



# Rebuild Lagos Trust Fund Limited

## Annual Report

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31 DECEMBER 2023

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# Corporate Information

## DIRECTORS

Dr. Yemi Cardoso\*

Eng. Jimi Hotonu

Mrs. Bola Adesola

Mr. Abubakar Suleiman\*\*

Prof. Koyinsola Ajayi

Mr. Samuel Egube

Mr. Olugbenga Agboola

Mr. Mohammed Yahaya

- Chairman
- Project Director/CEO
- Member
- Member
- Member
- Member
- Member
- Member

\*Resigned from the board effective October 20, 2023

\*\*Mr. Abubakar Suleiman was appointed the interim chairman on August 16, 2024.

## SECRETARY

Olaniwun Ajayi & Co

Plot L2, 401 C1

Banana Island

Ikoyi, Lagos FRC/NBA/2013/00000000001615

## REGISTERED OFFICE

Union Bank Building,  
4th Floor, 97 Ahmadu Bello Way  
Victoria Island, Lagos

## INDEPENDENT AUDITOR

KPMG Professional Services  
KPMG Tower,  
Bishop Aboiyade Cole Street,  
Victoria Island,  
Lagos

## BANKERS

Sterling Bank Plc  
First City Monument Bank Ltd  
Union Bank Plc  
Zenith Bank Plc

## ASSET CUSTODIANS

United Bank of Africa Plc

## ASSET MANAGERS

FCMB Asset Management Ltd

## PROJECT CONSULTANT

Savant Integrated Concepts  
Limited

## CAC REG. NUMBER

RC 1787405

## TAX ID NUMBER

24000943-0001



# Financial Highlights

<b>Gross Income</b>	<b>1,690,069</b>	<b>1,264,704</b>
Program expenses	(2,660,268)	(1,965,278)
Operating and personnel expenses	(208,597)	(172,180)
<b>Deficit before depreciation &amp; amortisation</b>	<b>(1,178,796)</b>	<b>(872,754)</b>
Depreciation of property and equipment	(14,045)	(8,499)
Amortisation of intangible assets	(715)	(715)
<b>Total deficit from operations</b>	<b>(1,193,556)</b>	<b>(881,968)</b>
<b>Deficit for the year</b>	<b>(1,193,556)</b>	<b>(881,968)</b>
Total assets	403,201	1,083,325
Total liabilities	(525,315)	(11,883)
<b>Accumulated (deficit)/ surplus from operations</b>	<b>(122,114)</b>	<b>1,071,442</b>

The above program and operating expenditures were funded through the following during the year:

<b>Source of Funds (In Naira)</b>	<b>31-Dec-2023</b>	<b>31-Dec-2022</b>
Subvention from LASG	1,588,975	1,000,000
Grants/donations received during the year	44,671	160,014
Net interest income received during the year	43,449	102,118
Other Income	12,974	2,572
	<b>1,690,069</b>	<b>1,264,704</b>



# Directors' Report

for The Year Ended 31 December 2023

The Directors present their annual report on the affairs of Rebuild Lagos Trust Fund Ltd/Gte ("the Fund" or "RTLTF"), together with the financial statements and independent auditor's report for the year ended 31 December 2023.

- 1. Legal Form:** Rebuild Lagos Trust Fund Ltd/Gte was incorporated in Nigeria as a private company limited by guarantee on April 26, 2021, under the Companies and Allied Matters Act 2020.
- 2. Principal Activity and Business Review:** The Fund was created among other functions to receive and manage funds comprising donations, gifts, grants and endowments that may be mobilized for the purpose of rebuilding, reconstructing, repairing and managing public infrastructure and assets destroyed or damaged as a result of the civil disorder in Lagos State in October 2020; to review and manage the post disaster needs assessment, rapid response, technical assistance, capacity building and the development of sustainable recovery frameworks for Lagos state; and to promote the rebuilding and restoration of public utilities, infrastructure and assets of the state damaged or destroyed in the civil disorder in Lagos state in October 2020 and to implement modern climate-resilient urban infrastructure with private sector participation in urban services.
- 3. Operating Results:** The operating performance for the year ended 31 December 2023 was a deficit of N1.19bn (2022: deficit of N881.97m ). The negative performance was due to rapid progress made in the reconstruction of the Igboosere High Court project. However, the operations of the Fund is exempted from income tax under the provisions of Section 23 (i) of the Companies' Income Tax Laws of Nigeria and Section 26 of the Capital Gains Tax Act applicable in Nigeria. The Fund is being strategically positioned to continuously rally donor partners and potential stakeholders to donate to the course of its mandate. Highlights of the operating result for the year under review is as follows:

