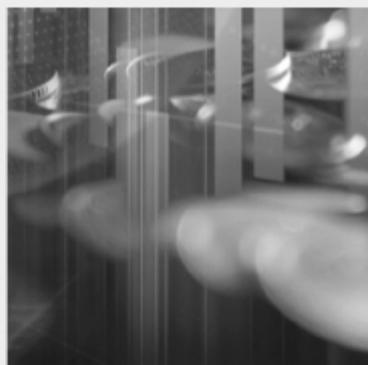


2022 ANNUAL REPORT



(RC 372333)

Secure Electronic Technology Plc

... gaming entertainment empowerment



(RC 372333)

Secure Electronic Technology Plc

... gaming Entertainment Empowerment

SULAIMON AND CO.
(Chartered Accountants)

Annual Report 2022

CORPORATE ADDRESS

107, Bamgbose Street, Lagos Island

Tel: +234 1 279777 **Fax:** +234 1 2700007

VISION

An Innovative Organization with a passion for changing lives.

MISSION STATEMENT

Nigeria's foremost organization providing the platform for the convergence of gaming and electronic service processing.

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NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of the members of SECURE ELECTRONIC TECHNOLOGY PLC will be held on Thursday, 3rd August 2023 at The Events Warehouse, Plot CDE Industrial Crescent, off Town Planning Way, Ilupeju, Lagos at 12:00pm to transact the following business:

Ordinary Business:

1. To lay before the members the Audited Financial Statements for the year ended 31st December 2022 and the reports of the Directors, Auditors and Audit Committee thereon.
2. To approve the appointment of an Independent Non-executive Director and re-elect the Directors retiring by Rotation.
3. To retire the external auditor, appoint new auditors and to authorize the Directors to fix the remuneration of the Auditors.
4. To approve the remuneration of the Directors
5. To elect members of the Audit Committee.
6. To disclose the remuneration of the Managers.

Dated this 26th day of June, 2023. By order of the Board.

Irene E. Attoe
Company Secretary
FRC/2021/002/00000023960

NOTES:

I. PROXY

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a member of the Company. A proxy form is provided with this notice. To be valid, a proxy Form if intended to be used, should be duly stamped by the Commissioner for Stamp Duties and deposited at the registered office of the Company at No. 107 Bamgbose Street, Lagos Island, Lagos or sent to the Company's registrars via email at info@pacregistrars.com not later than 48 hours before the time fixed for the meeting. The Company will at its cost, stamp duly completed and signed Proxy Forms submitted within the stipulated timeline.

II. LIVE STREAMING OF THE AGM

The AGM will be streamed live. This will enable shareholders and other stakeholders who cannot attend physically to follow the proceedings. The link for the AGM live stream would be made available at the Company's website at www.setplc.com.

III. CLOSURE OF REGISTER OF MEMBERS

The Register of Members and Transfer Books will be closed from 10th July, 2022 to 15th July, 2022, both days inclusive, for the purpose of updating the Register of Members.

IV. APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Public Companies are required to have at least 3 Independent Non-Executive Directors. In line with its policy to promote high corporate governance standards and ensure a balance of qualification, skill and gender, the Board appointed Mrs. Olufunke Agbor SAN as an Independent Non-Executive Director effective 23rd March 2023. By Section 274 of CAMA 2020 the Board may appoint new directors within the limits allowed by the Articles, and the appointment approved by members at the next Annual General Meeting.

V. AUDIT COMMITTEE

Any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination accompanied by a copy of the nominee's curriculum vitae to the Company Secretary at least 21 (twenty-one) days before the Annual General Meeting.

VI. RIGHT OF SECURITIES HOLDERS TO ASK QUESTIONS

Shareholders and other holders of the Company's securities have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such questions must be submitted to the Company on or before 27th July, 2023.

VII. RE-ELECTION OF DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of the Company's Articles of Association Mr. Akin Areola, Mrs. Funmi Ajose-Adeogun (Alternate Chief Alex Duduyemi), Mr. Sikiru Baruwa, Chief Mazen Boumatar all retire by rotation and being eligible, offer themselves for re-election. The biographical details of the Directors submitted for re-election are contained in the Company's Annual Report.

VIII. APPOINTMENT OF NEW AUDITOR IN PLACE OF RETIRING AUDITORS

The Code of Corporate Governance for Public Companies 2018 provides that External audit firms should be retained for no longer than ten (10) years continuously. External audit firms disengaged after continuous service to a company for ten (10) years may be reappointed seven (7) years after their disengagement. In the same vein, the Financial Reporting Council (FRC) Act (Audit Regulation 2020) requires that Public Interest Entities adhere to a mandatory audit firm rotation for a period between 10 years to a maximum period of 15 years. Having met the foregoing regulatory conditions, the Auditors Sulaimon and Co. are not qualified to be reappointed as Auditors until the expiration of at least 7 years and are required to vacate their office by virtue of the disqualification. The Audit committee has a duty to monitor the tenure of external Auditors to ensure compliance with relevant Laws and has recommended the appointment of a new audit firm. A resolution will be moved to retire the disqualified auditors and appoint new auditors.

IX. UNCLAIMED DIVIDENDS

Shareholders who are yet to claim their outstanding dividends are hereby advised to complete the e-dividend activation Form which is contained in the Company's Annual Report, and submit to the Registrars, PAC Registrars Limited at 122 Bode Thomas Street, Surulere, Lagos.

FINANCIAL HIGHLIGHTS

For The Year Ended 31st December, 2022



	2022 N'000	2021 N'000	Percentage Change %
Revenue	4,347,005	4,131,034	5
Prizes/Winnings	(2,516,441)	(2,461,449)	2
Ticket Cost	(1,549,208)	(1,454,524)	7
National Lottery Trust Fund	(11,973)	(38,250)	67
Administrative/Finance Charges Expenses	(284,467)	(238,626)	19
Loss Before Taxation	(15,084)	(61,815)	76
Taxation	(25,796)	(30,119)	14
Loss After Taxation	(40,880)	(91,934)	56
Total Equity	2,614,202	2,655,082	(2)
Total Equity and Liabilities	3,457,258	3,483,646	(1)
Cash and Cash Equivalents	56,366	29,127	94
Earnings per 50k Share (Kobo)	(0.73)	(1.63)	55
Numbers of Shares Issued	5,631,540	5,631,540	0



Directors

Dr. Odunlami Kola-Daisi
 Mrs. Nwadiuto Iheakanwa [Chief Iwuanyanwu]
 Mr. Olusoji Oyeyemi
 Chief Mazen Boumatar
 Otunba Deji Osibogun
 Mr. Collins Chikeluba
 Dr. Muyiwa Oladimeji [Line Caro Nig. Ltd.]
 Sen. Ben Murray- Bruce
 Mr. Akin Areola
 Mr. Sikiru Baruwa [Nujuum Venture Ltd.]
 Mrs. Wobia Allen – Agbosa
 Mrs. Funmi Ajose – Adeogun

Chairman
 Vice - Chairman
 Managing Director
 Director
 Director
 Director
 Director
 Director
 Executive Director
 Alternate Director
 Alternate Director
 Alternate Director

Date of Incorporation:

3rd January, 2000

Date listed on the Stock Exchange:

14th December, 2012

Secretary

Irene E. Attoe ESQ.ACIS
 Board Business Legal
 Suite 100 Rear car park wing,
 Adebola House,
 38 Opebi Road
 Ikeja

Auditors

Sulaimon & Co.
 (Chartered Accountants)
 Olabode House - 2nd Floor
 217/219, Ikorodu Road, Ilupeju
 P.O. Box 1316, Yaba
 Lagos.

Legal Adviser

Ogunsanya & Ogunsanya
 Ule Atinuke House (4th Floor)
 Lagos

Bankers

Heritage Bank Limited
 Sterling Bank Plc
 Zenith Bank Plc
 Guaranty Trust Bank Plc
 Access Bank Plc
 United Bank for Africa Plc
 Polaris Bank Limited
 First City Monument Bank

Registered Office

Agbeke House
 107, Bamgbose Street
 Lagos Island
 Lagos.

Registrars

PAC Registrars Limited
 No. 122, Bode Thomas Street
 Surulere
 P.O. Box 1169, Mushin
 Lagos.



The Board of Directors and Executive Management

The Board of the Company is made up of distinguished Nigerians who have excelled in their respective professional and personal undertakings. Virtually all are captains of their industries and four are National Merit Awardees, making this board properly positioned to deliver on the strategy of the company.



Dr Odunlami Kola-Daisi *Chairman*

Dr Kola-Daisi graduated is a Medical Doctor from the University of Jos in 1989. He joined University College Hospital (UCH) Ibadan (after graduating) as a Resident and did his Youth Service Program in the Air force Hospital in Ikeja. He practiced medicine at that hospital as well as other reputable hospitals in Nigeria. He joined First City Monument Bank (FCMB) in 1991 where he worked and trained as a Stockbroker.

He obtained his stockbroking license in 1992 after successfully completing the necessary examination and has maintained the license to date. He joined Fountain Trust Merchant Bank (now part of the Spring Bank Group) and 'rose through the ranks' becoming an Executive Director in 1999, the Deputy Managing Director in 2002 and the Managing Director in 2005. He received numerous awards including the 'President of the Nigerian Stock Exchange Tie' for being an outstanding stockbroker, the first and only recipient of the award to date. Dr Kola-Daisi is a Harvard Alumnus (1999). He recently concluded his Bachelor OF Law (LLB) from the prestigious University of London and he is currently halfway through his Masters degree in Law (LLM) from same university.

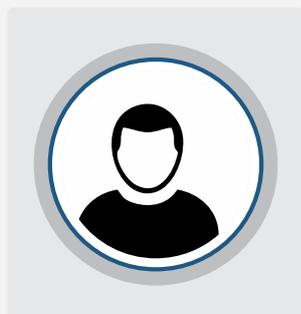


Mrs Nwadiuto Iheakanwa *Vice Chairman*

Dr. (Mrs.) Nwadiuto Iheakanwa is the Vice Chairman Secure Electronic Technology Plc. An astute administrator with broad cross-sector leadership and entrepreneurial experience that cuts across the PR, print media industry and Real Estate; Mrs. Iheakanwa has a background in Business Technology, strategic Business Management and People management, and brings a unique stakeholder integration centered leadership to the Board.

Dr. Iheakanwa holds a B.Sc. (Hons) in Business Management from the University of Detroit, Michigan, USA, and an MBA, Human Resources Management from the Central Michigan University, USA. She is an Alumna of the Lagos Business School Advanced Management Programme (AMP-18) 2006.

