FINANCING PATTERN AND CAPITAL INVESTMENT BEHAVIOUR OF NIGERIAN FIRMS : A CASE STUDY OF 50 FIRMS QUOTED ON THE STOCK MARKET

BY

ADEBAYO OJO OYEWALE

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CERTIFICATION

This project entitled "Financing pattern and capital investment behaviour of Nigerian firms: a case study of 50 firms quoted on the stock market" by Adebayo Ojo OYEWALE, meets the regulation governing the award of the degree of Master of Business Administration (M. B. A.) of Ahmadu Bello University, Zaria and is approved in its contribution to knowledge and literary presentation.

Nasiru Ma[illegible]IZED — 11-8-2000

Name and Signature of Supervisor — Date

Dr. A.M. Bello — 27/9/2000

Name and Signature of External Examiner — Date

DEPT. OF BUSINESS ADMIN. INSTITUTE OF ADMIN. A.B.U. ZARIA

15/8/00

Name and Signature of Head of Department — Date

28/12/03

Name and Signature of the Dean, Postgraduate School — Date

DECLARATION

I hereby declare that this project titled "Financing pattern and capital investment behaviour of Nigerian firms: a case study of 50 firms quoted on the stock market" for the award of the degree of Master of Business Administration (M. B. A.) of the Ahmadu Bello University, Zaria is the product of my research findings. All sources of information used for this write-up and where applicable other writers views have been duly acknowledged by means of references.

A. O. Oyewale

DEDICATION

"To all who seek to know more"

and

"To my family"

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I express my thanks to my supervisor, Mallam Nasiru Maiturare, for going through the work and for his advise, despite his several academic and administrative responsibilities.

My foremost gratitude goes to God Almighty for the grace to partake in this program in the quest for knowledge. To my family, thank you for the patience throughout the duration of the course. Thanks to the lecturers who made it all possible. Finally to all the jolly classmates, who even find me worthy to be their class chairman throughout the course, it has been wonderful knowing you.

Knowledge is for the benefit of mankind, I hope we can all utilize it wisely. May God the custodian of ALL knowledge help us, Amen.

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ABSTRACT

The financing pattern based on the sources and uses of funds, for 50 firms quoted on the Nigerian stock exchange listing was examined. Overall internal finance is far less important than external finance as a source of finance for the Nigerian firms studied. The order of financing being external debt followed by external equity and internal finance a distant third. This finding negates the financing hierarchy hypothesis that the firm's preference for sources of finance run from internal finance to external debt to external equity.

External borrowing consist mainly of term-loans from financial institutions and working capital loans from commercial banks; with debentures contributing far less as a source of funds for a large percentage of the firms.

The financing of capital expenditures appears to be done primarily through internal finance; and external finance plays a limited role with regards to capital expenditure. This is in agreement with the managerial theory of investment which state that the fundamental determinant of investment is the availability of internal finance; which is the most accessible part of the capital market and most amenable to managerial control. As such majority of the firms restrict their capital expenditure to within the internally generated funds.

The positive relationship between cash flow (internal finance) and capital investment is evidence by the high percentage of firms with positive financial slack. The financial pattern and capital investment behavior seem not to vary significantly over the year range for which this study was conducted.

TABLE OF CONTENTS

		PAGES
Title page		i
Certification		ii
Declaration		iii
Dedication		iv
Acknowledgement		v
Abstract		vi
Table of Contents		vii
List of Tables.		ix
List of Figures		x
CHAPTER ONE: INTRODUCTION		
1.0	Introduction	1
1.1	Stock Market Contribution	2
1.2	The Nigerian Capital Market	5
1.3	The Nigerian Stock Exchange	7
1.4	The Nigerian Investment Scene	13
1.5	Research Objectives	14
CHAPTER TWO: LITERATURE REVIEW		
2.0	Literature Review	15
2.1	Investment Theories and the Role of Finance	15
2.2	Discussion on Models	18
2.3	External Vs Internal Finance	20

2.4	Recent Trends in Investments	24
2.5	Financial Slack	27

CHAPTER THREE: METHODOLOGY

3.0	Research Methodology	29

CHAPTER FOUR: RESULTS AND DISCUSSION

4.0	Results and Discussion	34

CHAPTER FIVE: CONCLUSION AND RECOMMENDATIONS

5.0	Conclusion	47
5.1	Recommendations	48
REFERENCES		49
APPENDIX		51

LIST OF TABLES

Table 1.0	Sources and Uses of Funds	3
Table 4.1	Summary of Financing Pattern	35
Table 4.2	Sector Financing Pattern	36
Table 4.3	Classification of Firms on the Constraint Criterion	44
Appendix 1	Sources and Uses of Funds for Individual Firm	51

LIST OF FIGURES

Figure 4.1	Internal Finance: Sector Averages	37
Figure 4.2	External Equity: Sector Averages	39
Figure 4.3	External Debt: Sector Averages	41
Figure 4.4	Variation of Firms' Statue with Time	45
Figure 4.5	Variation of Firms' Statue within the Sector	46

CHAPTER ONE

1.0 INTRODUCTION

In a market economy, the stock market performs three basic functions:

(i) a source for financing investment;

(ii) a signaling mechanism to managers regarding investment decisions; and

(iii) a market for corporate control in reallocating existing resources and promoting managerial and organizational efficiency.

Stock market activity also has other implications for firms like; the role of shareholder and managerial horizons with regard to investment decisions of firms; and the consequences of the steady increase in institutional ownership of equity for corporate governance; firm's choices with regard to tangible and intangible investments etc.

There are a number of interesting issues that can be posed in a study of sources and uses of funds. For instance, what is the relationship between the different components of the sources and uses of finance, especially the role of the stock market as a source of finance? What about the mix between internal and external sources of finance and the mix between capital expenditures and other uses of funds?

The central issue regarding finance for the firm is its composition between internal and external sources. While retained earnings and depreciation are the main components of internal finance, debt and equity are the two components of external finance. Cash flows are defined as the sum of retained earnings and depreciation. Throughout this project, the term cash flow and internal finance are used interchangeably.

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1.1 Stock market contribution

The stock market serves as a channel for the provision of long term capital and transferability of assets (shares) that enable enormous amounts of capital to flow through interconnected network of financial institutions and savers to industry, commerce and other users of capital. Financial resources of the capital market include:

(i) Bank loans and overdrafts

(ii) Equity issues and

(iii) Debentures and other fixed interest securities.

As pointed out by Mayer (1988), there are two sources of information for studying aggregate corporate financing patterns in different countries. The first is national flow-of-funds statements that record flows between different sectors of an economy and between domestic and overseas residents. The second source is company accounts that are constructed on an individual firm basis but are often aggregated or extrapolated to industry or economy levels.

Both sources have their advantages and disadvantages. In theory, flow-of-funds statistics provide comprehensive coverage of transactions between sectors. Company accounts are only available for a sample, often quite small, of a country's corporate sector. However, the data that are employed in company accounts are usually more reliable than flow-of-funds. In particular, flow-of-funds are constructed from a variety of different sources that are rarely consistent. As a result, statistical adjustments are required to reconcile entries.

Table 1: **Sources and Uses of Funds.**

Sources of funds	**Uses of funds**
Internal	Gross fixed assets
Retained earnings	Inventories
Depreciation	Other current assets
External	**Total**
Paid-up capital	
Debentures	
Long-term borrowing	
Unsecured loan & advances	
Creditors	
Other current liabilities	
Total	

This project is based on company accounts. The analysis of sources and uses of funds has been done by looking at changes in the balance sheet items over time; a summary of this approach is shown in Table 1. The principal reason for adopting the balance sheet-based approach to the study of source and uses of funds is the availability of statement of accounts of firms. The basic idea behind the balance sheet approach is that the firm's sources of funds come from decreases in assets and increases in liabilities while the uses of funds take place through increases in assets and decreases in liabilities.

As noted earlier, the measure of internal finance used in this project is reserves and surplus (retained earnings) plus depreciation (Table 1). The measure of stock market contribution or external equity used here is based on changes in the firm's paid-up capital emanating from changes in the number of shares as well as the price of shares.

However, it should be noted that there is another approach in the literature, following Prais (1976), that measures internal finance as retained earnings net of depreciation and compares it to net capital expenditures. This approach is useful if the focus is on studying the financing of the growth of the firm in terms of net capital expenditures. This project however has a different focus and examines the broader issue of total sources and uses of funds for the firm and therefore considers depreciation as a source of funds for the firm and compares it to the firm's gross capital expenditures. In other words, replacement investment is considered as another use of funds by the firm. One important consequence of this differential treatment of depreciation is that internal finance would be much more important if depreciation is counted as a source of finance, since depreciation is such a large item on both sides of the account (Prais 1976).

As a starting point, it is useful to note the results of Mayer (1988, 1990), who investigated the corporate financing patterns for the U.S., U.K., Japan, Germany, France, Italy, Canada, and Finland for the 1970 to 1985 period based on the flow of funds accounts of these countries. The main findings of the study are that:

(i) retention is the dominant source of finance in all countries;

(ii) corporations do not raise a substantial amount of finance from the stock market in any one country; and

(iii) banks are the dominant source of external debt in all countries, especially in France, Italy, and Japan.

These results can also be compared with that of Samuel (1995b), based on the cash flow statements of 533 U.S. manufacturing firms for the 1972-1987 period. The main findings of Samuel (1995a) are:

(i) the financing hierarchy hypothesis is broadly supported when the sources and uses of funds analysis is conducted on a gross as well as net basis;

(ii) on a net basis, the contribution of equity to the total sources of funds is negative;

(iii) firms issue debt and equity to retire existing commitments rather than to finance capital expenditures, which appears to be done primarily through internal finance; and

(iv) external finance plays a limited role with regard to capital expenditures.

1.2 The Nigerian Capital Market

It is often difficult to determine a precise point at which the money market ends and the capital market begins in the spectrum of financial market. An obvious distinction that can be made is that the money market deals with short-term instruments while the capital market deals with the issuance and trading in long-term securities and claims such as bonds, debentures and equity stocks.

The capital market plays a crucial role in the mobilization and channeling of long-term capital within an economy. The placement of new issues on the capital market contributes directly towards increasing funds available for loans and allocating these between economic units. The two types of market make it possible for the surplus and deficit units within the economy to choose (in one or both markets) the financial instruments and type of financing to suit their preferences for long, medium and short-term instruments.

It is often assumed that the capital market is limited to the stock exchange, but this is not so. The capital market comprises institutions through which savings and

surplus funds of the nation are made available on a long-term basis to finance industrial, commercial and agricultural expansion and development.

The capital market operation in Nigeria (Areago 1990) has progressed gradually: from the 'rural capital market' to the modern market with active participation of such institution like the stock exchange, central bank and development and merchant banks. Prior to the advent of the British administration, institutions like cooperative societies had pools of funds to which members contributed money periodically and from which money was lent to members on request for financing 'projects' such as marriages and festivities. With the advent of colonization, the colonial masters largely dominated commercial activities and the funds needed by these foreign interests were obtained from local banks that are predominantly foreign. Very little attention was therefore paid to the possibility of a local market to deal in long term financing.

However, the modern market institutions have grown in response to the needs of the economy for additional facilities for long and medium term finance for the promotion and development of local industries. Under this scenario, it becomes a normal expectation that the capital market's major role in mobilizing long-term funds and channeling them to productive and optimal uses via the allocation machinery in-built in the system, should be the more significant in the bid to build a resilient and self-reliant economy.

As noted earlier, the stock exchange provides two main functions. Its provides a means whereby interest in capital (stock and shares) can be bought and sold (a trading market) and secondly it provides a mechanism for rising capital by means of issues of securities (a new issue market). A number of mechanisms have been developed for matching the requirements of the users and suppliers of capital. While

instruments can be designed which satisfy many requirements, they cannot overcome the fundamental difference between the two groups (Areago, 1990).

The users of capital (government or public companies), all seek funds of a long –term nature in order to plan their capital investments in a realistic manner. They seek a large part of their funds through the new issues market. On the other hand, the suppliers of capital (who ultimately are the individual savers) need to invest their money whether directly or indirectly in instruments that are readily realizable. This problem is overcome by means of a trading or secondary market wherein stockbrokers on behalf of both individual and institutional investors trade securities that are already quoted.

Without this ability to realize their investments the suppliers of funds would demand a substantial premium for the inconvenience of tying up their capital. Thus, a stock exchange provides an efficient market place where the supply and demand of funds can be met and where investors can be encouraged to subscribe for new capital, because they can judge their investment by readily relating it to other comparable shares in the market.

1.3 The Nigerian Stock Exchange

The Nigerian stock exchange (formerly the Lagos stock exchange) was incorporated on 15th September 1960 through the inspiration of the business community, the central bank of Nigeria and the federal government, as a non-profit organization (Areago 1990, Odife 1993). It was further strengthened by the Lagos stock exchange Act of 1961, which gave recognition to the existence of the stock exchange by granting exclusive protection to maintain its own lists, to license its

members and to maintain a market in listed securities. The provisions of the Act prohibit non-members from dealing in the stocks and shares quoted on the exchange.

The establishment of the Lagos stock exchange was supported extensively by the Central Bank of Nigeria and the Nigerian Industrial Development Bank Limited (NIDB). NIDB was the new company into which the Investment Company of Nigeria Limited was transformed in 1964 as a joint venture between the Federal Government and the International Finance Corporation (IFC), a member of the World Bank Group. It was the hope of IFC that the widespread ownership of securities and the growth of the local capital market would complement the efforts of the Federal Government and the banking system in financing productive investment (Nwankwo 1987).

The formation of a development finance company, the NIDB, would promote new investments and when the companies mature, the NIDB would sell its shareholdings therein to the public at large in a process that would enhance not only the stock market but also the growth of a healthy private sector. The NIDB has no doubt made very significant contributions to the capital market through its stockbroking subsidiary and affiliated merchant banking company, established nearly ten years later, but hardly in the manner and to the extent envisaged at its inception. As it turned out, the NIDB found that it depend greatly on the income from its successful investments to cushion the impact of the losses from its less successful investments and hence has not pursued the policy of selling off its holdings in successful companies.

The exchange started business on 5th June 1961 with four securities, the number of quoted securities rose to thirteen in 1970 and to twenty two in 1972. The number of quoted securities remained low partly because of the NIDB problems stated above and partly because of the reluctance of both indigenous and foreign businesses in Nigeria to use the stock market for raising capital. Following the Okigbo Commission

report and the government's white paper thereon (Okigbo, 1981), the shareholders of the Lagos stock exchange passed the appropriate resolutions to transform it into the Nigerian stock exchange with branches in Lagos, Port Harcourt and Kaduna. These branches operates primarily as trading floors, while the national council of the exchange retains overall responsibility for quotations and the enforcement of regulations. The compulsory domestic incorporation of branches of foreign companies as stipulated in the companies Act of 1968, catalyzed capital market growth in Nigeria. Apparently because of the important function and the relative underdevelopment of the Nigerian capital market, the federal government has continued to adopt measures to enhance its contribution to the national economy.

The stock exchange has grown from 22 securities in 1972; 23 in 1974 to 168 in 1981 made up of 56 federal government development stocks, 1 state bond, 18 industrial loan stocks and 93 company equities. The rapid increase is because, government took the bold step at getting Nigerians involved in the economy, by promulgating the Nigerian enterprise promotion Act of 1972 and 1977. The Act reserved a list of 22 enterprises totally for Nigerian ownership, while 33 other enterprise were expected to have at least 40 percent Nigerian equity in their ownership (Odife 1993).

The market capitalization of N5 million in 1961 increased to N4.6 billion as at August 1982. The market value of the equities and industrial stock in the hands of Nigerian individual organizations was about N600 million. The security and exchange commission (SEC) was formed in 1978 to determine the price, mode and timing of issues of shares by all public companies. As at 1982 there were about 700,000 shareholders of quoted securities. These shareholders represent varied economic levels and citizens widely spread around the country. They were able to share in the nation's

economic benefits as they received aggregate dividends of N221 million and substantial bonus issues of N60 million as a result of quoted company's dividend payoffs in 1981 (Areago 1990).

By 1982, 93 corporate securities were listed on the stock exchange but it was realized that,

(a) very few of the companies had listed voluntarily since most did so in compliance with the two indigenization Acts;

(b) very few of the companies whose shares were listed were indigenous Nigerian companies;

(c) Nigerian entrepreneurs appeared reluctant to list their securities on the stock market;

(d) Apart from the Nigerian Sugar Company Limited and the Broadcasting Corporation of Northern Nigeria, which made debenture offers in 1961, no parastatal came forward to raise capital through the stock market.

(e) Even though the Federal Government made an issue of its own stock every year, the subscription rate hardly exceeded 10 percent. Only one state government had approached the stock market in1978 with a bond issue that achieved 34 percent success.

During that same year (Odife 1993), experts in the capital market met and agreed on the following points on the performance of the stock market:

(a) that indeed, indigenous companies were frightened of seeking funds on the stock market,

(b) that companies which were scared apparently had very good reasons to be scared. Even giants like UAC went into the stock market protesting the high cost of raising funds on the stock market,

(c) that the listing requirements seemed too onerous and complex for any but the largest companies to comply with, and

(d) there seemed to be no room for the entrepreneur seeking avenues for raising venture capital on the stock market.

Despite these unfavorable observations, the Nigerian economy continued to grow. The banking system itself appeared to have funded the bulk of the development for both the public and for the private sectors. By the end of 1983, the government sector had over 56 percent of the total credit of the banking system. If banks and governments could raise as much money as they desired from the banking system, why should they go through the complex ritual of raising capital through the stock market?. Indeed, there is no need to, and this, in part, explained the dilemma of the Nigerian economy. The indigenization decrees had reduced foreign participation; their implementation seemed to suggest that foreign direct investment was no longer wanted. In its place Nigeria sought and received large amounts of foreign loans, in the process returning the economy to the state of excessive leverage that the formation of the stock exchange was supposed to address. The economy is therefore battling to reschedule its short-term debts while still laboring under the burden of high service costs for medium-term debt.

Therefore, it is true that easy access to bank funding have encouraged governments to ignore the stock market. It is equally true that easy access to bank loans enable local entrepreneurs and foreign businessmen alike operating in Nigeria to fund themselves without diluting the control of their operations which they cherish so much.

474629

The Securities and Exchange Commission which was set up as the highest regulatory agency for the Nigerian Capital Market, was concerned as the Council of the Stock Exchange over the high cost of raising money by an issue of the stock market, compared with direct loans from banks. SEC had to relax its admission requirements without lowering standards and provide the smaller companies in Nigeria with access to its facilities and therefore a wider source of funds.

Other measures taken to vitalize the capital market are the promulgation of the 1988 privatization and commercialization decree which culminated in the privatization of many government owned enterprises; and the deregulation of the capital market in 1992. Despite this move, by 1997 about 55 percent of securities listed on the Nigerian stock exchange are still controlled by foreign institutional investors.

By 1998 (Imoyo 1998), the total number of stocks and shares securities listed by the Nigerian stock exchange is 264, comprising of 23 government stocks, 57 industrial loans/preferred stocks, 17 second-tier securities and 167 first-tier securities of firms. The total market capitalization has rising to N258,536 million, comprising N2,762 million for government stocks, N3,197 million for industrial loans/preferred stocks, N701 million for second-tier securities and N251,876 million for first-tier securities of firms. Despite this level of market capitalization, the Nigerian stock market is still at its infancy stage because of paucity of securities and their low liquidity.

Raising money of the stock exchange usually implies that there is a public limited liability company that require new capital and makes an offer of this capital generally to the public and, simultaneously, an application is made to the stock exchange for permission to deal in the shares. In order words, public quotation of

shares means that in addition to offering its shares to the members of the public for subscription, a company is also interested in the future marketability of the shares.

1.4 The Nigerian investment scene

The environment in which the Nigerian portfolio manager operates is in many respects similar to that in which the US or the UK portfolio manager has to operate. The basic steps are to;

(a) Develop a set of objectives-selecting a framework which enable the fund to put away its resources and earn the desired return,

(b) Select an investment programme-this consist of a set of actions which is to be taken to result in the achievement of objectives,

(c) Execute programme-the timing is of importance in portfolio development.

However, there are certain key differences between the investment environment in Nigeria compared to the developed economies of the world (Odife 1993), and such differences usually determine the pattern of investment. The major difference been the ignorance of the portfolio manager about the Nigerian capital market, as a result of its underdevelopment, and the other differences are:

(a) paucity of securities-the number of securities available to the portfolio manager are very small

(b) excessive demand-the demand for securities are relatively high that a portfolio manager cannot be so sure of being able to buy back any securities sold,

(c) restrictive regulations-the Trustee Act of 1962 which specifies the structure of most portfolio is considered to be extremely restrictive, and

(d) performance evaluation-under the current investment rules in Nigeria there is no requirement to measure performance and to evaluate results achieved by the fund itself on the one hand and the portfolio manager on the other hand.

1.5 RESEARCH OBJECTIVES

This project analyses the financing practices of Nigerian firms with regard to sources and uses of funds, based on their statement of accounts. The primary objective of the study is to determine the financing pattern and pinpoint the role of the stock market in financing firm expenditures. The analysis in this project is based on data for an aggregate of firms in the Nigerian stock market.

There are several reasons for undertaking an analysis of sources and uses of funds for Nigerian firms. For one, Nigeria is one of the fastest-growing emerging stock markets in the African continent. It is also interesting to explore corporate finance issues in the context of a developing country like Nigeria from a theoretical perspective, even as a pure comparative exercise in scholarship. There is extensive research on corporate finance for other countries like the U.S, India, Canada (Singh and Hamid 1992, Singh 1995 and citations therein).

This project further explores the importance of the availability of internally generated funds for the fixed investment behavior of firms based on a constraint criterion. Hence the relationship between cash flow (internal finance) and the capital investment behavior of firms was determined.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Investment theories and the role of finance

This section considers the predictions of the alternative theories of investment regarding sources of finance. The neoclassical theory of investment is based in part on the Modigliani and Miller (1958) theorems in finance. The neoclassical view assumes that as long as the firm has profitable investments with returns above the cost of capital, the firm can obtain sufficient funds to undertake investments. Consequently, internal and external finance are viewed as substitute; firms could use external finance to smooth investment when internal finance fluctuates. More generally, the neoclassical view also implies a complete dichotomization of the real and financial decisions faced by the firm.

On the other hand, cash flow theories of investment (information-theoretic and managerial approaches)-emphasize financing hierarchy faced by the firm wherein the firm's preference for sources of finance is internal finance, debt, and equity, in that order and therefore cash flows become critical in capital expenditure decisions. For instance, the information-theoretic approach to investment explicitly considers capital market imperfections that raise the cost of external finance; managerial discretion considerations lead to a similar outcome in the managerial theory of investment.

(a) Managerial theory of investment

The managerial approach to corporate behavior directly challenges the assumption of profit maximization by the firm and instead postulates other objectives such as sales, staff, emoluments, market share etc., for managers. Given the separation

of ownership and control (management), managerial behavior is discretionary and constrained rather weakly by shareholder-owner interests on the one hand and by competitive market conditions on the other.

The key result of the managerial approach is that firms aim for greater output levels and faster growth than is consistent with maximizing the current stock market value of the corporation, taken as a proxy for stockholder welfare. The extent of managerial discretion to do this depends upon a minimum profit constraint imposed by the capital market, or upon sustaining a market value high enough to forestall a disciplinary takeover bid in the market for corporate control.

In the managerial theory of the firm, the fundamental determinant of investment is the availability of internal finance. Managers are envisaged as pushing investment programs to a point where their marginal rate of return is below the level that would maximize stockholder welfare; in other words, managers indulge in over-investment. For these purpose, internal finance is particularly favored since they are the most accessible part of the capital market and most amenable to managerial desires for growth. In other words, professional managers avoid relying on the external finance because it would subject them to the discipline of the external capital market. In contrast, the level of cash flow is irrelevant for the firm's investment decisions in neoclassical theory; what matters is the cost of capital.