	31-Dec-23	31-Dec-22
<b>Gross Income (In Thousands of Naira)</b>	<b>1,690,069</b>	<b>1,264,704</b>
Program expenses	(2,660,268)	(1,965,278)
Operating and personnel expenses	(208,597)	(172,180)
	<b>(1,178,796)</b>	<b>(872,754)</b>
Depreciation & amortisation	(14,760)	(9,214)
Deficit performance for the year	<b>(1,193,556)</b>	<b>(881,968)</b>

# Directors' Report contd.

for The Year Ended 31 December 2023

**4. Director's Subscription:** The Fund was registered as a private company limited by guarantee and the liability of each director is limited to the amount of their guarantee.

In Thousands of Naira	31-Dec-23	31-Dec-22
	Amount Guaranteed	Amount Guaranteed
1. Dr. Yemi Cardoso*	25	25
2. Eng. Jimi Hotonu	25	25
3. Mrs. Bola Adesola	25	25
4. Mr. Abubakar Suleiman**	25	25
5. Prof. Koyinsola Ajayi	25	25
6. Mr. Samuel Egube	25	25
7. Mr. Olugbenga Agboola	25	25
8. Mr. Mohammed Yahaya	-	-

\*Resigned from the board effective October 20, 2023  
\*\*Mr. Abubakar Suleiman was appointed the interim chairman on August 16, 2024.

**5. Directors' interests in contracts:** For the purpose of section 277 of the Companies and Allied Matters Act, 2020 (CAMA) of Nigeria, none of the Directors had any direct or indirect interest in contracts or proposed contracts with the Fund during the year.

**6. Property & Equipment:** Information relating to changes in property and equipment is given in Note 7 to the financial statements. In the Directors' opinion, the market value of the Fund's property and equipment is not less than the value shown in the financial statements.

**7. Events after the Reporting Period:** There were no significant events after the reporting period which could have a material effect on the financial position of the Fund as at 31 December 2023 and its operating results for the year then ended which have not been adequately adjusted for or disclosed in these financial statements.

## **8. Human Resources:**

**A. Employment of Disabled persons:** The Fund operates a non-discriminatory policy on recruitment. Applications by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicants concerned. Currently, the Fund has no persons on its staff list with physical disabilities.

# Directors' Report contd.

for The Year Ended 31 December 2023

**B. CODE OF BUSINESS CONDUCT AND ETHICS:** Employees are bound by the Fund's code of conduct and ethics signed at the time of employment.

**C. DIVERSITY IN EMPLOYMENT:** The number and percentage of men and women employed during the financial year ended 31 December 2023 and the comparative year were as follows:

	Number			Percentage	
	Male	Female	Total	Male	Female
Employees (2023)	5	2	7	71%	29%
Employees (2022)	5	4	9	56%	44%

*Gender Analysis of the Board is as follows:*

	Number			Percentage	
	Male	Female	Total	Male	Female
Non-Executive Directors (2023)	5	1	6	83%	17%
Non-Executive Directors (2022)	6	1	7	86%	14%

**9. Employee Training:** As a project organisation, the Fund is committed to the training of staff through various programs in-house and external facilitators complemented with additional trainings by regulators to ensure that employees are up to date.

**10. Directors' Remuneration:** The Fund does not pay any form of compensation to the Directors. Members of the Board have consistently devoted their skills, experience and time to offer the Fund selfless and sacrificial services on pro bono.

**11. Auditors:** The auditor, Messrs KPMG Professional Services, having satisfied the relevant corporate rules on their tenure in office have indicated their willingness to continue in office as auditors in accordance with section 410 (2) of the Companies and Allied Matters Act 2020.