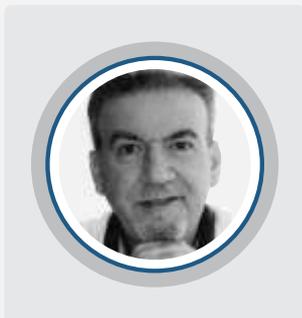
Dr. Iheakanwa is a member, International Volunteer Effort (South Africa). She is also an Associate member, Advertisers Practitioners Council of Nigeria (APCON) and a member, Newspaper Proprietors' Association of Nigeria (NPAN).



Mr. Olusoji Oyeyemi *Managing Director*

Olusoji graduated from the University of Ibadan in Computer science. He has a Masters of business administration (MBA) from Usman Dan Fodio University and Masters of Science (Computer Science) from the University of Lagos.

He is currently on a PhD research study exploring recommender algorithms in autonomous systems. Olusoji is an excellent technology driving business executive with track record of superior performance in conceptualizing and implementing business /commercial /analytical solutions. He has broad-based experience in technology driving business initiative and advanced level analytics for business restructuring and growth. He combines over 20 years of cognate industry experience in technology, Marketing and Analytics.



Chief Mazen Boumatar Director

Chief Mazen Boumatar was born in Lebanon and has lived in Nigeria over the last 20 years. Prior to his residence in Nigeria, he was based in the United Arab Emirates where he nurtured and managed many successful businesses for five years. He is a Law Graduate from the Damascus University.

Mr. Mazen Boumatar has Business ventures across various industries which include construction, fishery, photochemistry, communication and general trading. He is also the Chairman/Managing Director of Arizona Investments Limited and Picolomondo Nigeria Limited.

In recognition of his community development activities, he was conferred with the prestigious title of Jagun Bashorun Parakoyi of Ibadan land in 1995. Mr. Mazen Boumatar qualified and was awarded Nigerian Citizenship by naturalization by the President Muhammadu Buhari in October 2022.



Otunba Ayodeji Osibogun Director

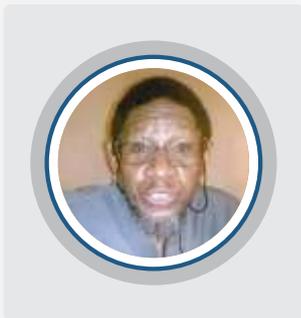
Otunba Osibugun is a graduate of Theatre Arts from the University of Ibadan. He is the Chief Executive Officer of Creazoni Nigeria Limited which specializes in broadcasting and communications Equipment, Defense Procurement and oil and gas services, a position he has held since 1986. He also had career in broadcasting and has served as: Head of Production Services, OGTv, 1983-1984; Producer/Presenter Ogun Radio, 1979-1982; Presenter, NTA Ibadan, 1979 and the same in NTA Ilorin, 1978-1979. He is a keen Golfer and was Captain of Ibadan Golf Club from 1997-1998.



Mr Colins Chikeluba Director

Mr Chikeluba is a BSc graduate of Fontbone College St. Louis, USA. He also holds an MBA from Webster University, St. Louis, USA and is a Barrister.

He Holds several Directorships including: MD/CEO of GMO Group of Companies (Manufacturing and Trading Company); Skye Bank Plc; STACO Assurance Plc; Pharma Deko Plc (Pharmaceuticals) and American Hospitals Limited.



Dr Muiyiwa Oladimeji Director

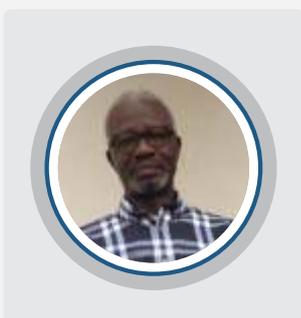
Dr. Muiyiwa Oladimeji is an Oncologist specialist with a reputable Private Practice in Nigeria spanning over 40 years. A multiple academic scholarship awardee, Dr. Oladimeji graduated with a degree in medicine from Moscow, USSR (now Russia) in 1974, and a post graduate degree in Tumour Biology (Cancer Immunology) from the Welsh National Medical School. He acquired further postgraduate qualifications in Nuclear Medicine from Kings College Hospital Medical School, London and on completion in 1983, was retained as a Research Fellow and Alternate Lecturer at the Rayne Institute and the Department of Nuclear Medicine, Kings College.

Through the many decades of his successful career, Dr. Oladimeji has worked in several reputable hospitals in Nigeria and abroad and served on the board of several institutions including University College Ibadan Teaching Hospital (UCH) and University of Ife (now Obafemi Awolowo University), to mention a few. Dr. Oladimeji is a past student of Government College Ibadan. He has served on the boards of various public institutions and private enterprise. A speaker of great repute, Dr Oladimeji mentors hundreds of young persons in various educational institutions in Nigeria.



Sen Ben Murray Bruce Director

Mr. Bruce is a graduate of Business Administration from the University of California (USA). Mr Bruce has held various public positions including Director General of Nigerian Television Authority 1999-2003; Member of the Board of National Arts Theatre, Nigerian Film Corporation, Federal Films Censors Board, National Film Distribution Company, Nigerian Anti-Piracy Action Committee. Mr. Bruce is the Chairman/CEO of The Silverbird Group which spans across radio, TV, Cinema, Shopping mall, and a record label. He promoted the Miss Universe-Nigeria Pageant in 1983, Miss Intercontinental Pageant, 1986-1994 and to date, he promotes the Annual Most beautiful Girl in Nigeria Pageant which he began in 1986.



Mr. Akin Areola Executive Director

Mr. Areola is a non-Executive Director of SET Plc. He is a graduate of Political Science from the University of Benin (1983) and obtained an MSc (1986) from the same University in Public Administration. Akin has held various positions in reputable institutions in Nigeria including; DHL International 1988-1992, where he reached the position of Area Manager (Abuja); Red Star Express, 1992-1995. Positions held included, AGM Sales, AGM Commercial and Head of Training and Administration; ABEX Express Delivery Service, 1996-1998 – Consultant Chief Operating Officer responsible for setting up company and acted in CEO capacity for a brief period; Trans-Nationwide Express Plc – Managing Director/CEO with two major Divisions, Courier and Freight; Gaming Management Limited – CEO. In this role, Akin assisted in Setting up the lottery system in Nigeria.



Wobiareri May Allen-Agbosa *Alternate Director*

Wobiareri May Allen-Agbosa is a business lawyer with over 16 years post qualification experience in corporate commercial legal practice with significant experience in Fintech, Marine, Energy, Telecommunications, business strategy, real estate and property law. She started her career as Legal Officer in Property Development Company, Moorhouse Properties, a company with a countrywide reputation for remarkable real estate developments including several 5-Star hotels and a world class resort, where she developed strong skills in contract negotiation and administration.

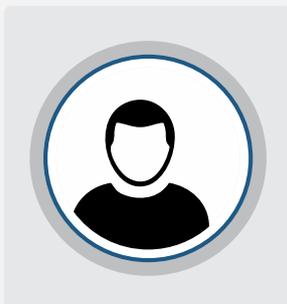
Over the years Wobia specialized in company secretarial practice, advising boards on corporate governance best practices, compliance and government regulatory frame works. She is a senior counsel at Legal Resources Alliance, a Commercial law firm known for its transactional law proficiency in diverse sectors including Energy, Telecommunications and Fintech, to mention a few.

In the 14 years she has practiced at the firm, Mrs. Allen-Agbosa has held various executive management positions which include the position of Head, Commercial Department and Head of the Company Secretarial Desk etc. Wobia Allen-Agbosa acquired her Bachelor's degree in Law (LLB) at the prestigious University of Benin, Edo State, Nigeria and (BL) at the Nigerian Law School, Lagos. She is an avid member of the Nigerian Bar Association and the International Bar Association. She joined the Board as a non-executive director and an Alternate Director for Mr. Tunde Ayeni in 2022.



Mrs Funmi Ajose Adeogun *Alternate Director*

Mrs Funmi Ajose Adeogun is an entrepreneur and the Managing Director of Delina Bakery & Confectionery. She is an experienced professional in the banking and financial services sector and joined Citibank as an Executive Trainee in the Corporate Banking department of the bank, primarily dealing with the Export sector. She also held positions in commercial banking and operations and was the Head of Customer Service for Citibank. Mrs. Ajose-Adeogun currently sits on the board of Secure Electronic Technology Plc as a non-executive director and Alternate Director to Chief Alex Duduyemi OFR.



Mr. Sikiru Baruwa *Alternate Director*



Dear esteemed Shareholders, fellow Board members, representatives of Regulatory Bodies present, distinguished ladies and gentlemen, on behalf of the Board of Secure Electronic Technology Plc., I am pleased to welcome you to the Sixteenth Annual General Meeting ("AGM") of our Company and present to you the Annual Reports and Financial Statements for the financial year ending 31st December 2022.

Economy

As global economies struggled to recover post-covid, the year 2022 started with enthusiasm. However, the entire globe was jolted by the outbreak of the Russia-Ukraine war which compounded the existing macro-economic challenges that the world was coping with. The war led to huge supply chain disruptions and sharp increases in the price of grains and crude oil worldwide.

Despite the prevailing challenges around the world, especially as global economies struggled to recover, economic risks rose sharply as a result. Geopolitical and social tensions have escalated as poverty and inequality have increased. Inflation in many countries has risen sharply, fueled by a combination of surging energy, food, commodity prices, and supply disruptions. Public and private debt has reached new highs. With more fiscal space, countries face increasingly difficult policy trade-offs as they tackle rising inflation, heightened macro-financial risks, and slow growth.

Cascading from the global economic issues coupled with the existing socioeconomic challenges in Nigeria, 2022 was yet another difficult year for the populace in general and businesses in particular. Inflation (including food inflation) was at its highest level in twenty-five years as it crossed the 20% mark in 2022.

Insecurity including banditry, kidnapping, and extra judicial killings remained at a very high level with negative impact on agriculture and rural business activities as well as social and economic activities. Despite the efforts of the Central Bank of Nigeria ("the CBN"), the availability of Foreign Exchange ("Forex") continued to constrain businesses.

For the service sector, it was particularly challenging to import required equipment for operations and to meet payment obligations to overseas technical partners. The liquidity issue created a wide disparity between the official exchange rate and the autonomous market rate, with huge cost implications for businesses. To curb inflation, the Monetary Policy Rate was raised several times thereby keeping lending rates at high levels and putting pressure on costs for businesses.

The year also witnessed a high level of talent loss in the country as more Nigerians especially the youths, relocated abroad with their families (the Japa Syndrome).

The Lottery & Gaming Industry

For the better part of the year, the prevailing news in the gaming industry revolved around the tango over who, between the Federal Government agency, National Lotteries Regulatory Commission (NLRC) and respective agencies of various state governments, has jurisdiction to regulate lottery operators. Federal and State governments enacted different laws and instituted various duplicate taxes subjecting lottery operators to difficult and sometimes hostile operating environments with respect to multiple taxation and harassment. This creates a high burden of costs for the operators.