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(b) Information-theoretic approach of investment

In asymmetric information models, firm managers or insiders are assumed to posses private information about the characteristics of the firm's return stream or investment opportunities. Myers and Majluff (1984) showed that, if outside suppliers of capital are less well informed that insiders about the value of the firm's assets,

equity may not be adequately priced by the market. In particular, the market may associate new equity issues with low-quality firms. If firms are required to finance new projects by issuing equity, underpricing may be so severe that new investors capture more than the Net Present Value (NPV) of the new project, resulting in a net loss to existing shareholders. In this case, the project will be rejected even if its NPV is positive. This under-investment can be avoided if the firm can finance the new project using a security that is not so severely undervalued by the market. For example, internal funds and/or riskless debt involve no undervaluation, and therefore, will be preferred to equity. Myers (1984) refers to this as a "pecking order" theory of financing, i.e., that capital structure will be driven by firms' desire to finance new investments, first internally, then with low-risk debt, and finally with equity only as a last resort.

Based on the considerations, the information-theoretic approach to the study of investment also implies a positive relationship between cash flows and investment; in fact, this positive relationship is also seen as evidence of liquidity constraints faced by firms.

Given these considerations, external finance and internal finance are not perfect substitutes for the firm, as predicted by the Modeifiliani and Miller (1958) theorems and the neoclassical theory of investment. Therefore, in a world of heterogeneous firms, financing constraints would clearly influence the investment decisions of firms. In particular, investment may depend on financial factors, such as the availability of internal finance, access to new debt or equity finance, or the functioning of particular credit markets.

2.2 Discussion on Models

(i) In cash flow models, internal finance is generally viewed as a constraint on the volume of investment expenditures rather than as a determinant of the optimal capital stock. Therefore, there is no role for capital-labor substitution in these models, unlike the neoclassical model of investment.

(ii) It is often difficult to distinguish between the role of cash flow, as a measure of the expected profitability of investment from its role, as a measure of the availability of funds for investment. It is this latter aspect that is generally intended for measurement, and through which the liquidity effect is thought to operate. In the information-theoretic approach for instance, an increase in cash flow would increase investment. However, since increase in cash flow are likely to be high correlated with increased profitability, it is hard to tell if the increased investment is primarily the result of increased profitability rather than increased cash flow. One solution-proposed by Fazzari *et al.* (1988)-- is to use the 'q' ratio as a measure of the expected profitability and cash flows as a measure of the availability of funds.

(iii) Even though the information - theoretic approach assumes the prevalence of capital market constraints and financing hierarchy, it is cast in a neoclassical framework with the usual assumption that managers act in the interests of shareholders and maximize profits and shareholder value. On the other hand, managerial theory is based on the premise that managers have objectives different from those of shareholders. Managers do not maximize profits and shareholders wealth, but instead maximize the growth rate/size of the firm and are probably more concerned about managerial perquisites.

(iv) In the information-theoretic approach, it is assumed that funds are invested at rates of return above shareholder opportunity costs. This is an outcome of the

assumption that managers act in the interests of shareholders. In the managerial model however, investment could take place at rates of returns below opportunity cost. This is because managers have objectives that are different from those of shareholders. Therefore, the policy implications of the two approaches are drastically different. In particular, over-investment by managers is not an issue in the information-theoretic approach, while it is a matter of central concern in the managerial theory. The considerations also have important implications for the efficiency of the resource allocation process implied by the two theories.

(v) In the information-theoretic view, a financing hierarchy exists because of asymmetric information between managers and outside suppliers of finance. As demonstrated by Myers and Majluff (1984), firms are faced with a skeptical capital market that pays less for new equity than its true value, since the market cannot fully learn the expected return on the firm's investment. In the managerial view however, financing hierarchy exists because managers can use internal funds at their discretion and are hence exempt from the discipline of the external capital market.

(vi) The central issue in the managerial theory of investment is the prevalence of managerial discretion. Consequently, internal finance becomes important for investment decisions. On the other hand, the information-theoretic approach to investment emphasizes the role of information asymmetries and essentially views managerial discretion as an aspect of asymmetric information. Therefore, internal finance is importance for investment because of the prevalence of information asymmetries. In other words, the firm's reliance on internal finance is due to information problems as well as agency costs. The common ground between the two approaches lies in recognizing the fact that it is the separation of ownership

and control that generates information asymmetries in the first instance, which in turn leads to discretionary managerial behavior.

(vii) The consensus in the literature on the cash flow theory of investment appears to be that the principal explanation for the observed positive relationship between internal finance and investment is the presence of asymmetries of information (Fazzari *et al*, 1988). In contract, this project takes exception to this view and argues that the cash flow theory of investment is also driven by managerial considerations. However, this project does not attempt to distinguish between the information-theoretic and managerial approaches on the basis of observed firm characteristics, since firm-level data are not entirely reliable in Nigeria.

2.3 External Vs Internal finance

In the context of the firm's choice between internal and external finance, Koch (1943), Donaldson (1961), and others have documented the existence of financing hierarchy, wherein the firm's preferred ordering of the sources of finance is:

(i) internal finance;

(ii) external debt; and

(iii) new equity.

174629

As discussed before, the firm's reliance on internal finance could be rationalized from at least two theoretical perspectives:

(i) managerial approach which emphasizes agency costs stemming from the separation of ownership from control and the importance of internal finance since internal finance facilities managerial discretion; and

(ii) information-theoretic approach which emphasizes asymmetries in information between insiders (managers) and outsiders (suppliers of capital) and the consequent credit rationing faced by firms.

Starting with Baumol *et al.* (1970), there has been extensive literature on the related issue of rates of returns to alternative sources of finance, for firms. The emphasis in these studies has been in looking at the changes in rates of return on alternative sources of finance for a given firm over time; not really in terms of different types of firms. One exception has been the life-cycle approach due to Grabowski and Mueller (1975), where the focus in fact shifts to types of firms from the sources of finance; based on life cycle and technology considerations, firms are classified as being either mature or dynamic.

One interesting finding from these rates of return studies has been the observed hierarchy in returns, with the returns rising from internal finance to new debt and new equity. Thereafter, one strand of the literature has gone on to compare the firm's rate of return to the cost of capital, for alternative sources of finance. In a substantial segment of the U.S. corporate sector, investments have taken place at rates of return below the cost of capital and that this reflects the prevalence of considerable managerial discretion regarding capital expenditures.

An alternative interpretation of this finding is to recognize that hierarchy in returns is precisely what one expects from the assumption of the firm facing a financing hierarchy, wherein the cost of finance rises from internal finance to new debt to new equity. After all, the cost of capital and the required rate of return are two sides of the same coin. In fact, in a world of perfect capital markets, the rate of return should always equal the cost of capital. Therefore, these findings of a hierarchy in returns connote a clear rejection of the perfect capital markets paradigm wherein the rates of

returns are predicted to be the same cross alternative sources of finance. This hierarchy in returns can also be viewed as consistent with the prediction of the cash flow theories that firms that use external capital markets should attain higher returns on investment than firms that do not use external capital markets.

As noted by Lyon (1992), firms with access to sufficient internal funds or external funds without significant agency costs may be able to undertake all investment opportunities with positive net present value. Other firms, however, may face a divergence between the required return on internal funds and that required on external funds due to asymmetric information. In this case, investment opportunities that would be profitable to undertake with internal funds may not yield sufficient returns to allow external financing. Investment is misallocated because projects with high marginal returns may not receive financing, while projects with lower marginal returns are undertaken. Further, the wrong amount of investment may be undertaken. In other words, the presence of financing hierarchy leads to overall inefficiency in the resource allocation process.

It is long been accepted that, for a variety of reasons, internal finance and externally generally generated funds are not perfect substitutes in the financing of firms' investment programme. Earlier literature stressed the possible importance of differing costs of internal and external finance (Minsky, 1975). Firms faced a rising cost of external finance, creating a preference for internal financing, subject to the limitations imposed by minimum dividend requirements. This originated the idea of a hierarchy or 'pecking order' in the utilization of retained earnings, debt and equity, dependent on these differential costs.

Myers (1984) and Myers and Majluf (1984) who stressed the role of asymmetric information gave this idea a different interpretation. Managers with

information not held by the market about their firm's investment prospects and with inadequate internal finance to fund expansion may forego profitable investment opportunities rather than resort to external finance on unfavorable terms. Additional internal funds will such projects taken up.

Firms that, in a particular period, have earnings (after interest, dividends and tax payments) which are more than sufficient to undertake fixed investment and stock building, have the discretion of reducing debt or adding to their holdings of financial assets. This 'slack' may principally be the result of either weak incentives for investment and low investment demand, or a strong cash flow performance in the period.

In the context of the discussion of internal versus external finance, it is also useful to consider the debt and equity elements of external finance separately. As shown by Myers and Majluff (1984), the existence of information asymmetries between suppliers of finance and managers could discourage firms from issuing equity and force them to forgo positive NPV projects and therefore lead to under-investment. Similar considerations may also apply with regard to risky securities such as debt. However, at modest levels of borrowing, debt is comparatively low risk and there is less negative information associated with issues of debt than equity. External debt finance is therefore used in preference to external equity. New equity issues are restricted to the funding of projects for which there are inadequate internal sources of retention finance and external sources of low risk finance are unavailable. This also suggests a "pecking order" of corporate finance in which internal finance is used in preference to external equity issues.

Greenwald *et al.* (1984) also postulate the existence of a tradeoff between issuing risky debt and equity depending on the degree that the returns of the firm are

dependent on managerial effort and the scope the firm has to undertake projects with different degrees of risk. When the former is dominant, debt is the optimal instrument. Where the latter is dominant, equity is the optimal instrument. In between, mixtures of debt and equity may minimize the costs of asymmetric information.

2.4 Recent Trends in Investment

The role of institutional investors has become tremendously important in the U.S. capital markets in recent years. From about 15 percent of total financial assets in 1970, the share of institutions has grown to 22 percent in 1992. Within the class of institutional investors, the relative importance, based on their investments, is as follows:

(a) pension funds,

(b) mutual funds,

(c) insurance companies,

(d) non-pension bank trust, and

(e) foundations/endowments.

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The consequences of this increased institutional equity ownership on both the liquidity of the U.S. stock markets and the performance of U.S. corporations has been a matter of intense debate among economists.

Critics like Lowenstein (1988), asset that the rapid institutionalization of the stock markets has adversely affected the stock market as well as corporations. A common argument holds that money managers of institutional funds are obsessed with their funds quarterly performance, which results in excessive and myopic trading. In turn, these trading practices effectively raise the cost of equity financing. In addition, Jacobs (1991) suggests that the growing importance of institutional investors in

financial markets has led to the "commoditization" of corporate ownership and the market for corporate control.

It has often been asserted that the growing importance of institutional investors is responsible for the increased share turnover in the market. One piece of evidence often cited to support this argument is that block trading (trades of 10,000 shares or more) as a percentage of total trading volume has become quite high. Block trading accounted for 54.5 percent of all shares traded on the New York Stock Exchange in 1988. Lowenstein (1988) has argued that since these large block trades are almost exclusively done by institutions, and since small block trades (as small as 1,000 shares) are also made largely by institutions, institutions probably account for 75 percent of all trading-substantially more than the fraction of shares they own.

The high turnover of institutional portfolios is taken as suggestive that they are more speculative than are individual investors. However, as noted by Shiller (1992), the evidence is far from conclusive about the propensity of institutional investors to engage in speculative behavior. There is a common perception that institutional investors are subject to an incentive system that rewards short-term returns than are individuals, many of whom have long investment horizons. However, there does not appear to be any conclusive evidence that institutional investors ignore the long-term profitability of the companies they invest in any more than individual investors when they dominated the trade in the stock market earlier.

Part of the problem is that investment managers are evaluated on too short term a basis and are not often not given adequate time to manage their portfolios well. As noted by Shiller (1992), some corporate clients of portfolio managers reportedly use the 12/24, rule, which is to fire any portfolio manager whose performance is 12 percent under the S & P 500 index for any 24-month period.

On the other hand, Jones *et al* (1990) argue that the dramatic increase in trading volume that has accompanied the growth in institutional ownership in U.S. stock markets during the 1980s has in fact enhanced stock market liquidity. The stock market liquidity has invariably lowered the required return on equity and therefore the cost of capital. Also, institutions, with their large professional staffs, are likely to be more efficient than individual investors at collecting, analyzing, and acting on objective, firm-specific fundamental information. Therefore, the increased institutionalization of the U.S. capital markets has actually served to improve the efficiency with which corporations are valued and governed. Instead of retarding aggregate long-term corporate investment, the growth in institutional equity ownership simply may have redirected capital from firms with less promising investment projects towards firms with more profitable investment projects.

Jones *et al.* (1990) tested these hypotheses for a sample of 586 U.S. firms for 1982 and 1988. They conclude that institutions have had a positive effect on liquidity; stocks traded heavily by institutions experienced rising turnover, declining volatility and narrowing bid-ask spreads. In other words, institutional investors helped in lowering the required return on equity capital and therefore the cost of capital for the sample firms. Also, the analysis of corporate R and D expenditures showed no strong evidence that institutions induce short-term (myopic) behavior amongst corporate management. In general, the study found no support for the criticisms often aimed at institutional investors.

These findings are also consistent with those of Jarrel *et al.* (1985). The study found that, holding industry effects constant, institutional ownership had a positive effect on the R and D behavior of companies, for a sample of 324 companies for the

1980-83 period. i.e. Institutional investors seem to favor firms with high R and D to revenue ratios.

Likewise, using UK data, Nickell and Wadhwani (1987) found that while the stock market attached too high a weight to current dividends - which is consistent with the belief that the market is myopic-they found no evidence to link this myopic behavior with increases in institutional ownership of equity. Also, Lakoshinok *et al.* (1992) find no solid evidence for the hypothesis that institutional investors destabilize the prices of individual stocks.

As noted by Scholes (1991), some of the increase in share turnover from the early 1980s and late 1970s is explained by the increase in the number of cash tender offers and the growth of share repurchases and recapitalizations that started in the early 1980s and grew dramatically after 1984.

2.5 Financial Slack

The firm's choice between internal and external finance is also related to the notion of financial slack (FS) defined as.

Financial Slack = Internal finance - Capital expenditures.

According to Stein (1989) financial slack is defined as "cash reserves or flows that permit it (firm) to fund its investments without having to issue new stock". This definition is adopted for the current study. Building financial slack essentially allows firms to fund capital expenditures without recourse to external finance and allows managers to effectively insulate themselves from the constant scrutiny of capital markets; this is also known as the "capital market pressure" hypothesis in the literature. In other words, the higher the level of financial slacks, the lower the level of capital market pressure. Based on case studies, Donaldson (1961) found financial

slack to be a major strategic goal of firms. One rationale for the existence of financial slack is the lemons premium associated with new equity issues, as shown by Myers and Majluff (1984). However, it should be noted that Myers and Majluff (1984) define financial slack slightly differently. They define financial slack as the sum of cash on hand and marketable securities.

Financial slack could also be based on considerations of managerial discretion in that it allows managers to be more reliant on internal finance where the scope for managerial discretion is maximum. In other words, the higher the level of financial slack, the greater the likely role of internal finance in firm expenditures. Positive financial slack, as defined here, implies that internal finance exceeds capital expenditures.

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CHAPTER THREE

3.0 METHODOLOGY

The empirical analysis presented in this study is based on the annual financial reports for the 1985-1996 period of a panel of 50 companies quoted in the first tier of the Nigerian Stock Exchange. The sample includes industrial firms belonging to the manufacturing and non-manufacturing sectors of the Nigerian economy. The sample excludes the banking and insurance sectors mainly because the nature of their financial reports does not fit into the format required for the current study.

The 50 companies were picked from 15 sectors of the subdivision of companies as reflected by the Nigerian Stock Exchange listing. Within each sector, firms were then selected at random from those that have financial reports for at least the 12 years period required for this study. The sectors and firms from whose financial reports the data on sources and uses of funds have been derived are:

(a)	**Agriculture**	- Livestock Feeds Plc
(b)	**Automobile**	- Dunlop Nigeria Plc
		- Intra Motors Nigeria Plc
		- Incar Nigeria Plc
		- R. T. Briscoe Nigeria Plc
(c)	**Breweries**	- Golden Guinea Breweries Plc
		- Guinness Nigeria Plc
(d)	**Building Materials**	- Nigerian Ropes Plc
		- Nigerian Wire Industries Plc
		- West African Portland Cement Company Plc

(e) **Chemical and Paints** - Berger Paints Nigeria Plc

- Chemical and Allied Products Plc

- Nigerian-German Chemicals Plc

(f) **Computer and Office Equipment**

- NCR Nigeria Plc

- Thomas Wyatt Nigeria Plc (Apex mill)

(g) **Conglomerates**

- A. G. Leventis Nigeria Plc

- CFAO Nigeria Plc

- John Holt Plc

- Lever Brothers Nigeria Plc

- P. Z. Industries Plc

- SCOA Nigeria Plc

- UAC Nigeria Plc

- UTC Nigeria Plc

(h) **Construction**

- Dumez Nigeria Plc

- Julius Berger Nigeria Plc

- Roads Nigeria Plc

(i) **Food/Beverages and Tobacco**

- Cadbury Nigeria Plc

- Nigerian Breweries Plc

- Nigerian Tobacco Company Plc

- Northern Nigeria Flour Mills Plc

(j) **Footwears**

- Bata Nigeria Plc

- Lennards Nigeria Plc

(k) **Healthcare**
- Boots Company Nigeria Plc
- Christlieb Plc
- Pharma Deko Plc
- Smithkline Beecham Nigeria Plc
- Sterling Products Nigeria Plc

(l) **Industrial/Domestic Products**
- BOC Gases Nigeria Plc
- Vitafoam Nigeria Plc
- Vono Products Plc

(m) **Packaging**
- Studio Press (SPN Packaging) Nigeria Plc
- Van Leer Company Nigeria Plc

(n) **Petroleum (Marketing)**
- African Petroleum Plc
- Agip Nigeria Plc
- Mobil Nigeria Plc
- Texaco Nigeria Plc
- Total Nigeria Plc

(o) **Textiles**
- Afprint Plc
- Enpee Industries Plc
- United Nigerian Textiles Plc

The size of the firms used for this study covers the whole range of the size distribution based on paid-up capital and turnover. It includes large firms like Nigerian Breweries Plc with an annual turnover of up to N12,200 million and Lever Brothers Nigeria Plc with a paid-up share capital of N504 million; as well as small firms like

Nigerian Ropes Plc with an annual turnover of up to N10 million and Lennards Nigeria Plc with a paid-up capital of N2 million (Appendix).

The data on the sources and uses of fund was constructed using the balance sheet; profit and loss account; and the use and application of funds, accounts of the selected firms (Appendix). The approach employed for the construction is similar to the balance sheet approach used by Samuel (1995a) for the study of the sources and uses of funds for United State and Indian firms. The basic idea behind the balance sheet approach being that the firm's sources of funds come from decreases in assets and increases in liabilities while the uses of funds take place through increases in assets and decreases in liabilities.

Based on this approach, the sources of funds are further classified into internal and external sources. The internal sources comprising of items that are most readily accessible and amendable to managerial desires within the firm, whereas external sources are those items that are subject to the discipline of the external capital market. As such items listed as internal sources of funds are retained earnings and depreciation; while those for external sources of funds are paid-up capital, debentures, long term borrowings, unsecured loans and advances, creditors and other current liabilities.

The financial statement of accounts items employed for the construction of the uses of funds are gross fixed assets, inventories and other current assets.

From the raw data, the corresponding percentages of each item were calculated as a fraction of the total sources or uses of funds for each firm. Sector averages were then evaluated for the percentage contribution of internal finance, external debt and external equity to the financing of firm's investments.

The difference between internal finance and capital expenditure at the firm level, defined as financial slack in line with Stein (1989) definition, was estimated. The

financial slack as a percentage of the total sources of funds over the 1985-1996 year range was then calculated. A positive value indicate that a firm have internally generated funds which is more than sufficient to undertake capital investment; while a negative value means that a firm has a cash flow problem and therefore capital investment has to be financed through external debt and/or new equity.

A cash flow constraint criterion was adopted that allows each firm to be sorted on a year-by year basis, according to whether profits net of tax, interest payments and dividends were sufficient to finance its desired (necessary) investment expenditures. Firms that, in a particular period, have earnings, which are more than sufficient to undertake fixed investment, are classified as 'unconstraint' (positive financial slack). The year-by-year classification of firms into the constraint or unconstraint category permits inter-temporal switching of firms between categories. In this way, a single firm is not deemed to exhibit 'constrained' or 'unconstrained' behavior for the entire period of study.

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CHAPTER FOUR

4.0 RESULTS AND DISCUSSION

Broadly speaking, economies can be characterized as being either stock market-oriented or bank-oriented. Traditionally, the UK and U.S. economics have been regarded as being stock market-oriented while Japanese, German and Indian economics are regarded as being bank-oriented. Internal finance is known to be less important in a bank-oriented system than in a stock market-oriented system.

In this framework, Nigeria can be considered a bank-oriented system. In Nigeria, the development banks are similar to the lead bank system in India, universal banks in Germany and the main bank system in Japan. As at 1985, Nigeria has five federal government owned development banks- Nigerian Industrial Development Bank (NIDB), Nigerian Agricultural and Cooperative Bank (NACB), Nigerian Bank for Commerce and Industry (NBCI), Federal Mortgage Bank of Nigeria (FMBN) and Urban Development Bank (UDB). The development banks were set up to raise the rate of financial savings, allocate financial resources to the most productive uses, and improve the investment and productive efficiency of assisted enterprises. These institutions not only contributed to the equity of a number of companies, but they also provide technical advice and can appraise proposals for long term loans. In practice however, the development banks in Nigeria has not fully accomplished its goals of promoting efficient import substitution and export promotion.

For the Nigerian firms, the period 1985-1996 suggest that on an average, internal finance contributes about 10 percent of total sources of funds and external finance the remaining 90 percent. Compared to a similar study, the ratio for Indian firms are 38 percent for internal finance and 62 percent for external finance; and 37

percent for internal finance and 63 percent for external finance for U.S. firms (Table 4.1). It is clear that Nigerian firms are far less dependent on internal finance as a source of funds than Indian and U.S. firms, and are more dependent on external finance. The level of retained earnings and the amount that accrued from depreciation contributes very little to the source of funds for the overall financing activities of Nigerian firms. To summarize, these patterns in the sources and uses of funds do suggest that Nigerian firms are dependent on internal finance to a far smaller degree than their U.S. and Indian counterparts.

