

OYO STATE COUNCIL FOR ARTS AND CULTURE

CULTURAL CENTRE ROAD, MOKOLA,
IBADAN NIGERIA

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ODU'A INVESTMENT COMPANY LTD.

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FILE TITLE

ODU'A INVESTMENT COMPANY LTD.
 10TH. BOARD MEETING
 14TH APRIL, 1981

DATE

14TH APRIL, 1981

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To

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Odu'a Investment Company Limited

Tel. 462440, 462813 - 462815 Cable & Telegrams: ODINCO IBADAN. Telex No. 31225 NG.

Our Ref: STC.2/372

Your Ref:



Cocoa House,
(Floors 20-22),
P. M. B. 5435,
Ibadan.

7th April, 1981

TO ALL DIRECTORS,
ODU'A INVESTMENT COMPANY LIMITED

Dear Sirs,

NOTICE OF BOARD MEETING

NOTICE is hereby given that the next meeting of the Board of Directors of this Company will hold on Tuesday, 14th April through Wednesday, 15th April, 1981. The meeting starts at 10.00 a.m. and will take place in the Board Room, Floor 21, Cocoa House, Ibadan.

I enclose herewith the Agenda and other board papers in connection with the meeting.

Kindly note that accommodation has been reserved for the nights of 13th, 14th and 15th of April, 1981 at the Premier Hotel, Ibadan, for all directors residing outside Ibadan.

Yours faithfully,
for: ODU'A INVESTMENT COMPANY LIMITED

(S. A. Onadele),
Company Secretary/Legal Officer

cc: Secretaries to the State Governments,
Oyo, Ondo and Ogun States.

Sec (P) ✓

PS (p)

Please analyse the minutes of the meetings and bring forward for the Governor's information certain decisions of the shareholders are still not implemented and show reasons where as appropriate. Discuss with me membership of the various subsidiary companies especially where boards of the Oyo state representation has not been appointed.

Directors: Dr. T. A. Oworu, (Chairman), Duro Oyekanle, Kofo Popoola, A. A. Babalola, Chief G. B. A. Akinyede, C. O. S. Oseni, Prof. A. A. Ademosun, Dr. Tunji Otegbeye, Dr. A. B. O. Soboyejo, F. O. Mogaji.

15/4/81
most urgent
for reply please
16/4/81

ODU'A INVESTMENT COMPANY LIMITED

40TH MEETING OF THE BOARD

A G E N D A

DATE: TUESDAY, APRIL 14, 1981
TIME: 10.00 a.m.
PLACE: FLOOR 21, COCOA HOUSE, IBADAN

1. CONFIRMATION OF THE MINUTES OF THE 39TH MEETING
2. MATTERS ARISING FROM THE MINUTES :
 - (i) Tourist Centre (Odu'a Motel, Badagry)
 - (ii) Great Nigeria Insurance Company Limited
 - (iii) Wema Bank Limited
 - (iv) Odu'atex - Expansion Programme
 - (v) Western Hotels Limited - Management of Premier and Lafia Hotels
 - (vi) Lagos Airport Hotel Limited
 - (vii) Odu'a International Hotel
 - (viii) National Bank of Nigeria Limited and Wema Bank Limited - Increase in Equity Base
 - (ix) Union Beverages Limited - Expansion Programme and other matters affecting the board of the company.
 - (x) New Investments
 - (xi) Appointment of Nominee Directors - Odu'a Printing Company Limited
 - (xii) Appointment of Sir de Wilmot
 - (xiii) Loan to the Ogun State Government
3. INVESTMENT STRATEGY: Memo No. BD(81)19 *p. 25*
4. FISHERIES SERVICES COMPANY LIMITED:- EXPANSION PROGRAMME: Memo No. BD(81)20 *p. 29*
5. WEFISHCO LIMITED - DISCIPLINARY ACTION AGAINST THE GENERAL MANAGER Memo No. BD(81)21 *p. 26*
6. GROUP SALARY STRUCTURE AND FRINGE BENEFITS: Memo No. BD(81)22 *p. 47*
7. ACQUISITION OF SHARES IN AFRICAN PACKAGING COMPANY LIMITED: Memo No. BD(81)18 *p. 83*
8. WEMABOD ESTATES LIMITED - NEW PROJECTS - Memo No. BD(81)21 *p. 90*

MINUTES OF THE 39TH MEETING OF THE BOARD HELD AT
THE EXECUTIVE COUNCIL CHAMBERS, ABEOKUTA, OGUN STATE ON
THURSDAY, 19TH MARCH, 1981, AND FRIDAY, 20TH MARCH, 1981

PART I - 19TH MARCH, 1981

PRESENT

Chief (Dr.) T.A. Oworu	-	Chairman
Mr. Duro Oyekanle	-	Director
Mr. A.A. Babalola	-	Director
Mr. C.O.S. Oseni	-	Director
Mr. J.D. Onibon	-	Director
Dr. Tunji Otegbeye	-	Director
Chief A.B.O. Soboyejo,	-	Director
Mr. F.O. Mogaji	-	Ag. Group Managing Director

ABESENT

Mr. Kofo Popoola	-	Director
Prof. A. A. Ademosun	-	Director

IN ATTENDANCE

Mr. S. A. Onadele	-	Company Secretary/Legal Officer
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472. COMMENCEMENT

The meeting commenced at 10.00 a.m.
The Chairman informed members that Prof. A.A. Ademosun had taken permission to be absent from the day's meeting while Mr. Kofo Popoola sent a letter of apology for inability to attend.

473. APPOINTMENT OF A NEW DIRECTOR

473.1 Upon a motion moved by Chief Soboyejo and seconded by Mr. Oyekanle, the Board unanimously resolved
"THAT MR. JAMES DADA ONIBON be and is hereby appointed DIRECTOR of the Company".

The Chairman welcomed Mr. Onibon to the Board and wished him a successful tenure of office.

473.2 The Board noted correspondence dated 15th January 1981 and 22nd January, 1981 respectively addressed to the Company by Chief G.B.A. Akinyede, former Chairman, in connection with his exit from the Board.

474. CONFIRMATION OF THE MINUTES OF THE 38TH MEETING

The Board confirmed the minutes of the 38th meeting after incorporating few amendments.

475. MATTERS ARISING FROM THE MINUTES

475.1 Reorganisation of Odu'a Investment Company Limited: Review of Shareholders' Directives

The Chairman reported the discussions he had on the matter with their Excellencies, the Governors of Oyo and Ogun States and the Deputy Governor of Ondo State. Management placed before the Board a letter dated 17th February, 1981, addressed to the Company by the Secretary to the Government of Oyo State, which contained the decisions ^{taken} by the Governors at their meeting held in Lagos on 26th January, 1981, affecting Odu'a Investment Company Limited and its subsidiaries. The Board decided to consider each aspect of the letter:

475.1.1 Great Nigeria Insurance Company Limited

The Board noted the directives of the Governors which stipulated, among other matters, that the appointment of the major contractor should be terminated forthwith. The Chairman informed the Board that Mr. Olaniwun Ajayi, the Chairman of the board of the company, had asked for an appointment to see him with regard to the arrangement for re-awarding the contract. The Board decided that the Chairman, Dr. Tunji Otegbeye, Chief Soboyejo and the Ag. Group Managing Director, should grant the interview requested and the opportunity should be taken to bring home to the board of the company, the need to enforce Group

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policy and maintain discipline among the boards of subsidiary companies. The opportunity should also be taken to clarify the issues concerning the appointment of Executive Directors for the company.

475.1.2 Wema Bank Limited

The Chairman reported the series of discussions he and Prof. A.A. Ademosun, Mr. A.A. Babalola, and the Ag. Group Managing Director, had with Mr. L.A. Agunbiade, and the other members of the board of Wema Bank Limited with regard to the impasse between Mr. Agunbiade and his Directors. He said that the result of the discussions was that he became satisfied that Mr. Agunbiade confirmed the charges levelled against him by Chief Y.A. Akande with respect to Mr. Agunbiade's various acts of encouraging the branch managers of the Bank to grant loans to some persons against the Bank's regulations.

475.1.3 The Board noted the persistent call by the Directors of the Bank to remove Mr. Agunbiade as Chairman of Wema Bank Limited. The Board further noted that the Governors of Oyo, Ondo and Ogun States intended to discuss the matter with Mr. Agunbiade. The Board then discussed the present situation of things in the Bank and unanimously resolved to advise the Governor of Ondo State to agree to the removal of Mr. Agunbiade. The Chairman, Dr. Oworu, was mandated to discuss the matter at the earliest opportunity with His Excellency.

- 475.1.4 The Board approved the recommendations of the Directors of the Bank that Mr. J.A. Court be appointed chief executive on the terms and conditions circulated at the meeting.
- 475.1.5 The Board further decided that upon Mr. Court confirming that the services of Chief Y.A. Akande, the former Managing Director of the Bank, were no longer needed by him, Chief Akande's appointment should be determined not later than the end of March and all his entitlements paid to him subject, however, to deduction of any money owed to the Bank and the perfection of securities for all the loans he might have taken.

475.1.6 Odu'a Textile Industries Limited:

The Board noted that the Governors were not pressing for changes in the management of the company. The Chairman, however, reported that he had to intervene in the ₦6.9 million loan application of the company with the National Bank of Nigeria Limited as a result of which the Bank entered into certain arrangements with Wema Bank Limited so that the former would not be contravening banking laws by granting the loan on the guarantee of ODU'A. The Chairman further reported that he had authorised the granting of a bridging loan of ₦110,000 (one hundred and ten thousand ^{naira} to Odu'atex for the purpose of buying cotton without which the company would have had to close down its factory. The Board gave retrospective approval to the loan

which would be repaid in three instalments commencing from the month of May 1981.

475.1.7 Management reported that a total sum of ₦220,000 (two hundred and twenty thousand naira) out of the total indebtedness of ₦444,000 (four hundred and forty-four thousand naira) owed to the Nigerian Cotton/Board for cotton consumed before the incorporation of Odu'atex had been paid by Odu'a and that the Federal Government had accepted liability for cotton used by the dissolved Western Textile Industries Company Limited (WESTEXINCO). The Board expressed the hope that there would be no further difficulty in the ways of the company in purchasing cotton from the Nigerian Cotton Board especially as the Federal Ministry of Industries had directed the Nigerian Cotton Board to issue licence to the company to import cotton whenever the Board was not in a position to sell to the company.

475.1.8 The Board discussed the future of the company with regard to the world-wide depression in the textile industry and in view of the enormity of the expansion programme; it concluded that the company was not likely to be badly affected because of the area of its specialisation in the textile business which was likely to be in great demand for some time to come.

475.1.9 The Board, however, decided that even though expatriates were expected to provide technical management for the company's business, there was still the need to provide sound management accounting, a more dynamic chief executive and a good Finance and Administration Manager for the company. Management of ODU'A was

directed to take positive action on this without delay.

475.1.10 Western Hotels Limited:
Management of Premier and Lafia Hotels

The Chairman reported that he had held discussions with the nominees of ODU'A on the board of Western Hotels Limited as a result of which the board of the company had given six months' notice within which to terminate the management agreement existing between the company and the Nigerian Hotels Limited with respect to the management of the two Hotels. The Board noted that three international managers had been invited to make proposals for the management of the Hotels.

475.1.11 The Chairman further reported that he had held preliminary discussions with the management of Ogun State Hotel which had imported furniture in excess of its own use and as a result of the appeal made to the Governor of Ogun State, Western Hotels Limited might purchase the furniture. The Board noted the information, and directed Management to commence negotiations.

475.1.12 Lagos Airport Hotel Limited

The Chairman informed the Board that the Governors of Oyo, Ondo and Ogun States had suggested the termination of the management agreement between the Lagos Airport Hotel Limited and the Nigerian Hotels Limited in respect of the management of the former. He also stated that he had discussions with the directors of the Hotel who strongly expressed the opinion that the services of the Hotel had improved recently and that it would be unwise to terminate the management

agreement which would, in any case, come to an end by the middle of 1982. The Board agreed that the management agreement should stand but expressed the need for the Board to ensure improvement in the management of the Hotel as well as its profitability.

475.1.13 The Board noted the concern of the Governors regarding the irregular use of hotel rooms by directors of the Lagos Airport Hotel Limited not only in Ikeja but also in Ibadan and noted the report of Chief Oworu's meeting with the directors as a result of which they opted to make their defence in writing but no written defence had since been received from the affected directors.

475.1.14 Proposed International Hotel

Dr. Otegbeye reported the stage reached between Wemabod Estates Limited and the British Caledonian Group for the setting up of a new international hotel on the present site of the Medical Stores, Ikeja. He said that the arrangement which was for two partners would give 10% of the equity and the management of the hotel to the British Caledonian Group while Wemabod would attract external funds for financing the project. The Board expressed surprise that previous papers sent to Management of ODU'A on the matter had not been brought to its attention and directed Management that, for the future and in respect of major projects, the Board should be brought into the picture at the preliminary stage. The Board further directed Management to place all the papers on the matter before the Board at the next meeting. The Board also

directed that the Group Managing Director's monthly report should always include information on proposed projects.

475.1.15 Policy of One Man One Board

The Board considered the directives of the Governors and also Memo No. BD(81)13 and decided to abide by the decision of the Governors on the matter. The Directors, however, felt strongly that from the experience gained since their appointment, it would be in the best interest of the Group if an exception was made in the case of Odu'a Investment Company Limited. The proper conduct of the business of the subsidiaries demanded that the Directors of ODU'A ought to be directly involved in the control of the subsidiaries while some directors of subsidiary companies should also be able to sit on the Board of the parent Company to bridge the communication gap.

The Board noted with displeasure the strict application of the rule which necessitated ^{the} resignation of Dr. Tunji Otegbeye from the Board of ODU'A.

It was decided that every opportunity should be taken by Directors to get the shareholders other party members and indeed, the leader of the UPN, interested in the matter and be convinced of the need for exception to the policy in the interest of effective co-ordination of the business of the Group.

475.1.16 The Board further noted the existence of a communication gap between the shareholders and other party leaders on such important

matters as the prospects of Odu'a Investment Company Limited and decided that a Public Relations Officer of the right stature be employed. Also, the 1979 Brochure should be revised immediately. The Board reiterated its earlier decision that chairmen of certain sensitive companies be invited to attend meetings of the ODU'A Board.

475.1.17 Wemabod Estates Limited

The Board noted the directives of the Governors to the effect that Wemabod Estates Limited should make ₦4 million available to the shareholders out of the estimated revenue of ₦6.5 million while ₦2.5 million would be put in reserve for future investments in a manner to be decided later. The Board noted that the message of the shareholders was understood, namely, that Wemabod Estates Limited ought to make more money available to its shareholders but noted, however, that the figure of ₦6.5 million was merely a projected income against which must be set the projected expenditure, especially, the administration charges and interests on loans payable to Odu'a Investment Company Limited. The Board further noted that the result of the joint meeting between the Board and the board of Wemabod Estates Limited would provide answers to the demand of the shareholders for proposals to make Wemabod Estates Limited more effective.

475.1.18 National Bank of Nigeria Limited and Wema Bank Limited - Increase in Equity Base

The Board noted that at its last Annual General Meeting, the National Bank of Nigeria

Limited passed a resolution increasing its equity base from N15 million to N30 million. The Board noted that the Chairman had had audience with two Governors on the matter but was yet to see the third with the request for Governments' assistance in funding the Bank.

475.1.19 Union Beverages Limited - Expansion Programme

The Board noted that the contract for the construction of the Lagos plant had been awarded and work was in progress with the expectation that it would be completed by April 1981. Also, the contract for the civil works for the Ibadan plant had been awarded with the hope that it would be commissioned by July 1981. The Chairman reported that he had visited Ijero, the site for the proposed new plant in Ondo State and was delighted to note that the Ondo State Government had surveyed the land earmarked for the plant and would be making arrangement for providing water to the site. It was noted, however, that the Ogun State Government would soon survey the land for the new plant at Owode.

475.1.20 The Board further noted that progress was being made as regards the plant for the canning line and that two Nigerian mechanical engineers would soon be recruited to assist in the installation of the equipment. The Board expressed disappointment that while Union Beverages Limited hired

accommodation for a depot at Akure and paid rent, it had not commenced supplying products for sale to that area.

475.1.21 Activities of Union Beverages Limited

The Board expressed gratitude to the shareholders for the interest they took in the matter of allotment of shares by directors of the board of UBL to themselves.

It was noted that the directors had now rescinded their decision to allot shares to themselves and had, therefore, allotted all the shares to Odu'a Investment Company Limited with one to Chief Oworu in trust for ODU'A. It was decided, however, that Chief Oworu should meet the board of the company at his earliest convenience to discuss all matters still causing conflicts between it and the Board of ODU'A, especially, as regards the amendments to the Memorandum and Articles of Association of the company.

475.1.22 New Investments

The Board noted the Governments' injunction that Odu'a Investment Company Limited and its subsidiaries should not embark on new investments within the next three years without clearance with the shareholders save in the case of gas distribution. It was decided that the Board should find a way of explaining the matter further to the shareholders in view of the new Group policy that major investments would be located in the three States and financed from

external sources. These would be in

the best interest of the company and the shareholders

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particularly in the area of providing employment
for graduates of the free education programme.

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476. APPOINTMENT OF NOMINEE DIRECTORS

476.1 The Board considered Memo No. BD(81)8 and approved the following appointments :-

- (a) Wambod Estates Limited - Mr. S.B. Oludesi, nominated by the Government of Ogun State.
- (b) Odu'a Printing Co. Ltd. - Chief E.O. Odehinni, Chairman, nominated by the Ogun State Government (with retrospective effect from 3rd March, 1981).
- (c) Nigerian General Insurance Company Limited - Mr. Ariyo Adebayo, nominated by the Ogun State Government.
- (d) Nigeria Kraft Bags Ltd. - Dr. O.A. Lawal, nominated by the Oyo State Government.
- (e) General Appliances Co. Ltd.- Mr. J.A. Odudele, nominated by the Oyo State Government.
- (f) Nipol Limited - Mr. J.K. Abiola, nominated by the Oyo State Government.
- (g) International Breweries Ltd- Mr. J.A. Oyalana, nominated by the Oyo State Government.

476.2 Bereda Company Limited and Bakuta Company Limited

The Board decided that, upon the resignation from the boards of the two companies by Chief Kola Daisi, Prof. Ayo Ogunsheye, Prof S.O. Biobaku and Mr. C.S.O. Akande, two persons from the management staff of the Odu'a Investment Company Limited be appointed/nominee directors for the two companies.

476.3 National Bank of Nigeria Limited

The Board, upon directives of the Governors of Oyo, Ondo and Ogun States, appointed Alhaji Bello Yusuf from Kaduna State and Alhaji Ibrahim Abba from Borno State, as directors of the Bank.

476.4 Transport and Travelling Allowances for Nominee Directors

The Board directed that in the payment of transport and travelling allowances to nominee directors, account should be taken of the place where the nominee directors

ordinarily reside and from where they come to attend meetings whether or not such place is within the State from where the directors were nominated.

477. APPOINTMENT OF EXECUTIVE DIRECTOR:
ODU'A INVESTMENT COMPANY LIMITED

The Board accepted the report of the interview conducted by the Establishment Committee on the appointment of Executive Director for the Company and approved the recommendation that Mr. Adeniyi Olatunji Olawuyi, the Financial Analyst of ODU'A, be appointed Executive Director, Performance Measurement Department with effect from 1st April, 1981 for a probationary period of six months on the salary and other fringe benefits placed before the Board.

478. APPOINTMENT OF SENIOR MANAGERS

478.1 The Board accepted the Establishment Committee's recommendations following interviews conducted for various posts and directed that the following persons be appointed into the various positions in the Company on the terms and conditions recommended by the Committee:-

- (a) Mr. S.M. Akinwale - to be deployed to Wemabod Estates Limited as Executive Director, Finance & Administration with retrospective effect from the 2nd of March, 1981.
- (b) Mr. E.O. Peters - as Group Internal Auditor.
- (c) Mr. G. A. Oni - as Financial Analyst with retrospective effect from the 16th of March, 1981.
- (d) Mr. A.A. Osobe - as Senior Manager.

478.2 The Board directed that Mr. A.O. Olatekun, who was recommended for the post of Chief Executive of Union Beverages Limited should be allowed to compete with other candidates. The Board also directed that the representatives of the board of the company

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should be invited to participate in the selection of a suitable candidate for the vacant position of Chief Executive of Union Beverages Limited.

479. GUARANTEE OF LOANS TO SUBSIDIARIES

The Board considered Memo No. BD(81)11 and decided as follows:-

479.1 Odu'a Printing Company Limited

Odu'a Investment Company Limited should give guarantee for the sum of ₦200,000 in favour of Co-operative Bank Limited to enable Odu'a Printing Company Limited enjoy a revolving overdraft up to ₦200,000.

479.2 Union Beverages Limited

Odu'a Investment Company Limited should give guarantee for the sum of ₦1 million in favour of the National Bank of Nigeria Limited to enable Union Beverages Limited enjoy loan or overdraft facilities.

479.3 Phoenix Motors Limited

The Board noted the present financial position of the company and the fact that it had recently obtained few importation licences for fast moving vehicles and that the licences must be utilized before 31st March, 1981. The Board further noted that unless the company was able to open a Letter of Credit for the said vehicles by the 31st of March, 1981, it would be liable for extra charges for orders placed for letters of credit/ ^{not opened.} The Board therefore, approved the giving of guarantee of ₦2 million to the Nigerian Acceptances Limited on behalf of Phoenix Motors Limited. The Board, however, directed that the company should be advised to invest on the acquisition of fixed assets which would give it a stronger financial position to obtain loans from commercial banks without recourse to the parent Company.

480. GROUP SALARY STRUCTURE AND FRINGE BENEFITS

The Board adjourned discussions on Memo No. BD(81)12 which contain the recommendations of the Establishment Committee on new salary structure and fringe benefits for the Group.

481. POLICY GUIDELINES ON SUBSIDIARY COMPANIES

The Acting Group Managing Director introduced Memo No. BD(81)14. He informed the Board that the policy guidelines earlier approved for use within the Group became a subject of further discussions by the chairmen of subsidiary companies who held meetings for that purpose behind the Board of ODU'A. He said that at the end of their meetings, the chairmen asked for reconsideration of the policy guidelines with respect to overseas trips by chief executives and nominee directors and also, with regard to the appointment of external auditors. The Board considered the representations made by the chairmen and decided that no strong case had been made to enable the Board effect changes in the policy guidelines. The Board further decided that the chairmen should be advised to allow the guidelines to operate for a while and then see if there was need to effect changes.

482. INTERNATIONAL BREWERIES LIMITED:
EXPANSION PROGRAMME - CALL-UP SHARES

482.1 The Board considered Memo No. BD(81)16 and noted that the company had made steady progress since it started production some two years ago and that the optimism expressed when the original investment was made had been justified.

482.2 The Board considered the request of the company for further equity to enable it carry out its expansion programme and approved that a further sum of N120,000 be disbursed so as to maintain ODU'A's 10% equity interest in the company.

483. GROUP MANAGING DIRECTOR'S REPORT483.1 Report of the Trip to the United Kingdom

Messrs Duro Oyekanle and F.O. Mogaji reported on their recent trip to the United Kingdom, as follows:-

483.1.1 Discussions with Sir de Wilmot

Mr. Oyekanle reported that he met Sir de Wilmot first in Jos and later, in Britain and the result of the discussions was that Sir de Wilmot, who is a development banker and not a commercial banker, might be interested in taking up employment with ODU'A as Adviser to the Group on finance and banking matters. Sir de Wilmot was, however yet to make his final decision known and on what terms and conditions.

483.1.2 Askar of Nigeria Limited:
Expansion Programme

Mr. F.O. Mogaji reported on the discussions which he and Mr. Kofo Popoola had with the can manufacturers proposed to supply equipment and technical assistance to Askar. The result of the discussions was that it became clear that it would be advisable for Askar to import the bottom and the top for cans until such time as Wrought Iron (Nig.) Limited could manufacture tins. The result of the development would bring down, by about 60%, the cost of the proposed can manufacture by Askar. The Board again emphasized the need to get Wrought Iron (Nig.) Limited to develop the technology for the manufacture of cans. It noted the views expressed by Mr. Mogaji

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that while modern technology in Britain had overtaken the use of cans in some areas and some can manufacturers were going out of business, yet, some others were still using cans and would continue to do so for the manufacture of paints. It was also noted that while in the United States, some manufacturers were abandoning the use of cans and bottles in favour of plastics, paint manufacturers would still continue to use cans for their purpose. The Board noted the progress made towards importing the necessary machines.

483.2 Interview of Candidates

The Board accepted the report of the interview of candidates for accounting positions in the Company and that some of those interviewed had been offered appointment. The Board gave retrospective approval to the offers. It noted that, for the future, it should be the practice for the Group to go abroad annually for purposes of recruiting suitable candidates for senior appointments. It was further noted, however, that the Establishment Committee should be fully involved in such matters.

483.3 External Financing of Development Projects

The Board noted the results of discussions which Messrs Oyekanle and F.O. Mogaji had with the Baring Brothers Limited, London, and that a list of projects on which financial assistance was required had been handed over to the Baring Brothers Limited which had stipulated a number of conditions under which it would be prepared to assist in financing the projects. The Board also noted that

There were prospects of attracting the necessary finance from Saring Brothers Limited and therefore, Management should continue negotiations with the firm, especially on the basis of the Federal Government stipulations for guarantee of external loans. Management was directed to submit a paper on specific projects so as to be able to lay stress on which specific projects external loans should be pursued.

483.4 Organisational Structure of Union Beverages Ltd.

The Acting Group Managing Director presented to the organisational structure for Union Beverages Limited, which had been the result of discussions with the Chairman of the company after it had been recommended by the board of Unibev. The Board, after careful consideration of the proposals, directed that all posts below that of the General Sales Manager should be eliminated from the Organisational Structure. Thereafter, both the Plant and Headquarters structures were approved subject to the separation of the structure of the Lagos Plant from the headquarters plant.

484. DETERMINATION OF LEGAL RETAINER

The Board noted that Mr. Justice Owolabi Sonoiki had notified the Company of his appointment to the Bench and consequently, the determination of the legal retainer he had with the Company. The Board accepted Mr. Justice Sonoiki's notice, congratulated him on his appointment and wished him every success on the Bench.

485. ADJOURNMENT

The Board at 7.00 p.m. adjourned further proceedings till Friday, 21st March, 1981.

PART II - 20TH MARCH, 1981

486. COMMENCEMENT

The meeting commenced at 10.00 a.m. Attendance was as on the 19th March, 1981. The Board of ODU'A received the Directors of Wemabod Estates Limited in a joint session. The Directors of Wemabod Estates Limited present were: Dr. Tunji Otegbeye, Engr. O.N. Akinwumi, Mr. Kunle Abasi, Mr. Duro Ajayi, Mr. Oluwole Alaran and Mr. Tunde Akanbi, the Acting Managing Director.

487. OPERATIONAL REVIEW - WEMABOD ESTATES LIMITED

487.1 Chief Oworu welcomed the directors of Wemabod Estates Limited to the joint meeting called purposely to discuss the operational review conducted on the company to find ways of putting things right. He reminded the directors that Odu'a Investment Company Limited and the Governments had expressed sincere concern and dissatisfaction over the performance and management of Wemabod Estates Limited. He drew attention to the several imposing buildings owned by the company and which were the handiwork of those at the realm of affairs in the former Western Region and observed that ODU'A and Wemabod now had to prove that this important heritage was being properly managed, apart from the fact that at the end of the term of office of the present Directors of ODU'A and of Wemabod, they should have something to show as the result of their own efforts.

487.2 Dr. Otegbeye thanked the Board of ODU'A for arranging the joint session. He praised the

efforts of the Management of the parent Company which conducted the operational review. In his view, the review was detailed and covered a wide ground but thought it was deficient in a number of ways. For example, the review was relevant to the situation which existed before the board of Wemabod was re-constituted in 1980 and no account of the improvements made by the new board was given, e.g., the new board had taken a number of steps aimed at providing the company with a better accounting system and raising funds without recourse to the internally generated funds. In short, Dr. Otegbeye said, the review contained a number of hearsay or generalisation rather than an in-depth analysis of the past and present positions.

487.3 Replying, the Acting Group Managing Director pointed out that the review was to help the present Board in identifying the problems and recommending ways of improving things. He further observed that the activities of management were being reviewed and that the principle of management by exception was being applied thus highlighting areas requiring corrective measures while leaving situations that were normal. He confirmed that Management did not depend on hearsay particularly as the findings had been discussed extensively with the management of Wemabod Estates Limited before the final report was presented to the Board. Management of CDU'A was advised to record, in future, views on which the management of the subsidiary company felt very strongly.

487.4 Part I of the Report

The recommendations contained in Part I of the report were accepted, subject to the following comments :-

Paragraph 1.4 - Communication

The views contained under this heading were noted.

Paragraph 1.5 - Staffing

Wemabod decided that while there would be no fresh recruitment, it would not embark on retrenchment in view of the new projects it had on hand. This was agreed to.

Paragraph 1.7 - Organisational Structure

The recommendations on the proposed organisational structure were accepted, subject to the following modifications on the organisational chart contained in the report as Appendix I :-

- (a) offices of Personnel Assistant and Administrative Assistant were moved up to the level of managers;
- (b) the office of Legal Officer was changed to Manager, Legal Services;
- (c) there was provision for a manager (Planning and Development) while the posts of Quantity Surveyor and Structural Engineer would disappear.

It was noted that Wemabod had to rely mostly on the services of consultants while, at the same time, it had to provide services to some other subsidiaries of ODU'A as project manager thus

requiring the services of an Estate Surveyor in the Planning and Development Division rather than employing the suggested professionals.

Paragraph 1.13 - Management Committee

It was agreed that the Controller of Legal Services should be an additional member of the Management Committee.

487.5 Part II of the Report - Management Appraisal

The comments and recommendations contained in Part II of the report were accepted, subject to the following observations :-

(a) Mr. Oluwole Tinde - Ag. Chief Estate Officer

It was agreed that despite the shortcomings of the former Chief Accountant, this officer ought to have performed better. It was however, decided to allow a period of six months after ^{which} his performance should be reviewed and if there was no improvement, he should be reverted in his acting appointment.

(b) Mr. Owo-Ola Ajao - Senior Admin. Officer

Wemabod argued that there was no justification for the recommendation that the services of this officer be dispensed with. It was, however, agreed that he was under-employed but the company had already concluded plans to re-assign him appropriately. He was also allowed six months after which his continuous stay in the company would be reviewed.

