisor" respectively. Changes in the designations of certain categories of junior staff were also suggested.

Housekeeping Department

✓ They recommended that the post of Chief Housekeeper be re-designated "Housekeeper" and that there should be one Assistant Housekeeper instead of two.

Kitchen Department

The Committee thought the salary of the Chief Cook, about £3,140 was excessive. The post of Pâtissiere, it was suggested should be Nigerianised.

Stores Department

The Committee thought that a Stores Department should be created and made separate from the Accounts Department.

After commenting on the various departments and the staff, the Committee then listed what it considered the staff complement for all the departments of the Hotel. This came to a total of 220.

Conditions of Service:

8. The Committee felt that the conditions of service for W.N.D.C.'s staff are not quite appropriate for the Premier Hotel and attached as annexures sample conditions of service for junior staff and a letter of appointment for senior staff which could be expanded later into a senior staff regulations and conditions of service.

General Matters:

9. Under general matters, the important points touched upon by the Committee are as follows :-

- 145
- (a) The Committee recommended that the Corporation should insist that Federmann should perform its obligations in respect of :-
 - (i) advertisement and publicity for the Hotel;
 - (ii) training of Nigerian personnel;
 - (iii) Nigerianisation as soon as possible;
 - (iv) furnishing monthly a statement of the accounts of the Hotel.
 - (b) The Corporation should evoke Clause 22 of the Agreement by turning the Hotel into a Public Limited Company.
 - (c) It recommended a change in the uniform of the employees.
 - (d) Lastly, the Committee felt that a statue of the late Lt.-Col. A. Fajuyi, M.C., should be erected in front of the Hotel.
-

II. Corporation's comments :-

One cannot but agree with the Committee that the Management Agreement was heavily weighted against the Corporation and in favour of Federmann Enterprises. It was doubtful if Federmann Enterprises undertook any supervision of the construction of the Hotel since this was done by the Architects, Messrs Amy Limited and the contractors, the Nigersol Construction Company Limited. In view of this, they should not be entitled to the consultant fee of £32,375 (3.5% of the total cost of the Hotel building). There is little that the Corporation can do now as this amount must have been paid. The Corporation should ask Federmann Enterprises to rectify shortcomings pin-pointed by the Hotel as stated in the Report. The Nigersol Construction Company Limited has started carrying out the repairs but this has not been completed to the satisfaction of the Hotel.

2. The Committee's advise that a laundry expert, Mr. Williams, should be invited to advise on the setting up of a laundry section in the Hotel had been accepted and Mr. Williams is already taking action on this matter.

Working Capital :-

3. The amount of £40,000 suggested as working capital is quite reasonable and effort is being made by the Corporation to arrange necessary overdraft facilities to obtain this sum of money for the Hotel.

Staff matters :-

4. The greater part of the Committee's work dealt with staff matters. The Corporation does not see any necessity in changing the nomenclature of the General Manager to Manager. There are certainly other Departmental Managers such as Catering Manager in the Hotel and therefore it appears reasonable to regard the man in overall control of the Hotel as the General Manager.

5. As far as the post of his Deputy is concerned, it is surprising that the Committee did not spell out properly why they thought Mr. Ariyo might not be suitable to be the future General Manager of the Hotel. To say that "the totality of his personality casts a great deal of doubt as to his suitability and possible effectiveness as a future Manager of a Hotel of the size and importance of the Premier" is rather vague. It is rather difficult to examine the basis upon which the Committee arrived at its conclusion when it just stated that the 'totality of his personality casts doubt on his suitability as the future Manager of the Hotel when no case of inefficiency or lack of adequate professional qualification has been made against him. If the Committee thought that Mr. Ariyo would need some further training or experience before he could take over the managership of the Hotel this could have been understandable and, in any case, the existing agreement with Federmann Enterprises will not expire until 1971 when Mr. Ariyo would have been properly groomed for the post of General Manager.

6. The Committee has suggested that Mr. Ariyo should be made a Catering Manager. It is felt that even a Catering Manager should be regarded as a potential General Manager of the Hotel and that he might need many more years of experience than an Assistant General Manager before he could become a General Manager and therefore the recommendation of the Committee in this respect should be disregarded.

7. The comment of the Committee on Mr. Macaulay is accepted. It is generally felt that one of the capable and qualified Catering Managers, in person of Mr. Ogundana, was annoyed away because he was put on the same level with somebody who could not read or write.

8. The views of the Committee about other departments, namely, Accounts Department, Maintenance Department, Reception Department, Housekeeping Department, Kitchen and Stores Department are supported. The present Maintenance Engineer, in person of Mr. Adewumi who is only experienced in mechanical section, may be transferred to the Mechanical Workshop of the Corporation at the Moor Plantation and a new Refrigeration Engineer be recruited accordingly.

General matters :-

9. The recommendations that the Corporation should insist on the Federmann Enterprises fulfilling its legal obligations in respect of :-

- (a) advertising and publicising the Hotel;
- (b) training of Nigerian personnel;
- (c) Nigerianising as soon as possible;
- (d) furnishing a statement of account monthly

are all supported.

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Incorporation :-

10. The question of evoking Clause 22 of the Agreement in order to turn the Hotel into a public liability company is being actively considered. The main reason for wanting to incorporate the Hotel is to be in a position to attract outside capital from those who may wish to participate in the project thus relieving the W.N.D.C. of the financial burden of finding sufficient working capital for the Hotel. A study of this proposal is being made separately and a paper will be put before the Board for consideration in due course.

11. The suggestion that a statue of the late Lt.-Col. Adekunle Fajuyi, M.C., be erected in front of the Hotel is admirable and it is suggested that this work be commissioned as soon as funds are available.

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Ibadan,
11/1/68.

ARCHIVES OF OYO STATE

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WESTERN NIGERIA DEVELOPMENT CORPORATION

MINUTES OF 16TH MEETING OF THE BOARD HELD
ON 30TH JANUARY, 1968

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Iwajomo Committee Report - Memorandum
No.1968/B/1 - File Ref.No.A/C.175

Mr. A. Ariyo - Assistant General Manager

6. During consideration of this report the Board examined the recommendation of the Iwajomo Committee on Mr. Ayo Ariyo, the Assistant General Manager of the Premier Hotel vis-avis the Corporation's official comments and the comments of Mr. Duldner, the General Manager of the Premier Hotel on this recommendation. Directors expressed the view that whilst they would not accept the insinuation contained in the Corporation's official comments that the Committee was prejudiced in making their recommendation on this officer, they felt that in fairness to Mr. Ariyo, the Committee ought to have mentioned specific instances to substantiate the view they held about Mr. Ariyo. The Board therefore felt that it would be desirable to have more information on the matter before an impartial decision could be taken on the recommendation and to this end it was agreed that Mr. Iwajomo himself and another member of the Committee should be invited to the next Board meeting so as to elicit further information from them about their remark on Mr. Ariyo.

ACTION BY SECRETARY

7. The Board then touched upon other matters mentioned in the Report as follows :-

(1) Para. 9(v) - Laundry Section

The Board noted the recommendation of the Committee in this regard but were of the opinion that the Managing Agents ought to have provided this amenity. A director pointed out that it would be a good thing if the Construction Agreement could be examined to see how "Laundry Section" was defined in it because if it was merely classified as "fitting" the Managing Agents would only be obliged to reserve a space for the Laundry Section in the hotel while the provision of the necessary machineries for installation thereon would be the responsibility of the Owners.

(2) Para. 26(f) - Maintenance Engineer

The Directors did not consider the appointment of Refrigeration Engineer to be necessary but preferred recruitment of good refrigeration mechanic to be assisted by two trainees from Oshogbo Trade Centre. One with experience in the building trade, and the other with experience in electrical field. It was stated that a good refrigeration mechanic was already at post and that the present Maintenance Engineer who is Mechanical Engineer would be posted back to Mechanical Workshops at Moor Plantation which is to be re-organized to cater for members of the public on payment of reasonable fees apart from Corporation's vehicles.

(3) Paras. 12 - 16: Provision of Working Capital

The Board noted the recommendation of the Committee that a Working Capital of £35,000 to £40,000 should be provided but wondered whether anything could be done now in view of the present unfavourable financial position of the Corporation. The Secretary reported that since he came to the Corporation, about £10,000 had been given to the Premier Hotel by W.N.D.C. as loan. He therefore suggested that the possibility of obtaining loans from the banks should be explored and added that these might be secured,

/if need be,

if need be, with Corporation shareholdings in the Associated Companies. This suggestion however was not favoured by directors because of its obvious implications of losing such shares. If Corporation Share Certificate are to be used as security for loan, such loan should be employed on projects with quick returns. It was suggested by a director that some amount be approved to enable the hotel to tide over their present difficult position, if the whole amount recommended could not be given, the Board decided that before anything could be done the hotel should first of all furnish as a matter of urgency its "Cash Flow" which would show clearly details of their fixed monthly expenditure and the anticipated revenue. The Board felt that when this information had been provided it would be possible for the Corporation to ascertain the financial needs of the hotel. Because of the urgency involved a date-line of 10 days was given within which the necessary statements should be prepared and presented to the Industrial Projects Committee for their scrutiny and subsequent reference to the Corporation for consideration.

(4) Para. 24 - Publicity

The Board examined the recommendation of the Committee on Publicity and directed that effective steps should be taken to publicise the hotel both locally and in overseas countries. The meeting observed that lack of adequate publicity for the country as a whole was a big problem that must be looked into immediately at governmental level.

Chapter 9

Incorporation of Premier Hotel

8. The Secretary reported that the Office of the Military Government and the Corporation's Management were examining the possibility of incorporating the hotel and that final proposal would be submitted to the Board in due course.

Item (xviii) - (xx)

9. The Board decided that action should not be taken on these matters until the positions had been fully studied by whoever was appointed as the Chief Accountant of the Hotel.

Items (xxix) - (xxxii)

10. The Board decided that the Industrial Committee of the Corporation should, as a matter of urgency, take necessary action to implement the recommendations of the Committee on all matters listed under these items.

ACTION BY INDUSTRIAL MANAGER

Items (xxxiii) and (xxxiv)

11. It was decided that these matters be deferred for further consideration.

Item (xxxvi) - Statue

12. In view of the political significance of this matter the Board felt that this was a proposition which should normally be handled by the Government of the State. It was accordingly decided that the recommendation of the Committee that the statue of the late Lt.-Col. Adekunle Fajuyi be erected in front of the hotel should be referred to the Military Government for implementation.

ACTION BY SECRETARY.

Item (XLIV)

13. The Board noted the recommendation of the Committee about Bank Signatories for the hotel but suggested that in order to facilitate speedy operation of the business of the hotel, the authorised signatories of the cheques issued by the hotel should be the General Manager, the

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Assistant General Manager, and the hotel Accountant.

