



**LAGOS STATE SECURITY TRUST FUND
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

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| CONTENTS | PAGE |
|--|-------------|
| Legal and administrative information | 1 |
| Report of the Board of Trustees | 2 |
| Statement of Trustees' responsibilities | 6 |
| Report of the auditors | 7 |
| Financial statements: | |
| Balance sheet | 8 |
| Statement of revenues and expenses | 9 |
| Statement of cash flows | 10 |
| Statement of significant accounting policies | 11 |
| Notes to the financial statements | 12 |

**LAGOS STATE SECURITY TRUST FUND
LEGAL AND ADMINISTRATIVE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2009**

Registered Office

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

Bankers

Skye Bank Plc
Alausa Secretariat Branch
Alausa, Ikeja, Lagos

Zenith Bank Plc
Alausa Secretariat Branch
Alausa, Ikeja, Lagos

First Bank of Nigeria Plc
Acme Road, Ikeja, Lagos

Sterling Bank Plc
Aromire Street, Ikeja, Lagos

Afribank Plc
Reinsurance House
46 Marina, Lagos

Auditors

PricewaterhouseCoopers
252E Muri Okunola Street
Victoria Island, Lagos

Introduction

The Town Hall Meeting with His Excellency, the Governor, on Security is a yearly event that provides stakeholders the opportunity to appraise the security situation/challenges in Lagos State and to review the activities of the Lagos State Security Trust Fund, which was established to coordinate donations from government, both state and local governments/local councils development areas and private organizations and individuals in order to bridge the gap in operational deficiencies of the police and other security agencies resulting from many years of neglect. It is also a forum to advocate for more funds and equipment by way of donation to the Fund.

The objectives of the Fund according to the Law establishing it are to raise money and material through voluntary donations from the State and local governments/local council development areas, private organizations and individuals for the support of the police and other security agencies in the state. Some of the funds inflow may be placed in short term investments such as fixed deposits to generate additional income. The Fund has generated about N46 million from such investments from inception till date.

Justification for establishing the Fund

The need to properly coordinate and account for the donations by the governments, private organisations and individuals to the police and other security agencies informed the setting up of the Fund. The Fund was also required to ensure the maintenance of these assets in order to guarantee sustenance/continuity.

Since the inception of the Fund, the Governor has hosted three (3) Town Hall meetings on security. The first meeting was to consider the security situation in the State and the need to proffer solutions, while the second and third was mainly to review the security situation, give account of donations received and solicit for more funds.

Over the years the Fund had adopted the following strategies to raise funds/equipment:

- Writing advocacy letters, holding fundraising events and visits to as many organizations and individuals as possible within the state (copies of the Fund's audited report are attached to the advocacy letters).
- The Fund launched the citizens' contribution scheme which involved the distribution of LSSTF donation boxes in Banks, eateries and schools. This is to encourage contribution from the grassroots.
- The Fund also put in place an e-funding model which enables donors irrespective of location to contribute to the fund via the internet by the use of debit cards. The platform for this model is domiciled on the LSSTF website: www.lagosstatesecuritytrustfund.org.

**LAGOS STATE SECURITY TRUST FUND
REPORT OF THE BOARD OF TRUSTEES (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2009**

October 2009 to September 2010

In 2009, the Fund received N1.096 billion in donations in cash and materials, and expended a total cash of N441.929 million. The details of income and expenditure for 2009 are as contained in the attached statement of accounts as audited by Messrs PricewaterhouseCoopers, the Fund's external auditors.

In 2009, only a fraction of our initial donors responded to our advocacy for more donations. The total value of donations received in 2009 (cash and materials) was only 35% of the total donations received in 2008. Between 1st January 2010 and 30th September 2010 the Fund received approximately N1.010 billion in donations – cash and materials (please see page). Since the initial contribution at inception, the contribution by private organizations and individuals has declined substantially leaving the state and local governments to bear almost 75% of the expenditure for 2009 and 2010.

Permit me to recall the first Town Hall meeting on security where it was concluded that the Federal Government, which has the primary constitutional responsibility for financial and material support of security agencies could not cover the deficit of over 20 years of underfunding the police force in its regular annual budget cycles. This affects their ability to properly discharge their constitutional function of protection of lives and property. The forum resolved therefore that there was need to assist the police and other security agencies in the proper discharge of their duties. It was also clear that the state government could not carry the burden alone because of the enormous cost involved. This realization gave rise to the public private partnership – the Lagos State Security Trust Fund which is to coordinate, account for and distribute donations from both the private sector and the government.

We acknowledge that the reduction in contributions to the Fund by private organizations and individuals could largely be linked to the effects of the global economic meltdown and the financial crisis in a number of our banks which had to be bailed out by the Central Bank of Nigeria. Of course this affected the whole financial sector including the stock market with ripple effects on the business community. Nonetheless, the need to continue to contribute to the Fund is paramount for the maintenance of an atmosphere where commercial and social activity can take place in relative safety.

It is refreshing that organizations such as schools, eateries, churches and advertising agencies have started contributing to the Fund. The Fund would like to acknowledge the support of individuals, companies and organizations who have contributed both in cash and in kind to this initiative especially those that have contributed more than once because they realize the need to keep the system running. We would particularly want to thank the school children who have continued to support the Fund with their N5, N10, N20 and N50 donation as their understanding of the importance of security and sense of responsibility is a source of encouragement to us.