(c) Mr. Babainde Akanbi - Ag. Managing Director

It was agreed that he performed below expectation but consideration was given to the situation

which existed in the company in the past and under which he performed as Chief Estates Surveyor. It was agreed that he had developed in a situation in which there was no system and the standard of management was very poor. Wemabod assured the Board of ODU'A, however, that with the new spirit of co-operation between the two organisations and the steps being taken by the board of Wemabod itself, it would be fair to give Mr. Akanbi six months and following which he would be reverted in his acting appointment if he was ultimately found wanting. It was also decided that until the fate of Mr. Akanbi was known the post of Executive Director, Estates Services, be not filled. With the appointment of an Executive Director, Finance and Administration, internal control measures would be introduced along with the recommendations in the report thus enhancing the performance of the company.

487.6 The Board of Wemabod suggested that it should, in future, be allowed to nominate at least three representatives whenever the Establishment Committee of ODU'A invited candidates for interview to top posts in Wemabod Estates Limited.

487.7 Dr. Otegbeye, on behalf of the directors of Wemabod Estates Limited, thanked the Board of ODU'A for being objective in its consideration of the operational review. He again stressed that despite the shortcomings noted earlier, the report and comments made at the day's meeting would enhance the future performance of Wemabod Estates Limited.

488. THE BOARD OF ODU'A RE-CONVENED

The Board of ODU'A re-convened at 4.00 p.m.

489. LOAN TO THE OGUN STATE GOVERNMENT

489.1 The Chairman informed the Board of the request received from the Ogun State Ministry of Finance for a short-term loan of 20 million, repayable within the next three months, to enable the Government invest ^{immediately} in a rubber project at Ilushin for which it had concluded arrangements.

489.2 The Board discussed what ought to be the criteria for granting loans to shareholders for viable ventures and whether, rather than granting loans to one State Government and being unable to meet possible similar request from the other shareholders, it would not be a tidier arrangement to assist the Governments to secure loans from the commercial banks within the Group.

489.3 The Board further considered that ordinarily, requests from State Governments for financial assistance ought to be viewed with sympathy in view of their unsatisfactory financial position brought about by delay in the payment of revenue allocation made to them by the Federal Government.

489.4 The Board finally decided that the Chairman and the Acting Group Managing Director should hold further discussions on the matter with the Governor of Ogun State and dispose of the matter as appropriate, consideration being given to the payment of whatever was due from ODU'A to that Government by way dividends and interests on loans.

490. GENERAL

490.1 Resignation of Dr. Tunji Otegbeye from the Board of Odu'a Investment Company Limited

The Chairman announced that he had received from Dr. Tunji Otegbeye, notice of his resignation from the Board of ODU'A to take effect after the day's meeting. He reminded members of the policy of the UPN on holding more than one board appointment and as a member of the NEC of the Party, Dr. Otegbeye ought to resign in obedience to that policy.

490.2 Chief Oworu praised the contributions which Dr. Otegbeye made to the work of ODU'A. He noted that Dr. Otegbeye possesses abundant sense of humour, capacity for hardwork and was objective in his approach to matters. He also noted with pleasure that even from the board of Wemabod Estates Limited on which he would still continue to serve as Chairman and also whenever invited, Dr. Otegbeye would still make his services available to the Board of ODU'A. Other Directors spoke in the same vein, praising the contributions of Dr. Otegbeye and the maturity he had brought to bear on the work of the Board.

490.3 Dr. Otegbeye thanked the Directors for all the nice things said about him. He noted that he too had gained tremendously from his association at board level with the Directors and promised to make himself available whenever the Board required his services.

491. VOTES OF THANKS

The Board thanked both His Excellency, the Governor of Ogun State and His Highness, the Alake, for the very warm reception accorded to the members of the Board at Abeokuta.

192. ADJOURNMENT AND DATE OF NEXT MEETING

The meeting ended at 7.00 p.m. The Board will hold its next meeting at Ibadan on the 14th and 15th of April, 1981.

C H A I R M A N

S E C R E T A R Y

ARCHIVE OF OYSCAC

NOTES ON MATTERS ARISING
BOARD MEETING OF TUESDAY, 14TH APRIL, 1981

1. TOURIST CENTRE (ODU'A MOTEL, BADAGRY) - MINUTE 441

On the insistence of the Governors of Oyo, Ondo and Ogun States, the Board directed Management at the meeting of 23/10/80 to offer the above property to the Lagos State Government for sale. On 3/12/80, by a letter addressed direct to Alhaji G.O. Oshineye, the Hon. Commissioner for Trade and Industry, Lagos State, the property was offered to that Government at the price of ₦270,350.00 which was the value placed on it by an Estate Valuer in January, 1979. The Lagos State Government made no reply to the offer despite a reminder dated 26/2/81. Wemabod has now reported that the Lagos State Government had taken full possession of the property.

2. GREAT NIGERIA INSURANCE COMPANY LIMITED - MINUTE 475.1.1
(BOARD MEETING OF 19TH MARCH, 1981)

On 25th March, 1981, Chief Oworu, Dr. Otegbeye, Chief Soboyejo and the Acting Group Managing Director, met the Chairman of the board of Great Nigeria Insurance Company Limited and his officers. Great Nigeria Insurance Company Limited complained bitterly of the interference of ODU'A in the management of the company. ODU'A took the opportunity to explain the Group policy and the need for discipline within the boards of subsidiaries. At the end of the discussions, agreements were reached on a number of matters including steps to be taken on the award of fresh contract for the construction of Great Nigeria House and the amendment to the Articles of Association of the company to pave the way for the appointment of Executive Directors.

3. WEMA BANK LIMITED - MINUTE 475.1.2

(a) The Chairman has held discussions with the Ondo State Government regarding the decision to

remove Mr. L.A. Agunbiade, the Chairman of the board of Wema Bank Limited. Chief Oworu will report.

(b) Alhaji Y.A. Akande, ex-Managing Director, relinquished his office on the 1st of April, 1981. Details of his entitlements and indebtedness are being worked out by the Bank.

4. ODU'ATEX - MINUTE 475.1.6

After the intervention of Odu'a Investment Company Limited, the National Bank of Nigeria Limited had opened the Letter of Credit for the plant, machinery and equipment required for the expansion programme.

5. WESTERN HOTELS LIMITED - MINUTE 475.1.10

The interested international management groups invited to submit proposals for managing the hotels are yet to respond.

6. LAGOS AIRPORT HOTEL LIMITED - MINUTE 475.1.12

The Chairman of the board of Lagos Airport Hotel Limited has now made representations on behalf of the other directors with regard to the alleged misuse of hotel rooms. A copy of the letter is annexed herewith as Appendix I.

7. ODU'A INTERNATIONAL HOTEL - MINUTE 475.1.14

Wemabod Estates Limited papers in connection with the project are before the Board as Memo No. BD(81)

8. NATIONAL BANK OF NIGERIA LIMITED AND WEMA BANK LIMITED: INCREASE IN EQUITY BASE - MINUTE 475.1.18

Mr. Court has taken up with ODU'A the question of increase in equity base of the Banks.

9. UNION BEVERAGES LIMITED - MINUTE 475.1.19

Chief Oworu met the board of Unibev on 1st April, 1981 and the latest position with regard to the expansion programme was discussed. Discussions also centred around the opposition of the board of Unibev to the draft amendment to the Articles of Association of the company. The board objected to the

Management of ODU'A handling down directives one after the other. The board then suggested its greater involvement in short-listing and interview of candidates by the Establishment Committee of ODU'A for the post of Chief Executive of the company. Agreement was reached that the interview of candidates for the vacant post of Managing Director be postponed to enable Unibev nominate its representatives to participate in the short-listing and interview.

10. NEW INVESTMENTS - MINUTE 475.1.22

The Chairman is taking up the matter with the Governors to enable ODU'A and its subsidiaries invest in new projects to be financed from external sources.

11. APPOINTMENT OF NOMINEE DIRECTORS - MINUTE 476

(a) Chief E.O. Odebunmi, Chairman of the board of Odu'a Printing Company Limited has asked for back-dating of his appointment from 3/3/81 to an earlier date. The Ogun State Government notified the appointment to ODU'A on 4/3/81. A copy of Chief Odebunmi's letter is annexed as Appendix II.

(b) Revision of Remuneration for Directors

The Board of Odu'a Printing Company Limited has suggested that the recent revised remuneration for nominee directors should take effect from 1st of April, 1980 and not 1st of January, 1981, as approved by the Board of ODU'A because, according to the Board, that was the date suggested by the Party which nominated the directors.

12. APPOINTMENT OF SIR DE WILMOT - MINUTE 483.1.1

Mr. Oyekanle to report.

13. LOAN TO THE OGUN STATE GOVERNMENT - MINUTE. 489

The Chairman and the Acting Group Managing Director discussed with the Governor of Ogun State and agreement was reached that the amounts due to the Ogun State Government as interest on loan should be used to off-set part of the ₦1 million required by the Governor. A sum of ₦1 million had since been paid.

ARCHIVE OF OYSCA

1980, 11, 1981.

Dear Mr. ...

MINISTER OF TOURISM AND CULTURE
Lagos

I regret the delay in giving you a reply to your letter ref. I/C.54/221 of 15th February, 1980, in respect of the alleged misuse of Hotel facilities by Mr. ... Lagos Airport Hotel Limited.

The views expressed below are in respect of the stay at the Lagos Airport Hotel, Ikeja.

I have spoken to two of the Directors most concerned but I have not been able to reach the third, Director H.A. Jibami.

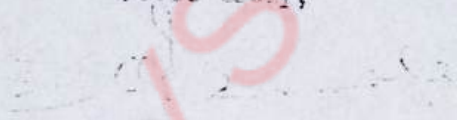
Director (Prince) Debo Gbafado said he was in Europe for the whole of January, 1980 and claimed to have told the General Manager that he had lost the key of the suite before he travelled out of the country. This he claimed was why it appeared he held to the suite for 28 nights in January. I do agree with the views expressed in your report that he, being resident in Lagos, ought not to have stayed in the Lagos Airport Hotel. His argument was that as Chairman of the General Purpose Committee it was useful to enable him perform effectively if he kept some nights in the Hotel. I must add that even shortly before I learnt of your investigations, I had advised Director Gbafado against holding to the suite at the Lagos Airport Hotel and he had warmly accepted my stand on the issue.

Director Bayo Oyewole comes all the way from Ijarc-Ekiti to attend Board and Committee meetings. While I will not encourage any indiscriminate stay at the Lagos Airport Hotel nor pretend not to know that Director Oyewole could have spent part of the time in question carrying out his own private business in Lagos, I will, however, herewith state categorically that he has done a lot of useful work for the Lagos Airport Hotel outside the days when he came to attend the Board and Committee meetings. It was, for example, on one such "unofficial" stays that he averted the strike of the junior workers at the Lagos Airport Hotel Limited which strike at that time affected the operations of both the Premier and the International Hotels at Ikeja. He, as Chairman of the Establishment Committee, has done a lot to boost the morale of the staff of the Lagos Airport Hotel Limited and to improve the working relationship between them on the one hand and the Management on the other. The Hotel has also taken advantage of Director Oyewole's professional knowledge of being an experienced Management Consultant to solve particular problems. All these contributions to the Hotel when he came to attend Board and Committee meetings.

On the whole, I am satisfied that the Lagos Airport Hotel...
lost by Director Gbajigbe. It is my belief that his stay with the
Hotel has enabled me and the Board of Directors of the Lagos Airport
Hotel to have a better understanding of the weaknesses and strength
of the administration and running of the Hotel. This knowledge will
surely be put to good use in the near future.

Director H.A. Jaberu: I have not been able to get at Wia
and this accounts partly for why I am sending this reply late.
I also hold the view that he like Director Gbajigbe being based in
Lagos, should not have stayed in the hotel. If I had known previously
that he was staying at the Lagos Airport Hotel, I would have advised
him against so doing as I did advise Director Gbajigbe when I had
knowledge of his use of hotel accommodation. I will now advise
Director Jaberu and other Directors accordingly.

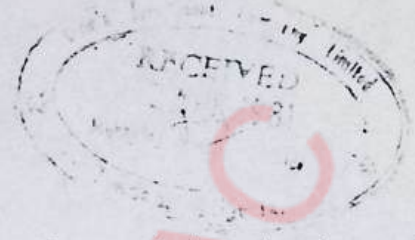
Yours truly,


SRUR. J.O. DARASOLA
CHAIRMAN
LAGOS AIRPORT HOTEL LIMITED

Q. 7/13

ARCHIVE OF OJSC

The Managing Director,
Odu'a Investment Company Ltd.,
Cocoa House,
Ibadan.



Dear Sir,

It is observed through the letter of appointment given to me as the Chairman of this Company, the effective date was March 3, 1981.

I have to state, for your information that date of publication in the official Bulletin of Ogun State is Monday, February 2, 1981 and in the dailies February 3, 1981. A circular letter dated 4th February from Governor's office was addressed to me as Chairman Odu'a Printing Company Limited to attend a meeting scheduled for 19th February, which I attended.

I called, as advised by the Deputy Governor at the Odu'a Printing Company Limited on February 9 and after introducing myself to the Production Manager when I did not meet the Managing Director, I was conducted round the various Departments of the factory. I also called at the Odu'a Printing Company Limited and also at the Odu'a Investment, at Cocoa House on the following dates 17th February and 24th February. From above information you could see the actual date I assumed duty and shall be grateful if necessary adjustment is made.

Yours truly,

Chief E. O. Odebunmi
Chairman,
Odu'a Printing Company Ltd.

Investment Strategy

1. When Odu'a Investment Company Limited was incorporated in 1976, a very high proportion of the companies vested in it are located in the Lagos area. The emphasise of the company has centered around acquiring the on-going projects either to maintain its interest in these various companies or to acquire interest in new areas as a result of the Indigenisation Act. With the return of politics and our Shareholders deeply committed to the successful implementation of the four cardinal programmes of the Unity Party of Nigeria, it has become imperative that the strategy of Odu'a Investment Company Limited should be modified to meet the aspirations of our Shareholders. This is because our Shareholders are involved in providing social services which necessitate the commitment of money on recurrent expenditure. Free Education at all levels and Free Medical services are very expensive programmes which will increase annually with population. Another problem is that the children in the UPN controlled States have Free Education at all levels and the provision of gainful employment for the graduates of our various institutions will be the greatest problems to be tackled by the Government. This important task cannot be expected to be tackled by the Government alone. With the stature of ODU'A, it should be a deliberate policy that new industries should be located in Oyo, Ondo and Ogun States as a matter of urgency so that the incidence of unemployment among graduates of our various institutions will be reduced to a minimum.

2. The policy of Odu'a Investment Company Ltd should henceforth be to establish medium-size industries in all the three States simultaneously. The total project cost of each project should be between two and five million naira to enable industries to go round. Fortunately, Odu'a Investment Company Limited has been recognised by the Federal Government as one of the development institutions in the country. The present guidelines of the Central Bank stipulate that 2% of total lendings of commercial and merchant banks should be reserved for the recognised development companies. Furthermore, Odu'a Investment Co. Ltd. should take advantage of the favourable investment climate in the country by raising offshore finance to finance its projects. By going into medium-size projects, the Management of such projects will be within the competence of Nigerian managers with only special advice from foreigners. The transfer of technology to Nigerians will easily be facilitated. The companies should liaise with the State Ministries of Industries & Cooperatives as well as the Investment Corporations of the three Os States. This is because the feasibility studies in respect of viable projects might have been conducted and paid for and this type of interaction will eliminate duplication. It may also be possible for ODU'A and the State Governments to jointly promote investment projects in all the three States. This arrangement will also eliminate the duplication of efforts and the creation of excess capacity which could have been the case if co-ordination with the States is not embarked upon. The basic aim of setting up these projects will be to produce and market goods and services that are of high quality for the consumption of the general public. This will lead to effectiveness and profitability. With the arrangement that ODU'A should have a Planning and Development Department, identifying of new projects and liaison with the State Governments will be the priority of this newly created Division.

3. While going into new industrial ventures should be the priority of ODU'A, due consideration should be given to the following factors:

- (a) the incidence of taxation on the operations of the Group and
- (b) making maximum money available to Shareholders.

The present taxation arrangement in the country is such that there is no provision for Group relief. This means that the profit declared by subsidiary companies and payable to the parent company such as ODU'A, will be subject to taxation even though tax deducted at source will have to be claimed from the Federal Inland Revenue. Experience has shown that the Federal Inland Revenue is very slow at agreeing to setting off the tax deducted at source against tax payable on the profit of the company. The tidiest arrangement in the circumstance is that this new ventures should be made divisions of the parent company if foreigners are not going to be involved in the equity participation. This will enable the parent company to have access to a very high level of turnover against which all the allowable expenses will be charged. The taxable profit from the parent company will only be subject to the current rates of taxation thus eliminating the problems already highlighted above. This arrangement will also pave the way for effectiveness. Making more money available to our Shareholders will also be an easier exercise. If the desired objectives are to be achieved, the emphasise should be on the use of local raw materials and the setting up of agro-based industries. This will ensure that there is no drift from the rural areas to the urban centres because the agro-based industries will usher in an era of mechanised farming and the siting of processing facilities very close to the source of raw materials. As a matter of police, ODU'A should visit as many Trade Fairs as possible so

that projects to be embarked upon will be easily identified at such exhibitions. The experience of countries like Brazil, Taiwan, India, Korea and Singapore should be useful in the successful implementation of the policy.

4. Profitability of this proposed new venture will depend on the quality of managers available. Fortunately, the Group policy in respect of recruitment and discipline of senior officers of the Group is on the priority list of ODU'A. This will ensure that only competent managers are recruited and those whose performances are below average will be shown the way out of the company without fear or favour. With the policy that manpower development for all managers within the Group will be handled by the parent company and an arrangement whereby managers will be allowed to update their experience through working in various industries will pave the way for effective management in all our industrial and commercial ventures. The introduction of a Group salary structure and fringe benefits will also make it possible for officers to move without any fear of losing any of the existing rights of each level of management.
5. The Board is invited to consider the above Investment Strategy and approve so that Management can vigorously pursue the identification of viable projects to be embarked upon by Odu'a Investment Company Limited.

File No. I/C.35/Vol.2

Board Memo No. 80(81) 20

FISHERIES SERVICES COMPANY LIMITED:
EXPANSION PROGRAMME

Fisheries Services Company Limited is a wholly-owned subsidiary of Odu'a Investment Company Limited. It was incorporated in 1973 by the former Western State Ministry of Agriculture and Natural Resources. The company was established to carry out the following functions:

- (a) Provision of cold storage facilities at Ijora Terminal for the preservation of frozen foods.
- (b) Providing slipway activities for sea going vessels and carrying out minor repairs on such vessels.
- (c) Providing fuel, water and other berthing facilities for fishing vessels discharging their cargoes at the Terminal
- (d) Distribution of fish.

The company has been successful as far as its present operations are concerned but there are a number of opportunities not yet explored.

The company's operations is currently hampered by the following factors:

- (i) The slipway which is the highest revenue yielding source for the company broke down since 1978 and has not been repaired. This has deprived the company of the much needed revenue particularly when slipway facilities are not available in Nigeria and vessels have to go as far as Cotonou in Benin Republic for repairs.
- (ii) The company purchases the fish it markets mainly from other importers rather than directly importing from overseas. This has increased the cost of the company thereby reducing its profit margin.
- (iii) The storage facilities available to the company is grossly inadequate and as a result, the company cannot purchase the quantity of fish it could easily market.

From the above, it will be observed that Fisheries Services Company Limited is yet to fully tap the potentialities as a commercial and profit making organisation. The Board of the company realising this shortcoming has decided to embark on an expansion programme which will involve the following:

- (a) Direct fish importation and marketing in the States of Oyo, Ondo and Ogun
- (b) Dredging the Ijora jetty and effecting repairs to the present slipway.
- (c) Increasing substantially the storage facilities available at Ijora and locating a number of storage facilities in the commercial areas of Oyo, Ondo and Ogun States.

The project is designed to make fish available in Lagos, Oyo, Ondo and Ogun States simultaneously. Because of the berthing facility available in Lagos, it has been decided that a cold storage capable of holding 1,000 tons of fish at any point in time will be located at Ijora while there will be 5 smaller cold storage facilities in Oyo State, 4 in Ondo State and 4 in Ogun State. The breakdown of the cold storage facilities is provided below:

Ijora	-	1,000 tons
Ibadan	-	250 tons
4 other Commercial Towns in Oyo State	-	200 tons
Akure	-	250 tons
3 other Commercial Towns in Ondo State	-	150 tons
Abeokuta	-	250 tons
3 other Commercial Towns in Ogun State	-	150 tons

The total of cold storage facilities available in the four States is 2,250 tons. It is expected that a trawler capable of carrying 1,000 tons of fish will berth at Ijora at least 52 times in the year and the fish discharged will be conveyed to the various locations in Oyo, Ondo and Ogun States through reffridgerated vehicles which have been provided for

in the programme. It is expected that 85% of the total fish marketed by Fisheries Services Limited will be imported while the balance of 15% will be provided by the trawlers of Wefishco Limited after rehabilitation.

The dredging of Ijora Terminal and the repair of the slipway will commence almost immediately so that vessels carrying fish for the company will land without difficulty. Dredging operation has become a priority in view of the fact that dredging has not been done for many years. The repairs of the slipway will enable the vessels conveying fish to Ijora to turn round as many times as possible because facilities will be available for repairs to these vessels. Discussions had been held with Modular Panel Company of the United States, the manufacturers of the cold storage facilities and agreement has been reached on the execution of the project. Modular Panel Company of the United States will handle the project on a turn-key basis. This will enable the company to guarantee the storage facilities being provided for the company. The company has voluntarily given a 10-year guarantee on the products supplied by it and it has been incorporated in the agreement to be signed by Fisheries Services Company Limited and Modular Panel Company of U.S.A. Each cold storage facility provided will have two generating sets to ensure that electricity is supplied even if NEPA does not provide power. The cost of the generating set, the refrigerated trucks, fork-lifts and all other essential equipments have been included in the total project cost. The Board of Fisheries Services Company Limited had already identified a company that will handle the repairs to the slipway and another company that will handle the dredging of the jetty. The cost of this operation has also been incorporated in the programme.

The total project cost will be ₦3 million broken down as follows:

Cold Storage Facilities at Ijora and 13 other locations in Oyo, Ondo and Ogun States	-	₦1,745,000
13 Units of 50 k.v.a generators	-	₦195,000
3 Units of special fork-lifts	-	₦60,000

Refridgerated vehicles for all the locations	-	₦560,000
Dredging and Repair of slipway	-	₦440,000
TOTAL	-	₦3,000,000

The company had already identified the variety of fish that is famous in Nigeria and arrangements have been finalised with an organisation to supply fish to the company regularly. The agreement provides for the suppliers of fish to grant a 90-day credit to Fisheries Services Company Limited. During this period, the fish supplied would have been sold and cash paid to the suppliers. This arrangement will ensure that regular importation of fish is not hampered by lack of funds.

The project will be financed by equity and credit granted by the suppliers of the equipments and foreign contractors chosen to repair the slipway and dredging of the jetty. 20% of the total project cost will be expected to be contributed as equity while 80% will come from foreign sources.

In order to prevent the payment of additional sum of money as a result of the fluctuation in the value of the dollar, discussions have been held with a number of financial institutions in Nigeria to provide local finance and this will be guaranteed by the banks of the foreign manufacturers and suppliers. It has also been agreed that Odu'a Investment Company Limited will contribute immediately a sum of ₦208,000 as additional equity in Fisheries Services Company Limited purposely to finance the local element of the construction work. The balance of ₦392,000 will be provided through internally generated funds.

The projected profit and loss statements as well as the cash flow statement is provided below:

...../5.

FISHERIES SERVICES COMPANY LIMITED - IJORA

FISH DISTRIBUTION PROJECT - PROJECTED PROFIT AND LOSS STATEMENT FOR THREE YEARS

Particulars	Y E A R S		
	1	2	3
Sales quantities (tonne)	₦52,000	₦78,000	₦100,000
Selling price per tonne	412	412	412
	₦000	₦000	₦000
Sales Revenue (fish)	21,424	32,136	41,200
Revenue from slipway	240	300	360
TOTAL REVENUE	21,664	32,436	41,560
<u>Operating Costs</u>			
Cost of sale of Fish	20,348	30,576	39,300
Repairs and Maintenance of slipway	24	30	36
Depreciation	473	473	473
Interest on loans @ 9.5%	228	152	76
TOTAL COSTS	21,109	31,231	39,785
Net Profit before tax	555	1,205	1,765
Return on Capital	18.5%	54.7%	126%
Return on Investment	18.5%	40%	59%

Notes:

The above projection is based on the following assumptions:

- (a) Total project cost is ₦3 million.
- (b) Interest on loans is at 9.5%
- (c) That a down payment of ₦600,000.00 will be made and the balance of ₦2.4 million is payable over three years in equal instalments.
- (d) That an average of 1,000 tonnes fish will be discharged per week in the first year with an average annual increase of 33.3%

- (e) The achievement of the projected profit depends on the increases in the projected sales.
- (f) That prices and costs remain constant during the plan-period.

CASH FLOW - PROJECTION FOR THREE YEARS

Particulars	Year of Construction	Year 1	Year 2	Year 3
	₦000	₦000	₦000	₦000
<u>Cash - Inflow</u>				
Balance Brought forward		-	228	1,106
Profit before tax		555	1,205	1,765
Add Back Depreciation		473	473	473
Loan	2,400	-	-	-
Contribution by Odu'a and internally generated funds.	600	-	-	-
Total Cash-in-flow	3,000	1,028	1,906	3,344
<u>Cash Outflow</u>				
Down payment by Odu'a	600	-	-	-
Loan Capital repayment	-	800	800	800
Construction of cold rooms	1,940	-	-	-
Dredging of slipway	460	-	-	-
Total Cash outflow	3,000	800	800	800
Net Surplus	-	228	1,106	2,544

From the above statements, it could be seen that the above return on capital varies between 18.52 and 126% while the return on Investment varies between 18.5% and 59%. The project is therefore considered viable.

From the cashflow statement, the project will be able to pay off itself within two years, however the surplus cash generated in the third year would provide a good base for the take-off of the second phase which is being considered by the company. The project is therefore recommended for acceptance.

The Board had earlier agreed that the activities of Fisheries Services Company Limited and Wefishco Limited should be merged and an organisational structure was approved. There is no deviation from the approved organisational structure but the manufacturers of the cold storage equipment have agreed to provide training facilities for a number of technicians in the United States to be able to cope with the problems. The company has also mapped out the training of marketing personnel to ensure that marketing activities can cope with the rate of importation of fish. It has also been agreed with the suppliers that electric generating sets with caterpillar engine should be supplied so that spare parts will be easily purchased locally from Tractor and Equipment Division of U.A.C. This arrangement will ensure that the activities of the company is not hampered by irregular loss of power from NEPA.

The Board is invited to:

- (a) consider and approve the expansion programme of Fisheries Services Company Limited; and
- (b) approve that a sum of ₦600,000 being 20% of the total project cost be provided by Odu'a Investment Company Limited through a cash payment of ₦208,000 and the balance of ₦392,000 be financed through internally generated funds.

WEFISPCO LIMITED: DISCIPLINARY ACTION AGAINST
THE GENERAL MANAGER

The Board of Wefishco Limited, at its meeting held on 18th of December 1980 decided that the services of the General Manager of the company, Mr. Olu Ogundipe, be dispensed with on the ground of incompetence and financial mismanagement.

Mr. Ogundipe was allowed to proceed on a 2-month leave in December 1980. On the advice of the management of Odu'a, the Board resolved that Mr. F. K. Akintola, the General Manager of Fisheries Services Company Limited should take over the responsibility for managing Wefishco Limited. Mr. Ogundipe however failed to hand over to Mr. Akintola while he held some properties of the company to himself including vehicles and the books of accounts. Mr. Ogundipe was due to resume duty on 22nd February, but being aware of the disciplinary action awaiting him, he failed to turn up.

The Board is invited to consent to the dismissal of Mr. Ogundipe with immediate effect.

File No. 115

Memo No. 100/12

GROUP SALARY STRUCTURE AND FRINGE BENEFITSINTRODUCTION

The shareholders of this Company are anxious about improved group performance. This fact had been made clear to the Board of the parent company each time the opportunity arises. With the acceptance of the philosophy of Odu'a Investment Company Limited, the time is now ripe for positive steps to be taken to ensure that the management of both the parent and subsidiary companies are adequately developed and prepared to accept higher responsibilities. Furthermore, the present trend whereby qualified and experienced staff of the parent company and subsidiary companies are being lost to competitors has to be arrested. In a group situation, opportunities ought to be open for highly qualified, experienced and dedicated staff to move up either in sister subsidiary companies or at the parent level. It should be the ultimate aim of the staff of subsidiary companies to reach the top in any subsidiary company and in particular in the parent company itself. This can only be achieved if there is a group policy, a uniform organisational structure, salary structure and fringe benefits deliberately designed to achieve the purpose. The advantages of having a unified organisational, salary structures are stated below:

- (a) There will be maximum utilization of manpower resources within the Group.
- (b) Due attention will be paid to manpower planning and development.
- (c) There will be opportunities for able managers regardless of the company that initially employed them to develop within the Group.
- (d) The present high level of staff turnover would be checked thus making available within the Group the required expertise for high level performance.

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(c) In situations where a few subsidiaries have been affected by the Federal Ministry of Employment, Labour and Productivity not to exceed a particular salary level thus making it impossible to recruit highly qualified, experienced and competent managers, the Group salary structure will enable the parent company to recruit suitable managerial staff to work for such subsidiary companies.

2. Present Situation

As a result of the ages of a number of our subsidiary companies, Odu'a Investment Company Limited inherited a situation whereby each company has its own organisational structure, salary structure and a set of fringe benefits. In the recent past, reasonable progress has been made in the area of getting subsidiary companies to adopt a salary structure after obtaining approval from the parent company. Even though there was no attempt to rationalise, at least this has paved the way for a group structure and the appropriate reward for each level of management. It should be highlighted that discussions had been held at various levels before an agreement was reached on the nomenclature, the managerial levels and the salaries and fringe benefits attributable to each managerial level. The Chief Executives at their last meeting held on the 30th of January, 1981 also approved the proposal in principle while the Establishment Committee of the Board of Odu'a considered and approved the same proposal at its meeting held on the 19th of February, 1981.

