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LAGOS STATE SECURITY TRUST FUND
REPORT OF THE TRUSTEES
AUDITED ANNUAL FINANCIAL STATEMENTS
AND
OTHER NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 DECEMBER 2020

LAGOS STATE SECURITY TRUST FUND

REPORT OF THE TRUSTEES, AUDITED FINANCIAL STATEMENTS AND OTHER NATIONAL DISCLOSURES

FOR THE YEAR ENDED 31 DECEMBER 2020

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LAGOS STATE SECURITY TRUST FUND

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2020

Registered Office

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

Board of Trustees

Mr. Kehinde Durosinmi-Etti	Chairman*
Mr. Oye Hassan -Odukale, MFR	Chairman**
Mr. Segun Agbaje	Member*
Mr. Ebenezer Onyeagwu	Member*
Dr. Adesola Kareem Adeduntan	Member*
Mr. Emeka Onwuka, OON	Member*
Mr. Tayo Akinmade Ayinde	Member*
Engr. Omotayo Bamgbose-Martins	Member*
DIG Agboola Oshodi-Glover (Rtd)	Member*
Otunba Niyi Adewunmi	Member*
Dr. Ayodele Ogunsan	Member*
Mr. Herbert Wigwe	Member**
Mr. Adeyemi Idowu	Member**
Mr. Philips Oduoza	Member**
D.I.G. Isreal O. Ajao, OON	Member**
Mr. Gbolahan Lawal	Member**
Prof. Ademola Abass	Member**
Mr. Kenedy Uzoka	Member**

* Appointed 17 June 2020

** Tenor expired 16 February 2020

Executive Secretary/Chief Executive Officer

Dr Abdurrazaq Mobolaji Balogun

Bankers

Polaris Bank Limited Alausa Secretariat Branch Alausa, Ikeja, Lagos	Zenith Bank Plc Alausa Secretariat Branch Alausa, Ikeja, Lagos
First Bank of Nigeria Limited Acme Road, Ikeja, Lagos	Sterling Bank Plc Opebi Road, Ikeja, Lagos
Guaranty Trust Bank Plc Alausa Secretariat Branch Ikeja, Lagos	Access Bank Plc 183 Obafemi Awolowo Way Ikeja, Lagos

LAGOS STATE SECURITY TRUST FUND

LEGAL AND ADMINISTRATIVE INFORMATION - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Bankers (continued)

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

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

Fidelity Bank Plc
84, Ladipo Street
Matori, Lagos

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

United Bank for Africa Plc
15, Industrial Avenue
Ilupeju

Providus Bank
Plot 724 Adetokunbo Ademola Street
Victoria Island
Lagos

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

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

Auditors

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

LAGOS STATE SECURITY TRUST FUND

REPORT OF TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees submit their report together with the audited financial statements for the year ended 31 December 2020, which disclose the state of affairs of Lagos State Security Trust Fund (the Fund).

Incorporation and address

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

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

Principal activities

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

Results

The Fund's results for the year are set out on page 11. The deficit for the year of ₦525.6 million (2019: ₦643.3 million surplus) has been transferred to accumulated fund.

Trustees

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

Mr. Kehinde Durosinmi-Etti	Chairman*
Mr. Oye Hassan -Odukale, MFR	Chairman**
Mr. Segun Agbaje	Member*
Mr. Ebenezer Onyeagwu	Member*
Dr. Adesola Kareem Adeduntan	Member*
Mr. Emeka Onwuka, OON	Member*
Mr. Tayo Akinmade Ayinde	Member*
Engr. Omotayo Bamgbose-Martins	Member*
DIG Agboola Oshodi-Glover (Rtd)	Member*
Otunba Niyi Adewunmi	Member*
Dr. Ayodele Ogunsan	Member*
Mr. Herbert Wigwe	Member**
Mr. Adeyemi Idowu	Member**
Mr. Philips Oduoza	Member**
D.I.G. Isreal O. Ajao, OON	Member**
Mr. Gbolahan Lawal	Member**
Prof. Ademola Abass	Member**
Mr. Kenedy Uzoka	Member**

* Appointed 17 June 2020

** Tenor expired 16 February 2020

LAGOS STATE SECURITY TRUST FUND

REPORT OF TRUSTEES - Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

Employment of disabled persons

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

Employee health, safety and welfare

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

Employee training and involvement

The trustees maintain regular communication and consultation with the employees.

Auditors

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

By order of the Board of Trustees



Dr. Abdurrazaq Balogun
Executive Secretary/CEO

Lagos, Nigeria

15 June 2021

LAGOS STATE SECURITY TRUST FUND

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

FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

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

The Trustees are of the opinion that the financial statements present fairly, in all material respects the financial position and the financial performance of the Fund as of and for the year ended 31 December 2020. The Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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



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



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

15 June 2021

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Lagos State Security Trust Fund ("The Fund") set out on pages 11 to 48 which includes the statement of financial position as at 31 December 2020, and the statement of income and expenditure, the statement of changes in net asset value and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Lagos State Security Trust Fund Law and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis of opinion

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

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

Other Information

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

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

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

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

Responsibilities of the Trustees for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

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

17 June 2021



LAGOS STATE SECURITY TRUST FUND
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 ₦	2019 ₦
Income			
Donations in cash:			
From public officers and government agencies	6a	50,000	-
From private bodies	6b	238,874,864	1,430,465,800
		<u>238,924,864</u>	<u>1,430,465,800</u>
Donations in kind:			
From private bodies	7a	467,500,000	25,740,000
Direct donations to security agencies	7b	1,612,320,000	2,714,847,000
		<u>2,079,820,000</u>	<u>2,740,587,000</u>
Other income	8	6,996,906	19,139,976
Interest income calculated using the effective interest method	9	1,014,565	25,304,752
		<u>8,011,471</u>	<u>44,444,728</u>
Gross income		<u>2,326,756,335</u>	<u>4,215,497,528</u>
Expenditure			
Credit loss expense	10	-	1,908,614
Support to security agencies	11	(2,735,071,196)	(3,379,203,087)
Employee benefits expense	12	(25,479,688)	(22,360,400)
Depreciation of right of use assets	20	(3,750,000)	(3,750,000)
Other operating expenses	13	(69,431,022)	(146,737,642)
Depreciation of property and equipment	15	(18,672,836)	(22,052,358)
Amortization of intangible asset	16	-	(29,250)
		<u>(2,852,404,742)</u>	<u>(3,572,224,124)</u>
Total expenses		<u>(2,852,404,742)</u>	<u>(3,572,224,124)</u>
(Deficit)/Surplus for the year		<u>(525,648,407)</u>	<u>643,273,404</u>

The notes on pages 15 to 48 form part of these financial statements

LAGOS STATE SECURITY TRUST FUND


STATEMENT OF FINANCIAL POSITION


AS AT 31 DECEMBER 2020

	Note	2020 ₦	2019 ₦
Assets			
Non-current assets			
Property, plant and equipment	15	31,103,563	48,500,374
Intangible assets	16	-	-
Current assets			
Inventories	17	247,511,161	418,711,161
Account receivables	18	45,899	600,000
Other assets	19	2,265,822	31,320,085
Right of use assets	20	1,250,000	5,000,000
Cash and short-term deposits	21	743,456,066	1,060,711,703
Total assets		1,025,632,511	1,564,843,323
Equity and liabilities			
Accumulated Fund		1,008,345,622	1,533,994,028
Total equity		1,008,345,622	1,533,994,028
Liabilities			
Current liabilities			
Account payables	22	17,208,116	27,015,616
Deferred income	23	78,773	3,833,679
Total liabilities		17,286,889	30,849,295
Total equity and liabilities		1,025,632,511	1,564,843,323

The notes on pages 15 to 48 form part of these financial statements

The financial statements on pages 11 to 48 were approved and authorised for issue by the Board of Trustees on 9 June 2021 and were signed on its behalf by:


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


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

LAGOS STATE SECURITY TRUST FUND
 STATEMENT OF CHANGES IN NET ASSET VALUE
 FOR THE YEAR ENDED 31 DECEMBER 2020

	₦
For the year ended 31 December 2020	
Fund at 1 January 2020	1,533,994,028
Deficit for the year	(525,648,407)

At 31 December 2020	1,008,345,621
	=====

	₦
For the year ended 31 December 2019	
Fund at 1 January 2019	890,720,624
Surplus for the year	643,273,404

At 31 December 2019	1,533,994,028
	=====

LAGOS STATE SECURITY TRUST FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 ₦	2019 ₦
(Deficit)/ surplus for the year		(525,648,407)	643,183,404
Non-cash adjustment to reconcile surplus to net cash flows			
Depreciation of property and equipment	15	18,672,836	22,052,358
Depreciation of ROU assets	20	3,750,000	3,750,000
Gain on disposal of property, plant and equipment	8	(18,000)	
Amortization of intangible asset	16	-	29,250
Credit loss (reversal)	10	-	(1,908,614)
Working capital adjustments:			
Decrease/ (increase) in inventories		171,200,000	(375,250,661)
Decrease in accounts receivable		554,101	1,900,000
(Transfer) from other assets to right of use asset		-	(8,750,000)
Decrease/ (increase) in other assets		29,054,264	(20,956,274)
(Increase)/ decrease in accounts payable		(9,807,500)	11,274,825
(Decrease) in deferred income		(3,754,906)	(8,287,975)
Cash generated from operations		(315,997,612)	267,036,314
Cash flow from investing activities			
Purchase of property, plant and equipment	15	(1,276,025)	(23,457,500)
Disposal of treasury bills		-	139,063,236
Proceed on disposal of property and equipment		18,000	-
Cash used in investing activities		(1,258,025)	115,605,736
(Decrease)/ increase in cash and cash equivalents		(317,255,637)	382,642,050
Cash and cash equivalents at 1 January		1,060,711,703	678,069,653
Cash and cash equivalents at 31 December	21	743,456,066	1,060,711,703

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The financial statements of the Lagos State Security Trust Fund (LSSTF) for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Trustees on 9 June 2021.