As at 30th September 2010, the Fund has a balance of N180.503 million in its accounts.

**LAGOS STATE SECURITY TRUST FUND
REPORT OF THE BOARD OF TRUSTEES (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2009**

Continuing necessity of the Fund, advancing the security model

The security architecture in the state is structured around a high visibility – emergency response system that has the Rapid Response Squad of the Lagos State Police Command in the forefront supported by OP MESA (the joint Army/Air Force/Naval patrol). The 767/112 emergency call center is at the heart of the security system as it is the medium through which members of the public can reach the security and safety agencies whenever they are in distress. Also the operational capacity of the various divisional police stations has been improved with the provision of patrol vehicles and communication equipment through the Lagos State Security Trust Fund. The State Security Service has also been empowered to step up surveillance. The engine of the model is the corporation of security agencies in the State coordinated by the State Security Council under the chairmanship of His Excellency the Governor.

In the past three years, the Fund has provided equipment and support for the police and a number of other federal government security agencies to the tune of about N6.2 billion. This has translated to the reduction in violent crime in the state. In fact, available crime statistics and data from the Lagos State Police Command and independent sources reflect a continuous reduction in violent crime in the state. This discounts the often mouthed excuse for seeming police incompetence that reorientation rather than adequate working tools is their greatest challenge. The result of an independent survey by Cleen Foundation, a renowned NGO, which asserts that there is a perception of a 79% reduction in crime in Lagos State as at November 2009 has earned the Fund international recognition. One of these is the invitation of the Executive Secretary of the Fund by the UN as a panelist to address its full plenary at the 12th UN Congress on Crime Prevention & Criminal Justice in Salvador de Bahia, Brazil in April 2010 in the workshop titled: **Practical approaches to urban crime prevention in the session on Mega Cities and Regions.**

In addition, improved security has brought back night life to the city. It has also attracted foreign investments in the past two years. Notable amongst the new arrivals is a global food franchise and one of the largest supermarket chains in the world. There are also a number of shopping malls under construction in the city including the \$100 million Ikeja Mall. Also quite a number of five star hotels are being built in the state.

As it has become clear that there is no alternative to the security model in the state, sustaining and advancing it, is a clear and inescapable imperative.

Going Forward

Our waterways still need to be further fortified. The men of the Lagos State Police Command need to be properly kitted and trained. The RRS fleet and indeed divisional police stations require continuous maintenance and replacement (most of the vehicles are almost three years old). We need to upgrade the police communications network in the state and provide more aerial support. CCTV cameras need to be installed for surveillance and so on.

The Commissioner of Police, Lagos State Police Command in his presentation at the last Town Hall meeting highlighted the following as "critical needs" of the Command:

- 24,000 AK47 Rifles
- 20,000,000, 7.62mm Ammunition
- 20,000 Smoke rifles
- 20,000 Bulletproof vests
- 24,000 Ballistic Helmets
- 10,000 Complete Riot gear- body suit, Shield, helmet and baton
- 300 patrol cars
- 300, Police Motorcycles
- 6 helicopters
- 100 Armored Personnel Carriers e.t.c.

**LAGOS STATE SECURITY TRUST FUND
REPORT OF THE BOARD OF TRUSTEES (Cont'd)
FOR THE YEAR ENDED 31 DECEMBER 2009**

Even a conservative estimate of the above requirements would run into about N20 billion which further underscores the need for the public private partnership (the Fund) as the Government cannot do it on its own.

We should also remember that Lagos State being the commercial nerve centre of our country has a high potential for criminal activity which the CP has on occasion described as criminogenic factors. In fact, the improved level of security in the state has attracted an influx of people from crime volatile parts of the country to Lagos. The situation has greatly increased the potential for crime in Lagos and underscores the need for greater preparedness and vigilance.

Furthermore, even with the high number of potential targets, Lagos has largely been spared from the horrendous menace of kidnapping because of our improved security.

It is for these reasons and many more that we cannot afford to slip back to the era before the establishment of this very outstanding partnership, a period when the police could not respond to distress calls for lack of logistics (even ammunition). We need to consolidate on our successes rather than relax as though the job is done. As I have mentioned earlier, our PPP security model was discussed at the UN and it was endorsed as an effective approach which if sustained could bring about a safe community as security, by its nature, requires a large amount of continuous funding which in our case is further compounded by many years of neglect. The fact that the assets used by security agents are quite expensive and are high maintenance assets are also factors to be considered.

Therefore, there is an urgent need for private organizations and individuals to step up their support for the model by donating to the Lagos State Security Trust Fund to ensure that we continue to create an environment where social and economic development can thrive and the quality of life can continue to improve.

Auditors

In accordance with the Lagos State Security Trust Fund Law, the Fund's auditors, Messrs PricewaterhouseCoopers have indicated their willingness to continue in office as auditors of the Fund.

Thank you.