14. Arising from this discussion the meeting agreed that as from now on, the management of the hotel should be requested to render to the Corporation detailed statements of all cheque issued by the hotel every week.

15. Subject to the foregoing modifications the Corporation approved the Iwajomo Committee Report and directed that it should be implemented forthwith.

ACTION BY SECRETARY.

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MINUTES OF 17TH BOARD MEETING HELD ON
27TH FEBRUARY, 1968

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Minute 6 - Iwajomo Report

Mr. Ayo Ariyo

4. The Secretary said that in accordance with the directive of the Board he had invited Mr. Iwajomo by a letter requesting him to attend this Board meeting but Mr. Iwajomo stated that he could not find the time to come and in any case their report was quite comprehensive and clear and needed no further elucidation.

5. At this stage the Chairman suggested that if Mr. Iwajomo was too busy to be able to appear before the Board another member of the Committee should be invited. The meeting then sent for Mr. S.A. Oladeinde, the Corporation's Chief Accountant.

6. In answer to a question on his arrival at the meeting, Mr. Oladeinde stated that he could not remember whether any of the complaints received about the behaviour of Mr. Ariyo was on record. He however said that at the time the Iwajomo Committee was sitting a Syrian customer was alleged to have complained that Mr. Ariyo discriminated against him by giving preferential treatment to a European customer. Mr. Oladeinde also mentioned that when Mr. Ariyo acted for the General Manager during the latter's vacation leave early last year, as a result of frequent disagreements between him (Mr. Ariyo) and his subordinate staff, (notably the junior staff) the then Secretary, Mr. S.O. Oloko, had the agonising experience of being called upon always to settle these petty disagreements. Mr. Oladeinde mentioned specifically the friction between Mr. Ogundana, the former Assistant Catering Manager and Mr. Ariyo to substantiate his point.

7. The matter was discussed at length and it was felt that more detailed facts on which the committee based their conclusion must be required as the statement of Mr. Oladeinde, if not placed on record, would not warrant the committee's conclusion. It was decided that the Chief Accountant should submit a full report on the circumstances which gave rise to the recommendation of the committee. The Board also requested that the notes of the proceeding of the meeting of the committee at which the behaviour of Mr. Ariyo was discussed should, if still available, be presented to the meeting of the Board by Mr. M.B. Kassim.

ACTION BY CHIEF ACCOUNTANT

8. Members felt that the General Manager and the Assistant General Manager should not be left alone to manage the Hotel as Mr. Duldner appeared ineffective and Mr. Ariyo's experience is very limited. It was therefore decided that the Secretary, the Industrial Manager, the Chief Accountant, the General Manager and the Assistant General Manager and the Administrative Manager of the Hotel should serve as Management Committee as well as Appointment and Promotion Committee for all established staff.

ACTION BY SECRETARY

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p 130 - 151 sub led pl.

Minute 2 - 130-151

SAS(A) H 130-151.

Are there any highlights you want me to note?

~~de. J. V.~~ PS (P+H)
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ARCHIVES OFFICIAL

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WESTERN NIGERIA DEVELOPMENT CORPORATION

Telephone No. IBADAN 22811

Telegrams: WESCORP, IBADAN

Our Ref. I/H. 1/1/Vol. 10/188

Your Ref. _____



PRIVATE MAIL BAG 5085

CONFIDENTIAL

25th March, 19 68.

The Permanent Secretary
(Political and Administration),
Office of the Military Governor,
Agodi,
IBADAN.

SASCAJ
Pl. min these papers to S.G. seeking his advice on the issues raised by the Board & further inform re

Premier Hotel

I am directed to forward herewith copy of Summary of Iwajomo Committee Report on Premier Hotel and to request you to obtain an opinion on the agreement with Federmann Enterprises (Overseas) Limited from the Solicitor-General whether it is still valid in view of the fact that Federmann Enterprises (Overseas) Limited has not honoured most of their obligations including the provision of working capital and the supervision and satisfactory completion of the Hotel building. The following essential components which should be provided were either lacking or those supplied were defective and inferior:-

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- (i) Laundry service.
- (ii) Washing facilities in the Kitchen.
- (iii) Special Service Lift (to speed the activities of the Room Service for guests).
- (iv) Lockers in the workers' changing room.
- (v) Proper coding for kitchen equipment (as a result of which faults in equipment could not easily be replaced).
- (vi) Poor filtration at the Swimming Pool.
- (vii) Absence of swimming pool wash-away.

2. Also, the present General Manager of the Hotel has tendered his resignation with effect from 30th April, 1968. Under the terms of agreement with Federmann Enterprises, it is their business to provide a General Manager for the Premier Hotel, but it seems that they are not keen in continuing with the existing agreement and that they feel this is a convenient point to review the Management Agreement. Copy of our letter to Federmann Enterprises (Overseas) Limited on receipt of the General Manager's letter of resignation, and copy of their reply are enclosed.

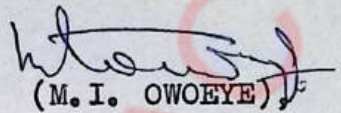
3. It would appear that the Federmann Enterprises (Overseas) Ltd. has committed a breach of contract for failing to honour their own part of the agreement to provide working capital and to supervise and complete the building of the Premier Hotel satisfactorily. The original agreement is heavily loaded against the Corporation. The Management fee of £9,000 is payable annually even when no profit is made. The Hotel is owing Federmann about £12,500 in respect of the Management Fees at present.

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Page 155-167

Page 165-169

4. The Board of the Corporation wants the agreement to be reviewed if a case of breach could not be established against the Federmann Enterprises (Overseas) Limited. In this connection, the advice of the Solicitor-General would be greatly appreciated.



(M.I. OWOEYE)

Secretary.

ARCHIVES OF OYSCY

WESTERN NIGERIA DEVELOPMENT CORPORATION

Summary of Iwajomo Committee Report
with Corporation's comments

I. Summary of Iwajomo Committee Report :-

1. The Committee first tackled the Management Agreement which they found was heavily weighted in favour of Federmann Enterprises and against the Corporation. A few examples given to illustrate this are as follows :-

- (a) Federmann Enterprises are to be paid a consultant fee of £32,375 (3.5% of the total building of the Hotel which was £925,000) when there was no justification for Federmann to undertake any supervision as both the Architects and Solel Boneh the Contractors were available for this.
- (b) Cost of Advertising and Training Nigerian personnel for the Hotel should have to be regarded as a charge on the Hotel.
- (c) Working Capital was originally supposed to be provided by Federmann but this was changed later in the revised agreement so that Lafia Hotel was saddled with providing working capital.
- (d) The minimum management fee of £9,000 is to be paid and if this could not be paid in one year, the unpaid portion would then be carried forward to the next year.
- (e) The sum of £600 at least is to be remitted abroad for reimbursement of Group Services abroad. This was not spelt out.

2. The Committee after pinpointing the various ways in which the agreement was loaded against the Corporation then noted the shortcomings of Federmann Enterprises in the performance of their supervisory functions.

- (a) Suites were built at the 5th Floor instead of chains of rooms as provided in the construction plan.
- (b) Faulty air-conditioning was installed and this is now difficult to maintain and expensive to run.
- (c) Cracks have appeared on the walls and the roofs are leaking badly.
- (d) Complicated equipments were installed which are both expensive to run or repair, e.g. Ice-cream machine.
- (e) A laundry was supposed to be built in the Hotel but only two washing machines are just placed at basement of the Hotel.
- (f) No dish-washing machine was installed and this no doubt was a serious omission.

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3. The Committee after highlighting the above deficiencies then suggested the following actions to be taken immediately :-

- (i) Mr. Williams of the University of Ibadan should be approached with a view to advising on a proper laundry section for the Hotel;
- (ii) Ministry of Works should be requested to provide an Architect and an Engineer to study the construction and Management Agreements in order to determine whether the plans and specifications have been complied with in all respects.

4. As the Agreement on the whole is rather oppressive on the Corporation, it recommended that option to renew the Agreement should not be exercised in favour of Federmann in 1970.

Working Capital:

5. The Committee thought that no proper arrangement was made for the provision of adequate working capital. It thought that a sum of £35,000 to £40,000 would be an adequate and realistic working capital for the Hotel.

Staff Requirements, Qualifications and Salaries:

6. The Committee suggested that for effective organisation and operation, the Hotel should be divided into 12 Departments. It then proceeded to make some comments on some of the posts. There are :-

General Manager

The Committee felt that the title 'General Manager' should be changed to "Manager". They thought the total personal emolument of £5,350 p.a. for the Manager was excessive. The post should also be Nigerianised as soon as possible.

Assistant General Manager

They suggested the post should be re-designated "Deputy Manager" and they expressed an opinion about Mr. Ariyo that they were "constrained to record that the totality of his personality casts a great deal of doubt as to his suitability and possible effectiveness as a future Manager of a Hotel of the size and importance of the Premier". They then recommended that having regard to his qualifications and experience Mr. Ariyo should be made a Catering Manager.

Catering Manager

They recommended that on the conversion of Mr. Ariyo, the present holder of the office, Mr. Matan, an Israeli, should be re-designated "Catering Instructor".

Assistant Catering Manageress

The Committee felt that the advancement of Mr. Macaulay was designed to annoy Mr. Ogundana away. They recommended that in view of Mr. Macaulay's low qualifications he should be re-designated "Restaurant Supervisor".

Accounts Department

The Committee was of the view that a well-qualified Accountant possessing A.C.A. or A.C.G.A. should head this department. They also recommended appointment of more qualified staff.

Maintenance Department

The Committee was of the opinion that a more qualified staff with experience in air-conditioning equipment should be recruited as the maintenance of the air-conditioning plant had not been properly handled by the previous expatriate engineer.

Reception Department

The Committee felt that the Front Office Manager and the Assistant Front Office Manager should be re-designated "Reception Supervisor" and "Assistant Reception Supervisor" respectively. Changes in the designations of certain categories of junior staff were also suggested.

Housekeeping Department

They recommended that the post of Chief Housekeeper be re-designated "Housekeeper" and that there should be one Assistant Housekeeper instead of two.

Kitchen Department

The Committee thought the salary of the Chief Cook, about £3,140 was excessive. The post of Pattissiere, it was suggested should be Nigerianised.

Stores Department

The Committee thought that a Stores Department should be created and made separate from the Accounts Department.

After commenting on the various departments and the staff, the Committee then listed what it considered the staff complement for all the departments of the Hotel. This came to a total of 220.

Conditions of Service:

8. The Committee felt that the conditions of service for W.N.D.C.'s staff are not quite appropriate for the Premier Hotel and attached as annexures sample conditions of service for junior staff and a letter of appointment for senior staff which could be expanded later into a senior staff regulations and conditions of service.