LSSTF is a trust fund established in 2007 by a law of the Lagos State House of Assembly domiciled in Nigeria. The registered office is located at Governor's Office, Lagos House, Secretariat, Ikeja, Lagos.

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

2. Accounting Policies

2.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Naira (₦) and all values are rounded to the nearest Naira, except when otherwise stated.

2.2 Basis of presentation

The Fund presents assets and liabilities in statement of financial position based on current and non-current classification. An asset is classified as current when it is:

- ▶ expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ held primarily for the purpose of trading
- ▶ expected to be realised within twelve months after the reporting period, or
- ▶ cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- ▶ it is expected to be settled in normal operating cycle
- ▶ it is held primarily for the purpose of trading
- ▶ it is due to be settled within twelve months after the reporting period, or
- ▶ there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.3 Summary of significant accounting policies

a) Property and equipment

Property and equipment are stated at historical cost less any accumulated depreciation and any accumulated impairment losses. The cost of an item of property and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. The cost of equipment comprises their purchase cost and any incidental costs of acquisition. For assets donated to the Fund, acquisition cost represents fair value of donated assets.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Depreciation is calculated using the straight-line method to write down the cost of property, plant and equipment to their residual values over their estimated useful lives.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 Summary of significant accounting policies - continued

a) Property and equipment - continued

The estimated annual rates of depreciation are as follows:

	%
Office furniture and equipment	25
Motor vehicles	25
Computer equipment	33
Leasehold improvements	20

The residual values, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income or expenditure when the asset is derecognised.

b) Intangible assets

Software acquired by the Fund is stated at cost less accumulated amortisation and accumulated impairment.

Software acquired by the Fund is stated at cost less accumulated amortisation and accumulated impairment.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life of software is three years. Amortisation method, useful lives, and residual values are reviewed at each financial year-end and adjusted if appropriate.

c) Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment excluding taxes.

The specific recognition criteria described below must also be met before revenue is recognized.

Donations

Donation is recognised as income when it is received. Donation is also recognized when it becomes receivable. i.e. when pledges are made and are redeemed up till the financial statements are authorized for issue. Assets donated are recognised at their estimated fair value at the date of the donation. A significant portion of donations are received through transfers into the Fund's bank account and/or via cheques while some are received in cash at the town hall meeting. The Board of Directors have decided to write off all unredeemed pledges up to the time the Financial Statements are to be authorized for issue.

Interest Income calculated using the effective interest method

For all financial instruments measured at amortised cost and interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate to the net carrying amount of the financial asset or liability.

LAGOS STATE SECURITY TRUST FUND

2.3 Summary of significant accounting policies - continued

d) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Fund receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to the statement of income and expenditure over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

e) Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) *Financial Assets*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

Subsequent Measurement

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Fund. The Fund measures financial assets at amortised cost if both of the following conditions are met:

- ▶ The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- ▶ The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Fund's financial assets at amortised cost includes cash and short-term deposits

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 Summary of significant accounting policies - continued

e) Financial Instrument - continued

(i) *Financial Assets - continued*

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

The rights to receive cash flows from the asset have expired or:

The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Fund could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

Disclosure for significant assumptions Note 28

The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For short-term deposits and investments in treasury bills, the Fund applies the general approach in calculating ECLs. It is the Fund's policy to measure ECLs on such asset on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Fund considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Fund may also consider a financial asset to be in default when internal or external information indicates that the Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Fund.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 Summary of significant accounting policies - continued

e) Financial Instrument - continued

(i) *Financial Assets - continued*

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) *Financial Liabilities*

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of trade and other payables, net of directly attributable transaction costs. The Fund's financial liabilities include accounts payable.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of income and expenditure.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Fund has not designated any financial liability as at fair value through profit or loss. "

Accounts payable

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Account payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of income and expenditure.

(iii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 Summary of significant accounting policies - continued

f) Impairment of non-financial assets

Under IAS 39, the Fund assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Fund estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in the statement of income & expenditure in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Fund estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount nor exceed the carrying amount that would have been determined net of depreciation had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income or expenditure.

g) Fair value measurement

The Fund does not measure any assets or liabilities at fair value at each reporting date. However, fair values of financial instruments measured at amortised cost are disclosed.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy described as follows based on the lowest level input that is significant to the fair value measurement as a whole:

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 Summary of significant accounting policies - continued

g) Fair value measurement - continued

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

h). Inventories

Inventories are measured at the lower of cost and net realisable value. Inventory held for distribution at no or minimal consideration is measured at the lower of cost and current replacement cost.

If inventories are acquired at no cost, or for nominal consideration, the cost is the current replacement cost at the date of acquisition with a corresponding adjustment to revenue. Cost is determined on a first in, first out basis.

The amount of any write-down of inventories to net realisable value (current replacement cost) and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs.

i) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at bank, cash in hand and short-term deposits that are subject to an insignificant risk of changes in value with a maturity of three months or less.

j) Leases

The Fund applies a single recognition and measurement approach for its lease. The Fund recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Fund recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Fund is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

In calculating the present value of lease payment, the Fund uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 Summary of significant accounting policies - continued

k) Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Fund operates a defined contribution retirement benefit scheme for its employees under the provisions of the Pension Reform Act 2014. The employer and the employee contributions are 10% and 8% respectively of the qualifying employee's salary. Obligations in respect of the Fund's contributions to the scheme are recognized as an expense in the profit or loss on an annual basis.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3. Significant Accounting judgments, estimates and assumptions

The preparation of the Fund's financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The areas where judgment and estimates are significant are as below:

Judgments

In the process of applying the Fund's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments - Fund as lessee

The Fund leased the office space where it operates. The Fund has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it does not retain all the significant risks and rewards of ownership of these office space and accounts for the contracts as operating leases.

Estimates and assumptions

Financial Instruments

Impairment losses on other financial assets

The measurement of impairment losses under IFRS 9 requires that estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Fund's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

Significant Accounting judgments, estimates and assumptions - continued

Estimates and assumptions - continued

Impairment losses on other financial assets - continued

- ▶ Development of ECL models, including the various formulas and the choice of inputs
- ▶ Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels, Gross Domestic Products (GDP) and inflation rate, and the effect on PDs, EADs and LGDs
- ▶ Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

Property, plant and equipment

The Fund carries its property, plant and equipment at cost in the Statement of financial position. Estimates and assumptions made to determine their carrying value and related depreciation are critical to the Fund's financial position and performance. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. For more details refer Note 16".

Going concern

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4. New and amended standards and interpretations issued but not yet effective

The standards and interpretations issued but not yet effective up to the date of issuance of the Fund's financial statements are listed below. The Fund intends to adopt these standards, if applicable, when they become effective.

(i) IFRS 17 - Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- ▶ A specific adaptation for contracts with direct participation features (the variable fee approach)
- ▶ A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Fund.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

4. New and amended standards and interpretations issued but not yet effective - continued

(ii) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability does not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The amendment is not expected to have a significant impact on the Fund's financial statements.

(iii) Reference to the Conceptual Framework - Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. This will not have impact on the Fund.

(iv) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The Fund will apply this amendment when it becomes effective.

(v) Onerous Contracts - Costs of Fulfilling a Contract - Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and is not expected to have any impact on the Fund.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

4. New and amended standards and interpretations issued but not yet effective - continued

(vi) IFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. This amendment will currently have no impact on the financial statements of the Fund.

(vii) IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Fund.