3. Centrally Deployed Managers

The problems facing Odu'a Investment Company Limited and its subsidiaries are not peculiar to them alone. Other major groups in the country and overseas have gone through the same phase and the way they tackled their problems was to introduce a scheme whereby professional groups that are difficult to come by are being assembled only by the parent company. These managers will be deployed to the various subsidiary companies as and when the need arises. Here in Nigeria, the U.A.C. of Nigeria Limited, for example, employs all the accountants, puts them in the group internal

audit to get used to the accounting system of the group. They are redeployed to the various divisions in accordance with the abilities of the accountants and the need of the units. A few of our subsidiary companies such as Wrought Iron (Nigeria) Limited, Epe Plywood Limited, Odu'a Textile Industries Limited, Cotton Press (N.A.) Limited and Glenville Puthoven and Co. (Nigeria) are finding it very difficult to recruit accountants. If the system adopted by the leading groups in Nigeria and overseas is introduced, the acute shortage will be a thing of the past. This is because the salaries and fringe benefits being offered by our poor subsidiary companies will not be a determining factor for a qualified and experienced manager to join the services of our subsidiaries. The reputation of the parent company will be the determining factor. It should therefore be a deliberate policy of Odu'a Investment Company Limited to employ the financial managers of all subsidiary companies so that the built in internal control can be solidified. A recent example is that of Sungas Company Limited which was being managed by Mobil Oil Nigeria Limited for Odu'a in the last two years. Before we got our own finance man into the company, Mobil was claiming a sum of about ₦520,000 from Sungas as amount due but not yet paid. When the staff of Odu'a was redeployed to Sungas Limited, he undertook the reconciliation and the result of the exercise is that Mobil Oil now owes Sungas Company Limited a sum of ₦300,000. If we did not insist on sending a staff of Odu'a to the company, it may be impossible for this type of malpractices to be detected. The strength of the accountant redeployed to Sungas Company Limited is that he is aware that the parent company has the ability to cross-check his work and if he is found wanting, his future with the company will be bleak. If it is a deliberate policy of the Group to insist on having a staff of the parent company as the financial officer of each subsidiary company, a lot of waste that now exist within the group will be checked. The parent company's ability to control the finance portfolio makes it easy for the parent company to solve at least 70% of the problems that may emanate from the subsidiary companies.

4. Common Nomenclature

The implementation of the Group organisational and salary structure can only be achieved if there is a common description of the various management levels. This will happen after a thorough analysis has been made of the job content of each managerial grade, peculiar positions of each subsidiary company and the organised trade unions existing within the Group. These problems had engaged the attention of the Chief Executives and full discussions had been held on the nomenclature to be used throughout the Group. The next step is to classify the companies into categories based on the profitability and the assets of each subsidiary. The following classification of the subsidiary companies has been suggested:

Class A: National Bank of Nigeria Limited
Wemabod Estates Limited
Great Nigeria Insurance Company Limited
Nigerian General Insurance Company Limited
Cocoa Industries Limited
Union Beverages Limited
Wema Bank Limited

Class B: Vegetable Oils (Nig.) Limited
Lagos Airport Hotel Limited
Western Hotels Limited
Fisheries Services/Wefishco Limited
Glanvill Enthoven & Co. (Nigeria)
Nigerian Kraft Bags Company Limited
NIPOL Limited

Class C: Sungas Company Limited
Western Livestock Company Limited
Phoenix Motors Limited
Odu'a Textile Industries Limited
Odu'a Printing Company Limited
Wrought Iron (Nigeria) Limited
Caxton Press (W.A.) Limited

Print On Company Limited
Epe Plywood Nigeria Limited
Askar of Nigeria Limited

The arrangement is that a Class C company that has improved its performance consistently for a number of years will be promoted to Class B and the company will attract Chief Executive and staff of the right class applicable to Class B companies. The same thing applies to a Class B company that has worked very hard over the years to improve its efficiency and profitability. This type of company will be promoted to Class A company.

The recommended nomenclature to be used throughout the Group are provided below:-

- (a) Group Chief Executive or Group Managing Director - (T.M.1)
- (b) Executive Directors of Odu'a and the Chief Executive of Class A companies - (T.M.2)
- (c) Executive Directors of Class A companies, Chief Executives of Class B companies and Senior Managers of Odu'a who are not Executive Directors but who demonstrate an above average performance - (T.M.3)
- (d) Executive Directors of Class B companies, Management Level 1 of Odu'a and Chief Executives of Class C companies - (T.M.4)
- (e) Management Level II, Odu'a and Chief Executives of Class C companies - (T.M.5)

The above categories will be the staff of the Group. Other management levels are Management Level 3, Management Level 4, Management Level 5 and Management Level 6.

Note: This will not apply to expatriate on special contracts.

- (i) The staff to be transferred to the Group is described as top management and abbreviated as T.M. in bracket.
- (ii) Others are simply referred to as managers.

(iii) The use of management levels will eliminate the anomaly that may arise in the job titles. If for example, the Sales Manager of Union Beverages is expected to be on Management Level 3, another Sales Manager for Akar of Nigeria Limited may be on Management Level 5. The use of Management Levels in preference to the job description will also eliminate the anomaly that may arise in implementing salary structures and fringe benefits.

(iv) The minimum qualification requirements for management levels or non group staff are as follows:

- (i) Management Level 3 - Requisite academic and/or professional qualification with a minimum of 5 years cognate experience.
- (ii) Management Level 4 - Academic and/or professional qualification with a minimum of 3 years experience.
- (iii) Management Level 5 - Academic and/or professional qualification with minimum of 2 years experience. Secretarial staff with G.C.E. or equivalent in 5 subjects plus 120/50 words per minute in Shorthand and Typewriting with a minimum experience of 5 years. The secretarial staff in this category must have demonstrated over the years a high level of administrative ability. Partly qualified Accountants having Professional Stage I of a recognised accountancy body with a minimum of 3 years' experience Passes in Foundation A & B of recognised foreign accountancy body or intermediate of ACCA or HND Accountancy plus 3 years experience.
- (iv) Management Level 6 -
 - (a) New entrants into positions with academic or professional qualifications specified for each management positions
 - (b) For long serving and experienced staff, lower academic or professional qualification may in exceptional cases be compromised for a record of consistent good performance.
 - (c) Secretarial staff with requisite basic academic qualifications and ability. 100/50 words per minute in Shorthand and Typewriting with suitable experience and good reports over a number of years.

The above situation will enable a very good staff without an outstanding basic educational qualification to rise to the highest point possible provided he is competent and diligent in his work.

5. Group Salary Structure

In arriving at the proposed salary structure for the various levels of management within the Group, due consideration had been given to the existing salary levels within the Group. It should also be emphasised that the financial institutions are members of a powerful trade union which adopts a common salary structure and fringe benefits. The influence of this union and the fact that the salaries and the fringe benefits had already received the blessing of the appropriate Federal Government agency had already been taken into consideration in arriving at the proposed salary structure.

Group Chief Executive	-	₦25,000 - ₦40,000 (T.M.1)
Executive Directors of Odu'a Chief Executives of Class A companies	-	₦22,000 - ₦30,000 (T.M.2)
Executive Directors of Class A companies, Chief Executives of Class B companies and competent managers of Odu'a being promoted above management Level I	-	₦18,000 - ₦24,000 (T.M.3)
Management Level I Odu'a, Chief Executives of Class C companies	-	₦15,000 - ₦20,000 (T.M.4)
Management Level 2 Odu'a Departmental Heads of Class C companies	-	₦10,000 - ₦16,000 (T.M.5)
Management Level 3	-	₦8,000 - ₦13,000
Management Level 4	-	₦6,000 - ₦10,000
Management Level 5	-	₦5,000 - ₦8,000
Management Level 6	-	₦4,200 - ₦6,400

A few examples of the existing salaries within the Group is provided as Annexure I. to this Memo for ease of reference.

6. Proposed Group Fringe Benefits

As in the case of salaries of various levels of managers, a survey was conducted within the Group and the outcome of the survey is now being harmonised and presented for consideration and approval. The proposed Group Fringe Benefits are provided as Annexure II. Annexure III is the current fringe benefits being enjoyed by a few subsidiaries of Odu'a.

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7. Implementation of the Group Salary Structure and Fringe Benefits

It should be emphasized that this exercise is not being conducted to increase salaries and fringe benefits. It is only a way of creating an atmosphere where qualified and experienced managers can be recruited and retained within the Group. It is also a means of ensuring that manpower development courses, especially designed for our situation, can be planned and implemented without problems. Annexure II of this Memo shows the existing fringe benefits of a few of our subsidiary companies. It should be noted that justice does not allow a man to be deprived of the right he has already enjoyed so, the modification that can only take place will be in terms of a group of managers enjoying less benefits. If a uniform salary structure and fringe benefits can be introduced to the Group, it will no longer be a difficult thing to move managers round thus paving the way for the development of such managers. Another important fact to be noted in respect of the implementation of this proposal is that where a Chief Executive of a Class C company enjoys a salary of ₦13,000 in an existing salary scale of ₦10,000 - ₦14,000, the end of the scale will now be ₦16,000 and he will move up the scale in accordance with his performance. The same thing applies to all the managerial levels recommended in this scheme. Another example is where the Chief Executive of a company now being regarded as a Class A company earns a salary of ₦22,000, he will not have any increase but the up-end of the salary scale will be ₦30,000. His movement upwards will be determined by his overall performance based on the confidential reports. A company will be promoted after satisfying the conditions stipulated in respect of qualification for the appointment of Executive Directors already approved by the Board.

8. Talking to the Chairmen of Subsidiary Companies

Since the proposed scheme now being presented to the Board of Odu'a Investment Company Limited had already been considered and approved by the Chief Executives within the Group and the Establishment Committee of the Board of Odu'a, the Board of Odu'a Investment Company Limited should consider and ratify the proposals. Thereafter, the Board of Odu'a will meet the Chairmen of subsidiary companies to brief them on the proposed

change. After this, the implementation can be embarked upon. As soon as the staff of a subsidiary company on Level 3 is promoted to Management Level 2, the records of such staff will be transferred to the Head Office. Henceforth, such a staff will be available for deployment as and where necessary. The confidential reports of each staff will still be prepared by the superior officers wherever he operates and such reports will be forwarded to the parent company with appropriate recommendations. The deployed staff will be subject to the discipline of the Board and Management of the subsidiary.

- 9. The Board is invited to:
 - (a) Consider the above Group Salary Structure and Fringe Benefits as recommended by the Establishment Committee of the Board.
 - (b) Approve the recommended Group Salary Structure and Fringe Benefits.
 - (c) Approve that, as a matter of policy, the parent company should recruit and deploy to subsidiary companies suitably qualified and experienced Accountants to improve the standard of financial management practices of subsidiary companies and to enable subsidiary companies that may not have very good track records to have the opportunity of using the services of experienced accountants.

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PROFIT POSITION OF SUBSIDIARY COMPANIES
AS AT 30TH SEPTEMBER, 1979

COMPANIES	TURNOVER	PROFIT B/F TAXATION	NET WORTH
	N000	N000	N000
<u>CLASS A</u>			
National Bank of Nig. Ltd.	27,146	5,998	112,175
Wemabod Estates Ltd.	6,393	556	75,544
Great Nigeria Ins. Co. Ltd.	6,430	1,063	40,351
Nigerian General Ins. Co. Ltd.	7,645	859	9,375
Cocoa Industries Limited	11,605	1,370	10,220
Union Beverages Limited	789	28	2,793
Wema Bank Limited	3,639	966	88,196
<u>CLASS B</u>			
Vegetable Oils (Nig.) Ltd.	1,487	(643)	5,457
Lagos Airport Hotel Ltd.	3,530	154	3,456
Western Hotels Limited	1,698	1	1,835
Fisheries Services/Wefishco Ltd.	613	(386)	2,338
Glanvill Enthoven & Co. (Nig.)	3,518	391	1,377
Nigerian Kraft Bags Co. Ltd.	3,917	798	1,488
Nipol Limited	3,397	324	1,467
<u>CLASS C</u>			
Sungas Co. Limited	1,019	(262)	320
Western Livestock Limited	125	(1,007)	4,886
Phoenix Motors Limited	10,507	(364)	1,161
Odu'a Textile Industries Ltd.	1,286	(399)	6,446
Odu'a Printing Co. Ltd.	1,306	(9)	1,469
Wrought Iron (Nigeria) Ltd.	852	(544)	961
Caxton Press (W.A.) Limited	380	(4)	1,335
Print-On Company Limited	396	(49)	515
Epe Plywood Nigeria Limited	4,259	(39)	958
Askar of Nigeria Limited	2,013	(104)	422

NOTES

1. The net assets of Wemabod Estates Limited is a conservative figure.
2. The net assets of Union Beverages do not include land and buildings which are currently owned by ODU'A. The value of these items at 1979 valuation was N2.1 million.
3. The loss of N386,000 recorded for Fisheries Services Limited/Wefishco Limited is for Wefishco Limited.

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PRESENT SALARY

COMPANY	CHIEF EXECUTIVE	EXEC. DIRECTORS	SENIOR MANAGERS	MIDDLE MANAGERS
	₦	₦	₦	₦
1. Nigeria Kraft Bags	21,000	17,500	10,000 - 15,000	9,000 - 12,000
2. Cocoa Industries Ltd.	16,000	---	10,400 - 15,500	7,800 - 11,900
3. National Bank	25,300 - 27,500	13,356 - 18,000	10,276 - 15,714	8,428 - 10,830
4. First Bank Limited	20,350 - 28,270	13,915 - 20,350	12,500 - 15,257	10,267 - 12,742
5. De-will Enthoven & Co.	20,000 - 40,000	15,000 - 30,000	11,000 - 20,000	7,000 - 15,000
6. Nigerian General Ins. Co.	15,000 - 21,000	9,700 - 16,200	8,600 - 15,000	7,500 - 14,000
7. Great Nigeria Ins. Co.	20,000	17,100	15,000	12,200 - 14,000
8. Phoenix Motors	27,600	19,400 - 21,200	13,550	---

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PROPOSED GROUP FRINGE BENEFITS

DETAILS	T.M. 1	T.M. 2	T.M. 3	T.M. 4	T.M. 5	M.L. III	M.L. IV	M.L. V	M.L. VI
ACCOMMODATION	*Free fully furnished accommodation with electricity, telephone and gas paid. OR Maximum of N15,000 in lieu if incumbent lives in his house. Furnishing not exceeding N20,000.	Same as In TM1 OR Maximum of N10,000 in lieu if incumbent lives in his house. Furnishing not exceeding N18,000.	Same as in T.M. 1 OR Maximum of N7,500 if incumbent lives in his house. Furnishing not exceeding N15,000.	25% of basic salary as rent. OR Free fully furnished with furniture not exceeding N10,000. Electricity & telephone paid.	20% of basic salary as rent.	Same as in T.M.5	Same as in T.M.5	Same as in T.M.5	Same as in T.M. 5
TRANSPORT ALLOWANCE	Company's car and driver	Company's car & driver	Company's car & driver	Company's car & driver	N1,200 per annum	N960 per annum	N840 per annum	N720 per annum	N600 per annum
ANNUAL LEAVE DAYS	45	40	35	35	35	35	35	30	30
LEAVE ALLOWANCE	5% of basic salary	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1
MEDICAL	Free for Wife & children	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1
NIGHT TRAVEL ALLOWANCE IN LIEU OF HOTEL BILLS	N60 per night	N50 per night	N40 per night	N30 per night	N30 per night	N25 per night	N25 per night	N20 per night	N20 per night
OVERSEAS TRAVEL ALLOWANCE	N150 per night	N140 per night	N130 per night	N120 per night	N100 per night	N90 per night	N80 per night	N80 per night	N80 per night
OUTFIT AND WARM CLOTHING ALLOWANCE WHILE IN OVERSEAS COUNTRY	N500 every 3 years	N400 every 3yrs.	N300 every 3 years	N200 every 3 years	Same as in TM 4	Same as in TM4	Same as in TM4	Same as in TM4	Same as in TM 4
ENTERTAINMENT ALLOWANCE	N3,000 unreceipted	N2,400 unreceipted	N1,800 unreceipted	N1,200 unreceipted	=	=	=	=	=

Note

* Where Managers qualify to live in free accommodation, elects to live in his own house, the company should cause a valuation to be made by a qualified estate Surveyor to determine the rent payable. The limits indicated above should not be exceeded.

DETAILS	T.M. 1	T.M. 2	T.M. 3	T.M. 4	T.M. 5	M.L. III	M.L. IV	M.L. V	M.L. VI
PENSIONS SCHEME	In accordance with the present arrangement.	Same as in TM1	Same as in TM 1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1
GRATUITY	One month's salary for every complete year of service	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1
END OF YEAR PAYMENT	One month's salary	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1	Same as in TM1
PROFESSIONAL AND SOCIAL CLUBS SUBSCRIPTIONS	One recognised Professional Body and One Social Club	Same as in TM1	Same as in TM1	Same as in TM1	One recognised Professional Body	As in TM 5	As in TM5	As in TM5	As in TM5
DOMESTIC HELPS	2 Day & Night Watchmen, One Cook/Steward, 1 Gardner	As in TM1	As in TM1	1 Night Watchman, One Gardner	-	-	-	-	-

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Annex III
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SALARY STRUCTURE AND FRINGE BENEFITS OF MANAGER

GIANVILL ENTHOVEN & CO., (NIGERIA)

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Levels of Management	SALARY LEVELS	Educational Requirements	Housing Allowance	Transport	Leave Allowance
General Managers	₦20,000 - ₦40,000	Professional qualifications with ten years post qualification Experience	₦8,000	Free Cars	3% Annual Salary
Asst. General Managers	₦15,000 - ₦30,000	Professional qualifications with five years post qualification experience	₦6,000	Free Cars	3% Annual Salary
Group Service Managers	₦11,000 - ₦20,000	Professional qualifications with three to four years post qualification experience	₦4,000	Free Cars	3% Annual Salary
Managers	₦7,000 - ₦15,000	Professional qualifications and years of experience	₦3,000	Car Loan	3% Annual Salary
Asst. Managers	₦5,000 - ₦10,000	Professional qualifications and/or experience	₦2,000	Car Loan	3% Annual Salary
Superintendents	₦3,500 - ₦7,000	Professional qualifications and/or Experience	₦600	Car Loan	3% Annual Salary

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DESIGNATIONS	SALARY SCALES	TRANSPORT ALLOWANCE	HEAT ALLOWANCE
Managing Director	M5,000 + 500 = M55,000	Free	Free
Asst. Managing Director Financial Controller	M9,700 + 500 = M102,000	M1,200	Free House Rent not exceeding M15,000 per annum OR M6,000 in lieu.
Company Secretary/ Admin. Manager Deputy Fin. Controller Internal Auditor District Manager	M8,500 + 500 = M90,000	M1,200	M4,800 per annum
Managers Principal Accountants	M7,500 + 500 = M80,000	M1,200	M3,500 per annum
Asst. Managers Senior Accountant Surveyor	M6,200 + 400 = M66,000	M950.00	M1,000 per annum
Accountant Superintendent Admin. Officer Personal Secretary	M4,800 + 300 = M51,000	M980.00	M1,500 per annum
Asst. Superintendent Asst. Accountant Confidential Secretary	M3,750 + 250 = M40,000	M960.00	M1,200 per annum

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C O C O A I N D U S T R I E S L I M I T E D

MANAGEMENT LEVEL	SALARY RANGE	MINIMUM EDUCATIONAL REQUIREMENT	FRINGE BENEFITS	PENSION SCHEME	MEMBERSHIP OF ORGANISED TRADE UNION
MANAGEMENT LEVEL V	N3,900 - N6,400	(a) For new entrants into positions-requisite academic and/or professional qualifications specified for each management position. (b) For long-serving and experienced staff - lower academic/professional qualification may, in exceptional cases, be compromised for a record of consistent good performance.	(i) Shift Allowance of N40 p.m. for Superintendents who work shifts. (ii) Overseas Allowance of N75 Per day.	The company operates a contributory Pension Scheme to which the employee contributes 5% and the employer 12½%.	All officers in these grades - (MV-MIII) minus the Personnel Manager, the Confidential Secretaries, the Chief Security Officer and the Internal Audit Staff belong to the M.S.S.A. which is a member of the Food, Beverage & Tobacco Staff Assoc. a National Union.
MANAGEMENT LEVEL IV	N5,800 - N8,300	Requisite academic and/or professional qualifications specified for each managerial position.	(ii) Overseas Allowance of N90 per day is paid.	The Scheme is underwritten by Great Nig, Insurance Co. and serviced by Glanvill, Enthoven & Co. from 1/10/80.	
MANAGEMENT LEVEL III	N7,000 - N9,600	As for MIV with minimum of 3 years cognate experience.	(ii) Overseas Allowance of N90 per day is paid.		
MANAGEMENT LEVEL II	N7,800 - N11,900	As for MIV with a minimum of 5 years cognate experience.	(ii) Overseas Allowance of N112 per day is paid. (iii) Leave Allowance is 5% of basic salary. (iv) Housing Allowance is 25% of basic salary.		
MANAGEMENT LEVEL I	N10,400 - N15,500	As for MIV with a minimum of 7 years cognate experience.	As for MII items (iii) & (iv) i.e. Leave Allowance and Housing Allowance are of the same rate for all Management Staff - (MV - MI)		

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VEGETABLE OILS (NIGERIA) LIMITED
VON SALARY STRUCTURE AND FRINGE BENEFITS

MANAGEMENT LEVEL	MINIMUM QUALIFICATION REQUIREMENT	SALARY RANGE N	FRINGE BENEFITS			
			Housing N	Transport	Out of Station allowance/night N	Leave allowance
Superintendent	Schl Cert + considerable relevant experience. Various levels of Prof. qual., City & Guilds + relevant experience	N(2,974 - 4,884)	600.00	15K/km.	Hotel Bill or N25.00	5% of basic salary
Dep. Supt. or Asst. Mgr.	Same as above plus longer experience	N(4,422 - 5,643)	750.00	"	"	"
Manager	Professional Qual. Degree or same as for Asst. Mgr. with longer experience	N(5,478 - 6,908)	900.00	"	Hotel Bill or N30.00	"
Asst. Dept. Head	Professional Qual. or Degree with at least three years post Qual. Exp.	N(7,374 - 10,076)	1,250.00	"	"	"
Deptal. Head	Professional Qual or Degree with at least 5 yrs post qual exp.	N(9,328 - 11,462)	2,190.00	"	Hotel Bill or N40.00	"
Chief Executive	Degree or Prof. Qual. with considerable exp. of about 7 yrs.	N14,300.00	Company Quarters	Company XXXX car	Hotel Bill or N40.00	"

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WEMABOD ESTATES LIMITED
SALARY STRUCTURE AND FRINGE BENEFITS.

	SALARY RANGE	TRANSPORT ALLOWANCE	LEAVE BONUS	LEAVE PERIOD	OUT OF STATION ALLOWANCE	ENTERTAINMENT	XMAS BONUS
Managing Director & Chief Executive		-	N200	45 Working Days	N15 per Night	N2,400 P.A.	2 Weeks Salary
Controllers	N16000 - N18250	-	N200	Do	N12 per Night	N1,500 P.A. Per Dept	Do
Chiefs	N12500 - N15900	-	N200	Do	N12 per Night	-	Do
Senior Managers	N10500 - N14000	-	N160	40 Working Days	N8 per Night	-	Do
Managers	N8000 - N11000	-	N160	35 Working Days	N8 per Night	-	Do
Other Senior Staff	N6500 - N7750)	-	N140	35 Working Days	N6 per Night	-	Do
	N5500 - N5850)						
	N4800 - N5300)						
	N3500 - N4300)						

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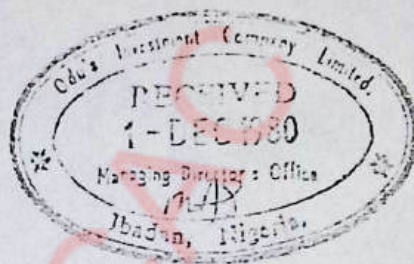
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A MEMBER OF THE ODU'A GROUP OF COMPANIES

Our Ref: UPL/HOA/F.103/80

28th November, 1980

The Acting Group Managing Director,
Odu'a Investment Company Limited,
Cocoa House,
(Floors 20-22)
P.M.B. 5435,
IBADAN.



Dear Sir,

UNION BEVERAGES LIMITED
SALARY STRUCTURE & FRINGE BENEFITS

We refer to your letter under reference S.9/86 of 26th November, 1980 and provide below the above information as requested -

	<u>Salary Range</u>	<u>House Allowance</u>	<u>Leave Allowance</u>	<u>Transport Allowance</u>	<u>Leave Period</u>
	N	N			
Asst. Managers	4,065 - 6,308	1,080	3% of Basic Salary	NIL	4 Week
Lower Management	6,600 - 11,550	1,500	"	NIL	4 "
Middle "	9,900 - 17,600	1,500	"	NIL	4 "
Top Management	15,950 +	3,000 +	"	Company Car	4 "
Expatriates	- AS PER CONTRACT				

Yours faithfully,
for: UNION BEVERAGES LIMITED

Akinwale
A. AKINWALE,
HEAD OFFICE ACCOUNTANT

Directors: Dr. E. A. Akanki (Chairman), O. Akinyele, M. A. Okediya, F. G. O. Elias, M. A. Ogunjobi (Mrs)
J. O. Oguntayo, A. Olokunboré.

Wema Bank Limited

(A MEMBER OF ODU'A GROUP OF COMPANIES)

Head Office

Telegrams Wemabank, Ebute Meta

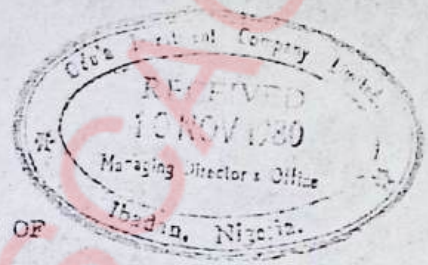
52/54, Martins Muhammed Way, P.M.B. 1043, Telephone 47209, 47275, 47234 Ebute Meta.

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Our Ref: MD/OICL/VOL.11/35

30th October, 1980

The Ag. Group Managing Director,
Odu'a Investment Company Limited,
Cocoa House,
(Floors 20 -22)
P. M. B 5435,
Ibadan.



Dear Sir,

Re: SALARY STRUCTURE AND FRINGE BENEFITS OF ALL MANAGERS WITHIN THE GROUP

With reference to your letter S.9/47 of 22nd October, 1980 please find below the required information:-

A. GRADE LEVELS OF MANAGEMENT STAFF

- (a) Chief Executive - (Salary N20,350 x 1,320 - N28,270)
- (b) Top Management Staff:-
 - (i) Chief of Banking Operations (New Proposal, Director of Operations) Salary N13,915 x 715 - N20,350.
 - (ii) Finance Controller (New Proposal, Director of Finance & Administration) - Salary N13,915 x 715 - N20,350.
 - (iii) Chief Legal Officer/Secretary - Salary N13,915 x 715 - N20,350.
- (c) Officers Group I
 - (i) Chief Inspector
 - (ii) Head of Administration (New Proposal, Administration Manager) -
Salary Scale - N12,232 x 605 - N15,257
- (d) Officers Group II
 - (i) Chief Credit Controller
 - (ii) District Managers
Salary Scale - N10,267.4 x 495 - N12,742.4
- (e) Officers Group III
(Specialised Managers/Accountants)
Salary Scale - N9,020 x 330 - N11,783
- (f) Officers Group IV
(Managers/Accountants including Special Duties Managers)
Salary Scale - N8,032 x 275 - N10,012.

BOARD OF DIRECTORS

- | | |
|--------------------|-------------------|
| A. AGUNDE | CHAIRMAN |
| R. C. PETUGA | DIRECTOR |
| O. O. OLUFRANKINSE | DIRECTOR |
| O. FOLAYAN | DIRECTOR |
| J. A. OKUNOLA | DIRECTOR |
| O. OJUNBO | DIRECTOR |
| A. AYINI | DIRECTOR |
| F. Y. A. AKANDE | MANAGING DIRECTOR |

PS/Gms

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- (g) Officers Group V
(Managers/Accountants)

Salary Scale - N6,138 x 245.50 - N8,365.50.

- (h) Officers Group VI
(Managers/Accountants)

Salary Scale - N5,313 x 165 - N6,798.00.

B. The minimum educational requirements for entering into the lowest managerial grade which is the Officers Group VI includes the following:-

- (1) A graduate of a recognised University in Banking, Business Studies or Economics.
- (2) A recognised Banking Qualification.
- (3) Professional qualification of the Chartered Institute of Secretaries and Administrators or Allied Professions.
- (4) A recognised Accountancy qualification.
- (5) Promotion of suitably qualified employee from the grade of a Supervisor.

C. FRINGE BENEFITS ATTACHED TO EACH MANAGERIAL GRADE LEVEL

- (a) Chief Executive. (Free Housing, Free Company Car, Steward, Guard and Gardner)
- (b) Top Management Staff (Free Housing and Free Company Car)
- (c) Officers Group I (Free Housing and Free Company Car)
- (d) Officers Group II (Free Housing and Free Company Car)

AS FOR OFFICERS IN GROUPS III - VI:

<u>GROUPS</u>	<u>TRANSPORT ALLOWANCE</u>	<u>HOUSING ALLOWANCE</u>
	N	N
III	1,800.00	3,000.00
IV	1,600.00	2,500.00
V	1,400.00	2,000.00
VI	1,200.00	1,500.00

- (e) Leave Bonus generally is 5% of Basic Salary the minimum being N400.00 for Officers Group V and VI while N500.00 minimum is for Officers Group III and IV.
- (f) Free Medical Service is for all members of staff and Luncheon Subsidy.
- (g) Inconvenience Allowance is also payable on permanent transfer from one duty station to another at a rate of N400.00.
- (h) As for Overseas Training Courses, an outfit allowance once in every three years is payable at a rate of N800.00 while living allowance covers N100.00 per day for Officers in Groups III and IV and N80.00 per day for Officers V & VI.
- (i) Acting Allowance is payable where a Senior Staff is called upon to perform duties in higher staff grade other than in a training on-the-job capacity of a specified duration, in

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which case he shall be so advised in writing, the staff is paid an acting allowance equal to the difference between his substantive salary and the salary of the higher grade for whom he acts or the following rate(s):-

- Officers Group III - IV - N140.00 per month
 - Officers Group IV - V - N120.00 per month
- whichever is higher, provided that the period of acting is not less than 4 (four) consecutive weeks.

ENTERTAINMENT EXPENSES

Entertainment Expenses is reimbursed at the discretion of Management to those Officers whose duties require them to entertain prospective/existing customers in the interest of the Bank. Any Officer once privileged to enjoy this benefit is free to continue to do so as long as he is in the employment of the Bank.

- D. The Officers in Groups III to VI belongs to the Association of Senior Staff of Banks, Insurance and Financial Institutions.
- E. The Bank operates a Contributory Pension Scheme (not yet approved by the Joint Committee of Inland Revenue) to which all cadre of staff contributes 5% of their salary and Employer 10%

We hope the foregoing would satisfy your requirements.

