

LAGOS STATE SECURITY TRUST FUND
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

Registered Office

Governor's Office
Lagos House
Secretariat, Alausa, Ikeja
Lagos, Nigeria

Board of Trustees

Mr. Kehinde Durosinmi-Etti
Mr. Segun Agbaje
Mr. Ebenezer Onyeagwu
Dr. Adesola Kareem Adeduntan
Mr. Emeka Onwuka, OON
Mr. Tayo Akinmade Ayinde
Engr. Omotayo Bamgbose-Martins
DIG Agboola Oshodi-Glover (Rtd)
Otunba Niyi Adewunmi
Dr. Ayodele Ogunsan

Chairman
Member
Member
Member
Member
Member
Member
Member
Member
Member

Executive Secretary/Chief Executive Officer
Dr Abdurrazaq Mobolaji Balogun

Bankers

Polaris Bank Limited
Alausa Secretariat Branch
Alausa, Ikeja, Lagos

Zenith Bank Plc
Alausa Secretariat Branch
Alausa, Ikeja, Lagos

First Bank of Nigeria Limited
Acme Road, Ikeja, Lagos

Sterling Bank Plc
Opebi Road, Ikeja, Lagos

Guaranty Trust Bank Limited
Alausa Secretariat Branch
Ikeja, Lagos

Access Bank Plc
183 Obafemi Awolowo Way
Ikeja, Lagos

Heritage Bank Plc
7 Ashabi Cole Street,
Central Business District, Ikeja, Lagos

United Bank for Africa Plc
15, Industrial Avenue
Ilupeju

Stanbic IBTC Bank Plc
Ikeja City Mall Branch
Shoprite
Alausa, Lagos

Providus Bank Plc
Plot 724 Adetokunbo Ademola Street
Victoria Island
Lagos

Fidelity Bank Plc
84, Ladipo Street
Matori, Lagos

Coronation Merchant Bank Ltd
10, Amodu Ojikutu Street
Victoria Island, Lagos

LAGOS STATE SECURITY TRUST FUND

LEGAL AND ADMINISTRATIVE INFORMATION - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

Bankers (continued)

First City Monument Bank
Motorway Building
Opposite Seven-Up Bottling Company
Ikeja, Lagos

Wema Bank Plc
4 Omatsola Mall Keffi Street
Alausa, Ikeja
Lagos

Auditors

Ernst & Young
10th & 13th Floors
57, Marina
Lagos

LAGOS STATE SECURITY TRUST FUND

REPORT OF TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees submit their report together with the audited financial statements for the year ended 31 December 2021, which disclose the state of affairs of Lagos State Security Trust Fund (the Fund).

Incorporation and address

The Fund was established in 2007 by a law of the Lagos State House of Assembly. The address of its registered office is:

Governor's Office
Lagos House
Secretariat, Alausa, Ikeja
Lagos, Nigeria

Principal activities

The principal activity of the Fund is to raise donations both in cash and in kind and coordinate the application of donations received. This is aimed at ensuring that equipment that are required to enhance the operational capacity of security agencies operating in the state are readily available as at when due. Equipment in this regard include human, material and financial resources as shall be found necessary for the effective functioning of all Federal, State and Local Government and other security agencies operating in the State.

Results

The Fund's results for the year are set out on page 11. The deficit for the year of ~~N~~218.2 million (2020: ~~N~~525.6 million deficit) has been transferred to accumulated fund.

Trustees

The Trustees who held office during the year and to the date of this report were:

Mr. Kehinde Durosinmi-Etti	Chairman
Mr. Segun Agbaje	Member
Mr. Ebenezer Onyeagwu	Member
Dr. Adesola Kareem Adeduntan	Member
Mr. Emeka Onwuka, OON	Member
Mr. Tayo Akinmade Ayinde	Member
Engr. Omotayo Bamgbose-Martins	Member
DIG Agboola Oshodi-Glover (Rtd)	Member
Otunba Niyi Adewunmi	Member
Dr. Ayodele Ogunsan	Member

Employment of disabled persons

The Fund has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Fund's policy prohibits discrimination of disabled persons in the recruitment, training and career development of its employees.

Employee health, safety and welfare

The Fund enforces strict health and safety rules and practices at the work environment, which are reviewed and tested regularly.

LAGOS STATE SECURITY TRUST FUND

REPORT OF TRUSTEES - Continued

FOR THE YEAR ENDED 31 DECEMBER 2021

Employee training and involvement

The trustees maintain regular communication and consultation with the employees.