(viii) IAS 41 Agriculture - Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not expected to have any impact on the Fund.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

6 Donations in cash

6a Donations from public officers and government agencies:

	2020	2019
	₦	₦
Debt Management Office (Lagos)	50,000	-
Council of Obas & White Caps Chiefs of Lagos State	-	500,000
	-----	-----
	50,000	500,000
	=====	=====

6b Donations in cash from private bodies:

	2020	2019
Donors		
Fidelity Bank Plc	50,000,000	-
Providus Bank Ltd	50,000,000	-
Adeyemi Idowu	50,000,000	50,000,000
Polaris Bank	35,000,000	35,000,000
First City Monument Bank	30,000,000	30,000,000
Variant Advisory Limited	10,000,000	-
Leadway Assurance Limited	5,000,000	725,000
Metropolitan Construction Co.	2,000,000	2,000,000
Jubaili Bros Engineering Company Ltd	1,500,000	-
Defensive & Protective Concepts Ltd	1,000,000	-
Orange Island Dev. Co. Ltd.	1,000,000	1,000,000
Harmony Abbattoir Mgt. Services	1,000,000	500,000
Alh. Adeola Musiliu Smith (DIG.)	500,000	500,000
Ecart Payables Account	500,000	-
Proton Security Services Ltd	500,000	-
Prof. Amuwo Shafideen	250,000	-
Engr. Jihad Anzieh	150,000	-
Abdullahi Ahmed Kabiru	100,000	-
Alh. Waheed Kassim	100,000	100,000
HRM Oba Kabiru Shotobi	100,000	100,000
Mrs. Yetunde Akinluyi	50,000	50,000
Aforole Chinyere	50,000	-
Anonymous Donor	33,864	150,100
Mrs Ayo Shotonwa	20,000	-
Gberevbie Andrew Omamuromu	10,000	-
Boladale Salawe	5,000	-
Ringo Starr	5,000	-
Adeola Alabi	1,000	-
Zenith Bank Plc	-	300,000,000
Access Bank Plc	-	100,000,000
Guaranty Trust Bank	-	100,000,000
Xenon Construction Ltd	-	100,000,000
Mr. Femi Otedola	-	80,000,000
First Bank of Nigeria Ltd	-	55,000,000
Coronation Merchant Bank Plc	-	50,000,000
Ekulo International Ltd	-	50,000,000
Seplat Petroleum Development Plc	-	50,000,000
SIFAX Group	-	50,000,000
Technology Distribution Ltd	-	50,000,000
United Bank for Africa	-	50,000,000
Custodian Investment	-	25,000,000
Keystone Bank Ltd	-	25,000,000
Lekki Port LFTZ Enterprise	-	25,000,000

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

6b Donations in cash from private bodies - continued	2020	2019
	₦	₦
Planets Projects Limited	-	25,000,000
Obu Cement Company Ltd	-	25,000,000
Stanbic IBTC Bank	-	25,000,000
Airtel Networks Ltd	-	20,000,000
Rite Foods Limited	-	20,000,000
Tropical General Investment Nigeria Ltd	-	20,000,000
Courteville Business	-	15,000,000
Systems Spec Nigeria	-	12,000,000
LASACO Assurance Company	-	10,000,000
North West Quadrant	-	10,000,000
The Nigerian Stock Exchange	-	5,800,000
The George	-	5,000,000
Lekki Concession Company	-	2,000,000
Arksego Nigeria Limited	-	1,000,000
Decency Associates	-	1,000,000
Righteous Construction Co. Nig.	-	500,000
Prestige Assurance Plc	-	400,000
First Marina Trust Ltd	-	250,000
Sheriff Deputies	-	250,000
Ahmad Choukeir	-	200,000
Flinch Glow Travel Agency Nig. Ltd	-	200,000
Laurent Blanquier	-	150,100
Lekki Phase 1 residence association	-	150,100
MTN Short Code donation A/C	-	136,700
Bourdilon Court Estate	-	100,000
Codogan Estate	-	100,000
Cromwell Court Estate	-	100,000
Hudders Field Property Agency	-	100,000
Femi Okunnu Housing Estate	-	100,000
Friend's Colony Estate	-	100,000
Haroun Akodu	-	100,000
Hon. Justice Olorunnimbe	-	100,000
Milverton Court Estate	-	100,000
Mr. Kayode Opeifa	-	100,000
Napier Garden Estate	-	100,000
Northern Foreshore Estate	-	100,000
Maria Breed Montessori Int'l School	-	50,000
John Rushton	-	20,000
Onafowote Fatai Idowu	-	20,000
Engr. Adenrele Oni	-	10,000
Olusegun Saheed	-	2,000
Mustapha Moruf Adeniyi	-	1,000
Temitope Odebode	-	1,000
	-----	-----
	238,874,864	1,430,465,800
	=====	=====

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

7	Donations in kind	2020	2019
		₦	₦
7a	Donations from private bodies:		
	Dangote Group - 35 GAC Saloon Cars (Trumpchi GA4)	234,500,000	-
	NNPC & SNEPCO - 16 GS4 SUVs	176,000,000	-
	Chief Diana Chen Foundation - 5 Mini Trucks	35,000,000	-
	Elizade (Autoland) Nig. - 2 JAC Pickup Vans	22,000,000	-
	Airtel Nigeria Limited - 1,000 Mobile Phones	-	15,000,000
	Leadway Assurance Limited - 1 Pickup Van	-	10,500,000
	Gokada - 30 Helmets	-	240,000
		-----	-----
		467,500,000	25,740,000
		=====	=====
	<p>In 2019, GO-KADA Nigeria's donation of 30 motorbikes valued at N12,750,000 and 26 crash helmets valued N208,000 was erroneously omitted from the disclosure. The value of these donation is expected to have be debited to support to security services (income statement) account and credited to Donations in kind private (incor statement account) with a net impact of zero in the statement of income and expenditure.</p>		
7b	Direct donations to security agencies:		
	Lagos State Government supports the security agencies directly, by providing drums and litres of lubricants and PMS/AGO respectively for the efficient operation of the agencies. The details are as shown below:		
		2020	2019
		₦	₦
	Supply of 7.6m litres (2019: 7.6m litres) of Premium Motor Spirit (PMS)	1,100,376,000	1,138,320,000
	Supply of 2.05m litres (2019: 2.05m litres) of Automated Gasoline Oil (AGO)	511,500,000	542,190,000
	Supply of 6 drums (2019: 3 drums) of Lubricants	444,000	222,000
	98 JAC pickup vans	-	1,029,000,000
		-----	-----
		1,612,320,000	2,714,847,000
		=====	=====
8	Other income		
	Grants from Lagos State Government	3,754,906	8,287,976
	Gain on sale of scraps	1,090,000	492,000
	Gain on disposal of PPE	18,000	150,000
	Vendors' registration fee	475,000	1,710,000
	Town hall meeting sponsorship	-	8,500,000
	Others	1,659,000	-
		-----	-----
		6,996,906	19,139,976
		=====	=====
9	Interest income calculated using effective interest method		
	Interest from fixed deposit	1,014,565	17,439,192
	Interest earned on debt instruments at amortised cost	-	7,865,560
		-----	-----
		1,014,565	25,304,752
		=====	=====
10	Credit loss reversal/expense		

There was no credit loss reversal/expense for the year ended 31 December 2020 (See the table below for the EC charge on income and expenditure on financial instruments for the year ended 31 December 2019).

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

10 Credit loss reversal/expense - continued

31 December 2019

	Stage 1 Individual ₦	Stage 2 Individual ₦	Stage 3 Individual ₦	Total ₦
Short-term deposit (Note 21)	27,512	-	-	27,512
Reversal of prior year's ECL on short term deposit	(85,608)	-	-	(85,608)
Reversal of prior year's ECL on debt instrument at amortised cost	(1,850,518)	-	-	(1,850,518)
	(1,908,614)	-	-	(1,908,614)

	2020 ₦	2019 ₦
11 Support to security agencies		
Donated vehicles, equipment and other supplies issued to security agencies (Note 11a)	1,858,540,000	2,761,287,000
Purchased vehicles, equipment and other supplies issued to security agencies (Note 11b)	748,204,363	465,847,502
Repairs and branding (Note 11c)	126,326,833	149,068,585
RRS running cost	2,000,000	3,000,000
	2,735,71,196	3,379,203,087
11a Donated vehicles, equipment and other supplies issued to security agencies Beneficiaries		
RRS, LASTMA, LASEMA, Lagos Police command, LNSC, etc.		
Supply of 7.6m litres (2019: 7.6m litres) of Premium Motor Spirit (PMS)	1,100,376,000	1,138,320,000
Supply of 2.05m litres (2019: 2.05m litres) of Automated Gasoline Oil (AGO)	511,500,000	547,305,000
Supply of 6 drums (2019: 3 drums) of Lubricants	444,000	222,000
Lagos Police Command		
10 JAC pickup vans (2019: 28 JAC pickup vans)	110,000,000	294,000,000
3 GS4 SUVs	33,000,000	-
250 Intel handsets (with sim cards)	3,750,000	-
2 Nissan hard body vans	-	21,440,000
2 Mitsubishi vehicles	-	25,000,000
Lagos State Rapid Response Squad (RRS)		
5 GAC saloon cars (Trumpchi GA4)	33,500,000	-
2 JAC pickup vans (2019: 25 JAC pickup vans)	22,000,000	262,000,000
3 Mini trucks	21,000,000	-
60 Intel handsets (with sim cards)	900,000	-
30 Crash helmets	240,000	-
Lagos State Neighbourhood Safety Corps (LNSC)		
2 Mini trucks	14,000,000	-
150 Intel handsets (with sim cards)	2,250,000	-
Development Agenda for Western Nigeria (Amotekun)		
20 JAC pickup vans	-	210,000,000
Lagos State Traffic Management Authority		
60 Intel handsets (with sim cards)	900,000	-