**Fola Arthur-Worrey
Executive Secretary, Lagos State Security Trust Fund
For: Chairman and Members of the Board of Trustees
Lagos State Security Trust Fund**

15 October 2010

**LAGOS STATE SECURITY TRUST FUND
STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2009**

TRUSTEES' RESPONSIBILITIES

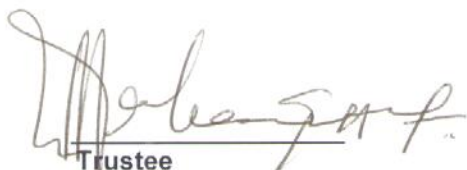
The Lagos State Security Trust Fund Law requires the Trustees to prepare financial statements for each financial period that give a true and fair view of the state of financial affairs of the Fund at the end of the period and of its revenues and expenses. This responsibility includes:


- a. ensuring that the Fund keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Fund and complies 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 Funds financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The Trustees accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with Nigerian Accounting Standards and the requirements of the Lagos State Security Trust Fund Law.

The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Fund and of its revenues and expenses. 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.


Trustee


Trustee

Dated this 15th day of October 2010

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

Report on the financial statements

We have audited the accompanying financial statements of Lagos State Security Trust Fund (the Fund) which comprise the balance sheet as of 31 December 2009 and the statement of revenues and expenses and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Trustees' responsibility for the financial statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with the Nigerian Statements of Accounting Standards and the requirements of the Lagos State Security Trust Fund Law. This responsibility includes: 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by the trustees, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the Fund at 31 December 2009 and of the deficit of revenues and expenses and cash flows of the Fund for the year then ended in accordance with the Nigerian Statements of Accounting Standards and the Lagos State Security Trust Fund Law.


Chartered Accountants
Lagos, Nigeria

18 October 2010



**LAGOS STATE SECURITY TRUST FUND
BALANCE SHEET AS AT 31 DECEMBER 2009
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009**

| Assets | Note | 2009 N | 2008 N |
|-------------------------------|-------------|---------------------------|---------------------------|
| Cash at bank | 2 | 8,592,809 | 95,832,707 |
| Short term deposits | 3 | 87,905,248 | 290,710,136 |
| Accounts receivable | 4 | 7,661,781 | 52,977,969 |
| Inventories | 5 | <u>18,594,000</u> | <u>21,310,000</u> |
| Total current assets | | 122,753,837 | 460,830,812 |
| Property, plant and equipment | 6 | <u>5,930,425</u> | <u>7,705,475</u> |
| Total assets | | <u>128,684,263</u> | <u>468,536,287</u> |
| Current liabilities | | | |
| Creditors and accruals | 7 | <u>8,856,773</u> | <u>7,489,659</u> |
| Net assets | | <u>119,827,490</u> | <u>461,046,628</u> |
| General funds | 8 | <u>119,827,490</u> | <u>461,046,628</u> |

SIGNED ON BEHALF OF THE BAORD OF TRUSTEES BY:

_____)
) Trustees
 _____)

Approved by the Board of Trustees on 15 October 2010

The accounting policies on page 11 and notes in pages 12 to 21 form an integral part of these financial statements.

**LAGOS STATE SECURITY TRUST FUND
STATEMENT OF REVENUES AND EXPENSES
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009**

| | Note | 12 months to Dec 2009 N | 17 months to Dec 2008 N |
|---|------|-------------------------------|-------------------------------|
| Revenues | | | |
| Donations in cash | | | |
| From political officers and government agencies | | - | 33,500,000 |
| From private bodies | 9 | 183,480,430 | 1,276,369,000 |
| Donations in kind | | | |
| From Lagos State Government, Local Government Areas and Local Council Development Areas | 10 | 834,856,641 | 2,508,823,537 |
| From private bodies | 11 | 78,040,000 | 619,450,000 |
| Interest income | | <u>27,274,428</u> | <u>18,114,237</u> |
| Total revenues | | <u>1,123,651,499</u> | <u>4,456,256,774</u> |
| Expenses | | | |
| Support to security agencies | 12 | (1,405,035,504) | (3,945,881,318) |
| Administrative expenses | 13 | (57,818,056) | (44,592,925) |
| Bank charges | | <u>(2,017,077)</u> | <u>(4,735,903)</u> |
| Total expenses | | <u>(1,464,870,637)</u> | <u>(3,995,210,146)</u> |
| (Deficit)/Excess of revenue over expenses | | <u>(341,219,138)</u> | <u>461,046,628</u> |

The accounting policies on page 11 and notes on pages 12 to 21 form an integral part of these financial statements.