Yours faithfully,
for: WEMA BANK LIMITED

Y. A. Akande
(CHIEF Y. A. AKANDE)
MANAGING DIRECTOR

YAA/ML:

BOARD OF DIRECTORS

- | | |
|-----------------------|-------------------|
| MR. A. AGUNBIADE | CHAIRMAN |
| MR. R. G. FETUGA | DIRECTOR |
| MR. O. O. OLURANKINSE | DIRECTOR |
| MR. O. FOLAYAN | DIRECTOR |
| MR. J. A. OKUNOLA | DIRECTOR |
| MR. O. OGUNSO | DIRECTOR |
| MR. A. AYENI | DIRECTOR |
| CHIEF Y. A. AKANDE | MANAGING DIRECTOR |

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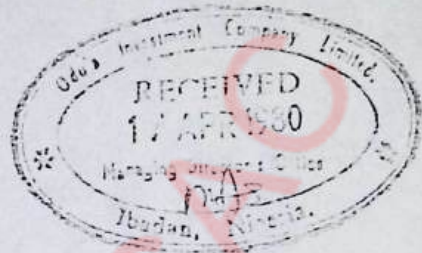
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OUR REF:
DGMT/ABA/TAO

YOUR REF:

16th April, 1980

F. O. Mogaji, Esq.,
Ag. Group Managing Director,
Odu'a Investment Co. Ltd.,
Cocoa House,
Ibadan.



Dear Sir,

Group Personnel Records

Your letter of 10th April, 1980 was received in this office yesterday and details of the information required on the six top-most officers of our Company are as follows:-

1. E. B. Onifade, Esq.

- (i) Full Names: Emmanuel Bamidele ONIFADE
- (ii) Age: 41 years
- (iii) State of Origin: Oyo State
- (iv) Date of Employment: 1st December, 1968
- (v) Present designation: Managing Director
- (vi) Present Salary: ₦20,000 p.a.

2. A. B. Ajomale, Esq.

- (i) Full Names: Aderemi Babasola AJOMALE
- (ii) Age: 40 years
- (iii) State of Origin: Ogun State
- (iv) Date of Employment: 8th October 1968
- (v) Present designation: Deputy General Manager (Technical)
- (vi) Present Salary: ₦17,100.00 p.a.

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Please address all
correspondence to the
Managing Director.

Telephone calls regarding this matter should be directed to
Directors: Olaniwun Ajayi (Chairman), Seni Sodipo, Chief Z.O. Adesola, M.S.A. Ibitomisin,
E.B. Onifade (Managing).

(i) Full Names: Oluade OLAOYE
(ii) Age: 38 years
(iii) State of Origin: Oyo State
(iv) Date of Employment: 15th November, 1973
(v) Present designation: Deputy General Manager (Finance)
(vi) Present Salary: N17,100 p.a.

4. A. O. Lucas, Esq.

(i) Full Names: Afolabi Oladinde LUCAS
(ii) Age: 38 years
(iii) State of Origin: Ogun State
(iv) Date of Employment: 1st July, 1972
(v) Present designation: Assistant General Manager (Administration)
(vi) Present Salary: N14,000.00 p.a.

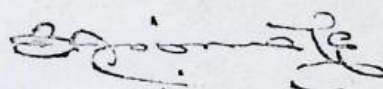
5. D. A. Adewunmi, Esq.

(i) Full Names: David Adedamola ADEWUNMI
(ii) Age: 41 years
(iii) State of Origin: Ogun State
(iv) Date of Employment: 21st August, 1969
(v) Present designation: Assistant General Manager (Non-Life)
(vi) Present Salary: N15,200.00 p.a.

6. R. O. Orimoloye, Esq.

(i) Full Names: Rufus Olowale ORIMOLOYE
(ii) Age: 39 years
(iii) State of Origin: Ondo State
(iv) Date of Employment: 1st November, 1968
(v) Present designation: Assistant General Manager (Marketing)
(vi) Present Salary: N12,200.00 p.a.

Yours faithfully,



for: Managing Director

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SALARY STRUCTURE AND FRINGE BENEFITS
OF ALL MANAGERS WITHIN THE GROUP

1. TRANSPORT ALLOWANCE:

Assistant General Managers and above	1 Company car
Others	None

2. ANNUAL LEAVE PERIOD

Assistant General Managers below 5 weeks

Managers and above 6 weeks

3. LEAVE BONUS

3½% of annual salary

4. OUT-OF-STATION ALLOWANCE (LOCAL)

All Senior Staff up to Assistant Manager grade ₦20.00 per night

Deputy Managers and Departmental Managers ₦25.00 per night

Assistant General Managers and Deputy General Managers ₦30.00 per night

Deputy Managing Director ₦35.00 per night

Managing Director ₦40.00 per night

5. ENTERTAINMENT ALLOWANCE

Managers ₦40.00 per month

Assistant General Managers & above ₦50.00 per month

6. OVERSEAS ALLOWANCE

Assistant Managers ₦50.00 per night

Deputy Managers ₦55.00 " "

Managers ₦60.00 " "

Asst. General Managers ₦70.00 " "

Deputy General Managers
Deputy Managing Director ₦75.00 " "

Managing Director
&
Directors ₦80.00 " "

Osogun Industrial Estate
Ikeja

CABLE: NIGERKRAFT, LAGOS

TEL. 933726, 934637

Postal Address
P. O. Box 20
Ikeja
Lagos Nigeria

Your Ref: _____

Our Ref: NKB/MD.6

30th October, 1980.

The Ag. Group Managing Director,
Odu'a Investments Co. Ltd.,
Cocoa House,
P. M. B. 5436,
Ibadan.

Dear Sir,

SALARY STRUCTURE AND FRINGE BENEFITS OF ALL MANAGERS WITHIN THE GROUP

I refer to your circular letter ref. S.9/47 dated 22nd October, 1980, on the above subject and give below the information required:

Item (a): Columns 1, 2 and 3 of the attached Management and Senior Staff Salaries and Fringe Benefits sheet provide the required information for our management staff with the exception of the two top management personnel, i.e. the Managing Director and the Executive Director, Finance and Administration whose salaries and fringe benefits are as follows:

Managing Director

Salary : ₦20,400 per annum
Housing : Free furnished house
Transport : Free Company car
Entertainment : ₦2,400 per annum to be drawn only on presentation of receipts.

Other fringe benefits are as for our Management Group SS1.

Executive Director, Finance and Administration

Salary : ₦17,500 per annum
Housing : Free furnished house
Transport : Free Company car
Entertainment : ₦1,800 per annum to be drawn only on presentation of receipts.

Other fringe benefits are as for our management Group SS1,

Item (B): Our lowest managerial grade is the group SS3 on the attached sheet, with the following minimum entry qualifications:

- (i) A good university degree.
- (ii) Newly acquired finals of ACCA, ACA, ACMA, Institute of Purchasing Diploma, etc.

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- (iii) Intermediate of professional qualifications with at least two years experience.
- (iv) HND/HNC.
- (v) WASC plus at least five years relevant experience.

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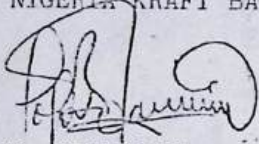
Item (c): Columns 4-9 of the attached sheet provide the information.

Item (d): No member of the management and senior staff belongs to any organised trade union.

Item (e): Details of a Staff Retirement Benefit Scheme just approved by the Board of Directors are being worked out by Glanvill Enthoven. The type recommended to the Board is a contributory scheme with the company contributing 10% of staff salary while the staff contributes 5%.

Finally, it must be mentioned that the attached Management and Senior Staff Salaries and Fringe Benefits only became effective from 1st October, 1980. It has been submitted to the Ministry of Employment, Labour and Productivity and we have been informed that the approval is only awaiting the signature of the Minister.

Yours faithfully,
NIGERIA KRAFT BAGS LTD.



P. BOLARINWA
Managing Director.

ARCHIVED

The attached sheet provides details of the Management and Senior Staff Salaries and Fringe Benefits for the year 1980. The attached sheet provides details of the Management and Senior Staff Salaries and Fringe Benefits for the year 1980.

MANAGEMENT AND SENIOR STAFF SALARIES AND FRINGE BENEFITS

1 POSTS	2 SALARY GROUPS	3 SALARY SCALES	4 HOUSING ALLOWANCE	5 ANNUAL LEAVE		6 MILEAGE CLAIM RATE	7 LOCAL OUT-OF-STATION ALLOWANCE	8 OVERSEAS TRAVEL ALLOWANCE	9 FREE MEDICAL FACILITIES
				Entitle- ment	Allowan- ce				
HEADS OF LARGE DEPARTMENTS- Factory Manager	SS1	₦10,000-15,000 *500 x 10	₦2,500	35 days	5% of Annual Salary	25k per km.	**₦25.00 per night	₦100.00 per night	Self, wife & 4 children
HEADS OF SMALLER DEPARTMENTS ASST/DEPUTY HEAD OF LARGE DEPARTMENTS - Accountant/Company Secretary Personnel Manager Deputy Factory Manager	SS2	₦8,000-12,000 *400 x 10	₦2,500	28 days	-do-	-do-	**₦20.00 per night	₦90.00 per night	-do-
SECTIONAL MANAGERS - Electrical Services Manager Mechanical Services Manager Production Manager Commercial Manager Internal Auditor Accountants	SS3	₦6,000-9,000 *300 x 10	₦1,200	-do-	-do-	-do-	**₦20.00 per night	₦90.00 per night	-do-
ASSISTANT MANAGER - Assistant Accountant Asst. Internal Auditor Purchasing Officer Distribution Officer Administrative Assistant Personal Secretary	SS4	₦4,000-6,500 *250 x 10	₦960	-do-	-do-	-do-	**₦15.00 per night	₦75.00 per night	-do-
SUPERVISORS - Production Supervisors Electrical Supervisors Mechanical Supervisors Chief Clerks Confidential Secretaries Chief Security Officer	SS5	₦3,000-5,000 *200 x 10	₦240	-do-	-do-	-do-	**₦15.00 per night	₦75.00 per night	-do-

(1) * Normal incremental steps for staff with average rating in annual assessment. Exceptionally good staff can have 1½ or 2 steps in one year, while a staff below average in performance can earn less than a step or even nothing at all.

(2) ** Payable only when an officer is not lodging in an hotel when on Company business outside Lagos.

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A. Levels of Management and Salary Range:

(1)	Management Trainee	-	₦4,510.00	
(2)	Junior Management	-	₦5,643. -	₦8,894.00
(3)	Middle	"	₦8,428	- ₦10,830.00
(4)	Senior	"	₦10,276	- ₦15,714.00
(5)	Executives	-	₦13,356	- ₦18,020.00
(6)	Chief Executive	-	₦25,300	- ₦27,500.00

B. Minimum Educational Requirement:

AIB. (Associateship of the Institute of Bankers) and/or University degree and HND. in subjects relating to the establishment.

C. Fringe Benefits:

Please see attached appendix 1 and 2.

D. Organised Trade Unions:

The junior and middle management Staff belong to the Association of Senior Staff of Banks, Insurance and Financial Institutions; The Bank itself a member of the Nigeria Bankers Employers Group.

E. Pension Scheme:

The Bank has a Staff Provident Fund whereby the Bank contributes 20% of the salary and 5% is deducted from the individual staff monthly. The Insurers and brokers are the Nigerian General Insurance Company, Glanwill Enthoven and Nigerian Life and Pensions Consultants (Appendix 3).

Dunqariya
30/10/80

NATIONAL BANK OF NIGERIA LIMITED
 SALARIES AND PRINCE BENEFITS OF SENIOR MANAGERS AND EXECUTIVES

TITLE	LEAVE ALLOWANCE	SALARIES	TRANSPORT ALLOWANCE	LEAVE PAYS	END OF YR. GIFT	ENDEMT-TAIN'T	MEDICAL	OVERSEAS TRIP ALLOWANCE	PENSION	HOUSING ALLOWANCE	SERVICE PERSONNEL & UTILITIES
Managing Director	5% of Annual Basic Salary	10% increase in accordance with Income Policy Guidelines subject to minor adjustment in a few cases of glaring under-payment.	Free Cars (2) plus Driver - 24 hours.	45 Days.	One month's pay.	₦2,000 per annum.	Free for self and family.	₦150.00 per day.	20% of Basic.	Free fully furnished accommodation in very low density area to enhance interactions with colleagues in other banks or ₦25,000 in lieu.	1 Gardner, 1 Daywatch, 1 Nightwatch, 1 Cook/Steward.
Deputy Managing Director	5% of Annual Basic Salary		Free Cars (2) plus Driver - 24 hours.	45 Days.	One month's pay.	₦1,200 per annum.	Free for self and family.	₦140.00 per day.	20% of Basic.	Same as for Managing Director.	Same as for Managing Director.
Staff Director	5% of Annual Basic Salary.		Advance for purchase of own car + 1 car and driver.	45 days.	One month's pay.	Within Budget.	Free for self and family.	₦140.00 per day.	20% of Basic.	Free and fully furnished house commensurate with status or ₦25,000 in lieu	Day/Nightwatch esp. where accommodation & furnishing are provided. 1 Cleaner.
S.M.F.s.	5% of Annual Basic Salary.		See Below.	45 Days.	One month's pay.	Within Budget.	Free for self and family.	₦120.00 per day.	20% of Basic	Free house plus hard furnishing or ₦12,000 in lieu.	Security Service.
Senior Managers.	₦500.00		₦2,000.00 per annum	1. 1 car. 2. 42 Days	One month's pay.	Within Budget where appropriate.	Free for self and family.	₦100.00 per day.	20% of Basic.	Bank accommodation in respect of District Mgrs. or ₦6,000 in lieu.	Security Service.

* (1) Advance for purchase of own car (2) Either to be picked every other day or ₦2,400.00.

NATIONAL BANK OF NIGERIA LTD.
 Administration/Personnel Division
 82/86 BROAD STREET
 LAGOS

APPENDIX 2

NATIONAL BANK OF NIGERIA LIMITED

Fringe Benefits i.e. Leave and Transport Allowance, etc.

GRADE	LEAVE ALLOWANCE	INCONVENIENCE ALLOWANCE	DISTANCE ALLOWANCE	OUT OF STATION ALLOWANCE	OVERSEAS OUTFIT ALLOWANCE	OVERSEAS LIVING ALLOWANCE	PROFESSIONAL EXAMINATION
	Appd. Rate	Appd. Rate	Appd. Rate	Appd. Rate	Appd. Rate	Appd. Rate	Appd. Rate
Middle Management	N 500 <i>30 working Days</i>	N 400	25k	N 35	N 800	N 100 Per Night	N 150
Junior Management Including Personal Secretaries, Management Trainees & Confidential Secretaries	400 <i>28 working days</i>	400	25k	35	800	80 Per Night	100

NATIONAL BANK OF NIGERIA LTD.
Administration/Personnel Division
22, BROAD STREET
LAGOS

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STAFF PENSION AND GRATUITY SCHEME - PROBLEMS

Without the intervention of the Group Managing Director of Odu's parent Company on the problems of Glanvill's apparent inefficiency in the handling of the Staff Pension Scheme and the Nigerian General Insurance Company's refusal to implement the new scheme with effect from 1st July, 1979, the two groups still remained unyielding. The only positive attempt made by the Nigerian General Insurance Company was their agreement to build whatever loss the staff may suffer into the final entitlement. In other words, rather than rendering a return of 66% for 1979/80 Year, the Insurance Company would return 90% which is the benefit derivable from the new scheme for the same year.

This was adequately discussed by Management and the Establishment Committees and both Committees agreed to give Nigerian General Insurance another chance as a sign of respect for the Managing Director of Odu's Group of Companies, and in recognition of the fact that Nigerian General Insurance is a sister Company.

As regards the administration of the scheme, both Glanvill Enthoven and the Nigerian Life and Pensions Consultants eventually agreed to work together as co-brokers. Glanvill, Enthoven will handle the old scheme and made paid-up up to and including 1st July, 1979, while Nigerian Life and Pensions should handle the new scheme moreso when they introduced the scheme.

From the arrangement enumerated above, it looks for now that the outstanding problem of implementation date is resolved.

It might be necessary to mention that Nigerian Life and Pensions is already working on the Rules of the Scheme; Trust Deed - which has been outstanding for the past three years and the Staff Handbook.

(LEYE AJAYI)
CHIEF OF ADMINISTRATION.

ADMINISTRATION DIVISION
14th OCTOBER, 1980

ii) The normal working hours per day shall not exceed eight (8) hours but each individual Employer may vary the hours from Monday to Friday as deemed appropriate.

iii) Employers shall allow an hour's break for lunch each working day outside the normal working hours.

ARTICLE 3:
OVERTIME:

It is agreed that senior staff shall not be entitled to or paid overtime for hours worked in excess of the normal working hours.

ARTICLE 4:
LEAVE OF ABSENCE:

i) Annual Leave:

- (a) Paid annual leave will be granted to staff for every completed twelve months service subject to the exigencies of the service.
- (b) Management may, if the exigencies of the service so dictate, recall a staff from leave.
- (c) Where a staff is recalled from leave for duty and takes the balance of his leave before his next leave is due, he shall be paid his full leave allowance again.
- (d) Where a staff whose employment has been confirmed resigns from the Employer's service on his own accord he shall receive, if he has served for not less than six months in the current leave year, his leave pay in proportion to his annual leave entitlement not taken at the time of his resignation.
- (e) When a staff takes his annual leave before submitting his resignation he shall, if required to do so, refund an appropriate amount of the leave pay to the Employer in proportion to any leave taken in excess of his leave pay entitlement at the effective date of his resignation.
- (f) Leave Period(s) - shall be as follows:-

BANKING GROUP

Middle Management/Junior Management

Groups 5 - 8:	35 working days annually)	Excluding
" 9 - 12:	34 " " ")	Saturdays,
) Sundays and
) gazetted
) Public Holidays).

INSURANCE GROUP

Management I/Management II & III	- 32 working days annually
Senior/Prin. Superintendent	- 30 " " "
Superintendent/Asst. Supt.	- 30 " " "

In addition to his leave period an employee who is stationed at a place other than his home town and is proceeding on annual leave to his home town shall be granted up to a maximum of two days travelling time each way.

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NATIONAL BANK OF NIGERIA LIMITED
(Administration Division)
Head Office,
82/86, Broad Street,
P.M.B. 12123,
LAGOS, NIGERIA.

Friday, 26th September, 1980.

CIRCULAR NO. 23/1980
REF: AF/N.32 VOL.7/234:

TO
ALL HEADS OF DIVISIONS, DEPARTMENTS, DISTRICT/
BRANCH MANAGERS AND ALL MEMBERS OF STAFF
(INCLUDING LONDON BRANCH FOR INFORMATION ONLY)

COLLECTIVE AGREEMENT BETWEEN
NIGERIA EMPLOYERS' ASSOCIATION OF BANKS, INSURANCE & ALLIED INSTITUTIONS
AND
ASSOCIATION OF SENIOR STAFF OF BANKS, INSURANCE & FINANCIAL INSTITUTIONS

I am pleased to announce that the Federal Ministry of Employment, Labour and Productivity, and the Bank's Board of Directors have approved the following new conditions of service applicable to all unionised members of Senior Staff of the Bank by a letter Ref:No.ML. DF/115/S.716/I/35 dated 13th August, 1980.

1. TRANSPORT ALLOWANCE:

Where means of transport is not provided by the employer; transport allowance shall be paid as follows:-

Junior Management	=	₦1,200.00 p.a.(Officer Group V & VI)
Middle Management	=	₦1,800.00 p.a.(Officer Group III & IV).

2. LEAVE ALLOWANCE:

Leave allowance and benefits shall be paid to Senior Staff proceeding on annual leave at the following rates:-

Junior Management	=	₦400.00 per annum
Middle Management	=	₦500.00 per annum

which is 5% of annual basic salary subject to a minimum of ₦500.00 whichever is higher.

3. END OF YEAR PAYMENT:

A cash payment equal to the staff one month salary shall be paid by December each year. To qualify for such payment in full; the staff must have been in service for the full year, i.e. must have commenced work from the first business day of the year.

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Those who have served less than the full year shall be paid on pro-rata basis.

4. INCONVENIENCE ALLOWANCE:

On permanent transfer from one duty station to another at the employer's request; the staff shall be paid an inconvenience allowance of ₦400.00. This is applicable to all Groups.

5. DISTANCE ALLOWANCE:

Where a transferred Staff on permanent or temporary basis uses his own car for the journey within Nigeria, a distance allowance of 25 kobo per kilometer shall be paid.

6. OUT OF STATION ALLOWANCE:

(a) If a staff is undertaking a duty/tour from one town to another at the Bank's request, the Staff shall be paid:-

- (i) ₦25.00 per day plus bed and breakfast at a hotel provided by the Bank, OR
- (ii) Full board and lodging provided by the Bank; OR
- (iii) ₦35.00 a day in lieu of (i) and (ii) above.

In the event of the Bank subsequently wishing to post the staff permanently to a town in which he is undergoing training or on temporary duty; provision of the above out of station allowance shall continue to be paid until the staff has been advised in writing of his permanent posting and afforded the opportunity of transferring his personal belongings to his new station; within a specified period. In such a case, the staff shall be entitled to an inconvenience allowance in accordance with Paragraph (4) above.

7. OVERSEAS TRAINING/COURSE OUTFIT ALLOWANCE:

The Bank shall pay an out-fit allowance of ₦800.00 once during the duration of the course.

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OVERSEAS TRAINING/LIVING ALLOWANCE:

An allowance covering accommodation, meals, laundry and other incidental expenses shall be paid as follows:-

- Junior Management = ₦80.00 per day
- Middle Management = ₦100.00 per day

where the Bank provides full board and lodging 25% of the allowance is payable to the staff concerned to cover incidental expenses.

9. PROFESSIONAL EXAMINATIONS SUCCESS REWARDS:

The Bank shall pay a professional examination success rewards as follows:-

- Part I - Section A & B = ₦100.00
- Part II - Section A & B = ₦125.00
- Part II - Section "C" = ₦150.00

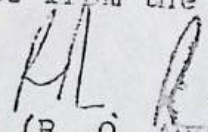
10. MATERNITY LEAVE BENEFITS.

Maternity leave shall be granted to married female staff for a maximum period of 12 weeks, i.e. 6 weeks immediately before the expected date of confinement as certified by a qualified registered Doctor and (6) six weeks immediately after. Such staff shall be paid one-half of their basic salary whilst on such leave. Only staff who have served for more than six months are qualified for maternity leave with pay.

11. REDUNDANCY BENEFIT

Every employee who is intended to be declared redundant shall be granted a benefit in the range of 4 - 6 weeks salary for each completed year of service; and will receive his/her entitlements under the Pension Fund and Life Assurance.

If any vacancy occurs in the original job; the redundant employees will be given preference over other applicants applying for the vacancy afresh; but by virtue of having received compensation or being declared redundant; his/her seniority will date from the date of re-employment.


 (R. O. ADEWUSTI),
 DEPUTY MANAGING DIRECTOR.

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Acquisition of Shares in African Packaging
Company Limited

INTRODUCTION

African Packaging Company Limited is a subsidiary of Tower Aluminium (Nigeria) Limited. The company was incorporated on October 24th 1980 with the main objective of manufacturing aluminium collapsible tubes and other variety of packing materials. The promoters of the company are English Finance and Development Company Limited, Bermuda and Nigerian shareholders. The Nigerian shareholders hold 60% of the equity of the shares while English Finance and Development Company Limited being the foreign shareholders holds 40% in compliance with Schedule II of the Nigerian Enterprises Promotion Act 1972. The total equity of the company is proposed at N1.7 million. Thus N1.02 million will be held by Nigerians while N.68 million will be held by foreign shareholders. Odu'a Investment Company Limited is a major shareholder in the parent company, that is Tower Aluminium. In accordance with the pre-emption clause of the Articles and Memorandum of the company, we are offered 19% of the proposed equity capital of the company. This works out to 325,940 ordinary shares of N1 each.

The company is to be sited at Otta in Ogun State with initial manufacturing capacity of 6 million tubes per annum. This is a new field since all aluminium collapsible tubes are virtually imported. The company will therefore enjoy a pioneer status in this area.

The company will enter into project engineering and technical services agreement with Comcraft Services Limited to provide a comprehensive range of technical and operational management services. Comcraft is a world wide company and has a good track records in management of companies all over the world e.g. Tower Aluminium (Nigeria) Limited.

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THE PROJECT

Aluminium collapsible tubes are used as containers by manufacturers of tooth paste, personal care products, adhesives etc. From a detailed end users' survey conducted with a view to evaluate the market demand and growth potential, the plant was designed to manufacture 80 million tubes per annum and it should be located in Ogun State which is nearer to the market. The proposed project with potential for diversification in the future is both capital and technological intensive and will maintain a pioneering position in the industry.

The cost of the project is estimated at N5.5 million made up of:-

	N'000
Building and civil works	965
Plant and machinery	2,864
Fixed Assets	514
Pre-operation expenses	340
Contingencies	317
Capital cost of project	5,000
Initial working capital	500
	5,500
	=====

The financing of the project would be as follows:-

	N'000
Equity capital	1,700
Term Loan	3,400
Bank Overdraft	400
	5,500
	=====

The company proposed to secure a term loan of N3.4 million which is repayable in 10 equal half yearly instalments commencing sometime in 1983. The rate of interest is 10.5% and will be secured on all assets debenture of the company's fixed and movable assets. The overdraft will be to cover

both Letter of Credit and provide short term working capital.

ECONOMIC ANALYSIS

Since this is a new company, its performance would be judged through the performance of Tower Aluminium which was managed by Comcraft Services. From the records, Tower Aluminium has maintained its leadership position in the production and marketing of Household/Kitchen Utensils. We have received the following dividends from Tower Aluminium:-

<u>Year</u>	<u>N net</u>
1977	17,400
1978	21,091
1979	48,443
1980	48,443

The above figure proves the position of Tower Aluminium and the effectiveness of its management.

However, the economic evaluation of this project is convincing and the following facts are relevant.

The projected market for collapsible is put at One hundred million tubes per annum, most of which is imported. However, due to government policy on import substitution, the end users of collapsibles are being compelled to look for home based manufacturers of collapsible. The importation of toothpaste for example, is subject to import licence condition. It is proposed that this will increase the demand for packaging products like Aluminium collapsible and the growth market rate is fixed at 8% per annum.

The production capacity of the new company will increase from 50 million to 80 million and thus the market will absorb the company's production. The projected financial summary is at Appendix A. On the basis of that, the net sales revenue of the company is expected to increase from N3.6 million in the first year to N5.8 million during the next six years of operation. The profit after tax is also expected to increase from N141,000 to N995,000 during the same period. The company's internal cash generation will be

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adequate to service the interest and repayment obligation of the term loan. Also, the fixed assets provides sufficient coverage to secure the term debt. The discounted internal rate of return for the project will be 20% after tax. This is considered reasonable.

RECOMMENDATION

The above proposal is hereby recommended and the Board is requested to:-

- (a) note the viability of the project as stated above;
- (b) its location;
- (c) its pioneer status in this area and a resultant linkage effect in helping us to acquire the technology for development in other areas;
- (d) to approve that Odu'a should spend N325,940 to acquire the allotted shares of 325,940 of N1.00 each.

ARCHIVE OF OYOSOCAO

ANNEXURE 1

PROJECTED PROFIT & LOSS STATEMENT

(in N'000)

YEAR	1	2	3	4	5	6
Sales quantity (in million tubes)	50	70	80	80	80	80
Net Sales Revenue	3,634	5,101	5,829	5,829	5,829	5,829
Cost of Materials (42%)	1,530	2,142	2,448	2,448	2,448	2,448
Conversion Margin (58%)	2,113	2,959	3,381	3,381	3,381	3,381
Manufacturing Expenses	832	864	900	900	900	900
Administration Expenses	353	375	400	400	400	400
Selling Expenses	40	45	50	50	50	50
Finance Charges	444	338	313	228	143	59
Depreciation	303	303	303	303	302	200
Profit Before Tax	141	984	1,415	1,500	1,586	1,772
Tax	-	-	584	668	724	777
Profit After Tax	141	984	831	832	862	995

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AFRICAN PACKAGING COMPANY LIMITED

ANNEXURE 2

PROJECTED FUNDS FLOW STATEMENT

(in 000 N)

YEAR	0	1	2	3	4	5	6
<u>SOURCES OF FUNDS</u>							
1. Equity Share Capital	1,700						
2. Term Loan	3,400						
3. Profit Before Tax	-	141	984	1,415	1,500	1,586	1,772
4. Depreciation	-	303	303	303	303	302	200
5. Bank Overdraft	410						
TOTAL SOURCES OF FUNDS	5,510	444	1,287	1,718	1,803	1,888	1,972
<u>APPLICATION OF FUNDS</u>							
1. Capital Expenditure							
- Project	5,000						
- Normal	-	-	250	250	250	250	250
2. Increase in Working Capital	500	200	150	150	-	-	-
3. Reppayment of Term Loan	-	-	680	680	680	680	680
4. Taxation	-	-	-	-	584	668	724
5. Dividends	-	-	-	340	340	340	340
6. Decrease in Bank Overdraft	-	244	166	-			
TOTAL APPLICATION OF FUNDS	5,500	444	1,246	1,420	1,854	1,938	1,994
Surplus/(deficit) of Sources over uses of Funds	10	-	41	298	(51)	(50)	(22)
Opening Cash Balance	-	10	10	51	349	298	248
Closing Cash Balance	10	10	51	349	298	248	226

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AFRICAN PACKAGING COMPANY LIMITED

ANNEXURE 3

PROJECTED BALANCE SHEET

(in 000 ₦)

Y E A R	1	2	3	4	5	6
<u>ASSETS</u>						
Gross fixed assets	5,000	5,250	5,500	5,750	6,000	6,250
Less: Accumulated Depreciation	303	606	909	1,212	1,514	1,714
Net Fixed assets	4,697	4,644	4,591	4,538	4,486	4,536
Working Capital	700	850	1,000	1,000	1,000	1,000
Cash	10	51	349	298	248	226
TOTAL ASSETS	5,407	5,545	5,940	5,836	5,734	5,762
<u>LIABILITIES & CAPITAL</u>						
Term Loan	3,400	2,720	2,040	1,360	880	-
Bank Overdraft	166	-	-	-	-	-
Dividends Payable	-	340	340	340	340	340
Tax Liability	-	-	584	668	724	777
Networth	1,841	2,485	2,976	3,468	3,990	4,645
Represented by						
Equity Share Capital	1,700	1,700	1,700	1,700	1,700	1,700
Revenue Reserves	141	785	1,276	1,768	2,290	2,945
TOTAL LIABILITIES & CAPITAL	5,407	5,545	5,940	5,836	5,734	5,762

File No. I/C.48/Vol.3

Memo No. BD(81)24

WEMABOD ESTATES LIMITED -- NEW INVESTMENTS

The Board at its meeting held on the 19th of March, 1981 (paragraph 475.1.14 of the Minutes), directed Management to place before it, all papers forwarded to Odu'a Investment Company Limited by Wemabod Estates Limited in connection with new projects proposed by the company and, in particular, the proposed Odu'a International Hotel.