General Matters:

9. Under general matters, the important points touched upon by the Committee are as follows :-

- (a) The Committee recommended that the Corporation should insist that Federmann should perform its obligations in respect of :-
- (i) advertisement and publicity for the Hotel;
 - (ii) training of Nigerian personnel;
 - (iii) Nigerianisation as soon as possible;
 - (iv) furnishing monthly a statement of the accounts of the Hotel.
- (b) The Corporation should evoke Clause 22 of the Agreement by turning the Hotel into a Public Limited Company.
- (c) It recommended a change in the uniform of the employees.
- (d) Lastly, the Committee felt that a statue of the late Lt. Col. A. Fajuyi, M.C., should be erected in front of the Hotel.

II. Corporation's comments :-

One cannot but agree with the Committee that the Management Agreement was heavily weighted against the Corporation and in favour of Federmann Enterprises. It was doubtful if Federmann Enterprises undertook any supervision of the construction of the Hotel since this was done by the Architects, Messrs Amy Limited and the contractors, the Nigersol Construction Company Limited. In view of this, they should not be entitled to the consultant fee of £32,375 (3.5% of the total cost of the Hotel building). There is little that the Corporation can do now as this amount must have been paid. The Corporation should ask Federmann Enterprises to rectify shortcomings pin-pointed by the Hotel as stated in the Report. The Nigersol Construction Company Limited has started carrying out the repairs but this has not been completed to the satisfaction of the Hotel.

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Why was somebody appointed who could not read or write such a high post?

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11. The suggestion that a statue of the late Lt.-Col. Adekunle Fajuyi, M.C., be erected in front of the Hotel is admirable and it is suggested that this work be commissioned as soon as funds are available.

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Ibadan,
11/1/68.

ARCHIVES OF

REVISED MEMORANDUM OF AGREEMENT entered into between Western Nigeria Development Corporation (hereinafter called "Owners") of the one part, and Federmann Enterprises (Overseas) Limited, previously called Federmann Enterprises (Hotel Division) Limited, a Company registered under the Laws of Israel, the registered address of which is at 51, Heatzmaut Road, Haifa, (hereinafter call "Federmann Enterprises") of the other part.

- (a) The Agreement made by the parties hereto on September 12, 1960 shall be called the "Original Agreement" and be revised as set out hereunder.
- (b) Whereas parties hereto have entered into a separate agreement with regard to the financing of equipping the Hotel shall be called the "Second Agreement".

WHEREAS the Owners are desirous of erecting and constructing at Ibadan a de-Luxe Hotel (hereinafter called the "Hotel"); and

WHEREAS the Owners are desirous that Federmann Enterprises shall supervise the planning and construction of the Hotel and shall manage and operate the Hotel after its opening in accordance with the conditions hereinafter set out;

NOW, THEREFORE, the parties have declared and agreed as follows :-

1. The general description of the Hotel is set out in the Schedule attached hereto and marked Revised Schedule "A".
2. The total cost of the Hotel Project shall not exceed £925,000. - out of said amount an amount of £156,000. - is destined for furniture, equipment and operating inventories. Said amount of £156,000. - does not include Architects and Hotel Consultants' Fees nor financing or any other expenses.
3. The Hotel will be constructed by Owners through Messrs Nigersol in accordance with the agreement made on 5th March, 1964 between Owners - Solel Boneh and Nigersol.
4. (a) Federmann Enterprises shall, on behalf of Owners, and subject to their concurrence, within one month from the determination of the site of the Hotel as aforesaid and after the signing of this agreement, instruct a qualified architect to be approved by Owners to draw the plans of the Hotel and will supervise the drawing of the plans and shall advise on the special and complex problems relating to Hotel design and construction such as laundry installation, lighting effects, internal sound system, air-conditioning, kitchen and restaurant design, accoustical characteristic of public areas, cold storage room built-in refrigerators as well as any other necessities of the Hotel. The fees of the architect shall be payable by Owners.
- (b) Owners have appointed Messrs. Amy Ltd. Haifa, Israel as the Architects for the Construction of the Hotel and Federmann Enterprises shall act as Hotel Consultants.
5. The plans and drawings of the Hotel shall be subject to approval of Owners and Federmann Enterprises.

6. Deleted.

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7. Federmann Enterprises shall, subject to Owners concurrence, enter in the name of Owners and on their behalf into agreements with firms to be approved by Owners for the supply of all necessary equipment, installations, furnishing and all other inventories required for the Hotel.

8. Federmann Enterprises shall, subject to Owners concurrence in the name of Owners and on their behalf instruct interior architects and/or designers to be approved by Owners to plan the interior decoration, furnishing and all required installation of the Hotel in co-operation with, and under the supervision of, Federmann Enterprises experts. The fees of such architects and designers shall be paid by Owners.

9. (a) In consideration of the services to be rendered by Federmann Enterprises relative to the erection of the Hotel, supervision of its construction, equipment and furnishing as aforesaid, Owners shall pay to Federmann Enterprises Consultants fees equal to 2% of the cost of the Hotel building plus 2% of the cost of the equipment and furnishing provided the amount to be paid to Federmann Enterprises under this paragraph shall not exceed 3.5% of the total cost of the Hotel Project as defined in Clause 2 hereof but excluding the Consultants' Fees.

(b) INCOME TAX on Balance of Consulting fees due as per 15.4.1964 in the amount of up to £3,750. - will borne by the WNDK and will be paid on first request as/and when required by the Federal Inland Revenue on behalf of and for Federmann Enterprises.

10. In addition to the Consultants' Fees payable under paragraph 9 hereof, Owners shall reimburse Federmann Enterprises for the out-of-pocket expenses herein referred to incurred by Federmann Enterprises in discharging their duties under this Agreement. Travelling of experts shall be by economy-class transportation and Owners shall also arrange for their adequate insurance including medical insurance. Furthermore, it is agreed that experts and consultants of Federmann Enterprises to be assigned in connection with the construction of the Hotel shall be paid such expenses which shall include living, hotel, and in-town travelling expenses. Federmann Enterprises shall submit to Owners quarterly statements of account relative to the said out-of-pocket expenses.

11. Federmann Enterprises shall provide for adequate advertisement and publicity to the Hotel in various parts of the world to obtain recognition for the Hotel prior to opening and thereafter for the duration of the management hereinafter in clause 16 referred to.

12. Federmann Enterprises shall arrange for the training of Nigerian personnel, as waiters, desk, kitchen, Hotel accounting and stores personnel as well as for any other department in respect of which suitable candidates are available, at hotels in Israel, such trainees to be chosen jointly by Owners and Federmann Enterprises.

13. Owners shall reimburse Federmann Enterprises for the actual costs only incurred by them in connection with the matters referred to in clauses 11 and 12 hereof.

14. The Manager of the Hotel shall be assigned by Federmann Enterprises to Ibadan six months immediately before the opening of the Hotel in order to acquaint himself with the special local conditions of the Hotel. His salary and expenses to be advanced by Owners and reimbursed to them out of the operational profits of the Hotel.

15. Upon the completion of the Hotel, Federmann Enterprises shall operate the Hotel under its management as a de-Luxe Hotel in accordance with international standards, maximum use of Nigerian personnel to be made.

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16. (a) The Hotel shall be managed and operated by Federmann Enterprises until 1st November, 1970.

(b) Federmann Enterprises shall have the option by mutual agreement to extend the period of the management of the Hotel for an additional period of two years by giving notice to Owners not later than six months before the expiration of the first period of agreement.

(c) Should Federmann Enterprises exercise their option as in sub-clause (b) above set-out, then Federmann Enterprises shall have an option to extend the management period for an additional period of six years provided however both parties shall have a right to request revision of the conditions of the management, or any of them, and should the parties agree as to the revised conditions the management shall be extended as aforesaid in accordance with the revised conditions agreed upon by both parties.

17. (a) In consideration of managing the Hotel, Owners shall pay Federmann Enterprises a yearly amount equal to 33.3% of the gross operating profits of the Hotel (but not less than £9,000). Should profits of any given year not be sufficient or should there be no profit in any given year the annual minimum amount, or any unpaid part thereof shall be carried forward and be paid out of profits of succeeding years.

(b) Out of abovementioned amount of £9,000. - the monthly payments of £600. - as per para 2 of revised Schedule B will represent participation in re-imburement of expenses incurred by Federmann Enterprises for Group-services provided by them abroad

(c) Gross operating Profits denote in standard Hotel accounting the profits remaining after all expenses incidental to the operation of the Hotel are charged against income, including salaries and wages, materials and equipment used to maintain and operate the Hotel, its equipment and furnishings, cost of sales promotions, advertisement, publicity and costs of operating insurance of all sorts.

(d) Cost of fire insurance on building and contents, taxes, interest on capital investment and depreciation on buildings and other capital expenses (including expenses for the expansion of the Hotel) are not charged before the determination of the gross operating profit.

(e) The books of the Hotel shall be kept in accordance with accounting procedures prevailing in de-luxe Hotels and agreed upon by both parties and shall be open for inspection by both parties.

18. Federmann Enterprises shall make provision for working capital as far as possible through the Lafia Hotel.

19. Federmann Enterprises shall furnish Owners with a statement of profit and loss for each month of operation of the Hotel and an annual statement of profits and loss certified by an independent firm of qualified public accountants appointed by Owners.

20. Payments to be made under this Agreement to Federmann Enterprises shall be effected by Owners at times and at the places set out in the Schedule attached hereto and marked Revised Schedule "B",

21. Any dispute between the parties relative to this agreement and the performance thereof shall be determined in Nigeria by an arbitrator to be appointed by the International Hotel Association, Paris, in accordance with the Arbitration Law for the time being in force in the Western Region of Nigeria.

22. Owners are entitled to assign and transfer their rights and obligations under these presents to a Nigerian Public Company, provided:-

- (a) such public company shall assume all the obligations of Owners emanating from these presents; and
- (b) the Government of the Western Region of Nigeria has control of the said Company;

and further provided that for the duration of Management of the Hotel by Federmann Enterprises neither transfer nor allotment of shares shall be effected without Federmann Enterprises consent, which consent shall not unreasonably be withheld.

23. For the purposes of these presents the addresses of the parties shall be :

- (a) Owners - Western Nigeria Development Corporation
Regional Headquarters,
IBADAN, NIGERIA
- (b) Federmann Enterprises, P.O. Box 596,
HAIFA-ISRAEL.

Each of the parties may change the above address by notifying the other party of the new address.

24. (a) Owners shall use their best endeavours to procure the necessary approvals required under the Laws of Nigeria to effectuate these presents.

(b) Federmann Enterprises shall use their best endeavours to procure the necessary approvals required under the Laws of Israel to effectuate these presents.