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

11a Donated vehicles, equipment and other supplies issued to security agencies - continued

Beneficiaries	2020	2019
	N	N
Lagos State Task Force		
50 Intel handsets (with sim cards)	750,000	-
6 JAC pickup vans		63,000,000
Department of State Security (DSS)		
50 Intel handsets (with sim cards)	750,000	-
2 JAC pickup vans	-	21,000,000
Lagos State Environmental Sanitation Corps		
50 Intel handsets (with sim cards)	750,000	-
2 JAC pickup vans	-	21,000,000
Lagos State Emergency Management Agency		
50 Intel handsets (with sim cards)	750,000	-
Operation MESA: Navy		
20 Intel handsets (with sim cards)	300,000	-
5 JAC pickup vans	-	52,500,000
Operation MESA: Army		
20 Intel handsets (with sim cards)	300,000	-
5 JAC pickup vans	-	52,500,000
Operation MESA: Airforce		
20 Intel handsets (with sim cards)	300,000	-
5 JAC pickup vans	-	52,500,000
Governor's Monitoring Team		
20 Intel handsets (with sim cards)	300,000	-
Lagos State Government		
10 Intel handsets (with sim cards)	150,000	-
Senior Special Adviser Security		
10 Intel handsets (with sim cards)	150,000	-
Deputy Governor's Office		
5 Intel handsets (with sim cards)	75,000	-
Ministry of Transport		
4 Intel handsets (with sim cards)	60,000	-
Governor's Office		
3 Intel handsets (with sim cards)	45,000	-
	-----	-----
	1,858,540,000	2,761,287,000
	=====	=====

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

11b	Purchased vehicles, equipment and other supplies issued to security agencies	
	Beneficiaries	2020
	Lagos Neighborhood Safety Corps (LNSC)	₦
	Supply of 328 tyres of different sizes for the LNSC	10,294,750
	Supply of 76 tyres (4 per vehicles) for 19(nos.) operational Hilux Pick-ups for LNSC	3,113,750
	Supply of 85(nos.) 75 AMPS batteries for LNSC	2,558,500
	Police Command	
	Supply of 2(nos.) Toyota Hilux automatic transmission for Commissioner of Police, Lagos	38,500,000
	Supply of 10(nos.) Motorola digital base radio (UHF), siren light and Amp for 10 vehicles	3,900,000
	Construction of 10 back cabins with seats on 10(nos.) of vehicles donated by SHELL/SNEPCO	2,500,000
	Supply and Installation of vehicle tracking devices on 13(nos.) vehicles	908,375
	Vehicle registration for ten (10) JAC vehicles donated to the Police Command	500,000
	Compensation to the families of underlisted slain police officers post-endsars protest	
	Anatu Yaro Edward	10,000,000
	Olamide Erinfolami	10,000,000
	Adenike Ehibor	10,000,000
	Bejide Temilade	10,000,000
	Aderibigbe Funmilayo	10,000,000
	Marine Police	
	Supply of 4(nos.) Yamaha Outboard engines for the Marine police unit	29,670,000
	Supply of 2(nos.) of 200 HP Yamaha four strokes outboard engines	16,770,000
	60,000 litres of AGO to Marine police	12,600,000
	1 (no) Yamaha outboard engine released from inventory and donated to Marine Police	6,900,000
	20 (nos.) 100 AMPS batteries to Marine police unit	974,500
	Rapid Response Squad (RRS)	
	Supply of 1680 pairs of operational boots and 132 pairs of lace shoes for RRS	25,368,000
	Supply of 100 sets of mobile base radios for the RRS and extra 100 batteries	17,000,000
	Supply of 328 tyres; 24 Tubes; 24 Flaps for RRS	14,756,550
	Supply and installation of 35 (nos.) digital Motorola base radio UHF for the RRS	8,400,000
	70 sets of rain gear donated to RRS from Inventory	5,915,000
	Supply of 250(nos.) of bayonets with touch light, glass breaker, personal defense baton	5,375,000
	Supply of 100 (nos.) batteries to the RRS	3,432,500
	Car wash services for August 2020 - Body wash (cars/SUVs) - 25 per day for 30days	2,950,000
	Car wash services for November 2020	2,518,725
	Car wash services for September 2020	1,953,812
	Car wash services for August 2020	1,842,350
	Car wash services for October 2020	1,635,075
	Supply of 300 fully branded raingears to the RRS	1,500,000
	Supply of parts for routine service of 17(nos.) Armoured Personal Carriers for RRS	905,200
	Labour charge for routine service of 17(nos.) Armoured Personal Carriers for RRS	550,000
	Payment for 50 packs of latex gloves for RRS	500,000
	Payment for fire extinguisher (liquid & powder) of 3kg (Co2) and 6kg (powder) for RRS	327,000
	Purchase of handcuff, legcuff, pepper spray, hand grenade tear gas for RRS	273,000
	Repair of 1(no) Ford Escape RRS 001LA	120,000
	Naval Base	
	Supply of 18,000 litres of AGO to the Naval Base	9,630,000

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

11b Purchased vehicles, equipment and other supplies issued to security agencies - continued
Beneficiaries

	2020
	₦
OP-MESA Airforce	
32,000 litres of AGO to the Airforce	4,275,000
33 JAC Vans (Police command 25; GMT 2; CTC 1; MOPOL 1; LASEMA 2; Area J 1 and PCRC 1)	
33(nos.) vehicles released from inventory to security agencies distributed as above	379,500,000
Construction of back cabins with seats and installation on 33(nos.) JAC vans	8,250,000
Supply of 33(nos.) sets of Motorola DM 2600 UHF Base radios sets	7,260,000
Supply of 33(nos.) security bar lights with siren and amp on 33(nos.) JAC vans	4,950,000
Branding of 33(nos.) JAC vans	8,250,000
Registration of number plates for 33(nos.) JAC vans	1,320,000
Others	
Supply of 1800 units of rainboots and 1650 raincoats with reflective branding for RRS and Police Command (150 raincoats)	31,547,250
Logistics for enforcement of the ban/restriction of operation of commercial motorcycles	14,400,000
Payment for 35 (nos.) vehicles registration	1,750,000
Supply of 500 units of 200ml sanitizers, 250units of 500ml sanitizers and 20units of 1litres disinfectant spray for RRS (550 pieces), LNSC (20 pieces of 1 litre disinfectant spray, 30 sanitizers) and LSSTF (170 sanitizers)	2,000,000
Supply of 1500 litres of AGO to the Fund's office	337,500
Renewal of tracking devices on 23(nos.) vehicles; RRS-22 Vehicles; Police Command -1	222,525

	748,204,363
	=====
	2019
	₦
Marine Police	
86,000 litres of Automated Gasoline Oil (AGO)	20,180,000
2 Yamaha Outboard Engines	13,800,000
Naval Base	
36,000 litres of Automated Gasoline Oil (AGO)	8,295,000
Operation MESA: Airforce	
12,420 litres of Premium Motor Spirit (PMS)	3,600,000
Lagos State Rapid Response Squad (RRS)	
22 JAC T6 4WD 2.0L patrol vehicles	259,600,000
Construction of back cabin on 98 patrol vehicles	24,500,000
Supply of 96 UHF Mobile base radio sets and 2 VHF base radio sets on vehicles	21,560,000
240 tyres and 100 vehicular batteries	13,869,450
146 tyres of different sizes, 24 tubes & 50 car batteries	8,590,523
Digital base radio & amber lights on the 22 new JAC T6 4WD 2.0L patrol vehicles	7,150,000
Installation of tracking devices on 98 vehicles	6,174,000
Fabrication of back cabin on the 22 new JAC T6 4WD 2.0L patrol vehicles	5,500,000
Registration of 98 JAC vehicles	4,900,000
Installation of car tracking devices on 25 vehicles including 22(nos.) JAC vans	1,300,000
2,000 units of shoulder badges	950,000
Registration of number plate for the 22 Nos JAC T6 4WD 2.0L patrol vehicles	800,000
3.5kva capacity Inverter (4x220Ah Battery & 1 rack)	701,750
130 pieces of footmat for 22 JAC vehicles	650,000

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

11b Purchased vehicles, equipment and other supplies issued to security agencies - continued
Beneficiaries