2. The proposed ventures will be embarked upon by the Wemabod Estates Limited with the support of ODU'A and in line with the policy of the parent Company that projects such as this would be financed from external sources.
 3. The attached papers are submitted for the information of the Board and for retrospective approval of all steps so far taken by the Management of Odu'a Investment Company Limited and the board of Wemabod Estates Limited in the matter.
-

WEMABOD ESTATES LIMITED

"A MEMBER OF THE ODU'A GROUP OF COMPANIES"
WESTERN HOUSE

TELEPHONE
XXXXXXX
835509 635577

8-10 BROAD STREET,
(5TH FLOOR)
P. O. BOX 1164, LAGOS

TELEGRAPHIC ADDRESS
WEMABOD LAGOS



OUR REF
YOUR REF

C/WB.2319/S.5/193

11C-48

24th July, 1980

The Group Managing Director,
Odu'a Investment Company Limited,
Cocoa House (20-22),
Ibadan.

Dear Sir,

WEMABOD ESTATES LIMITED - ON-GOING PROJECTS

I will like to intimate you with the proposals for some of our properties under consideration for urgent redevelopment and also projects which are to be undertaken as joint ventures by this Company and the arms of the State Governments of Oyo, Ondo and Ogun.

1(a) Redevelopment of Lafia Hotel:

The idea to redevelop the Lafia Hotel was based on the need to meet the standard and rapidly expanding industry in the country and in Oyo State capital, in particular. At its last meeting held on Friday 11th July, 1980, the Board decided that the original design and working drawings which were prepared by the Consultants and also approved by the Planning Authority should now be adopted. The estimated cost of the project is about N30 million.

What is the position now. Ownership current cost additional cost

(b) Ile-Ife Shopping Centre:

Oyo State Property Limited - a company being incorporated - is a joint venture between the Oyo State Government and the Wemabod Estates Limited. The new company proposes to develop a number of shopping centres for Oyo State. Five towns - Ile-Ife, Oshogbo, Oyo, Ilesha and Ogbomosho have been selected for the model shopping centres. The first of these projects is the Ile-Ife Shopping Centre in which considerable preliminary works have been done. The estimated cost of the project is N5 million.

OK

2. Akure International Hotel:

The Chairman of the Ondo State Investment and Credit Corporation requested the Cocoa Investment Property Company (a company owned by the Ondo State Investment and Credit Corporation and Wemabod Estates Limited) to extend its area of operation to cover the establishment of an international hotel for Akure. This proposal is in fulfilment of their aspiration for the provision of necessary amenities for the Akure International Airport. The request was re-emphasised by the Deputy Governor of the State

OK

Directors: Dr. 'Tunji Otegbeye (Chairman), Dr. Ayodele Fagbami, Duro Ajayi, Wole Alaran, Kunle Abass, O.M. Akinwunmi & B. Akanbi (Ag. Managing Director).

See P. 140

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at a subsequent meeting in which you were present. Two possible sites of say 20 acres each have been selected for the project which is estimated to cost N30 million.

3. This Company has also signed a Participation Agreement with the Ogun State Housing Corporation for the establishment of the Ogun Property Development Company. The Board of Directors of the new company will soon meet in Abeokuta to consider their development proposals. A priority on this list is the construction of the Ibara Shopping Centre at an estimated cost of N30 million. The feasibility/viability report and the sketch design for this project have been prepared.

Submit

4. Medical Stores Site Ikeja for the construction of an International Hotel:

This is a premier site about four kilometers from the main buildings of the Murtalla Mohammed Airport. Our proposal is for the establishment of an International Hotel, on this site, with all necessary amenities and facilities. Market surveys and reports have shown that the venture will succeed since such an hotel for Ikeja has a ready local market and overseas patronage. The project is estimated to cost about N40 million.

- 5(a) International Hotel Kano:

Directives have been given to the Management by the Board of Directors to look into possibility of increasing the Company's holding in the North. This objective has brought about the proposal for the establishment of an hotel of international standard. Hence my Chairman and his entourage at a recent working tour of Kano State met Alhaji Abubakar Rimi - Governor of Kano State and requested for allocation of 20 acre land in Kano for this project. The estimated cost of the project is about N40 million.

- (b) Redevelopment of Kano Properties:

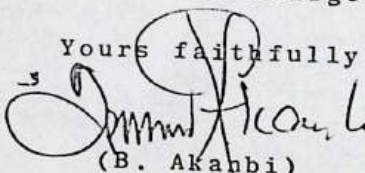
There is the proposal to redevelop into banking, showrooms and office complexes, some of our properties in Kano which at present stages are under-utilized. These properties include 48E Ado Bayero, 44 Bello Road and 70E Liverpool Road.

We Have held talks with a number of financial organisation, overseas and local who have shown interests in financing some of these projects. The terms and conditions on the overseas financing are quite favourable when compared with the local financing. The National Bank of Nigeria Limited has accepted to act as the Clearing House and the Bank shall co-operate with other Banks within the consortium on the bridge financing. I shall be grateful if you will let me have your observation on these projects.

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40
30
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Your earliest attention will oblige.

Yours faithfully,



(B. Akanbi)

Ag. Managing Director.

WEMABOD ESTATES LIMITED

(INCORPORATED IN NIGERIA)
"A MEMBER OF THE ODU'A GROUP OF COMPANIES"
WESTERN HOUSE

TELEPHONE
XXXXXXXXXX
635577 635509

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P. O. BOX 1154-LAGOS

TELEGRAPHIC ADDRESS
WEMABOD LAGOS



11C-48

OUR REF C/WB2315/Vol.IV/291
YOUR REF

23rd July 1980

The Group Managing Director,
Odu'a Investment Company Limited,
Cocoa House (Floors 20-22),
P.M.B. 5435,
Ibadan.

[Handwritten signature]

Dear Sir,

LAFIA HOTEL DEVELOPMENT

I will like to bring to your notice that the Board of Directors of this Company approved at its 108th Meeting that the Management should proceed immediately with the redevelopment of the Lafia Hotel.

The project shall be executed strictly in compliance with the original design concept for which working drawings have been approved by the Planning Authority. This decision is to avoid

(a) further delay in the execution of the project

and (b) another rounds of expenses on professional consultancy.

For your further information, the total cost of the development as analysed in the tenders submitted by the tenderers in 1978 ranged from N14 million to N15 million. It has been suggested that with the passing of time - nearly one and half years when the tenders were submitted and now, lots of changes have occurred in the economy and it is advisable to call for fresh tenders from respectable builders in the country.

I hope you will find the above explanations in order.

Yours faithfully,

[Handwritten signature of B. Akanbi]
(B. Akanbi)

Ag. Managing Director

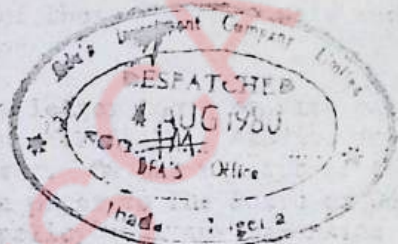
Handwritten notes:
OICL Board
to Review to check
drawings
extent of land For item 25/7
requirement purposely
to see the plan for Umbar'

See P 138

Directors: Dr. Tunji Otegbeye (Chairman), Dr. Ayodele Fagbami,
Duro Ajayi, Wole Alaran, Kunle Abass, O.M. Akinwunmi
and B. Akanbi (Ag. Managing Director).

934
1st August, 80

The Ag. Managing Director,
Wemabod Estates Limited,
Western House,
Lagos.



LAFIA HOTEL DEVELOPMENT

I refer to your letter No. C/WB2315/Vol.IV/291 of 23rd July, 1980 in respect of the above subject matter. While we are in support of the development of the Hotel, there are a number of fundamental issues which we have to settle and these are:

(a) The Cost of the Project

As you had indicated, tenders were submitted in 1978 for the project and by now, costs must have gone up considerably. Before the proposal is placed before the Board of Odu'a for approval, the current cost of the project will have to be ascertained. This is essential because 1978 prices will not be the same as 1980.

(b) Facilities for the Hotel

When the original feasibility study was presented to Odu'a for appraisal, a number of issues were raised. These included the proposal that Nigeria Hotels Limited would have to participate by providing as much as N5 million. Furthermore, Odu'a was also expected to provide some capital towards this project. It appeared at that time that the firm of Consultants responsible for the preparation of the feasibility study did not consider the ownership of the landed property. Odu'a Investment Company Limited owns that property while Nigeria Hotels Limited are the Managers of the hotel. It has to be clearly stated in the new report whether the amount of financial contribution expected from the Nigeria Hotels Limited would represent advance rent paid or the same amount would represent additional equity through Lagos Hotels Limited. It is therefore essential that these points should be clarified in the report.

(c) Provision of Additional Land on the Northern Side

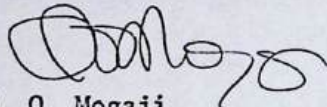
The Hotel, in order to provide all the facilities envisaged, is expected to acquire a parcel of land on the Northern side. This assignment was being handled by Wemabod Estates Limited. Up to the time of writing, we have not received any progress report in respect of the acquisition of the parcel of land. It will therefore be useful if this point is made clear in the report.

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(d) Existing Financial Commitment

During the period when your company was rendering an account for the properties being managed for Odu'a Investment Company Limited, we identified that the sum of N262,000 was paid to unspecified persons in respect of the development of Lafia Hotel. We understand that the total amount disbursed by Wemabod in respect of this project which is yet to take off is in excess of N800,000. We insist on being given the correct picture of the present financial commitment particularly in respect of those who were paid and for what services they provided.

We expect an early response to this letter together with making available to us the drawings and the feasibility studies in your possession in respect of this project. On the receipt of this, management will study and present a paper to the Board of Odu'a in keeping with the current Group policy that any expansion programme in excess of N100,000 should first be approved by the Board of Odu'a Investment Company Limited.



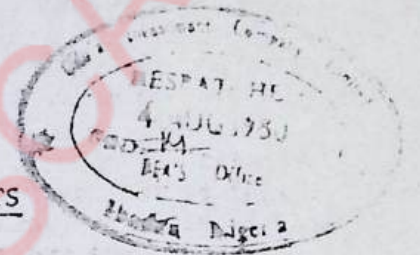
F. O. Mogaji,
Ag. Group Managing Director

ARCHIVE OF OYO

I/C.48/140

1st August, 80

The Ag. Managing Director,
Wemabod Estates Limited,
Western House,
Lagos.



WEMABOD ESTATES LIMITED - ON-GOING PROJECTS

P. 135

I refer to your letter No. C/WB.2319/S.5/193 of 24th July, 1980 in respect of the above subject matter. Going through your letter, we have been able to ascertain that the total project cost of various projects being considered by Wemabod Estates Limited is about N170 million. While we have no objection to the development or re-development of certain properties, we would want to state clearly that a coordinated approach will yield the desired result. This is essential because the projects will have to be executed over a period of 5 years and the amount of financial involvement in each year should be clearly stated. Furthermore, we appreciate that the amount of money involved in these development programmes cannot be available locally in Nigeria and sources outside the country will have to be explored. As I had already informed the Chairman of your company, a staff of Odu'a Investment Company Limited who is highly experienced in such matters will be made available to your company when discussions are to be held with financial institutions either from Nigeria or outside the country.

I would want to comment on each of the proposed development highlighted in your letter. The re-development of Lafia Hotel has been taken care of in another letter to you. The Ile-Ife Shopping Centre is a welcome idea but your company should be able to ascertain right from the onset the amount of equity it would hold in the proposed joint venture between Wemabod and the Government of Oyo State. Similar programmes in both Ogun and Ondo States will have to come into the programme so that your company can see at a glance the commitment in these areas. I would want to seize this opportunity to inform you that, in determining the authorised capital of this joint venture programmes, due consideration should be given to the stamp duty payable. The stamp duty, I am sure you will appreciate, is a payment to the Federal Government for which no return will be enjoyed by the shareholders of the company.

Akure International Hotel

We will not object to the establishment of this hotel because there is no standard hotel and catering services in Ondo State. With the establishment of a five star hotel in that State, tourism would be boosted and businessmen will be willing to travel to that State. The point that is to be kept at the back of our minds is the ability of Wemabod Estates Limited to go into these projects all at a time. As soon as your programme has indicated your ability to handle all these, Odu'a Investment Company Limited would normally give the green light.

.... /2.

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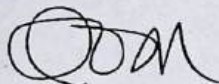
Medical Stores Site, Ikeja

It is also being proposed that an hotel worth N40 million is planned for this site. We would go along with this programme as soon as satisfactory evidence is provided that the project can be financed with minimum difficulties.

Re-development of Kano Properties and International Hotel for Kano

This Company will support the re-development of four properties located at Ado Bayero, Bello Road and Liverpool Road in Kano immediately provided there is proof that such a development will yield expected revenue. We understand that these properties are located at strategic points in the city but a feasibility study to prove this will have to be prepared. In the case of the International Hotel in Kano, we would not object to this proposal provided that we have allowed charity to begin at home. This means that the projects earmarked for our shareholders States get priority and we still have sufficient funds that can be diverted to this Kano Hotel project.

Our Mr. Ayo Akadiri will be available to handle discussions with financial institutions connected with these programmes but the feasibility studies and other details should be forwarded to Odu'a for appraisal before going into an contractual commitment.



F. O. Mogaji
Ag. Group Managing Director

ARCHIVE OF

98

"A MEMBER OF THE ODU'A GROUP OF COMPANIES"

TELEPHONE
XXXXXXXXXX
635509 635577

8-10 BROAD STREET,
15TH FLOOR
P. O. BOX 1104-LAGOS

C/WB.2319/S.5/Vol.II/212

30th July 1980

The Group Managing Director,
Odu'a Investment Company Ltd.,
Cocoa House (Floors 20-22),
Ibadan.

Dear Sir,

Re: WEMABOD ESTATES LIMITED - ON-GOING PROJECTS

Further to our letter C/WB2319/S.5/193 of 24th July, 1980, I am to inform you that the following development projects are also being considered by the Board and Management of this Company :-

1. Redevelopment of Rex Cinema Ibadan:

The present building consisting of Rex Cinema Ibadan is rapidly falling into disuse to the effect that cost of repairs is gradually overriding the income receivable. Hence the idea to redevelop the premises which fall within the commercial centre of Ibadan along Oke-Bola. The facilities to be provided in the new building will consist of

- (a) Cinema House to seat about 750
 - (b) Shopping Precinct
 - (c) Office accommodation on 16 floors
- and (d) Restaurant and car parking to serve (a-d).

The estimated cost of the project is about N5 million.

2. Redevelopment of Regal Cinema Ebute-Metta:

The Regal Cinema Ebute-Metta is directly on the Murtalla Mohammed Way Ebute-Metta which is one of the three major gateways to Lagos Island. The present Regal Cinema which is also falling into disuse occupies only part of the entire site and the other part is vacant.

The present design concept will cover the entire site and consist of offices, shops, banking hall and cinema plaza complex. We are awaiting planning approval and the estimated cost of the project is N4 million.

Far Q 2001 3/18

3. Plots 27 & 28 Nnamdi Azikiwe Street, Lagos:

DIRECTORS: Dr. Tunji Otegbeye (Chairman), Dr. Ayodele Fagbami, Duro Ajayi, Wole Alaran, Kunle Abass, Sola Akinwunmi & B. Akanbi (Ag. Managing Director).

9/14/3

Nnamdi Azikiwe Street is within the heart and commercial nucleus centre of Lagos. The site which is long overdue for redevelopment is presently occupied by squatters who erected temporary sheds for food selling. The redevelopment proposals which dated back to 1975 had been brought up to date and consist of office complex on 10 floors, showrooms and banking hall. The development is to cost about N3 million and we are awaiting planning approval.

4. 39 Warehouse Road Apapa:

The site on which the present structure stands is seriously underutilized. The sitting tenant will occupy the greater part of the warehouse when the reconstruction works are completed. The design proposal will consist of banking hall, warehouse/showroom and a 16 storey office building. The working drawings have been submitted for planning approval and the estimated cost is about N6.5 million.

5. Lagos-Off-Shore Hotel:

This development is for an off-shore hotel of an international standard in Lagos. The Lagos State Government has been approached for allocation of about 20 acre site for the project. There is also the probability that the Lagos State Government shall participate in the equity. We shall liaise with you after further necessary preliminary discussions. This will be a Hilton standard and is estimated at about N60 million.

6. Development of Von-Site at Ojota:

The undeveloped VON site at Ojota was 2.348 hectare i.e. 5.38 acres. We were invited to look into the proposal to develop this site into Petrol Filling Station, office showroom and workshop for Phoenix Motors and an office complex to be built. About 2.62 acres of the site at the rear has been taken over by the Works Management Board of the Lagos State Government for the construction of classrooms. We are of the opinion that the remaining 2.76 acres could still be fully utilized for the petrol filling station, office/workshop for Phoenix Motors Nig. Ltd. The design concepts shall satisfy these two utilities. The project may cost about N4 million.

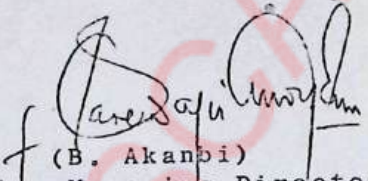
7. Development of WIN Site:

The threat to occupy the 0.4 hectares of land along Ilupeju bye-pass by the Lagos State Government necessitated the Board of Directors

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of Wrought Iron (Nigeria) Limited to invite us to develop the site. We have already visited the site and our proposals include the construction of office complex, banking hall, showroom and or warehouse. The estimated cost may be about N4 million.

Yours faithfully,

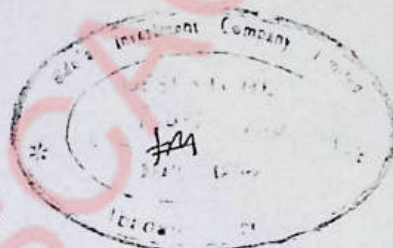

(B. Akanbi)
Ag. Managing Director.

ARCHIVE OF OYO STATE

I/C.48/145

6th August, 80

The Ag. Managing Director,
Wemabod Estates Limited,
8/10 Broad Street,
Lagos.



WEMABOD ESTATES LIMITED - ON-GOING PROJECTS

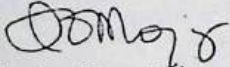
This is to acknowledge with thanks, the receipt of your letter reference C/WB.231/S.5/Vol.II/212 dated 30th July, 1980. I have carefully gone through the proposed developments as enumerated in your letter and wish to confirm that this Company is in favour of the development of properties located in Lagos State in view of that State's attitude to landed properties. It appears from the last two letters received from your office that the Group policy in respect of projects in excess of N100,000 is not fully understood.

The correct position is that the Board of the subsidiary company will go ahead with the plan to develop or to expand its activities. The proper feasibility study will be prepared and presented to the board of the subsidiary company for consideration. When the board has approved the expansion programme or development programme in principle, the same feasibility study presented to the board of the subsidiary company will be forwarded to Odu'a Investment Company Limited together with all relevant documents. A study of the documents and the feasibility study will be carried out by the Management of Odu'a Investment Company Limited and necessary recommendations made to the board of the parent company. The Board of Odu'a will consider Management's proposal and approve the proposal as presented or suggest necessary amendments. The decision of the Board of Odu'a Investment Company Limited will be forwarded to the board of the subsidiary company for immediate action.

I am sure you will appreciate from the explanations offered above that the information made available to us in respect of the on-going projects cannot be considered to be complete. When the plans together with the supporting documents are ready, these should be presented to your board and after approval, the same sets of documents whether amended by the board of your company or approved as presented by Management, will be forwarded to us for necessary actions.

/that

It is expected full particulars as explained in this letter will be made available to us in due course after your board has taken a firm decision on the issues involved. If there are other points requiring clarifications, please feel free to ask the undersigned and an immediate reply will be given.

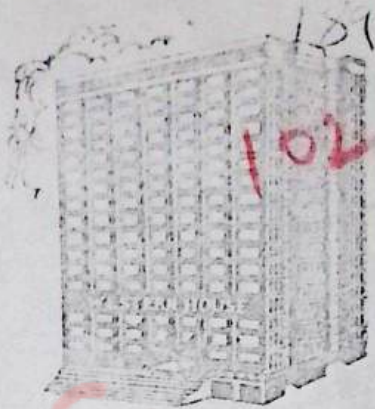

(F. O. Mogaji),
Ag. Group Managing Director

WEMABOD ESTATES LIMITED

(INCORPORATED IN NIGERIA)
"A MEMBER OF THE ODU'A GROUP OF COMPANIES"
WESTERN HOUSE
6-10 BROAD STREET,
(5TH FLOOR)
P. O. BOX 1164 - LAGOS

TELEPHONE
635577 635509

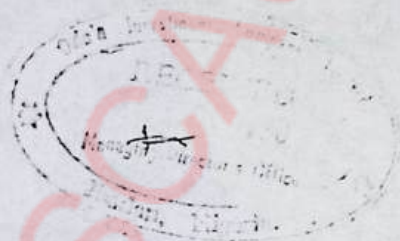
TELEGRAPHIC ADDRESS
WEMABOD LAGOS



OUR REF C/WB.2319/S.5/Vol.II/316
YOUR REF

28th October 1980

The Ag. Group Managing Director,
Odu'a Investment Company Limited,
Cocoa House (Floors 21 - 22),
Ibadan.



Dear Sir,

WEMABOD ESTATES LIMITED - DEVELOPMENT PROJECTS

sk
I enclosed herewith for your information, copies of the preliminary Financial Appraisal on our on-going projects as well as those projects awaiting planning approvals.

A copy of the feasibility report on the proposed International Hotel at Medical Stores' site, Ikeja has previously been forwarded to you.

Thanks.

Yours faithfully,

(B. Akanbi)

Ag. Managing Director.

PS

Where are these studies?

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Directors:

Dr. Tunji Otegbeye (Chairman), Dr. A. Fagbami, Duro Ajayi, Wole Alaran, Kunle Abass, Sola Akinwunmi & B. Akanbi (Ag. Managing Director).

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	PROJECT	COST OF PROJECT	AMOUNT SPENT UP TO 30TH SEPTEMBER 1980
		N	N
1.	Akure Shopping Centre	3,200,000.00	841,221.00
2.	Office/Warehouse, Oluyole Estate, Ring Road, Ibadan	3,283,657.81	1,076,362.00
3.	Ikeja Office Block at Awolowo Ave./Oba Akran Ave.	4,367,000.00	678,562.00
4.	Low Cost Staff Housing Scheme at Satellite Town	1,500,000.00	86,453.00

PROJECTS AWAITING PLANNING APPROVAL

5.	Office Block at Plots 27 & 28 Nnamdi Azikiwe Street, Lagos	3,000,000.00	33,735.00
6.	Redevelopment of Regal Cinema, Lagos	3,700,000.00	22,370.00
7.	Redevelopment of Rex Cinema, Ibadan	4,700,000.00	31,445.00
8.	Redevelopment of 39 Warehouse Road, Apapa	3,500,000.00	-
9.	International Hotel at Medical Stores Site, Ikeja	35,000,000.00	69,983.28

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1. SUBJECT MATTER:

The development of a shopping centre at Akure, the State Capital of Ondo State.

2. THE DEVELOPER:

The developer of the Akure Shopping Centre, is the Cocoa Investment Property Limited which is a joint venture between the Ondo State Investment & Credit Corporation and Wemabod Estates Limited. The Share Capital of the new company is N2,000,000.00 divided into 2,000,000 ordinary shares of N1.00 each with power to increase the capital and to divide the capital for the time being into several classes.

One of the main objectives of the Cocoa Investment Property Ltd. is to carry on business as property developers, builders of houses, and shops of whatever description, and generally to let out houses and shops and to do all or anything pertaining to property development and management.

Wemabod Estates Limited is a limited liability company owned by the three State Governments of Oyo, Ondo and Ogun. Most of the properties owned by the Wemabod are concentrated in Lagos and very few in Ibadan. For the purpose of diversification therefore, it was approved by the Board of Directors that Wemabod Estates Limited should take development to other State Capitals as well as major towns in the three States. It was also decided that the commercial activities

of the Company should extend to warehousing, factories and agricultural lands and buildings which could be let to prospective tenants.

3. THE BRIEFS:

A feasibility and viability report^{WCS} prepared for the first and abandoned project, the need therefore arises for the preparation of another report to determine the investment opportunity and horizon of the new project at the present site.

4. CONSULTANTS:

A consortium was formed to facilitate the coordination of the consultants' activities for the project. The head office of the consortium is situated at 77, Oyemekun Road, Akure and the consortium is made of the following consultants:

1. Planarc Associates, 742, Oyo Road, Oremeji, Ibadan.
2. Acon Associates, 40A, Kudeti Avenue, Onireke, Ibadan.
3. Unique Engineers, N6A/422C, Oyo Road, Oremeji, Ibadan.
4. Keplan Associates, N6A/428C, Polytechnic Road, Ibadan.

5. LOCATION OF THE PROJECT:

The site of the project which is about

4 hectares is situated on Government land along Akure - Owo Road. The perimeter survey of the land is evidenced by the plan No. AKU.119 signed for and on behalf of the Surveyor-General of Ondo State Government on 8th July, 1977. The site is directly opposite the Army Officers' Mess along Owo Road.

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6. TITLE TO THE LAND:

Akure Shopping Centre is a Government project and the title to the land is vested in the Ondo State Government and is therefore free from any dispute or legal encumbrances. The title to the land having been perfected the interest shall be transferable to the Cocoa Investment Company Limited.

7. THE DESIGN CONCEPT:

Planarc Consortium was invited by the Ondo State Investment in a letter dated 12th May, 1979 to submit a design for a modern shopping centre for Akure along the following guidelines:

- (i) Provision of department stores and super market, retail shops, professional offices, banks, post office, restaurants and cinema house, etc.
- (ii) The approximate cost of the development of the scheme should be about N2, 000, 000

There was to be a 2 Storey Block and surrounding single storey buildings. In addition to the super markets, the 2 Storey Block was to contain the bank, the post office, the police station and the professional offices.

The shops were to be in the single storey buildings and presumably the services like the restaurant and the cinema are to be located separately. The design concept of the present development - Phase 1 - is a modification of the original submitted for approval and after the first sketch was accepted by the client, the Architect was instructed to limit the cost to N1, 000, 000.00. Although the modification was

ARCHIVE OF

drastic, the design concept was still kept and all the amenities were still provided.

The reduction in the estimated cost of the building also meant that the project has to be phased and the present development is the Phase 1 consisting of the following -

- (a) The main complex.
- (b) The Restaurant.
- (c) Comfort Station.
- (d) Police Post & Gate House.
- (e) Car Park.
- (f) Erection of a fence around the house and grassing.

The main complex contains the department stores and markets on the ground floor of a 2 Storey Block.

The 1st Floor contains lettable offices.

It has so been arranged that entrances and exits from the Centre even when the shopping area is locked, occupiers of office accommodations can get access to their offices.

The complex also contains two malls around which the store, etc. are arranged.

The bank and the post office have been arranged in such a way that customers will have to pass along the super markets and shops.

The tenants are free to partition as they wish but must conform to a specific standard and style to be laid down by the Management of the Centre. The restaurant is located outside the main complex so that it can be patronised by

the tenants and those engaged within the Centre as well as by passers-by.

8. COMFORT STATION:

Although the offices and super markets have toilets, the provision of comfort station for the use of shop owners and shoppers is ideal.

9. POLICE POST & GATE-HOUSE.

It has been decided in the design concept to remove the Police Post from within the complex as specific in the brief and integrate it with the gate house at the main entrance.

10. CAR PARK.

Because of the rocky nature of the site, various car parks are provided along the drive-ways.

The main entrance is located on the road and accessibility is also provided on the Owo - Oba Adesida Road.

11. AREA OCCUPIED BY THE BUILDING.

The area of the site is about 44,000 sq. metres. Area developed including circulation spaces is about 5,070 sq. metres representing only 11.52%

of the total site. The site contains many rocks, both surface and sub soil. Many of the rocks can be landscaped to form children play areas.

A portion of the north-west about 4,000 sq. metres has been excised and is being developed as a petrol station. The new company - Cocoa Investment Property Ltd. - has been given the mandate to run and manage the petrol station as an integral part of the shopping centre.

12. TOWN PLANNING REGULATIONS:

As a government project, the complex does not require the town planning approval. Nevertheless the design is in compliance with the town planning regulations. The set back on Oba Adesida Road is not less than 45 metres. Means of

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- 6 -

egress particularly location of offices on the 1st Floor has been carefully considered in the design.

13. PROPOSED PHASE II:

The project was initially conceived by the Federal Military Government when instruction was given to the 19 State Governments in the country to look for developable land in their areas of operation for the purpose of erecting shopping centres. The Federal Military Government was to grant 50% free interest loan to each State Government for the construction of the shopping complex but the Federal Government purse suddenly dried up and the scheme would have been strangled at birth but for the directive issued to State Governments in the Federation to pursue the shopping centre project irrespective of the non-availability of the Federal Government promised funds.

The lack of adequate finance has necessitated the phasing out of the project.

The Cinema House is of necessity outside the complex since there is no sufficient land for the entire development within the site. The Cinema House is intended to be situated southwest of the site where the slope will be well utilised for terres sitting.

The areas planned for the second phase include:

- (1) The Cinema House.
- (2) More offices.
- (3) Extension to department store to the 1st Floor.

1' MATERIALS & FINISHES:

Reinforced concrete frames have been used with block-wall in-built panels for the 2 Storey block. The single storey blocks have load bearing walls. The walls are intended to form parapets to act as fire breaks. Amiantus roof has been found to be limited both in structures and aesthetics hence the roofing of the buildings is of the corrugated and asbestos roofing sheets on timber truses. The use of large glass front for displays in the shops has been found to be contrary to maximum internal ventilation hence the use of louvres in the shops has been adopted. Of necessity, the architectural design has employed the use of large shop fronts in the department stores/ super markets and louvres have been introduced to vent the ventillation. Unit air-conditioners can be introduced both in the shops and the super markets successfully. To reduce cost aluminium shop fronts have not been specified rather the use of purpose built steel frames have been employed. The finish on external and internal is painted cement rendering. All floors are sand cement screed finish. Ceiling in the offices is cellotex while that of the shop is asbestos.

ARCHIVE OF

15. TOTAL CONSTRUCTION AREAS
OF PHASE I:

	m ²	ft ²
A. Shops.	992	10678
B. Bank.	66	710
C. Post Office.	32	344
D. Corridor to Shops.	555	6085
E. 1No. Shop.	32	344
F. Covered Walkway to shops.	100	1076
G. Supermarket.	1173	11550
H. Covered walkway to Supermarket.	296	3190
I. Circulation Area to Supermarket.	47	506
J. Lettable Office Space.	634	6825
K. Circulation Area to Lettable Office.	105	1130
L. Comfort Station.	72	775
M. Restaurant.	264	2840
N. Common Corridor Linking Shops and Supermarket.	296	3190
O. Gate House and Police Post.	43	463

16. CONSTRUCTION COST:

The contract for the Phase I development was awarded to a construction company Messrs Arbico Nigeria Ltd. at a negotiated contract figure of N1, 399, 026.99 after a competitive tenders were submitted by some reputable contractors and with due regards to the estimated or quantified figure of the Quantity Surveyors.