Auditors

Ernst & Young have expressed their willingness to continue in office as the Fund's auditors in accordance with Section 13(2) of the Lagos State Security Trust Fund Law.

By order of the Board of Trustees



Dr. Abdurrazaq Balogun
Executive Secretary/CEO

Lagos, Nigeria

12 September 2022

LAGOS STATE SECURITY TRUST FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

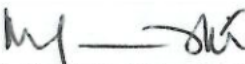
The Lagos State Security Trust Fund Law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Fund at the end of the year and of its deficit. This responsibility includes:


- a) ensuring that the Fund keeps proper accounting records that disclose with reasonable accuracy the financial position of the Fund and comply with the requirements of the Lagos State Security Trust Fund Law.
- b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c) preparing the Fund's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent estimates, in conformity with International Financial Reporting Standards issued by the International Accounting Standards Board, the requirements of the Lagos State Security Trust Fund Law and the Financial Reporting Council of Nigeria Act no. 6 2011.

The Trustees are of the opinion that the financial statements present fairly, in all material respects the financial position and the financial performance of the Fund as of and for the year ended 31 December 2021. The Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Trustees to indicate that the Fund will not remain a going concern for at least twelve months from the date of this statement.


Mr. Kehinde Durosinmi-Etti
Chairman
FRC/2013/CIBN/00000001737


Dr. Abdurrazaq Balogun
Executive Secretary/CEO
FRC/2017/MDCN/00000015952

12 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LAGOS STATE SECURITY TRUST FUND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lagos State Security Trust Fund ("The Fund") which includes the statement of financial position as at 31 December 2021, and the statement of income and expenditure, the statement of changes in net asset value and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Lagos State Security Trust Fund Law and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Lagos State Security Trust Fund. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Lagos State Security Trust Fund.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Trustees are responsible for the other information. The other information comprises the Report of the Trustees, the Statement of Value Added and the Five-Year Financial Summary as required by the Financial Reporting Council of Nigeria which we obtained prior to the date of this report. Other information does not include the financial statements and our Auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF LAGOS STATE SECURITY TRUST FUND -Continued

Responsibilities of the Trustees for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Lagos State Security Trust Fund Law and the Financial Reporting Council Act No. 6, 2011, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Fund's internal control.
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- ▶ conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause The Fund to cease to continue as a going concern.
- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF LAGOS STATE SECURITY TRUST FUND - Continued

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

- ▶ obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Fund's audit. We remain solely responsible for our audit opinion.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Sayo Elumaro, FCA
FRC/2012/ICAN/00000000139
For: Ernst & Young
Lagos, Nigeria



16 September 2022

LAGOS STATE SECURITY TRUST FUND
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 ₦	2020 ₦
Income			
Donations in cash:			
From public officers and government agencies	5a	106,575,000	50,000
From private bodies	5b	935,512,407	238,874,864
		-----	-----
		1,042,087,407	238,924,864
		-----	-----
Donations in kind:			
From private bodies	6a	-	467,500,000
Direct donations to security agencies	6b	1,908,116,000	1,612,320,000
		-----	-----
		1,908,116,000	2,079,820,000
		-----	-----
Other income	7	16,423,773	6,996,906
Interest income calculated using the effective interest method	8	497,336	1,014,565
		-----	-----
		16,921,109	8,011,471
		-----	-----
Gross income		2,967,124,516	2,326,756,335
		-----	-----
Expenditure			
Support to security agencies	9	(3,057,831,945)	(2,735,071,196)
Employee benefits expense	10	(34,463,400)	(25,479,688)
Depreciation of right of use assets	17	(3,700,000)	(3,750,000)
Other operating expenses	11	(74,456,128)	(69,431,022)
Depreciation of property and equipment	13	(14,917,316)	(18,672,836)
		-----	-----
Total expenses		(3,185,368,789)	(2,852,404,742)
		-----	-----
Deficit for the year		(218,244,273)	(525,648,407)
		=====	=====

The notes on pages 15 to 46 form part of these financial statements

LAGOS STATE SECURITY TRUST FUND


STATEMENT OF FINANCIAL POSITION


AS AT 31 DECEMBER 2021

	Note	2021 ₦	2020 ₦
Assets			
Non-current assets			
Property and equipment	13	19,306,247	31,103,563
Right of use assets	14	10,150,000	1,250,000
Current assets			
Inventories	15	156,122,877	247,511,161
Account receivables	16	195,999	45,899
Other assets	17	4,190,764	2,265,822
Cash and short-term deposits	18	681,817,606	743,456,066
Total assets		871,783,493	1,025,632,511
		=====	=====
Equity and liabilities			
Accumulated Fund		790,101,349	1,008,345,622
Total equity		790,101,349	1,008,345,622
		-----	-----
Liabilities			
Current liabilities			
Account payables	19	81,682,144	17,208,116
Deferred income	20	-	78,773
Total liabilities		81,682,144	17,286,889
		-----	-----
Total equity and liabilities		871,783,493	1,025,632,511
		=====	=====