	2019
	₦
Lagos State Rapid Response Squad (RRS) - continued	
Supply of 8 tyres on commander's back up vehicles	360,000
Steering cover for the 22 vehicles purchased by the Fund & 98 donated by the LASG	165,000
4 new tyres (235/55R17) for Ford Escape Jeep RRS001LA attached to commander RRS	162,000
Cost of relocation of the Eco-friendly booth constructed for the RRS	70,000
Installation of car tracking test-run	52,500
Nigerian Police	
266 rolls of Police uniform materials	23,798,344
1750 sets of various police accoutrements (berets, lanyards, badges etc.)	21,763,035
Fabrication & construction of 4 units of security stand booth/kiosk	9,400,000
Digital Base radio & amber light on the Nissan L300 Pick-up van	325,000
Branding of Nissan L300 Pick-up van	250,000
Fabrication of back cabin on the Nissan L300 pick-up van	150,000
Lagos State Neighbourhood Safety Corps (LNSC)	
35 tyres (255/70/R16) and 5 tyres (205/60/R16)	1,776,900
State Security Service (SSS)	
56 tyres of various sizes	2,240,000
4 siren/amber lights for installation on vehicles repaired	580,000
Others	
One SW boat and HP engine for patrol of Apapa axis	2,634,000

	465,847,502
	=====

11c Repairs and branding
Beneficiaries

	2020
	₦
Lagos State Rapid Response Squad (RRS)	
Repair of 9(nos.) Toyota Corolla cars in use by the RRS	11,861,500
70% mobilization for the repairs of 9(nos.) RRS vehicles	7,525,000
70% mobilisation for the refurbishment of 8(nos.) Isuzu troop carriers for RRS	6,720,000
Supply of service part for the 3rd routine service of patrol vehicle 158(nos.) for RRS	4,343,000
Service part for 94(nos.) RRS patrol vehicles	4,155,100
Service parts for 2nd quarter routine service of 89(nos.) RRS patrol vehicles	3,945,300
Repairs of 7 (nos.) damaged RRS Toyota Hilux vans	3,900,000
Mobilization for the refurbishment & service of 9(nos.) BMW R1200 RT Motorbikes for RRS	2,450,000
Re-evaluation for the refurbishment of accidented Toyota Corolla RRS 077 LA	2,200,000
70% mobilisation for the repairs/refurbishment of 3(nos.) Armoured Personnel Carriers	1,395,000
Repair of 2(nos.) vehicles (RRS 245 LA #642,000 and RRS 249 LA #675,000)	1,317,000
Payment/repairs of 3(nos.) Hilux Vehicle for RRS -323LA, RRS303LA, RRS310LA	1,175,000
70% Payment for the repair of 2(nos.) Toyota Hilux for the RRS; RRS 364 LA, RRS 314 LA	988,000
Repair of Toyota corolla RRS 079 LA	897,000
2nd quarter routine service of 39(nos.) JAC Vans for RRS - parts and labour charge	827,308
70% Mobilisation for the refurbishment of one RRS Hilux Van -RRS 376LA	700,000
70% Mobilization for Repair of 4(nos.) of Isuzu trucks for the RRS	697,000
Routine service (parts and labour charge) of 28(nos.) JAC RRS patrol vehicles in March 2020	598,201
Labour charge and service parts for 3rd routine service of 19(nos.) Nissan Almera vehicles	558,700
Repair of 6(nos.) RRS vehicles damaged during the recent #Endsars protest in Lagos	550,000
Repair of 3(nos.) RRS Isuzu Carrier 04 RRS Isuzu Carrier 08 and RRS Isuzu Carriers 10	535,000

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

11c Repairs and branding - continued

	2020
	₦
Lagos State Rapid Response Squad (RRS) - continued	
Payment for the service of 71(nos.) RRS Motorbikes	532,500
2nd quarter routine service of 71(nos.) Sinoki/Qlink motor bikes for RRS	532,500
New settee window blind and 50-inch flat screen TV for RRS Commander's office reception	500,000
Payment for the repair of 28(nos.) RRS patrol vehicles	454,000
Being labour charge for 1st routine service of 45(nos.) patrol vehicles in February 2020	450,000
Labour charge and service parts for 2nd quarter routine service of 19(nos.) Nissan Almera cars	433,900
Parts such as head lights, side mirrors, trafficating lights, etc on 8(nos.) Isuzu	425,500
Repair of 7(nos.) Isuzu RRS troop carriers for RRS	425,000
Labour charge for the 3rd routine service of 41(nos.) vehicles for RRS	830,000
1st Routine service of 20(nos.) RRS Nissan Almera patrol vehicles in February 2020	408,000
Being labour charge for the 2nd patrol vehicles for RRS	390,000
Being payment for the labour charge for 1st routine service of 38(nos.) patrol vehicles	380,000
Routine Service of 27(nos.) RRS JAC T6 patrol vehicles for RRS operatives	379,890
Being labour charge for the 2nd quarter routine service of 37(nos.) vehicles for RRS	370,000
Contribution towards repair of one accidented RRS045 LA Toyota vehicle	350,000
Routine Service of 65(nos.) Sinoki/Qlink motor bikes for RRS	307,500
Repair of Isuzu troop carrier -06 for RRS	289,000
Supply of parts for the repair of 3(nos.) APCs for the RRS-SWAT 06-SWAT 43-SWAT 41	203,700
Repair of 1(no.) corolla RRS 056 LA for RRS	200,000
Refund for minor repairs carried out on 5(nos.) RRS patrol vehicles	154,000
Repair of 1(no.) Isuzu troop carrier 01 for the RRS	137,000
Repair and replacement of broken windscreen following the #EndSars protest -Isuzu carrier 06	110,000
Repair and replacement of broken windscreen following the #EndSars protest -Isuzu carrier 07	110,000
Repair and replacement of broken windscreen following the #EndSars protest -Isuzu carrier 08	110,000
Labour charge for the routine service of 8(nos.) Isuzu troop carriers for RRS	96,000
Repair of 1(no) Nissan Almera RRS 386LA - upholstery work, panel work, etc	80,000
Being labour charge for routine service of 7(nos.) Isuzu trucks/carriers for RRS	70,000
Labour charge for 2nd quarter routine service of 6(nos.) Isuzu troop carriers for RRS	60,000
Greasing of moving parts (i.e. steering arm, spring, etc) on 8(nos.) RRS Isuzu troop carriers	40,000
Repair of 1(no.) JAC Van RRS 231LA-replacement of fuel pump, fuel filter	40,000
Repair of 1(no.) JAC Van RRS 207LA-replacement of fuel pump, fuel filter	40,000
Replacement of fuel line system, fuel pump, filter & gauge for 1(no.) Nissan Almera for RRS	37,000
Additional repairs carried out during routine service of RRS patrol vehicles -RRS 273 LA	27,000
Repair/service of clutch system on 1(no.) Isuzu troop carrier 05 for the RRS	25,000
Lagos Police Command	
Branding of 10(nos.) vehicles from SNEPCO donations for the Police Command	2,500,000
Renovation of Police Commander's office	950,000
Lagos Neighborhood Safety Corps (LNSC)	
Balance of LNSC grant for the repair of 150(nos.) LNSC patrol vehicles	8,198,000
Service of 159(nos.) LNSC vehicles from 2020 grant by the Fund	6,510,000
Mobilization for the routine service of 151(nos.) LNSC vehicles	6,380,000
Balance of repair of 17(nos.) LNSC Vehicles from grant issued by the Fund	883,000
Body spraying and branding of LNSC 6(nos.) motorbikes	300,000
Repair of 1(no.) Hilux Van NPF 2706C for LNSC	86,000
Marine Police	
Repairs of 2(nos.) fast interception boats covering Epe and Badagry waterfront	3,626,934
1st routine service of 34(nos.) outboard engines for the Marine Police unit	3,513,000
2nd routine service of 34(nos.) of marine police outboard Yamaha engine	3,333,000
1st routine service of 12(nos.) marine inboard engine used by Marine Police	1,420,400
2nd routine service of 12(nos.) marine inboard engine used by Marine Police	1,420,400
Cost of 4(nos.) branding Marine Police outboard engines purchased by the Fund	50,000

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

11c Repairs and branding - continued

	2020
	₦
Lagos State Task Force	
Repair of 6(nos.) trucks for the Lagos State Task Force.	685,500
Others	
Training for security operatives/enforcement officers	20,000,000
Branding of 5(nos.) mini-trucks donated to; RRS -3, LNSC-2,	75,000
Payment for spraying of front doors of white and black JAC pickup vans	60,000