Company Secretary  
Olaniwun Ajayi LP  
FRC/NBA/2013/00000000001615  
12 September 2024

## DIRECTORS ACTIVITIES REPORT

The Board of Directors of the Rebuild Lagos Trust Fund Ltd/Gte (the Fund or "RLTF") is pleased to present its annual report including its Board's activities for the year ended 31 December 2023.

### FUNCTION & RESPONSIBILITIES

The principal functions and responsibilities of the Board of Directors include the following:

1. Ensure that the Fund's resources match its objectives by reviewing and approving capital and other resource allocation and reviewing and approving the Fund's financial policies and plans.
2. Ensure sound corporate governance in the Fund.
3. Ensure full and effective oversight on the Fund and monitoring its executives.
4. Ensure a well-defined and acceptable division of responsibilities within the structure of the organisation.
5. Ensure that the Fund is properly managed and has a culture for compliance with the laws of the Federal Republic of Nigeria and other applicable rules and regulations.
6. Ensure the integrity of annual reports and accounts and all material information provided to regulators and other stakeholders.

### THE BOARD OF DIRECTORS' CONSISTS OF THE FOLLOWING MEMBERS

- |    |                         |   |                      |
|----|-------------------------|---|----------------------|
| 1. | Dr. Yemi Cardoso *      | - | Chairman             |
| 2. | Eng. Jimi Hotonu        | - | Project Director/CEO |
| 3. | Mrs. Bola Adesola       | - | Member               |
| 4. | Mr. Abubakar Suleiman** | - | Member               |
| 5. | Prof. Koyinsola Ajayi   | - | Member               |
| 6. | Mr. Samuel Egube        | - | Member               |
| 7. | Mr. Olugbenga Agboola   | - | Member               |
| 8. | Mr. Mohammed Yahaya     | - | Independent Observer |

\*Resigned from the board effective October 20, 2023

\*\*Mr. Abubakar Suleiman was appointed the interim chairman on August 16, 2024.

### MEETINGS

During the year, the Board of Directors met three times on the following dates with attendance of the Board members as below:

	1st May, 2023	25th July, 2023	20th October, 2023
1. Dr. Yemi Cardoso *	-	-	-
2. Eng. Jimi Hotonu	✓	✓	✓
3. Mrs. Bola Adesola	✓	✓	✓
4. Mr. Abubakar Suleiman **	✓	✓	✓
5. Prof. Koyinsola Ajayi	✓	✓	✓
6. Mr. Samuel Egube	✓	-	-
7. Mr. Olugbenga Agboola	-	-	-
8. Mr. Mohammed Yahaya	-	-	-

\*Resigned from the board effective October 20, 2023

\*\*Mr. Abubakar Suleiman was appointed the interim chairman on August 16, 2024.



# Activities

for The Year Ended 31 December 2023

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**Activities:** Presented below is a summary of the significant matters considered by the Board of Directors during the year.

1. The Board reviewed and approved the Fund's funding strategy. The proposal was that the Igboere High Court, could be funded in cash or kind while the City Hall and the Forensic Center will be fully funded through PPP.
2. The Board reviewed the Fund's financial performance reports and noted that funding of the projects is becoming challenging and that management should drive independent Funding strategies while leveraging on the State government support.
3. The Board approved the commissioning of the completed Primary Healthcare Centre by the Lagos State Governor in May 2023.
4. The Board considered and approved the audited financial statements for the year ended 31 December 2022 presented by the external auditors Messers, KPMG Professional Services.
5. The Board considered and approved the award of contract for 84 units out of 322 units of pilling works for the phase 2 of Igboere Multi-Story building because of the impact it may pose to the foundation of the phase 1 building if left to a later period.

Signed on behalf of the Board of Directors



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**Abubakar Suleiman**  
Interim Chairman, Board of Directors  
FRC/2013/CIBN/00000001275  
12 September 2024

# Finance Committee Report

for The Year Ended 31 December 2023

The Finance Committee of the Board of Rebuild Lagos Trust Fund Ltd/Gte is pleased to present its report for the year ended 31 December 2023.