Table 4.1 Summary of financing patterns (%)

Sources and uses of funds			
	Nigeria	India*	U.S.*
Internal finance	10.3	40.1	51.0
External equity	18.6	4.9	4.0
External debt	19.0	31.1	9.8
Time period	1985-96	1972-93	1972-92
Number of firms	50	778	504

*Source: Samuel. C. 1995b

In terms of external finance, external equity makes up about 19 percent compared with 5 percent and 4 percent for Indian and U.S. firms respectively (Table 4.1). In other words, the role of the stock market as a source of finance is broadly similar for Indian and U.S. firms, it is about four times more important for Nigerian firms. Financing through external debt accounts for about 19 percent of the external sources of funds compared to 10 percent for U.S. firms and 31 percent for Indian firms (Table 4.1). The availability of low interest credit facilities for industrial development through the development banks in Nigeria and the lead banks in India may account for the large contribution of external debt to the source of funds when compared to the U.S. value. Nigerian firms depend to a larger extent on external equity (paid-up

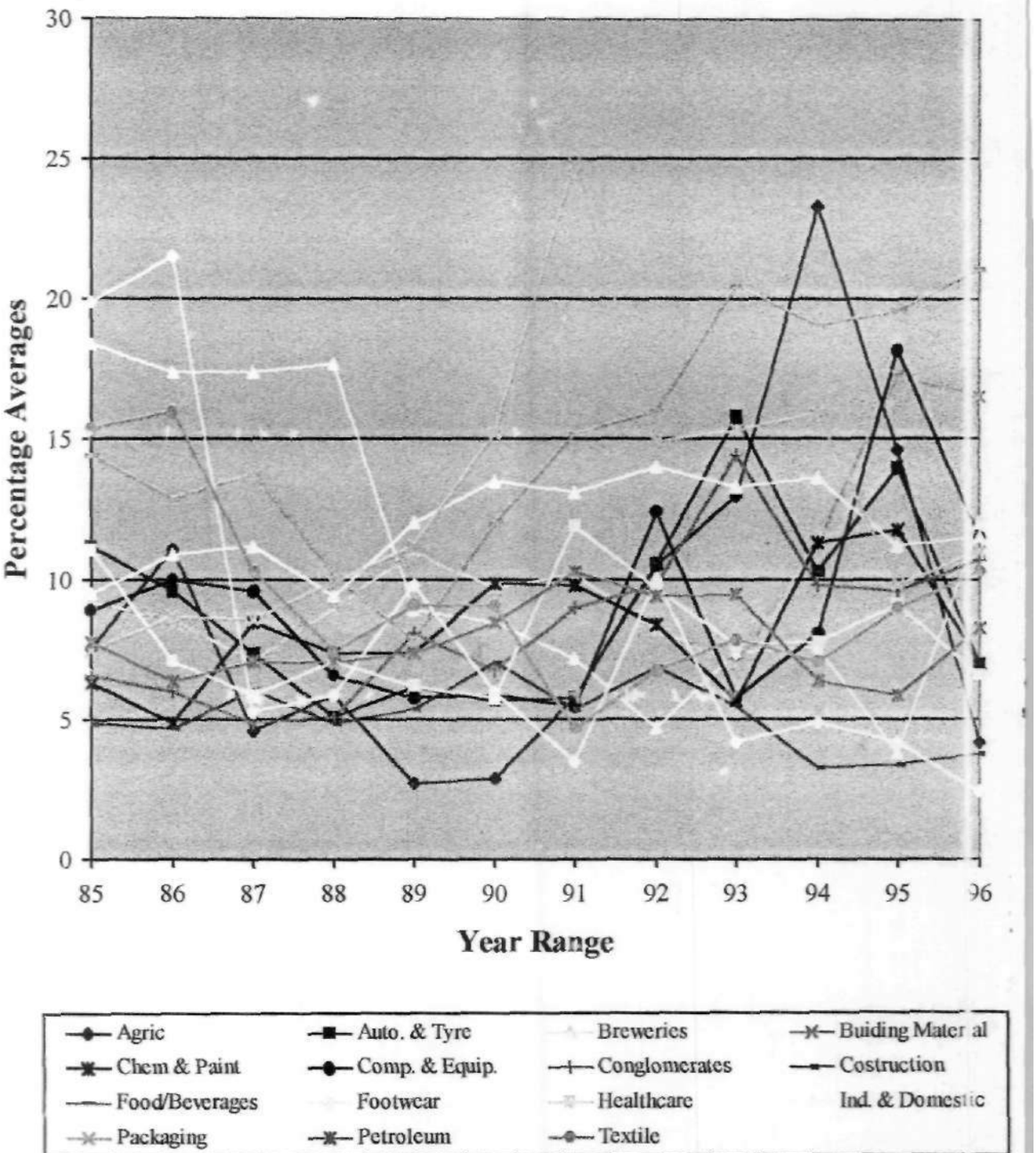
capital) to finance their activities than Indian and American firms. This is not surprising, since Indian and American economies are more developed than the Nigerian economy, alternative sources of finance are therefore available to Indian and American firms.

Table 4.2 Sector Financing Patterns (%)

SECTOR	INTERNAL	EXTERNAL	EXTERNAL EQUITY	EXTERNAL DEBT
Agriculture	8.9	91.1	21.0	26.7
Automobile & Tyre	9.1	90.9	24.4	18.2
Breweries	10.9	89.1	23.7	17.2
Building Materials	10.2	89.8	15.2	17.9
Chemical & Paints	8.2	91.9	21.1	19.9
Computers & Office Equipment	9.0	91.0	18.4	14.0
Conglomerates	8.3	91.7	11.6	26.9
Construction	5.1	94.5	14.8	7.5
Food/Beverages & Tobacco	15.2	84.8	15.0	14.8
Footwear	8.1	91.9	25.3	29.1
Healthcare	8.0	92.0	18.0	27.6
Industrial & Domestic Products	11.9	88.1	27.7	8.6
Packaging	13.1	86.9	20.5	16.4
Petroleum (Marketing)	7.8	92.2	12.0	9.0
Textiles	9.4	90.6	9.7	31.8
Total	**10.3**	**89.7**	**18.6**	**19.0**

At the sector level (Table 4.2), firms listed under Breweries, Food/Beverages and Tobacco, Industrial and Domestic products, and Packaging has internal finance averages above the total firm's average. It is worth noting that all the firms within these sectors produce or market consumer food items and their essential facilitators. Firms listed under Construction, Petroleum (Marketing), Healthcare, Footwear, Chemical and Paints, and Conglomerates has internal finance averages way below the total firm's average. The reason for their low internal finance averages may be connected with the fact that firm's within these sectors are largely owned by foreign

Figure 4.1 Internal Finance :Sector Averages



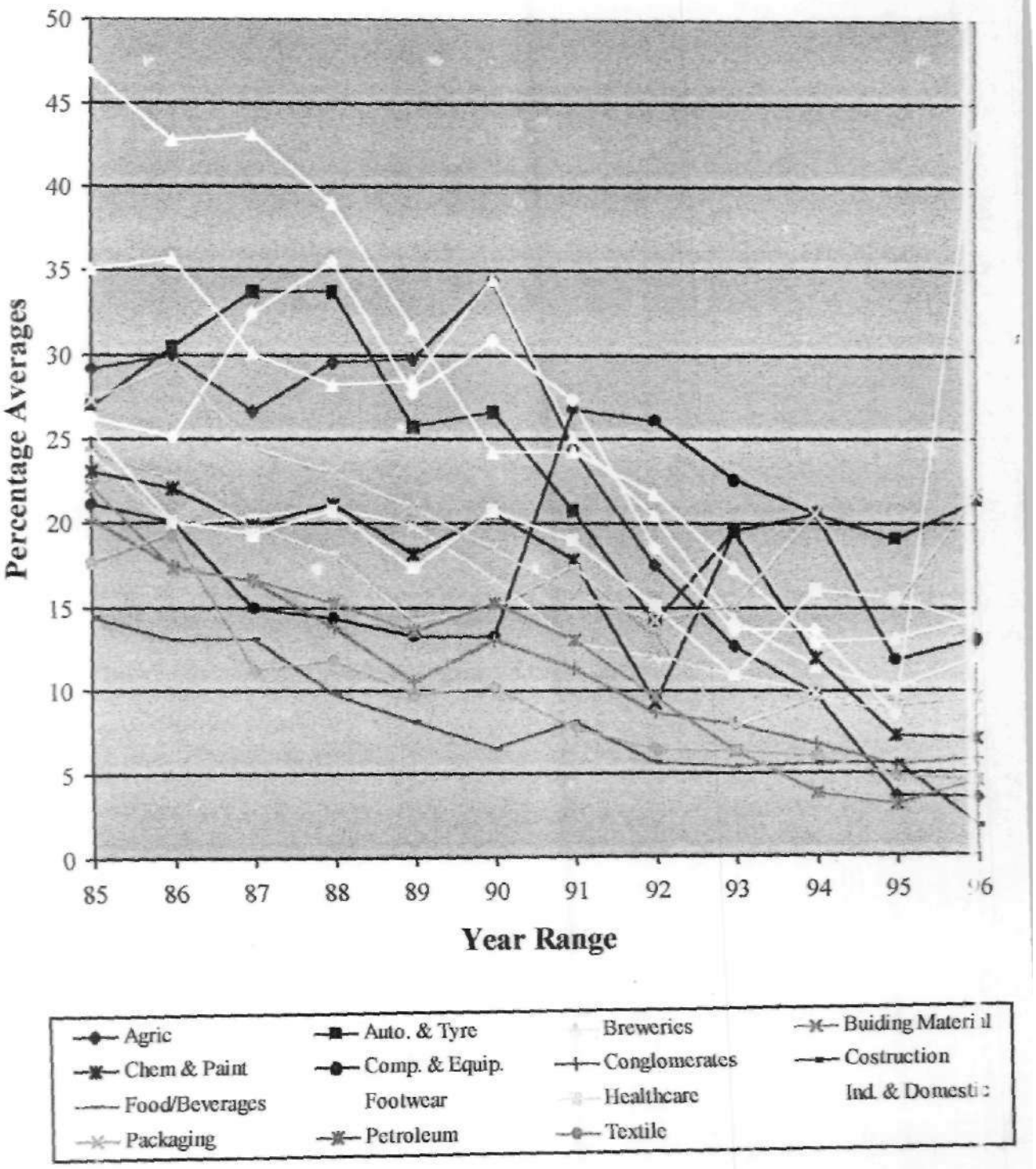
company and therefore, repatriate most of their earnings back to their headquarters than sink it back into the economy of a foreign country.

Across the 1985-96 year range, for most of the firms within the sectors, internal finance falls below the 13 percent level (Figure 4.1). It is interesting to note that the evidence in figure 4.1 suggest that internal finance has become more important in the 1990s compared to the 1980s. This is not surprising, as firms are now increasingly more aware of the need to sink back a larger proportion of internally generated revenue into the financing of the firm's development objectives, if they are to remain in business.

There has been a gradual decrease in the importance of external equity over the year range for most of the sectors. Figure 4.2 tend to suggest that from 1990 the slide in the contribution of external to the overall financing pattern has been significant. This may be a good development as even in the stock-market oriented economy like U.S., external equity as a source of funds only contributes about 4 percent to the overall financing pattern of firms. Similarly in India, which has one of the fastest–growing emerging stock markets, the contribution of external equity as a source of funds is only 5 percent.

Depending heavily on the stock market equity as a source of funds may be too risky a proposition for most firms. Where alternative and less risky source of funds, like internal finance and external debt, are available to the firm most fund managers will prefer this alternative to the uncertainty of the stock market. Singh (1995) found that, compared to firms in advanced countries, firms in developing countries financed the growth of net fixed assets from internal sources to a far smaller degree. For instance, in the case of the top 100 Indian manufacturing firms for the 1980-90 period, external equity contributed to about 20 percent of the growth of the average firm. This

Figure 4.2 External Equity:Sector Averages



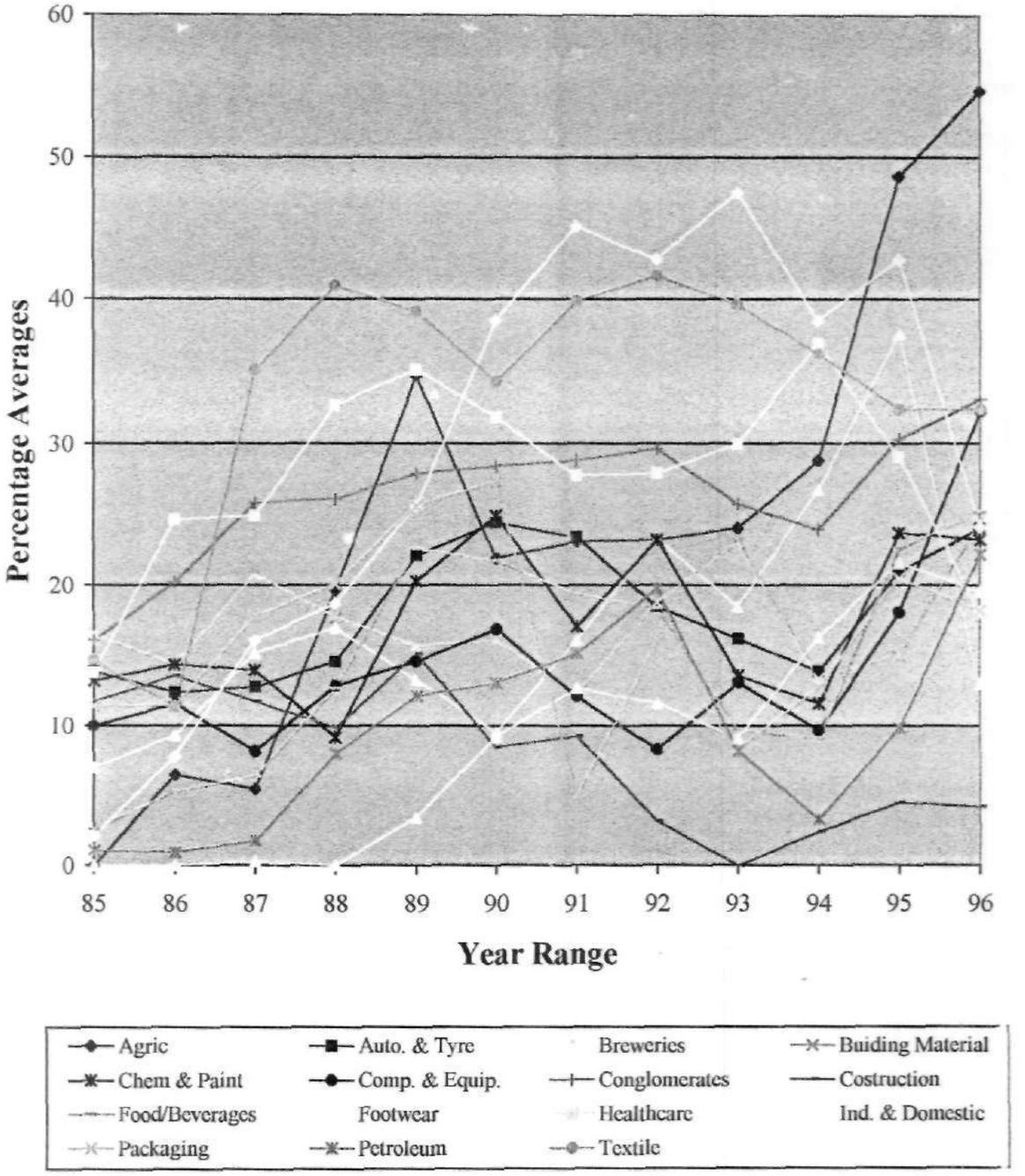
is in line with the trend observed for Nigerian firms, which depend more heavily on external equity and debt, and to a small extent on internal finance, to finance growth in net fixed assets.

The fundamental difference between Nigerian and Indian firms on the one hand, and U.S. firms on the other, stems from the role that external debt plays as a source of finance; it is much more important for Nigerian and Indian firms than U.S. firms. While there is only a 9.8 percent contribution of external debt for the U.S. firms, the contributions from Nigerian and Indian firms are 19.0 and 31.1 percent respectively (Table 4.1). This may not be unconnected to the fact stated earlier that the easy access to bank loans enable local entrepreneurs and foreign businessmen alike operating in Nigeria to fund themselves without diluting the control of their operations by going to the capital market for funds. It is in this sense that the Nigerian and Indian financial system can be termed as a bank-oriented ones.

The dependent of Nigerian firms on external debt to finance investment objectives has been on the increase, with it growing gradually through the 1980s and rapidly increasing in the 1990s (Figure 4.3), despite the management significance of reducing external debt to the minimum. However, the fears by indigenous companies and industrial investors, prevalent since the inception of the Nigerian capital market, about raising additional funds from the stock market is yet to be completely allayed, hence the high and increasing levels of external debt among Nigerian firm compared to U. S. firms.

It is worth noting that information and agency cost for raising funds, about 10-13 percent, through the Nigerian stock market is still high. The rates payable on

Figure 4.3 External Debt: Sector Averages



agricultural and industrial investment loans and debentures obtainable from development banks and government agencies, are less or comparable to the information and agency cost. So there is really no incentive for firms to seek funds from the stock market, with its 'pressures' and the dilution of corporate control.

Another factor militating against seeking external equity by firms is the bad trend in the Nigerian Society, in which indigenous firms receive agricultural and manufacturing loans from development banks and then default in payment. Such 'soft' loans are considered, despite it been an illegal practice, easier source of funds than the other sources of funds.

Total borrowings of Nigerian firms (Appendix) have three components: (i) Term-loans from development banks, (ii) Debentures and (iii) Working capital loans (bank borrowing) from commercial banks. However for most firms borrowings consist mainly of the term-loans from financial institutions and working capital loans from commercial banks. The two forms of borrowings constitute the largest external debt source, with debentures a less contributor to the sources of funds. It is interesting to note that over 50% of most firms' sources of funds emanate from creditors and other current liabilities.

With regard to the uses of funds, for most firms the bulk of it is utilized on inventory and other current asset. The gross fixed asset on the average account for about 30% of most sector uses of funds (Appendix). However, the percentage of the funds utilize for capital expenditure in relation to the total uses of funds, is the primary area of interest for this study

In the managerial theory of firm, the fundamental determinant of investment is the availability of internal finance that is external finance plays a limited role with regard to capital expenditure. Firms issue debt and equity to retire existing

commitments rather than to finance capital expenditures, which is done primarily through internal finance. Hence a positive financial slack (unconstraint) is indicative of firms restricting their capital expenditure within the available resources generated internally; whereas a negative financial slack (constraint) means the firms capital expenditure exceed its internally generated revenue and has to be finance through additional funds generated externally (Table 4.3).

The classification of firms based on the constraint criterion on year-by-year basis indicated that only 30-35 percent of the firms is constraint over the entire study year range (Figure 4.4). This indicate that majority of the firms can finance their capital expenditures with internal finance or are unwilling to embark on capital projects whose financial outlay requires seeking funds from external sources. This observation is in line with the managerial theory of investment which is of the view that professional managers avoid relying on the external finance because it would subject them to the discipline of the external capital market. This finding can also be compared with that of Samuel (1995a), who concluded that external finance plays a limited role with regard to capital expenditures.

The result of the constraint criterion on firms within the various sectors of the economy shows similar pattern in which most firms do not exhibit cash flow constraint. However there is an interesting deviation, about 50 percent of firms within the Breweries, Construction, Conglomerates, Footwear and Textile sectors; and about 60 percent of firms in the petroleum marketing sector (Figure 4.5), had cash flow problems over the 1985-96 year range. Apart from the Footwear sector, the other sectors consist of firms with high turnover and heavy capital outlay for their products. A raise in the number of constrained firms is evident towards the 1995 and 1996

period, this is at the peak of the political and economic instability in the country, which culminated into stagnation of entire economy of the nation.

Table 4.3 Classification of Firms within the sectors on the Constraint Criterion

SECTOR		85	86	87	88	89	90	91	92	93	94	95	96	Total
Agriculture	U	1	1	0	1	1	1	1	1	1	1	1	0	**9**
	C	0	0	1	0	0	0	0	0	0	0	0	1	**3**
Automobile & Tyre	U	4	4	4	4	2	3	3	3	4	3	4	2	**40**
	C	0	0	0	0	2	1	1	1	0	1	0	2	**8**
Breweries	U	2	2	2	2	1	1	0	0	1	1	0	0	**12**
	C	0	0	0	0	1	1	2	2	1	1	2	2	**12**
Building Materials	U	2	0	2	3	2	2	3	2	1	3	3	2	**25**
	C	0	2	1	0	1	1	0	1	2	0	0	1	**9**
Chemical & Paints	U	2	2	3	3	3	3	3	3	2	3	3	1	**31**
	C	1	1	0	0	0	0	0	0	1	0	0	2	**5**
Computers & Office	U	2	1	1	0	2	1	2	2	2	1	2	1	**17**
Equipment	C	0	1	1	2	0	1	0	0	0	1	0	1	**7**
Conglomerates	U	6	4	3	5	7	5	6	6	6	6	6	4	**64**
	C	2	4	5	3	1	3	2	2	2	2	2	3	**31**
Construction	U	3	1	3	2	1	2	1	1	3	3	1	0	**21**
	C	0	2	0	1	2	1	2	2	0	0	2	3	**15**
Food/Beverages &	U	4	4	3	3	2	3	4	3	4	3	2	4	**39**
Tobacco	C	0	0	1	1	2	1	0	1	0	1	2	0	**9**
Footwear	U	2	2	1	1	1	1	1	1	1	0	2	0	**13**
	C	0	0	1	1	1	1	1	1	1	2	0	2	**11**
Healthcare	U	5	4	4	1	3	4	3	4	3	4	4	1	**40**
	C	0	1	1	4	2	1	2	1	2	1	1	1	**17**
Industrial &	U	3	3	2	3	3	2	3	2	2	3	3	3	**32**
Domestic Products	C	0	0	1	0	0	1	0	1	1	0	0	0	**4**
Packaging	U	2	2	2	2	2	2	2	2	2	2	1	1	**22**
	C	0	0	0	0	0	0	0	0	0	0	1	1	**2**
Petroleum	U	2	1	2	3	1	2	2	2	3	3	0	3	**24**
(Marketing)	C	3	4	3	2	4	3	3	3	2	2	5	0	**34**
Textiles	U	3	3	2	2	1	2	1	0	1	1	2	1	**19**
	C	0	0	1	1	2	1	2	3	2	2	1	2	**17**
Total	U	**43**	**34**	**34**	**35**	**32**	**33**	**35**	**32**	**36**	**37**	**34**	**23**	**408**
	C	**6**	**15**	**16**	**15**	**18**	**17**	**15**	**18**	**14**	**13**	**16**	**21**	**184**