However, with growing internet and smartphone penetration in the country coupled with a massive youth population of about 60 million youths, the outlook for mobile-based lottery is very promising. It is estimated that the lottery industry will gross about 7 billion naira monthly.

Furthermore, a cross-section of the Federal government regulatory agencies have developed and are committed to enforcing stronger frameworks to better build, control, and protect both players and operators within the industry. Amongst such frameworks are the Special Control Unit on Money Laundering (SCUML) Certification and the Nigeria Data Protection Act.



More recently, the introduction of identity verification and filing of monthly reports have become very crucial for online gaming. All these will undoubtedly entrench transparency, accountability and integrity in the industry, and ultimately protect interests of all stakeholders.

All of these initiatives breed optimism for a brighter future for the lottery industry and we must leverage these opportunities to strengthen our position as the leading operator in this industry especially in terms of transparency and integrity.

Financials

In the year 2022, our revenue grew by 5% from N4.13 billion in 2021 to N4.34 billion in 2022; in the same vein, net income improved by 52 % as a result of a better prize payout ratio in the year 2022 compared to 2021. Administrative/operational expenses however increased by 19 % compared to the preceding year, a direct correlation to persistent rising cost of business and a highly unstable economy. Net loss after taxation fell by 56% when compared with the previous year 2021.

Aligning with the economic realities of the country, we maintained a very lean and efficient budget, while driving growth and expansion of business.

Corporate Social Responsibility

As a socially responsible organization with a passion for positively impacting lives and giving back to society, we continued maintaining the Children Medical Emergency Fund for indigent children established in memorial of our late chairman Chief Jonathan Olopade OFR, in collaboration with the University of Lagos Teaching Hospital. We have also continued the funding of some identified elderly and less privileged individuals for medical treatment assistance within our operating community

Developments in the Company

Following the reconstitution of the board and the management team of the company, we worked very hard at repositioning your company through strategic and aggressive marketing with special focus on the mobile platform. These efforts paid off as evident in the financial results of the year 2022. With the sustained drive, the business is very hopeful about transiting to profitability sooner than later.

Future

Our company is more determined than ever to keep aggressively activating and marketing our POS and mobile products. With more attention on the online channels, we will be exploring collaborative synergy with forward looking mobile and innovative platforms to further expand our market share. This approach will keep costs low while maximizing revenues for the profitability of our company.

Conclusion

On behalf of the Board, I would like to thank all members of the Management team and staff for their commitment and hard work during the very challenging year.

I would also like to thank our customers and business partners, whom we continue to place at the heart of our business, for their loyalty and support.

I am grateful to our esteemed Shareholders for their confidence, commitment and for keeping faith with our Company as we strive to make our business very profitable and the envy of all within the industry in the coming year and beyond.

Finally, I would like to thank my colleagues on the Board for their vote of confidence, commitment and valuable contributions.

Thank You.



Dr. Odunlami Kola-Daisi
Chairman

REPORTS OF THE DIRECTORS

For The Year Ended 31st December, 2022



The directors hereby submit to the members of Secure Electronic Technology Plc their report, together with the audited financial statements for the year ended 31st December, 2022.

1. Principal Activities

The activities of the company are lottery and gaming products.

2. Results for the Year

	Notes	2022 N'000	2021 N'000
Gross Income	9	4,347,005	4,131,034
Operating Loss		(14,051)	(61,013)
Financial Charges		(1,033)	(802)
Loss Before Tax		(15,084)	(61,815)
Income Taxation	8	(25,796)	(30,119)
Loss After Tax		(40,880)	(91,934)

3. Dividend

The Directors did not recommend the payment of dividend during the year.

4. Board of Directors

The following persons served as Directors during the year.

Dr. Odunlami Kola-Daisi	Chairman
Mrs. Nwadiuto Iheakanwa [Chief Iwuanyanwu]	Vice - Chairman
Mr. Olusoji Oyeyemi	Managing Director
Chief Mazen Boumatar	Director
Otunba Deji Osibogun	Director
Mr. Collins Chikeluba	Director
Dr. Muyiwa Oladimeji [Line Caro Nig. Ltd.]	Director
Sen. Ben Murray- Bruce	Director
Mr. Akin Areola	Executive Director
Mr. Sikiru Baruwa [Nujuum Venture Ltd.]	Alternate Director
Mrs. Wobia Allen – Agbosa	Alternate Director
Mrs. Funmi Ajose – Adeogun	Alternate Director

In pursuance of Section 285, of the Companies and Allied Matters Act, all the Directors will retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-election.



5. Directors Interests

The Interest of each Director in the shares of the company as recorded in the register of members for the purpose of Section 301 of the Companies and Allied Matters Act, 2020 was as follows:

Shareholdings of 50K each as at 31st December, 2022 and as at the date the Account was signed by the Board of Directors

Name of Directors	Direct Units	Indirect Units	Total Units	as % of Total Holdings of 5,967,741,936
Mrs. Wobia Allen – Agbosa (Mr. Tunde Ayeni)	117,647,058	0	117,647,058	1.97
Mrs. Nwadiuto Iheakanwa (Chief Iwuanyanwu)	30,000,000	0	30,000,000	0.50
Mr. Ben Bruce (Silverbird Production Limited)	0	60,000,000	60,000,000	1.01
Mr. Collins Chikeluba	9,999,980	0	9,999,980	0.17
Dr. Odunlami Kola-Daisi (ICM Limited)	0	610,138,699	610,138,699	10.22
Otunba Deji Osibogun	10,000,000	0	10,000,000	0.17
Mr. Akin Areola	2,700,000	0	2,700,000	0.05
Mrs. Funmi Ajose-Adeogun (Chief Alex Duduyemi)	14,000,000	0	14,000,000	0.23
Mr. Sikiru Baruwa (Nujuum Venture Limited)	0	663,015,000	663,015,000	11.11
Chief Mazen Boumatar	4,000,000	0	4,000,000	0.07
Dr. Muyiwa Oladimeji (Line Caro Nig. Ltd.)	0	140,000,000	140,000,000	2.35
	<u>188,347,038</u>	<u>1,473,153,699</u>	<u>1,661,500,737</u>	<u>27.85</u>

6. Directors' Responsibilities

The Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the company at the end of each financial year, and of the profit or loss for that period, and comply with the Companies and Allied Matters Act, 2020. In doing so they ensure that:

- ✍ Proper accounting records are maintained;-
- ✍ Internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;-
- ✍ Applicable accounting standards are followed;-
- ✍ Suitable accounting policies are adopted and consistently applied;-
- ✍ Judgements and estimates made are reasonable and prudent, and the going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

REPORTS OF THE DIRECTORS

For The Year Ended 31st December, 2022



7(a) Analysis of Shareholdings

Range	No of Shareholders	% of Shareholders	No of Shareholdings	% of Shareholding
1 -1,000	1,198	40.51	1,099,949	0.02
1,001 – 5,000	977	33.04	2,522,538	0.04
5,001 – 10,000	236	7.98	2,003,179	0.03
10,001 – 50,000	222	7.51	5,668,491	0.09
50,001 – 100,000	60	2.03	4,936,481	0.08
100,001 – 500,000	132	4.46	30,834,649	0.52
500,001 – 1,000,000	31	1.05	23,664,292	0.40
1,000,001 – 50,000,000	79	2.67	1,105,019,900	18.52
50,000,001 – 9,999,999,999	22	0.74	4,791,992,457	80.30
	<u>2,957</u>	<u>100.00</u>	<u>5,967,741,936</u>	<u>100.00</u>

7(b) Shareholders with 5% and above Holdings

Shareholder's Name	Shareholding	% Shareholding
Chief Kola -Daisi	465,000,000	7.79
ICM Limited	610,138,699	10.22
Nujuum Ventures Limited	663,015,000	11.11
Strand Capital Partners Limited	840,796,328	14.09

8. Corporate Governance/Board Committees

The company adopt a responsible attitude towards corporate governance and, in line with the code of best practice in corporate governance, the Board have established the following committees:

(i) Board of Directors

The Board of Directors met four (4) times and attendance as follows:

NAMES	1 23/3/22	2 11/8/22	3 22/9/22	4 8/12/22
Dr. Odunlami Kola-Daisi - Chairman	P	P	P	P
Mrs Nwadiuto Iheakanwa	P	P	P	P
Otunba Deji Osibogun	P	P	P	P
Mrs. Funmi Ajose Adeogun	P	P	P	P
Mr. Collins Chikeluba	P	P	P	P
Dr. Muyiwa Oladimeji	P	P	P	P
Mr. Akin Areola	P	P	P	P
Chief Mazen Boumatar	P	P	P	P
Alh. Sikiru Baruwa	A	P	A	P
Sen. Ben Murray – Bruce	A	P	P	P
Mrs. Wobia Allen – Agbosa	-	-	P	P

REPORTS OF THE DIRECTORS

For The Year Ended 31st December, 2022



(ii) Audit Committee

In accordance with Section 404(3) of the Companies and Allied Matters Act 2020, members of the Audit committee of the company were elected at the Annual General Meeting (AGM) held on 11th August, 2022. Listed below are members that served on the Audit Committee during the year. The Audit Committee was led by a Shareholder representative, Mr. Jonathan Eborah as the Chairman. The Committee met 3 (three) times in the year under review at the corporate Head Office located at 107, Bamgbose Street, Lagos Island Lagos.

The elected members are:

- Mr. Jonathan Eborah	-	Chairman
- Mrs. Nwadiuto Iheakanwa	-	Board Member
- Mr. Sosanwo Kolawole	-	Shareholder
- Mr. Akin Areola	-	Board Member
- Mr. Wakilu Apete	-	Shareholder

Those present for the three meetings were:

	1	2	3
NAMES	22/3/22	9/8/22	15/12/22
Mr. Jonathan Eborah	P	P	P
Mrs Nwadiuto Iheakanwa	P	P	P
Mr. Wakilu Apete	P	P	P
Mr. Sosanwo Kolawole	P	P	P
Mr. Akin Areola	P	P	P

Key: P = Present

A = Absent with Apology

9. Corporate Social Responsibility

As a socially responsible organisation, the company through its Foundation (NSL Foundation) has continued to live up to its level of corporate social responsibility with the sponsorship of good causes as well as social and sports development.

10. Property, Plant and Equipment

Movements in Property, Plant and Equipment during the year are shown in Note 1 on Page 30. In the opinion of the Directors, the market value of the company's properties is not less than the value shown in the accounts.

11. Donations and Charitable Gifts

The company did not make any donation or gift to any political party, political association or for any political purpose during the year.

12. Post Statement of Financial Position Events

There are no significant post balance sheet events for which provision has not been made.