## Function and Responsibilities:

The principal functions and responsibilities of the Finance Committee include having oversight functions on the following:

1. Defining and reviewing as necessary, sources of funding for rebuilding identified damaged public utilities and other public assets.
2. Raising funds and receiving donations, in trust for rebuilding and replacement of public assets occasioned by the October 2020 disturbances.
3. Managing of the Fund's account solely for the purpose of rebuilding and replacement of public assets, and the speedy restoration of the State assets for quick economic recovery, in a manner that is effective and transparent.
4. Review and recommend to the Board for approval the annual financial budget of the Fund.
5. Review the quarterly management financial report of the Fund and evaluate budgetary performance.

## Composition

The Finance Committee consists of the following members:

1. Mrs. Bola Adesola		Chairperson
2. Mr. Abubakar Suleiman	-	Member
3. Mr. Samuel Egube	-	Member
4. Mr. Olujimi Hotonu	-	Member
	-	

During the year, the Committee held three meetings on the following dates with attendance of the Committee members as below;

	30th Jan, 2023	24th April, 2023	18th, July, 2023
1. Mrs. Bola Adesola	✓	-	✓
2. Mr. Abubakar Suleiman	✓	✓	✓
3. Mr. Samuel Egube	-	✓	✓
4. Mr. Olujimi Hotonu	✓	✓	✓

# Activities

for The Year Ended 31 December 2023

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**Activities:** A summary of the activities of the Finance Committee during the year under review is presented below:

- 1. Review of fund raising strategy:** The Committee reviewed the funding strategy to ensure that the Fund has the right strategy for funding. The proposal is that the funding strategy for Igboere High Court, could be in cash or kind while that of the City Hall and the Forensic Center will be fully funded through PPP
- 2. Review of the Fund's Organogram:** The Committee reviewed the Fund's organogram and the reporting line of the communications department and recommended it to the Board for a decision
- 3. Review of first quarter management report:** The Committee reviewed the Fund's first quarter performance report and noted that funding of the projects is becoming challenging and that the Board will be asked to push more in getting funds. However, the state government has been very supportive in the funding which has helped in keeping contractors on site.
- 4. Review of second quarter management report:** The Committee reviewed the Fund's second quarter performance report and noted that the Fund should devise urgent independent fund raising approach to support the funding from the government. However, the Fund should continue to seek assistance from the state government to avoid contractors leaving the site.
- 5. Review of third quarter management report:** The Committee reviewed the Fund's third quarter performance report which was shared with them by circulation.
- 6. Review of RLTF Marketing Tools:** The Committee reviewed the different tools available to the Fund for mass information dissemination which includes the short code services, the USSD codes and the Bulk SMS. While the committee reviewed and approved the use of the short code service and bulk SMS services, it stepped down the use of the USSD codes and requested for additional information on cost.

Signed on behalf of the Finance Committee



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Mrs. Bola Adesola  
Chairperson, Board Finance Committee FRC/2013/CIBN/00000001629  
12 September 2024

# Message from the Chairman

Welcome to the Rebuild Lagos Trust Fund Ltd/Gte presentation of the Annual Audited Financial Statements for the year ended 31 December 2023. This year was characterized by some defining moments which has proven critical in amplifying the capabilities of RLTF's governance, management, and operational structures.

Two significant milestones were archived during the year which are the completion of restorative work and upgrades to the Iga Idunganran Primary Healthcare Centre (PHC) and the progress of work on redevelopment and upgrade of the High Court, Igboere project. These projects offer immeasurable socio-cultural and economic benefits, pivotal to the Lagos State government's policies on preserving public assets, providing quality public healthcare, and fostering job creation through expansive projects.


The learning curves from each project have made RLTF more adept at facilitating project delivery, ensuring our activities remain true to the mission of "building beyond bricks and mortar." We have maintained trust-building, active stakeholder engagement, and positive community outcomes where these projects are deployed.

Throughout 2023, Rebuild Lagos Trust Fund remained consistent in its drive to fulfill her mandate despite facing donation challenges. However, the Fund engaged more stakeholders and secured additional commitments for funding, showcasing our resilience and dedication.