Note: C = Constraint U = Unconstraint

Figure 4.4 Variation of Firms' Statue with Time

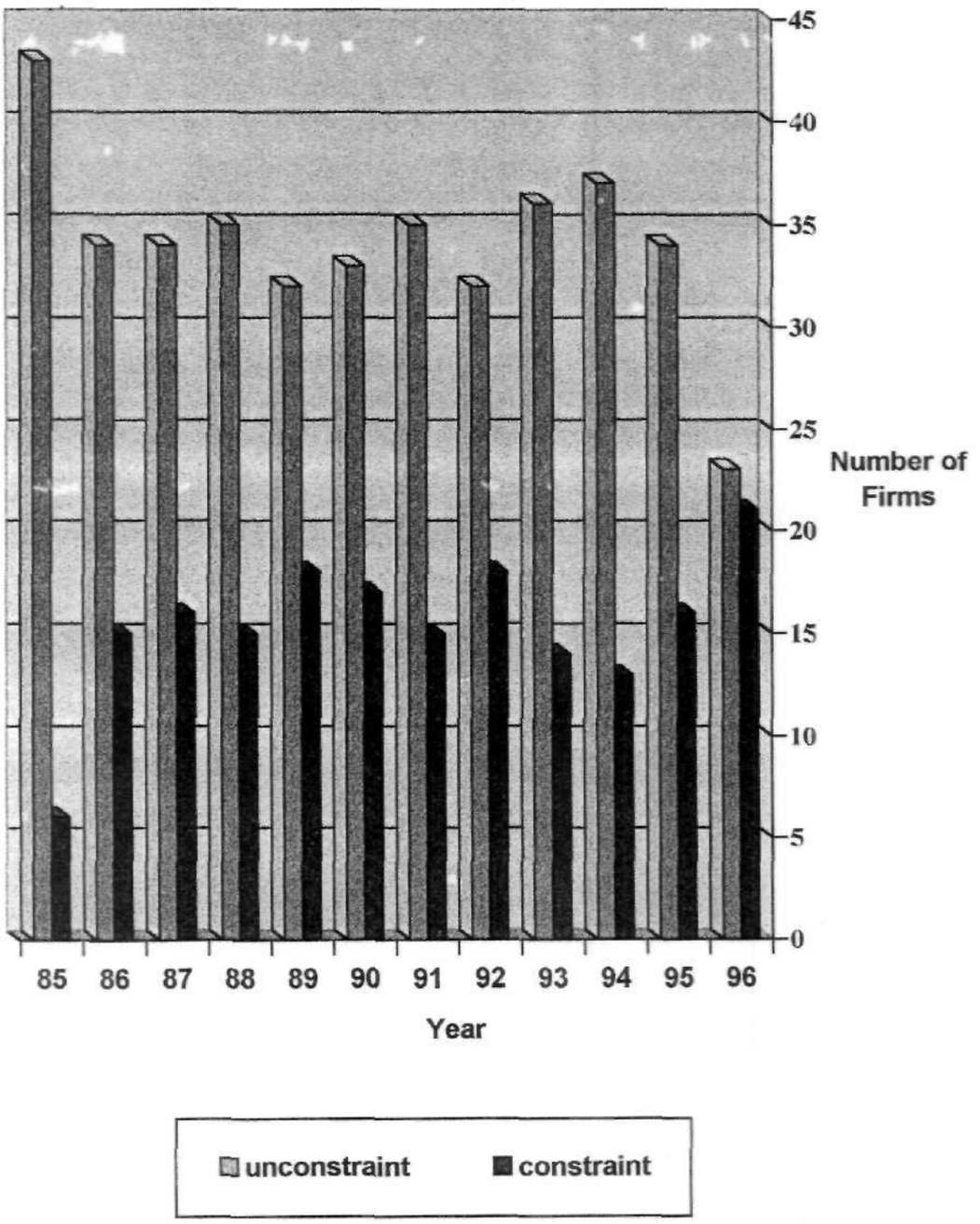
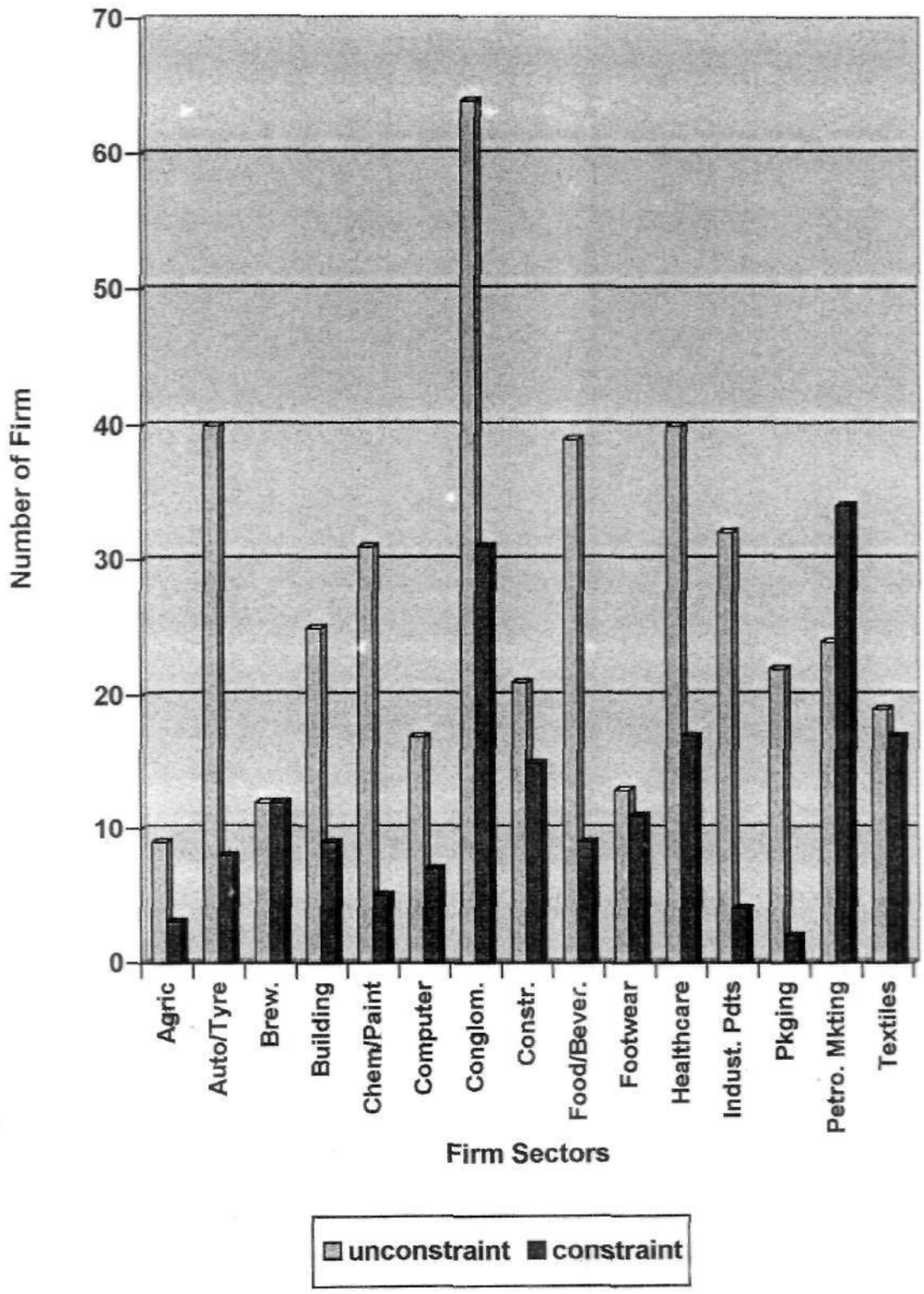


Figure 4.5 Variation Firms' Statue within the Sectors



CHAPTER FIVE

5.0 CONCLUSION

There are many ways to characterize the decisions that firms make regarding the sources and uses of funds. The results of this project suggest that on the sources of funds side, the firm's fundamental choice is between internal and external finance. Likewise, on the uses of funds side, the choice is between physical and financial investments. Overall the evidence in this study suggest that Nigerian firms are less dependent on internal finance and more dependent on external finance in the financing of firms' investment programme. On a comparative basis, the fundamental difference between firm financing choices in Nigeria, India and the U.S. relate to the smaller role of internal finance and the bigger role of external debt in Nigerian and Indian firms compared to U.S. firms.

External equity and external debt as components of external finance have almost equal contribution to Nigerian firms' sources of funds. This findings indicate that Nigerian firms financing pattern does not follow the "pecking order" theory of financing. The contribution of external equity to external finance as a source of funds has not shown appreciable increase over the years. In other words, the role of the stock market as a source of finance is still grossly underdeveloped and underutilized by Nigerian firms. The interesting puzzle this finding then poses is that given the limited role the stock market plays in firm's financing, why do managers worry so much about share prices?. The result is consistent with the prediction of internal finance being less important and external finance being more important for firms in developing economy; since their financial system is predominantly a bank-oriented one.

On the basis of the constraint criterion, a very high percentage of Nigerian firms seem to restrict their capital expenditure to within internally generated revenue.

However, as stated earlier the contribution of internal finance, as a source of funds is significantly low, hence revenue committed to financing capital projects will be grossly inadequate. It is not surprising therefore the deplorable state in which most of Nigerian manufacturing and non-manufacturing industries are currently. Although there are other factors that could contribute to their problems but not reinvesting adequate funds into development programs surely plays a significant role. More finance should be generated internally and expansion in equity base for capital investment to resuscitate the Nigerian ailing industries and the economy.

5.1 RECOMMENDATIONS

What do these findings imply for the issue of stock market development in developing countries? The capital market is very important to the industrial growth and development of the nation's economy. But for the market to play its expected role, there is need for the creation of enabling environment for it to operate. The capital market operators should be able to create awareness about their operations; companies should be made to realize that currently the capital market offers a cheaper source of raising funds compared even to the money market. A general public enlightenment on the benefits of investment in the capital market is essential.

Also the government should help to activate the other sectors of the market such as bonds and debentures which are currently dormant; and create incentives, in terms of taxes and listing fees, for indigenous promoted companies to access the market. The cost of raising funds from the market should be reviewed to encourage more companies to seek quotation. One important caveat to the discussion of the Nigerian stock market relates to the limited role of foreign investors in the slow-paced privatization of state-owned enterprises. Foreign institutional investors should be encouraged to play a more active role in the Nigerian stock market.

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Table of Sources and uses of funds for Nigerian firms: 1985-1996 (%)

Appendix 1 - Agriculture

Livestock Feeds Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	35	45	48	42	42	29	54	97	222	303	685	880
Shareholders Fund*	11	14	15	16	12	2	3	11	20	42	79	85
Capital Investment*	0.7	2	3	2	0.5	0.9	1	3	8	13	21	88
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	7.6	11.1	4.6	5.9	2.7	2.9	5.8	10.5	13.0	23.3	14.6	4.2
Retained Earnings	5.6	8.9	2.3	3.1	0.0	0.0	3.4	8.3	10.7	21.2	12.9	1.5
Depreciations	2.0	2.2	2.3	2.8	2.7	2.9	2.4	2.2	2.3	2.1	1.7	2.7
External	92.4	88.9	95.4	94.1	97.3	97.1	94.2	89.5	87.0	76.7	85.4	95.8
Paid up capital	29.2	30.0	26.7	29.6	29.8	34.4	24.5	17.6	12.7	9.8	3.6	3.5
Total Borrowing	0.0	6.5	5.5	19.7	34.7	21.9	23.1	23.2	24.0	28.8	58.5	74.8
Bank Borrowing	0.0	6.5	5.5	19.7	34.7	21.9	23.1	23.2	24.0	28.8	58.5	74.8
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	21.1	21.7	10.6	6.3	10.2	9.2	14.0	22.2	25.8	18.6	14.3	12.7
Other Curr. Liabilities	42.3	50.3	52.6	38.5	22.6	31.6	32.6	26.6	24.4	19.5	9.1	4.7
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	23.2	19.8	22.4	25.4	25.2	42.1	29.6	24.9	21.5	19.2	15.2	17.4
Of Which Plant and Machinery	7.9	7.7	6.9	6.5	6.4	8.6	10.4	21.3	3.7	5.4	1.9	3.5
Inventories	31.2	21.8	47.9	48.1	52.1	35.8	38.4	42.5	37.3	36.0	34.7	51.9
Other Current Assets	45.6	58.4	29.7	26.5	28.7	22.1	32.0	32.6	41.2	44.8	50.1	30.7
Financial Slack	5.2	6.8	-2.9	1.4	1.3	-0.2	3.3	4.9	2.8	10.7	7.3	-21.1

Appendix 2- Automobile

Dunlop Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	87	76	116	157	253	282	448	694	971	1624	3838	3934
Shareholders Fund*	44	52	65	95	131	138	185	255	346	569	867	1031
Capital Investment*	0.8	3	5	13	145	70	25	48	96	105	277	429
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	21.6	15.0	19.1	9.9	12.4	4.2	10.2	13.5	13.3	15.0	12.5	11.9
Retained Earnings	15.6	10.7	15.4	7.5	11.0	2.5	5.0	7.6	7.6	10.9	9.7	8.1
Depreciations	6.0	4.3	3.7	2.4	1.4	1.7	5.2	5.9	5.7	4.1	2.8	3.8
External	78.4	85.0	80.9	90.1	87.6	95.8	89.8	86.5	86.7	85.0	87.5	88.1
Paid up capital	16.1	15.6	18.0	14.5	6.3	5.0	4.3	4.8	7.8	6.8	6.1	7.6
Total Borrowing	6.6	2.8	0.0	16.0	46.7	64.2	53.7	39.0	27.7	19.2	45.8	37.4
Bank Borrowing	6.6	2.8	0.0	0.1	3.7	21.0	26.6	31.0	24.0	16.4	43.5	32.4
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	15.9	43.0	43.2	27.1	8.0	3.7	2.8	2.3	5.0
Creditors	36.1	50.9	28.3	31.0	22.3	15.1	22.6	25.7	19.7	28.6	19.8	22.1
Other Curr. Liabilities	19.7	15.9	34.6	28.6	12.4	11.6	9.2	17.1	31.6	30.4	15.9	21.1
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	35.2	29.9	27.0	20.3	51.2	52.0	52.8	43.8	39.9	25.2	22.4	31.7
Of Which Plant and Machinery	9.8	8.0	8.4	8.1	30.5	30.6	40.7	33.0	29.2	15.2	9.4	14.7
Inventories	16.6	14.5	28.6	22.3	38.7	25.5	25.5	45.5	46.0	45.5	55.3	47.9
Other Current Assets	48.2	55.6	44.4	57.4	10.1	22.5	21.7	10.7	14.1	29.3	22.3	20.4
Financial Slack	20.4	11.1	13.9	1.3	-30.8	-12.5	5.2	5.2	0.0	6.5	2.4	-7.5

Incar (Nigeria) Ltd	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199(
Turnover*	47	37	45	51	53	60	81	89	144	58	52	90
Shareholders Fund*	15	16	18	18	19	20	15	54	111	105	107	110
Capital Investment*	1	0.3	0.3	0.08	0.6	0.7	0.6	1.3	1.7	1.3	4.8	1.3
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	8.2	6.4	4.4	4.1	1.4	1.0	0.8	1.7	25.4	2.4	5.5	7.4
Retained Earnings	6.7	5.3	2.8	2.8	0.5	0.0	0.0	0.0	23.7	0.0	2.9	3.2
Depreciations	1.5	1.1	1.5	1.3	0.9	1.0	0.8	1.7	1.7	2.4	2.6	4.2
External	91.8	93.6	95.7	95.9	98.6	99.0	99.2	98.3	74.6	97.6	94.5	92.6
Paid up capital	14.6	10.3	12.2	13.3	9.1	22.2	18.0	14.0	31.5	42.8	44.6	55.8
Total Borrowing	41.9	49.8	48.1	36.3	34.0	24.9	24.4	19.2	19.6	26.4	25.6	15.0
Bank Borrowing	37.1	46.7	44.4	33.0	34.0	24.9	24.4	19.2	19.6	26.4	25.6	15.0
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	4.8	3.1	3.7	3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	23.7	21.6	19.7	25.5	43.1	43.8	53.2	59.9	14.5	17.5	15.5	13.4
Other Curr. Liabilities	11.6	12.0	15.6	20.8	12.5	8.1	3.6	5.2	9.0	10.9	8.8	8.4
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	30.5	23.2	31.4	28.5	20.0	21.4	17.6	45.7	40.8	45.2	47.9	52.3
Of Which Plant and Machinery	0.4	0.2	0.3	0.2	0.2	0.5	0.5	0.2	0.2	0.1	<0.01	<0.0
Inventories	30.0	48.3	38.2	37.7	59.8	48.6	50.5	40.2	37.0	43.1	40.0	33.6
Other Current Assets	39.5	28.5	30.4	33.8	20.2	30.0	31.9	14.1	22.2	11.7	12.1	14.1
Financial Slack	5.5	5.9	3.6	3.9	0.7	0.1	0.2	0.6	24.1	1.0	0.3	5.6

Intra Motors Ltd	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199(
Turnover*	12	9	14	21	34	38	55	69	166	119	104	123
Shareholders Fund*	17	17	18	18	22	22	17	18	19	21	23	32
Capital Investment*	0.3	0.02	0.9	0.1	0.5	0.7	1.5	2.5	1.6	6.0	2.5	2.5
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	3.7	2.9	4.2	2.4	4.5	3.7	2.9	4.4	5.5	6.8	5.6	2.6
Retained Earnings	1.9	1.2	2.5	0.9	1.2	0.0	0.0	1.5	1.7	3.4	2.9	0.6
Depreciations	1.8	1.7	1.7	1.5	3.3	3.7	2.9	2.9	3.8	3.4	2.7	2.0
External	96.3	97.1	95.8	97.6	95.5	96.3	97.1	95.6	94.5	93.2	94.4	97.4
Paid up capital	31.8	33.6	36.2	39.0	30.3	33.6	25.2	19.5	24.1	18.9	18.3	13.8
Total Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bank Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	56.0	57.2	54.2	58.3	61.5	56.9	65.3	69.5	59.5	71.0	71.4	78.9
Other Curr. Liabilities	8.5	6.2	5.4	0.3	3.7	5.8	6.6	6.6	10.9	3.2	4.8	4.7
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	12.4	11.5	11.7	10.9	23.5	24.3	21.9	20.1	24.2	26.2	18.0	12.3
Of Which Plant and Machinery	4.4	4.0	3.9	3.5	2.7	3.5	4.2	3.1	4.0	7.6	2.4	1.6
Inventories	15.2	6.2	9.9	13.9	21.5	27.2	9.9	48.2	11.8	15.6	37.7	23.4
Other Current Assets	72.4	82.3	78.4	75.2	55.0	48.5	68.2	31.7	64.0	58.2	44.3	64.3
Financial Slack	2.6	2.8	0.9	2.0	3.1	1.4	-0.9	-0.5	1.7	-4.6	2.5	0.3

R.T. Briscoe(Nig) Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199
Turnover*	42	26	11	23	47	61	91	178	315	419	417	823
Shareholders Fund*	18	21	43	52	53	54	58	92	125	167	291	304
Capital Investment*	0.9	0.6	0.2	0.2	6.9	3.3	1.5	13.0	8.9	10.6	15.0	29.
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	11.3	13.9	2.0	3.7	6.5	13.9	9.5	22.9	19.1	16.9	32.1	6.0
Retained Earnings	7.8	11.9	0.0	0.2	2.6	10.6	6.4	21.0	16.3	15.1	30.8	3.5
Depreciations	3.5	2.0	2.0	3.5	3.9	3.3	3.1	1.9	2.8	1.8	1.3	2.5
External	88.7	86.1	98.0	96.3	93.5	86.1	90.5	77.1	80.9	83.1	67.9	94.
Paid up capital	45.6	62.4	68.7	68.4	57.6	45.9	35.6	18.5	15.1	13.9	7.5	8.2
Total Borrowing	7.0	0.0	3.2	6.1	7.7	8.4	15.6	15.6	17.5	9.8	12.5	43.
Bank Borrowing	7.0	0.0	3.2	6.1	5.2	1.3	3.5	6.8	14.4	9.8	12.5	43.
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	2.5	7.1	12.1	8.8	3.1	0.0	0.0	0.0
Creditors	29.3	11.1	14.9	21.1	20.0	18.8	10.1	10.6	14.2	11.9	14.7	25.
Other Curr. Liabilities	6.8	12.6	11.2	0.7	8.3	13.0	29.3	32.4	34.2	47.6	33.3	17.
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	43.0	49.0	65.2	54.9	54.7	41.9	34.8	29.9	21.7	12.0	7.6	10.
Of Which Plant and Machinery	1.6	2.4	0.9	0.7	5.6	7.3	6.3	14.2	3.3	4.6	2.6	4.3
Inventories	17.3	12.3	18.1	16.4	19.6	30.2	27.8	44.8	39.0	45.0	32.3	50.
Other Current Assets	39.7	38.7	16.7	28.7	25.7	27.9	37.4	25.3	39.3	43.0	60.1	43.
Financial Slack	9.6	11.5	1.6	3.3	-9.2	7.8	7.3	13.3	14.6	12.0	28.7	-2.2

Appendix 3 - Breweries

Golden Guinea Breweries Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199
Turnover*	47	41	38	53	84	86	112	116	263	322	522	775
Shareholders Fund*	40	42	44	47	49	51	51	51	52	53	91	120
Capital Investment*	8.9	3.7	2.1	4.3	3.6	0.7	9.5	9.6	19.5	14.0	67.3	30.
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	25.4	25.7	27.6	29.1	7.6	8.6	7.5	4.4	4.5	5.1	3.1	8.4
Retained Earnings	21.3	21.8	24.0	26.4	3.2	3.9	3.2	0.2	0.8	0.5	0.2	4.1
Depreciations	4.1	3.9	3.6	2.7	4.4	4.7	4.3	4.2	3.7	4.6	2.9	4.3
External	74.6	74.3	72.4	70.9	92.4	91.4	92.5	95.6	95.5	94.9	96.9	91.
Paid up capital	37.2	34.0	32.1	30.9	39.9	47.9	34.7	28.2	22.6	19.1	14.6	18.
Total Borrowing	<0.01	0.0	0.0	0.0	0.0	0.0	0.7	0.6	0.0	0.0	0.0	0.0
Bank Borrowing	7.0	12.6	14.2	15.6	14.7	11.2	18.9	17.2	16.8	16.3	37.5	10.
Debentures	7.0	5.6	5.3	4.4	4.7	3.7	4.9	2.7	3.8	0.7	0.0	0.0
Long Term Borrowing	0.0	7.0	8.9	11.2	10.0	7.5	13.3	13.9	13.0	15.6	37.5	10.
Creditors	15.5	16.1	18.4	17.0	2.2	7.5	1.5	10.9	12.4	11.6	14.0	17.
Other Curr. Liabilities	15.1	11.6	7.7	7.5	35.6	33.6	37.4	39.4	43.6	47.8	30.7	45.
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	40.3	38.3	35.6	36.7	37.3	33.6	36.4	34.3	34.5	31.8	30.2	35.
Of Which Plant and Machinery	14.3	11.3	9.8	8.0	6.0	10.3	10.9	13.0	19.3	18.4	15.7	27.
Inventories	21.0	33.3	42.6	35.2	44.0	39.4	35.8	44.3	41.3	49.4	36.2	30.
Other Current Assets	38.7	28.4	21.8	28.1	18.7	27.0	27.8	21.4	24.2	18.8	33.6	34.
Financial Slack	11.4	20.4	24.7	23.5	1.5	-3.1	-4.1	-5.1	-8.5	-2.8	-16.0	-0.8

Guinness Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199
Turnover*	258	268	308	474	751	1105	1510	2155	3921	5202	8074	894
Shareholders Fund*	164	174	189	203	546	617	687	913	3232	3535	4927	458
Capital Investment*	2.7	12.1	18.2	18.4	151	23.8	80.8	120	166	234	1010	907
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	11.3	9.1	7.1	6.2	10.2	8.3	6.9	5.0	10.2	10.1	4.4	15.
Retained Earnings	6.6	5.1	3.8	3.1	8.4	4.8	3.9	2.6	9.0	7.2	0.2	0.1
Depreciations	4.7	4.0	3.3	3.1	1.8	3.5	3.0	2.4	1.2	2.9	4.2	15.
External	88.7	90.9	92.9	93.8	89.8	91.7	93.1	95.0	89.8	89.9	95.6	84.
Paid up capital	32.9	37.4	29.0	25.4	17.1	20.7	15.4	12.8	6.0	3.9	5.7	6.1
Total Borrowing	7.0	6.0	16.2	18.3	11.9	7.7	13.2	29.4	20.2	37.1	37.6	15.
Bank Borrowing	0.0	0.0	11.9	14.8	9.8	6.1	12.2	21.5	10.7	25.4	26.7	3.8
Debentures	0.0	0.4	0.3	0.3	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	7.0	5.6	4.0	3.2	1.8	1.4	1.0	7.9	9.5	11.7	10.9	11.
Creditors	20.3	24.2	33.0	30.2	41.7	49.4	48.9	36.6	44.8	11.2	12.5	11.
Other Curr. Liabilities	28.4	23.4	14.8	19.9	19.0	14.0	15.6	16.1	18.8	37.8	39.8	51.
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	53.4	48.8	39.3	34.2	56.7	48.8	42.4	35.1	50.9	40.2	40.2	45.
Of Which Plant and Machinery	18.9	18.2	13.7	12.9	19.1	15.6	15.4	14.3	36.2	28.8	30.5	30.
Inventories	11.9	15.0	34.6	44.7	29.2	31.8	35.1	45.0	27.8	42.8	46.2	47.
Other Current Assets	34.7	36.2	26.1	21.1	14.1	19.4	22.5	19.9	21.3	17.0	13.6	6.9
Financial Slack	10.1	4.6	1.8	1.5	-15.7	5.0	-1.4	-3.6	4.7	5.0	-16.9	-5.