25. These presents shall come into force on the 31st day of May, 1964 unless

- (a) the Nigerian competent authorities have not issued before that date the required approval(s) including Western Nigeria Government's ratification of this revised agreement and notice to this effect has been given by Owners to Federmann Enterprises; and/or
- (b) the Israeli competent authorities have not issued before that date the required approval(s) and notice to this effect has been given by Federmann Enterprises to Owners;
- (c) should Owners fail to secure approvals as outlined in sub-para (a) above and should this Revised Agreement consequently not come into force, Federmann Enterprises reserve their full rights as per the Original Agreement dated 12th September, 1960.

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26. These presents shall be cited as "Ibadan Hotel Agreement".

In witness whereof the parties hereto have signed these presents at Ibadan, Western Region of Nigeria, this

(Sgd.) D.A. Ademiluyi
WESTERN NIGERIA
DEVELOPMENT CORPORATION

(Sgd.) ? ? ?
FEDERMANN ENTERPRICES
(OVERSEAS) LTD.

Ibadan 13th April 1964.

ARCHIVES OF OLSCH

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REVISED SCHEDULE "A"

IBADAN HOTEL AGREEMENT - (CLAUSE 1)

GENERAL DESCRIPTION OF THE HOTEL

1. The Hotel will comprise 80 de-luxe rooms, each with private bath-room, 7 Suites and one Conference room.
2. The Hotel itself will include public rooms required by a de-luxe Hotel, such as Bar, Night Club, Lobby, Swimming Pool, and provided funds are sufficient, Tennis Courts and Coffee Shop.
3. All mechanical equipment installed will be of new and of up-to-date standard and all inventories of highest quality, and international de-luxe Hotel design.
4. Inner decorations are to consider the utmost use of Nigerian characteristics.
5. A full and detailed description of the Hotel appeared in the plans and drawings of the architects which were submitted and approved.

Consolidated copy of said plans and drawings is enclosed.

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REVISED SCHEDULE "B"

IBADAN HOTEL AGREEMENT - (CLAUSE 2)

1. Payments by Owner to Federmann Enterprises shall be made in free transferrable Pounds Sterling to Federmann Enterprises' for transfer at payee's expense to Federmann Enterprises' Account at Barclays Bank D.C.O., Jerusalem, Isreal.

2. Consultants' Fees under Clause 17 of the Revised Memorandum of Agreement shall be paid as determined in sub-para (a) and (b) below and these payments will be in addition to payments effected during period 12th September, 1960 - 15th April, 1964 amounting to £12,500. -.

(a) Twelve monthly payments of £1,500. - (One thousand and five hundred Pounds Sterling) each as from 1st May, 1965 totalling £18,000. - (Eighteen thousands Pounds sterling).

(b) Balance within one month after date of opening of the Hotel in accordance with the Total cost under Clause 9 of the Revised Memorandum of Agreement.

3. Federmann Enterprises shall draw on account - under Clause 17 of the Revised Memorandum of Agreement from the Hotel on amount of £600. - monthly which will be considered and will represent participation in reimbursement of expenses incurred by Federmann Enterprises for Group-Services provided by them abroad.

4. Reimbursement of out-of-pocket expenses incurred by Federmann Enterprises under the provisions of Clauses 10-13 of the Revised Memorandum of Agreement shall be effected on first request according to statements of account to be submitted to owners.

5. Estimated forecast of various expenses :-

Travelling & Other various expenses	£4,000. -
W.N.D.C.'s Income Tax responsibility re	
Hotel Consultant Fees	3,750. -
Expenses in connection with the training of Nigeria Personnel Abroad	2,000. -
Preopening Publicity/Stationery and other opening expenses	3,000. -
Salaries and Travelling Expenses of Expatriate expert, remunerations and salaries of Nigerian Personnel during preopening period	5,500. -
All Expenses in connection with all supplies FAS Apapa to Hotel site Ibadan	5,000. -
Total Estimate	£23,250. - =====

NP/H.1/16/60

16th February, 1968

The Federmann Enterprises (Overseas) Ltd.,
P.O. Box 596,
Haifa,
Israel.

Dear Sirs,

General Manager for Premier Hotel

I am directed to inform you that a letter dated 11th February, 1968 was received from Mr. Duldner, General Manager, Premier Hotel informing us of his intention to resign his appointment as General Manager with effect from the 30th April, 1968. A copy of Mr. Duldner's letter is attached herewith.

As the Managing Agents, Mr. Duldner is your accredited representative here, and now that he has resigned his appointment which no doubt would have been with your prior knowledge as he is your employee, may we take this as the termination of the Management Agreement between the Federmann Enterprises (Overseas) Limited and the Western Nigeria Development Corporation, please ?

As this matter is rather urgent, I shall be expecting to hear from you without delay.

Yours faithfully,
for WESTERN NIGERIA DEVELOPMENT CORPORATION

(Sgd.) M. I. Owoeye
Secretary

FEDERMANN ENTERPRISES (OVERSEAS) LIMITED

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Ibadan / 105 Hanassi Avenue / P.O.B 6109 / Tel. 85656

February 28, 1968

Western Nigeria Development Corp.,
Ibadan, Western Region, Nigeria

Dear Sirs,

General Manager for Premier Hotel

This is to acknowledge receipt of your letter Nr. NP/H.1/16/60 dated February 16, 1968.

It is with great sorrow for us that in view of the circumstances explained by Mr. Duldner to you, dated February 7, 1967, he had to tender his resignation as of April 30, 1968. We are all aware what a difficult task fell upon Mr. Duldner during the last 1½ year. We understand that the financial burden was too heavy and lack of appreciation or support have caused his resignation.

We, from our part, would be ready to discuss with Mr. Salem, the previous Manager of Lafia Hotel, to replace Mr. Duldner and we, therefore, ask you to let us know if Mr. Salem would be acceptable to you.

Before any final decision will be made in respect of the termination of our Management Agreement, we want to ask you for payment of management fees due to us. Up to now you owe us management fees for the period August 1966 to April 1968 (the date when Mr. Duldner will terminate his duty), i.e. 21 months @ £750.-- = total £15,750.-- On account of this fees we have received from you £3,750.-- Balance due to us £12,000.--

Our firm has some obligations to pay in Nigeria, amounting to about £4,000.-- so that we will be able to collect from you this amount in Nigerian money, leaving a balance in our favour in the amount of £8,000.-- to be transferred to Israel in free negotiable sterling.

If this arrangement is acceptable to you and you will decide not to have Mr. Salem come to Nigeria, we then shall be ready to discuss with you the conditions of termination of the management contract.

Hoping to hear from you soonest, we are faithfully yours,

FEDERMANN ENTERPRISES (OVERSEAS) LTD.

(Sgd.) X. Y. Federmann)

Solicitor-General,

Please read this file from p.153 and kindly give legal advice on the points raised in paragraphs 1-4 of the letter at pp.153-154. May I emphasize that the Board of the Corporation feels very strongly about the terms of the existing agreement with the Federmann Enterprises (Overseas) Ltd. which is making a lot of money from the poor hotel and it would, therefore, wish to be given advice as to how to get the terms of the agreement reviewed in order to serve the best interests of the Corporation.

BL
(Bode Rumapayi)
for P.S.(P.&A.),
26/3/68



ARCHIVES ONLINE

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PREMIER HOTEL, IBADAN

GM.40/12

S/C 100

P. O. Box 1206,
Ibadan,
10th April, 1968

The Secretary,
Western Nigeria Development Corporation,
Cocoa House,
Ibadan.



Dear Sir,

Handing over of Premier Hotel
£1½ million project WNDG.

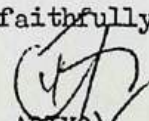
Your letter reference NP/H.1/16/75 of 5th April, 1968 addressed to Mr. O. Duldner, General Manager and copied to me merely for information and onward action, was noted with a rapt attention. This is rather informal and needs reviewed.

2. It is embarrassing, however, to note that no arrangement is made for my "entitlements" for taking over a project of £1½ million. May be, this is due to an error of oversight on the part of the Commissioner and the Secretary on whom this vital decision rests.
3. For your information, I had acted twice before in the capacity of a General Manager for a total of four months. During the period, the respective Chairman ordered 50% acting allowance to be paid to me. This was a mere period of the General Manager's absence on vacation leave. And it was on record that I proved my worth at this crucial period of four months. To come to a more serious mood of it, there were then in the establishment (1) A Catering Manager to look after the Catering aspect of the Hotel and (2) Chef de Cuissine to look after the Kitchen and the general cuissine upkeep of the hotel.
4. At this time of my being in the acting capacity, as a result of the sudden resignation of the General Manager, there are no Catering Manager, Chef de Cuissine and an Assistant to help me. I do combine all the works together. Out of 24 hours in a day, I can only squeeze 4 hours to spend with my family. I am completely married to the job in order to project the Hotel on international pace that may earn a glory to the hotel, Western Nigeria Development Corporation and the Western State of Nigeria at large.
5. In view of the 300% full responsibility I am compelled to face in this Acting exercise, it is of vital importance you confirm once and for all at the initial stage what measure of Acting Allowance I am to draw.
6. I had wanted to register a protest for the 50% Acting Allowance indicated in your former letter of Authority, which was withdrawn at a later date, were it not that the withdrawal was overtaken by event. The clever manoeuvre of withdrawing this letter under reference is unorthodox and giving food for thought.
7. I should therefore count it as an act of great favour if you will treat this as a matter of priority as the question of handing over cannot materialise until this is settled.

c.c. Permanent Secretary,
Military Governor's Office,
Ibadan.

Above for your information
please.

Yours faithfully,


(A. ARIYO)

Deputy General Manager

G. 107/1/T2/94

17 April, 1968

The Secretary,
Western Nigeria Development Corporation,
Secretariat,
Ibadan.

Through

The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
Agodi,
Ibadan.

Premier Hotel

In his memo of the 26th March 1968 at page 170 of file, the Permanent Secretary, as above, requested legal advice on the points raised in your letter of the 25th March 1968.

2. The allegations against Federmann Enterprises are: (a) that they failed to honour their obligation to supervise the satisfactory completion of the building of the Premier Hotel; (b) that they were responsible for the lack, or defective nature, of matters enumerated in your letter, e.g. laundry service, washing facilities in the kitchen, and the lift; (c) that they might fail to provide a general manager since the present one has resigned; and (d) that they failed in their obligation to provide working capital. The present Agreement dated 18th April 1964 governs the legal position of W.N.D.C., referred to as Owners, and Federmann Enterprises.

3. The first allegation does not seem to be well-founded. According to Clause 4a of the Agreement, Federmann's obligation was limited to supervising the drawings and advising the architects appointed (Clause 4b) by Owners. This obligation could only have been carried out prior to the commencement of the building. Besides, Owners should have been satisfied with the advice given before paying Federmann fees under this head. Owners would thus have a hard task of proving that wrong advice was in fact given, since Federmann cannot be held responsible for the acts of architects appointed by Owners.