Hence, we focus on re-imagining ways to harness opportunities, navigate challenges, and solve the funding issues of the Fund. We will adopt a collaborative, data-driven approach to project funding, partnerships, and digital technology frameworks that include all generations, from boomers to millennials. mitigating governance, social, and environmental risks and ensuring funding accessibility remain top priorities for the Board.

The Rebuild Lagos Trust Fund will continue to serve as a change agent, promoting the advancement of Lagos and the state's development objectives at both metropolitan and community levels through quality projects, innovative support programs, and social advocacy.

In conclusion, I commend the RLTF team for their achievements in 2023. I extend my gratitude to our prime mover, the governor of Lagos State, Mr. Babajide Sanwolu, the advisory committees, and our invaluable partners, donors, and stakeholders whose contributions are immeasurable.



**Abubakar Suleiman**

Interim Chairman, Board of Directors FRC/2013/CIBN/0000001275  
12 September 2024



# Managing Director's Report



## Rebuild Lagos Trust Fund In 2023:

The Rebuild Lagos Trust Fund Ltd/Gte (RLTF) full year 2023 financial result came in strong with the optimism and possibility for achieving our project development implementation and stakeholder expectations. The accelerated pace of work at the high court, Igboere project, and the strategic personnel hires in the second half of the previous year, led to the increase in program and personnel expenses against 2022 by 74% and 69% respectively. However, to ensure the sustainability of our mandate and continuity strategy, we adopted creative and new measures that complement our project implementation expectations, target goals, and core values. This was supported by a nimble and result-oriented management approach, backed by project data and analysis, ensuring excellence in every project.

We delivered on the rehabilitation and upgrade of the Iga Idungaran Primary Healthcare Centre (PHC). The people of this densely populated community now have access to second-tier health services in an improved facility that offers beyond basic medical interventions and early management of health conditions, reinforcing Lagos State's commitment to social welfare and standard healthcare. The PHC features modern civil and Mechanical, Electrical, and Plumbing (MEP) reference standards with optimized process flow, a well-equipped ENT clinic, dental clinic, eye clinic, medical laboratory, air-conditioned and additional bed spaces in the lying-in room, an automated water treatment plant, sustainable solar power system, state-of-the-art conveniences, telemedicine/conference room for training, networking infrastructure, alarm systems, security access controls, a server room, and 24/7 CCTV surveillance.

During the year, we proudly unveiled the renovated and upgraded Iga Idungaran Primary Healthcare Centre, officiated by Mr. Governor in the presence of HRH the Oba of Lagos. This event marked a significant milestone in our ongoing efforts to improve public healthcare infrastructure.

The Fund awarded the contract for the Phase 2 Piling work at the High Court, Igboere, to secure the foundation integrity of the phase 1 project. This critical decision sets the stage for future readiness of the phase 2 development.

Our engagement with key stakeholders continued with a presentation to the members of the Nigerian Bar Association, Lagos Chapter, at their annual AGM held at the Law School of Nigeria, Lagos. This platform allowed us to introduce the Fund, showcase our projects, and seek support and funding from the legal community.

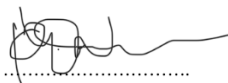
Additionally, we hosted a Corporate Titans Stakeholder Event, inviting a niche group from the legal sector and judiciary. We shared our redevelopment and upgrade plans for RLTF projects and called for support in the form of donations, strengthening our collaborative efforts to drive impactful change.

# Managing Director's Report

Understanding that the tasks ahead are significant in respect of funding dependencies and socio-economic impact, the RLTF team is dedicated to smart, result-driven, data-backed, and community-based approaches to tap into available micro funding approaches using the web donation page to seek for mass financial support for the Fund. This meets the RLTF's mid and long- term goals as a public, private partnership (PPP) initiative and expert vehicle of the Lagos State government for the conservation, reconstruction, or rehabilitation of the state's public assets to benefit all.