Appendix 4 – Building Materials

Nigerian Ropes Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199
Turnover*	10	12	12	18	24	30	37	43	43	56	77	111
Shareholders Fund*	2	4	4	5	7	18	19	21	18	41	46	51
Capital Investment*	0.6	0.7	0.8	0.6	0.3	1.8	2.1	1.3	2.0	0.7	4.6	3.9
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	7.7	7.0	6.3	8.5	10.9	7.0	9.3	8.0	3.1	5.8	6.5	10.
Retained Earnings	5.7	5.1	4.0	5.3	8.5	3.9	6.0	4.1	0.0	1.4	3.0	5.9
Depreciations	2.0	1.9	2.3	3.2	2.4	3.1	3.3	3.9	3.1	4.4	3.5	4.5
External	92.3	93.0	93.7	91.5	89.1	93.0	90.7	92.0	96.9	94.2	93.5	89.
Paid up capital	24.5	23.0	20.5	17.4	24.4	22.0	24.4	20.0	18.6	21.6	11.5	11.
Total Borrowing	9.3	11.4	17.9	20.8	18.7	20.6	11.1	32.4	35.1	19.8	18.3	22.
Bank Borrowing	9.3	11.4	17.9	20.8	18.7	20.6	11.1	32.4	35.1	19.8	18.3	22.
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	24.8	25.2	25.6	25.4	13.5	8.5	12.5	3.5	2.3	5.8	12.6	11.
Other Curr. Liabilities	33.4	33.3	29.7	27.9	32.5	42.0	42.9	36.2	40.9	47.1	51.1	45.
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	23.0	19.4	20.9	19.5	14.2	38.2	37.8	31.6	27.4	55.6	36.0	34.
Of Which Plant and Machinery	0.3	0.2	1.0	0.7	1.6	1.2	1.3	0.8	1.9	1.2	4.5	4.0
Inventories	33.0	37.2	48.0	35.9	35.1	28.3	31.2	42.2	47.6	24.2	31.7	37.
Other Current Assets	44.0	43.4	31.1	44.6	50.7	33.5	31.0	26.2	25.0	20.2	32.3	28.
Financial Slack	1.2	-0.1	-0.6	4.2	9.2	-1.0	1.0	4.1	-1.4	4.0	0.1	5.3

Nig. Wire Indus. Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	19 6
Turnover*	NA	NA	11	13	21	35	107	179	131	150	126	13
Shareholders Fund*	NA	NA	7	7	9	9	13	13	14	14	26	26
Capital Investment*	NA	NA	0.2	0.6	0.6	0.9	2.2	0.7	5.1	1.8	0.3	8.8
SOURCES	NA	NA	100	100	100	100	100	100	100	100	100	10
Internal	NA	NA	5.7	9.5	12.9	9.6	8.9	1.4	2.8	3.9	6.0	4.2
Retained Earnings	NA	NA	2.9	6.0	9.2	6.3	7.5	0.2	1.0	1.7	1.8	0.4
Depreciations	NA	NA	2.8	3.5	3.7	3.3	1.4	1.2	1.8	2.2	4.2	3.8
External	NA	NA	94.3	90.5	87.1	90.4	91.1	98.6	97.2	96.1	94.0	95.
Paid up capital	NA	NA	26.1	30.8	26.8	20.8	7.7	5.7	8.2	4.7	13.7	13.
Total Borrowing	NA	NA	21.1	15.0	11.6	9.7	11.4	10.3	26.9	17.0	21.2	49.
Bank Borrowing	NA	NA	14.2	12.0	11.6	7.5	6.5	3.0	17.2	14.9	18.1	46.
Debentures	NA	NA	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	NA	NA	6.9	3.0	0.0	2.2	4.9	7.3	9.7	2.1	3.1	3.0
Creditors	NA	NA	42.4	36.4	7.2	10.9	31.3	50.7	0.7	29.5	8.9	6.9
Other Curr. Liabilities	NA	NA	4.8	8.3	41.5	49.1	40.7	31.9	61.5	44.9	50.3	46.
USES	NA	NA	100	100	100	100	100	100	100	100	100	10
Gross Fixed Assets	NA	NA	58.5	65.6	57.5	44.6	22.4	15.9	28.9	17.9	19.1	28.
Of Which Plant and Machinery	NA	NA	1.9	2.9	3.8	4.1	2.8	3.0	3.7	1.2	6.4	6.0
Inventories	NA	NA	21.2	16.9	29.2	41.1	64.8	59.4	29.3	24.3	27.6	41.
Other Current Assets	NA	NA	20.3	19.5	13.3	14.3	12.8	24.7	41.8	57.8	53.3	30.
Financial Slack	NA	NA	4.3	3.9	8.6	4.4	4.4	0.4	-8.3	1.6	5.5	-14

The West African Portland Cement Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	19 6
Turnover*	122	189	273	334	466	741	767	1149	1969	4806	9107	92 6
Shareholders Fund*	114	130	146	171	220	293	375	856	1118	2177	5103	66 0
Capital Investment*	4.3	35.0	17.8	23.9	66.9	95.3	85.3	206.6	240.1	490.5	2272	78
SOURCES	100	100	100	100	100	100	100	100	100	100	100	10
Internal	10.7	10.2	9.4	9.1	9.3	12.6	12.5	15.1	15.2	24.2	39.5	34.
Retained Earnings	4.7	5.9	5.4	5.9	7.0	9.3	8.8	11.4	12.6	21.5	36.8	28.
Depreciations	6.0	4.3	4.0	3.2	2.3	3.3	3.7	3.7	2.6	2.7	2.7	6.6
External	89.3	89.8	90.6	90.9	90.7	87.3	87.5	84.9	84.8	85.8	60.5	65.
Paid up capital	23.6	16.6	14.5	14.6	8.6	7.7	6.5	10.6	6.3	3.4	2.1	4.1
Total Borrowing	23.9	28.9	21.9	17.5	16.7	18.1	14.4	13.7	7.0	3.4	5.7	1.9
Bank Borrowing	8.3	17.4	14.8	2.2	4.1	1.5	3.6	0.5	0.8	1.5	4.9	1.3
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	15.6	11.5	7.1	15.3	12.6	16.6	10.8	13.2	6.2	1.9	0.8	0.6
Creditors	29.0	32.3	42.6	44.8	50.5	36.3	48.2	40.4	44.5	40.0	25.0	21
Other Curr. Liabilities	12.9	11.9	11.7	14.1	15.0	25.4	18.5	20.3	27.0	29.3	27.9	38
USES	100	100	100	100	100	100	100	100	100	100	100	10
Gross Fixed Assets	56.4	48.2	42.5	36.0	28.4	31.9	30.5	29.9	26.2	18.5	31.9	34 5
Of Which Plant and Machinery	38.9	34.5	29.8	23.3	15.0	17.9	17.1	18.1	18.9	15.3	10.6	22 4
Inventories	15.1	24.7	31.3	37.4	45.8	51.9	55.4	53.0	47.5	44.1	43.8	39 3
Other Current Assets	28.5	27.1	26.2	26.6	25.8	16.2	14.1	17.1	26.3	37.4	24.3	26 1
Financial Slack	8.5	-2.7	3.7	3.3	-0.2	0.5	3.3	-3.1	2.7	14.0	10.7	19 9

Appendix 5 – Chemicals and Paints

Berger Paints Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199(
Turnover*	32	25	46	57	79	104	151	221	320	437	725	781
Shareholders Fund*	21	21	24	26	31	42	45	53	95	116	164	177
Capital Investment*	0.6	0.6	0.5	0.7	0.8	1.8	1.5	4.3	4.3	6.8	8.6	22.7
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	10.3	5.9	11.6	9.5	9.1	5.6	6.6	7.9	6.0	14.0	11.7	3.9
Retained Earnings	5.4	1.7	8.3	6.1	7.4	3.7	4.6	6.5	4.7	11.9	11.0	2.7
Depreciations	4.9	4.2	3.3	3.4	1.9	1.9	2.0	1.4	1.3	2.1	0.7	1.2
External	89.7	94.1	88.4	90.5	90.9	94.4	93.4	92.1	94.0	86.0	88.3	96.1
Paid up capital	34.3	38.5	29.6	31.5	29.0	34.1	30.7	16.9	46.0	20.5	12.6	10.7
Total Borrowing	4.5	3.0	6.1	0.5	11.2	25.0	12.0	35.3	13.7	10.7	35.7	35.3
Bank Borrowing	4.5	3.0	6.1	0.5	11.2	25.0	12.0	35.3	13.7	10.7	35.7	35.3
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	18.5	19.0	13.5	18.1	17.8	24.4	38.4	20.6	10.7	13.1	16.1	25.6
Other Curr. Liabilities	32.4	28.7	39.2	40.4	32.7	10.9	12.4	19.4	23.7	41.8	24.1	24.6
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	33.4	25.9	18.7	17.3	12.1	9.6	8.8	6.9	6.4	6.4	3.8	5.6
Of Which Plant and Machinery	7.2	6.6	4.5	2.9	1.8	1.3	1.4	1.7	2.1	2.9	2.6	2.5
Inventories	31.3	34.7	63.3	50.6	55.9	59.3	69.3	70.3	62.0	62.5	70.4	65.9
Other Current Assets	35.3	39.4	18.0	32.1	32.0	31.1	21.9	22.8	31.6	31.1	25.8	28.5
Financial Slack	7.6	3.7	10.1	7.6	7.6	2.8	4.4	4.5	3.7	10.2	9.7	-0.5

C.A.P.L. Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199(
Turnover*	58	52	67	91	120	138	191	292	363	570	901	927
Shareholders Fund*	32	35	37	40	42	49	58	78	185	214	245	39
Capital Investment*	4.0	4.8	3.0	2.7	2.8	3.6	2.7	5.6	10.4	10.8	30.4	21.5
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	5.0	5.0	10.1	7.5	7.7	12.8	11.3	9.2	2.4	5.2	5.7	1.6
Retained Earnings	1.6	1.8	5.8	3.3	3.7	8.6	8.4	8.1	1.6	4.2	4.4	0.0
Depreciations	3.4	3.2	4.3	4.2	4.0	4.2	2.9	1.1	0.8	1.0	1.3	1.6
External	95.0	95.0	89.9	92.5	92.3	87.2	88.7	90.8	97.6	94.8	94.3	98.4
Paid up capital	19.0	16.5	21.1	19.0	16.6	18.1	12.7	5.6	8.4	9.1	6.4	5.9
Total Borrowing	39.5	43.0	32.1	39.3	46.4	38.5	35.6	21.1	16.3	11.4	19.2	15.2
Bank Borrowing	24.2	29.7	15.1	24.0	33.0	26.3	27.0	17.4	14.4	10.2	18.6	15.2
Debentures	15.3	13.3	17.0	15.3	13.4	12.2	8.6	3.7	1.9	1.2	0.6	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	18.9	17.0	15.9	9.7	3.2	2.7	6.7	56.9	44.6	42.9	26.4	7.2
Other Curr. Liabilities	17.5	18.5	20.9	24.4	26.1	27.9	33.8	7.3	28.3	31.5	42.3	70.1
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	33.8	30.5	37.2	30.9	26.6	24.0	19.0	13.3	10.2	10.4	6.1	8.8
Of Which Plant and Machinery	4.2	3.8	5.2	4.0	3.1	2.3	2.1	2.2	1.8	2.2	2.7	4.3
Inventories	28.8	28.8	43.5	47.0	50.3	45.2	54.8	60.9	42.1	49.2	69.0	59.6
Other Current Assets	37.4	40.7	19.3	22.1	23.1	30.8	26.2	25.8	47.7	40.4	24.9	31.6
Financial Slack	-1.5	-1.7	4.7	3.1	3.8	8.1	8.8	7.0	-0.2	2.9	1.1	-0.8

Nigerian-German Chemicals Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	33	40	56	121	180	187	255	443	428	536	719	929
Shareholders Fund*	19	21	23	27	33	111	118	132	307	326	407	715
Capital Investment*	1.6	0.8	2.9	1.4	2.4	6.4	5.3	9.8	33.8	4.5	103.4	121.5
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	3.6	3.8	3.9	5.3	5.4	11.2	11.4	8.2	8.8	14.6	18.1	15.6
Retained Earnings	0.9	1.8	2.1	3.2	3.9	4.9	4.5	4.3	4.8	3.1	11.3	9.4
Depreciations	2.7	2.0	1.8	2.1	1.5	6.3	6.9	3.9	4.0	13.5	6.8	6.2
External	96.4	96.2	96.1	94.7	94.6	88.8	88.6	91.8	91.2	85.4	81.9	84.4
Paid up capital	16.1	11.3	9.0	13.0	9.1	9.9	10.4	5.5	4.4	6.5	2.9	4.8
Total Borrowing	10.9	10.5	3.9	3.1	16.8	11.1	12.4	16.9	27.7	22.9	26.6	25.3
Bank Borrowing	4.2	10.5	3.9	3.1	16.8	11.1	12.4	16.9	12.6	0.5	16.8	19.1
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.1	22.4	9.8	6.2
Long Term Borrowing	6.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	66.0	70.0	61.1	53.3	35.3	31.8	31.3	29.9	30.0	17.1	32.1	33.6
Other Curr. Liabilities	3.5	4.4	22.1	25.3	33.4	36.0	34.6	39.5	29.1	36.9	20.2	20.6
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	19.9	12.5	12.7	10.9	7.6	39.4	32.8	22.5	43.2	42.4	32.8	31.0
Of Which Plant and Machinery	2.1	1.5	2.5	1.9	1.0	10.6	7.6	4.0	16.2	14.8	14.7	11.8
Inventories	10.2	24.8	30.0	51.5	63.8	43.0	45.6	59.6	39.2	41.7	57.7	53.9
Other Current Assets	69.9	62.7	57.3	37.6	28.6	17.6	21.6	17.9	17.6	15.8	9.5	15.1
Financial Slack	1.2	2.9	1.4	4.0	3.9	6.6	8.3	5.1	0.3	12.9	1.1	-3.4

Appendix 6 – Computer and Office Equipment

NCR Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	18	19	39	38	75	99	90	111	133	178	274	381
Shareholders Fund*	14	15	17	17	18	18	19	28	28	27	62	67
Capital Investment*	0.8	3.1	8.7	5.2	1.5	6.8	1.9	2.2	8.0	11.1	28.2	17.5
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	10.6	7.8	8.9	4.9	5.9	4.5	6.7	16.0	5.2	7.4	18.6	6.0
Retained Earnings	6.6	3.2	5.9	0.0	1.0	0.0	1.8	11.5	0.0	0.0	16.1	2.6
Depreciations	4.0	4.6	3.0	4.9	4.9	4.5	4.9	4.5	5.2	7.4	2.5	3.4
External	89.4	92.2	91.1	95.1	94.1	95.5	93.3	84.0	94.8	92.6	81.4	94.0
Paid up capital	17.3	19.2	12.1	9.9	8.1	13.5	13.2	11.7	15.4	13.0	5.6	12.9
Total Borrowing	17.3	19.2	12.1	9.9	8.1	13.5	13.2	11.7	15.4	13.0	5.6	12.9
Bank Borrowing	0.0	9.4	2.7	0.0	3.5	2.9	9.1	7.4	3.2	6.5	36.0	32.9
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	24.2	18.0	30.0	37.4	22.8	9.5	9.8	14.7	17.5	21.8	9.2	14.1
Other Curr. Liabilities	47.9	45.6	46.3	47.8	59.6	71.0	61.3	50.3	58.7	51.3	30.5	34.2
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	21.7	27.4	33.5	32.3	25.1	27.1	24.6	19.0	21.1	21.7	19.0	20.9
Of Which Plant and Machinery	5.8	6.5	10.4	9.3	8.9	8.6	7.4	6.0	7.7	7.0	12.1	13.8
Inventories	5.4	7.2	11.8	10.5	13.3	9.3	8.9	12.5	11.4	7.3	12.9	13.3
Other Current Assets	72.9	65.4	54.7	57.2	61.6	63.6	66.5	68.5	67.5	71.0	68.1	65.8
Financial Slack	7.6	-5.5	-14.5	-6.6	3.3	-5.8	3.9	13.1	5.0	-4.6	5.4	-2.3

Thomas Wyatt Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	22	24	14	48	57	65	78	93	115	131	190	311
Shareholders Fund*	9	10	13	51	57	60	81	85	88	232	250	604
Capital Investment*	0.09	0.1	0.3	4.2	0.7	1.0	1.2	0.7	1.1	6.0	4.8	13.6
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	7.2	12.2	10.3	8.3	5.4	7.3	4.2	8.8	6.4	8.8	17.8	16.9
Retained Earnings	5.3	10.5	8.7	6.8	2.8	5.0	1.6	6.0	3.9	3.0	13.8	14.4
Depreciations	1.9	1.7	1.6	1.5	2.6	2.3	2.6	2.8	2.5	5.8	4.0	2.5
External	92.8	87.8	89.7	91.7	94.6	92.7	95.8	91.2	93.6	91.2	82.2	83.1
Paid up capital	25.1	21.3	17.8	18.9	18.4	13.1	40.3	38.9	33.6	28.4	18.1	13.5
Total Borrowing	22.0	15.7	13.7	25.8	25.6	30.8	21.3	7.4	18.7	12.9	0.2	31.6
Bank Borrowing	4.8	3.1	6.6	14.7	18.4	28.1	20.8	6.9	18.7	12.9	0.2	31.6
Debentures	2.4	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	14.8	10.6	7.1	11.1	7.2	2.7	0.5	0.5	0.0	0.0	0.0	0.0
Creditors	31.6	31.4	38.4	26.8	17.3	21.8	25.9	32.8	27.6	35.0	49.9	26.4
Other Curr. Liabilities	14.1	19.3	19.9	20.3	33.3	27.1	8.3	12.1	13.6	15.1	14.0	11.7
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	53.6	45.1	34.5	62.2	56.5	46.7	43.0	41.1	36.0	65.0	55.5	63.2
Of Which Plant and Machinery	0.6	0.4	0.5	0.2	0.2	0.1	0.5	0.5	0.4	1.2	0.9	1.5
Inventories	15.3	18.4	28.1	11.6	19.1	20.5	42.6	32.5	42.2	21.0	22.2	24.2
Other Current Assets	31.1	36.5	37.4	26.2	24.4	32.8	14.4	26.4	21.8	14.0	22.3	12.6
Financial Slack	6.8	11.6	9.3	-1.9	3.7	5.6	2.2	7.7	4.8	1.6	14.1	11.7

Appendix 7 – Conglomerates

A. G. Leventis Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	101	99	91	86	129	164	195	295	388	1156	1445	NA
Shareholders Fund*	42	43	46	74	82	85	197	104	538	1059	1764	NA
Capital Investment*	5.8	3.9	5.0	4.2	5.8	6.5	13.4	24.0	51.6	67.5	59.0	NA
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	5.6	6.1	4.1	4.9	8.6	4.6	4.3	3.1	8.2	4.1	3.3	NA
Retained Earnings	1.9	1.4	1.1	1.8	4.6	1.9	2.2	0.8	3.6	0.9	0.6	NA
Depreciations	3.7	4.8	3.0	3.1	3.9	2.7	2.1	2.3	4.6	3.3	2.6	NA
External	94.4	93.9	95.9	95.1	91.4	95.4	95.7	96.9	91.8	95.9	96.7	NA
Paid up capital	17.1	19.6	12.0	11.3	8.9	12.1	8.5	8.7	7.5	5.8	7.6	NA
Total Borrowing	34.7	17.8	32.5	40.3	23.2	20.3	29.1	33.5	43.3	33.2	49.5	NA
Bank Borrowing	31.7	16.6	29.8	37.4	18.9	17.0	17.4	22.7	36.6	17.0	16.8	NA
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	3.0	1.2	2.7	2.9	4.3	3.3	11.7	10.8	6.7	16.2	32.7	NA
Creditors	36.5	48.1	46.7	40.0	55.2	56.5	37.2	20.1	19.5	18.7	21.2	NA
Other Curr. Liabilities	6.0	8.3	4.7	3.5	4.2	6.5	20.9	34.7	21.5	38.2	18.5	NA
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	30.2	34.4	26.1	40.9	36.2	33.6	30.7	27.2	67.5	48.6	46.6	NA
Of Which Plant and Machinery	5.2	5.7	4.0	3.4	3.1	3.7	4.1	3.7	2.5	3.5	3.4	NA
Inventories	24.8	26.1	21.4	18.3	23.5	22.0	23.0	27.3	13.8	18.7	16.6	NA
Other Current Assets	45.0	39.5	52.5	40.8	40.3	44.4	46.3	45.5	18.7	32.7	36.8	NA
Financial Slack	-1.1	1.0	0.0	1.7	5.1	1.1	-0.8	-4.4	-5.7	-1.2	0.2	NA

CFAO (Nigeria) Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	326	296	424	653	898	963	1301	2010	3397	4127	7036	7862
Shareholders Fund*	61	70	73	83	96	157	178	250	332	486	823	1336
Capital Investment*	3.8	4.4	6.0	4.7	9.4	8.7	15.1	25.7	24.3	28.4	115.2	224.5
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	7.6	5.4	2.6	4.2	4.0	2.0	3.8	7.0	6.9	10.4	8.0	7.5
Retained Earnings	5.1	2.9	<0.0	2.4	2.6	0.0	2.5	5.7	5.8	9.4	6.7	5.5
Depreciations	2.5	2.5	2.6	1.8	1.4	2.0	1.3	1.3	1.1	1.0	1.3	2.0
External	92.4	94.6	97.4	95.8	96.0	98.0	96.2	93.0	93.1	89.6	92.0	92.5
Paid up capital	17.5	15.7	16.0	9.5	9.4	21.9	13.2	10.3	6.2	5.8	3.7	4.9
Total Borrowing	22.0	33.3	49.3	51.3	59.2	33.5	35.9	34.1	29.2	39.8	50.4	37.5
Bank Borrowing	2.1	16.8	33.9	41.5	40.9	12.3	22.9	20.7	21.7	36.4	43.3	30.8
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	19.9	16.5	15.4	9.8	18.3	21.2	13.0	13.4	7.5	3.4	7.1	6.7
Creditors	34.8	30.6	37.3	24.4	18.1	18.5	27.6	16.0	10.4	14.7	21.1	23.5
Other Curr. Liabilities	18.0	15.0	9.1	10.7	9.4	24.0	19.5	32.5	47.2	29.3	16.8	15.7
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	20.3	17.4	15.7	11.4	8.8	7.9	5.6	7.0	5.8	4.4	7.6	12.2
Of Which Plant and Machinery	2.6	2.4	2.8	2.1	1.5	1.6	1.4	1.7	1.4	1.4	3.6	7.7
Inventories	31.4	40.7	42.1	34.8	56.3	41.5	31.0	41.8	42.4	47.9	61.3	56.0
Other Current Assets	48.3	41.9	42.2	53.8	34.9	50.6	63.4	51.2	51.8	47.7	31.1	31.8
Financial Slack	5.0	2.7	-1.1	2.5	1.7	-0.4	1.2	3.6	5.0	8.7	3.6	-2.0

Lever Brothers Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	266	273	363	601	1113	1115	1235	1782	3078	4782	8373	8569
Shareholders Fund*	98	112	125	159	516	547	836	965	1927	2374	4010	4406
Capital Investment*	27.1	6.9	26.6	6.9	7.4	4.2	3.6	94.9	160.2	226.9	514.9	360.6
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	5.6	5.9	7.2	7.4	11.2	6.3	10.5	14.8	20.1	20.2	21.6	14.4
Retained Earnings	3.0	3.5	4.1	4.7	8.8	3.3	7.1	10.6	16.7	16.6	18.2	10.0
Depreciations	2.6	2.4	3.1	2.7	2.4	3.0	3.4	4.2	3.4	3.6	3.4	4.4
External	94.4	94.1	92.8	92.6	88.8	93.7	89.5	85.2	79.9	79.8	78.4	85.6
Paid up capital	24.7	15.5	18.9	14.1	13.6	12.8	13.2	9.4	8.2	8.5	9.0	12.7
Total Borrowing	18.1	32.2	24.6	33.8	23.9	36.7	26.6	15.5	5.6	1.1	3.7	0.2
Bank Borrowing	8.6	26.3	17.3	24.9	17.1	31.0	17.3	8.5	2.1	0.6	3.5	0.2
Debentures	9.5	5.9	7.3	5.1	3.2	2.3	2.4	1.7	1.1	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	3.8	3.6	3.4	6.9	5.3	2.4	0.5	0.2	<0.0
Creditors	21.4	23.8	18.1	17.3	11.7	9.2	9.9	10.6	17.6	18.7	15.4	12.0
Other Curr. Liabilities	30.2	22.6	31.3	27.5	39.6	35.0	39.8	49.7	48.6	51.4	50.3	60.6
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	39.1	25.4	34.8	31.3	50.5	41.6	51.6	48.1	49.0	40.0	33.6	33.0
Of Which Plant and Machinery	14.4	13.0	19.6	21.3	19.0	23.0	25.8	22.9	20.6	16.9	13.1	13.5
Inventories	41.8	53.2	46.2	47.8	36.8	45.8	33.9	36.9	30.5	32.3	53.8	44.0
Other Current Assets	19.1	21.4	19.0	20.9	12.7	12.6	14.5	15.0	20.5	27.7	12.6	23.0
Financial Slack	4.3	3.8	-2.4	5.7	10.0	5.8	10.1	6.9	11.3	11.5	7.8	5.3