4. The second allegation will have to be substantiated, and, accordingly, the following particulars should be furnished:

(i) Copy of the contract between Owners and Amy Ltd. and the architects appointed under Clause 5(b) of the Agreement.

(ii) the report, if any, of the same Amy Ltd., that they, as duly appointed architects, did approve all the stages of the construction of Premier Hotel;

(iii) the name and address of the interior architects and/or designer instructed under Clause 8 of the Agreement and their report, if any, approving the furnishing and decoration of the Hotel, or written confirmation of such approval; and

(iv) the report in writing, by a qualified surveyor, that the essential components listed out in your said letter do not in fact conform with the plans and drawings mentioned in Clauses 4 and 5 of the Agreement.

5. The third allegation is untenable since Federmann have, in their letter on page 169 of file, made an offer of a general manager to succeed the outgoing one.

6. As to the fourth and last allegation, the obligation to supply working capital was adequately circumscribed. According to Clause 18 of the Agreement, Federmann were to provide working capital "as far as possible through the Lafia Hotel". The clause is silent on the amount required. Lafia was subsequently wound up but no working capital materialised. Unless working capital can be shown to have been thereby realised, Federmann would not be in breach here.

7. It is sought to review the Agreement to lighten the burden on the Premier Hotel. In the absence of proven fraud on the part of Federmann, or mutual mistake by both parties, the chances of Federmann agreeing to a review, which would favour Owners, are very remote. In fact Owners could be held to the Agreement till 1970 (Clause 16a).

8. However in their letter at page 169, Federmann intimated their readiness to terminate the Agreement so long as they received the outstanding management fee of \$12,000 due to them. Provided therefore that there is alternative management machinery available, Owners would do well to terminate the Agreement now. Whether any sums can be set off, as damages, against the \$12,000 due to Federmann, would depend on the outcome of a perusal of the documents listed out in para. 4 above.

State Counsel,
for Solicitor-General.

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18th April, 1968

SP/C.100/174

The Secretary,
Western State Dev. Corporation,
Cocoa House,
Ibadan.

Premier Hotel

P.153

I am directed to refer to your letter No.I/H.1/1/
Vol.10/188 of 25th March, 1968 and to forward to you
herewith the attached letter Reference No.G.107/1/T2/24
of the 17th April, 1968 from the Solicitor-General
conveying legal advice to you on the contents of your
above-quoted letter.

Pp.172-3

(B. Kumapayi)
for Permanent Secretary
(Political & Administration)

Issued
18/4/68

Return to SAS (A)

SAS (A)
18/4/68 File is returned pl.

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H. E. O. (A)

Pl. process ~~pp 130-151~~ ~~pls~~ to me

ALL
AS (A)
25/4/68

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25/4/68

25/4/68
H. E. O. (A)

S. A. S. (A)

- Pl. refer to your minute at p.175.
- 2. The Iwajomo Committee was set up early in 1967 to look into the staffing position and conditions of service in the Premier and Lafia Hotels.
- 3. The Report of the Committee (pl. see pp.68-123 herein for a copy) has since been submitted to the State Commissioner having responsibility for the W.N.D.C. and the Board of the Corporation has considered it and made several comments on the recommendations contained in it. A Summary of the Report of the Committee is at pp.142-145 and the comments by the Board of the Corporation are contained in pp.145-147.
- 4. The letter at p.130 is a reply to the one at p.128 in which a request was made by this office for comments of the W.N.D.C. on the Iwajomo Report. The Comments required immediately for action in this office are those relating to the question of turning the Premier Hotel into a company. The idea that the Hotel should be incorporated originated from H.E.M.G's minute at p.52 and the letters at pp.53-57 together with C.P.I.O's minute at pp.59-61 as well as the one at p.124 are all directed towards achieving this end. In para. 31(d) of the Iwajomo Report, it was recommended that the Hotel should be converted into a Public Limited Company and the Board of the Corporation, in the comments at p.147 herein, indicates that the question of turning the Hotel into a Public Liability Company is being actively considered. The Board also adds that the proposal is being studied and that a paper will be submitted to the Board for consideration in due course. I would suggest that the W.N.D.C. be requested to hasten action in this regard as the comments and recommendations of the Board on this aspect of the Report are required for the formulation of a policy on the subject. You will also wish to refer the Corporation's comments at p.147 to the C.P.I.O. for his information.
- 5. Paras. 1 and 2 of the Summary of the Report referred to

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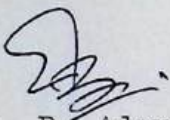
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in para. 3 above shows that the Federmann Enterprises (Overseas) Ltd. which is an Israeli Company responsible for the management of the Premier Hotel have not honoured most of the obligations owed by her to the W.N.D.C. This portion of the Report together with para. 1 of the comments made by the Board of the Corporation at p.145 are the subject matter of the letter at pp.153 & 154 herein. This letter which came from the Secretary, W.N.D.C., was copied to the Solicitor General at p.170 for his legal advice and the letter at pp. 172-173 which contains the opinion of the Solicitor General has since been forwarded to the Sec., W.N.D.C., for submission to the Board of the Corporation. The Solicitor General's advice is clear and unambiguous. There is no doubt, therefore, that the Board of the W.N.D.C. will be able to see its way clear on the question of whether or not it would profit the Board to terminate her contract with the Federmann Enterprises.

6. Another highlight of the Report of the Committee relates to Staff situation at the Hotel. The recommendations of the Committee in this regard are contained in para. 6 of the Summary of the Report at pp.142-145. The Committee, inter alia, recommends that the title 'General Manager' should be changed to 'Manager' and that the post should be Nigerianised as soon as possible. It also expressed the view that the total emolument of £5,350 p.a. attached to the post of General Manager was excessive and that the title 'Asst. General Manager' should also be changed to 'Deputy Manager'. The Committee also recommends that the present incumbent of the post of Asst. General Manager, Mr. A. Ariyo, should be made Catering Manager because "the totality of his personality casts a great deal of doubt as to his suitability and possible effectiveness as a future Manager of a Hotel of the size and importance of the Premier". These recommendations on the change of title and re-designation are not supported by the Board of the Corporation which holds the view that they should not be accepted (paras. 5 & 6 of

the Corporation's comments at pp.145-147 refer). The Board which is convinced that Mr. Ariyo was appointed on his merit has, to justify its view, submitted the Annexures at pp.138-141 which contain the details of the procedure followed in considering Mr. Ariyo for appointment to the post of Asst. General Manager.

7. It does not appear that the reasons adduced by the committee in respect of the necessity for changing Mr. Ariyo's job are cogent or reasonable enough to justify its recommendation.. Moreover, the terms of the contract of service subsisting between the W.N.D.C. and Mr. Ariyo must needs be carefully studied before recommending a change in Mr. Ariyo's duties as the possibility that the Corporation could be sued and made to pay substantial damages to Mr. Ariyo for breach of contract cannot be ruled out, if, after the change has been made, it is discovered that the action is repugnant to the express terms of the contract of service. I am of the opinion that the comment in which the Corporation advocates the rejection of the recommendation should be upheld.


(E. B. Adeyanju)
Ap. H. E. O. (Admin.)
1/5/68.

C.P.I.O.

You will wish to see this file from p 130 and record any latest information available to you for the use of the P.S. (P+A).

Unless you choose to minute to the P.S. (P+A), I will, on return of file, deal with outstanding matters which have been long overdue.
S. K. S. (A) 1/5/68

WESTERN NIGERIA DEVELOPMENT CORPORATION

Telephone No. IBADAN 22811
Telegrams: WESCORP, IBADAN
Our Ref. A/C.225/T/24.
Your Ref. _____



Regional Headquarters
IBADAN
WESTERN REGION
NIGERIA
18th September, 1968.

*ccg
20/9*

The Permanent Secretary,
(Political and Administration),
Office of the Military Governor,
Ibadan.



pp 180 - 181
~~223~~

Quo Vadis Restaurants Limited

Please find herewith the record of the meeting held with the management of Quo Vadis Restaurants Limited in the light of your instruction that the new draft Agreement prepared by the Solicitor-General and Permanent Secretary, Ministry of Justice, should be discussed with the Quo Vadis Restaurants Limited. I have already minuted on the main file to you for the attention of the Solicitor-General. You may wish to pass this paper to him accordingly.

D 20/9/68

M. I. Owoeye
(M. I. Owoeye)
Secretary.

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Record of the meeting held to discuss the draft Agreement for the management of Premier Hotel by the Quo Vadis Restaurants Limited

Present:

- Mr. M.I. Owceye - Secretary, W.N.D.C.
" J.E. Jegede - Industrial Manager, W.N.D.C.
" S. Sagrani - Managing Director, Quo Vadis Restaurants Limited.

Mr. Sagrani stated that he has gone through the new draft Agreement prepared by the Solicitor-General and that he is generally agreeable with the draft except that he wants slight amendments on the following :-

(a) Paragraph 5(a) - where a minimum of £30,000 guaranteed profit was provided. He was wondering whether the guaranteed sum of £30,000 was net profit after depreciation had been taken into consideration or before taking into consideration depreciation of the assets. It was explained to Mr. Sagrani that the calculations made at the Board of Directors' meeting before this amount of £30,000 was arrived at, had taken into consideration the question of depreciation and that the amount of £30,000 is net profit. Mr. Sagrani stated that he would wish to look into the books of the Hotel first before he could give his final agreement to this clause.

(b) Paragraph 5(b)

(i) Mr. Sagrani would want the phrase "subject to compliance with the Nigerian Exchange Control Regulation" to be deleted. It was explained to him that this phrase cannot be deleted and that whether it was included or not the permission of the Exchange Control would have to be obtained before any amount could be remitted outside Nigeria and that Mr. Sagrani would be requesting the Corporation to undertake something which is impossible.

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frs. done?

(ii) Mr. Sagrani requested that the payment of management fees where the guaranteed sum of £30,000 could not be obtained should not be deferred absolutely but that payment be made proportionately. For example, if the Quo Vadis Restaurants Limited is able to get a net profit of £2,500 the management fee of £10,000 should be paid less £5,000 and that the £5,000 should be deferred for payment the following year provided they are able to get a net profit of £35,000. It was agreed that this request is reasonable and that the amendment would be considered.

(c) Paragraph 5(c): Mr. Sagrani stated that as Quo Vadis Restaurants Limited would be introducing a working capital of £50,000 to the business it would be necessary to provide under this clause the right to withdraw this amount of £50,000 or the outstanding balance as shown in the book of accounts so that the phrase "without any liability to the company whatsoever" should be suitably modified to accommodate the right of Quo Vadis Restaurants Limited to be paid the outstanding balance of the working capital introduced into the business. This amendment was considered reasonable.