We are purpose-built with a mandate that, while seemingly altruistic, is heavy on Social Return on Investment (SROI) and public service. We maintain high standard in upholding our mandate by consistently upskilling and training our staff through traditional methods and technology. Our vibrant team is making good progress, thanks to the incredible support of the governor of Lagos State, Mr. Babajide Sanwolu, our advisory committees, stakeholders, donors, and partners.

Lastly, we are not simply focused on increasing our resource buckets for project interventions. We contextualize each project, educate ourselves on the fundamental problems, seek appropriate advisory, work with all stakeholders, and adopt informed decisions to ensure the sustainability of our projects and the high-impact programs we run in each community.



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**Eng. Olujimi Hotonu**  
Project Director/Chief Executive Officer  
FRC/2022/PRO/DIR/003/639632  
12 September 2024

# Sources of Funding

### Sources of Funding

During the year ended 31 December 2023, the sources of funding for Rebuild Lagos Trust Fund operations are stated below:

#### • Subvention from the Government

The Rebuild Lagos Trust Fund came into being by way of an Executive Order dated 04 November 2020, which directed the establishment of the “Lagos State Rebuild Trust Fund” (the Fund) for the rehabilitation, reconstruction, and expansion of critical infrastructure and other public assets damaged, lost, or destroyed during the October 2020 disturbances, and for the overall recovery of Lagos State from the aftermath of the protests.

The Fund later was reconfigured as a public private partnership (PPP) known as the Rebuild Lagos Trust Fund LTD/GTE and was incorporated as a corporate company limited by guarantee on the 26th of April 2021.

The Fund continued to receive the support of the Lagos State Government with subvention totaling N1.59 billion for the year 2023. The receipt enhanced the Fund's financial capacity to continue funding the Igbosere High Court project where work is progressing.

#### • Grants & Donations

In October 2023, the Fund started the drive for funding through strategic private sector partnerships. The maiden funding event was organised for the judiciary sector which brought together many private legal firms to support the Igbosere High Court redevelopment project. Many pledges were received and as at 31 December 2023 the sum of N2.66m had been received.

The Fund also received donor specific donations from FCMB Ltd, N30m to support staff cost and from Union Bank N12m, for office rent and utility which makes a total of N42m as donor specific donations in 2023

The Fund has developed a donation platform on its website to enable good spirited individuals to make donations to support the work of the Fund. The Fund received N6,000 as individual donation through the page in 2023. The Fund will drive more publicity for the donation page and increase fund raising events which we believe will enhance funding patronage in 2024.

#### • Other Income

The Fund realised N13m from the disposal of the debris from the demolished Igbosere High Court buildings and earned a loss of N26,000 on currency exchange in 2023.

# Sources of Funding contd.

- **Interest from Investments**

The Fund invests available excess liquidity in short term financial instruments like placement in Banks' fixed deposits or treasury bills. The money in the operational account of the Fund is managed directly by the staff of the Fund while all investable excess liquidity were transferred to the Fund's Assets Managers for investment. The total investment income for the year 2023 was N43.4 million.

### Expenditure

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- **PROGRAM EXPENSES**

The Fund's mandate is to coordinate and manage the restoration of damaged key assets during the 2020 protests and to be a catalyst for rebuilding Lagos as a resilient city. The Fund focused mainly on three projects from a list of five projects handed over to it by the Lagos State Government. The projects are the Primary Healthcare Centre, Adeniji Adele Street, Lagos Island, the Lagos High Court, Igbosere, Lagos Island and the Lagos City Hall. The total amount spent in the year 2023 on projects was N2.66 billion out of which N2.59 billion was spent on the Lagos High Court, Igbosere. The breakdown of program expenses is in note 13 of the audited financial statements.

- **OPERATING/RECURRENT EXPENSES**

The total operating expenses including depreciation and amortization for the year 2023 was N223.4 million and the breakdown are stated in notes 6-7 and 13-14 of the audited financial statements.



# Directors' Statement

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE PREPARATION OF FINANCIAL STATEMENTS

The Directors accept responsibility for the preparation of the annual financial statements for the year ended 31 December 2023 that give a true and fair view in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IFRS Standards) and in the manner required by the Companies and Allied Matters Act, (CAMA) 2020 and the Financial Reporting Council of Nigeria (Amendment), Act 2023.