**LAGOS STATE SECURITY TRUST FUND
STATEMENT OF CASH FLOWS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009**

| | Note | 2009 N | 2008 N |
|--|------|--------------------------|---------------------------|
| Cash flow from operating activities | | | |
| (Deficit)/Excess of revenues over expenses | | (341,219,138) | 461,046,628 |
| Adjustment for non-cash items | | | |
| Depreciation | 6 | 2,214,050 | 504,124 |
| Impairment provision | 6 | 141,000 | - |
| Decrease/(Increase) in inventories | 5 | 2,716,000 | (21,310,000) |
| Donated property, plant and equipment | 6 | (240,000) | (2,940,000) |
| Changes in working capital | | | |
| Decrease/(Increase) in prepayment | 4 | 5,316,188 | (12,977,969) |
| Increase in accruals | 7 | 1,521,773 | 7,335,000 |
| Decrease/(Increase) in receivable from pledged donations | 4 | <u>40,000,000</u> | <u>(40,000,000)</u> |
| Net cash (used in)/received from operations | | (289,550,128) | 391,657,783 |
| Cash flow from investing activities | | | |
| Acquisition of property, plant and equipment | 6 | <u>(340,000)</u> | <u>(5,269,599)</u> |
| Net movement in cash and cash equivalent | | <u>(289,890,128)</u> | <u>386,388,184</u> |
| At start of the year | | 386,388,184 | - |
| (Decrease)/Increase | | <u>(289,890,128)</u> | <u>386,388,184</u> |
| At end of the year | | <u>96,498,056</u> | <u>386,388,184</u> |

The accounting policies on page 11 and notes on pages 12 to 21 form an integral part of the financial statements.

LAGOS STATE SECURITY TRUST FUND
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009

(a) **Basis of preparation**

The financial statements are prepared on a modified cash basis under the historical cost convention and in accordance with applicable standards.

(b) **Revenue recognition**

Cash donations are recognised as revenue when cash is received or when pledges are certain to be redeemed. Donations in kind are valued at market value or reasonable estimates.

(c) **Property, plant and equipment**

Property, plant and equipment are shown at acquisition cost less accumulated depreciation. Acquisition cost represents the purchase price of the item plus freight, insurance and handling charges, or the fair market value for donated items.

(d) **Depreciation**

Depreciation is calculated on the straight line method to write off the cost of each asset to their residual values over their estimated useful lives, at the following annual rates:

| | % |
|--------------------------------|----|
| Office furniture and equipment | 25 |
| Computer equipment | 33 |
| Motor vehicle | 25 |

(e) **Expenses**

All expenses are accounted for when incurred or obligated, whether or not cash has been paid, and have been classified under headings that aggregate all costs of similar nature. Expenditure is recognised:

- when goods or services are received
- when cash is paid in advance to project contractors

(f) **Short term deposits**

Investments comprise term deposits placed with banks and are stated at the lower of cost or net realisable value.

(g) **Inventories**

Inventories consist of items received from donors, not yet distributed to approved security agencies.

LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009

1 The Fund

The Lagos State Security Trust Fund was established in 2007 under the Lagos State Act 2007. The objectives of the Trust Fund are to raise money through voluntary subscriptions and donations from all interested Government agencies, private organizations and individuals. The money thus raised is to be used for the acquisition and deployment of security equipment and such 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 and part of the fund shall be reserved for the training and retraining of the security personnel.

2 Cash at Bank

| | 2009 | 2008 |
|---|------------------|-------------------|
| | N | N |
| Zenith International Bank Plc (current account) | 1,011,257 | 58,472,234 |
| Sterling Bank Plc (current account) | 2,884,513 | 35,912,668 |
| First Bank of Nigeria Plc (current account) | 50,012 | 1,447,805 |
| Afribank Nigeria Plc | 4,512,710 | - |
| Skye Bank Plc | 134,318 | - |
| | 8,592,809 | 95,832,707 |

3 Short term deposits

| | | |
|---|-------------------|--------------------|
| Zenith International Bank Plc (fixed deposit) | 27,000,000 | 130,000,000 |
| Sterling Bank Plc (fixed deposit) | 3,957,465 | 110,000,000 |
| First Bank of Nigeria Plc (fixed deposit) | 56,947,783 | 50,710,136 |
| | 87,905,248 | 290,710,136 |

4 Accounts receivables

| | | |
|---|------------------|-------------------|
| Pledged donations | - | 40,000,000 |
| Prepaid office partitioning and remodelling | 4,224,281 | 7,040,469 |
| Prepaid office rent | 3,437,500 | 5,937,500 |
| | 7,661,781 | 52,977,969 |

5 Inventories (at market value)

| | | |
|--------------------------------------|-------------------|-------------------|
| 4 Security rechargeable search light | 340,000 | - |
| 20 Bullet proof vests | 2,400,000 | - |
| 20 Kenwood walkie talkies | 2,400,000 | - |
| 4 HP Computers | 320,000 | - |
| 20 smart phones | 2,400,000 | - |
| 1 Nissan Tida | 2,850,000 | - |
| Medical Kit | 7,884,000 | - |
| 5 Ford Rangers vehicles | - | 20,750,000 |
| 7 HP computers | - | 560,000 |
| | 18,594,000 | 21,310,000 |

Inventory consists of items received from donors not yet distributed to approved security agencies.

LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009

6 Property, plant and equipment

| | Office furniture & equipment N | Computer equipment N | Motor vehicles N | Total N |
|--------------------------------|---|----------------------------|---------------------|------------------|
| Cost | | | | |
| At 1 January 2009 | 2,074,599 | 240,000 | 5,895,000 | 8,209,599 |
| Additions during the period | - | 580,000 | - | 580,000 |
| Disposals | - | - | - | - |
| At 31 December 2009 | <u>2,074,599</u> | <u>820,000</u> | <u>5,895,000</u> | <u>8,789,599</u> |
| Depreciation | | | | |
| At 1 January 2009 | 259,324 | 19,800 | 225,000 | 504,124 |
| Charge for the year | 518,650 | 221,650 | 1,473,750 | 2,214,050 |
| Provision for asset impairment | - | 141,000 | - | 141,000 |
| At 31 December 2009 | <u>777,974</u> | <u>382,450</u> | <u>1,698,750</u> | <u>2,859,174</u> |
| Net Book Value | | | | |
| At 31 December 2009 | <u>1,296,625</u> | <u>437,550</u> | <u>4,196,250</u> | <u>5,930,425</u> |
| At 31 December 2008 | <u>1,815,275</u> | <u>220,200</u> | <u>5,670,000</u> | <u>7,705,475</u> |

7 Creditors and accruals

| | 2009 N | 2008 N |
|--|------------------|------------------|
| Accrual for audit fees | 7,380,000 | 7,335,000 |
| Accrual for December 2009 staff salaries | 100,000 | - |
| Accrual for Executive Secretary's allowance (October to December 2009) | 750,000 | - |
| Sitting allowance for Prince Lanre Balogun for September 2009 | 50,000 | - |
| Accrual for branding of 6 OP MESA operational vehicles | 480,000 | - |
| Accrual for service charge | 96,773 | - |
| Bank overdraft (Skye Bank Plc current account) | - | 154,659 |
| | <u>8,856,773</u> | <u>7,489,659</u> |

8 General funds

| | | |
|--|----------------------|--------------------|
| Fund balance as at 1 January | 461,046,628 | - |
| (Deficit)/Excess of revenues over expenses | <u>(341,219,138)</u> | <u>461,046,628</u> |
| Total funds as at 31 December | <u>119,827,490</u> | <u>461,046,628</u> |

**LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009**

9 Cash donations from Private Bodies

| Donors | 2009 N |
|--|--------------------|
| Zenith Bank Plc | 100,000,000 |
| Union Bank Nigeria Plc. | 30,000,000 |
| Total Exploration and Production Nig. Ltd | 20,000,000 |
| Leadway Assurance Company Plc. | 10,000,000 |
| Harris Dredging Ltd. | 7,000,000 |
| Association of Fast Food Confectioners of Nig. | 2,500,000 |
| Deeper Life Bible Church | 2,500,000 |
| Jubaili Bros Engineering Ltd | 1,500,000 |
| Tantalizers Ltd | 1,000,000 |
| Elecktrint Nig. Ltd | 1,000,000 |
| Sweet Sensation Confectioners Ltd | 1,000,000 |
| Wemabod Estates Ltd | 1,000,000 |
| Chief Okoya Thomas | 1,000,000 |
| Sir Akintola Williams | 1,000,000 |
| Bras Motors Ltd | 1,000,000 |
| La Scala | 800,000 |
| Mama Cass Restaurants Ltd. | 600,000 |
| Air France | 500,000 |
| Engr. Fisher Olanrewaju | 250,000 |
| The Redeemed Evangelical Mission | 250,000 |
| Golden Noodles Company Ltd | 150,000 |
| Interconstruct Ltd | 100,000 |
| E.A Raji | 50,000 |
| Chief & Mrs. Anyaoku | 25,000 |
| Mr. Rasaq Lawal | 25,000 |
| Alhaja Abibatu Mogaji | 25,000 |
| Mr. Mobolaji O. Williams | 20,000 |
| Total anonymous donations at the 3rd Town Hall meeting | 10,150 |
| Torosedata Technology consulting Ltd | 10,000 |
| Chief Oyenuga Julius O.K | 10,000 |
| Mrs. Folake Shokunbi (Iya Kalokalo) | 10,000 |
| Mr. Gabriel Ojedapo Falade | 5,000 |
| Nath-Okoduwa Violets | 5,000 |
| Donation Boxes/ e-donation | 35,280 |
| Miscellaneous donation into the Fund's Zenith Bank Current Account | 50,000 |
| Miscellaneous donation into the Fund's Skye Bank Current Account | 50,000 |
| Total | 183,480,430 |

**LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009**

10 Donations in kind from Lagos State Government, LGAs and LCDAs (at market value)

| Donors | Donations | 2009 N |
|------------------------|---------------------------|--------------------|
| LGAs and LCDAs | 114 pick up vans | 513,000,000 |
| Lagos State Government | Fuel supply (PMS and AGO) | 321,856,641 |
| | | 834,856,641 |

11 Donations in kind from private bodies (at market value)

| Donors | Donations | |
|------------------------------------|--|-------------------|
| Afribank Nigeria Plc | 10 Toyota Hillux 4x4 | 42,000,000 |
| OANDO Plc | Bi-monthly supply of 11,000 liters of AGO & PMS - Oct. 21st - Dec. 2009 | 9,075,000 |
| Reach Out Nigeria (Christ Embassy) | 2 Toyota Hilux vans | 9,000,000 |
| Fidelity Bank Plc | 30 bullet proof vests and 20 kenwood walkie talkies | 6,000,000 |
| Contact Solutions Ltd. | Free management of emergency call centre (767/112) | 3,000,000 |
| Oceanic Bank | Deposit of \$20,000 to Pointec Corp for repair of APC damaged during foiled robbery of Oceanic Bank on Ozumba Mbadiwe Avenue | 3,000,000 |
| Omatek Computers Ltd. | 20 camera smart phones | 2,400,000 |
| Standard Chartered Bank Ltd. | 20 bullet proof vests | 2,400,000 |
| Cross Country Ltd. | 1 Volkswagen bus | 500,000 |
| Pania Kabura Ltd | 4 units of security rechargeable search light | 340,000 |
| Mc Elliot & Associates Ltd. | 5 binoculars | 325,000 |
| Total | | 78,040,000 |