13. Employment and Employees

(i) Employment of Disabled Persons:

It is the policy of the company that there should be no discrimination in considering applications for employment including those from disabled persons. All employees whether or not disabled are given equal opportunities to develop. However, no disabled person was employed by the company during the period.



(ii) **Employees' Involvement and Training:**

The company is committed to keeping employees fully informed as much as possible regarding the company's performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees.

(iii) **Health, Safety at Work and Welfare of Employees:**

Health and Safety regulations are in force within the premises of the Company.

14. Acquisition of Own Shares

The Company did not purchase any of its own shares during the period.

15. Audit Committee

In accordance with section 404(3) of the Companies and Allied Matters Act of Nigeria, members of the Audit Committee of the Company were elected at the Annual General Meeting held on 11th, August, 2022. Members that served on the Audit Committee during the year comprise:

- Mr. Jonathan Eborah	-	Chairman
- Mrs Nwadiuto Iheakanwa	-	Member
- Mr. Wakilu Apete	-	Member
- Mr. Sosanwo Kolawole	-	Member
- Mr. Akin Areola	-	Member

16. Effectiveness of Internal Control System

The Board is responsible for maintaining a sound system of internal control to safeguard shareholders' investment and the assets of the Company. The system of internal control is to provide reasonable assurance against material misstatement, prevent and detect fraud and other irregularities.

There is an effective internal control function within the Company which gives reasonable assurance against any material misstatement or loss. The responsibilities include oversight functions of internal audit and control risk assessment and compliance, continuity and contingency planning, and formalisation and improvement of the company's business processes.

17. Disclosures

(a) **Borrowings and maturity dates**

There were no borrowings in the year under review

(b) **Risk Management and Compliance System**

The directors are responsible for the total process of risk management as well as expressing their opinion on the effectiveness of the process. The risk management framework is integrated into the day-to-day operations of the business and provides guidelines and standards for administering the acceptance and on-going management of key risks such as operational, reputational, financial, market, technology and compliance risk.

The directors are of the view that effective internal audit function exists in the Company and that risk management control and compliance system are operating efficiently and effectively in all respect.

The company has a structured Risk Management process in place and undertakes at least annually a thorough Risk Assessment covering all aspects of the business. The Risk Assessment is based on the two criteria "Business Impact" and Likelihood of Occurrence". For every identified Business risk, mitigating measure are implemented by the Company.



(c) **Sustainability Initiatives**

The company pays adequate attention to the interest of its stakeholders such as its employees, host community, the customers and the general public. Also, the Company is sensitive to Nigeria's social and cultural diversity and promotes as much as possible national interests as well as national ethos and values without compromising global aspirations where applicable. The Company has a culture of integrity and zero tolerance to corruption and corrupt practices.

(d) **Related Party Transactions**

The Company does not have any contractual relationship with related companies in the ordinary course of business.

18. Bribery and Corruption

Secure Electronic Technology Plc condemns any form of bribery and corruption. Our employees must never, directly or through intermediaries, offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return for any preferential treatment of a third party. Moreover, employees must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt thereof.

19. Security Trading Policy

Our organization has established a policy made known to employees and directors on the handling of insider or material information about the Company (issuer), and confidentially against external advisers, in compliance with Rule 14 of the Rulebook of the Nigerian Exchange 2015 (Issuers' Rules). This is available on the website.

20. Complaint Management Policy

The Organization has put in place a complaint management policy, that is overseen by a department in the organisation and made known to staff and other stakeholders.

21. Auditors

By the provisions of section 401(2)(a) and section 403(6) of the Companies and Allied Matters Act 2020 the Auditors, Messrs Sulaimon & Co. (Chartered Accountants) being disqualified for reappointment under the Securities and Exchange Commission Code of Corporate Governance for Public Companies 2018 and the Financial Reporting Council Act (Audit Regulations 2020) vacate their office. A resolution shall be proposed appointing new Auditors. If no auditors are appointed at the Annual General Meeting, a resolution shall be proposed authorising the directors to fill the vacancy in accordance with section 401(3) of the Companies and Allied Matters Act 2020.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Irene E. Attoe', written over a circular stamp or seal.

Irene E. Attoe, ESQ.ACIS
FRC/2021/002/00000023960
For: Board Business Legal
Secretary to the Board
Secure Electronic Technology Plc
Lagos,
Nigeria.
23rd March 2023

REPORT OF THE AUDIT COMMITTEE

For The Year Ended 31st December, 2022



In compliance with Companies and Allied Matters Act CAP 2020 of Nigeria, we have reviewed the Financial Statements of Secure Electronic Technology Plc for the year ended 31st December, 2022 and hereby state as follows:

- (1) The scope and planning of the audit were adequate in our opinion;
- (2) The accounting policies of the company conformed with the statutory requirements and agreed ethical practices.
- (3) The Internal Control and Internal Audit functions were operating effectively.
- (4) The External Auditors findings as stated in the Management letter are being dealt with satisfactorily by the management.



Mr. Jonathan Eborah
Chairman, Audit Committee
FRC/2014/NIM/00000008861

Members

Mr. Jonathan Eborah - Chairman
Mrs. Nwadiuto Iheakanwa
Mr. Wakilu Apete
Mr. Sosanwo Kolawole
Mr. Akin Areola

STATEMENT OF DIRECTORS RESPONSIBILITIES

For The Year Ended 31st December, 2022



In accordance with the provision of Sections 377 and 378 of the Companies and Allied Matters Act 2020. The Company's Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and its results for that year.

This responsibility includes ensuring that:

- ✍ Proper accounting records are maintained
- ✍ Appropriate internal control procedures are instituted which, as far as is reasonably possible, safeguard the assets, prevent and detect fraud and other irregularities;
- ✍ Applicable accounting standards are followed;
- ✍ Suitable accounting policies and standards are adopted and consistently applied;
- ✍ Judgements and estimates made are reasonable and prudent; and
- ✍ The going concern basis is used, unless it is inappropriate to presume that the company will continue in business.

The Director accepts responsibility for these financial statements which have been prepared using the appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the International Financial Reporting Standards, Financial Reporting Council of Nigeria Act No. 6 2011 and the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that these financial statements give a true and fair view of the state of affairs of the Company as at the end of the financial year and its results for the year. They further accept responsibility for the maintenance of the 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 Directors that indicate that the company will not remain a going concern for twelve months from the date of the statements.

23rd March, 2023

Signed on Behalf of The Board of Directors By:

Mrs. Nwadiuto Iheakanwa
Vice Chairman
FRC/2017/APCON/00000016420

Mr. Oyeyemi Olusoji
Managing Director.
FRC/2022/PRO/DIR/003/897824

INDEPENDENT AUDITORS REPORT

For The Year Ended 31st December, 2022



We have audited the accompanying financial statements of Secure Electronic Technology Plc ("the Company") which comprise the financial position as at 31st December, 2022, the statement of comprehensive income, statement of cash flows and value-added statement for the year ended, and the statement of significant accounting policies, notes to the financial statements and the five-year financial summary as set out on pages 18 to 39.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the provision of both the Companies and Allied Matters Act, 2020 and the International Financial Reporting Standards (IFRSs).

Basis For Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies and Allied Matters Act, 2020. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements 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 these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These 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 judgement, 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

INDEPENDENT AUDITORS REPORT

For The Year Ended 31st December, 2022



Key Audit Matters

Key audit matters are those of most significance in the audit of this financial statements. We confirm that there were no unresolved key audit matters.

Report on Other Legal and Regulatory Requirements

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, proper books of account have been kept by the Company, in so far as it appears from our examination of those books.
- (iii) The Company's statements of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of accounts.

A handwritten signature in black ink, appearing to be 'James Olusola Bolujoko', is written over a dotted line.

Signed

James Olusola Bolujoko
FRC/2013/ICAN/00000001840
For: Sulaimon & Co
Chartered Accountants
Lagos, Nigeria.
23rd March, 2023





A summary of the principal accounting policies, all of which have been consistently Applied throughout the current and preceding years, is set out below:

1. **Basis for the Preparation of Accounts**

Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and in conformity with the Financial Reporting Council (FRC) of Nigeria Act 2011 and the companies & Allied Matters Act 2020.

These financial statements are prepared in accordance with the going concern principle under the historical cost basis other than financial assets designated as fair value through profit or loss and held – for-trading instruments, which are measured at fair value

2. **Turnover**

Turnover represents the value of Lottery tickets..

3. **Property, Plant and Equipment**

(i) Property, Plant and Equipment are stated at cost less accumulated Depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(ii) The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in the Statement of Comprehensive Income as incurred.

(iii) On disposal of previously revalued Property, Plant and Equipment, an amount equal to the revaluation surplus attributable to that asset is transferred from revaluation reserve to revenue reserve.

(iv) Property, Plant and Equipment being constructed or developed for future use are disclosed as assets in progress.

(v) Gains or losses on the disposal of Property, Plant and Equipment are determined by reference to their carrying values and are included in the Statement of Comprehensive Income.

3.1 **Impairment of Property, Plant and Equipment**

An asset's carrying amount is written down immediately to its recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. Impairment loss is the difference between the carrying amount and the recoverable amount of an asset. Impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

3.2. **Depreciation of Property, Plant and Equipment**

Depreciation is calculated to write off the cost or valuation of Assets on a straight-line basis over the estimated useful lives of the assets concerned. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with FRS 5 Non-Current Assets Held for Sale and discontinued operations.

ACCOUNTING POLICIES

For The Year Ended 31st December, 2022



The estimated useful lives for the assets and principal annual rates used for this purpose are as follows:

Leasehold Improvements	-	2% or period of lease, whichever is lower
Furniture and Fittings	-	5yrs 20%
Motor Vehicles	-	4yrs 25%
Generator	-	4yrs 25%
Terminals and Equipment	-	100yrs 1%
Office Equipment	-	4yrs 25%
Computer Equipment	-	20yrs 5%
Draw Machine	-	5yrs 20%

4. Intangible Assets

Intangible assets other than goodwill are recognized at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets are capitalized on the basis of the costs incurred to acquire and bring to use the assets. These costs are amortised over their estimated useful lives. Developments costs that are directly attributable to the design and testing of identifiable and unique products controlled by the company are recognized as intangible assets when the following criteria are met:

- ✍ It is technically feasible to complete, use or sell it and management intends to complete the product, use or sell it.
- ✍ There is an ability to use or sell the product.
- ✍ It can be demonstrated how the product will generate probable future economic benefits.
- ✍ Adequate technical, financial and other resources to complete the development and use or sell the product is available.
- ✍ Costs can be measured reliably

Intangible assets are amortized on straight line basis in the income statement over their estimated useful lives from the date that they are available for use.

5. Recognition and measurement

Purchases and sales of investments are recognised on the trade date, which is the date on which the company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Investments are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Available for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

6. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity), but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.



7. Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the company will not be able to collect all the amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment (more than 30 days overdue), are the indicators that trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement within administrative costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the income statement. The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

8. Provisions, contingent liabilities and contingent assets

Provisions are liabilities that are uncertain in timing or amount.

A provision is recognised if, as a result of a past event, the Company has present obligations (legal or constructive) that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle such obligation.

Provisions are normally made for restructuring costs and legal claims.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company has a present obligation as a result of past events but is not recognised because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise of legal claims under arbitration or court process in respect of which a liability is not likely to eventuate. There were no litigations during the period.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A contingent asset is not recognised rather they are disclosed in the financial statements when they arise.

9. Retirement benefits

The company operates a funded, Contributory Retirement Benefit Scheme. Contributions to the scheme, which are compliant with the Pension Reform Act 2014, are based on transport, housing and basic allowances in the ratio 8% by the employee and 10% by the employer. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to the employee service in the current and prior periods. The assets of all schemes are held in separate trustee administered funds, which are funded by contributions from both the company and employees.

The company contributions to these schemes are recognised as employee benefit expense in the period to which they relate.

9.1 Short Term Employee Benefits

The company recognises a liability and an expense for all short-term bonuses and profit sharing where contractually obliged or where there is a past practice that has created a constructive obligation and the obligation can be estimated reliably. These are recognised in the year in which the services are rendered.



- 10. Payables**
Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.
- 11. Share Capital**
Ordinary shares are classified as equity. Share issue costs net of tax are charged to share premium account.
- 12. Cash and Cash Equivalents**
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.
- 13. Current and Deferred Income Tax**
Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax and deferred income tax.
Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the relevant tax legislation.
Education tax is provided at 2% of assessable profits of companies operating within Nigeria.
Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Current and deferred income tax is determined using tax rates and laws enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.
Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future.
- 14. Borrowings**
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method; any differences between proceeds (net of transaction costs) and the redemption value are recognised in the profit and loss account over the period of the borrowings, using the effective interest method.
- 15. Unclaimed Dividends**
Unclaimed dividends are amounts payable to shareholders in respect of dividends previously declared which have remained unclaimed by the shareholder. In compliance with Section 429 of the Companies and Allied Matters Act, 2020, unclaimed dividend after twelve (12) years are transferred to revenue reserves.
- 16. Segment Reporting**
A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments.
Segment information is presented in respect of the Company's business and geographical segments, where applicable.



The Company's primary format for segment reporting is based on geographical segments. The geographical segments are determined by management based on the Company's internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

17. Financial Assets

17.1 Classification

The company classifies its financial assets in the following categories at fair value through profit or loss, loans and receivables. The classification is dependent on the purpose for which the asset is acquired which is determined by management at time of purchase.

17.1.1 Financial Assets at Fair Value through Profit and Loss

This category has two sub-categories: financial assets held-for-trading and those designated at fair value through profit or loss at inception. Included in these sub-categories are the Company's investment into hedge and property funds, securities held as part of the Company's stockbroking activities, and debt and equity instruments held by the hedge funds.

All financial assets that are held by the Company to back life assurance and investment contract liabilities are designated by the Company on initial recognition as fair value through profit and loss in order to reduce an accounting mismatch, if they do not meet the requirements in terms of IAS 39 to be classified as held-for-trading.

17.1.2 Loan and Receivables

Loans and Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those which the Company has classified upon initial recognition as at fair value through profit and loss. Included in this category are loans and receivables, trade and other receivables, amount receivable in respect of stockbroking and cash and cash equivalents.

17.2 Measurement

Purchases and sales of financial assets are recognised on the trade date, which is when the Company commits to purchase or sell the assets. Other financial assets are recognised when the entity becomes party to the contractual provisions of the agreement.

All financial assets are initially measured at fair value plus, in the case of financial assets not measured at fair value through profit and loss, transaction costs that are directly attributable to their acquisition.

Transaction costs incurred in the acquisition of financial assets measured at fair value through profit or loss are expensed in profit or loss.

After initial recognition, the Company measures financial assets held-for-trading or designated at fair value through profit and loss, at fair values without any deduction for transaction costs it may incur on their disposal.

The fair value of quoted financial assets is their mid-price at the financial year-end. If the market for a financial asset is not active or the instrument is an unlisted instrument, the value is estimated using valuation techniques. These include the use of prices and other relevant information generated by market transactions involving identical or similar assets, liabilities or a group of assets and liabilities and discounted cash flow analysis.



Where discounted cash flow analysis is used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the financial year-end for a financial asset with similar terms and conditions.

Where other pricing models are used, inputs are based on observable market indicators at the financial year-end. If the value of unlisted equity instruments cannot be reliably measured, which would be the case in very limited circumstances, they are measured at cost.

Realised and unrealised gains and losses arising from changes on the fair value of financial assets at fair value through profit or loss are included in profit or loss in the period in which they arise.

17.2.1 Loans and Receivables

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less impairment losses which are recognised in profit or loss. In the case of short term and trade receivables, the impact of discounting is not material and cost approximate amortised cost.

17.3 Impairment

Financial assets, other than those held-for-trading and designated as at fair value through profit or loss are reviewed at each financial year-end to determine whether there is objective evidence of impairment. If any such indication exists, the recoverable amount is estimated and the carrying value is reduced to the estimated recoverable amount and the impairment loss is recognised in statement of profit or loss and other comprehensive income.

17.3.1 Loans and Receivables

Loans and receivables carried at amortised cost are impaired if there is objective evidence that the Company will not receive cash flows according to the original contractual terms. Default or delinquency in payment and significant financial difficulties are considered indicators that the receivable is impaired. The impairment is calculated as the difference between the carrying value of the asset and the expected cash flows discounted at the original effective rate. The resulting loss is accounted for as an impairment in profit or loss. With regards to trade and other receivables an allowance for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the terms of the receivables. The amount of the allowance is the difference between the asset's carrying value and the present value of the estimated future cash flow discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequently recoveries of amounts previously written off are recognised in the profit or loss as bad debts recovered.

17.4 Derecognition

Financial assets are derecognised if the Company's contractual rights to cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control over the financial asset.

17.5 Offsetting

Financial assets and liabilities are offset and the net amounts presented in the statement of financial position when and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise or to realise the asset and settle the liability simultaneously.



17.6 Transfers

The Company recognises transfers between levels of the value hierarchy at the end of the reporting period during which the change has occurred.

17.7 Financial Liabilities

All financial liabilities are initially recognised at fair value plus transaction costs incurred other than financial liabilities classified as at fair value through profit or loss at inception.

Classification and Measurement

17.7.0 Financial Liabilities at Fair Value through Profit or Loss

This category has two sub-categories: financial liabilities held-for-trading and those designated at fair value through profit or loss at inception:

17.7.1 Held-For-Trading

These comprise securities held as part of the Company's stockbroking activities and debt equity instruments held by the hedge funds. These financial liabilities are subsequently measured at fair value with all fair value movements recognised in profit or loss.

17.7.2 Designated at Inception

Included in this category of financial liabilities are net assets attributable to outside investors of the hedge funds.

The net assets attributable to outside investors of the hedge fund represent their share of the net asset value of the underlying funds.

Investment contracts are recognised as financial liabilities in the statement of financial position when the Company becomes party to their contractual provisions. Contributions received from policy holders are not recognised in profit or loss but are accounted for as deposits.

All investment contracts issued by the Company are designed by the company on initial recognition as at fair value through profit or loss. This designation eliminates or significantly reduces a measurement inconsistently that would otherwise arise if these financial liabilities were not measured at fair value since the assets held to back the investment contract liabilities are also measured at fair value.

Changes in the fair value of investment contracts are included in profit or loss in the period in which they arise.

Fair value measurement of investment contract liabilities is based on the fair value of the financial assets held within the appropriate unit-linked funds less the tax anticipated to be paid on investment gains.

17.8 Financial Liabilities Measured at Amortised Cost

These comprise loans and payables and trade and other payables. These financial liabilities are initially recognised at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. In the case of short-term payables, the impact of discounting is not material and cost approximate amortised cost.

Included within the loans and other payables are written put options over which the company does not have the unconditional right to avoid the delivery of cash. The Company classify these shares as a liability and the value is assessed based on the price determined in a signed agreement between the parties. The value of the liability is discounted to the exercise date based on the cost of borrowing, which discount will be released back to profit or loss as an interest expense over the period to the exercise date.



17.9 Derecognition

Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

18 Functional and Presentation Currency

The financial statements are presented in Nigeria Naira (NGN), which is the company's Functional Currency. All financial information presented in Nigeria Naira has been rounded to the nearest thousand unless otherwise stated.

19. Foreign Currency Transactions

Foreign currency transactions are translated into Naira using the exchange rates prevailing at the dates of transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other gains / (losses) – net'.

20. Related Parties

Related parties include some affiliated companies which have Directors, their close family members and any employee who is able to exert significant influences on the operating policies of the Company are considered related parties. Key management personnel are also regarded as related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

The Company had transactions with its related parties in the ordinary course of business during the year. Amount receivables from related parties are not impaired except a related party is facing bankruptcy. In the director's view, all amounts are collectible.

21 Complaint Management Policy

The Organization has put in place a complaint management policy that is overseen by a department in the organisation and made known to staff and other stakeholders.

22. Auditors

By the provisions of section 401(2)(a) and section 403(6) of the Companies and Allied Matters Act 2020 the Auditors, Messrs Sulaimon & Co. (Chartered Accountants) being disqualified for reappointment under the Securities and Exchange Commission Code of Corporate Governance for Public Companies 2018 and the Financial Reporting Council Act (Audit Regulations 2020) vacate their office. A resolution shall be proposed appointing new Auditors. If no auditors are appointed at the Annual General Meeting, a resolution shall be proposed authorising the directors to fill the vacancy in accordance with section 401(3) of the Companies and Allied Matters Act 2020.

23. Financial Period

These financial statements cover the financial period from 1st January 2022 to 31st December 2022 with corresponding figures for the financial period from 1st January, 2021 to 31st December, 2021.