The professional fees have been calculated to N85, 043.87 and this brings the project price to N1, 484, 070.07.

We are of the opinion that some variations and also savings shall be made during construction and it is advisable to estimate the final construction price at N1.5 million.

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COMPARABLES AND RENTAL ANALYSIS:

Rental data on commercial premises are not readily available in Akure as the local shop-owners and the business community are suspicious of any enquiries.

The difficulty in obtaining rentals is compounded by the absence of any resident established firm of practising Estate Surveyors and Valuers in the town.

We have however established from field survey that rent passing on local shops of about 11.148 sq. metres (120 sq. ft.) ranges from N25 to N45 per month depending on location. The standard of finish is invariably very poor and the shops are usually converted old residential buildings.

Purpose-built office premises in Akure currently let at between N4 and N8 per sq.ft. that is, between N43.06 and N86.11 per sq. metre.

Considering the standard of finish of the shopping complex and offices the following estimated rentals are considered reasonable:

Bank	-	N86.11 per sq. metre
Offices & Shops	-	N64.56 " "
Post Office &		
Supermarket	-	N43.06 " "

Lettable Floor Areas:

Bank:	66 m ² .
Shops: (992 + 32) m ² .	1,024 m ² .
Offices:	634 m ² .
Super market:	1,173 m ² .
Post Office:	32 m ² .

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Restaurant: 264 m².Estimated Annual Income:

N.

Bank	66m ² @ N86.11 =	5,683.26
Restaurant	- 264m ² @ N64.56 =	17,043.84
Offices	- 634m ² @ N64.56 =	40,931.04
Shops	- 1024m ² @ N64.56 =	66,109.44
Super market	- 1173m ² @ N43.06 =	50,509.38
Post Office	- 32m ² @ N43.06 =	1,377.92
		<u>N181,654.88</u>
* Allow 10% for major repairs only.	=	<u>18,165.48</u>
Estimated Net Income.		N163,489.40
S a y	=	<u><u>N163,480.00</u></u>

* It is assumed that Service Charge will cover other outgoings.

CASH FLOW ANALYSIS.

YEAR	OUTLAY	INCOME	P.V. FACTOR 9%	P.V. OF CASH FLOW.
0	N1,500,000	-	1	(N1,500,000.00.
1		N163,480	0.9174	149,976.44
2		163,480	0.8416	137,584.77
3		163,480	0.7721	126,222.91
4		163,480	0.7084	115,809.23
5		163,480	0.6499	106,245.65
6		196,176	0.5962	116,960.13
7		196,176	0.5470	107,308.27
8		196,176	0.5018	98,441.12
9		196,176	0.4604	90,319.43
10		196,176	0.4224	82,864.74

L

Net Present Value (N368,267.20)

11502

NOTE:

It has been assumed that there will be rent revision at the end of 5 years and as is usual, such revised rent is never less than 120% of the original rent.

In some cases, revised rent of 160% to 200% have been negotiated. We have however adopted a 120% revised rent which is quite safe and reasonable.

RECOMMENDATION: We recommend that, the proposed Phase II development which include the:

- (i) Cinema House.
- (ii) More offices and
- (iii) More Department: Store shall improve the Cash Flow Analysis.

We recommend that at the least, the additional office spaces and department stores should be constructed to enable the Cocoa Investment Property Limited take advantage of the low cost rate of construction now prevailing. It is not always advisable for tenants to have moved into premises before additional constructions are made; it is always dirty and messy.

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FINANCIAL APPRAISAL REPORT IN RESPECT OF
THE WAREHOUSES/OFFICES DEVELOPMENT
AT OLUYOLE ESTATE, IBADAN

INTRODUCTION:

In compliance with the Company's objective of spreading its property investment activities to the Oyo, Ondo and Ogun States in order to assist in the urban and industrial development programmes of these states, Wemabod Estates Limited embarked upon the construction of an offices/warehouses complex on Plot 8, Block K, Oluyole Industrial Estate, Ibadan. Construction work started in September, 1978.

INTEREST:

The Company holds a leasehold interest from the Ibadan Area Planning Authority on the payment of a premium of ₦11,225.00 as per letter of allocation Ref. No. IB. A. P. A. (G)406/Vol.2/31 of 24th June 1976. It is assumed that the lease is for 90 years.

CONSULTANTS:

The following consultants have been commissioned to advise on technical details.

ARCHITECT: Comprehensive Design. & Planning Consultants.

QUANTITY SURVEYOR: Quanticost Group

STRUCTURAL ENGINEERS: Mascot Associates

ELECTRICAL/MECH. ENGINEERS: Hollek Associates

SITE & LOCATION:

The development is located on a corner plot, Plot 8, Block "K" Oluyole Industrial Estate, Ibadan. It is bounded on the south by the Ogunpa/Odo Ona Stream

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while it is bounded on the North Eastern and South Eastern sides by Estate Roads. The area of the plot is about 9,085.20m² and only about 23.54% of the site is covered with buildings. The site is well drained although it is liable to seasonal flooding in the southern area bordering the stream because of the tendency of the stream to overflow its banks during the rainy season.

DESCRIPTION & CONSTRUCTION DETAILS: The project consists of three self-contained units of warehouses, offices and ancillary facilities. Each unit has a two storey administrative block providing showroom, ample office spaces, reception halls and toilets. The administrative block is linked to the warehouse to the rear via a lobby on the ground floor. The warehouse has a headroom which varies from 5.55m to 6.15m. The rear end of the warehouse is designed as a utility block providing staff canteens on the Mezzanine floor, store and changing rooms, toilets and showers on the ground floor and taking advantage of the slopy nature of the site, a basement floor has been added to provide storage facilities. The administrative block is constructed of 800mm sandcrete block wall to be plastered and painted on both sides. Flooring in the showroom reception areas lobbies and toilets is to be terrazzo floor finish whilst the offices will have sand/cement screed floor finish. Naco louvre windows are to be fitted and

timber flush doors will be used. The roof trusses are to be of steel while long span aluminium roofing sheets are to be used.

The warehouse has cement/sand screed floor finish and the walls are made of 200mm sandcrete blocks filling the voids between the mild steel stanchions erected on reinforced concrete bases at 6 metre centres. The blocks are to be plastered and painted on both sides. Roof materials are similar to those used in the administrative block. It has critical roller shutter doors opening on to the loading bay. The utility block has similar construction details to the administrative block.

SERVICES:

Water and electricity are available from the public mains and will be connected to the property.

Disposal of foul effluent will be through a self treating sewage disposal plant. Unit air conditioners will be provided in the offices to facilitate conducive working environment.

A reinforced concrete retaining wall is provided at the southern boundary to protect the property against the seasonal flooding of the stream.

The site is easily accessible via the Ring Road to all parts of Ibadan and other parts of the country.

Refuse collection could easily be made within and outside the premises.

COST OF CONSTRUCTION: The contracts both main and other sub-contracts were awarded at a total figure of ₦1,348,000 plus 10% Professional fees and variations based on the

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topograph of the land as well as changes in design during construction period have been estimated to be say ₦120,000, the total contract price should be about ₦1.6M.

COMPARATIVE DATA AND RENTAL ANALYSIS

Rents on office accommodation in Ibadan currently range between ₦130 and ₦43 per m² per annum as evidenced by the following.

Cocoa House	-	₦86/m ²	per annum
Aje House	-	46/m ²	" "
Zard Building	-	130/m ²	" "
Ring Road	-	₦107.64/m ²	" "

Shops and showrooms let for between ₦150 and ₦64/m² per annum depending on location, standard of finish and size.

Warehouses let for between ₦75 and ₦27 per m² per annum.

In the light of the above the following rents are considered reasonable and will be adopted for our appraisal.

Office	-	₦75.35/m ²	per annum
Showroom	-	₦107.64/m ²	" "
Warehouse	-	₦53.82/m ²	" "
Utility Spaces	-	₦53.82/m ²	" "

These rental figures are net of service charges which will take care of outgoings. It is expected that at least 20% increase will be obtained at the end of every 3-year lease period.

SCHEDULE OF NET LETTABLE FLOOR AREAS

ADMIN BLOCK

Ground floor : Showroom 52.78m²

Offices 105.26

20
120

First Floor : Offices 148.58 253.84 m²

WAREHOUSE 352.24 m²

UTILIY BLOCK

Basement Floor 66.99
 Ground " 16.82
 Mezanine " 63.44
147.25m²
 =====

RENTAL SCHEDULE

ADMIN BLOCK

Showroom 5,681.24
 Offices 19,126.84
N24,808.08

WAREHOUSE

N18,957.56

UTILITY BLOCK

7,925.00

Estimated Annual Income N=51,690.64

Less 5% for Major Repairs Only 2,584.53

N49,106.11

SAY

N49,100.00
 =====

N.B.

Above Estimated Net Annual Income is in respect of each of each of the 3 units.

Total Estimated Net Annual Income from the development = N49,100 X 3 = N147,300.00

* It is assumed that service charge will cover other outgoings

DISCOUNTED CASH FLOW ANALYSIS

YRS.	OUTLAY	INCOME	P.V. FACTOR AT 9%	P.V. OF CASH IN FLOW	P.V. OF CASH IN FLOW
0	N1,600,000	N147,300	1.0000	-	N1,600.00

YRS	OUTLAY	INCOME	P.V. FACTOR AT 9%	P.V. OF CASH IN FLOW	P.V. OF CAS OUT FLOW
1	₦147,300	₦147,300	0.9174	₦135,133	
2		₦147,300	0.8417	₦123,982	
3		₦147,300	0.7721	₦113,730	
4		₦176,760	0.7084	₦125,217	
5		₦176,760	0.6499	₦114,876	
6		₦176,760	0.5962	₦105,384	
7		₦212,112	0.5470	₦116,025	
8		₦212,112	0.5018	₦106,438	
9		₦212,112	0.4604	₦ 97,656	
10		₦254,534	0.4224	₦107,515	
11		₦254,534	0.3875	₦ 98,632	
12		₦254,534	0.3555	₦ 90,487	
13		₦305,441	0.3262	₦99,635	
14		₦305,441	0.2992	₦ 91,388	
15		₦305,441	0.2745	₦83,844	
T O T A L S					
				₦1,609,942	
				N. P. V.	9,942
				₦1,600,000	₦1,600,000

CONCLUSION:

From above analysis it has been established that the development cost will be fully amortised from rental income in 15 years leaving a positive Net Present Value of ₦9,942. This depicts a medium yield investment. It is however pertinent to mention that the adopted rental levels are conservative and the probability of higher increases are high. There is also a high probability of obtaining three years' advance rent in the first instance thereby greatly improving the cash flow.

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DISCOUNTED CASH FLOW ANALYSIS

(Taking account of 12½% of Withholding Tax)

YRS	OUTLAY	INCOME	P.V. FACTOR AT 9%	P.V. OF CASH INFLOW	P.V. OF CASH OUTFLOW
0	₦1,600,000	-	1.0000	-	₦1,600,000
1		₦128,887	0.9174	118,241	
2		128,887	0.8417	108,484	
3		128,887	0.7721	99,514	
4		154,664	0.7084	109,564	
5		154,664	0.6499	100,516	
6		154,664	0.5962	92,211	
7		185,597	0.5470	101,522	
8		185,597	0.5018	93,133	
9		1185,597	0.4604	85,449	
10		222,716	0.4224	94,075	
11		222,716	0.3875	86,302	
12		222,716	0.3555	79,176	
13		267,259	0.3262	87,180	
14		267,259	0.2992	79,964	
15		267,259	0.2745	73,363	
16		320,711	0.2518	80,755	
17		320,711	0.2310	74,084	
18		320,711	0.2119	67,959	
19		TOTALS		₦1,631,492	₦1,600,000
		N. P. V.		31,492	

NOTE:

Please note that above D. C. F. Analysis shows that it will take 18 years to amortize the development loan if 12½% Withholding Tax is deducted from the income annually. This reduces the yield from 9.2063% to 8.06%.

FEASIBILITY AND VIABILITY STUDY OF THE
PROPOSED OFFICE BLOCK AT IKEJA.

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SUBJECT:

The development of a 4-Storey Block
of Office at Ikeja Wemabod Office.

THE DEVELOPER:

Wemabod Estates Ltd. - 8/10 Broad
Street, Lagos.

THE BRIEFS:

Preparation of the feasibility and via-
bility report on the above project in
order to arrive at the viability or
otherwise and to make a report to the
developer and prospective financiers.

CONSULTANTS:

1. Architects: Lanre Towry-Coker
& Associates.
2. Quantity Surveyors: Messrs Group Q
Associates.
3. Engineers: Sunny Banjo & Associates
4. Mechanical & Electrical Consultants:
Messrs Nasaaj Associates.

LOCATION OF THE PROJECT:

The project is located at the corner of
Oba Akran/Isheri Road. It is also

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bounded by the west by Babatola Drive and at

the north by a number of residential accommodations.

It is about 3 kilometres from both the Ikeja Airport and the Ikeja Airport Hotel.

Ikeja is the seat of the Lagos State Government and many industries have been sited in this area for over a period of 25 years. Oba Akran is noted for its numerous industries like, Guinness, Dunlop, Berger Paints and Cocca Industries to mention a few. Branches of some Banks such as Standard, U.B.A., National and New Nigeria are all abutting this road. Isheri Road and Oba Akran Road are the two major roads in Ikeja.

In order to handle traffic more efficiently Isheri Road has now been developed into a four-lane dual carriage way, with additional two lanes on the two service roads - Docemo and Allen Streets.

Ikeja, where the project is being located is a place where the demand for commercial properties is readily on the rise as business

organisations now move away from Lagos Island to Ikeja and its suburbs. The demand has been accentuated by the dearth of purpose-built office blocks in Ikeja. This trend has also resulted in the conversion of a large number of residential properties into commercial use irrespective of the Head of State's pronouncement against such conversion in 1976.

The few purpose-built office blocks around Ikeja are enjoying good tenants and at the rents which are favourable to office property development.

THE SITE:

The site is a level piece of land with three existing buildings, viz.,

- (a) Office Block presently being occupied by the Estate, Administrative and Accounts sections of Wemabod Estates Ltd., Ikeja.
- (b) The small guest chalet consisting of two bedrooms living rooms and conveniences and
- (c) Two room boys' quarters at the rear.

The total site area is 5,121.656 sq. metres.

The piece of land has an advantage of facing three

streets. The frontage facing Isheri Road is 93 metres while that of Oba Akran Road is 58.62 metres and on the Babatola side, the frontage is 70.3 metres.

The area to be covered by the proposed building is 1,764.510 square metres.

This is approximately 30% of the total site area. There is therefore plenty of space for car parking in and around the building.

TENURE:

The original owner of the parcel of land and in fact, the industrial and residential area consisting of these estates at Ikeja is the old Western State Government, now Oyo, Ondo and Ogun States. The parcels of land were acquired for the use of the then Housing Corporation. Wemabod Estates Ltd., the present owner and the developer is managing the area on behalf of the old Western State.

TOWN PLANNING APPROVAL: The site has original been zoned and earmarked for branch office and guest house for workers of Western State Housing Corporation. Since the creation of States, Isheri Road and Oba Akran Road have taken a more important position in the road network of Ikeja. It is now not pleasurable to sleep both during the day and night on any of these two roads. The Land Use Plan of 1977 has therefore changed the zonal use

of Oba Akran and Isheri Road from residential to commercial.

The rate of return on this project is estimated as 70% just after the 10th year. In effect, the first five years rent will amount to $\text{N}(7058.04 \times 107 \times 5)$
 $= \text{N}3,776,050.4$ and this is $\text{N}776,050.4$ higher than the estimated cost of construction of $\text{N}3,000,000$.

PROPOSED DEVELOPMENT:

The proposed development is in accordance with the design of Messrs Towry-Coker & Associates, a firm of Architects. It is a rectangular shaped structure with reinforced concrete columns at regular intervals. The Ground Floor is a massive office space meant for parking with toilet and store facilities. The 1st, 2nd, 3rd and 4th Floor are meant for office spaces. There are a number of other facilities such as lifts and staircases to the upper floors; toilets, stores and tea rooms on each floors. Adequate effort had been made in the design to ensure free flow of air in the position of the windows and the doors. Provisions have also been made for central air-conditioning system as well as generating plant in case of power failures.

COST OF PROPOSED DEVELOPMENT:

The firm of Messrs Group 'Q' Associates - Quantity Surveyors have prepared an estimate

of cost which came to ₦2,798,600.00.

Professional Fees usually form about 10% - 11% of the estimated or actual cost of the project but for the purpose of this study, a figure of ₦200,000 representing less than 10% of the cost is recommended. This is supposed to be negotiated and hence it has been used in the Cash Flow analysis. Because of the present trend of the economic situation in the country, it is estimated that the cost of the project may not increase irrespective of the inflationary trend of building materials. Therefore, the amount to be borrowed could be limited to ₦2.5 million. The remaining cost plus professional fees should be borne by the Developer.

INCOME FROM THE PROPOSED DEVELOPMENT:

Investigations of rental rates of the few offices both purpose-built block of offices and converted residential blocks along Isheri Road, Oba Akran/Kodesoh Road reveal that rents vary from ₦107.64 per m². to ₦134.55 m². depending on a number of factors such as quality of finishing, services provided therein, accessibility and car parking. The proposed development is first-class in nature and the location is supreme. Even though rents in this location cannot compare favourably with those in Broad Street, Marina and Nnamdi Azikiwe in Central Lagos, the quality of the building

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together with its services and maintenance will compare very favourably with that of Western House and Unity House owned by the same Company - the Developer.

Rents in Central Lagos have now reached an astronomical position of ₦300 per m². per annum and there are isolated cases where rents have reached ₦150 per square metre per annum even on Ikorodu Road very close to Maryland. The rates chosen for this viability study have been very conservative and realistic having taken into consideration the recent lettings in the neighbourhood.

Wemabod Estates Ltd. being the biggest Estate Company in Black Africa, is of the view that it could help to reduce rental rates or at least make it stable.

The rate for the office space has been fixed at ₦107.00 per m²., that is ₦10.00 per ft.². The rent for each floor will be ₦188,802.57 and for the 4 floors, ₦775,210.28.

For the purpose of the Cash Flow analysis, it has been assumed that rental rates will not be static. It is very usual in all cases to increase rents after a two or three years period but in this case, it is possible to let initially for a period of 5 years with 5 years' rent paid in advance. 5-year lease period has therefore been adopted and an increase of

25% has been assumed after the fifth year.

The rent from the fifth to the tenth year will therefore become ₦133.75 per m².

while the rent per m² from the tenth to the fifteenth will become ₦160.5

An increase of 25% in rent after a 5-year lease term is very reasonable and justifiable from past and present statistical figures.

Rent in Unity House owned by Wemabod went up from ₦58.85 to ₦129.68 per m² in 1976.

This is an increase of over 100%.

Because of the present Government financial restraints, it is advisable to limit the increase in rent to 25% since many

professional offices now find it difficult to get new jobs and in case of old jobs already carried out, it has been difficult or almost impossible to get their fees.

The initial rent of ₦107.00 per m² for office space in this building is very conservative and indeed reliable for the purpose of this viability.

CROSS-CHECK ON VIABILITY: The rate of return on this project is estimated as 70% just after the 10th year. In effect, the first five years rent will amount to ₦(7058.04 x 107 x 5).

= ₦3,776,050.4 and this is ₦776,050.4

higher than the estimated cost of construction of ₦3,000,000.

PROPOSED OFFICE DEVELOPMENT AT OBA AKRAN AVENUE, IKEJA.

DISCOUNTED CASH FLOW AT 10% RATE OF INTEREST

(TOTAL LETTABLE FLOOR AREA = 7058.04 m²).

YEAR	D E T A I L S	CASH OUTFLOW	CASH INFLOW	PV. of ₦1.	DISCOUNTED AT 10% RATE OF INTEREST		R E M A R K S
					CASH OUTFLOW	CASH INFLOW	
0	Cost of Construction	₦ 3,000,000.00	₦	.90	₦ 2,700,000.00		
1	Rent Receivable		755,210.28	.82		-619,272.43	Rent @ ₦107 per m ² . per annum.
2	" "		755,210.28	.75		566,407.71	
3	" "		755,210.28	.68		513,542.99	
4	" "		755,210.28	.62		468,230.37	
5	" "		755,210.28	.56		422,917.75	
6			944,012.85	.51		481,446.55	Rent revised by 25% to ₦133.75 per m ² . after 5 years.
7			944,012.85	.46		434,245.91	
8			944,012.85	.42		396,485.39	
9			944,012.85	.38		358,724.88	
10			944,012.85	.35		330,404.49	
					2,700,000.00	4,591,678.47	
						2,700,000.00	
					Net Present Value	1,891,678.47	

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FEASIBILITY AND VIABILITY REPORT OF THE PROPOSED

LOW COST HOUSING SCHEME AT BADAGRY ROAD

SUBJECT: The development of Junior Staff Housing at the Satellite Town at Badagry Road, Lagos.

THE DEVELOPER: The developer of the Scheme is the Wemabod Estates Limited whose Head Office is located at Western House - 8-10 Broad Street, Lagos. One of the primary objectives of Wemabod Estates Limited is to provide accommodation - offices, warehouses and residential properties for letting with the aim of making profits. The Federal Military Government made it compulsory for any employer of labour with at least five hundred workers to provide housing scheme for these workers. Before the enactment of this Decree many Companies have embarked on staff housing scheme to provide adequate and comfortable accommodation for members of their staff. It is now known that in such employment where workers are provided with comfortable accommodation, they tend to put in their best and stay longer in such Establishments. For the achievements of this objective, Wemabod Estates Limited applied to the Federal Ministry of Labour for the allocation of parcels of land at the Federal Government Low Cost Housing Scheme at the Badagry Express Road.

THE BRIEFS: Preparation of the feasibility and viability report on the proposed low cost housing to determine whether or not it is a worthwhile investment.

CONSULTANTS

1. Architect - Messrs. Building Design Associates
2. Quantity Surveyors - Messrs. Olu Ayodele & Co.
3. Structural Engineers - Messrs. Procon Engineers.

LOCATION OF THE PROJECT:

The project is located on 4 No. Blocks of land within the Phase II of the Satellite Town Badagry Road at Kilometer 14, just before the International Trade Fair Complex. The four blocks allocation is the standard parcel being allocated to any Employer of labour with a minimum of five hundred labour force.

TITLE TO THE LAND:

Title to the land is vested in the Federal Government and is free of disputes or any legal incumbrances. The title to the Estate shall be transferable to the developer after completion of the buildings. The houses should be allocated to the low and middle income groups of the Company's employees in accordance with the Federal Government directives.

INFRA - STRUCTURE:

The Federal Government proposes to identify Employers of labour's efforts towards solving staff housing problems by providing - (a) the land free and (b) service roads and other amenities provided include water, telephone and electricity which shall be extended to a point on the boundary of each plot from where each developer can connect the services to their respective development or houses.

THE PROPOSED DEVELOPMENT:

The proposed development is in accordance with the working drawings submitted to and approved by Architect Fola Alade - Permanent Secretary (Special Duties) Armed Forces Development Projects. The Proposed Development consists of the following:-

- (i) 28 blocks of Bedsitter accommodation - each unit consisting of a living cum bedroom, kitchen toilet and shower-room.
- (ii) 14 blocks of single room flat - Each block of two units, and each unit consists of one living/ Dining room, one bedroom, kitchen, toilet and bathroom.

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(iii) 8 blocks of two bedroom flats - each block consists of one living-room, two bedrooms, kitchen, toilet and bathroom.

(iv) 6 blocks of three bedrooms flats - each block consists of one living room, three bedrooms, kitchen, toilet and bathroom.

The design concept for the entire area is of the "Neighbourhood Environment" where children can go to school, play football, buy bread and provisions without crossing a major road.

Allocations of parcels of land have been made to proprietors of Nursery and Primary Schools. The establishment of a Secondary Grammar School has also been approved for the Satellite Town and the buildings are being completed. There are provisions for recreational facilities and the establishment of walk-round-stores and/or shopping centres have also been approved.

COST OF
CONSTRUCTION:

The total cost of construction was negotiated and the contracts have been awarded after competitive tenders were received from the contractors. The total cost of construction amounted to N1,275,000; and the cost of external works such as the estate roads and the paved area have been estimated to be N112,354.80; this brings the entire cost of construction of the Estate Low Cost Staff Housing to N1,275,000 + N112,354.80 = N1,387,354.80 and 10% of the Cost of Construction has been earmarked as Professional fees for all the Consultants engaged on the project.

Project cost could be estimated at say N1,526,090.28.

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COMPARABLES AND
RENTAL ANALYSIS:

Rental levels in Lagos have fallen over the past year as a result of the lull in economic activities in the country. This fall in rents has however not been quite significant in respect of properties in medium/high density areas.

Currently rent passing on 3-bedroom flats range from N160 to N300 per month while the range for 2-bedroom flats is N120 to N250. Single bedroom flats and bedsitters are not common accommodation units in Nigeria but single rooms in the tenement designs common in high density areas now let at N25 to N40 per month. In the light of this it is estimated that single-bedroom flats will let for N80 per month while bedsitters will let for N60.

Apart from the single-bedroom flats and bedsitters the other units are contained in individual detached bungalows and as such they will attract rents which will be much higher than normally applies to flats. The following estimates are considered reasonable:-

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ESTIMATED ANNUAL INCOME

5 Nos. Bedsitters @ N720 per annum each	N40,320	p.a.
28 Nos. Single-bedroom flats @ N960 p.a. each	26,880	p.a.
3 Nos. 2-bedroom bungalows @ N5,400 p.a. each	43,200	p.a.
6 Nos. 3-bedroom bungalows @ N7,200 p.a. each	43,200	p.a.
	N153,600	p.a.
Allow 10% for outgoing (repairs & maintenance only)	15,360	
Estimated Net Income	N138,240	

YR	OUTLAY	INCOME	P.V. FACTOR 9%	P.V. OF CASH FLOW
0	N1,526,090.28	-	1	(N1,526,090.28)
1		N123,240	0.9174	126,821.38
2		138,240	0.8416	116,342.78
3		138,240	0.7721	106,735.10
4		138,240	0.7084	97,929.22
5		138,240	0.6499	89,842.18
6		138,240	0.5962	82,418.69
7		138,240	0.5470	75,617.28
8		138,240	0.5018	69,368.83
9		138,240	0.4604	63,645.70
10		138,240	0.4224	58,392.58
11		138,240	0.3875	53,568.00
12		138,240	0.3555	49,144.32
13		138,240	0.3261	45,080.06
14		138,240	0.2992	41,361.41
15		138,240	0.2745	37,946.88
16		138,240	0.2518	34,808.83
17		138,240	0.2310	31,933.44
18		138,240	0.2119	29,293.06
19		138,240	0.1944	26,873.86
20		138,240	0.1784	24,662.02
				(N264,304.60)

COMMENTS: Considering an amortization period of 20 years the loan taken for the project would not be fully amortized unless the shortfall of N264,304.60 is met from other sources like equity funds. If, however, the rate of interest is lowered the prospect will improve. It is also pertinent to mention that

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although the above cash flow analysis has assumed a constant net income, there is a high probability that in the open market rent increases may be obtained every 4- or 5-years. Such increases are likely to be about 20 - 25%

The capital value of the property based on an investment approach to valuation is N1,728,000 and is sufficient collateral for a mortgage loan of N1,261,785.68 which will be fully amortised in 20 years from rental income.

SUBSIDISED RENT: It has been discovered that the current economic rent of accommodation units in Lagos is usually not less than 40% of the people's salaries depending on accommodation relevant to the income of the occupier. This percentage is undoubtedly inconvenient, hence the decision of the Government to make employers provide accommodation for their staff and also peg the maximum any employee should pay as rent as ranging between 20% to 25% of their income. In the light of this, it will be assumed that these units will be let to staff at subsidised rent, equal to about 20% - 25% of their salaries.

The salaries of Junior Staff who are expected to occupy the bedsitters and the single flats range from N792 to N2,904 per annum while Senior Staff salaries range from N3,300 to about N9,000 per annum. Means of N1,800 per annum for Junior Staff and N6,000 per annum for Senior Staff will be adopted for our purposes.

Subsidised Rents will be fixed at 20% and 25% of the above salary means this

- Bedsitter @ 20% of N1,800 p.a. - N360 p.a.
- Single flat @ 25% of N1,800 p.a. - N450 p.a.
- 2-bedroom units @ 20% of N6,000 - N1,200 p.a.
- 3-bedroom units - N2,000 p.a.*

*It is assumed that the 3-bedroom units are to be reserved for Senior Staff whose housing allowance is not less than N2,000 per annum.

Consequently, estimated annual income is as follows:-

56 Bedsitters @ N360 p.a. each	-	N20,160
28 Single Flats @ N450 p.a. each	-	12,600
8 2-Bedroom units @ N1,200 p.a. each	-	9,600
6 3-Bedroom units @ N2,000 p.a. each	-	12,000
		N54,360
Less 10% for repairs & maintenance (say)	-	5,436
		N48,924

YR	OUTLAY	INCOME	P.V. FACTOR 9%	P.V. OF CASH FLOW
0	N1,526,090.28	N	1	(N1,526,090.28)
1		N48,924	0.9174	44,882.88
2		"	0.8416	41,174.44
3		"	0.7721	37,774.22
4		"	0.7084	34,657.76
5		"	0.6499	31,795.71
6		"	0.5962	29,168.49
7		"	0.5470	26,761.43
8		"	0.5018	24,550.06
9		"	0.4604	22,524.61
10		"	0.4224	20,665.50
11		"	0.3875	18,958.05
12		"	0.3555	17,392.48
13		"	0.3261	15,954.12
14		"	0.2992	14,638.06
15		"	0.2745	13,429.64

	OUTLAY	INCOME	P. V. FACTOR 90%	P.V. OF CASH FLOW
16		N=8,924	0.2518	N12,319.06
17		"	0.2310	11,301.44
18		"	0.2119	10,367.00
19		"	0.1944	9,510.83
20		"	0.1784	8,728.04
				(N1,079,536.46)

This cash flow analysis shows that if the subsidised rents estimated above are adopted the project would only be able to generate funds to amortize 29% of the project cost over a 20 year - period. The rent subsidies (N89,316 p.a.) over the period, is equivalent to a present capital outlay of N815,231.86.

ARCHIVE OF

Messrs Wenabod Estates Limited proposes to develop Plots 27 and 28 Nnamdi Azikiwe Street, Lagos which is a vacant land of a total area of 168.13 sq. yds, Plan No. 655/SD/5 into an office complex. The site is on a premier position in the city centre and few metres away from Tinubu Square, the nucleus of the Federal capital's commercial centre. The land at the moment is being used for parking and is quite ripe for development.