12 Support to Security Agencies

| | 12 months to Dec 2009 N | 17 months to Dec 2008 N |
|---|--|--|
| Distribution of donated vehicles, equipment and supplies (Note 11a) | 963,106,641 | 3,064,023,537 |
| Building construction & command center | - | 287,843,383 |
| Vehicles, equipment and supplies (Note 11b) | 416,127,479 | 503,508,031 |
| Repairs and branding (Note 11c) | 23,676,385 | 36,744,367 |
| Training and allowances to security agencies (Note 11d) | 2,125,000 | 53,762,000 |
| | 1,405,035,505 | 3,945,881,318 |

LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009

12a Distribution of donated vehicles, equipment and supplies (at market value)

| Beneficiaries | Items donated | 2009 N |
|----------------------------------|---|--------------------|
| Call Centre | Free management of emergency call centre (767/112) | 3,000,000 |
| Lagos State Police Command | 114 pick up vans | 513,000,000 |
| | 15 bullet proof vests | 1,800,000 |
| | 3 binoculars | 195,000 |
| | 1 Ford Ranger (Lion Building) | 4,000,000 |
| | 1 Ford Ranger for Shasha | 4,000,000 |
| | 3 Toyota Hilux 4 X 4 (1 for Ikorodu and 2 for MOPOL 49) | 12,600,000 |
| | 2 Ford Rangers for Lekki Convoy Patrol | 8,000,000 |
| | 1 Ford Rangers for Alausa Police Station | 4,000,000 |
| | Bi-monthly supply of 11,000 liters of AGO&PMS - Oct.21st-Dec.,2009 worth N3,630,000/month | 9,075,000 |
| | 1 Volkswagen bus | 500,000 |
| | 3 Toyota Hilux 4 X 4 for Anti Terrorist Squad | 12,600,000 |
| | 2 Ford Rangers for Zone II | 8,000,000 |
| | 1 Toyota Hilux Van for Convoy Patrol | 4,500,000 |
| Lagos State Rapid Response Squad | 4 Toyota Hilux | 16,800,000 |
| | 5 Ford Rangers | 20,750,000 |
| | Supply of fuel (PMS and AGO) from 1 January 2009 to 31 December 2009 | 321,856,641 |
| OP MESA | 15 bullet proof vests | 1,800,000 |
| | 2 binoculars | 130,000 |
| | 1 Ford Ranger | 4,000,000 |
| State Security Service | 2 Ford Rangers | 8,000,000 |
| Ministry of Justice | 2 Toyota Hilux vans | 4,500,000 |
| Total | | 963,106,641 |

LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009

12b Vehicles, equipment and supplies

| Beneficiaries | Description | 2009 N |
|------------------------------------|---|--------------------|
| Call Centre/RRS | 40 swivel chairs for the RRS control room and the "767" / "112" emergency call centre operators | 920,000 |
| Call Centre | Management, technical support and personnel (agents) for the "767" & "112" 24hr toll-free Emergency Call Centre | 56,340,000 |
| Enforcement Law & Order Unit | 6 Toyota Hilux 4x4 pickup vans fitted with back cover, base radio sets and security bar lights with siren | 28,700,000 |
| | 2 Nissan pick up vans fitted with back cover, base radio sets and security bar lights with siren | 10,600,000 |
| Federal Special Anti Robbery Squad | 1 Nissan Tida saloon cars fitted with base radio sets | 3,600,000 |
| Lagos State Police Command | 2 Security bar lights with siren for patrol vehicles | 300,000 |
| | Supply and installation of 3 base radios and 2 security bar lights | 790,714 |
| | 1 base radio and 1 security bar light with siren for patrol vehicle | 285,000 |
| | 1 Toyota Hilux vehicle 4x4 D/Cabin | 4,950,000 |
| | 1 Toyota Hilux vehicle | 4,950,000 |
| | 2 Security bar lights with siren for patrol vehicles | 300,000 |
| | 1000 police hand gloves | 1,800,000 |
| | 2 Nissan Tida saloon cars fitted with base radio sets | 7,200,000 |
| | 6 base radios sets, 6 security bar lights with siren for 6 patrol vehicles | 1,710,000 |
| | 1 Nissan Tida saloon car | 3,500,000 |
| | 80 ballistic (bulletproof) Kevlar helmets | 6,800,000 |
| | Construction of back cabins for 6 Toyota Hilux vans | 630,000 |
| | 200 baton touch light | 4,140,000 |
| | 4 Toyota Hilux pick up vans | 18,800,000 |
| | 30 level III floatable bulletproof vests | 6,000,000 |
| | Construction of back cabins on 9 patrol vehicles | 1,080,000 |
| | 6 Ford Rangers and registration of 2 patrol vehicles in the store | 960,000 |
| | Mobile radio communicator and bar light | 270,000 |
| | Back cover and seats for 6 Toyota Hilux pickup vans | 630,000 |
| | Fuel and lubricants for Marine Police patrol boats | 400,000 |
| Lagos State Rapid Response Squad | 100 Base radios and 100 walkie talkies with shoulder radios for RRS | 19,500,000 |
| | 10 Base radios with external speakers and 10 walkie talkies with shoulder radios | 2,120,000 |
| | 4 base radios and 4 security bar lights | 1,054,286 |
| | 1 Pajero Jeep for RRS undercover night patrol | 7,600,000 |
| | Back cover and seats for 4 Toyota Hilux pickup vans | 420,000 |
| Balance carried forward | | <u>196,350,000</u> |

LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009

12b **Vehicles, equipment and supplies** (Cont'd)

| Beneficiaries | Description | 2009 N |
|----------------------------------|--|--------------------|
| | Balance brought forward | 196,350,000 |
| Lagos State Rapid Response Squad | 1000 mattresses and 1000 pillows | 4,892,479 |
| | 60 units of Naija Navigator and training in use | 2,850,000 |
| | 50 units of motorized search lights with automatic swivel control and 30 replacements bulbs for RRS patrol vehicles for night patrols | 5,885,000 |
| | 10 BMW motorcycles for the Special Motorcycle unit of Rapid Response Squad | 49,250,000 |
| | 420 ballistic (bulletproof) Kevlar helmets | 35,700,000 |
| | 500 rain boots and 500 raincoats | 3,550,000 |
| | 1000 boots for RRS operatives | 5,000,000 |
| Ministry of Justice | 2 Nissan pick up vans fitted with back cover, base radio sets and security bar lights with siren | 10,600,000 |
| MOPOL 49 | Supply and installation of Police communication equipment | 11,400,000 |
| Neighbourhood watch | Complete set of neighbourhood watch uniforms, 500 cross model baton and 500 metal handcuffs | 12,290,000 |
| OP MESA | 4 special one kilometer distance handheld flood lights, 5 pairs of night vision goggles and 2 pairs binoculars for Navy/Marine Police Joint patrols | 1,545,000 |
| | Supply and installation of base radio set with high ground antenna and cable in the office of the DPO, Gowon Estate Police Station | 250,000 |
| | Installation of 7 base radios for 6 pick up vans and 6 security bar lights with siren | 1,750,000 |
| | 1 Toyota Hilux 4x4 | 5,250,000 |
| | 1 Toyota Hilux 4x4 | 5,250,000 |
| | 4 Toyota Hilux 4x4 branded and fitted with back cover with seats, base radios sets and security bar lights with siren for Ajah / Akodo / Epe convoy patrol | 21,000,000 |
| | 2 Toyota Hilux 4x4 branded and fitted with back cover with seats, base radios sets and security bar lights with siren for Ikorodu Convoy Patrol | 10,000,000 |
| | 5 Ford Rangers fitted with Amber light and back cabin | 20,075,000 |
| | Back cabin construction for 4 Ford Rangers | 465,000 |
| | Installation of 3 base radios and flash light with siren | 525,000 |
| State Security Service | Communication equipment (high ground antennas, base radio sets, walkie talkies etc.) for the SSS at Shagisha Badagry and Epe | 8,360,000 |
| | Base radios, 2 security bar lights with siren and 2 flashlights with siren | 3,890,000 |
| Total | | 416,127,479 |

LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009

| 12c Repairs and branding Beneficiaries | Description | 2009 N |
|--|---|-------------------|
| Lagos State Police Command | Consultancy fees for quantity survey and production bill of quantities for the renovation of the official resident of the Commissioner of Police, Lagos State | 174,900 |
| | Repair of Aguda Police Station patrol vehicle | 456,075 |
| | Branding of patrol vehicle for Alausa divisional HQ | 30,000 |
| | Branding of one Lagos state police command operational Hillux vehicle Lion Building Ikoyi | 45,000 |
| | Branding of one Lagos state police command operational Hillux vehicle | 45,000 |
| | Branding of 6 vehicles | 300,000 |
| | Branding of 3 patrol vehicles | 274,286 |
| | Pressure testing of fuel tank | 90,000 |
| | Removal of old fuel tanks and replacement with 2 new fuel tanks with new dispensing pumps | 3,300,000 |
| | Bodywork and painting of Marine Police patrol vehicle | 30,000 |
| | Branding of Marine Police patrol vehicle | 20,000 |
| | Dry cell battery for patrol vehicle | 12,000 |
| Lagos State Rapid Response Squad | Servicing of 125 RRS patrol vehicles | 7,077,000 |
| | Repairs and maintenance of 10 BMW motorcycles for the Special Motorcycles Rapid Response Squad | 1,353,860 |
| | Repairs/overhauling of 30 RRS patrol vehicles | 2,106,350 |
| | Servicing of 35 RRS Patrol vehicles | 175,000 |
| | Servicing of 44 RRS patrol vehicles | 220,000 |
| | Branding of 4 patrol vehicles | 365,714 |
| | Service parts for the service of 115 RRS patrol vehicles | 1,791,500 |
| | Servicing of 115 RRS injector nozzles (4 nozzles per vehicle) | 115,000 |
| | Servicing of 36 RRS patrol vehicles | 180,000 |
| | Branding of 420 Kevlar ballistic helmets and 30 level III floatable bulletproof vests | 120,000 |
| | General repairs on 13 RRS patrol vehicles | 1,286,700 |
| | Replacement of 11 set of rear lights and 15 sets of brake pads | 272,500 |
| | Repair of the APC damaged during foiled robbery of Oceanic Bank on Ozumba Mbadiwe Avenue | 3,000,000 |
| OP MESA | Branding of 6 toyota Hilux vans | 180,000 |
| | Branding of 6 OP MESA operational vehicles | 480,000 |
| State Security Service | Comprehensive servicing/repairs of 4 Toyota corolla saloon cars and 1 Toyota Haice bus | 175,500 |
| Total | | 23,676,385 |

LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009

12d Training and allowances to security agencies

| Beneficiaries | Description | 2009 N |
|---------------------|---|-----------|
| Neighbourhood watch | Allowance for 400 neighbourhood watchers on special street patrol | 2,125,000 |

13 Administrative expenses

| | |
|---|-------------------|
| Rent expense for Lagos Security Trust Fund office space | 2,500,000 |
| Rent for Office Space Commission and Service Charge | 1,846,773 |
| Partitioning of LSSTF office and remodelling | 2,816,188 |
| 3rd town hall meeting on security expenses | 2,072,351 |
| Expenses towards "an evening with His Excellency" a fund raising dinner | 1,886,300 |
| 200 roll down banners, and 200 branded donation boxes | 9,800,000 |
| Audit fees | 7,746,750 |
| Depreciation of property, plant and equipment | 2,214,050 |
| Impairment provision for computers no longer in use | 141,000 |
| Staff allowances and salaries | 5,870,000 |
| Trustees' allowance | 1,550,000 |
| General office expenses | 1,630,000 |
| 2,000 full brochures, 100 donation boxes and 100 roll down banners | 6,845,000 |
| Awareness campaign for 767/112 call centre | 9,138,545 |
| 9 Awards Plaques for commendation of RRS men that foiled the bank oceanic HQ robbery (St Flairs Awards Limited) | 210,000 |
| Launch of the special rapid motorcycle patrols | 100,000 |
| 400 Lagos State Security Trust Fund brochures | 265,000 |
| Website development, design origination, domain name registration and design origination, domain name registration and search engine optimisation | 2,130,000 |
| Other office maintenance expense | 56,100 |
| Reversal of cancelled skye bank cheque# 10000090 initially issued to Samuel Oludotun in May 2008 | (1,000,000) |
| Total | 57,818,056 |

LAGOS STATE SECURITY TRUST FUND
NOTES TO THE FINANCIAL STATEMENTS
FINANCIAL REPORTS FOR THE YEAR ENDED 31 DECEMBER 2009

14 Employee emoluments and Board of Trustees fees

The Fund had five employees (including the Executive Secretary) of its own during the period. The total monthly emoluments for the employees (excluding the Executive Secretary) is N140,000. The members of the Board of Trustees receive N50,000 as sitting allowances, while the Executive Secretary of the Fund receives monthly allowance of N250,000.

Employees' remuneration

| | 12 months to Dec 2009 N | 17 months to Dec 2008 N |
|------------------------------------|--|--|
| Staff costs for the above persons: | | |
| Wages and salaries | 5,870,000 | 3,700,000 |

The number of employees of the Fund, including the Executive Secretary in the year is analysed as follows:

| N | N | 2009 Number | 2008 Number |
|-----------|-----------|------------------------|------------------------|
| | Less than | | |
| | | 1 | - |
| 100,001 | - | 2 | - |
| 250,001 | - | 1 | 2 |
| 1,000,001 | and | 1 | 1 |
| | | <u>5</u> | <u>3</u> |

Trustees' remuneration

| | 12 months to Dec 2009 N | 17 months to Dec 2008 N |
|--|--|--|
| The remuneration paid to the Trustees of the Fund was: | | |
| Fees | 1,550,000 | 1,950,000 |
| Other emoluments | - | - |
| | <u>1,550,000</u> | <u>1,950,000</u> |

Fees and other emoluments disclosed above include amounts paid to:

| | | |
|--------------------------|----------------|----------------|
| The Chairman | <u>-</u> | <u>-</u> |
| The highest paid Trustee | <u>450,000</u> | <u>650,000</u> |

The number of Trustees (including the chairman and the highest-paid Trustee) who received fees and other emoluments in the following ranges was:

| N | N | 2009 Number | 2008 Number |
|-----------|--------------|------------------------|------------------------|
| | No allowance | 3 | 3 |
| 200,000 | - | - | 1 |
| 300,001 | - | 3 | 1 |
| 400,001 | - | 1 | - |
| 5,000,001 | - | - | 1 |
| | Greater than | - | 1 |
| | | <u>7</u> | <u>7</u> |