The notes on pages 15 to 46 form part of these financial statements

The financial statements on pages 11 to 46 were approved and authorised for issue by the Board of Trustees on 12 September 2022 and were signed on its behalf by:


Mr. Kehinde Durosinmi-Etti
 Chairman
 FRC/2013/CIBN/00000001737


Dr. Abdurrazaq Balogun
 Executive Secretary/CEO
 FRC/2017/MDCN/00000015952

LAGOS STATE SECURITY TRUST FUND
STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE YEAR ENDED 31 DECEMBER 2021

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For the year ended 31 December 2021

Fund at 1 January 2021	1,008,345,622
Deficit for the year	(218,244,273)

At 31 December 2021	790,101,349
	=====

~~N~~

For the year ended 31 December 2020

Fund at 1 January 2020	1,533,994,029
Deficit for the year	(525,648,407)

At 31 December 2020	1,008,345,622
	=====

LAGOS STATE SECURITY TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 ₦	2020 ₦
Deficit for the year		(218,244,273)	(525,648,407)
Non-cash adjustment to reconcile surplus to net cash flows			
Depreciation of property and equipment	13	14,917,316	18,672,836
Depreciation of ROU assets	17	3,700,000	3,750,000
Gain on disposal of property and equipment	7	(295,000)	(18,000)
Working capital adjustments:			
Decrease in inventories		91,388,284	171,200,000
(Increase)/decrease in accounts receivable		(150,100)	554,100
(Increase)/decrease in other assets		(1,924,942)	29,054,263
Increase/(decrease) in accounts payable		64,474,028	(9,807,500)
Decrease in deferred income		(78,773)	(3,754,906)
Cash used in operations		(46,213,460)	(315,997,614)
Cash flow from investing activities			
Purchase of property and equipment	13	(3,120,000)	(1,276,025)
Acquisition of Right of Use Asset	17	(12,600,000)	-
Proceed on disposal of property and equipment		295,000	18,000
Cash used in investing activities		(15,425,000)	(1,258,025)
Decrease in cash and cash equivalents		(61,638,460)	(317,255,639)
Cash and cash equivalents at 1 January		743,456,066	1,060,711,703
Cash and cash equivalents at 31 December	18	681,817,606	743,456,066

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Donations in cash

5a Donations from public officers and government agencies:

	2021	2020
	₦	₦
Donors		
Lagos State Lotteries & Gaming Authority	106,575,000	-
Debt Management Office (Lagos)	-	50,000
	-----	-----
	106,575,000	50,000
	=====	=====

5b Donations in cash from private bodies:

Donor		
Zenith Bank Plc	500,000,000	-
KC Gaming Net	200,000,000	-
Winners Golden Chance	100,000,000	-
Adeyemi Idowu	50,000,000	50,000,000
First City Monument Bank	30,000,000	30,000,000
Council of Obas and Chief	20,000,000	-
Chief Leonard Nnamdi	15,000,000	-
WEMA Bank	10,000,000	-
Leadway Assurance Limited	5,000,000	5,000,000
Ports & Cargo Handlings Service Company	2,500,000	-
STL Trustees	1,000,000	-
Emadeb Energy Services	1,000,000	-
Ashaka Energy Services	500,000	-
ALPSN-Association of Licensed Private Security of Nigeria	250,000	-
Khpdor Jamal El-Ammouri	150,000	-
HRM Oba Shotobi Kabiru	100,000	100,000
Anonymous donor	12,407	33,864
Fidelity Bank Plc	-	50,000,000
Providus Bank Ltd	-	50,000,000
Polaris Bank	-	35,000,000
Variant Advisory Limited	-	10,000,000
Metropolitan Construction Co.	-	2,000,000
Jubaili Bros Engineering Company Ltd	-	1,500,000
Defensive & Protective Concepts Ltd	-	1,000,000
Orange Island Dev. Co. Ltd.	-	1,000,000
Harmony Abbattoir Mgt. Services	-	1,000,000
Alh. Adeola Musiliu Smith (DIG.)	-	500,000
Ecart Payables Account	-	500,000
Proton Security Services Ltd	-	500,000
Prof. Amuwo Shafideen	-	250,000
Engr. Jihad Anzieh	-	150,000
Abdullahi Ahmed Kabiru	-	100,000
Alh. Waheed Kassim	-	100,000
Mrs. Yetunde Akinluyi	-	50,000
Aforole Chinyere	-	50,000
Mrs Ayo Shotonwa	-	20,000
Gberevbie Andrew Omamuromu	-	10,000
Boladale Salawe	-	5,000
Ringo Starr	-	5,000
Adeola Alabi	-	1,000
	-----	-----
	935,512,407	238,874,864
	=====	=====