STATEMENT OF FINANCIAL POSITION

As at 31st December, 2022



ASSETS EMPLOYED:	NOTES	2022 N'000	2021 N'000
Non-Current Assets			
Property, Plant and Equipment	1	2,045,913	2,096,297
Deferred Income Tax Asset	2	995,221	995,221
		<u>3,041,134</u>	<u>3,091,518</u>
Current Assets			
Trade Receivable and Prepayments	3	359,758	363,001
Cash and Bank Balances	4	56,366	29,127
Total Current Assets		<u>416,124</u>	<u>392,128</u>
Total Assets		<u>3,457,258</u>	<u>3,483,646</u>
EQUITY			
Equity attributable to owners			
Share Capital	5	2,815,770	2,815,770
Retained Earnings	6	(201,568)	(160,688)
		<u>2,614,202</u>	<u>2,655,082</u>
LIABILITIES			
Non Current Liabilities			
Current Liabilities :			
Trade and Other Payables	7	373,562	384,866
Current Income Tax	8	469,494	443,698
Total Liabilities		<u>843,056</u>	<u>828,564</u>
Total Equity and Liabilities		<u>3,457,258</u>	<u>3,483,646</u>

The financial statements was approved and authorised for issue by the Board of directors on 23rd March, 2023

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

..... Mrs. Nwadiuto Iheakanwa FRC/2017/APCON//00000016420 - Vice Chairman

..... Mr. Oyeyemi Olusoji FRC/ 2022/PRO/DIR/003/897824 - Managing Director

..... Mr. Ajewole Tosin FRC/2019/ICAN/00000019837 - Financial Controller

The accompany notes on pages 34 to 40 and significant accounting policies on pages 22 to 29 form an integral part of these financial Statements.

STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31st December, 2022



	NOTES	2022 N'000	2021 N'000
Gross Income	9	4,347,005	4,131,034
Prizes/Winnings		<u>(2,516,441)</u>	<u>(2,461,449)</u>
		1,830,564	1,669,585
Ticket Cost		(1,549,208)	(1,454,524)
National Lottery Trust Fund		<u>(11,973)</u>	<u>(38,250)</u>
Net Income		269,383	176,811
Administrative Expenses		<u>(283,434)</u>	<u>(237,824)</u>
Operating Loss for the year		(14,051)	(61,013)
Financial Charges	10	<u>(1,033)</u>	<u>(802)</u>
Loss Before Tax		(15,084)	(61,815)
Income Tax	8	<u>(25,796)</u>	<u>(30,119)</u>
Loss After Tax		<u>(40,880)</u>	<u>(91,934)</u>
Total comprehensive income for the year		<u><u>(40,880)</u></u>	<u><u>(91,934)</u></u>
Earnings per Share (Kobo)		(0.73)	(1.63)

The accompany notes on pages 34 to 40 and significant accounting policies on pages 22 to 29 form an integral part of these financial Statements.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31st December, 2022



	NOTE	Share Capital N'000	Retained Earnings N'000	Total Equity N'000
Balance as at 1st Jan. 2021	5,6,7	2,815,770	(68,754)	2,747,016
Loss for the Year		0	(91,934)	(91,934)
Balance as at 31st Dec. 2021		2,815,770	(160,688)	2,655,082
Balance as at 1st Jan. 2022		2,815,770	(160,688)	2,655,082
Loss for the Year		-	(40,880)	(40,880)
Balance as at 31st Dec. 2022		2,815,770	(201,568)	2,614,202

The accompany notes on pages 34 to 40 and significant accounting policies on pages 22 to 29 form an integral part of these financial Statements.

CASH FLOW STATEMENTS

For The Year Ended 31st December, 2022



	NOTES	2022 N'000	2021 N'000
Cash flow from operating activities			
Net Loss for the Year		(15,084)	(61,815)
Add Back :			
Depreciation of Assets	1	<u>52,643</u>	<u>53,622</u>
Cash flow before changes in working capital		37,559	(8,193)
Changes in receivables		3,243	20,221
Changes in payables		(11,304)	20,283
Tax paid		<u>0</u>	<u>(20,702)</u>
Net cash from operating activities		29,498	11,609
Cash flow from investing activities :			
Purchase of fixed assets	1	<u>(2,259)</u>	<u>0</u>
Net cash flow after investing activities		<u>(2,259)</u>	<u>0</u>
Cash flow from financing activities:			
Net cash flow after financing activities		<u>0</u>	<u>0</u>
Net cash flow after financing activities		27,239	11,609
Cash & Cash equivalents as at 1st Jan.		<u>29,127</u>	<u>17,518</u>
Cash & Cash equivalents as at 31st Dec.	17	<u>56,366</u>	<u>29,127</u>

The accompany notes on pages 34 to 40 and significant accounting policies on pages 22 to 29 form an integral part of these financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 31st December, 2022



1. Property, Plant & Equipment (PPE)

a) The movement on these accounts during the Year was as follows:

Notes	Leasehold Improvement N'000	Generator N'000	Motor Vehicles N'000	Furniture & Fittings N'000	Terminal Equipment N'000	Computer Equipment N'000	Office Equipments N'000	Draw Machine N'000	Total N'000
Cost or deemed cost									
As at 1st Jan. 2022	68,072	30,120	30,651	17,241	5,080,034	683,397	48,405	59,277	6,017,197
Additions	0	0	0	0	0	1,660	599	0	2,259
As at 31st Dec 2022	68,072	30,120	30,651	17,241	5,080,034	685,057	49,004	59,277	6,019,456
Depreciation:									
As at 1st Jan. 2022	14,969	30,020	30,551	17,141	3,037,440	683,297	48,305	59,177	3,920,900
Charged for the Year	1,361	0	0	0	50,800	332	150	0	52,643
As at 31st Dec 2022	16,330	30,020	30,551	17,141	3,088,240	683,629	48,455	59,177	3,973,543
Carrying Amounts									
As at 31st Dec. 2022	51,742	100	100	100	1,991,794	1,428	549	100	2,045,913
As at 31st Dec. 2021	53,103	100	100	100	2,042,594	100	100	100	2,096,297

b) Property Plant & Equipment under construction

There were no Expenditure on capital work in progress during the year under review

c) Capital Commitment

There were no Capital Commitment during the year under review

NOTES TO THE ACCOUNTS

For The Year Ended 31st December, 2022



2. Deferred Taxation

	2022 ₦'000	2021 ₦'000
Income Statement Amortisation Charge	0	0
Balance Brought Forward	995,221	995,221
Charge for the Period	0	0
Balance Carried Forward	995,221	995,221

Income tax deferred as at 31st December, 2022 arose as a result of differences between rates of depreciation adopted for accounting purposes and rates of Capital Allowance granted for tax purposes amounted to ₦995,221,000. The amount represents 30% [the Corporate Income Tax rate] of the difference between the net book value of assets qualifying for the capital allowance and their corresponding income tax written down value. .

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Additional provision was not made in the Financial Statements during the year.

3. Receivables & Prepayments

Trade Receivables	283,443	286,761
Sundry Receivables	76,315	76,240
	<u>359,758</u>	<u>363,001</u>

The Carrying amount of accounts receivable and prepayments for 2021 and 2022 approximate to their fair Values

4. Cash & Bank Balances

Guaranty Trust Bank Plc	146	146
United Bank for Africa Plc	6	6
Zenith Bank Plc	76	76
Eco Bank Plc	9	9
Polaris Bank	54	54
Access Bank	36	36
Sterling Bank	27,172	2,252
Heritage Bank	2,978	2,280
Aso Savings and Loans Plc	3,761	3,761
First City Monument Bank	17,007	20,396
Betwazobia Disbursement Autoplay	25	25
Skye Bank	51	51
Union Bank	23	23
TCF Microfinance	5,010	0
	<u>56,354</u>	<u>29,115</u>
Cash Balance	12	12
	<u>56,366</u>	<u>29,127</u>

NOTES TO THE ACCOUNTS

For The Year Ended 31st December, 2022



	2022	2021
	₦'000	₦'000
5. SHARE CAPITAL		
Minimum Issued Shared Share Capital		
5,631,540,000 Ordinary Shares of 50K each	<u>2,815,770</u>	<u>3,000,000</u>
Paid - up Capital :		
5,631,540,000 Ordinary Shares of 50K each	<u>2,815,770</u>	<u>2,815,770</u>

In compliance with the provision of section 124 of the Companies and Allied Matters Act (CAMA) 2020 and the circular dated 10th April, 2021 issued by Corporate Affairs Commission, the members passed a resolution, at the Extraordinary General Meeting held 28th December, 2022 that 368,460,000 unissued shares be cancelled.

6. Retained Earnings		
Loss Brought Forward	(160,688)	(68,754)
Loss for the year	(40,880)	(91,934)
Loss Carried Forward	<u>(201,568)</u>	<u>(160,688)</u>
7. Trade and Other Payables		
Trade Payables	310,650	310,650
Other Payables	50,939	55,966
National Lottery Trust Funds	11,973	18,250
	<u>373,562</u>	<u>384,866</u>

The carrying amounts of trade payables and other payables for 2021 and 2022 respectively approximate to their fair value.

8. Taxation		
Balance Brought Forward	443,698	434,281
Provision for the Year	25,796	30,119
	<u>469,494</u>	<u>464,400</u>
Payment during the year	-	(20,702)
Balance Carried Forward	<u>469,494</u>	<u>443,698</u>
9. Gross Income		
Gross Sales	<u>4,347,005</u>	<u>4,131,034</u>

Gross Income comprises of Lottery Sales and gaming products.

NOTES TO THE ACCOUNTS

For The Year Ended 31st December, 2022



	2022 ₦'000	2021 ₦'000
10. Interest on Bank Overdraft and Charges		
Bank Charges	<u>1,033</u>	<u>802</u>
11. Retirement Benefit Obligation		
Defined Contribution Schemes	<u>10,789</u>	<u>3,765</u>
The company and its employees make a joint Contribution of 18% of Basic Salary, Housing and Transport Allowance to each employees retirement Benefit savings account.		
12. Earnings per share		
Basic earnings per share are calculated by dividing the (loss)/profit attributable to equity holders of the Company by the number of ordinary shares in issue during the year.		
Profit attributable to equity holders of the company (Naira)	<u>(40,880)</u>	<u>(91,934)</u>
Number of ordinary shares in issues (thousand)	<u>5,631,540</u>	<u>5,631,540</u>
Basic earnings per share (Kobo)	(0.73)	(1.63)
13. Operating profit		
The following items have been charged/ (Loss)/Profit:	<u>(15,084)</u>	<u>(61,815)</u>
Included in cost of sales		
Cost of Prizes/Winnings.	<u>2,516,441</u>	<u>2,461,449</u>
Included in selling and marketing costs		
Ticket Cost	<u>1,549,208</u>	<u>1,454,524</u>
National Lottery Trust Fund Summary		
Opening Balance	18,250	21,514
National Trust Fund 5%*N368,523,750	<u>18,426</u>	<u>16,736</u>
	36,676	38,250
Less: Over provision in 2021 (N21,513,741-N15,059,619)	(6,454)	0
Less: Payment in the year	<u>(18,249)</u>	<u>(20,000)</u>
National Trust Fund	<u>11,973</u>	<u>18,250</u>

NOTES TO THE ACCOUNTS

For The Year Ended 31st December, 2022



	2022 ₦'000	2021 ₦'000
Included in administrative expenses:		
Depreciation on property, plant and equipment	52,643	53,622
Auditors' remuneration	4,200	4,200
Professional fees	34,010	25,087
Lottery licence fee	10,000	0
Repairs and maintenance	3,679	3,882
	<u>104,532</u>	<u>86,791</u>

Lottery Licence Fees

Please note that Lottery Licence fee is N100m.
The sum of N10m was paid in year 2022 out of N85m outstanding balance as at 2021 accounting year.