P.Z. Industries Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	278	325	584	700	928	1389	1722	2285	3923	5390	8072	14953
Shareholders Fund*	97	131	163	184	533	592	670	784	1014	2903	3557	5583
Capital Investment*	8.7	9.8	12.1	15.2	16.1	24.2	30.7	23.9	46.7	107.5	116.0	238.5
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	3.5	4.3	3.7	4.4	5.1	4.1	6.7	6.3	9.4	6.3	7.6	13.5
Retained Earnings	1.8	2.3	2.0	2.7	3.2	1.6	4.6	4.8	8.0	5.4	6.5	12.0
Depreciations	1.7	2.0	1.7	1.7	1.9	2.5	2.1	1.5	1.4	0.9	1.1	1.5
External	96.5	95.7	96.3	95.6	94.9	95.9	93.3	93.7	90.6	93.7	92.4	86.5
Paid up capital	6.3	5.8	4.7	4.0	4.2	3.4	6.1	5.1	4.9	3.2	3.2	3.7
Total Borrowing	20.3	21.9	19.7	20.0	22.8	19.9	25.9	33.3	23.5	13.5	13.7	14.7
Bank Borrowing	14.6	17.0	16.2	17.2	19.3	11.0	18.5	22.8	15.1	9.0	11.8	12.9
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	5.7	4.9	3.5	2.8	3.5	8.9	7.4	10.5	8.4	4.5	1.9	1.8
Creditors	59.0	57.1	59.8	59.4	56.5	58.6	48.0	43.9	48.8	62.2	65.2	52.6
Other Curr. Liabilities	11.0	11.0	12.1	12.0	11.5	14.0	13.3	11.3	13.4	14.9	10.3	15.5
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	31.1	23.8	18.0	16.3	39.3	33.4	30.5	22.3	17.9	40.6	25.1	20.7
Of Which Plant and Machinery	4.7	3.9	2.2	2.6	1.9	1.9	2.6	2.2	2.5	1.4	1.0	1.5
Inventories	36.3	44.3	50.3	52.2	37.5	46.9	44.4	46.6	57.6	44.2	37.3	52.8
Other Current Assets	32.6	31.9	31.7	31.5	23.3	19.7	25.1	31.1	24.5	15.2	37.5	25.5
Financial Slack	1.6	2.3	1.7	2.3	3.2	1.8	4.1	4.9	7.4	3.8	6.3	11.0

SCOA Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	482	473	598	803	1132	1047	1312	1848	2545	2004	2997	5055
Shareholders Fund*	63	105	111	117	129	217	178	206	504	549	583	616
Capital Investment*	13.7	21.7	56.6	33.1	83.3	191.2	76.2	102.5	100.0	131.4	305.0	173.9
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	7.0	5.4	4.2	4.5	6.6	7.1	7.9	9.8	24.3	9.3	4.6	9.1
Retained Earnings	2.7	2.2	1.0	0.9	1.4	0.7	0.0	2.5	17.1	2.5	0.9	1.5
Depreciations	4.3	3.2	3.2	3.6	5.2	6.4	7.9	7.3	7.2	6.8	3.7	7.6
External	93.0	94.6	95.8	95.5	93.4	92.9	92.1	90.2	75.7	90.7	95.4	90.9
Paid up capital	13.7	9.3	6.4	6.9	5.4	13.2	11.7	10.1	15.8	12.7	6.3	8.1
Total Borrowing	22.2	24.1	29.6	25.3	34.6	36.2	42.3	33.5	20.5	25.0	22.1	51.8
Bank Borrowing	<0.01	13.9	25.3	22.6	32.1	19.0	28.0	22.4	14.8	19.8	18.4	47.4
Debentures	6.4	4.3	3.0	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	15.8	5.9	1.3	0.4	2.5	17.2	14.3	11.1	5.7	5.2	3.7	4.4
Creditors	47.9	54.1	55.7	61.6	13.6	29.3	29.3	38.1	33.5	27.6	11.4	10.9
Other Curr. Liabilities	9.1	7.0	4.2	1.6	39.9	14.1	8.8	8.5	21.2	25.4	55.6	20.1
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	26.4	27.4	26.6	21.9	22.4	36.3	31.1	28.7	22.6	17.9	15.0	18.2
Of Which Plant and Machinery	4.2	2.5	2.7	4.1	3.8	2.8	1.8	1.3	1.0	1.1	0.6	0.7
Inventories	36.0	44.2	41.9	42.9	52.7	28.8	38.1	44.2	33.9	34.8	35.1	47.9
Other Current Assets	37.6	28.4	31.5	35.2	24.9	34.9	30.8	27.1	43.5	47.3	49.9	33.9
Financial Slack	1.1	-0.9	-7.0	-0.6	-3.4	-14.9	0.1	0.8	16.3	0.8	-5.1	1.9

UAC Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	564	551	564	977	1389	2123	3105	4604	5720	6060	9374	1210
Shareholders Fund*	296	314	363	540	834	1067	1428	1956	3363	5056	5055	5757
Capital Investment*	11.3	35.3	29.3	30.3	73.6	95.5	112.9	225.1	304.2	356.8	395.7	868.4
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	3.9	5.2	4.1	5.2	17.2	21.3	20.4	20.8	27.2	14.1	17.3	15.5
Retained Earnings	1.0	2.4	1.1	2.5	15.5	18.6	18.2	18.5	24.1	11.1	14.4	12.6
Depreciations	2.9	2.8	3.0	2.7	1.7	2.7	2.2	2.3	3.1	3.0	2.9	2.9
External	96.1	94.8	95.9	94.8	82.8	78.7	79.6	79.2	72.8	85.9	82.7	84.5
Paid up capital	25.0	26.5	27.2	23.4	14.2	12.8	8.5	6.0	7.4	5.2	3.4	3.0
Total Borrowing	9.7	12.1	11.9	10.7	15.9	17.3	21.1	23.5	24.9	19.7	33.3	44.8
Bank Borrowing	1.0	1.4	1.7	2.2	2.1	3.9	8.1	15.4	20.1	17.0	32.4	39.9
Debentures	8.6	9.1	9.3	8.0	13.7	13.3	12.8	8.0	4.5	2.0	0.6	4.6
Long Term Borrowing	0.1	1.6	0.9	0.5	0.1	0.1	0.2	0.1	0.3	0.7	0.3	0.3
Creditors	45.2	37.5	36.0	31.9	12.4	9.6	14.9	12.4	14.7	18.1	17.6	14.4
Other Curr. Liabilities	16.3	18.7	20.8	28.6	40.2	38.9	35.2	37.3	25.9	42.9	28.4	22.2
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	20.4	26.4	29.5	40.1	40.4	42.6	41.2	41.2	55.4	59.3	48.2	49.9
Of Which Plant and Machinery	5.7	7.2	6.8	5.9	7.6	8.6	8.4	8.4	7.6	6.1	6.4	11.8
Inventories	22.3	31.5	47.0	31.8	42.4	29.4	42.9	35.5	29.2	22.1	33.5	28.1
Other Current Assets	57.3	42.1	23.5	28.1	17.2	28.0	15.9	23.3	15.4	18.6	18.3	22.0
Financial Slack	2.0	-1.1	-1.3	0.4	10.1	13.8	14.5	12.5	16.2	2.6	9.8	4.1

UTC Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	265	225	197	227	346	517	755	921	1593	1669	2604	3272
Shareholders Fund*	127	133	138	140	165	171	350	352	492	446	563	544
Capital Investment*	7.8	9.7	12.4	9.5	4.9	8.1	22.4	47.2	111.8	76.8	254.8	274.1
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	6.3	6.8	6.1	3.6	3.6	3.0	4.1	3.1	2.7	2.6	1.9	5.4
Retained Earnings	2.6	3.1	2.4	0.1	0.9	0.5	1.5	0.6	0.0	0.0	0.0	0.3
Depreciations	3.7	3.7	3.7	3.5	2.7	2.5	2.6	2.5	2.7	2.6	1.9	5.1
External	93.7	93.2	93.9	96.4	96.4	97.0	95.9	96.9	97.3	97.4	98.1	94.6
Paid up capital	31.2	28.7	25.7	23.8	16.7	17.3	19.9	13.7	9.6	9.8	6.0	4.5
Total Borrowing	32.7	31.6	34.2	33.6	46.2	49.2	32.7	45.0	41.7	42.6	37.7	43.7
Bank Borrowing	22.7	22.5	22.5	19.9	36.2	43.1	16.5	32.6	36.5	32.3	28.5	40.4
Debentures	9.6	8.8	7.9	7.3	5.1	3.5	9.5	6.5	2.6	3.3	5.7	1.6
Long Term Borrowing	0.4	0.3	3.8	6.4	4.9	2.6	6.7	5.9	2.6	3.3	5.7	1.6
Creditors	18.5	20.6	22.4	24.8	23.7	20.3	36.8	31.6	38.6	40.7	47.9	36.0
Other Curr. Liabilities	11.3	12.3	11.6	14.2	9.8	10.2	6.6	6.5	7.3	4.2	6.6	10.4
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	37.2	34.1	33.8	33.5	33.4	27.4	38.6	32.8	35.5	31.5	39.5	34.1
Of Which Plant and Machinery	4.1	3.7	3.6	4.4	3.6	3.1	2.6	2.7	3.2	3.8	3.0	2.5
Inventories	42.4	43.7	42.3	38.2	41.0	49.3	34.4	38.5	34.9	32.2	41.7	36.8
Other Current Assets	20.4	22.2	23.9	28.3	25.6	23.3	27.0	28.7	29.6	36.3	18.8	15.1
Financial Slack	0.1	-0.3	-2.1	-2.2	1.5	0.6	-0.9	-4.2	-7.1	-2.8	-9.0	-3.4

John Holt Nig. Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	245	268	289	406	765	845	1127	1741	2881	3348	5222	6921
Shareholders Fund*	92	101	194	226	310	370	403	598	924	1194	1671	1877
Capital Investment*	25.4	16.7	11.6	27.7	34.6	45.5	56.9	88.6	196.4	172.0	421.5	480.9
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	13.6	8.8	7.0	6.3	8.3	5.8	14.0	13.2	16.0	11.6	12.7	9.6
Retained Earnings	8.0	4.5	3.2	1.6	4.6	1.6	10.1	10.0	12.2	5.8	8.7	4.1
Depreciations	5.6	4.3	3.8	4.7	3.7	4.2	3.9	3.2	3.8	5.8	4.0	5.5
External	86.4	91.2	93.0	93.7	91.7	94.2	86.0	86.8	84.0	88.4	87.3	90.4
Paid up capital	25.7	18.5	21.7	17.7	12.1	11.4	9.9	6.2	4.2	3.6	4.4	4.7
Total Borrowing	3.2	15.9	31.7	16.1	19.2	38.7	42.2	34.6	25.2	25.5	36.2	45.0
Bank Borrowing	3.2	15.9	23.8	14.2	18.1	20.8	26.7	24.1	17.3	17.8	30.0	41.4
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	7.9	1.9	1.1	17.9	15.5	10.5	7.9	7.7	6.2	3.6
Creditors	32.8	36.4	22.4	47.3	48.7	34.2	24.7	30.4	37.5	43.7	34.4	31.4
Other Curr. Liabilities	24.8	20.4	17.1	12.5	11.8	10.0	9.2	15.6	17.1	15.4	12.3	9.2
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	42.3	35.3	43.6	42.5	38.7	49.9	36.8	33.9	33.9	27.7	24.7	30.0
Of Which Plant and Machinery	11.6	12.1	9.4	10.3	11.0	9.9	11.4	4.4	4.2	6.0	7.2	9.6
Inventories	28.3	36.8	32.4	20.9	33.4	29.8	28.6	35.3	42.9	45.7	52.2	42.4
Other Current Assets	29.4	27.9	24.0	36.6	27.9	20.3	34.6	30.8	23.2	26.6	23.1	27.6
Financial Slack	-5.3	-0.1	2.3	-2.8	1.8	-2.2	6.7	6.1	5.4	5.1	3.1	-2.1

Appendix 8 – Construction

Dumez Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	3	5	25	26	26	40	79	251	255	226	246	638
Shareholders Fund*	19	20	22	26	29	32	36	41	46	47	52	59
Capital Investment*	0.03	1.0	5.7	0.3	2.0	3.3	8.6	29.0	17.8	13.9	1.2	138.9
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	6.8	7.9	10.0	4.3	4.2	2.9	3.0	2.4	1.8	1.4	1.7	4.2
Retained Earnings	0.6	1.4	2.7	1.7	2.2	1.7	1.6	0.8	0.5	0.1	0.5	0.6
Depreciations	6.2	6.5	7.3	2.6	2.0	1.2	1.4	1.6	1.3	1.3	1.2	3.6
External	93.2	92.1	90.0	95.7	95.8	97.1	97.0	97.6	98.2	98.6	98.3	95.8
Paid up capital	19.6	19.9	19.6	9.6	9.3	7.0	7.4	2.9	2.5	2.3	2.4	2.2
Total Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0
Bank Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.0
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	10.9	11.5	13.2	5.6	8.1	8.7	18.9	8.0	6.2	2.2	6.3	11.8
Other Curr. Liabilities	62.7	60.7	57.2	80.5	78.4	81.4	70.7	86.7	89.5	94.1	89.1	81.7
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	16.2	14.7	15.7	4.5	3.9	3.4	4.3	4.5	3.3	2.9	1.9	10.4
Of Which Plant and Machinery	8.5	8.0	7.7	1.0	0.6	0.3	0.1	0.6	0.6	1.0	0.5	7.3
Inventories	26.9	27.6	26.4	17.2	27.3	29.1	20.2	17.3	11.8	15.3	14.6	15.6
Other Current Assets	56.9	57.7	57.9	78.3	68.8	67.5	75.5	78.2	84.9	81.8	83.5	74.0
Financial Slack	6.7	6.4	1.3	4.0	2.8	1.1	-0.3	-2.0	0.1	0.2	1.6	-7.8

Julius Berger Nig Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	88	141	256	508	819	1318	2371	3235	3265	3113	4161	5650
Shareholders Fund*	25	26	28	128	235	244	275	351	216	272	359	481
Capital Investment*	6.5	19.5	22.6	29.9	280.7	303.1	280.3	82.0	82.2	59.4	525.8	442.1
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	6.5	5.0	6.2	7.8	9.9	6.9	5.4	7.4	7.7	4.5	8.5	6.3
Retained Earnings	0.7	0.5	0.4	0.3	0.4	0.4	0.9	2.8	3.1	1.9	2.4	2.3
Depreciations	5.8	4.5	5.8	7.5	9.5	6.5	4.5	4.6	4.6	2.6	6.1	4.0
External	93.5	95.0	93.8	92.2	90.1	93.1	94.6	92.6	92.3	95.5	91.5	93.7
Paid up capital	10.0	5.1	3.2	1.6	1.0	0.6	0.7	1.4	2.1	1.5	1.2	1.1
Total Borrowing	6.9	11.5	8.3	5.8	19.5	12.4	14.7	9.8	0.1	7.3	10.3	12.2
Bank Borrowing	6.9	11.5	8.3	5.8	2.7	3.1	8.8	0.8	0.1	7.3	10.3	12.2
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	16.8	9.3	5.9	9.0	0.0	0.0	0.0	0.0
Creditors	48.6	56.9	53.8	42.9	32.5	45.0	51.6	44.7	46.9	25.9	16.6	16.2
Other Curr. Liabilities	28.0	21.5	28.6	41.9	37.1	35.1	27.7	36.6	43.1	60.8	63.4	64.3
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	27.3	18.1	23.1	23.8	30.9	24.3	19.0	26.8	26.3	15.5	21.0	17.9
Of Which Plant and Machinery	12.1	9.0	9.3	13.2	15.9	11.3	7.6	10.2	10.6	6.6	6.5	5.7
Inventories	21.7	16.5	13.9	20.2	25.6	30.3	20.1	17.5	15.8	10.7	11.3	10.8
Other Current Assets	51.0	65.4	63.0	56.1	43.5	45.4	60.9	55.7	58.0	73.8	67.7	71.3
Financial Slack	1.0	-3.2	0.2	3.9	-13.7	-7.1	-2.8	3.7	3.8	2.5	-5.9	-2.0

Roads Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	29	27	32	37	42	71	81	100	103	70	57	46
Shareholders Fund*	17	14	14	15	15	17	19	20	25	23	18	19
Capital Investment*	0.5	2.7	0.05	2.6	8.5	0.7	2.3	10.1	6.0	1.8	0.2	9.9
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	1.3	1.1	2.2	2.7	2.1	11.6	7.8	10.9	6.9	3.9	0.0	1.0
Retained Earnings	0.0	0.0	0.1	0.4	0.4	2.1	3.6	4.6	5.1	0.0	0.0	0.2
Depreciations	4.5	3.8	2.1	2.3	1.7	9.5	4.1	6.3	4.5	6.6	5.5	0.8
External	98.7	98.9	97.8	97.3	97.9	88.4	92.2	89.1	93.1	96.1	100.0	99.0
Paid up capital	13.8	14.4	16.8	18.3	14.3	12.1	16.6	12.9	11.5	13.1	13.4	2.1
Total Borrowing	39.5	40.9	40.7	38.5	37.7	22.8	13.3	0.0	0.0	0.0	2.5	0.3
Bank Borrowing	20.9	20.6	17.0	13.6	18.3	13.1	0.0	0.0	0.0	0.0	2.5	0.3
Debentures	11.1	11.5	13.5	14.6	11.5	9.7	13.3	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	7.5	8.8	10.2	10.3	7.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	38.4	39.4	39.3	40.5	45.4	52.9	23.7	21.5	36.6	36.8	31.8	5.9
Other Curr. Liabilities	3.8	1.6	0.9	0.0	0.4	0.6	38.6	54.8	42.3	43.5	46.9	90.6
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	16.2	17.3	18.3	21.8	27.8	16.2	16.4	20.9	20.1	18.4	14.6	3.7
Of Which Plant and Machinery	6.9	9.2	9.9	13.6	21.6	13.3	12.7	16.1	13.7	11.3	8.0	2.7
Inventories	14.4	13.9	11.0	12.2	15.2	15.1	14.1	20.2	28.5	25.1	23.0	9.3
Other Current Assets	69.4	68.8	70.7	66.0	57.0	68.7	69.5	58.9	51.4	56.5	62.4	87.0
Financial Slack	0.6	-2.8	2.1	-2.1	-10.1	10.8	4.0	-2.1	0.0	1.5	-0.3	-1.1

Appendix 9 – Food/Beverages and Tobacco

Nig. Breweries Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	179	205	341	515	811	1180	1709	2898	4992	7143	10768	1225
Shareholders Fund*	162	173	192	208	548	952	1249	1839	2817	3501	13173	1405
Capital Investment*	9.7	16.6	25.1	29.4	110.2	36.6	48.6	223.4	537.6	620.7	1048.9	1042
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	10.5	10.2	11.5	6.7	11.2	21.0	23.6	18.5	20.0	23.0	27.4	33.7
Retained Earnings	1.5	4.2	6.9	3.4	3.8	8.6	12.6	10.3	12.7	12.8	14.7	12.7
Depreciations	9.0	6.0	4.6	3.3	7.4	12.4	11.0	8.2	7.3	10.2	12.7	21.0
External	89.5	89.8	88.5	93.3	88.8	79.0	76.4	81.5	80.0	77.0	72.6	66.3
Paid up capital	31.9	32.6	30.3	18.8	14.1	16.9	11.6	6.1	6.5	4.3	6.7	6.6
Total Borrowing	0.0	<0.01	0.9	12.1	4.6	2.0	1.2	1.0	0.5	0.4	1.5	0.1
Bank Borrowing	0.0	<0.01	0.9	12.1	4.6	2.0	1.2	1.0	0.5	0.4	1.5	0.1
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	28.8	37.5	33.2	34.8	36.0	41.9	46.3	74.4	73.0	49.1	40.4	31.7
Other Curr. Liabilities	28.7	19.7	24.2	27.5	34.0	18.2	17.3	-	-	23.2	24.1	27.9
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	51.7	43.8	43.1	30.8	52.0	54.5	45.2	43.3	41.0	33.4	64.4	60.3
Of Which Plant and Machinery	18.4	14.0	14.3	10.1	38.7	26.9	20.0	22.1	22.3	22.8	43.2	39.8
Inventories	15.5	22.6	36.1	29.8	20.9	23.6	18.2	23.1	20.9	37.5	21.5	22.2
Other Current Assets	32.8	33.6	20.8	39.4	27.1	21.9	36.6	33.6	38.1	29.1	14.1	17.5
Financial Slack	5.1	3.9	2.6	0.2	-7.0	15.6	18.7	6.5	4.7	11.4	12.0	18.6

Nigeria Tobacco Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	89	107	134	190	296	361	497	636	1123	1323	1463	1659
Shareholders Fund*	96	103	153	160	133	147	177	214	360	484	599	849
Capital Investment*	3.6	3.8	5.4	18.8	18.1	15.3	27.6	132.9	91.4	87.6	64.2	44.6
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	23.3	23.3	24.9	17.2	13.4	13.3	17.1	8.0	23.2	19.3	21.7	27.1
Retained Earnings	5.0	5.4	9.9	4.7	3.8	3.7	6.9	5.9	15.7	10.7	10.2	16.5
Depreciations	18.3	17.9	15.0	12.5	9.6	9.6	10.2	2.1	7.5	8.6	11.5	10.6
External	76.7	76.7	75.1	82.8	86.6	86.7	82.9	92.0	76.8	80.7	78.3	72.9
Paid up capital	22.4	18.7	17.4	25.1	17.0	14.1	22.9	16.1	10.6	17.3	17.1	13.1
Total Borrowing	1.6	0.0	0.0	0.0	0.0	0.0	0.0	12.0	6.2	17.0	17.9	23.7
Bank Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.1	1.8	14.9	17.2	23.7
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	1.6	0.0	0.0	0.0	0.0	0.0	0.0	9.9	4.4	2.1	0.7	0.0
Creditors	18.4	24.8	21.4	19.1	21.0	13.5	17.4	13.7	9.3	12.2	17.7	23.3
Other Curr. Liabilities	34.3	33.2	36.3	38.6	48.7	59.1	42.6	50.3	50.7	34.3	25.6	12.9
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	45.9	39.5	45.4	42.2	27.6	24.4	25.9	33.0	28.8	25.7	24.4	20.5
Of Which Plant and Machinery	12.6	12.2	8.3	11.0	11.2	9.3	5.7	7.4	14.5	13.4	11.6	11.0
Inventories	23.6	23.8	37.7	49.8	61.8	59.9	56.1	53.4	47.3	53.2	57.5	62.0
Other Current Assets	30.5	36.6	16.9	8.1	10.6	15.7	18.0	13.6	23.9	21.1	18.1	17.5
Financial Slack	20.1	20.4	21.1	7.8	7.3	9.0	10.8	-13.3	13.5	11.7	16.2	24.2