	126,326,833
	=====
	2019
	₦
Lagos State Rapid Response Squad (RRS)	
Branding of 98 vehicles from LASG for distribution by the Fund	24,500,000
Payment for pre & post-election training programme for 800 officers	22,400,000
Refurbishment of 5 Toyota Corolla RRS 028, 041, 133, 064 and 048	6,618,300
Parts for the routine service of 143 RRs patrol vehicles for the 2nd quarter of 2019	5,860,000
Parts for the routine service of 171 RRS patrol vehicles for 1st quarter	5,830,100
Branding of the 22 new JAC T6 4WD 2.0L patrol vehicles	5,500,000
Parts for the last quarter routine service of 130 RRS patrol vehicles	5,263,000
Refurbishment of 6 Toyota Corolla cars (D-Coy) vehicles	4,071,000
Repairs & reconstruction of (23) Sinoki supra motorbikes	2,867,300
Repair of 5 vehicles RRS 345, 378, 323, 330, 343 LA	2,314,000
Repair of seven RRS APCs	1,090,000
Refurbishment of 1 Toyota Corolla RRS 171 LA	970,500
Refurbishment of 1 Corolla RRS 093 LA	940,000
Refurbishment of Toyota Corolla 2014 RRS 003 LA	921,500
Refurbishment of 1 Toyota Corolla RRS 257 LA	878,000
Parts for the routine service of 21 RRS APCs for the 1st quarter	848,600
Refurbishment of 1 Toyota Corolla RRS 256 LA	761,000
Parts for 2nd quarter routine service of 18 APCs	754,900
Repairs of Toyota Landcruiser APC	700,000
Labour charge for 2nd quarter routine service of 68 patrol vehicles	680,000
Service parts for the last quarter routine service of 16 RRS APCs	647,200
Labour charge for routine service of 60 RRS sinoki motorbikes & 2 BMW bikes	634,000
2nd quarter routine service of 61 units of patrol vehicles	610,000
Replacement of engine on Toyota Corolla RRS 189 LA	582,375
Routine service of 73 Sinoki motorbikes	547,500
Labour charge on routine service of 54 units of RRS patrol vehicles for last quarter	540,000
Labour charge on routine service of 53 units of RRS patrol vehicles for last quarter	530,000
Servicing of 16 Nissan Almera for 1st quarter & repair of RRS 405 LA	526,600
Labour charge for routine service of 51 nos RRS patrol vehicles for 1st quarter 2019	510,000
Repair of accidented Nissan Almera RRS 399 LA	508,000
Routine service of 50 units of RRS patrol vehicles for 1st quarter of 2019	500,000
Labour charge for the servicing of 21 nos RRS APC for the 1st quarter	480,000
Repair of five APCs-SWAT 34,35,36,41&43	480,000
2nd quarter routine service of 60 motorbikes	450,000
Repair of 2 Hilux patrol vehicles RRS 381 LA & RRS 364 LA	450,000
Additional repairs on - RRS 384, 148 & 077 LA during 2nd quarter routine service	424,000
Routine service of 18 RRS APCs for the 2nd quarter in 2019	410,000
Parts & labour charge for the repair of 3 APCs	380,000
Parts for RRS 75 LA, KSF 668 DU, Izuzu Truck 01 & Izuzu Truck 07	367,000
Parts for the repair of 2 RRS vehicles with call sign RRS 110 LA & RRS 075 LA	361,700
Routine service of 18 Nissan Almera patrol vehicles	345,600
Repair of 1 accidented RRS Nissan Almera "RRS397LA" rammed	331,000

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

11c Repairs and branding - continued

	2019
	₦
Lagos State Rapid Response Squad (RRS) - continued	
Replacement of complete steering pump, front seal, back oil seal, valve seal	320,000
Consumables for the RRS Ambulances & clinic	318,500
Routine service of 18 RRS Nissan Almera patrol vehicles for the 2nd quarter in 2019	271,600
Repair of 6 RRS troop Carrier No: Carrier 01,02,03,04,05 & 07	238,000
Labour charge on the routine service on 21 RRS vehicles	210,000
Repair of Toyota Hilux No RRS 379 LA attached to commander RRS	190,000
Routine service for 9 APCs SWAT 31, 36, 35, 24, 23, 34, 14, 39 and 17	180,000
Service parts for Ford Escape-RRS001LA	170,000
Repair of 2 Nissan Almera Saloon cars (RRS 401 LA & RRS 389 LA)	160,000
Labour charge for the repairs of 1 Nissan Almera RRS 386 LA	150,000
Repair of APC (SWAT 35) located at APC secretariat Acme Road	120,000
Replacement of rear windscreen-RRS 382 LA	120,000
Repair of Toyota Hilux RRS 310 LA used for V.I.P special duties	111,000
Replacement of brake disc on RRS 002 LA @ 95,000 & clutch kit on RRS 110 LA	105,000
Cost of diagnosis & trouble shooting of one BMW motor bike with Coscharis motors	92,610
Labour charge for quarter 1 routine service of 8 Isuzu truck (01,02,03,04,05,06,07,08)	80,000
Repairs of Toyota Landcruiser APC SWAT 13 located at Ajegunle	80,000
Labour charge for quarter 2 routine service of 8 Isuzu truck (01,02,03,04,05,06,07,08)	80,000
Labour charge for quarter 3 routine service of 8 Isuzu truck (01,02,03,04,05,06,07,08)	80,000
Repair of two 2 RRS vehicles with call sign RRS 110 LA & RRS 075 LA	70,000
Replacement of windscreen on RRS 399 LA	40,000
Repair of 1 Corolla (RRS 171 LA) attached to the Commander	25,500
Marine Police	
Routine maintenance of 37 outboard Yamaha engines for the 1st quarter of 2019	4,107,000
2nd quarter routine service of 37 marine gunboats engines	3,857,000
4th quarter routine service of 37 outboard Yamaha engines for the marine	3,721,000
1st quarter routine service of 6 gunboats (12 inboard engines)	1,420,400
2nd quarter routine service of 6 marine gunboats engines (12 inboard engines)	1,420,400
4th quarter routine service of 6 marine gunboats engines (12 inboard engines)	1,420,400
Replacement of piston rings, propeller & welding of crank case on gunboat	650,000
Nigerian Army	
Support to 9 Brigade Nigerian Army towards the tombola night games organised for officers	50,000
Lagos State Neighbourhood Safety Corps (LNSC)	
Repairs of 17 vehicles	20,828,000
Refurbishment of Toyota Hilux pick up van KSF469AX	2,000,000
State Security Service (SSS)	
Refurbishment of 5 patrol vehicles for SSS	1,380,000
Lagos State Police Command	
Branding of 35 Sinoki bikes	319,000
Contribution for repair of accidented Nissan pickup van MUS 162 EU donated to Alausa division	300,000

	149,068,585
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LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

	2020	2019
	₦	₦
12 Employee benefits expense		
Salaries and allowances	24,653,688	21,682,400
Pension cost	826,000	678,000
	-----	-----
	25,479,688	22,360,400
	=====	=====
13 Other operating expenses		
Audit and other professional fees	10,000,000	10,000,000
Bank charges	146,202	275,988
Board of Trustees severance allowances	-	70,000,000
General office expenses	10,626,151	10,838,695
Rent service charge	1,139,929	2,396,215
Insurance	3,161,064	4,109,292
Mid-year and annual Town hall meeting on security	19,139,362	33,547,820
Other office expenses	4,401,845	12,636,306
Public enlightenment and awareness	-	556,646
Advertisement and publicity	2,046,469	1,046,680
Trustees' remuneration	1,770,000	1,330,000
Special Project	17,000,000	-
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	69,431,022	146,737,643
	=====	=====
14 Taxation		
The income of LSSTF is exempted from income tax in accordance with Section 15 of the Lagos State Security Trust Fund Law.		

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

15 Property and equipment

	Office furniture & equipment ₦	Computer equipment ₦	Motor vehicles ₦	Leasehold Improvements	Total ₦
Cost					
As at 1 January 2019	14,450,091	4,834,317	59,195,000	2,343,375	80,822,783
Additions	-	-	23,457,500	-	23,457,500
Disposals	-	-	(4,300,000)	-	(4,300,000)
As at 31 December 2019	14,450,091	4,834,317	78,352,500	2,343,375	99,980,283
Additions	-	1,276,025	-	-	1,276,025
Disposals	(256,180)	-	-	-	(256,180)
As at 31 December 2020	14,193,912	6,110,342	78,352,500	2,343,375	101,000,129
Depreciation					
As at 1 January 2019	10,455,002	4,288,387	17,656,249	1,327,914	33,727,552
Charge for the year	2,989,349	472,303	18,122,031	468,675	22,052,358
Disposal	-	-	(4,300,000)	-	(4,300,000)
As at 31 December 2019	13,444,351	4,760,690	31,478,280	1,796,589	51,479,910
Charge for the year	838,384	283,921	17,081,856	468,675	18,672,836
Disposal	(256,180)	-	-	-	(256,180)
As at 31 December 2020	14,026,555	5,044,611	48,560,136	2,265,264	69,896,566
Net Book Value					
At 31 December 2020	167,357	1,065,731	29,792,364	78,111	31,103,563
At 31 December 2019	1,005,741	73,628	46,874,220	546,786	48,500,374

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

	2020	2019
	₦	₦
16 Intangible assets		
Cost		
At 1 January	450,000	450,000
Additions	-	-
At 31 December	----- 450,000 =====	----- 450,000 =====
Accumulated amortisation and impairment		
At 1 January	450,000	420,750
Amortisation for the year	-	29,250
At 31 December	----- 450,000 =====	----- 450,000 =====
Net book value	-----	-----
At 31 December	----- -	----- -
	=====	=====

	2020	2019
	₦	₦
17 Inventories		
30 GAC saloon cars	201,000,000	-
3 GS4 SUVs	33,000,000	-
Police uniform fabric material (in rolls)	6,441,657	6,441,657
Police accoutrements	3,109,005	3,109,005
157 Intel handsets (with sim cards) (2019: 1,000 units)	2,355,000	15,000,000
19 Riders boots (2019: 89 units)	570,000	2,670,000
19 Helmet (2019: 89 units)	494,000	2,314,000
19 Riders jacket (2019: 89 units)	304,000	1,424,000
19 Riders kneel guard (2019: 89 units)	142,500	667,500
19 Riders hand gloves (2019: 89 units)	95,000	445,000
33 JAC T6 vans	-	379,500,000
1 Yamaha outboard engine	-	6,900,000
30 Crash helmets	-	240,000
	----- 247,511,161 =====	----- 418,711,162 =====

Inventory represents items received from donors and/or purchased but not yet distributed to approved security agencies.