14. Employee benefits expense

The following items are included within employee Benefits expenses:

Wages and salaries	69,230	75,389
Staff welfare	5,404	5,416
Pension costs – Defined contribution scheme	10,789	3,765
	<u>85,423</u>	<u>84,570</u>

15. Finance (cost)/income Interest expenses:

Bank Charges	1,033	802
Net finance costs	<u>1,033</u>	<u>802</u>

16. Management Personnel

	Number	Number
Key Management Personnel	8	8
Other Management Personnel	22	23
Staff Personnel	19	20
	<u>49</u>	<u>51</u>

Average Cost per Staff

The table below shows the number of Employees Excluding Directors who earned over ₦50,000 as emoluments in the year and were within the bands stated

NOTES TO THE ACCOUNTS

For The Year Ended 31st December, 2022



	2022 Number	2021 Number
50,0001 - 100,000	0	0
100,001 - 200,000	0	0
200,001 - 300,000	0	0
300,001 - 400,000	1	1
400,001 - 500,000	9	9
500,001 - 600,000	7	7
600,001 - 700,000	0	0
700,001 - 800,000	3	3
800,001 - 900,000	0	1
900,001 - 1,000,000	11	12
1,000,001 and above	18	18
	<u>49</u>	<u>51</u>

₦'000

₦'000

17. Cash & Cash Equivalents

these comprises:

Cash Balance	12	12
Bank Balance	56,354	29,115
	<u>56,366</u>	<u>29,127</u>

18. Chairman's and Directors Emoluments /Staff

a) Emoluments-Chairman

-Other Directors	0	0
	<u>0</u>	<u>0</u>
-Directors Fees	0	0
-Directors Allowance	17,450	9,800
	<u>17,450</u>	<u>9,800</u>

NOTES TO THE ACCOUNTS

For The Year Ended 31st December, 2022



	2022 ₦'000	2021 ₦'000
b) The number of Directors excluding Chairman whose Emoluments were within the following ranges were:		
1,001 - 10,000	0	0
10,001 - 20,000	0	0
20,001 - 30,000	0	0
30,001 - 40,000	0	0
40,001- 50,000	0	0
50,001 - 100,000	0	0
100,001 - 500,000	0	0
500001 and above	0	0
c) Staff Costs		
-Salaries, Wages and Allowance	69,230	75,389
-Pension Fund Contribution	10,789	3,765

d) Loans and Other Transactions Favouring Directors and Officers

During the year, the company did not guarantee loans in favour of any of the Directors or Officer of the Company.

19. Reporting Entity

a). The Company

National Sports Lottery Limited was incorporated on 3rd January, 2000 but commenced operations in July, 2001. On the 9th July, 2011 the name National Sports Lottery Limited was by special resolution converted to a Public Company, National Sports Lottery Plc. The company was granted an exclusive license to carry out the business of lottery in Nigeria for Fifteen (15) years in December, 2001. The Company listed its entire Share Capital on the Nigerian Stock Exchange on 14th December, 2011. On the 2nd December, 2011 the Board of Directors through Special Resolution changed the name of the Company from National Sports Lottery Plc. to Secure Electronic Technology Plc. and this was approved by Corporate Affairs Commission (CAC) on 6th January, 2012.

20. Approval of Account

These financial statements were approved by the Directors of the Company on 23rd March 2023

STATEMENT OF VALUE ADDED

For The Year Ended 31st December, 2022



	2022 ₹'000	%	2021 ₹'000	%
Turnover	4,347,005		4,131,034	
Bought in materials and services	(4,210,944)		(4,049,471)	
Value Added	<u>136,061</u>	<u>100</u>	<u>81,563</u>	<u>100</u>
Applied as follows:				
To Pay Employees				
Employees's salaries, wages and allowances	80,019	59	79,154	97
Directors	17,450	13	9,800	12
To pay net interest on borrowings and deposits				
Interest and Bank charges	1,033	1	802	1
To pay taxes to government	25,796	19	30,119	37
To provide for maintenance of assets				
Depreciation	52,643	39	53,622	66
Retained Profit for Company growth.	(40,880)	(30)	(91,934)	(113)
	<u>136,061</u>	<u>100</u>	<u>81,563</u>	<u>100</u>

FIVE YEAR FINANCIAL SUMMARY

For The Year Ended 31st December, 2022



Capital Employed	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000
Share Capital	2,815,770	2,815,770	2,815,770	2,815,770	2,815,770
Share Premium	-	-	-	-	2,941,836
Retained Earnings	(201,568)	(160,688)	(68,754)	(36,907)	(89,484)
	<u>2,614,202</u>	<u>2,655,082</u>	<u>2,747,016</u>	<u>2,778,863</u>	<u>5,668,122</u>
Assets and Liabilities					
Property, Plant and Equipment	2,045,913	2,096,297	2,149,918	2,201,776	5,071,160
Current Assets	416,124	1,387,349	1,395,961	1,371,319	1,365,870
Current Liabilities	(843,056)	(828,564)	(798,864)	(794,232)	(768,908)
	<u>1,618,981</u>	<u>2,655,082</u>	<u>2,747,016</u>	<u>2,778,863</u>	<u>5,668,122</u>
Revenue	<u>4,347,005</u>	<u>4,131,034</u>	<u>4,168,583</u>	<u>4,320,806</u>	<u>4,334,594</u>
Profit/(Loss) before taxation	<u>(15,084)</u>	<u>(61,815)</u>	<u>(20,765)</u>	<u>(76,845)</u>	<u>(118,195)</u>
Profit/(Loss) after taxation	<u>(40,880)</u>	<u>(91,934)</u>	<u>(31,847)</u>	<u>(98,493)</u>	<u>(152,123)</u>
Earnings per share (Kobo)	<u>(0.73)</u>	<u>(1.63)</u>	<u>(0.57)</u>	<u>(1.75)</u>	<u>(2.70)</u>
Net Assets per share	<u>29</u>	<u>47</u>	<u>49</u>	<u>49</u>	<u>101</u>

Earnings per Share and Net Assets per share for the year is calculated on 5,631,540,000 ordinary shares of 50k each which was the number of shares in issued as at 31st December, 2022.

DETAILED STATEMENT OF COMPREHENSIVE INCOME

For The Year Ended 31st December, 2022



	2022		2021	
	N'000	N'000	N'000	N'000
Gross Income		4,347,005		4,131,034
Prizes/Winnings		<u>(2,516,441)</u>		<u>(2,461,449)</u>
		1,830,564		1,669,585
Ticket Cost		(1,549,208)		(1,454,524)
National Lottery Trust Fund		<u>(11,973)</u>		<u>(38,250)</u>
Gross Profit		269,383		176,811
Administrative Expenses				
Salaries and Wages	80,019		79,154	
Professional Fees	34,010		25,087	
Lottery Licence fees	10,000		0	
Audit Fees	4,200		4,200	
Repairs and Maintenance	3,679		3,882	
Office Expenses	11,283		6,459	
Electricity and Water Expenses	2,739		2,552	
Motor Running Expenses	1,649		1,771	
Printing and Stationeries	367		295	
Depreciation	52,643		53,622	
Transport and Travelling	5,031		8,542	
Sales and Marketing Promotion	10,148		1,875	
Fuel, Oil and Lubricant	23,473		13,694	
Directors Sitting Allowance	17,450		9,800	
Communication	6,919		4,452	
Staff Welfare and CSR	5,404		5,416	
Security Expenses	4,800		2,200	
Staff Terminal Benefit	4,620		9,823	
Rent	<u>5,000</u>		<u>5,000</u>	
	283,434		237,824	
Interest on Bank Charges and Overdraft	<u>1,033</u>		<u>802</u>	
		<u>(284,467)</u>		<u>(238,626)</u>
Loss for the Year		<u>(15,084)</u>		<u>(61,815)</u>

UNCLAIMED DIVIDEND

As At 31st March, 2023



S/N Shareholder Names

1	CHUKWUJAMA PATRICIA
2	BILOGUN KIKELOMO, SOLA
3	BELLO TEMITAYO,
4	BELFRY INV., & SEC LTD.TRADED-STOCK-A/C
5	BASHUA HASSAN,
6	BADMOS ADEYEMI, OLAMIDE
7	AWODIRAN OLUMUYIWA, OLASUNKANMI
8	ANI ARCHIBOND,
9	ALLIED MERCHANTS & BROKERS -
10	ALLI ABAYOMI, MUTAIRU
11	ALAKIJA OLUSEGUN, ADEKUNLE
12	ALAKIJA ADEKUNLE, EMMANUEL
13	ALADE AGBOOLA, OYEKOLA
14	AKUAZAOKU OBIANUJU,
15	AKPAN NSIKAN, EMMANUEL
16	AKOMOLAFE OLUWATOYIN,
17	AKIOYE OLUFEMI,
18	AKIOLU H.R.M-R.B.O (TRADING)
19	AKINWASOLA ABAYOMI,
20	AKINWALE JAMIU-BABATUNDE,
21	AKINNIKAWA FRANCIS, AYODELE
22	AKEZE BESTOW, ENUMA
23	AKANJI IDOWU, TITILOPE
24	AGBATIONWE RAPHAEL, ODIKPO
25	AGBAGHAN CHIJIJOKE, CHARITY
26	ADETIPE ADEMOLA, BOLANLE
27	ADERINTO ADENIYI, MICHAEL & O. ABIMBOLA
28	ADEBIYI MODUPE,
29	ADEBAYO HAASTRUP,
30	ADEBAYO ADEYINKA,
31	ABBAY TUNDE, SAMSON
32	OTOMEWO ANGELA, OMEJEVWE
34	GIWA-OSAGIE MUDIAME, O.
35	CITY PAGES
36	OGEDEGBE OSIOWAYE, FAITH
37	IGWEBE CLEMENTINE, C.
38	HAMIS ADAMA, JAFAR
39	DAVIES ABIOLA, OLUFUNKE
40	DANGANA ANN, OMAMULI