PROPOSAL:

Messrs Kola Bankole & Associates, a firm of Architects/Consultants has been commissioned to submit proposals for the construction.

Two alternative proposals have been submitted for consideration, and these include:

Alternative A: - 10 Floors of Rentable Space consisting of 1 Banking Floor at 200^{m2} per floor 200.00^{m2}
8 Office floors at 204^{m2} per floor 1,632.00^{m2}
1 Restaurant floor at 142^{m2} per floor 142.00^{m2}
Total Floor Area 1,974.00^{m2}

(21,248.65 sq. ft.)

Alternative B: - 12 floors of Rentable Space consisting of 1 Banking Floor at 200^{m2} per floor 200.00^{m2}
10 Office Floors at 204^{m2} per floor 2,040.00^{m2}
1 Restaurant Floor at 142^{m2} per floor 142.00^{m2}
Total Floor Area 2,382.00^{m2}

(25,640.45 sq. ft.)

It is quite likely that Alternative B will be rejected because of the strict regulations of the Town Planning Regulations.

Alternative A does not actually meet the Town Planning Car Parking Regulations but the Architect has been requested to pursue vigorously the 10-floor lettable accommodation proposal.

Alternative B - The proposal for Alternative B has 12 floors of lettable area as has been indicated in the schedule. This proposal does not meet any of the Town Planning Regulations. The Architect has been requested to try and persuade the Planning Authority that the Developer shall purchase parking rights at the 'Public Parking Lots' at Marina, etc.

Technical Data:

- Foundation: Concrete pile Foundation
- Walls: Load bearing beams and columns: Load bearing concrete wall with window strips.
- Roof: Composite roofing system
- Vertical Circulation: 2 concrete stairways
3 Lift (High Speed)
Inclusive of the Good Lift Reflective.
- Windows: Bronze tinted double glazed hermetically sealed window glazing in anodized aluminium frames.
- H V A C: Central Air Conditioning System
- Finishes: External Walls - Mosaic Tiles
Internal Walls - Textured finish
WC & Kitchen - Ceramic Tiles

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Floors - Terrazzo Flooring/Ceramic
Tiles Flooring

Ceilings - Suspended Luxaflex ceiling
panel cement and sand
rendering generally.

VIABILITY CALCULATION:

The present construction cost for
office development in central Lagos
is ₦200.00 per square metre and
should add to this is 25% for the
construction of utility areas, that
is, ₦250.00 per square metre develop-
ment cost.

RENTAL EVIDENCE:

Recent lettings around Tinubu suggests
that rental rates range from ₦25.00
to ₦35.00 per square foot for banking
spaces and ₦20.00 to ₦25.00 per
square foot for offices and similar
rate for restaurant. These rates
have been adopted for the cash flow
analysis.

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FEASIBILITY, VIABILITY ORIGINATED BY DEVELOPMENT OF
27 NNAMDI AIGINE STREET LAGOS RECOGNIZING THE 12%~~2~~
WITHHOLDING TAX

YEAR	OUTLAY	INCOME	P.V.FACTOR	P.V. OF CASH	FLOW
0	2,500,000		1.0		2,500,000
1		362,197.85	.91	329,600.00	
2		362,197.85	.84	304,246.19	
3		362,197.85	.77	278,892.34	
4		416,527.58	.70	291,569.30	
5		416,527.58	.64	266,577.65	
6		416,527.58	.59	245,751.27	
7		458,180.27	.54	247,417.34	
8		458,180.27	.50	229,090.13	
9		458,180.27	.46	210,762.92	
10		558,180.27	.42	192,435.71	
				2,925,942.70	2,925,942.70

RETURN AFTER 10 YEARS PROJECTION - 2,925,942.70 - 2,500,000
 = 425,942.70

YIELD ANALYSIS AFTER THE 10TH YEAR = $\frac{425,942.7}{2,500,000} \times \frac{100}{1}$
 = 17.03%

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PROPOSED DEVELOPMENT OF REGAL CINEMA SITE
MURTALA MUHAMMED WAY, EBUTE METTA

THE SITE:

The old Regal Cinema site is directly abutting the Murtala Muhammed Way, Ebute Metta which is one of the important gate-ways to Lagos, the Federal Capital. The old Regal Cinema site is also directly opposite Denton Police Station and the site as at today is no better than shed-site on a gold mine. The site is bounded by Ondo Street on the North approach with the only landmark of note as the St. Paul's Catholic Church. The road-side mechanics have spread all over the place with their junks.

PLANNING REQUIREMENTS:

It is understood that the Planning Authority zoned this area as commercial. The present proposal therefore conforms with the planning authority's regulations.

Messrs. Pan African Architects & Planners were consulted to advise the client on the best proposal that could suit the area. A modern arcade has been suggested because of the uniqueness of the area which is completely cut off from traffic hazard and free for all the time for leisure shopping.

THE PROPOSAL:

The concept of the proposal is primarily based on an arcade environment with diversified interest groups such as :

- (a) Leisure entertainment and galleries - cinema and cafeteria.
- (b) Offices.
- (c) Show-rooms and department stores.
- (d) Banking.
- (e) Restaurant.

OFFICES AND SUITABLE AREAS:

Murtala Muhammed Way, Ebute Metta towards Oyingbo is a very busy commercial centre with little or no suitable offices. The present offices along Murtala Muhammed Way are most residential buildings converted to offices. A directive was issued by the Federal Military Government in 1976 that all residential properties being used as offices should revert to their original use for which they have been designed. This, together with scarcity of purpose-built office buildings within the area have motivated the client to provide first-class office accommodation within the complex.

CINEMA HALL:

The Cinema Hall has been designed to sit 288 persons on the First Floor and 144 in the gallery areas. There is a Coffee Shop situated to the West of the complex and adjacent to the complex and foyer there is provision for a Tavern where sandwiches and soft drinks may be served from time to time.

The climax of the above arrangement is the Penthouse Canteen with a view across the Railway land and beyond. These amenities will offer a first-class opportunity for shoppers, office executives and fun seeking individuals to come together in a unique environment.

CAR PARKING:

Car Park has been provided from the Ground Floor and plaza areas to the basement where at least 100 cars can be parked away from the streets. The First Floor basement and that of the Ground Floor have therefore been earmarked as department stores.

MARKING FACILITIES & SHOWROOMS:

Provisions have been made in the complex for banking spaces and showrooms. These areas would be let to would-be tenants at the then current rental values.

LETTABLE AREAS:

The total areas provided in the complex are as follows :

- Total Showrooms, shops and department stores - 1,444 Sq. Metres
- Total Office Area - 2,835 Square Metres
- Banking Hall & Services - 115.5 Square Metres
- Cinema and Galleries - 464 Square Metres
- Penthouse Canteen and Services - 152 Square Metres
- Cafeteria Annex to Cinema - 80 Square Feet

The rental rate adopted for the above lettable areas are for offices, (a) showrooms, department stores, etc. - N61.77 per square metre, that is, N15.00 per square foot. (b) Cinemas and auxiliary uses - N86.00 square metre, that is, N8.00 per square foot.

These rates are rather conservative but they have been used in the Cash Flow Analysis arithmetical calculation of the country.

Rent Revision Clause of 20% is proposed at the 5th year of the 10 year projection.

CONSTRUCTION COST:

The following construction rates are presently applicable :

- Showroom with Airconditioning, Aluminium Show-case etc. - N380.00 per Square Metre.
- Staff Amenities within the Warehouses - N410.00 per Square Metre.
- Offices with Reinforced concrete structure, airconditioning, generating plants, lifts, suspended ceilings, etc. - N650.00 per Square Metre.

The above rates have been used in the calculation to arrive at the construction cost, of N3,700,000; consideration has been given for 25% circulation area and 10% professional fees in the calculation.

The total rent receivable is ₦782,271.30.

The Cash Flow Analysis discounted at the present bank rate of 9% gives a rate of return after the 10th year of 31.77%.

The Project is viable.

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DISCOUNTED CASH FLOW ANALYSIS OF REDEVELOPMENT OF
REGAL CINEMA AT MURTALA MOHAMMED WAY EBUTE-METTA.

YEAR	OUT LAY	INCOME	P.V. FACTOR AT 9%	P. V. OF CASH FLOW
0	3,700,000	—	1.0000	— 3,700,000
1	—	782,271	0.9174	717,655
2	—	782,271	0.8417	658,438
3	—	782,271	0.7721	603,991
4	—	782,271	0.7084	554,161
5	—	782,271	0.6499	508,398
6	—	938,725	0.5962	559,668
7	—	938,725	0.5470	513,483
8	—	938,725	0.5018	471,052
9	—	938,725	0.4604	432,189
10	—	938,725	0.4224	396,517
	TOTALS			<u>5,415,552</u> <u>3,700,000</u>
	N.P.V.			<u>1,715,552</u>

Preliminary Appraisal on the Redevelopment

OF REX CINEMA, IBADAN:

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INTRODUCTION:

Wemabod Estates Limited intends to redevelop the Rex Cinema Ibadan to serve multi-functional purposes and make the highest and best use of the land.

CONSULTANTS:

The following consultants have been commissioned for the project:

Architect: DEJI OYENUGA & ASSOCIATES
66 ADENIRAN OGUNSANYA STREET
SURULERE LAGOS

Structural Engineer: ADEJUMO OGUNSOLA & PARTNERS
8/10 BROAD STREET LAGOS

Electrical/Mechanical
Engineers MACJOAN ASSOCIATES
17 YUNUSA ADENIJI STREET
OPPOSITE UNITY ROAD MOSQUE
IKEJA.

Quantity Surveyors: KOFO POPOOLA & CO.
N 6B/756A OYO ROAD
BODIJA JUNCTION
IBADAN.

SKETCH DESIGN:

The Architect has produced a sketch design for close study and criticism of the client - Messrs. Wemabod Estates Limited and West African Pictures Co. Ltd. The sketch design incorporates a cinema hall, a disco-room, a small shopping arcade, three floors of parking and fourteen floors of office accommodation and a pent-house restaurant at the top most floor.

APPRAISAL OBJECTIVE:

This appraisal is aimed at finding optimum development since we are of the opinion that the present economic condition in the country does not support extensive office development in a town like Ibadan.

The proportion of voids in commercial properties in Ibadan over the past two or three years has been quite significant. For example, the occupancy rate in Cocoa House has been between 65% and 80% within the past two years. This implies voids of between 35% and 20%. "Aje House" has much lower proportion of voids; this can only be attributed to the limited number of floors of office accommodation within the building. Tension House and other buildings along Ring Road have been vacant for as long as eighteen months.

CONSTRUCTION COSTS: The following costs of construction based on analysis of going projects will be adopted.

Office Blocks - N600/m²

Shops and Showrooms - N350/m²

Cinema Hall or Auditorium - N400/m²

It is noteworthy to mention that the cost of construction of Cinema Hall or Auditorium has been estimated taking due cognisance of the specialised construction materials for sound insulation and prevention of glare and refraction.

A. Lower and Upper Ground Floor	N
(Cinema and Shops) - 1,616.82m ² @ N400/m ²	= 646,728
1st to 3rd floors (Parking)	
- 2,927.70m ² @ N300/m ²	= 878,310
4th to 17th floors (Offices)	
- 7,672.00m ² @ N600/m ²	= 4,603,200
18th Floor (Restaurant)	
- 581.23m ² @ N600/m ²	= 348,738
	<hr/>
Total cost of Construction	6,476,976
Add 10% Professional Fees	647,698
	<hr/>
	N 7,124,674
	=====

B. By limiting construction to 12 floors meanwhile the cost of construction will be reduced thus:

(Cinema and Shops)	=	N 646,728
(Parking)	=	878,310
4th to 12th floor, (Offices) 4,932m ² @ N600	=	2,959,200
		4,484,238
<u>Add</u> 10% Professional Fees		448,424
		N 4,932,662
		=====

C. By limiting total development to 12 floors:- This implies that the pent house Restaurant will be accommodated on the 12th floor and Car Park will be limited to the 1st and 2nd Floors only.

Cost of Construction is therefore as follows:

Cinema and Shops	=	N 646,728
1st and 2nd Floor (Parking)		..
2,062.32 sq.m @ N300/m ²	=	600,696
3rd to 11th floors (Offices)		..
4932m ² @ N600/m ²	=	2,959,200
12th floor (Restaurant)		..
548.00 @ N600/m ²	=	328,800
		4,535,424
<u>Add</u> 10% Professional Fees		453,542
		N 4,988,966
		=====

By virtue of the special relationship between Wemabod Estates Limited and West African Pictures Company Limited open market rent cannot be charged on the Cinema Hall and ancillary facilities. The annual rent computed above is based on about 9% of the estimated cost of construction, similar to the agreement made with SCOA Motors on Lapal Garage/Workshop accommodation.

Rental Schedule

Cinema	-	N 65,000
Shops	-	24,516
Disco	-	9,300
		<hr/>
Total Lower and Upper Ground/ Floor		98,816
Parking Lots 86 @ say N240 p.a.		20,640
		<hr/>
	N	115,370
		<hr/> <hr/>

Offices 400 sq.m. @ N107.64 per sq.m. per annum = N43,056/fl.p.a.

Restaurant 476.46 @ N64.58 = 30,769

CALCULATION OF ESTIMATED NET INCOME

<u>A.</u>	Cinema, Shops and Disco		N98,816
	Parking for 86 Cars		20,640
	Restaurant		30,769
	4th to 17th Floor offices (14th Floors)	602,784	
	<u>Less 10% allowance for voids</u>	<u>60,278</u>	542,506
			<hr/>
	E.N.I.		573,275
			<hr/> <hr/>
<u>B.</u>	Cinema, Shops and Disco		98,816
	Parking for 86 Cars		20,640
	4th to 12th Floor offices (9 Floors)	387,504	
	<u>Less 10% allowance for voids</u>	<u>38,750</u>	348,754
			<hr/>
			N 468,210
			<hr/> <hr/>
<u>C.</u>	Cinema, Shops and Disco		N 98,816
	Parking for 60 Cars only		14,400
	Restaurant (12th Floor)		30,769
	3rd to 11th floor offices (9 floors)	387,504	
	<u>Less 10% allowance for voids</u>	<u>38,750</u>	348,754
			<hr/>
			492,739
			<hr/> <hr/>

Please note that although 10% allowance for voids have been provided in all options, there is a very high probability that if option A is adopted the proportion of void may be higher than 10%.

YIELD ANALYSIS:

With the computations of cost of construction and Estimated Net Incomes for the different development options above, simple yield analysis will be undertaken to facilitate further financial comparison. It must be borne in mind that the general principle of ranking for profitability is that the higher the yield, the greater the profitability where yield is defined simply as the percentage of Income over capital expended.

A.	<u>573,275</u>	x 100	=	8.05%
	7,124,674			
B.	<u>468,210</u>	x 100	=	9.49%
	4,932,662			
C.	<u>492,739</u>	x 100	=	9.88%
	4,988,966			

From the yield analysis above it could be seen that option A is the less attractive while option C is the most attractive.

Option C is considered to be more attractive for the following other reasons :-

- (a) It offers a better development portfolio mix.
- (b) It offers reduced risk bearing in that it is less speculative than Option A or Option B.
- (c) The unit costs of construction is likely to be reduced because of the reduced designed load.
- (d) Running and maintenance of services and the building on completion will be less cumbersome and may therefore be more economical.

In view of the above reasons, Option C is recommended for adoption. A discounted cash flow analysis will be undertaken for Option C only to complete the development appraisal.

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DISCOUNTED CASH FLOW ANALYSIS

YEARS	OUTLAY	INCOME	PV FACTOR AT	P.V. OF CASH FLOW
0	4,989,000	-	1.0000	(N4,989,000)
1		492,739	0.9174	452,038
2		492,739	0.8417	414,738
3		492,739	0.7721	380,443
4		492,739	0.7084	349,056
5		492,739	0.6499	320,231
6		615,923	0.5962	367,213
7		615,923	0.5470	336,909
8		615,923	0.5018	309,070
9		615,923	0.4604	283,570
10		615,923	0.4224	260,165
11		769,905	0.3875	298,338
12		769,905	0.3555	273,701
13		769,905	0.3262	251,143
14		769,905	0.2992	230,355
15		769,905	0.2745	211,338
16		962,381	0.2519	242,423
17		962,381	0.2311	222,406
			N.P.V.	N 214,137

N.B. 25% rent increase is assumed after each 5-year period.

The D.C.F. analysis above shows that the Development Costs can be fully amortized from rental income within a 17-year period at a target rate of 9%. A net present value of N214,137 is obtained at the end of the 17th year.

It was decided that Cash Flow Analysis of eight, nine, ten and eleven floors developments can be undertaken to find out the most profitable.

1.

8 FLOOR OFFICE TOWER

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Cost of Construction

Cinema and Shops	N 646,728
Parking 1st and 2nd Floors	600,696
Offices 3rd to 8th Floors 3288 @ N600/m ²	1,972,800

	3,220,224
Add 10% Professional Fees	320,224

	3,540,448
	=====

Estimated Net Income

Cinema, Shops and Disco	N 98,816
Parking for 60 cars only	14,400
Offices 258,336	
Less 5% allowance for voids	12,917

	245,419

	N 358,635
	=====

$$\text{Yield Analysis} = \frac{358,635}{3,540,448} \times 100 = 10.13\%$$

CASH FLOW ANALYSIS

YEARS	OUTLAY N	INCOME	P.V. FACTOR AT 9%	PV. OF CASH FLOW
0	3,540,448	-	1.000	N 3,540,448)
1		345,718	0.9174	317,172
2		345,718	0.8417	290,984
3		345,718	0.7721	266,958
4		345,718	0.7084	244,915
5		345,718	0.6499	224,693
6		432,148	0.5962	257,676
7		432,148	0.5470	236,400
8		432,148	0.5018	216,881
9		432,148	0.4604	198,973
10		432,148	0.4224	182,544
11		540,184	0.3875	209,339
12		540,184	0.3555	192,054
13		540,184	0.3262	176,197
14		540,184	0.2992	161,648
15		540,184	0.2745	148,301
16		675,230	0.2519	170,070
17		675,230	0.2311	156,028

N 110,385

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2.

9 FLOOR OFFICE TOWER

Cost of Construction

Cinema and Shops	-	N 646,728
Parking		600,696
Offices 3rd to 9th Floors		2,301,600
3836m ² & N600/m ²		
		<u>3,549,024</u>

<u>Add 10% Professional Fees</u>		354,902
	N	<u>3,903,926</u>
		=====

Estimated Net Income

Cinema, Shops and Disco		98,816
Parking for 60 Cars		14,400
Offices 3rd to 9th	N 301,392	
Less 5% for voids	<u>15,070</u>	<u>286,322</u>
		<u>399,538</u>
		=====

Yield Analysis - $\frac{399,538}{3,903,926} \times 100 = 10.23\%$

CASH FLOW ANALYSIS

YEARS	OUTLAY N	INCOME	P.V. FACTOR AT 9%	P.V. OF CASH FLOW
0	N 3,903,926	-	1.000	(N3,903,926)
1		399,538	0.9174	366,549
2		399,538	0.8417	336,283
3		399,538	0.7721	308,517
4		399,538	0.7084	283,043
5		399,538	0.6499	259,672
6		499,423	0.5962	297,790
7		499,423	0.5470	273,201
8		499,423	0.5018	250,644
9		499,423	0.4604	229,948
10		499,423	0.4224	210,962
11		624,278	0.3875	241,928
12		624,278	0.3555	221,953
13		624,278	0.3262	203,626
14		624,278	0.2992	186,813
15		624,278	0.2745	171,388
16		780,348	0.2519	196,546

N 134,937

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3. 10 FLOOR OFFICE TOWER.

Cost of Construction

Cinema, Shops and Parking	N	1,247,424
Offices (3rd to 10th Floors)		
4384m2 @ N600		2,630,400

	N	3,877,824
Add 10% Professional Fees		387,782

		4,265,606
		=====

Estimated Net Income

Cinema, Shops and Disco		98,816
Parking 60 Cars		14,400
Offices	344,448	
Less 5% for voids	<u>17,222</u>	327,226

		440,442
		=====

Yield Analysis $\frac{440,442}{4,265,606} \times 100 = 10.33\%$

CASH FLOW ANALYSIS

YEARS	OUTLAY N	INCOME	P.V. FACTOR AT 9%	P.V. OF CASH FLOW
0	N4,265,606	-	1.000	(4,265,606)
1		440,442	0.9174	404,075
2		440,442	0.8417	370,711
3		440,442	0.7721	340,102
4		440,442	0.7084	312,020
5		440,442	0.6499	286,257
6		550,553	0.5962	328,277
7		550,553	0.5470	301,171
8		550,553	0.5018	276,304
9		550,553	0.4604	253,490
10		550,553	0.4224	232,560
11		688,191	0.3875	266,697
12		688,191	0.3555	244,676
13		688,191	0.3262	224,473
14		688,191	0.2992	205,939
15		688,191	0.2745	188,935
16		860,239	0.2519	216,668

				N 186,749
				=====

11 FLOOR OFFICE TOWER

Cost of Construction

Cinema and Shops	N	646,728
Parking (1st and 2nd Floors only)		600,696
Offices (3rd to 11th Floors)		
4.932m ² @ N600/m ²		2,959,200
		<u>4,206,624</u>
Add 10% Professional fees		420,662
		<u>4,627,286</u>

Estimated Net Income

Cinema, Shops and Disco		98,816
Parking for 60 cars only		14,400
Offices	387,504	
Less: 10% allowance for voids	<u>38,750</u>	348,754
		<u>461,970</u>
		<u>461,970</u>
Yield Analysis -	$\frac{461,970}{4,627,286} \times 100 =$	9.98%

CASH FLOW ANALYSIS

YEARS	OUTLAY N	INCOME	P.V. FACTOR AT 9%	P.V. OF CASH FLOW N
0	N4,627,286		1.000	(4,627,286)
1		461,970	0.9174	423,826
2		461,970	0.8417	388,831
3		461,970	0.7721	356,726
4		461,970	0.7084	327,271
5		461,970	0.6499	300,249
6		577,463	0.5962	344,322
7		577,463	0.5470	315,892
8		577,463	0.5018	289,809
9		577,463	0.4604	265,880
10		577,463	0.4224	243,927
11		721,829	0.3875	279,732
12		721,829	0.3555	256,635
13		721,829	0.3262	235,445
14		721,829	0.2992	216,005
15		721,829	0.2745	198,170
16		902,286	0.2519	227,259
				<u>N42,693</u>

The ten floors development is the most profitable and the project is amortised within the ten years projection.

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PRELIMINARY APPRAISAL - FEASIBILITY/VIABILITY REPORT ON
THE PROPOSED DEVELOPMENT OF 39 WAREHOUSE RD. APAPA

PREAMBLE:-

Wemahod Estates Limited whose business office is located at 8/10 Broad Street, Lagos intends to redevelop its property at 39 Warehouse Road, Apapa into a 16 storey block of offices, showroom and warehouses.

The property is presently occupied by Star March Nig. Ltd and has a total lettable area of 17663 sq. ft (1640.94m²).

With the high demand for office, warehouse/showroom and banking premises in Apapa and its environs, it is advisable for the owner to redevelop this site and make the highest and best use of the land.

CONSULTANTS:-

The following Consultants were commissioned for the project.

Architect:- Huplan Design Consultants,
28, Raymond Street, Yaba.

Structural Engineers:- Profen Consultants,
E9/237 Old Ife Road,
Ibadan.

Mechanical/Electrical Engineers:-

Pidec Engineering Consultants,
15, Oyewunmi Close, Surulere.

Quantity Surveyors:- Integrated Quantity
Integrated Quantity Surveyors,
30, McNeil Road, Yaba.

THE SKETCH DESIGN:-

The design proposed is for a building providing warehouse/showroom accommodation

on the ground floor of a 16-storey block of offices with adequate car parking and truck access facilities in good zoning.

This is a design that makes full use of the land resources by taking advantage of its full development potentialities vis-avis the location which is within short distances of the Apapa Tin Can Port complexes.

The site is a plot with an area of about 0.23 hectares (2,342.66m² or 2801.81yd²) with a frontage of about 48.77 metres (160ft) to Warehouse road.

<u>WAREHOUSE:-</u>	Floor Area	Headroom	Volume	Floor Finish
	799.92m ²	6.0m	4799.52m ²	Grano
<u>SHOWROOM:-</u>	142.59m ²	3.6m		Terrazzo/Ceramic Tiles
<u>OFFICES:-</u>	4482.29m ²	3.0m		Terrazzo
<u>SERVICES:-</u>				

(a) Car Park: Parking facilities are provided in the basement and on top of the warehouse. The Development Team of Wemabod had advised the Architect to provide the required number of parking spaces on the basement floor and parking shouldn't be allowed on top of the warehouse because of the attending problems and wear and tear of the roof top.

(b) Toilet Facilities: 3 male and 2 female toilets per floor space inclusive of the mezzanine floor.

(c) Lifts - Three 12 passenger intensive traffic lifts - three 16 passenger lifts to be

incorporated.

(d) Stairways: Two stairways, one service and the other escape, both were tied into the design to be used at all times.

(e) Service Ducts: There are two service ducts one for waste and water supply while the other is for electricity, telephones and airconditioning as may be partitioned by the service engineer.

It has been decided at a joint meeting Consultant/ Client that the services duct should be separated by 100mm partition wall so that the airconditioning and telephone ducts will be in separate sections.

Traffic lights are to be installed at the gates - in and out - to further facilitate vehicular flow.

SUN-SHADING:-

This is done by use of vertical aluminium fins and 5cm horizontal boxed reinforced concrete loads.

WATER-SUPPLY:-

Adequate spaces have been provided in the design for a minimum of 431,000 litres of overhead tank and a minimum of 862,800 litres of underground storage.

INTEREST:-

Wemabod Estates Ltd. is vested with a State lease on the property. The lease will expire on the 5th of September 2045. The annual ground rent on the property is ₦4,051.40

ECONOMIC ANALYSIS

Cost of Construction:-

The present construction rates are as follows:-

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FACTORY/WAREHOUSE -

Pre-structure - 4.75metres floor height

Natural ventilation excluding any interior partitions -

₹360.00 per m²

SHOWROOM -

Air-conditioning, aluminum show-case ventilation -

₹380.00 per m².

STAFF AMENITIES -

Areas within factory or warehouse - ₹410 per m²

OFFICES -

R.C. structure, central airconditioning, lifts, suspended ceiling - ₹610 per m²

The above rates have been used for the calculation of the total cost of construction of ₹5.9M which includes 10% consultancy fees.

RENTAL CALCULATION -

The rental rates used in our calculation to arrive at the rents receivable on the project have been very conservative.

(a) Show Room is at 215.28 per m² i.e. ₹20.00 per ft²

(b) Warehouse/Factories - ₹80.88 per m² - i.e. ₹7.50 per ft².

(c) Offices - ₹161.46 per m² i.e. ₹15.00 per ft²

The total estimated rent receivable - ₹738,355.00.

The Cash Flow Analysis has been calculated on the proposed development discounted at the present bank rate at 10%.

Rent receivable has been made subject to rent revision clause at the 5th ^{and 10th} year of the 14 years projection at 20% increase.

The Rate of Return after 14th year is 11.38%.

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Estimated Cost Of Construction

Basement and Warehouse	3303.99m ²	@	₦400/m ²	=	₦1,321,596
Offices	5796.96m ²	@	₦610/m ²	=	₦3,536,145
					<u>₦4,857,741</u>
Add 10% Professional Fees.					485,774
					<u>₦5,343,515</u>
Add 10% for Contingencies.					534,352
					<u>₦5,877,867</u>
					=====
				say	<u>₦5,900,000</u>
					<u>₦5.9 million</u>
					=====

Summary of Net Lettable Floor Areas

Shop	-	132m ²
Warehouse	-	799.92m ²
Offices	-	3,997.03m ²

Estimated Net Annual Income

Shop or Banking Hall	132m ²	@	215.28	=	₦ 28,416.96
Warehouse	799.92m ²	@	80.73	=	₦ 64,577.54
Offices	3,997.04m ²	@	161.46	=	<u>₦645,360.46</u>
					738,354.96
				say	<u>₦738,355</u>
					=====

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Discounted Cash Flow Of The Proposed Development
At 39 Warehouse Road, Apapa - Lagos

YEAR	OUTLAY	INCOME	P. V. Of at	Cash Flow 10%
0	₦5,900,000			5,900,000
1		738,355	671,232	--
2			610,211	
3			554,737	
4			504,306	
5			458,460	
6		886,026	500,139	
7			454,671	
8			413,338	
9			375,762	
10			341,601	
11		1,063,231	372,656	
12			338,778	
13			307,980	
14			279,982	
			<u>₦6,183,853</u>	₦5,900,000
		N. P. V	<u>₦ 283,853</u>	

Appraisal Conclusion: The project is consider viable. The DEVELOPMENT COST OF ₦5.9 million is fully amortized at the end of the 14th year after completion of construction even at a rather high rate of amortization of 10%.

A yield analysis of the annual income is relation to the development cost shown an 11.38% return.

MINUTES OF THE 18TH MEETING OF THE BOARD HELD
IN THE BOARD ROOM, FLOOR 21, COCOA HOUSE, LAGOS, ON
THURSDAY, 8TH JANUARY, 1981 AND TUESDAY, 20TH JANUARY, 1981

PART I - 8TH JANUARY, 1981

PRESENT

Chief (Dr.) T.A. Gworu	-	Chairman
Mr. Duro Oyekanle	-	Director
Mr. A.A. Babalola	-	Director
Mr. Kofo Popoola	-	Director
Mr. C.O.S. Oseni	-	Director
Prof. A.A. Ademosun	-	Director
Dr. Tunji Otegbeye	-	Director
Mr. F.O. Mogaji	-	Ag. Group Managing Director

ABSENT

Chief G.B.A. Akinyede	-	Director
Chief (Dr.) A.B.O. Soboyejo	-	Director

IN ATTENDANCE

Mr. S.A. Onadele	-	Company Secretary/Legal Officer
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450. COMMENCEMENT

450.1 The meeting commenced at 10.30 a.m. Chief (Dr.) A.B.O. Soboyejo sent a letter of apology for inability to attend.

450.2 The Chairman welcomed Directors to the first meeting of the year. He praised their efforts during the past year and enjoined them to work harder in the current year so as to meet the expectations of the shareholders.

451. APPOINTMENT OF A NEW DIRECTOR

451.1 Management reported that the Ondo State Government had notified its intention to replace Chief G.B.A. Akinyede on the Board with Mr. J.D. Onibon. The Board noted that Chief Akinyede was yet to resign formally while Mr. Onibon who was invited to the day's meeting was yet to turn up. The Board deferred the formal appointment of Mr. Onibon as a member of the Board.