2. Mr. Sagrani also requested that they should be given reasonable notice when to take over to enable them make suitable advertisement and publicity campaign considered necessary.

I b a d a n,
18th September, 1968.
 MIO/RAO.

PS(P&A)

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the faults detected in the construction of the building to be undertaken together with a negotiable amount as compensation. The defects which were observed at the time and which were made known to representatives of Federmann are listed at the bottom of page 157 - 158.

3. The Solicitor-General also advised on the failure of Federmann Enterprises to make working capital available, which single factor has been largely responsible for the continuous losses sustained by the project. Since there is adequate evidence that the Management Agents either actively advised the run-down of the Lafia Hotel or was privy to this arrangement, Federmann Enterprises was on very weak grounds to plead that the inability of the Lafia Hotel to provide profits from which working capital could have been procured was responsible for their own failure in turn. Legally therefore, the Solicitor-General was firmly of the opinion that the law was on our side for taking steps to terminate the Management agreement with Federmann Enterprises.

4. The next question which would arise however is whether Y.E. would wish to go all the way on the legal advice now provided, not only to terminate the agreement, but also to seek remedies under the law, or through negotiation to exact compensation from Federmann Enterprises for the breaches noted by the Solicitor-General. It has always been Y.E.'s positive policy not to estrange relations with our overseas friends. Subject to Your Excellency's agreement, therefore, I would recommend that all that is necessary is for them to agree to the termination of the current agreement by the mutual concurrence of both parties. If this is agreed with the Federmann Enterprises in principle, we can then go into detail over the points raised in S.-G.'s para.3 (i) - (v) at official level.

5. I shall be grateful for your further directive on this matter.

Sgd. S.O.I. Longe
(J.O.I. Longe),
P.S. (P. & A.),
25/9/68.

Seen by H.E. who directed
that we shd. take a paper to
ExCo. /

Y.E.,

will recall that the negotiation for Quo Vadis Restaurants Limited to take over the management of the Premier Hotel was interrupted to enable appropriate steps to be taken to disentangle ourselves from the agreement, still current, ~~but~~ previously entered into with Messrs. Federmann Enterprises Limited. In order to pursue the termination of this agreement, Y.E. directed that the representatives of our managing agents be invited to hold discussions with you. Contacts have since been made with them and the latest position is that we are awaiting a firm date of arrival from Mr. M. Federmann. Please see 'X' page 183 which crossed our cablegram at page 182.

2. Meanwhile, the Solicitor-General has had time to study the agreement with Federmann Enterprises and to advise as in pages 157 - 161. Briefly, his studies have shown that the Management Agents have breached the agreement and they are clearly not entitled to any compensation. On the other hand, the Corporation, in view of the breach of the agreement ^{by Federmann} is entitled to damages which will enable

U.S.,

Please study this file belonging to W.N.D.C. quickly. What is required now is to place the case for terminating the agreement with Federmann Enterprises Ltd. to Exco and using the advice given by the Solicitor-General as Annexure, then put the case for appointing Quo Vadis Restaurant Ltd. as the new management agency raising briefly the conditions which had been agreed with this Company in discussion and the draft agreement which it is proposed to execute with it.

2. The main argument which will come at Exco is while we cannot run the Premier Hotel without a new managing agent, the main reason in my view is that we do not have adequately trained and experienced Nigerians who can take over the management and we would not have the facility of being connected with other hotel organisations which can boost our users for the hotel as well as our revenue. If you examine the management agency agreement with Federmann Enterprises, you might also be able to get some more of the reasons, peculiar to hotels which make it necessary to appoint managing agents. Please note H.E.'s minute that the paper must come to Exco next week and let us get moving early. Some of the minutes in this Development Corporation file ought perhaps to be copied into our own files.

(J. O. I. Longe)
P.S. (P.&A.),

/9/68

PS (P & A)

Your minute copied above: please see the draft Exco memo at bc. The annexures will be extracted from the W.N.D.C. file (attached).

U.S. 30/9

7 185
Y.E.,

With reference to your minute at the bottom of page 185 of the W.N.D.C.'s file No.A/C 225 asking that a draft Exco Memo be prepared to seek Cabinet's approval for the termination of the agreement with Federmann Enterprises Limited and the execution of a new agreement with Quo Vadis Restaurant Limited, I place at cover a draft memo which if Y.E. approves, may be initialled. I propose to use as annexures the Solicitor-General's advice on the issue that the Federmann Enterprises has breached the Management agreement in a number of ways. The other annexure is the draft Management Agreement with Quo Vadis.

J.O.L.
(J. O. Longe),
P.S.(P. & A.),
2/10/68.

PS (P & A)

Several attempts have been made to invite Federmann representatives and should be written in. The minimum £30,000 profit a year is calculated as at present situation in the country.

J.O.L.
4/10

Chief Akinyemi
PS (P & A)

To see above min & the draft Exco memo initialled already by H.E. H.A.

J.O.L.
4/10 PS (P & A)

SMA

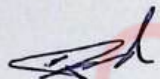
8
186

Draft Exco memo at be forwarded for
necessary action pl.

2. The memo has been amended as
directed by H.E.

3. The delay in submission was due to
the time taken in preparing the annexures
which were not prepared. at the time the
paper went to H.E.

onkinge
PS (P+R)
21/10/68


21/10


Senior Assistant Secretary (CD)

23/10/68.

ARCHIVES OF

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S E C R E T

THIS DOCUMENT IS THE PROPERTY OF THE EXECUTIVE
COUNCIL OF THE WESTERN STATE OF NIGERIA

M.G.(68) 219

COPY NO: 19

22nd October, 1968

EXECUTIVE COUNCIL: WESTERN STATE OF NIGERIA

Management Agreement of the Premier Hotel

Memorandum by His Excellency the Military Governor.

By an agreement made by the Western Nigeria Development Corporation with Federmann Enterprises, the management of the over £1.5 million Premier Hotel was given to Federmann Enterprises. This agreement still has some two more years to run.

2. Since its inception, the Premier Hotel has lacked working capital - a disease which plagued most of the projects of the Western Nigeria Development Corporation. The failure of Federmann Enterprises to provide the necessary working capital constitutes the main reason why the Hotel has not only been unable, up to now, to run on a profitable commercial basis but has also even contributed in a large measure to the losses it has suffered continuously. Several attempts have been made to bring out the representatives of Federmann Enterprises to discuss the situation but they have replied lately that they were unable to come over to Nigeria, and that the decision of Government on the matter should be communicated to them.

3. According to the Solicitor-General, whose advice on this matter is attached as Annexure I to this Memorandum, the failure of Federmann Enterprises to provide the necessary working capital for the profitable running of the Hotel constitutes a breach of the agreement entered into with them by the Western Nigeria Development Corporation. Federmann Enterprises cannot even blame this inability on the failure of the Lafia Hotel to provide the necessary capital from which the working capital for the Premier Hotel could be got. It was Federmann Enterprises who managed the Lafia Hotel before it was closed down - thanks to them too! Far from Federmann Enterprises being entitled to any compensation if the agreement with them was terminated now, the Government has a right of remedy in the law courts for this breach, if it so desires. Negotiation is, however, advised rather than court action. This would be in keeping with Government's determination to avoid estranging our overseas friends.

4. As it is very well known, what matters in hotel management is not working capital alone, which the Government can even ill-afford now. There is the question of the supply of technical know-how; and in this regard, there is in Nigeria the dearth of adequately trained, experienced and knowledgeable Nigerians in the trade. There is also the question of contact not only with other hotel organisations in this country, but also most particularly with those abroad who can boost the image of the local hotel and promote its publicity and custom. Besides, only those trained in the business of management can more readily get at the latest trends and developments than an autonomous management by the Western Nigeria Development Corporation, which has almost more than it can cope with, and which itself needs reorganisation.

S E C R E T

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S E C R E T

M.G.(68) 219

5. In view of the foregoing, it is felt that a separate management agreement should still subsist but not with Federmann Enterprises whose agreement should be terminated forthwith. It is proposed therefore that a new management agreement be entered into with Quo Vadis who are reputable for their skill in the trade, as witnessed by their successful management of their restaurant in the Western House in Lagos. According to the proposed agreement with them, attached as Annexure II to this Memorandum, Quo Vadis would provide at least £50,000 working capital, and a minimum of £30,000 annual net profit, which has been calculated on the basis of the present situation in the country, is guaranteed; the Western Nigeria Development Corporation would pay £10,000 annually as management fees and the agreement would subsist for five years.

6. Council is invited -

(a) to approve the immediate termination by negotiation of the management agreement of the Premier Hotel between the Western Nigeria Development Corporation and Federmann Enterprises;

and (b) to approve the negotiation of a new management agreement with Quo Vadis as proposed in Annexure II to this Memorandum.

(Intld.) R. A. A.

Office of the Military Governor,
Ibadan,
Western State of Nigeria.

4th October, 1968

(SP/C.100/T).

S E C R E T

1. AGREEMENT WITH FEDERMANN: By an agreement dated 12th September, 1960 the Western Nigeria Development Corporation and the Federmann Enterprises (Overseas) Ltd. agreed that a de-luxe hotel (later known as Premier Hotel) be built for the Corporation. Under the agreement Federmann had certain obligations in respect of the drawing of the plans and the construction and management of the hotel. The agreement of the 12th of September 1960 was later revised by a second agreement dated 18th April, 1964. This second agreement varied certain clauses of the first agreement. By and large the obligations of Federmann under the second agreement can be classified as follows:

- (a) to supervise the drawing of the plans (clause 4(a));
- (b) to advise on the special and complex problems relating to hotel design and construction such as lundry installation, lighting effects, internal sound system, air-conditioning, kitchen and restaurant design, accoustical characteristic of public areas, cold storage room, built-in-refrigerators as well as any other necessities of the hotel (clause 4(a));
- (c) to supervise the construction of the hotel (clause 9(a));
- (d) to supply necessary equipments, installations, etc. which should be new and of up-to-date standards and of highest quality (clause 7 and paragraph 3 of Schedule A); and
- (e) to manage the hotel (clause 15).

As respect the obligations (a), (b), (c) and (d) above Federmann was to be paid consultant's fees under clause 9(a) in the manner specified under paragraph 2 of Schedule B. For obligation (e) above Federmann was to be paid management fees under clause 17. From what is now known however Federmann could not have supervised nor advised (under (a) and (b) above) with such competence and expertise which they claimed nor did they in some respect, purchase mechanical equipments and installations of highest quality under (d). See page 87 of this file where part of the first paragraph reads as follows:

the following essential components which should be provided were either lacking or those supplied were defective and inferior :-

- (i) Laundry Service
- (ii) Washing facilities in the kitchen
- (iii) Special service lift (to speed the activities of the Room Service for Guests)
- (iv) Lockers in the Workers' changing room
- (v) Proper coding for kitchen equipment (as a result of which faults in equipments could not easily be replaced)
- (vi) Poor filtration at the Swimming Pool
- (vii) Absence of Swimming Pool wash-away.