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

6	Donations in kind	2021 ₦	2020 ₦
6a	Donations from private bodies:		
	Dangote Group - 35 GAC Saloon Cars (Trumpchi GA4)	-	234,500,000
	NNPC & SNEPCO - 16 GS4 SUVs	-	176,000,000
	Chief Diana Chen Foundation - 5 Mini Trucks	-	35,000,000
	Elizade (Autoland) Nig. - 2 JAC Pickup Vans	-	22,000,000
		-----	-----
		-	467,500,000
		=====	=====
6b	Direct donations to security agencies:		
	Lagos State Government supports the security agencies directly, by providing drums and litres of lubricants and PMS/AGO respectively for the efficient operation of the agencies. The details are as shown below:		
		2021 ₦	2020 ₦
	Supply of 7.6m litres (2020: 7.6m litres) of Premium Motor Spirit (PMS)	1,252,152,000	1,100,376,000
	Supply of 2.05m litres (2020: 2.05m litres) of Automated Gasoline Oil (AGO)	654,720,000	511,500,000
	Supply of 6 drums (2020: 6 drums) of Lubricants	444,000	444,000
	Donation of 100 life jackets by Lagferry	800,000	-
		-----	-----
		1,908,116,000	1,612,320,000
		=====	=====
7	Other income		
	Town hall meeting sponsorship	14,000,000	-
	Vendors' registration fee	2,128,773	475,000
	Gain on disposal of PPE	295,000	18,000
	Grants from Lagos State Government	-	3,754,906
	Gain on sale of scraps	-	1,090,000
	Others	-	1,659,000
		-----	-----
		16,423,773	6,996,906
		=====	=====
8	Interest income calculated using effective interest method		
	Interest from fixed deposit	497,336	1,014,565
		-----	-----
		497,336	1,014,565
		=====	=====
		2021 ₦	2020 ₦
9	Support to security agencies		
	Donated vehicles, equipments and other supplies issued to security agencies (Note 9a)	2,045,816,000	1,858,540,000
	Purchased vehicles, equipment and other supplies issued to security agencies (Note 9b)	765,448,305	748,204,363
	Repairs and branding (Note 9c)	246,567,640	126,326,833
	RRS running cost	-	2,000,000
		-----	-----
		3,057,831,945	2,735,071,196
		=====	=====
9a	Donated vehicles, equipment and other supplies issued to security agencies		
	Beneficiaries	2021 ₦	2020 ₦
	RRS, LASTMA, LASEMA, Lagos Police command, LNSC, etc.		
	Supply of 7.6m litres (2020: 7.6m litres) of Premium Motor Spirit (PMS)	1,252,152,000	1,100,376,000
	Supply of 2.05m litres (2020: 2.05m litres) of Automated Gasoline Oil (AGO)	654,720,000	511,500,000
	Supply of 6 drums (2020: 6 drums) of Lubricants	444,000	444,000

LAGOS STATE SECURITY TRUST FUND

FIVE YEAR FINANCIAL SUMMARY

	31 December 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
Financial results	₦	₦	₦	₦	₦
Gross income	2,967,124,516	2,326,756,335	4,215,497,528	2,796,738,398	2,215,553,906
Total expenditure	(3,185,368,789)	(2,852,404,742)	(3,572,314,124)	(2,497,232,828)	(2,252,468,779)
(Deficit)/ surplus for the year	(218,244,273)	(525,648,407)	643,183,404	299,505,570	(36,914,873)
Financial position					
Accumulated funds	790,101,349	1,008,345,622	1,533,904,028	890,720,624	591,861,974
Employment of funds					
Non-current assets	19,306,247	31,103,563	48,500,374	47,124,481	23,970,102
Current assets	852,477,246	994,528,948	1,516,342,949	871,548,588	669,769,730
Non-current liabilities	-	-	-	(3,077,602)	(12,121,654)
Current liabilities	(81,682,144)	(17,286,889)	(30,939,295)	(24,874,843)	(89,756,204)
	790,101,349	1,008,345,622	1,533,904,028	890,720,624	591,861,974