	2020	2019
	₦	₦
18 Account receivables		
Pledged donations	45,899	600,000
	----- 45,899 =====	----- 600,000 =====
19 Other assets		
Prepaid insurance	1,564,242	888,976
Prepaid others	33,580	173,509
Cash advance	668,000	30,257,600
	----- 2,265,822 =====	----- 31,320,085 =====

Cash advance was made for the supply of fuel of OP MESA Airforce for January and February 2021 (2019: 1680 pairs of operational boots, 132 pairs of black lace shoes and 100 sets of base radio sets which was not delivered before year ended 31 December 2019).

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

20	Right of use assets	2020	2019
		₦	₦
	Office space		
	Cost		
	Opening Balance/ effect of adoption of IFRS 16	8,750,000	8,750,000
	Additions	-	-
		-----	-----
		8,750,000	8,750,000
		-----	-----
	Accumulated depreciation		
	Balance at beginning of year	(3,500,000)	-
	Depreciation for the year	(3,500,000)	(3,500,000)
		-----	-----
	Balance	(7,000,000)	(3,500,000)
		-----	-----
	Carrying amount	1,750,000	5,000,000
		=====	=====
21	Cash and short-term deposits	2020	2019
		₦	₦
	Cash on hand	583,504	182,470
	Cash at Banks		
	Access Bank Plc	75,408,040	160,500,274
	Coronation Bank Plc	54,011,529	54,010,029
	Fidelity Bank Plc	25,127,220	4,796,399
	First City Monument Bank	57,059,585	48,760,690
	First Bank of Nigeria Ltd	131,320,323	137,226,539
	Guaranty Trust Bank Plc	107,615,106	182,975,820
	Heritage Bank	845,090	843,140
	Polaris Bank Limited	50,561,717	30,542,084
	Providus Bank Limited	57,637,524	65,436,834
	Stanbic IBTC	44,257,377	46,313,803
	Sterling Bank Plc	22,140,620	23,031,721
	United Bank of Africa Plc	19,711,442	81,993,953
	Wema Bank Plc	29,695,141	33,432,807
	Zenith Bank Plc	67,509,360	190,692,652
		-----	-----
		743,483,578	1,060,739,215
	Allowance for expected credit losses	(27,512)	(27,512)
		-----	-----
		743,456,066	1,060,711,703
		=====	=====
	For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 Decembe		
		2020	2019
		₦	₦
	Cash on hand	583,504	182,470
	Cash at bank	703,418,130	902,570,907
	Short-term deposits	39,481,945	157,985,838
		-----	-----
		743,483,578	1,060,739,215
	Less expected credit losses on short-term investments	(27,512)	(27,512)
		-----	-----
		743,456,066	1,060,711,703
		=====	=====

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

21 Cash and short-term deposits - continued

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

2020

	Stage 1 ₦	Stage 2 ₦	Stage 3 ₦	Total ₦
Gross carrying amount as at 1 January	157,985,838	-	-	157,985,838
New asset purchased	39,481,945	-	-	39,481,945
Assets derecognised or matured	(157,985,838)	-	-	(157,985,838)
At 31 December	39,481,945	-	-	39,481,945

	Stage 1 ₦	Stage 2 ₦	Stage 3 ₦	Total ₦
<i>Internal rating grade of "1" high grade</i>				
ECL allowance as at 1 January	27,512	-	-	27,512
New asset purchased	(27,512)	-	-	(27,512)
Assets derecognised	27,512	-	-	27,512
At 31 December	27,512	-	-	27,512

2019

	Stage 1 ₦	Stage 2 ₦	Stage 3 ₦	Total ₦
Gross carrying amount as at 1 January	478,141,447	-	-	478,141,447
New asset purchased	157,985,838	-	-	157,985,838
Assets derecognised or matured	(478,141,447)	-	-	(478,141,447)
At 31 December	157,985,838	-	-	157,985,838

	Stage 1 ₦	Stage 2 ₦	Stage 3 ₦	Total ₦
<i>Internal rating grade of "1" high grade</i>				
ECL allowance as at 1 January	85,608	-	-	85,608
New asset purchased	27,512	-	-	27,512
Assets derecognised	(85,608)	-	-	(85,608)
At 31 December	27,512	-	-	27,512

	2020 ₦	2019 ₦
22 Accounts payable		
Audit fees	10,000,000	10,000,000
Other accrued expenses (Note 22.1)	7,208,116	17,015,616
	=====	=====
	17,208,116	27,015,616
	=====	=====

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

22 Accounts payable - continued

22.1 Included in other accrued expenses as at 31 December are

	2020
	₦
Other accruals	4,559,216
Balance for the refurbishment of 8 Izuzu	1,400,000
Supply of 3,000 litres of AGO to the Naval Base Apapa for December 2020	645,000
Routine Service of 65nos Sinoiki/Qlink motor vehicle	307,500
Balance on the repair of 2 Hilux Van RRS	296,400

	7,208,116
	=====
	2019
	₦
Balance on repair of 17 vehicles for the LNSC LNSA Interventions	6,248,400
Other accruals	4,943,216
4th quarter routine service of 37 outboard Yamaha engines for the marine police	3,721,000
Balance on the digitalization of office documents from inception	1,200,000
Balance on repairs/service of 7 APCs for RRS (SWATs 41, 43, 12,10, 37, 38, 32)	507,000
Balance on supply of 6,000 litres of AGO to Marine police for December 2019	396,000

	17,015,616
	=====

Account payables are non-interest bearing and normally settled on 30 to 90-day terms.

	2020	2019
	₦	₦
23 Deferred income		
Government grant	78,773	3,414,929
Others	-	418,750
	-----	-----
	78,773	3,833,679
	=====	=====
23.1 Classification of deferred income		
Current	78,773	3,833,679
	-----	-----
	78,773	3,833,679
	=====	=====

Government grants are items of property and equipment received from Lagos State Government for operational use of the Fund. There are no unfulfilled conditions or contingencies attached to these grants.

23.2 Deferred income movement schedule

	Government grant	Others	Total
	₦	₦	₦
At 1 January 2019	10,027,904	2,093,750	12,121,654
Released to statement of income and expenditure	(6,612,976)	(1,675,000)	(8,287,976)
	-----	-----	-----
At 31 December 2019	3,414,928	418,750	3,833,678
Released to statement of income and expenditure	(3,336,155)	(418,750)	(3,754,905)
	-----	-----	-----
At 31 December 2020	78,773	-	78,773
	=====	=====	=====

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

24 Employees' remuneration

The numbers of employees of the Fund, in receipt of emoluments within the following ranges were:

	2020 Number	2019 Number
100,000 - 1,000,000	4	3
1,000,001 - 2,000,000	-	-
2,000,001 - 6,000,000	3	3
6,000,000 - 9,000,000	1	1
	-----	-----
	8	8
	====	====

The aggregate cost of these employees was:

	2020 ₦	2019 ₦
Salaries and wages	25,479,688	22,360,400
	=====	=====

25 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operational decisions or one other party controls both. This definition includes key management personnel as well. The Fund is related to Lagos state Government through its involvement in the appointment of the chairman and other members of the board.

The Fund has applied the exemption granted by IAS 24 relating to the disclosure requirements in relation to related party transactions and outstanding balances.

	2020 ₦	2019 ₦
Compensation of key management personnel of the Fund		
The key management personnel have been identified as the Board of Trustees of the Fund		
Short-term employee benefits	1,770,000	1,330,000
Board of Trustees severance package	-	70,000,000
	-----	-----
	1,770,000	71,330,000
	=====	=====

The above represents remuneration paid to the Trustees of the Fund. Some of the members of the Board of Trustees waived their rights to receive remuneration from the Fund during the year.

26 Fair value of financial assets and liabilities

Other than items that are measured at fair value upon initial recognition, no assets or liabilities are subsequently measured at fair value in the financial statements. In addition, the fair value of financial assets and liabilities subsequently measured at amortised cost approximate their carrying value at the end of the reporting period. Hence, no fair value disclosure is provided in the financial statements.

27 Risk management

a. Overview

The Fund's principal financial liabilities are its account payables. The Fund's financial assets include its account receivables, and bank balances.