Federmann clearly from the foregoing breached their obligations under (a), (b), (c) and (d) above as any of the preceding items can be traced to one or the other of them. The fact that the Corporation paid Federman their consultants' fees under clause 9 and paragraph 2 of Schedule B (contrary to the advice previously given in this Ministry which was based on insufficient material) could not be used as indicating the Corporation's satisfaction in this respect since the consultation fees were paid in instalments as the construction of the hotel progressed and the last instalments was paid a month after the completion of the hotel (paragraph 2(b) of Schedule B) which was certainly not time enough for the Corporation to detect the faults enumerated above. As such the payment of the fees by the Corporation could not be interpreted as the Corporation's acquiescence in the breach. The Corporation, in view of this breach is clearly therefore entitled to damages the measure of which will be the cost of rectifying the faults plus something reasonable for the inconvenience arising therefrom.

2. As has been pointed out above Federmann also have an obligation to manage the hotel for the Corporation for 4 years (clause 15 of second agreement). It was clear all along to Federmann that working capital was necessary for the profitable running of the

Hotel. Indeed under the first agreement (clause 20) they agreed to provide a minimum amount of £100,000 on their own as working capital; this however got whittled down under the second agreement to a nebulous obligation to provide working capital "as far as possible through Lafia Hotel". It is germane to mention here that at the time the second agreement was made Federmann was managing Lafia Hotel for the Corporation. Shortly however after the hotel was opened Lafia was closed down, I believe, on the advice of Federmann in order that Lafia might not constitute itself into a competitor with Premier. If my information is correct then Federmann was clearly at fault when it advised the closure of Lafia without making an alternative arrangement for working capital, in respect of Premier, to be obtained elsewhere. As everyone knows it is the lack of working capital that has made Premier to run continuously at a loss. Indeed the agreement between the Corporation and Federmann is being sought now to be terminated in order that a management agreement could be made with some other organisation which can provide the necessary working capital. If my information is correct that Federmann actually advised the closure of the Lafia Hotel without making arrangements for working capital from elsewhere this would amount to negligence on the part of Federmann for which they will be liable to the Corporation and for which reason the Corporation could clearly sue for a termination of the agreement. But if on the other hand the Corporation on its own closed Lafia or did so in agreement with Federmann the latter cannot be held responsible for lack of working capital.

3. It is now necessary to consider how the agreement can be terminated. There is no procedure by which this can be achieved in the agreement itself. This would therefore have to be done by court action or by mutual agreement of both parties. In view of the circumstances however the better and inexpensive way of terminating the agreement would be by negotiation. Federmann has shown a readiness to negotiate subject to the condition that the £12,000 which they alleged was due to them already under the agreement be paid or agreed to be paid. It is advised therefore that the negotiation should be conducted along the following lines:

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- (i) To insist that the sum of £12,000 claimed by Federmann, although admitted, cannot be due now (clause 17(a) of second agreement) until the hotel starts to make profits since that clause provides inter alia that "should profits of any given year not be sufficient or should there be no profit in any given year the annual minimum amount, or any unpaid part thereof shall be carried forward and be paid out of profits of succeeding years". Therefore since the hotel has only within the last three months started to make very insignificant profits it can hardly be described as making sufficient profits out of which the sum of £12,000 or any part of it can be paid. Federmann normally will have to wait till the hotel starts to make sufficient profits before they can be paid that sum or any part of it. Had Federmann on their own approached us to pay the amount we would have on the foregoing grounds been only liable to pay something reasonably less than the sum of £12,000 since they will have to be paid prematurely. But as we ourselves are desirous of terminating the agreement in order to get some other management Federmann should get a little more (as inducement) than they would normally get if they were asking on their own to be prematurely paid.
- (ii) The fees due for the period beginning with the 1st of May this year and ending when negotiations are concluded with Federmann would not be payable since Federmann would not have in fact managed the hotel during that time. Mr. Dulner it will be remembered ceased to manage the hotel from the beginning of May this year.
- (iii) From whatever is also due to Federmann should be deducted what may be regarded as damages for the lack or defect of components categorised in paragraph 1 above. See end of paragraph 1 for the basis of calculating what

will be due as damages.

(iv) For the period between the time of the conclusion of negotiations and the end of October 1970 when Federmann normally is obliged under the contract to cease from managing the hotel only about half of what will be due for that period will be payable since Federmann will have to be relieved of their obligation for that period; and finally

(v) from whatever total sum is payable to Federmann will also have to be deducted the amount of tax which they would have paid on such earnings.

4. The Corporation's accountant in conjunction with me should be asked to work out what can be said to be due to Federmann guided by sub-paragraphs (i) - (v) of paragraph 3.

5. DRAFT AGREEMENT WITH QUOVADIS: I have studied the draft ^{the} management agreement with Quovadis and revised it as in draft attached. The clauses affected are as follows:

Clause 2: I have combined here the effects of original clause 2 sub-clauses (i) and (ii) and clause 12 and have consequently deleted the latter in my draft.

Clause 3: (a) Your clause 3(i) slightly amended becomes clause 3(a).

(b) Your clause 3(ii) as slightly amended becomes clause 3(b).

(c) Your clause 3(iii) becomes clause 3(c)

Clause 4: Your clause 4(a) as slightly amended becomes clause 4 and your 4(b) is deleted on instruction. Clause 4 is most crucial in the agreement and in view of the past experience of the Corporation in respect of working capital which is the pivot on which profitability of management rests I strongly advise that the minimum amount of working capital of at least £50,000 be demanded from Q.V. They themselves agreed before to this; indeed to £100,000

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prior to that. It is very well known that the hotel has not made profits because of lack of working capital which was not adequately provided for in the Federmann agreement. In order therefore that the same vital error may not be repeated all over again a clear provision of what is required as working capital should be made. If your draft clause 4(a) were to be left as it is the C.V. may provide anything whether adequate or inadequate as working capital.

Clause 5: Your clause 5(a) as amended has been split into clause 5 sub-clauses (a) and (b) and your 5(b) now becomes 5(c) as amended.

Clause 6: Amended as necessary.

Clause 7: Amended.

Clause 10: Amended so as to put the burden of advertisement on the Company, which is as it should be, but subject to the burden being discharged within such financial limits as the Corporation may determine from time to time.

Clause 13: Your clause 14 as amended.

Clause 15: Your clause 16 as slightly amended.

Clause 16: Your 17 as amended.

Clause 18: Your 19 as amended.

(sgd.) A.F.O. Dabiri
Ag. Solicitor-General and
Permanent Secretary.
19th August, 1968.

THIS AGREEMENT is made the day of

One Thousand Nine Hundred and Sixty Eight BETWEEN WESTERN NIGERIA DEVELOPMENT CORPORATION a statutory body established under the Laws of the Western State of Nigeria and having its head office at the Cocoa House at Ibadan (hereinafter referred to as "the Corporation") of the one part and QUO VADIS RESTAURANTS LIMITED a Limited liability company incorporated under the Laws of the Federation of Nigeria and having its registered office at 8-10 Broad Street, Lagos (hereinafter referred to as "the Company") of the other part.

WHEREAS the Corporation is the owner of the Premier Hotel at Ibadan (hereinafter referred to as "the Hotel").

AND WHEREAS the Corporation is desirous of appointing the Company to manage the Hotel for a period of Five Years in manner hereinafter appearing.

NOW THIS AGREEMENT WITNESSETH as follows :-

1. THE CORPORATION hereby appoints the Company to manage the Hotel for a period of FIVE YEARS commencing as from the day of One Thousand Nine Hundred and Sixty Eight.

2. The Company shall operate the Hotel under its management as a deluxe hotel in accordance with international standards and shall absorb the entire staff of the Hotel and thereafter be responsible during the period of management for all matters relating to the employment, discipline, suspension or dismissal of members of staff provided that no retrenchment of any member of staff employed by the Corporation may take place without prior consultation with the Corporation.

3(a) That the Company shall provide every facility and shall in fact train and equip a Nigerian to assume not later than four years from the operation of this Agreement the post of supernumerary General Manager of the Hotel.

3(b) The company may employ expatriates to fill the posts of Catering Manager and Chef de Cussine where Nigerians are not available and where such expatriates are so employed arrangements should be made to train suitable qualified

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Nigerians to take over not later than three years from the employments of such expatriates.

3(c) The Corporation shall appoint a Chief Accountant who shall jointly with the General Manager sign cheques for the Hotel.

4. The Company will not ask the Corporation for any working capital or capital of any kind for the running of the Hotel and to this end, the Company shall provide from its own resources adequate working capital of at least £50,000 for the efficient operation of the Hotel.

5(a) The Company guarantees that the turnover of the Hotel shall not in any year during the period of management be less than Two Hundred Thousand Pounds and the Company further guarantees a net profit of at least Thirty Thousand Pounds per annum which shall exclude any management fees which may be due to the Company.

5(b) THE CORPORATION shall, subject to compliance with the Nigeria Exchange Control Regulations, pay to the Company in respect of the services for managing the Hotel the sum of TEN THOUSAND POUNDS sterling per annum as management fees such amount to be paid in arrears at the end of each year of operation; AND in the event that in any one year such net profit of the Hotel shall exceed Thirty Thousand Pounds and subject to any accrued management fees having been paid THEN the Corporation shall pay to the Company in manner aforesaid an additional sum by way of commission amounting to ten per centum of all profits in excess of Thirty Thousand Pounds and in case the net profit of the Hotel does not reach the guaranteed figure of Thirty Thousand Pounds in any year, the Company shall not be entitled to management fees for that year but such deferred management fees shall be carried forward and be paid out of the profits of any succeeding year provided the profits for that year were enough to cover the guaranteed figure of profit required for that year and for the unpaid year.

5(c) The Corporation shall have the right however to determine this agreement unilaterally without any liability to the Company whatsoever if the Company either failed consecutively for two years to reach the minimum profit figure of £30,000 or in the opinion of the Corporation the standard of management of the hotel falls short of the standard expected of an international Hotel.

6. THE COMPANY as managers shall manage and conduct the affairs of the Hotel in a proper and businesslike manner to the best of its ability and in the best interests of the Corporation AND the Corporation MAY from time to time at the request of the Company supply to the Company all such information as shall be necessary and desirable to enable the Company to execute and carry out its duties under this Agreement.

7. IT IS AGREED that representatives of the Corporation and of the Company shall meet once in every calendar month to review the affairs of the Hotel PROVIDED that if in the opinion of one of the parties hereto it shall be necessary and proper to convene an emergency meeting then such meeting may be convened by giving to the other party not less than Five days' notice in writing exclusive of the day on which such notice is served or deemed to be served and of the day for which such notice is given AND such notice shall specify the place, day and hour of the meeting and shall specify the general nature of the business to be discussed.