Cadbury Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	113	122	126	213	337	458	719	1166	1938	3065	6340	8276
Shareholders Fund*	44	47	50	54	55	88	124	198	579	794	1270	1561
Capital Investment*	4.2	5.6	9.5	18.9	29.2	42.0	26.2	28.5	85.9	317.6	1612.1	376.0
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	9.3	8.0	6.9	5.1	2.6	8.4	11.4	16.2	16.9	12.8	8.8	7.0
Retained Earnings	4.0	3.3	2.8	2.2	0.3	4.4	7.1	13.2	14.9	11.0	7.5	5.0
Depreciations	5.3	4.7	4.1	2.9	2.3	4.0	4.3	3.0	2.0	1.8	1.3	2.0
External	90.7	92.0	93.1	94.9	97.4	91.6	88.6	83.8	83.1	87.2	91.2	93.0
Paid up capital	16.6	14.7	14.2	9.6	8.2	9.2	10.3	7.2	5.0	5.9	2.3	2.8
Total Borrowing	18.7	28.3	28.8	41.2	50.5	50.3	24.9	31.3	26.2	25.7	48.6	49.2
Bank Borrowing	4.0	16.8	18.2	30.0	30.0	34.5	23.6	18.8	19.8	21.9	38.7	43.2
Debentures	11.8	10.5	8.4	5.7	3.9	3.3	0.0	12.2	6.4	3.8	0.0	0.0
Long Term Borrowing	2.9	1.0	2.2	5.5	15.7	12.5	1.3	0.3	0.0	0.0	9.9	6.0
Creditors	30.8	29.8	27.0	23.2	19.0	9.5	50.5	43.5	50.8	54.6	38.7	39.7
Other Curr. Liabilities	24.7	19.2	23.0	21.0	19.7	22.7	2.9	1.8	1.1	0.8	1.7	1.4
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	43.4	41.0	33.6	26.0	34.9	34.5	31.4	21.1	13.7	20.1	24.5	23.3
Of Which Plant and Machinery	19.7	18.8	10.7	8.8	7.0	11.9	12.8	9.7	6.5	7.4	1.4	1.2
Inventories	25.5	24.9	32.7	32.6	29.3	35.0	32.2	51.1	51.8	50.6	38.5	28.5
Other Current Assets	31.1	34.1	33.7	41.4	35.8	30.5	36.4	27.8	34.5	29.3	37.0	48.2
Financial Slack	4.3	2.1	-1.1	-5.7	-8.8	-5.3	3.7	11.5	9.6	-3.3	-22.0	1.1

Northern Nigerian Flour Mills Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	104	93	59	48	18	27	40	28	294	1003	531	993
Shareholders Fund*	20	22	30	26	27	21	22	29	66	104	138	265
Capital Investment*	0.5	0.4	3.1	3.0	2.5	1.3	0.1	1.4	3.7	6.2	75.2	44.0
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	14.5	10.0	11.8	11.4	4.3	5.4	8.7	21.4	22.0	21.4	20.6	16.5
Retained Earnings	8.0	4.6	7.1	5.6	0.0	0.0	2.2	16.2	20.8	16.7	12.2	7.5
Depreciations	6.5	5.4	4.7	5.8	4.3	5.4	6.5	5.2	1.2	4.7	8.4	9.0
External	85.5	90.0	88.2	88.6	95.7	94.6	91.3	78.6	78.0	78.6	79.4	83.5
Paid up capital	26.3	24.3	17.4	19.3	17.3	19.7	25.0	23.6	9.4	11.0	9.2	11.3
Total Borrowing	1.8	3.3	4.1	3.3	39.3	37.8	51.4	41.6	12.1	8.0	22.3	27.4
Bank Borrowing	1.7	3.3	4.1	3.3	27.6	29.3	14.1	0.0	0.0	0.0	0.3	0.0
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.1	0.0	0.0	0.0	11.7	8.5	37.3	41.6	12.1	8.0	22.0	27.4
Creditors	26.1	14.1	41.2	46.9	29.2	28.9	4.5	2.6	8.6	23.1	7.0	8.7
Other Curr. Liabilities	31.3	48.4	25.4	19.2	9.8	8.3	10.4	10.9	48.0	36.6	40.9	36.1
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	41.1	35.9	62.8	64.3	57.5	67.2	74.5	49.5	19.4	20.1	31.8	23.6
Of Which Plant and Machinery	11.6	6.5	3.6	1.9	1.5	1.2	0.8	0.2	<0.01	14.8	26.1	20.0
Inventories	7.0	8.2	22.4	17.9	33.9	22.2	11.3	31.3	35.0	34.3	35.4	51.0
Other Current Assets	51.9	55.9	14.8	17.8	8.6	10.6	14.2	19.2	45.6	45.6	32.8	25.4
Financial Slack	13.2	9.1	7.0	6.2	0.3	3.0	8.4	18.4	19.9	18.7	-7.3	3.1

Appendix 10 - Footwears

Bata Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	47	51	48	70	106	122	163	217	250	310	538	564
Shareholders Fund*	14	33	34	35	37	38	38	55	55	55	58	253
Capital Investment*	1.4	2.0	1.7	3.2	4.8	8.1	3.1	2.8	1.5	25.7	3.4	9.9
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	10.9	11.3	7.1	7.0	6.1	6.2	3.5	14.4	1.9	3.6	4.1	2.3
Retained Earnings	7.1	8.7	2.4	3.0	2.5	2.2	0.5	12.5	0.1	0.8	1.8	0.0
Depreciations	3.8	2.6	4.7	4.0	3.6	4.0	3.0	1.9	1.8	2.8	2.3	2.3
External	89.1	88.7	92.9	93.0	93.9	93.8	96.5	85.6	98.1	96.4	95.9	97.7
Paid up capital	22.1	18.2	26.2	22.1	15.9	14.4	10.9	7.3	6.9	6.1	4.6	32.7
Total Borrowing	0.0	9.3	12.2	19.0	29.9	48.2	53.5	44.5	53.6	43.6	31.6	17.4
Bank Borrowing	0.0	9.3	12.2	19.0	29.9	48.2	53.5	44.5	53.6	43.6	31.6	17.4
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	39.1	32.9	29.6	33.5	36.8	24.7	26.5	24.5	35.9	44.1	43.9	42.9
Other Curr. Liabilities	28.0	28.4	24.9	18.4	11.3	6.5	5.7	9.3	1.8	2.6	15.9	4.7
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	25.8	45.8	44.9	42.5	34.8	35.3	28.2	18.5	14.9	22.5	16.5	54.3
Of Which Plant and Machinery	9.3	5.7	5.6	8.1	7.2	11.4	9.5	6.5	5.1	14.7	10.4	7.5
Inventories	36.9	31.6	42.2	37.8	42.7	41.9	49.2	45.0	50.6	50.9	52.7	35.8
Other Current Assets	37.3	22.6	12.9	19.7	22.5	22.8	22.6	36.5	34.5	26.6	30.8	9.9
Financial Slack	5.9	5.2	2.1	-0.9	-2.4	-4.6	0.4	12.5	0.9	-10.9	2.7	-1.3

Lennards Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	18	16	16	17	16	16	21	34	48	54	69	62
Shareholders Fund*	9	9	8	10	11	12	13	14	14	15	16	44
Capital Investment*	0.2	0.1	1.5	0.2	0.3	0.5	0.6	1.6	2.8	2.2	1.5	5.4
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	28.9	31.6	3.4	4.8	13.5	5.8	3.4	5.6	6.5	6.2	4.2	2.5
Retained Earnings	26.1	29.1	0.0	1.0	9.6	2.1	<0.01	2.2	3.3	2.6	1.8	0.0
Depreciations	2.8	2.5	3.4	3.8	3.9	3.7	3.4	3.4	3.2	3.6	2.4	2.5
External	71.1	68.4	96.6	95.2	86.5	94.2	96.6	94.4	93.5	93.8	95.8	97.5
Paid up capital	30.5	32.0	38.5	48.8	39.6	47.4	43.9	29.8	20.4	21.2	12.5	53.7
Total Borrowing	4.2	6.2	19.9	18.3	21.2	28.9	36.7	41.1	41.4	33.4	53.9	30.8
Bank Borrowing	4.2	6.2	19.9	18.3	21.2	28.9	36.7	41.1	41.4	33.4	53.9	30.8
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	26.2	16.2	28.5	20.6	14.4	8.2	9.1	11.1	17.6	21.1	21.4	11.4
Other Curr. Liabilities	17.8	13.9	9.6	7.4	11.2	9.7	6.8	12.3	14.1	18.1	8.0	1.6
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	38.5	36.2	44.0	56.4	54.5	45.5	41.3	36.0	33.0	32.1	20.7	21.9
Of Which Plant and Machinery	3.7	3.5	2.8	2.1	4.6	4.8	5.9	7.8	10.1	10.3	5.9	8.7
Inventories	41.5	47.4	45.5	32.0	32.0	34.9	43.8	48.4	50.1	54.2	51.5	58.4
Other Current Assets	20.0	16.4	10.5	11.6	13.5	19.6	14.9	15.6	16.9	13.7	27.8	19.7
Financial Slack	26.3	30.2	-16.1	2.1	9.4	0.9	-2.3	-3.7	-4.7	-1.0	1.2	-5.8

Appendix 11 - Healthcare

Boots Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	3	6	7	13	17	24	42	36	34	35	40	NA
Shareholders Fund*	5	5	5	5	6	12	14	9	6	4	8	NA
Capital Investment*	0.3	0.1	0.8	0.5	0.1	0.2	4.4	0.9	0.2	0.3	1.1	NA
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	6.2	7.3	7.5	3.8	9.9	8.3	6.9	2.9	9.6	3.1	5.5	NA
Retained Earnings	0.0	4.0	4.2	0.0	6.7	6.1	5.6	0.0	0.0	-0.0	0.0	NA
Depreciations	6.2	3.3	3.3	3.8	3.2	2.2	1.3	2.9	9.6	3.1	5.5	NA
External	93.8	92.7	92.5	96.2	90.1	91.7	93.1	97.1	90.4	96.9	94.5	NA
Paid up capital	44.9	30.5	30.5	24.4	19.4	38.2	17.6	19.6	16.9	22.4	45.2	NA
Total Borrowing	12.8	8.1	5.0	20.6	13.5	3.7	3.2	6.4	16.9	18.7	26.8	NA
Bank Borrowing	2.6	5.8	5.0	20.6	13.5	3.7	3.2	6.4	16.9	18.7	26.8	NA
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	10.2	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	28.4	22.0	20.2	17.7	6.3	4.6	35.8	22.6	35.1	30.2	14.1	NA
Other Curr. Liabilities	7.7	32.0	36.8	33.5	50.8	45.2	36.5	48.6	21.5	25.6	8.4	NA
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	41.2	48.5	39.2	33.3	24.4	19.6	18.8	21.4	15.0	16.5	19.8	NA
Of Which Plant and Machinery	6.9	6.7	8.4	6.6	4.3	3.8	6.3	8.3	10.1	11.5	15.1	NA
Inventories	41.9	20.4	39.9	24.6	39.7	46.4	46.2	50.6	44.9	43.3	39.0	NA
Other Current Assets	16.9	31.1	20.9	42.1	35.9	34.0	35.0	28.0	40.1	40.2	41.2	NA
Financial Slack	1.1	6.2	-0.7	-0.7	9.1	7.0	-4.3	0.2	9.2	2.0	-1.5	NA

Christlieb Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	42	46	49	75	104	86	96	119	69	96	109	NA
Shareholders Fund*	14	29	28	29	27	44	62	62	53	41	64	NA
Capital Investment*	2.3	4.1	2.1	3.8	5.1	0.9	2.8	3.5	5.8	0.3	1.8	NA
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	14.0	8.4	5.8	6.0	5.1	4.6	16.3	3.0	2.4	3.2	2.7	NA
Retained Earnings	9.1	3.8	0.0	0.7	1.5	0.0	12.5	0.2	0.0	0.0	0.0	NA
Depreciations	4.9	4.6	5.8	5.3	3.6	4.6	3.8	2.8	2.4	3.2	2.7	NA
External	86.0	91.6	94.2	94.0	94.9	95.4	83.7	97.0	97.6	96.8	97.3	NA
Paid up capital	18.8	11.5	15.6	11.8	7.2	7.4	13.2	7.8	5.9	5.7	6.1	NA
Total Borrowing	24.8	56.3	53.4	58.9	56.7	62.2	54.6	61.3	51.8	47.8	45.4	NA
Bank Borrowing	19.2	53.0	50.1	56.7	50.3	62.2	46.8	50.2	33.0	29.8	29.9	NA
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	5.6	3.3	3.3	2.1	6.3	0.0	7.8	11.1	18.8	18.0	15.5	NA
Creditors	24.6	12.9	18.8	17.9	19.6	11.6	8.8	18.7	15.5	19.8	22.0	NA
Other Curr. Liabilities	17.9	11.1	6.4	5.5	11.4	14.3	7.2	9.4	24.4	23.6	23.8	NA
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	34.0	43.9	46.8	41.5	30.4	63.7	58.0	36.2	57.2	57.8	61.3	NA
Of Which Plant and Machinery	5.8	11.3	3.9	3.2	9.1	5.9	5.2	2.9	10.1	8.6	9.5	NA
Inventories	28.3	28.4	28.8	30.2	29.4	17.0	16.7	28.0	19.8	15.4	16.1	NA
Other Current Assets	37.7	27.7	24.4	28.3	40.2	19.3	25.3	35.8	23.0	26.8	22.6	NA
Financial Slack	4.5	-2.3	0.4	-1.5	-1.0	3.5	13.2	0.7	-0.5	3.0	1.8	NA

Pharma Deko Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	10	10	6	9	10	12	21	37	56	108	180	236
Shareholders Fund*	3	5	4	5	6	7	9	13	18	47	64	258
Capital Investment*	1.0	0.2	0.08	0.1	0.03	0.3	0.9	1.4	5.2	5.3	8.4	6.0
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	16.1	6.1	2.9	11.3	5.6	6.3	16.8	21.5	8.7	12.1	15.9	8.3
Retained Earnings	13.5	2.6	0.0	8.0	3.9	5.1	15.0	18.5	5.3	7.4	12.7	1.3
Depreciations	2.6	3.5	2.9	3.3	1.7	1.2	1.8	3.0	3.4	4.7	3.2	7.0
External	83.9	93.9	97.1	88.7	94.4	93.7	83.2	78.5	91.3	87.9	84.1	91.7
Paid up capital	15.2	22.9	22.1	29.2	26.1	24.0	26.2	24.1	14.1	23.7	11.2	14.5
Total Borrowing	11.7	21.6	40.2	51.0	46.6	21.8	16.7	8.9	5.2	15.8	13.4	0.0
Bank Borrowing	11.7	21.6	40.2	51.0	32.7	4.8	16.7	8.9	5.2	15.8	13.4	0.0
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	13.9	17.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	6.9	7.2	6.0	6.5	3.1	13.2	16.8	38.1	59.4	37.5	51.9	69.3
Other Curr. Liabilities	50.1	52.0	28.9	2.0	18.6	34.8	23.6	7.4	12.2	11.0	7.8	7.9
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	28.0	25.3	25.6	31.9	24.4	22.4	22.4	20.0	18.6	11.3	8.7	41.8
Of Which Plant and Machinery	3.9	4.5	6.9	11.4	1.2	1.5	2.5	3.9	3.3	4.0	5.2	11.2
Inventories	27.3	26.9	29.6	23.2	13.5	16.9	21.6	24.0	26.8	31.4	44.1	34.7
Other Current Assets	44.7	47.8	44.8	44.9	62.1	60.7	56.0	56.0	54.6	57.3	47.2	23.5
Financial Slack	10.4	5.0	2.5	10.4	5.4	4.4	12.2	14.9	-5.9	3.8	9.7	3.9

SmithKline Beecham	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	39	42	75	97	130	238	338	511	807	1155	2632	2927
Shareholders Fund*	28	31	37	42	50	57	78	133	194	272	621	860
Capital Investment*	0.7	1.8	3.1	9.1	10.0	12.1	12.6	18.3	22.8	19.3	46.8	122.5
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	8.4	7.3	8.2	9.4	4.1	5.1	11.3	15.2	13.3	12.7	11.3	4.9
Retained Earnings	5.5	4.7	6.0	6.1	2.1	2.9	8.6	12.9	11.0	10.6	9.6	2.8
Depreciations	2.9	2.6	2.2	3.3	2.0	2.2	2.7	2.3	2.3	2.1	1.7	2.1
External	91.6	92.7	91.8	90.6	95.9	94.9	88.7	84.8	86.7	87.3	88.7	95.1
Paid up capital	25.6	22.8	17.0	29.8	24.8	17.5	17.5	14.8	11.4	17.0	10.7	13.6
Total Borrowing	0.0	0.0	4.4	9.4	17.2	28.4	31.5	25.5	18.9	13.1	24.5	18.1
Bank Borrowing	0.0	0.0	4.4	9.4	17.2	11.8	14.8	16.1	11.7	8.6	23.5	17.5
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	16.6	16.7	9.4	7.2	4.5	1.0	0.6
Creditors	5.3	5.7	8.2	10.9	6.2	5.5	9.2	9.4	10.7	12.3	9.9	13.7
Other Curr. Liabilities	60.7	64.1	62.3	40.6	47.7	43.5	40.9	35.2	45.7	44.9	43.6	49.9
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	22.8	19.4	15.3	22.3	16.3	14.1	14.4	11.1	9.4	7.6	6.2	7.5
Of Which Plant and Machinery	6.8	7.2	6.5	8.9	8.3	6.4	6.8	4.0	2.5	3.3	2.5	2.7
Inventories	14.8	17.4	30.5	48.7	49.3	38.0	37.3	51.3	51.7	47.6	44.7	43.6
Other Current Assets	62.4	63.2	54.2	29.0	34.4	47.9	48.3	37.6	38.9	44.8	49.1	48.9
Financial Slack	7.2	4.7	5.0	-0.3	-1.8	0.1	6.6	10.9	9.2	10.1	9.2	-0.1

Sterling Products Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	22	27	38	51	97	156	174	250	399	599	1055	NA
Shareholders Fund*	16	19	19	21	48	98	101	109	116	134	205	NA
Capital Investment*	2.2	1.6	1.7	8.7	4.2	8.3	10.8	38.4	14.0	35.6	32.3	NA
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	10.9	6.5	5.3	5.1	6.1	4.7	8.4	5.7	4.7	7.8	10.2	NA
Retained Earnings	9.5	5.3	4.1	3.3	4.3	0.2	3.2	2.9	1.8	4.4	8.1	NA
Depreciations	1.4	1.2	1.2	1.8	1.8	4.5	5.2	2.8	2.9	3.4	2.1	NA
External	89.1	93.5	94.7	94.9	93.9	95.3	91.6	94.3	95.3	92.2	89.9	NA
Paid up capital	22.9	12.8	11.8	8.9	9.0	16.7	20.6	9.2	6.3	11.5	5.0	NA
Total Borrowing	0.0	37.0	21.7	23.3	41.5	42.7	32.7	37.6	56.9	52.2	35.0	NA
Bank Borrowing	0.0	37.0	21.7	23.3	41.5	42.7	32.7	31.8	51.4	51.7	34.8	NA
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.8	5.5	0.5	0.2	NA
Creditors	9.4	9.5	10.3	19.5	14.7	4.8	6.4	4.3	5.4	7.3	7.8	NA
Other Curr. Liabilities	56.8	34.3	50.8	43.3	28.6	31.1	32.6	43.3	26.6	21.2	42.1	NA
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	25.2	16.9	16.2	23.0	27.9	19.5	24.6	22.7	16.3	19.4	8.8	NA
Of Which Plant and Machinery	7.1	4.4	2.9	2.6	1.5	5.9	6.9	4.2	3.1	4.2	3.1	NA
Inventories	10.1	25.0	29.7	19.3	20.5	21.1	25.8	32.6	21.3	36.4	49.2	NA
Other Current Assets	64.7	58.1	54.1	57.7	51.6	59.4	49.7	44.7	62.4	44.2	42.0	NA
Financial Slack	1.1	2.6	1.5	-9.8	2.5	-0.9	-0.6	-8.5	1.1	-0.5	7.0	NA

Appendix 12 – Industrial/Domestic Products

BOC Gases Nig. Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	13	14	19	22	38	51	46	82	124	217	305	394
Shareholders Fund*	18	18	27	28	30	56	61	68	77	95	117	159
Capital Investment*	1.1	0.9	2.5	0.9	3.5	3.5	2.1	10.6	13.8	18.6	25.2	34.2
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	9.5	11.4	9.9	10.3	12.9	18.7	16.9	23.2	15.7	19.2	18.3	24.0
Retained Earnings	5.7	5.3	4.0	3.3	6.1	12.6	11.7	18.1	11.1	14.7	13.5	19.9
Depreciations	3.8	6.1	5.9	7.0	6.8	6.1	5.2	5.1	4.6	4.5	4.8	4.1
External	90.5	88.6	90.1	89.7	87.1	81.3	83.1	76.8	84.3	80.8	81.7	76.0
Paid up capital	33.7	31.9	36.0	32.8	30.8	33.0	24.2	31.5	25.9	18.1	19.9	15.6
Total Borrowing	0.0	0.0	0.0	0.0	10.3	0.8	5.4	<0.01	0.1	0.0	2.3	0.7
Bank Borrowing	0.0	0.0	0.0	0.0	10.3	0.8	5.4	<0.01	0.1	0.0	2.3	0.7
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	40.1	33.5	32.2	31.6	15.9	4.0	3.1	2.4	4.4	4.2	3.8	12.2
Other Curr. Liabilities	20.4	23.2	21.9	25.3	30.1	43.6	50.3	42.8	53.9	58.5	55.7	47.5
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	48.0	43.9	58.5	53.7	45.3	58.7	47.7	41.0	39.0	33.4	33.5	34.1
Of Which Plant and Machinery	19.6	16.4	12.8	10.9	12.3	8.9	6.3	4.2	11.8	11.7	14.0	13.3
Inventories	6.0	4.0	9.5	21.0	27.3	20.3	16.3	29.1	32.3	25.5	35.7	36.9
Other Current Assets	46.0	52.1	32.0	25.3	27.4	21.0	36.0	29.9	28.7	41.1	30.8	29.0
Financial Slack	2.9	6.1	-3.9	5.9	1.2	8.2	12.2	8.0	-0.7	3.8	3.0	7.7

Vitafoam Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	28	34	56	69	93	124	181	301	489	614	1025	1387
Shareholders Fund*	26	28	31	32	37	43	52	69	108	149	212	252
Capital Investment*	0.5	0.6	0.6	0.6	2.7	5.3	4.1	7.6	13.5	9.7	35.0	36.1
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	8.0	10.3	10.0	3.4	9.5	10.4	9.9	12.1	19.6	17.2	10.8	8.6
Retained Earnings	3.5	7.6	8.0	1.8	8.0	9.1	8.1	10.5	17.5	14.8	9.6	6.5
Depreciations	4.5	2.7	2.0	1.6	1.5	1.3	1.8	1.6	2.1	2.4	1.2	2.1
External	92.0	89.7	90.0	96.6	90.5	89.6	90.1	87.9	80.4	82.8	89.2	91.4
Paid up capital	55.1	50.2	46.5	41.2	34.6	26.8	32.5	21.5	16.8	12.8	11.2	11.8
Total Borrowing	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.1	16.3
Bank Borrowing	0.0	0.0	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	20.1	16.3
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	18.7	18.6	18.8	23.2	33.4	49.3	44.9	39.3	55.3	46.4	10.1	16.1
Other Curr. Liabilities	18.3	20.9	23.8	32.2	22.4	13.6	12.7	27.1	8.4	23.7	47.8	47.2
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	31.7	27.8	22.1	18.7	18.8	21.1	17.3	13.7	13.4	10.2	10.6	13.0
Of Which Plant and Machinery	3.8	2.5	1.0	0.9	0.7	0.6	0.6	1.0	3.3	3.4	6.2	7.4
Inventories	22.8	23.2	20.0	19.1	24.1	25.7	24.0	42.1	29.2	27.2	44.3	50.8
Other Current Assets	45.5	49.0	57.9	62.2	57.1	53.2	58.7	44.2	57.4	62.6	45.1	36.2
Financial Slack	6.6	8.7	8.5	2.0	4.3	1.8	6.3	7.6	13.4	13.8	5.4	2.8