S/N Shareholder Names

41	BORISHADE OLUBUNMI, IRETI
42	AJENE-OGBU AJUMA, OSLAR
43	OKORO HENRY, OSAYANMO
44	OGENE ROSE, AIKHOSHORIA
45	UGO MADUEKWE,
46	OKUN ESTHER,
47	OKEOWO RAMONI, ADENIYI
48	AYODELE OLUWOLE, A. AYODEJI
49	NWOLE INVESTMENTS LTD
50	QUANTUM SEC. LTD/DIAMOND BANK PLC
51	SANTRUST SECURITIES LTD-DEP A/C
52	IHEKE SAM,
53	ADEGBE ANDREW AMEH TRADING A/C
54	UDOH NAOMI, JOHNSON
55	OKPUZOR WILLIAMS, MECH
56	OKPOBRISI OKOKEYA, ELO
57	OKEOWO SADIAT, ADEWUNMI
58	OKEOWO OLAOLUWA, DAVID
59	OGUNLEYE OLORUNFEMI, AUGUSTINE
60	OGUNJIMI RUTH, ARINADE
61	ODUKOYA OLUSEYE,
62	OBOT EKERETTE,
63	OBIANO NNEKA, ONYINYE
64	OBIANO CHUKWUNONSO, OBIORA
65	OBIANO CHINAZAEKPERE, CLARA
66	OAK BUSINESS & FINANCE LIMITED
67	NWEZE CHUKA, PATRICK
68	NWAGHODOH UGOCHUKWU, ALEX
69	NWACHUKWU GEORGE
70	NGWU EMMANUEL,
71	NGENE ALEXANDER, OKECHUKWU
72	NEBOLISA ANTHONIA, ADAOBI
73	MOLTEN TRUST LTD-TRADED-STOCK-A/C, ,
74	MINING SYSTEMS LIMITED
75	MAXIFUND INVEST.& SEC. LTD,
76	LUKOH CHRIS, ODIBOR
77	LOUIS ITSEMODIA, ESTHER
78	LAWAL RASAQ, OLADELE
79	KARIM WOSILAT, NIKE

UNCLAIMED DIVIDEND

As At 31st March, 2023



S/N	Shareholder Names	S/N	Shareholder Names
80	OLOMI SUNDAY OLADIPO,	118	C.A.C OKE, - IYE ONDO
81	JJL INVESTMENT CLUB	119	TISADONI GLOBAL ASSET MANAG LTD
82	JITUBOH MIKE,	120	ONAYEMI OLUSEGUN, OLUFOLARANMI
83	ITOPA JIMOH, MUSA	121	YUSUF OLABISI,
84	IRINOYE SOLA	122	YESUFU SARAH, IMUETINYAN
85	IKPOBE FAITH,	123	WENAH OBUNDAH,
86	IKEDIASOR FESTUS, EZECHUKWU	124	URI LUCKY, EJIREFE
87	IGWE CHIJOKE,	125	UDOH VALENTINE,
88	GTB/STRATEGY/MICHAEL OGUNNUSI-TRDG	126	TOMIL TRUST LIMITED
89	GTB/SECURITIES SOLUTIONS LTD-TRDG	127	TEIDI MATTHEW, BOLAJI
90	GT BANK PLC/ICMG SEC LTD - TRADING	128	SUNNET SYSTEM & DATA COM SERVICES LTD
91	GT BANK PLC/FUTUREVIEW FIN SER - TRADING	129	SOLEBO FEMI,
92	GS INVESTMENT COMPANY LTD,	130	SHADARE AKEEM, OLAMIDE
93	GIANT ROCK, COMPANY	132	SALAMI ADENIYI, ADEOSUN
94	FIRSTINLAND BANK/FUTUREVIEW FIN. - TRDNG	133	SAGAY MOYOSOLUWA,
95	FEDERAL GOVT OF NIGERIA -	134	SADIKU TOSIN, MUDASIRU
96	FALEYE OLUWASEUN, MAYONISOLA	135	REGENCY ASSETS MANAGEMENT LTD.,
97	EMI CAPITAL RESOURCES LTD	136	RAMON HOSEA, ADENIYI
98	ELEGUSHI SAHEED, PRINCE	137	QUADRI ADEOLA, GANIYAT
99	EKIYE SUNDAY, PREMOWE	138	OYEMADE BABATUNDE, JOHN
100	EDIONWE FELIX,	139	OWOLABI OLUWATOYIN,
101	EDEH CAROLINE, ESE	140	OREKOYA ADEDAPO, TEMITAYO
102	EDC SECURITIES LIMITED	141	ONWUKA DORIS, OBIAGELI
103	DIAMOND BANK/BELFRY INV & SEC LTD-TRADNG	142	ONWUCHEKWA CHINYERE,
104	DIAMOND BANK/ALANGRANGE, SEC. LTD-TRDG	143	OLUKEMI OLALEKAN, OLUSEYI
105	DAN-UGO OCHANYA,	144	OLORUNNIMBE IDRIS, IBIKUNLE
106	COMPASS INVESTMENTS AND SECURITIES LTD -	145	OLORUNNIMBE BISOYE,
107	COMPASS INVESTMENT & SEC. LTD -GROUP A/C	146	OLORUNGBON DURO, ISAAC
108	OFUYA EBERECHUKWU,	147	OLOGHOLA ALBERT,
109	ESSANG OKON, BASSY	148	OLATUNBOSUN KOLADE,
110	AKINRODOYE AKINYEMI, VICTOR	149	OLASOKO VICTOR,
111	YUSSUF OLADAPO,	150	OLAPADE BUKKI,
112	OKENLA FOLORUNSO,		
113	AKUZIE MONICA, OLUCHI		
114	AJAYI TAIWO, ISAAC		
115	ADEBOWALE PHILIPS, AKINYEMI		
116	TONY-GAY INVESTMENT LTD, -		
117	OLOWOLAGBA ESTHER, MODUPE		



Funke Agbor SAN *Independent Director*

Olufunke Abimbola Agbor is a Nigerian lawyer, Senior Advocate of Nigeria and a partner at Dentons ACAS-Law (formerly ACAS Law), one of the leading law firms in Nigeria. Funke leads the Shipping and Dispute Resolution Group of Dentons ACAS-Law and has been described as an extremely skilled litigator. With 37 years as a dispute resolution lawyer her well regarded measured and calm approach to the dispute process is key to her achieving the best commercial outcomes for her clients.

Funke is also recognized for her expertise in maritime law, with the Legal 500 in 2020 and 2021 naming her to the Hall of Fame – Shipping and Transport category. Funke has acted in complex, sensitive and commercial disputes across a broad range of sectors typically on behalf of private sector clients and on occasion for government agencies particularly in relation to law and policy issues. Examples include commercial disputes involving financial services, labour and employment, real estate, oil and gas, general and marine insurance, offshore contracting, sale and purchase of vessels, shipping and admiralty, international trade, transport and port concessioning. She has successfully defended a potential class action on behalf of a multinational and has acted as counsel in a number of arbitrations as well as a mediator.

Funke is currently the President of the Nigerian Maritime Law Association the Nigerian branch of the Comite Maritime International.

Funke has written and presented several legal articles on maritime law and arbitration and related areas of law and has served as a resource person for the Institute of Advanced Legal Studies and the Annual Maritime Seminar for Judges.

Mrs. Funke Agbor SAN was appointed as an Independent Non-executive director of Secure Electronic Technology Plc. Effective 23rd March 2023.

SHAREHOLDERS PROXY FORM



Annual General Meeting Shareholders Proxy Form

Annual General Meeting taking place at The Events Warehouse, Plot CDE Industrial Crescent, Off Town Planning Way, Ilupeju, Lagos on Thursday, 3rd August, 2023 at 12 noon.

I/We

Account No.

Shareholder's Name.....

No of Shares.....

Being a member/members of the above named company hereby appoint

.....
Or failing him, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf as he deems fit "or as specified in the boxes" in relation to the resolution to be submitted to the Shareholders at the Extraordinary General Meeting of the Company which will hold on Thursday, 3rd August, 2023 at The Events Warehouse, Plot CDE Industrial Crescent, Off Town Planning Way, Ilupeju, Lagos at 12 noon and at any adjournment thereof.

Dated this..... day of 2023

Signature(s) of Shareholder(s)

NOTES

- 1 This proxy form should be completed and sent to the address overleaf not later than 48 hours before the time for holding the meeting. If executed by a corporation, this form must be under its common seal.
- 2 Provision has been made on this form for the Chairman of the meeting to act as your proxy, but if you wish you may insert in the blank space on the form ("marked") the name of any person whether a member of the company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.
- 3 The completed, signed and stamped PROXY Form should be deposited at the registered office of the Company at 107 Bamgbose Street, Lagos-Island, Lagos. or at the office of the Registrars (PAC Registrars Limited) 122, Bode Thomas Street, (1st floor) P.M.B. 3456, Surulere, Lagos and must reach them no later than 12pm on Tuesday, 1st August, 2023 (not later than 48hours prior to conducting the poll).
- 4 It is a requirement of the Stamp Duties Act Cap58 Laws of the Federation of Nigeria 2004 that any proxy instrument used for the purpose of voting by any person entitled to vote at any Meeting of Shareholders must be stamped by the Commissioner of Stamp Duties.

NO OF SHARES			
RESOLUTIONS:	For	Against	Abstain
"That the Report of the Directors and the Financial Statements for the year ended 31st December 2022 now submitted be and are hereby received and approved."			
That Mr. Akin Areola be and is hereby re-elected as a Director			
That Mrs. Funmi Ajose-Adeogun be and is hereby re-elected as a Director			
That Mr. Sikiru Baruwa be and is hereby re-elected as a Director			
That Chief Mazen Boumatar be and is hereby re-elected as a Director			
That the appointment of Mrs. Funke Agbor SAN as an Independent Non-Executive Director of Secure Electronic Technology Plc effective 23rd March 2023 be and is hereby approved."			
That Messrs. Sulaimon & Co. not being qualified for reappointment hereby cease to act as the Auditors of Secure Electronic Technology Plc. and [new External Auditors] be hereby appointed , but if no Auditors are appointed at this Annual General Meeting the Directors be and are hereby authorised to appoint an Auditor within 60days of this resolution to fill the vacancy and to fix their remuneration."			
That the remuneration of the Directors be and is hereby approved			



Annual General Meeting Shareholders Proxy Form

Annual General Meeting taking place at The Events Warehouse, Plot CDE Industrial Crescent, Off Town Planning Way, Ilupeju, Lagos on Thursday, 3rd August, 2023 at 12 noon.

Please admit the Shareholder or his/her/its duly appointed proxy to the Annual General Meeting of Secure Electronic Technology Plc. This will hold at The Events Warehouse, Plot CDE Industrial Crescent, Off Town Planning Way, Ilupeju, Lagos on Thursday, 3rd August, 2023 at 12 noon.

Account No.
Shareholder's Name.....
No of Shares.....

Proxy Shareholder

Please tick 'x' in the appropriate box above before presenting this card for admission to the meeting.

Signature of person attending

IMPORTANT:

- 1.This admission form must be produced by the shareholder or his proxy in order to obtain entrance to the meeting.
- 2.Shareholders or their proxies are requested to sign the admission form in the appropriate place before attending the meeting.









Secure Electronic Technology Plc
... gaming Entertainment Empowerment