8. ANY NOTICE hereunder may be given by sending it by registered post to the registered office of the addressee and unless the contrary is proved any notice so sent shall be deemed to have been received the fourth day after postage with prepaid stamps.

9. THE COMPANY shall:-

- (a) cause separate books of account and records relating to the Hotel to be kept;

- 19820
- (b) on or before the forty-second day preceeding the last day of each financial year of the Hotel cause to be rendered to the Corporation estimates in a form approved by the Corporation of capital and revenue expenditure and of income for the next following financial year of the Hotel;
 - (c) cause to be submitted to the Corporation and to the auditors of the Corporation on or before the Forty-fifth day following the end of each financial year of the Hotel a draft profit and loss account in respect of the business of the Hotel for such year in a form approved by the Corporation;
 - (d) submit the Hotel accounts to be audited by a firm of auditors nominated by the Corporation.

10. THE COMPANY shall throughout the duration of this Agreement be responsible for all matters relating to publicity and sales promotion in respect of the Hotel and shall advertise publicise and undertake programmes of sales promotion for the Hotel both inside and outside Nigeria but within such financial limits as the Corporation may approve from year to year and the expenses incurred in respect hereto shall be part of the normal running cost of the Hotel.

11. THE COMPANY shall have the usual powers essential to the good management of a first class hotel including the power to enter into contracts in the ordinary course of business of the Hotel and to exercise such powers, authorities and discretions as the Company may from time to time on good business principles reasonably think fit for the good management of the Hotel SAVE ONLY that the Company shall not without the prior approval of the Corporation :

- (a) borrow money on account of the Corporation otherwise than by way of temporary loans raised in the ordinary course of business and within such limits as may from time to time be prescribed by the Corporation;
- (b) dispose of or enumber any of the fixed assets of the Corporation;
- (c) invest any funds of the Corporation other than in the ordinary course of business by way of bank deposit;
- (d) incur capital expenditure;
- (e) assign all or any of its obligations hereunder.

12. THE COMPANY shall be responsible for the remuneration of all staff employed at the Hotel and for all other

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Outgoings including administrative overheads, insurance, electricity, water rate, laundry, repairs and maintenance services and incentive bonuses (if any) AND the Corporation shall be solely entitled to the benefit of all moneys had and received by the Hotel including the benefit of any discounts or commissions obtained by the C company in the course of its management of the Hotel.

13. The handing over of the management of the Hotel shall be made by the C corporation to the Company as soon as reasonable after the determination of the subsisting management contract between the Corporation and the Federman Enterprises (Overseas) Limited.

14. THE COMPANY shall not either during the management period or at any time thereafter disclose to any third party any information as to the state of the hotel's affairs which has come to the knowledge of the Company by reason of its employment by the Corporation hereunder EXCEPT to the extent that such disclosure is authorised by the Corporation or is necessary in the course of the performance by the Company of its duties hereunder.

15. It is agreed between the Corporation and the Company that all previous liabilities of the Hotel except those specifically agreed in writing shall as between the Corporation and the Company be deemed to be discharged before the Company takes over and shall be taken care of by the Corporation.

16. THIS AGREEMENT may, subject to the provisions of clause 5(c) be determined by either side giving to the other Six Calendar months' notice in writing without prejudice however to any antecedent rights which might have accrued to either party under this Agreement AND in the event of this Agreement being so determined under this Clause by either side THEN the defaulting party shall pay to the other party by way of compensation a sum equal to one half of all fees in respect

200 22

of the unexpired term of the management period referred to in clause 1 hereof such sum to be payable by means of one single payment in sterling into the bank account nominated by the other party.

17. UPON DETERMINATION of the management period the Company shall forthwith deliver to the Corporation all assets including documents, correspondence, books of account and records in its possession relating to the Hotel.

18. THIS AGREEMENT shall be construed and take effect in accordance with the Laws of the Western State of Nigeria AND any dispute or difference which may arise touching the meaning of this Agreement or the rights or obligations of the parties hereunder or any other matter or thing in connection therewith shall (unless a sole arbitrator be agreed upon) be referred to the decision of two arbitrators one to be appointed by each party or to an umpire to be appointed by the arbitrators before entering upon the arbitration under and subject to the provisions of the Arbitration Law Cap.8 of the Laws of the Western State of Nigeria or any statutory modifications or amendments thereof for the time being in force.

IN WITNESS WHEREOF the parties hereto have executed these presents the day and year first above written.

THE COMMON SEAL OF WESTERN NIGERIA DEVELOPMENT CORPORATION was hereunto affixed in the presence of:-

.....
C H A I R M A N

.....
S E C R E T A R Y

THE COMMON SEAL OF QUO VADIS RESTAURANTS LIMITED was hereunto affixed in the presence of:-

.....
C H A I R M A N

.....
D I R E C T O R

165 1025 23
Telephone: IBADAN 22811
Telegrams, Cables: WESCORP, IBADAN

WESTERN NIGERIA DEVELOPMENT CORPORATION

(A STATUTORY ORGANISATION OF THE WESTERN NIGERIA GOVERNMENT)



PRIVATE MAIL BAG 5085
IBADAN, NIGERIA

OUR REF: I/H.1/1/Vol.II/7/

YOUR REF: 4th October, 1968

The Permanent Secretary,
(Political & Administration),
Office of the Military Governor,
Agodi,
Ibadan.



Premier Hotel

p 202
p 24 I attach herewith photostat copy of a letter
received from Federmann Enterprises (Overseas) Limited,
dated 22nd September, 1968 for your information please.

(J. E. Jegede)
for Secretary
Western Nigeria Development Corporation

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9/10

FEDERMANN ENTERPRISES (OVERSEAS) LTD.

202/24

HAIFA 105, HANASSI AVENUE P.O.B. 6109 TEL. 85656, 88713 CABLES SUPERANS TELEX 887 HAIFA, 705 111-AVIA



Haifa, September 22, 1968

The Western Nigeria
Development Corporation,
Private Mail Bag 5085,
I B A D A N.

Dear Sirs,

This confirms receipt of your cable.

will you please let us have your suggestions in writing
what in your opinion is the best way to finalize this
matter and how a settlement can be reached.

During the years we had so many uncertainties and
expenses in this connection that it is hard for us
to send somebody new again.

So please let us have your ideas and your thinking in
general.

Yours faithfully,
FEDERMANN ENTERPRISES (OVERSEAS) LTD.

I. A. Federmann

P.S.

Pp 671-672 for your information only.

2. There is no further information on
the subject - writer in his file

C.C.
Conftee

Pl cause pp671-2 above removed
or indicate the appropriate file.

M
2-1-115
23/10

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24th October, 1968

SP/G.100/T/25

The Secretary,
Western State Development
Corporation,
Ibadan.

Premier Hotel

I think you should send an interim reply to the
Federmann Enterprises Overseas Limited pending Executive
Council's decision on the matter.

on
(N. O. A. Akinyemi)
Permanent Secretary
(Political and Administration)

*Issued
24/10/68.*

see P. 210

ARCHIVES

Y.E.

187-188

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approved the draft Exco. Memo at pp. 9 and 10. The Memo. is yet to be taken by the Council. During the examination of the Oyenuga report by the Cabinet Committee recently, the matter of Premier Hotel came up for discussion and at the time, I told the Committee that a memo. is coming before the Council on the matter of the management of the Premier Hotel. I told them also that the Federmann Enterprises with which there is an agreement to manage the Premier Hotel had failed to carry out their obligations under the agreement satisfactorily and that consideration was being given to the termination of that agreement and the consequent appointment of a new Managing Agency. The Committee was not favourable to the appointment of a Managing Agency on the basis of fixed annual remuneration as such arrangement tends to kill profit motive since the Agent is assured of regular income whether or not the enterprise makes profit.

2. I support the view that an Agency employed on fixed fee for services may not show the same degree of enthusiasm in the business as one who is to get paid from the profits made by the undertaking. Whether there is a loss or a profit, the former will get his fees paid while the latter will get nothing if there is no profit. It will appear therefore that any future arrangement that we may make for a Managing Agency should be on the basis of an award related to the percentage of the profit made.

3. I thought I should let Y.E. know the way the Cabinet Committee is thinking should this memo. be taken before

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~~205~~ 205
the Cabinet Committee is able to submit its report on the
Oyenuga's Report.

N. O. A. Akinyemi
(N. O. A. Akinyemi)
P.S. (P.&A.),

30/10/68

Thank you. The new
management will take it
over.

As 1/11/68

Completed
on 1/11/68

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CONFIDENTIAL

A/G.225/T/24.

SP/C.100/T/28.

11 November, 1968.

The General Manager,
Western State Development Corporation,
Ibadan.

Sir,

Premier Hotel.

I refer to your letter dated 18th September, 1968 and would inform you that His Excellency, the Military Governor has directed that the new management of the Western State Development Corporation should complete action on the matter of the management of the Premier Hotel on which a decision is pending with respect to the determination of the management agreement between the Corporation and Federmann Enterprises and the appointment of a new Managing Agency.

I am, Sir,

Your obedient servant,

(N.O.A. Akinyemi)
Permanent Secretary,
(Political and Administration).

Dispatched

2023.

11/11/68

P.A. on 11/11/68

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C.P.10.

May I respectfully invite
yr. attention to the memo
at foot of p. 178 addressed
to you by the SAS(A).

13/11/68
CR.

~~SAS(A)~~

SAS(A)

My attention has been invited to
your min at p. 178 by the above
min.

2. No other information is available
to me beside what has been reflected
in the ~~draft~~ memo. at pp 187-188
in respect of which the letter at p 206 is the latest
development. P. return this file for close study when

25/11
D. G. GREJA
Ag. C.P.10.

PS(P+A), who I understand requires the file, finishes with it and after you should have taken further action as indicated in your min

D. O. AGBEJA
Ag CP10.
25/11/68

AS (sc)

Pl. check whether in view of H.E. M.G.'s p 205 further action will still be necessary on our part (see file from p 130).

lll
SAS (A)
27/11

SAS (A)

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S.A.S.(A),

Ref. your minute overleaf, I have read from p. 130 and I am inclined to suggest that, since the new Chairman of the W.N.D.C. is charged with ^{the} full responsibility of reorganising the Corporation and all its allied projects, it will no longer be necessary ^{on our part} to take action on the Managing Agency existing between Federmann Enterprises and the Premier Hotel.

2. Owing to other pressing assignments I could not deal with the file immediately. I regret the delay.

Gov
(A. G. B. Ogunlowo),
A.S.(S.C.),
8th January, 1969.

PA

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