Vono Products Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	7	9	8	10	17	22	28	40	66	70	92	106
Shareholders Fund*	9	9	9	9	9	12	14	34	36	37	38	165
Capital Investment*	0.06	0.04	0.2	0.1	0.2	5.9	4.3	3.7	2.8	0.2	0.3	1.1
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	10.9	11.0	13.8	14.4	13.6	11.4	12.6	6.8	4.5	4.4	4.5	1.8
Retained Earnings	7.0	7.9	11.2	11.8	11.5	10.4	11.6	2.9	0.3	1.2	1.2	0.0
Depreciations	3.9	3.1	2.6	2.6	2.1	1.0	1.0	3.9	4.2	3.2	3.3	1.8
External	89.1	89.0	86.2	85.6	86.4	88.6	87.4	93.2	95.4	95.6	95.5	98.2
Paid up capital	52.0	46.2	47.0	43.7	29.3	12.8	16.2	12.5	9.4	8.2	8.5	15.9
Total Borrowing	0.0	0.0	0.0	0.0	0.0	26.7	32.8	34.8	27.2	49.0	42.5	41.5
Bank Borrowing	0.0	0.0	0.0	0.0	0.0	3.4	14.4	12.9	12.4	36.9	34.1	38.9
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	23.3	18.4	21.9	14.8	12.1	8.4	2.6
Creditors	34.4	38.0	33.4	29.4	3.2	7.4	16.5	17.5	35.5	12.8	19.6	40.7
Other Curr. Liabilities	2.7	4.9	5.8	12.6	54.0	41.7	21.9	28.5	23.4	25.6	24.9	0.0
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	34.9	29.9	29.8	27.4	16.6	27.0	28.1	40.3	32.5	28.0	26.5	43.2
Of Which Plant and Machinery	1.1	0.5	1.7	2.0	1.1	8.2	7.8	3.9	2.5	1.7	1.5	33.1
Inventories	32.7	40.9	50.6	49.2	41.6	51.7	51.1	49.1	61.1	61.9	71.0	23.0
Other Current Assets	32.4	29.2	19.6	23.4	41.8	21.3	20.8	10.6	6.4	10.1	2.5	33.8
Financial Slack	10.2	10.6	11.5	13.1	12.6	-5.3	1.2	-0.9	0.1	4.1	4.1	0.8

Appendix 13 - Packaging

SPN-Packaging Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199(
Turnover*	17	13	17	22	28	17	34	49	96	128	137	111
Shareholders Fund*	8	8	25	25	25	19	32	33	37	54	44	62
Capital Investment*	0.3	0.3	1.2	0.9	0.5	0.3	6.6	1.9	2.1	2.5	25.6	7.5
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	6.1	7.8	8.2	6.8	6.8	6.7	41.4	8.2	8.3	7.4	2.1	4.5
Retained Earnings	1.9	2.5	3.3	0.6	<0.01	0.0	37.9	3.8	5.7	4.9	0.0	0.0
Depreciations	4.2	5.3	4.9	6.2	6.8	6.7	3.5	4.4	2.6	2.5	2.1	4.5
External	93.9	92.2	91.8	93.2	93.2	93.3	58.6	91.8	91.7	92.6	97.9	95.5
Paid up capital	19.6	18.3	19.2	18.7	19.6	19.5	15.5	17.3	17.1	29.2	19.3	29.0
Total Borrowing	22.7	23.0	35.6	40.1	55.1	54.8	9.8	30.0	17.8	24.1	39.7	30.0
Bank Borrowing	18.9	20.3	35.6	40.1	55.1	54.8	9.8	30.0	17.8	24.1	39.7	30.0
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	3.8	2.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	35.3	33.8	24.0	23.3	25.7	17.3	26.5	29.5	35.1	20.6	17.8	21.0
Other Curr. Liabilities	16.4	17.2	12.9	11.1	10.2	1.6	6.9	17.0	21.8	18.7	21.2	15.5
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	43.0	40.4	57.0	53.1	51.4	54.5	50.7	42.4	28.2	24.4	30.8	31.4
Of Which Plant and Machinery	15.2	15.0	7.0	5.2	3.7	1.9	1.4	2.3	2.2	2.5	16.5	16.9
Inventories	23.8	26.7	25.1	21.6	19.8	26.5	25.5	34.7	38.5	42.0	46.0	41.7
Other Current Assets	33.2	32.9	17.9	25.3	28.8	19.0	23.8	22.9	33.3	33.6	23.2	26.9
Financial Slack	4.9	6.9	4.3	4.0	5.0	5.8	24.5	2.8	5.3	4.4	-18.5	-0.9

Van Leer Packaging	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	16	8	29	38	58	78	91	155	216	279	406	385
Shareholders Fund*	18	24	26	28	37	48	59	118	170	255	392	433
Capital Investment*	0.08	0.8	0.6	0.2	0.8	3.3	1.9	7.8	7.7	5.8	2.6	6.8
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	8.9	9.5	9.0	12.9	15.5	23.7	17.7	21.6	22.3	24.3	17.5	16.6
Retained Earnings	6.0	6.2	3.9	7.6	10.5	17.2	12.8	13.2	16.0	17.1	7.6	1.0
Depreciations	2.9	3.3	5.1	5.3	5.0	6.5	4.9	8.4	6.3	7.2	9.9	15.6
External	91.1	90.5	91.0	87.1	84.5	76.3	82.3	78.4	77.7	75.7	82.5	83.4
Paid up capital	35.0	40.5	29.8	27.2	22.1	17.4	16.1	11.2	13.3	11.8	10.4	14.6
Total Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.7	0.7	1.2	6.4
Bank Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	0.7	0.7	1.2	6.4
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Creditors	26.7	21.4	26.4	26.3	14.7	35.9	30.4	22.2	21.9	23.7	32.0	38.0
Other Curr. Liabilities	29.4	28.6	34.9	33.6	19.7	23.0	35.8	43.1	41.7	39.5	38.9	24.3
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	34.2	45.4	37.9	33.9	31.1	31.7	27.4	42.8	43.7	50.2	53.4	54.7
Of Which Plant and Machinery	11.4	18.4	16.9	14.7	12.0	12.2	10.1	12.5	11.6	10.8	12.1	9.1
Inventories	8.7	4.1	20.5	32.2	18.3	24.7	12.5	22.2	16.1	15.7	21.0	17.2
Other Current Assets	57.1	50.5	41.6	33.8	50.6	43.6	60.1	35.0	40.2	34.1	25.6	28.2
Financial Slack	8.4	4.7	6.3	11.9	12.8	14.7	14.5	12.5	15.9	20.1	15.8	12.0

Appendix 14 – Petroleum (Marketing)

African Petroleum Pl	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199
Turnover*	251	482	444	532	658	759	916	1260	2370	6244	13454	135
Shareholders Fund*	62	72	84	97	111	126	151	191	414	524	1039	144
Capital Investment*	5.2	7.1	13.7	8.9	13.8	22.1	24.4	91.0	168.9	310.0	911.8	310
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	9.5	8.3	9.0	7.2	6.8	9.0	10.1	10.1	12.9	6.3	10.5	7.3
Retained Earnings	5.8	5.5	6.1	4.8	4.4	5.6	7.3	7.9	10.3	4.6	8.6	5.8
Depreciations	3.7	2.8	2.9	2.4	2.4	3.4	2.8	2.2	2.6	1.7	1.9	1.5
External	90.5	91.7	91.0	92.8	93.2	91.0	89.9	89.9	87.1	93.6	89.5	92.
Paid up capital	27.1	19.1	18.3	16.6	13.4	26.5	20.4	14.4	7.7	3.1	1.4	1.2
Total Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	1.5	8.1	0.2	2.1	18.8	42.
Bank Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	1.5	8.1	0.2	2.1	8.8	36.
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	6.0
Creditors	44.6	55.6	54.0	58.2	59.3	42.0	49.1	50.3	53.4	64.2	48.6	31.
Other Curr. Liabilities	18.8	17.1	18.7	18.1	20.5	22.5	18.9	17.1	25.8	24.3	20.7	17.
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	33.9	24.3	26.3	21.0	19.1	28.0	25.0	31.9	28.0	19.3	21.9	20.
Of Which Plant and Machinery	9.7	6.9	6.8	5.8	6.4	10.0	6.1	6.1	3.1	1.0	2.0	1.3
Inventories	20.1	10.8	10.4	14.2	14.4	20.5	27.2	28.6	21.3	21.9	22.1	15.
Other Current Assets	46.0	64.9	63.3	64.8	66.5	51.5	47.8	39.5	50.7	58.8	56.0	63.
Financial Slack	5.6	4.5	2.0	3.8	2.5	0.8	3.2	-8.1	-5.2	-4.9	-4.7	2.9

Agip Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	119	221	243	292	344	438	566	667	1138	2981	5580	5647
Shareholders Fund*	22	25	30	40	49	62	83	104	150	282	416	504
Capital Investment*	6.3	12.1	8.7	13.2	27.4	44.7	54.1	39.2	42.0	98.7	201.9	86.3
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	7.6	7.1	7.7	11.4	8.8	8.0	10.3	8.5	9.9	13.1	6.7	5.6
Retained Earnings	4.6	5.1	4.8	8.5	6.2	5.5	6.7	5.1	6.8	10.9	4.4	3.0
Depreciations	3.0	2.0	2.9	2.9	2.6	2.5	3.6	3.4	3.1	2.2	2.3	2.6
External	92.4	92.9	92.3	88.6	91.2	92.0	89.7	91.5	90.1	86.9	93.3	94.4
Paid up capital	26.8	14.8	13.9	11.8	13.5	14.3	13.7	13.9	10.9	8.0	7.6	8.3
Total Borrowing	0.0	0.0	0.0	15.5	20.0	25.2	35.1	35.4	19.1	12.6	21.0	21.5
Bank Borrowing	0.0	0.0	0.0	15.5	11.5	5.3	19.6	23.2	9.1	4.7	15.8	14.7
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	8.5	19.9	15.5	12.2	10.0	7.9	5.2	6.8
Creditors	46.3	62.1	60.7	42.3	39.3	34.5	26.6	25.2	42.8	53.3	53.3	52.9
Other Curr. Liabilities	19.3	16.0	17.7	19.0	18.5	18.1	14.3	17.1	17.4	12.9	11.4	11.6
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	42.8	32.5	33.5	34.0	37.4	45.3	45.8	39.8	29.2	22.4	21.5	29.6
Of Which Plant and Machinery	11.0	9.4	10.2	8.6	7.0	9.0	12.4	10.2	6.8	7.8	6.9	8.0
Inventories	18.0	19.3	21.1	23.6	30.1	20.7	22.1	29.3	33.4	29.0	35.3	30.8
Other Current Assets	39.2	48.2	45.4	42.4	32.5	34.0	32.1	30.9	37.4	48.6	43.2	39.6
Financial Slack	-2.7	-3.8	0.3	1.9	-6.2	-11.5	-6.6	-0.9	3.6	4.9	-3.9	1.9

Mobil Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	199
Turnover*	329	407	505	652	800	931	1217	1490	2623	6664	11912	NA
Shareholders Fund*	124	132	141	145	169	221	297	377	468	489	555	NA
Capital Investment*	36.4	34.2	33.6	63.0	67.2	61.8	141.0	188.9	230.5	98.1	358.1	NA
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	8.9	8.1	7.7	5.4	8.4	12.0	13.0	11.9	7.7	2.7	2.9	NA
Retained Earnings	4.6	4.2	3.9	1.7	5.5	9.5	10.5	8.9	5.2	0.7	1.3	NA
Depreciations	4.3	3.9	3.8	3.7	2.9	2.5	2.5	3.0	2.5	2.0	1.6	NA
External	91.1	91.9	92.3	94.6	91.6	88.0	87.0	88.1	92.3	97.3	97.1	NA
Paid up capital	23.6	19.6	22.0	19.0	14.8	11.9	9.0	6.5	4.4	2.5	1.5	NA
Total Borrowing	0.0	0.0	0.0	9.3	21.8	10.5	11.9	18.0	13.7	0.0	5.6	NA
Bank Borrowing	0.0	0.0	0.0	9.3	21.8	10.5	11.9	18.0	13.7	0.0	5.6	NA
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Creditors	27.5	44.5	49.3	50.6	36.4	41.1	41.6	32.4	51.7	54.8	43.2	NA
Other Curr. Liabilities	40.0	27.7	21.0	15.7	18.6	24.6	24.5	31.2	22.5	40.0	46.8	
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	42.0	43.7	41.7	47.4	41.0	38.5	41.4	42.0	36.0	22.9	19.4	NA
Of Which Plant and Machinery	23.7	22.4	19.9	19.3	14.6	10.9	9.5	10.4	7.5	4.8	7.7	NA
Inventories	8.4	10.4	15.2	14.8	17.1	19.6	16.8	24.4	17.3	17.9	37.7	NA
Other Current Assets	49.6	46.0	43.1	37.8	42.0	41.9	41.8	33.6	46.7	59.2	42.9	NA
Financial Slack	-10.8	-7.3	-5.1	-15.2	-6.8	0.8	-6.4	-6.8	-6.4	-0.6	-4.3	NA

Texaco Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	213	350	340	391	575	654	881	1028	1433	3579	7169	NA
Shareholders Fund*	43	45	48	51	60	74	96	110	90	99	537	NA
Capital Investment*	13.4	14.5	11.1	12.2	48.5	40.3	48.5	42.7	20.1	40.9	217.1	NA
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	6.3	3.0	6.0	4.9	7.0	8.4	11.6	10.1	9.2	3.8	3.6	NA
Retained Earnings	2.3	1.4	2.0	1.1	3.4	4.5	6.6	6.3	6.0	2.1	1.9	NA
Depreciations	4.0	1.6	4.0	3.8	3.6	3.9	5.0	3.8	3.2	1.7	1.7	NA
External	93.7	97.0	94.0	95.1	93.0	91.6	88.4	89.9	90.8	96.2	96.4	NA
Paid up capital	16.4	22.8	20.2	16.7	17.2	17.9	15.9	9.4	6.4	3.5	2.6	NA
Total Borrowing	0.0	0.0	5.0	6.4	15.7	26.6	25.7	36.8	3.4	1.8	1.4	NA
Bank Borrowing	0.0	0.0	5.0	6.4	15.7	26.6	25.7	31.8	0.0	0.0	0.0	NA
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	3.4	1.8	1.4	NA
Long Term Borrowing	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	NA
Creditors	39.6	39.7	38.0	43.1	39.4	33.3	36.7	38.8	58.4	70.8	78.2	NA
Other Curr. Liabilities	37.7	34.5	30.8	28.9	20.8	13.9	10.1	5.0	22.6	20.2	14.2	NA
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	32.2	38.1	36.5	27.0	36.2	38.4	43.1	27.5	19.5	10.7	10.7	NA
Of Which Plant and Machinery	10.5	12.9	11.0	8.7	15.0	15.9	22.9	15.8	11.5	6.0	7.5	NA
Inventories	12.8	20.5	15.1	22.7	25.7	24.4	21.1	30.7	34.5	29.2	24.9	NA
Other Current Assets	55.0	41.4	48.4	50.3	38.1	37.2	35.8	41.8	46.0	60.1	64.4	NA
Financial Slack	-3.4	-6.7	-0.6	-1.1	-11.4	-4.3	-2.0	3.0	6.9	1.3	-6.3	NA

Total Nigeria Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	345	576	635	735	1047	1348	1556	2604	3221	7965	15679	1406
Shareholders Fund*	59	69	80	94	111	157	201	307	422	629	756	1210
Capital Investment*	9.9	22.9	21.8	20.3	29.8	41.4	38.8	43.2	65.7	113.2	314.2	169.4
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	6.5	5.7	5.3	6.7	6.2	5.3	6.7	6.5	7.6	6.0	6.0	12.1
Retained Earnings	3.9	3.3	3.1	3.6	3.8	2.8	5.0	5.0	6.5	5.1	4.2	10.2
Depreciations	2.6	2.4	2.2	3.1	2.4	2.5	1.7	1.5	1.1	0.9	1.8	1.9
External	93.5	94.3	94.7	93.3	93.8	94.7	93.3	93.5	92.4	94.0	94.0	87.9
Paid up capital	17.1	10.7	9.0	12.2	8.9	7.0	6.7	4.4	2.4	1.7	2.4	4.1
Total Borrowing	5.7	5.1	4.1	8.6	3.4	3.2	1.7	0.9	0.3	0.0	2.5	2.2
Bank Borrowing	0.7	1.2	2.3	7.0	1.3	0.7	0.1	0.1	<0.01	<0.01	2.5	2.2
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	5.0	3.9	1.8	1.6	2.1	2.5	1.6	0.8	0.3	0.0	0.0	0.0
Creditors	52.7	59.4	61.4	55.9	64.5	78.8	76.6	79.8	80.8	78.0	71.5	70.5
Other Curr. Liabilities	17.9	19.0	20.1	16.6	16.9	5.6	8.3	8.4	8.9	14.3	17.6	13.0
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	28.0	22.1	21.6	26.5	23.2	26.5	17.2	15.7	10.7	7.3	11.1	12.0
Of Which Plant and Machinery	11.5	9.0	8.6	10.9	9.4	11.7	8.6	6.8	3.3	2.1	3.2	3.3
Inventories	13.3	16.8	19.5	25.2	22.6	27.3	23.4	24.8	18.0	20.8	26.2	26.3
Other Current Assets	58.7	61.1	59.0	48.3	54.2	46.2	59.4	59.5	71.3	71.9	62.7	61.7
Financial Slack	1.5	-1.5	-0.5	0.6	-0.4	-1.9	1.9	3.0	4.7	3.2	-1.9	8.3

Appendix 15 - Textiles

Afprint Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	64	63	90	148	254	323	455	718	1085	1775	3902	6961
Shareholders Fund*	13	17	85	126	143	190	185	223	216	310	582	1497
Capital Investment*	5.0	5.3	55.1	37.2	46.3	110.4	107.2	128.3	89.5	66.6	63.1	241.0
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	26.9	29.1	15.2	9.6	9.5	7.4	3.7	3.6	5.0	4.1	5.0	7.6
Retained Earnings	3.5	5.2	5.1	2.1	4.0	2.9	0.7	1.1	1.8	0.3	2.4	4.7
Depreciations	23.4	23.9	10.1	7.5	5.5	4.5	3.0	2.5	3.2	3.8	2.6	2.9
External	73.1	70.9	84.8	90.4	90.5	92.6	96.3	96.4	95.0	95.9	95.0	92.4
Paid up capital	19.0	21.1	8.2	13.9	8.3	12.6	7.2	6.7	4.8	4.3	4.3	3.5
Total Borrowing	13.6	7.9	57.8	56.5	64.6	52.8	62.9	71.9	66.9	62.5	50.7	49.6
Bank Borrowing	4.0	3.9	18.2	31.9	39.9	27.1	23.3	29.2	34.1	35.5	36.4	41.8
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	13.9	11.6	8.2	7.3	4.0	3.2
Long Term Borrowing	9.6	4.0	39.6	24.6	24.7	25.7	25.7	31.1	24.6	19.6	10.3	4.6
Creditors	19.6	18.7	8.9	13.2	12.9	21.3	24.4	15.2	20.5	24.8	20.3	32.6
Other Curr. Liabilities	21.0	23.3	10.1	6.8	4.8	5.9	1.9	2.7	3.0	4.4	19.7	6.8
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	45.1	42.9	63.5	47.5	35.7	44.5	40.0	43.1	34.7	29.8	23.3	36.3
Of Which Plant and Machinery	28.1	32.7	28.3	22.7	20.1	13.4	8.7	6.7	5.1	5.7	3.4	9.3
Inventories	45.2	46.0	19.2	24.4	33.3	34.5	33.2	32.2	33.9	29.5	34.3	36.1
Other Current Assets	9.7	11.1	19.3	28.1	31.0	21.0	26.8	24.7	31.4	40.7	42.4	27.6
Financial Slack	16.9	19.3	-24.7	-6.9	-2.7	-19.3	-11.2	-11.2	-2.3	-0.7	2.5	-0.1

Enpee Industries Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	33	28	42	68	122	186	165	227	282	361	645	991
Shareholders Fund*	12	15	19	22	40	46	35	51	55	63	76	105
Capital Investment*	0.3	1.3	0.6	0.4	0.8	0.2	1.7	13.2	43.6	38.7	1.2	3.0
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	11.5	9.8	9.4	6.7	5.4	6.6	2.1	2.9	3.5	6.3	7.7	9.9
Retained Earnings	6.4	4.9	6.7	4.9	4.1	5.9	1.4	1.6	0.3	2.2	3.6	6.9
Depreciations	5.1	4.9	2.7	1.8	1.3	0.7	0.7	1.3	3.2	4.1	4.1	3.0
External	88.5	90.2	90.6	93.3	94.6	93.4	97.9	97.1	96.5	93.7	92.3	90.1
Paid up capital	24.0	24.7	16.6	15.2	12.2	10.7	9.5	5.8	8.2	8.9	6.7	7.2
Total Borrowing	4.3	0.9	9.6	15.2	22.2	23.3	22.0	26.1	39.2	25.5	20.0	21.0
Bank Borrowing	4.3	0.9	9.6	15.2	3.7	7.1	11.3	12.1	22.8	20.8	16.1	20.4
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	0.0	0.0	0.0	0.0	18.5	16.2	10.7	14.0	16.4	4.7	3.9	0.6
Creditors	25.8	29.4	40.8	35.5	36.0	28.7	32.2	17.7	24.7	26.6	38.5	30.7
Other Curr. Liabilities	34.4	35.3	23.6	27.4	24.2	30.7	34.3	47.5	24.5	32.6	27.1	31.3
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	16.6	18.0	11.5	7.3	5.1	3.7	4.4	8.9	23.7	37.5	23.6	14.6
Of Which Plant and Machinery	11.3	8.9	4.2	1.8	1.3	0.8	1.2	0.5	8.0	29.5	18.6	11.2
Inventories	10.6	23.3	49.0	31.5	24.9	27.3	19.6	35.7	39.0	42.6	43.6	45.5
Other Current Assets	72.8	58.7	39.5	61.2	70.0	69.0	76.0	57.4	37.3	19.9	32.8	39.9
Financial Slack	11.4	5.8	8.1	6.2	4.4	6.4	0.4	-4.8	-14.6	-11.1	7.3	9.2

UN Textiles Plc	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Turnover*	174	211	312	497	785	940	1515	2608	3455	3992	9820	10266
Shareholders Fund*	36	47	55	69	381	397	426	1185	2437	3126	4529	5095
Capital Investment*	6.2	7.6	9.9	19.8	87.5	39.4	99.2	231.3	146.2	109.6	821.0	992.6
SOURCES	100	100	100	100	100	100	100	100	100	100	100	100
Internal	7.8	9.2	6.2	6.3	12.3	13.3	8.2	13.9	15.3	11.0	14.4	13.3
Retained Earnings	3.5	4.8	3.0	3.7	5.8	7.2	3.2	4.0	1.0	2.3	6.6	6.6
Depreciations	4.3	4.4	3.2	2.6	6.5	6.1	5.0	9.9	14.3	8.7	7.8	6.7
External	92.2	90.8	93.8	93.7	87.7	86.7	91.8	86.1	84.7	89.0	85.6	86.7
Paid up capital	10.0	12.5	8.8	6.7	9.1	7.6	6.8	7.0	6.2	5.2	3.4	3.0
Total Borrowing	26.3	25.3	37.9	51.4	30.9	26.9	34.8	27.1	13.1	20.5	26.4	26.5
Bank Borrowing	20.7	20.5	32.7	38.4	15.5	11.4	29.7	17.3	5.9	15.8	12.3	19.3
Debentures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Borrowing	5.6	4.8	5.2	13.0	15.4	15.5	5.1	9.8	7.2	4.7	14.1	7.2
Creditors	43.4	41.0	36.5	26.5	30.9	31.0	7.8	8.6	5.0	4.7	7.1	10.5
Other Curr. Liabilities	12.6	12.1	10.6	9.1	16.8	21.2	42.5	43.3	60.4	58.6	48.7	46.7
USES	100	100	100	100	100	100	100	100	100	100	100	100
Gross Fixed Assets	28.0	24.5	17.3	15.6	47.9	41.5	36.7	55.9	59.7	52.0	51.3	45.1
Of Which Plant and Machinery	10.0	10.7	6.6	5.9	32.3	25.8	23.6	41.3	48.1	40.9	37.2	32.9
Inventories	25.9	32.2	38.4	34.5	22.3	29.1	31.6	21.4	11.6	15.4	23.4	26.4
Other Current Assets	46.1	43.4	44.3	49.9	29.8	29.4	31.7	22.7	28.7	32.6	25.3	28.5
Financial Slack	4.2	5.4	2.8	1.1	-3.6	7.4	-2.9	-5.1	6.8	6.5	-3.6	-1.0

* values in N' millions NA = not available