NOTES TO THE FINANCIAL STATEMENTS - continued

27 Risk management - continued

The Fund is likely exposed to the following risks from its financial instruments held:

- Credit Risk
- Liquidity Risk
- Market Risk

The Fund's senior management oversees the management of these risks. The Board of Trustees reviews policies for managing each of these risks.

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

Further quantitative disclosures are included throughout these financial statements.

Credit risk (IFRS7 Revised)

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This is the risk that a third party will default on its obligation to the Fund, causing the Fund to incur a loss. Financial instruments which may subject the Fund to credit risk consist of Fund balances and treasury bills. The maximum exposure to credit risk at the reporting date is the carrying amount of those instruments.

Expected credit loss measurement - other financial assets

The Fund applied the general approach in computing expected credit losses (ECL) for short-term deposits. The Fund recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and lifetime PDs are derived by mapping the internal rating grade of the obligor to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs, etc. - are monitored and reviewed on a regular basis.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Fund considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Fund may also consider a financial asset to be in default when internal or external information indicates that the Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

27 Risk management - continued

Credit risk (IFRS7 Revised) - continued

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.3e Summary of significant accounting policies and in Note 3 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Fund obtains the data used from third party sources (e.g. Standards and Poor's) and a team of expert verifies the accuracy of inputs to the Fund's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Fund's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2019 and 31 December 2020.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

31 December 2020

Key drivers	Assigned probabilities	ECL scenarios	2021	2022	2023
			Oil Price	10%	Upturn
	80%	Base	44.16	54.96	54.96
	10%	Downturn	40.91	52.64	52.64
Unemployment rate	10%	Upturn	0.27	0.26	0.26
	80%	Base	0.31	0.34	0.34
	10%	Downturn	0.33	0.36	0.36
Inflation rate	10%	Upturn	0.13	0.13	0.13
	80%	Base	0.12	0.12	0.12
	10%	Downturn	0.13	0.11	0.11

31 December 2019

Key drivers	Assigned probabilities	ECL scenarios	2020	2021	2022
			Oil Price	10%	Upturn
	80%	Base	53.50	54.96	54.96
	10%	Downturn	51.18	52.64	52.64
Unemployment rate	10%	Upturn	0.26	0.26	0.26
	80%	Base	0.34	0.34	0.34
	10%	Downturn	0.36	0.36	0.36
Inflation rate	10%	Upturn	0.12	0.12	0.12
	80%	Base	0.11	0.11	0.11
	10%	Downturn	0.10	0.10	0.10

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

27 Risk management - continued

Credit risk (IFRS7 Revised) - continued

Analysis of inputs to the ECL model under multiple economic scenarios - continued

In assessing the Fund's internal rating process, the Fund's customers and counter parties are assessed based on a credit scoring model that takes into account various historical, current and forward-looking information such as:

- Any publicly available information on the Fund's customers and counter parties from external parties. This includes external rating grades issued by rating agencies, independent analyst reports, publicly traded bond or press releases and articles.
- Any macro-economic or geopolitical information, e.g., inflation rate relevant for the specific industry and geographical segments where the client operates.
- Any other objectively supportable information on the quality and abilities of the client's management relevant for the Fund's performance.

The following tables outline the impact of multiple scenarios on the allowance:

31 December 2020	Short-term Investment	Treasury Bills	Total
	₦	₦	₦
Upside	3,026	-	3,026
Base	21,866	-	21,866
Downside	2,620	-	2,620
Total	27,512	-	27,512

31 December 2019	Short-term Investment	Treasury Bills	Total
	₦	₦	₦
Upside	3,026	-	3,026
Base	21,866	-	21,866
Downside	2,620	-	2,620
Total	27,512	-	27,512

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This is risk that the Fund will encounter difficulty raising liquid funds to meet commitments as they fall due.

The Fund has ongoing commitments to pay account payables. The Fund pays account payables when they fall due. The Fund has cash and other short-term deposits that it can use to meet its ongoing payment obligations. Refer to Note 22 for account payables and Note 18 and 21 for account receivables and cash and short-term deposits.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

27 Risk management- continued

Liquidity risk - continued

All account payable matures within 12 months.

Contractual maturities of assets and liabilities

The table below shows the cash flows on the Fund's assets and liabilities and on the basis of their earliest possible contractual maturity. The gross nominal inflow / (outflow) disclosed in the table is the contractual cash flow on the Fund's liability or commitment.

	Carrying amount	Contractual cashflow	Less than 1 month	1 - 3 months
	₦	₦	₦	₦
31 December 2020				
<i>Assets</i>				
Cash and cash equivalents	743,456,066	743,456,066	743,456,066	-
Account receivables	45,899	45,899	-	45,899
	743,501,965	743,501,965	743,456,066	45,899
<i>Liabilities</i>				
Account payables	17,808,116	17,808,116	-	17,808,116
	17,808,116	17,808,116	-	17,808,116
Liquidity surplus	725,693,849	725,693,849	743,456,066	(17,762,217)
Cumulative liquidity surplus			743,456,066	725,693,849
			=====	=====
31 December 2019				
<i>Assets</i>				
Cash and cash equivalents	1,060,711,703	1,060,711,703	1,060,711,703	-
Account receivables	600,000	600,000	-	600,000
	1,061,311,703	1,061,311,703	1,060,711,703	600,000
<i>Liabilities</i>				
Account payables	27,105,616	27,105,616	-	27,105,616
	27,105,616	27,105,616	-	27,105,616
Liquidity surplus	1,033,606,087	1,033,606,087	1,060,711,703	(26,505,616)
Cumulative liquidity surplus			1,060,711,703	1,033,606,087
			=====	=====

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market variables such as interest rates, foreign exchange rate and equity prices. The Fund is not exposed to any market risk because the fund only has placement in short term placement which has a fixed interest rate between the periods the placement is made and when it matures.

LAGOS STATE SECURITY TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS - continued

28 Commitments and Contingencies

Operating lease commitments:

The Fund currently leases office space under a 3-years lease agreement. Rental was prepaid at the time of the lease execution. The lease arrangement is not a non-cancellable lease. The contract is subject to advance withdrawal and renegotiation on annual renewal date. During the year ended 31 December 2020 ₦3,750,000 (2019: ₦3,750,000) was expensed in the statement of income or expenditure in respect of the operating lease.

Contingencies

There were no contingencies as at year ended 31 December 2020 (2019: nil).

29 Events after the reporting dates

The Trustees are of the opinion that there were no events after the reporting date that could have a significant effect on the financial statements of the Fund that had not been adequately provided for or disclosed in these financial statements.

30 Capital Management

The Fund has its equity, being the net assets represented by accumulated funds. The primary objective of the Fund's capital management policy is to ensure healthy accumulated funds are maintained in order to support its activities. The Fund manages its capital structure and makes adjustment to it, in light of changes to funding requirements. To maintain or adjust the capital structure, budgetary discretionary expenditure is reduced to avoid the need for external borrowings.

LAGOS STATE SECURITY TRUST FUND

STATEMENT OF VALUE ADDED

	31 December 2020 N		31 December 2019 N	
Gross income	2,326,756,335		4,215,497,528	
Bought in goods & other services - local	(2,808,252,218)		(3,527,872,116)	
	-----		-----	
Value (lost)/added	(481,495,883)	(100%)	687,625,412	100%
	=====	=====	=====	=====
Applied as follows:				
Employees:				
Employee benefit expense	25,479,688	5%	22,360,400	3%
Retained for future expansion:				
Depreciation & amortization	18,627,302	4%	25,831,608	4%
Surplus for the year	(525,648,407)	(109%)	643,183,404	93%
	-----		-----	
	(481,495,883)	(100%)	687,625,412	100%
	=====	=====	=====	=====

The value (lost)/added represents the wealth lost/ generated through the use of the Fund's assets by its employees.

LAGOS STATE SECURITY TRUST FUND

FIVE YEAR FINANCIAL SUMMARY

	31 December 2020 ₦	31 December 2019 ₦	31 December 2018 ₦	31 December 2017 ₦	31 December 2016 ₦
Financial results					
Gross income	2,326,756,335	4,215,497,528	2,796,738,398	2,215,553,906	1,500,617,305
Total expenditure	2,852,404,742	(3,572,314,124)	(2,497,232,828)	(2,252,468,779)	(1,324,727,339)
(Deficit)/ surplus for the year	(525,648,407)	643,183,404	299,505,570	(36,914,873)	175,889,966
Financial position					
Accumulated funds	1,008,345,622	1,533,904,028	890,720,624	591,861,974	628,776,849
Employment of funds					
Non-current assets	31,103,563	48,500,374	47,124,481	23,970,102	34,950,552
Current assets	994,528,948	1,516,342,949	871,548,588	669,769,730	681,170,654
Non-current liabilities	-	-	(3,077,602)	(12,121,654)	(21,165,706)
Current liabilities	(17,286,889)	(30,939,295)	(24,874,843)	(89,756,204)	(66,178,651)
	1,008,345,622	1,533,904,028	890,720,624	591,861,974	628,776,849

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