451.2 The Board unanimously expressed thanks to the Ondo State Government for removing Chief Akinyede in line with the prayers it made to that Government. It was noted that by this act, the Ondo State Government facilitated the work of the Board. It was further emphasized that the Board would not misplace the confidence reposed in it by the Ondo State Government.

452. REVIEW OF THE DIRECTIVES OF THE SHAREHOLDERS REGARDING
THE REORGANISATION OF ODU'A INVESTMENT COMPANY LIMITED

452.1 The Acting Group Managing Director reported that soon after the decision of the Governors of Oyo, Ondo and Ogun States was announced to the Board on the 29th of October, 1980, he was invited to a meeting of the Task Force set up on the matter and comprising representatives of each of the three State Governments. He said that at their request, he presented to the Task Force, a paper on the need for allowing ODU'A to remain. The Acting Group Managing Director added, however, that a further meeting proposed for 4th December, 1980 on the matter did not take place and nothing had been heard from the Task Force since then.

452.2 The Board observed the need to communicate with the Governors and Deputy Governors at regular intervals. It noted that the communication gap between the shareholders and the Board might have resulted in the decision that subsidiary companies should deal directly with the Governments. The Board decided that, even at this stage, every opportunity should be taken to highlight the implications of such decisions to the Governors. The Board, however, noted the need for the Company to strive harder to improve its performance and those of subsidiary companies so as to be able to make available to the shareholders substantial sums of money. The Board further decided that the Chairman should meet the three State Governors separately as soon as possible to review the situation. Apart from this, the Chairman should meet the Governors or other relevant Government functionaries at regular intervals in addition to informal interactions between the Board members and the Governors.

452.3 The Board noted the Chairman's circular letter to all subsidiary companies countermanding an earlier one by Chief G.B.A. Akinyede purporting to direct subsidiary companies not to deal further with ODU'A as a parent Company but to report directly to the State Governments.

453. CONFIRMATION OF THE MINUTES OF THE 36TH MEETING
HELD ON 23RD OCTOBER, 1980

The Board confirmed the minutes of the 36th meeting after incorporating minor amendments.

454. CONFIRMATION OF THE MINUTES OF THE 37TH MEETING
HELD ON 29TH OCTOBER, 1980

The Board confirmed the minutes of the 37th meeting after incorporating minor amendments.

455. MATTERS ARISING FROM THE MINUTES OF THE 36TH MEETING

455.1 Wema Bank Limited

455.1.1 Management reported that the board of the Bank with the active assistance of

the Management of ODU'A had conducted series of interviews for the purpose of filling vacancies created by the exit of officers who were relieved of their posts as a result of the recent operational review. The Board was further informed that while the Establishment Committee of the Bank would recommend to its board the appointment of suitable persons for the positions of senior managers, consultants would be commissioned to interview candidates for the posts of Executive Directors.

455.1.2 Management informed the Board that Chief Y.A. Akande, the Managing Director of the Bank had alleged that as a result of the strained relationship between him and Mr. L.A. Agunbiade, the Chairman of the board of the Bank, he wanted to be returned to the National Bank of Nigeria Limited from where he was seconded to Wema Bank Limited. The Board discussed the matter at length and directed Management to find out more details about the secondment of Chief Akande to Wema Bank Limited and whether National Bank of Nigeria Limited would want to have him back.

455.1.3 The Board discussed at length the arrangements for the release of Chief Akande in the event of his being desecoded. It was decided that Messrs Duro Oyekanle, Kofo Popoola and F.O. Mogaji should travel out to Europe to hold discussions with Sir de Wilmot so that his reactions to the offer already made to him might be known. The delegation should also interview Nigerian candidates based in Europe who have applied to the Company for employment in the managerial grade. The Board, upon being informed by Management that the National Bank of Nigeria Limited might release Mr. J.A. Court serving the Bank as Adviser, decided that the Chairman should meet both Mr. Court and the Managing Director of National Bank of Nigeria Limited and if Mr. Court agreed to serve, he should be appointed as early as possible to take over from Chief Akande.

455.1.4 The Board further mandated the Chairman to invite Mr. Agunbiade for discussions with regard to the serious allegations made against him by Chief Akande and also, his business activities by which a lot of money was owing to some subsidiaries of ODU'A.

455.2 Odu'a Textile Industries Limited

455.2.1 Removal of the Chairman of the Board

The Board noted that the Ondo State Government had supported the removal of Mr. Akin Omojola from the office of Chairman and nominated in his place, Mr. Olufemi Adesulu of the Registrar's Office, University of Ife, Ile-Ife. The Board further observed that

Mr. Omojola had not availed himself of the offer made to him to resign his appointment and so an Extra-ordinary General Meeting was convened to effect his removal and pave the way for the formal appointment of Mr. Adesulu who, in the meantime, had started to function in the office of Chairman.

455.2.2 Reactivation Programme

The Board noted that Odu'atex had executed a consultancy agreement with the technical partners and that the issue of approved status for the technical partners had been settled with the Federal Ministry of Finance. The Board further noted that the National Bank of Nigeria Limited was yet to complete action on the granting of financial facilities to the company.

455.3 Land at Apata-Ganga required by Nipol Limited for Expansion Programme

Mr. A.A. Babalola reported to the Board that he had made necessary contact with the Deputy Governor of Oyo State and had been informed that the result of the Deputy Governor's intervention was that the Oyo State Investment and Credit Corporation had now agreed that ODU'A should build a store similar in size and structure to the one now being used by the Corporation. The Board directed Management to get necessary confirmation in writing from the Corporation and then replicate the existing store for the Corporation.

455.4 Western Hotels Limited - Management of Premier and Lafia Hotels

Management reported that International Generics had submitted a letter of introduction offering to conduct further studies to enable it advise the company before a decision could be taken on what consultancy to offer. The Board considered the inadvisability of appointing as consultants clients likely to be offered the management of the same project. It was therefore decided that the British Caledonian Group and other interested organisations be commissioned to submit feasibility reports.

455.5 National Bank of Nigeria Limited and Wema Bank Limited: Increase in Equity Base

Management reported that the issue had not been pressed further in view of current reorganisation proposals likely to affect Odu'a Investment Company Limited itself. The Board noted that whatever might happen to Odu'a Investment Company Limited, it would not be able to provide the cash necessary for the increased equity for both banks. The Board, however, approved in principle, that the equity base of National Bank of Nigeria Limited should be increased by ₦10 million while that of Wema Bank Limited be increased by ₦5million. Management was directed to intensify efforts to raise foreign loans to finance the increased equity.

455.6 Union Beverages Limited

455.6.1 Expansion Programme

Management reported that the reaction of the Pepsico International to the decision of the board of UBL to provide canning facilities outside Lagos was that the project could not succeed if so located. The Board received the report of a team comprising Dr. E.A. Akanki, the Chairman of the board of UBL, Mr. A.F. Lamidi, the acting General Manager of the company and Mr. F.O. Mogaji, the acting Group Managing Director of Odu'a Investment Company Limited who visited Germany recently to discuss the matter with the Pepsico International. The Board noted the objections of Pepsico International on the ground that it was necessary to get into the market first before other competitors; that the cost of transportation of cans outside Lagos would be enormous apart from incessant failures of water supply in Ibadan. The Board considered but did not support a suggestion to locate the canning factory in Agbara which is close to Lagos but still in Ogun State because of similar objections from Pepsico International. After full deliberations on the matter and with the assurance that a second canning plant might be located in Ibadan as soon as the supply of water improved and experience in the production and marketing of canned beverages had been acquired, the Board ratified the concession already given to the Pepsico International by the team who visited Germany to the effect that the first canning plant be located in Lagos. The Board further discussed the desires of the Government of Ondo State to locate a new plant at Ijero and that of the Government of Ogun State to locate a plant at Owode. The Board appreciated that while there would be no difficulty in making land available, the Governments were not likely to be able to provide the necessary infrastructures at the sites at the planned time without recourse to the company. If the company should be called upon to provide these facilities, the total project cost as well as the total cost of production would increase thus rendering the project unprofitable. The Board noted that while it would be normal to support Governments' policies towards industrialisation of the rural areas, the location of any project on economic ground should not be neglected. It was decided that the Chairman should take the opportunity of his next visit to the Governors to finalise discussions on the matter.

455.6.2 'Activities of the Board of UBL

The Board received the report of the activities of the board of UBL which were tantamount to direct confrontation with the Board of ODU'A. It was noted that the board of UBL at its meeting

of 6th November, 1980, decided to create two classes of shares namely, Class A - comprising all the shares of ODU'A which would carry only 30% of the votes at general meetings and Class B called qualification shares and consisting of one share for each of the seven nominee directors to carry 70% of the votes with the intention of being able to out-vote ODU'A at any general meeting. The board of the company further refused to pass necessary resolutions to amend its Articles as proposed by ODU'A and furthermore, the board of UBL refused to allow a particular staff of ODU'A to be in attendance at their meetings - a matter which was approved by ODU'A as a Group policy. The board of the company also passed a resolution authorising its chairman to sign cheques, contrary to the ODU'A policy guidelines on the matter. The Chairman reported the steps taken towards calling the board of UBL to order but expressed regret that Dr. Akanki was yet to co-operate. The Board again stressed the need to call the directors of subsidiary companies to order and implored the Chairman to use his good offices to handle the case of UBL like that of Great Nigeria Insurance Company Limited.

455.7 Great Nigeria Insurance Company Limited

Construction of Great Nigeria House, Lagos

Management reported that it had given the contract documents a thorough study and found that Grenic Nigeria Limited could not back out without incurring substantial penalties and even if Grenic could risk the payment of such penalties, it would face increased cost of construction if it had to start all over again to award fresh contracts. The Board was further informed that Mr. Olaniwun Ajayi, the Chairman of the board of the company had addressed a letter to the former Chairman of ODU'A emphasizing that Grenic would not stop the contract. The Board noted with disappointment, the harsh language in which Mr. Olaniwun Ajayi couched his letter and the rather disrespectful references to the members of the Board of ODU'A. The Board further noted that funds continued to be disbursed in sizable proportions towards the contract as well as the persistent refusal of the board of Great Nigeria Insurance Company Limited to allow a member of the staff of ODU'A to be in attendance at its meeting in accordance with the Group policy. The Board again noted the need to infuse discipline into the boards of subsidiaries and directed the Chairman, Chief Oworu, to send a suitable reply to Mr. Ajayi and thereafter handle the matter as appropriate.

456. MATTERS ARISING FROM THE MINUTES OF THE 37TH MEETING

The Board noted that following the resolution passed at the 37th meeting, the Government of Ondo State had removed

Chief G.B.A. Akinyede as a member of the Board and that Mr. J.D. Onibon had been appointed in his place. Again, the Board praised the Government of Ondo State for the prompt action it took in the matter.

457. CHANGE IN ACCOUNTING DATES- NATIONAL BANK OF NIGERIA LIMITED AND WEMA BANK LIMITED

457.1 The Acting Group Managing Director presented Memo No. BD(80)52 in which the Board was informed that following the change in the accounting year of the Governments of the Federation, it became necessary for the Banks to change their accounting dates from October to September to 1st April to 31st March so as to enable the Banks take advantage of the Federal Government Guidelines in preparing their plans.

457.2 The Board considered the matter and approved that the accounting year for the National Bank of Nigeria Limited and the Wema Bank Limited should be 1st April of one year to 31st March of the following year.

458. RELATIONSHIP BETWEEN THE PARENT COMPANY AND THE SUBSIDIARIES

The Board Memo No. BD(80)53 which gave a brief history of the existing relationship between Odu'a Investment Company Limited and its subsidiaries and the basis for the conflicts which had arisen so far was presented by Management. Management also highlighted the process of enforcing Group policies and the relationship which ought to exist between the Management of ODU'A and the management and boards of subsidiary companies. The Board gave considerable thought to the matter especially with regard to the areas of discipline within the Group in order to attain Group objectives. It was decided that a committee comprising Mr. Duro Oyekanle, Mr. C.O.S. Oseni, Mr. Kofo Popoola and the Acting Group Managing Director should review the Memo and present a paper to the Board on Odu'a Group generally. The committee should also prepare another paper on the relationship between the parent Company and the subsidiaries and a third paper on the Group relationship with particular reference to the comments of the Chairmen of subsidiaries on them.

459. GROUP MANAGING DIRECTOR'S REPORT

459.1 Appointment of Executive Director: Nigeria Kraft Bags Limited

459.1.1 Management informed the Board that a panel consisting of the Establishment Committee of the Board and assisted by the Chairman of the board of Nigeria Kraft Bags Limited interviewed three candidates for the vacant position of Executive Director (Finance and Administration) of Nigeria Kraft Bags Limited and the panel recommended for appointment, Mr. O. Adewumi, the Management Accountant of Odu'a Investment Company Limited who was in Nigeria Kraft Bags Limited on secondment.

459.1.2 The Board discussed the matter in detail. It re-stated its earlier views that nothing

should be done to weaken the strength of the management staff of the parent Company in favour of the subsidiaries. An arrangement whereby good managers of subsidiary companies could look forward to being appointed to senior positions at the parent Company level should be introduced urgently. The Board directed Management to streamline the conditions of service in both the parent Company and the subsidiary companies for approval by the Board. The Board further decided that in order to prepare a solid base for prospective senior managers and chief executives within the Group, suitable professionals and other qualified staff should be appointed and given the right training. Towards this end, it was re-emphasized that Messrs Duro Oyekanle and F.O. Mogaji should, at their next visit overseas, interview persons who have applied for appointment within the Group. The Board approved Mr. Adewumi's appointment with effect from 1st February, 1981.

459.2 Raising of Foreign Loans to finance viable Projects

The Board noted efforts being made by Management to attract foreign loans for purposes of subsidising the cash requirements of subsidiary companies.

460. APPOINTMENT OF NOMINEE DIRECTORS

460.1 Nigergrob Ceramics Company Limited

The Board approved with retrospective effect from 23rd October, 1980, the appointment of Chief Bolu Coker as Chairman of the board of Nigergrob Ceramics Company Limited.

460.2 Odu'a Printing Company Limited

The Board approved with retrospective effect from 19th November, 1980, the appointment of Mr. B.A. Owolabi as nominee director on the board of Odu'a Printing Company Limited.

460.3 The Board approved the nomination of the Ondo State Government to the effect that upon Col. Ayo Ariyo relinquishing office as chairman of the board of Nigerian-Romanian Wood Industries Limited, Mrs. F.M. Ighodalo, be appointed in his place.

460.4 Directors' Fees

The Board noted that the Federal Government had finally but disappointingly approved an increase in the fees payable to Chairmen of subsidiary companies from ₦2,000 to ₦2,300 per annum and nominee directors' fees from ₦1,500 to ₦1,725 per annum. The Board, however, noted that the fees approved fell far below those stipulated by the political party which sponsored the directors concerned. The Board finally decided that the approved fees should be paid but each director should

be paid an entertainment allowance as appropriate; such that the total money payable to each director would not exceed ₦4,000 per annum in the case of the nominee directors and ₦6,000 per annum in the case of chairmen. The payment should be with effect from 1st January, 1981.

461. GLANVILL ENTHOVEN & CO. (NIGERIA)

Appointment of Managing Director

The Board approved the appointment of Mr. Michael Worrall as Managing Director of Glanvill Enthoven & Co. (Nigeria) on the terms and conditions stated in the annexure to Memo No. BD(81)1. It was noted that Mr. Worrall assumed duty in Nigeria on December 8, 1980, and that his appointment would be deemed to have been made under Article 22 of the Articles of Association of the company which would deprive the Managing Director of any voting right at board meetings.

462. PAYMENT OF PROFESSIONAL FEES TO MESSRS.
S.P.A. AJIBADE & CO.(SOLICITORS)

The Board considered Memo No. BD(81)2. It noted with surprise the claim of the firm of Messrs S.P.A. Ajibade & Co. of a fee of about ₦160,000 as professional fees for obtaining 12 certificates of occupancy in respect of the Company's properties in Ibadan. The Board also considered the background to the award of the brief to a solicitor and regarded as generous the offer of a fee of ₦23,000 by Management. The Board, however, gave consideration to the fact that the firm, being the legal retainer of the Company ought to have been less difficult in its demand. It was decided, however, that a total sum of ₦25,000 be paid to the firm.

463. REPRESENTATION ON THE BOARD OF
WEST AFRICAN PORTLAND CEMENT COMPANY LIMITED

463.1 The Board noted a report from Management that the Federal Government had started to raise queries with regard to the appointment of the Vice Chairman for West African Portland Cement Company Limited and what was called the haste with which the appointment was made in 1979. The Board, however, noted the pressures by the Federal Government to have increased representation on the board of the company while at the same time challenging the appointment of as many as three of the company's employees as Executive Directors.

463.2 The Board noted that a report made to it arose from an informal meeting between the Management of Odu'a Investment Company Limited and the Federal Ministry of Industries and that a fuller report would be made when the Federal Government should have made more positive demands.

464. THE WEST AFRICAN BREWERIES LIMITED

464.1 Transfer of Shares to the Staff of the Company

The Acting Group Managing Director introduced Memo No. BD(81)4 in which the Board was informed that 10%

of the equity of the company which was originally held by A.G. Leventis (Nig.) Limited but offered for sale to Chief A.O. Lawson was still available for sale to either the employees upon the creation of a trust in their favour or to the three principal shareholders in case any of them might wish to buy the said shares. The Board, having noted that a total of 100,000 shares at ₦2.00 each at the nominal value of ₦200,000 was involved at the purchase price of ₦380,000 and having also noted that there were 98 management staff and 1,574 staff of other ranks, agreed that the shares could be sold to the employees of the company. The Board therefore, gave retrospective approval to the consent earlier given to the West African Breweries Limited in that regard by Management.

464.2 Payment of Dividend

The Board noted with pleasure that the pressures mounted on the company by ODU'A and vigorously pursued by Chief (Dr.) A.B.O. Soboyejo, the Chairman of the board of West African Breweries Limited, resulted in the payment of a sum of ₦72,187 from the first dividend ever declared by the company since its incorporation. The Board recorded its appreciation to Chief Soboyejo and to the other directors of ODU'A who put pressure to bear on the management of West African Breweries Limited.

465. UNION BEVERAGES LIMITED: LOAN GUARANTEE

The Board deferred consideration on the request of Union Beverages Limited for ODU'A to give a guarantee to National Bank of Nigeria Limited in respect of an overdraft of ₦1 million being sought by the company from that Bank.

466. WEMABOD ESTATES LIMITED

Operational Review

The Board at 6.00 p.m. adjourned discussions on Memo No. BD(81)5 to Tuesday, 20th January, 1981.

PART II - 20TH JANUARY, 1981

467. COMMENCEMENT

The meeting commenced at 10.30 a.m. Attendance was as on 8th January, 1981 except that Chief (Dr.) A.B.O. Soboyejo was present.

468. WEMABOD ESTATES LIMITED - OPERATIONAL REVIEW

468.1 The Acting Group Managing Director presented the Operational Review of Wemabod Estates Limited which was conducted by the Performance Measurement Department of Odu'a Investment Company Limited. The Board decided to go through the report page by page.

468.2 The Board considered and accepted the recommendations in Part I of the report with the exception of the proposed organisation structure. The organisation structure originally prepared by the board of Wemabod Estates Limited itself was considered along with the one proposed in the report and after considering all relevant details and in the light of comments contained in the report, the Board amended the structure in Appendix I of the report to the extent that there will be three officers of controller status namely, the Controller of Administration, the Controller of Finance and the Controller of Legal Services under the Director of Finance and Administration while the Director of Estates would be served by the Controller of Planning and Development, the Controller of Estates and the Controller of Technical Services. The Board further decided that the details of the structure of all the other categories of staff not contained in the annexure should be carried out by the board of Wemabod Estates Limited itself. The Board noted the need to de-emphasize adherence to a particular professional discipline or branch of engineering with regard to the offices of the Director of Estates and indeed the Chief Executive.

468.3 The Board considered in detail, Part II of the report concerning the appraisal of the management staff of the company and decided as follows :-

- (a) The Board would, at that stage, merely note the comments and recommendations but take decisions after carefully studying whatever comments the board of the company might have on the report during the proposed joint meeting.
- (b) The Performance Measurement Department of ODU'A should provide more information in this part of the report especially, with regard to some officers where no final recommendations were made and, in the case of others where the dates they qualified were not shown.
- (c) In view of the fact that Dr. Tunji Otegbeye would also take part in the discussions at the company's board level, he should be excused from participating in the discussions on this part of the report.
- (d) The Board tentatively accepted the comments and recommendations with regard to Mr. Oluwole Tinde, the Ag. Chief Estate Surveyor, Mr. M.D. Gbadamosi, the Company Secretary, Mr. Olanrewaju Awoyemi, the Senior Planning and Development Manager, Mr. A.M. Familugba, the Internal Auditor, Mr. C.A. Olubodun, the Senior Estate Officer and Mr. E. Oladimeji, the Senior Accountant.
- (e) The board of Wemabod should be invited to consider and supply further details with respect to the performance and future disposition of Mr. Owo-Ola Alao, the Senior Administrative Officer.

- (f) The board of Wemabod should also be invited to offer comments on the particular case of Mr. A.O. Oyeduntan, the Senior Legal Officer regarding the confirmation of his appointment.
- (g) The Board noted the very critical comments with regard to Mr. Tunde Akanbi, the Acting Managing Director and the recommendations that he be re-deployed as Executive Director of Estates. The Board also noted Management's view that Mr. Akanbi's competence as an Estate Surveyor was not in doubt but his general management experience adversely affected his performance as Chief Executive. These facts were responsible for the recommendations that he be appointed as Executive Director of Estates. The board of the company was therefore directed to give a close study to the matter in view of the future envisaged for Wemabod to enable a decision to be taken at the joint meeting of the two Boards.
- (h) The board of Wemabod was invited to give particular consideration to the need to encourage Mr. M.O. Okeyale with particular reference to giving him enhanced remuneration and attaching him to reputable overseas companies providing similar services so as to broaden his outlook.

468.4 The Board gave consideration to Part III of the report dealing generally with summary of conclusions and recommendations and accepted the same subject to the following observations :-

- (a) The Board noted that the cashflow of Wemabod Estates Limited was badly affected by the fact that recent property developments were financed from internally generated revenue. While the Board accepted the principle that development of the right type of property at this point in time would be in the best interest of the company in order to avoid future astronomical increase in prices, the goodwill of the company and its investments were such that would justify raising money from external monetary sources for purposes of property development and solidifying the internal cashflow situation.
- (b) The Board accepted the recommendations that the Director of Finance and Administration should also be the Company Secretary.
- (c) It was decided that the Management Committee of the company should comprise the Managing Director as Chairman, the Executive Director Estates, and Executive Director, Finance and Administration as members while the Head of the Internal Audit Section should serve as Secretary. The Board further amended the recommendation in respect of matters concerning the appointment, promotion and discipline of staff and decided as follows :-
 - (i) The appointment and discipline of junior staff up to the first line of management should be the responsibility of the

Management Committee while the promotion of such categories of staff should be subject to the ratification of the Establishment Committee of the Board.

- (ii) While appreciating the fact that certain sections of the company were over-staffed, the Board did not accept the recommendation with regard to retrenchment but rather, the Board decided that in the face of new proposals for incorporating two companies for purposes of undertaking cleaning and maintenance jobs, the company should review the position and report back within three months.
- (d) With regard to the Accounts Department, while appreciating the valuable advice rendered by Messrs Coopers & Lybrand which, in 1975, designed a comprehensive accounting system for the company; which system the company had, for one reason or the other, not been able to put into operation, the Board noted that it should have been part of the assignment for Coopers & Lybrand to assist in putting the system into operation and monitor it for a while. The Board also noted the need to strengthen the professional staff force of the company and for ODU'A's staff to assist in implementing the accounting system.
- (e) The Board accepted the comments that Wemabod Estates Limited's financial position was affected by payment for out-goings like electricity and water on behalf of tenants and only to find difficulty in recovering the same. The Board accepted the recommendations with regard to future apportionment of electricity consumption among the various tenants. The Board further noted the remarks by Dr. Otegbeye on what his board was doing to improve on the situation especially by way of working out which service could be metered.
- (f) The Board advised that mechanisation of the accounts of the company should be pursued after proper accounting procedures have been established. The Board noted the areas of fraud and loopholes in the system and observed that while dishonesty among certain classes of employees is a national malady, the situation in Wemabod could improve with minor modifications to the present system. The situation calls for the acceptance of the recommendations with respect to the control of authorisation of capital expenditure. The Board accepted the recommendation to the effect that substantial revenue could be generated by the company if it could acquire modern machines for cleaning tall buildings. It was noted that there was the need initially to attract foreigners as managers if they could not be partners in view of the existing Indigenisation policy. It was decided that the board of the company should look into the possibility of establishing a cleaning company and make recommendations to the Board of

ODU'A about this in the next three months. The Board observed laxity generally in the management of the business of maintenance of buildings and while envisaging good business in that field, advised the board of Wemabod to make proposals as to the possibility of attracting the right type of personnel for the setting up of a company to handle such business.

- (g) Wemabod should, when necessary, advertise lettable spaces in its buildings. The Board was not happy with the situation in which valuable spaces are left vacant for some years. The Board deprecated the constant breakdown of plants and equipment in several buildings owned by Wemabod and accepted the recommendations on pages 13 and 14 of Part III of the report. It was, however, noted that the electricity generating plants should use simple manual switches with automatic connection for the lifts only.
- (h) The Board noted that the Legal Section ought to be so equipped as to reduce the occasions for the giving out of minor matters to privately practising lawyers.
- (i) While accepting the report on manpower development, the Board emphasized the need for positive actions in this regard.
- (j) The Board observed that Wemabod could not attract the right type of staff as a result of the salary structure approved by the Federal Ministry of Employment, Labour and Productivity. The Board also noted information from Management that the next meeting of chief executives within the Group holding on 30th January, 1981, will make recommendations as appropriate on new salary structure and fringe benefits designed to attract the right type of staff for management positions in the Group. If these recommendations are approved, ODU'A would appoint suitable senior managers and assign them to subsidiaries.

468.5 The Board noted the unsatisfactory financial position of Wemabod arising from the fact that it charged paltry sums as rents on its properties in comparison with what other similar organisations charge. The Board, however, welcome the explanation of Dr. Tunji Otegbeye, the Chairman of Wemabod Estates Limited, that his company was actively studying the various tenancy agreements with a view to revising the rents as appropriate and in fact, successes had been achieved in a few cases.

468.6 The Board commended the Management of ODU'A for a job well done. It noted the unpleasantness of some of the decisions that ought to be taken in order to reorganise Wemabod but stressed the need to act with swiftness and without fear or favour to produce a result that will be beneficial to the shareholders.

468.7 It was decided that the board of Wemabod Estates Limited be invited to the meeting of ODU'A holding on March 20 to discuss the report before final decisions could be taken.

469. ASKAR OF NIGERIA LIMITED - CAN MANUFACTURE
AND MODERNISATION PROGRAMME

- 469.1 The Acting Group Managing Director introduced Memo No. BD(81)7 in which Askar of Nigeria Limited sought the concurrence of ODU'A to go into the manufacture of cans at a cost of ₦1.04 million for its use and the use of other companies requiring cans for their products. He informed the Board of the way in which irregular supply of cans had adversely affected the business of Askar to the extent that, very often, it could only meet 40% of its total orders. He also informed the Board that the programme would also involve the introduction of automatic filling of paints in preference to manual operations. Mr. Kofo Popoola, the Chairman of the board of Askar, informed the Board of several areas of improvement in the operations of Askar since his board assumed office. He gave the project cost and the mode of financing the expansion programme.
- 469.2 Members discussed the implications of the Memo in detail, especially as regards the advisability of assisting Wrought Iron (Nig.) Limited to improve its economic position by making cans for the use of Askar, Cocoa Industries Limited and crown corks for Union Beverages Limited. The Board also considered the economy of Union Beverages Limited going into the manufacture of cans for its products while Cocoa Industries Limited and Askar produce cans for their own separate uses. It was agreed, however, that even though Wrought Iron (Nig.) Limited had facilities which could be adapted for purposes of making cans, Wrought Iron (Nig.) Limited would still have to acquire the technology for making cans; this might not suit the urgent need of Askar for cans apart from the fact that it would be more expensive to transport empty cans from Lagos particularly when the financial projections showed substantial profits for Askar. The Board noted, however, that the board of Askar could make substantial reduction in the cost of the buildings for the project. The board of Askar was also directed to negotiate shorter period of suppliers' credit and to obtain appropriate maintenance agreement from the suppliers.
- 469.3 The Board finally approved the Memorandum and directed Management to pay a sum of ₦150,000 to Askar as additional equity towards its project. The Board approved that Messrs Kofo Popoola, Duro Oyekanle and F.O. Mogaji should seize the opportunity of their impending overseas visit to contact the equipment suppliers in the can manufacture project for Askar.

470. GENERAL

470.1 West African Breweries Limited

The Board directed Management to obtain the necessary licence for Bakuta Company Limited to distribute Top Beer so as to make the products available at reasonable prices for the people of Oyo, Ondo and Ogun States. In pursuance of future proposal to procure raw materials

for the brewing of beer, the Board approved that Chief (Dr.) A.B.O. Soboyejo and Prof. A.A. Ademosun should make a trip to Ghana to study the production of malt in that country.

470.2 Wema Bank Limited

The Chairman reported that he had spoken to Mr. J.A. Court who had signified his preparedness to work in Wema Bank Limited. It was noted that Mr. Court was also aware of the proposal to appoint Sir de Wilmot as Consultant for ODU'A with primary assignment to Wema Bank Limited.

470.3 National Bank of Nigeria Limited

The Board noted that while it had earlier approved the extension of the capital base of the Bank by another N10 million, the Managing Director of the Bank, seemed to think that the Bank would need as much as N20 million.

470.4 Premier Hotel, Ibadan

The Chairman informed the Directors that the management of the hotel had not improved. The Board decided that the Company should immediately give notice to terminate the Management Agreement with Nigerian Hotels Limited and hand over the place to international managers. The Chairman was mandated to discuss the matter in fuller details with ODU'A nominees on the board of Western Hotels Limited.

470.5 Staff of the Parent Company

The Board noted that the Management of ODU'A was performing at the right level but that its staff complement had been depleted recently. Management was advised to speed up action towards employing the right calibre of staff for the holding Company.

470.6 Lafia Hotel Extension and Rex Cinema

The Board noted that Wemabod Estates Limited had committed substantial sums of money towards the project while positive results have not been noticed. The company was asked to provide a situation report on the Lafia Hotel extension project and also, on the Rex Cinema project.

470.7 Operational Review of other Companies

The Board further directed Management to submit reports on other ailing companies and, in particular, a report on Wrought Iron (Nig.) Limited was expected before the end of June.

471. ADJOURNMENT

The meeting came to an end at 5.30 p.m. The Board will meet again on March 19 and 20, 1981, at Abeokuta.

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