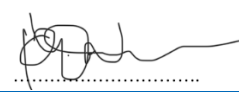
The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act, (CAMA) 2020 and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

The Directors have made an assessment of the Fund's ability to continue as a going concern and have no reason to believe the Fund will not remain a going concern in the year ahead

Signed on behalf of the Board of Directors by:



**Abubakar Suleiman**  
Interim Chairman, Board of Directors  
FRC/2013/CIBN/00000001275  
12 September 2024



**Eng. Olujimi Hotonu**  
Project Director/Chief Executive Officer  
FRC/2022/PRO/DIR/003/639632  
12 September 2024

# Corporate Statement

## STATEMENT OF CORPORATE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Further to the provisions of section 405 of the Companies and Allied Matters Act (CAMA), 2020, We, the Project Director/Chief Executive Officer and Chief Financial Officer, hereby certify the financial statements of Rebuild Lagos Trust Fund Ltd/Gte for the year ended 31 December 2023 as follows:

1. That we have reviewed the audited financial statements of the Fund for the year ended 31 December 2023
2. That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made.
3. The audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Fund as of and for the year ended 31 December 2023.
4. That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Fund is made known to us by other officers of the Fund during the year ended 31 December 2023.
5. That we have evaluated the effectiveness of the Fund's internal controls within 90 days prior to the date of the audited financial statements, and certify that the Fund's internal controls are effective as of that date;

# Corporate Statement



6. That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.
7. We have disclosed to the Fund's auditors and Board committee-
- a. there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Fund's ability to record, process, summarise and report financial data, and have identified for the Fund's auditors any material weaknesses in internal controls, and
  - b. there is no any fraud that involves management or other employees who have a significant role in the Fund's internal control.

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**Ifeanyi Obiekwe**  
Chief Financial Officer  
FRC/2013/ICAN/00000001432  
12 September 2024

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**Eng. Olujimi Hotonu**  
Project Director/Chief Executive Officer  
FRC/2022/PRO/DIR/003/639632  
12 September 2024



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## INDEPENDENT AUDITOR'S REPORT

To the Guarantors of **Rebuild Lagos Trust Fund Limited/GTE (the "Fund")**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Rebuild Lagos Trust Fund Limited/GTE (the "Fund"), which comprise:

- the statement of financial position as at 31 December 2023;
- the statement of financial performance;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

#### Basis for 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 International Ethics Standards Board for Accountants *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The Directors are responsible for the other information. The other information comprises Corporate Information, Financial Highlights, Directors' report, Message from the Chairman, Managing Director's report, Sources of Fund and Expenditure Analysis, Statement of Directors' Responsibilities, Statement of Corporate Responsibilities, Finance Committee report and Other National Disclosures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express anyform of assurance conclusion thereon.





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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, 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.

### **Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023, and for such internal control as the directors 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 directors 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 directors 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 auditor's 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.



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As part of an audit in accordance with ISAs, we exercise professional judgment 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 directors.
- Conclude on the appropriateness of directors' 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 auditor's 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 auditor's 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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We communicate with the Board of Directors regarding, among other matters, the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on Other Legal and Regulatory Requirements

### *Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020*

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. In our opinion, proper books of account have been kept by the Fund, so far as appears from our examination of those books.
- iii. The Fund's statement of financial position and statement of financial performance are in agreement with the books of account.



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**Oseme J. Obaloje, FCA**  
FRC/2013/PRO/ICAN/004/00000004803  
For: KPMG Professional Services  
Chartered Accountants 30 September 2024  
Lagos, Nigeria

# Statement of Financial Performance

In thousands of Naira	Notes	31-Dec-23	31-Dec-22
<b>Income</b>			
Donation	9	1,633,646	1,160,014
Interest income calculated using the effective interest method	10	43,449	102,118
Other income	12	12,974	2,572
<b>Total Income</b>		<b>1,690,069</b>	<b>1,264,704</b>
<b>Expenses</b>			
Amortisation of intangible assets	6	715	715
Depreciation of property and equipment	7	14,045	8,499
Program expenses	13	2,660,268	1,965,278
Personnel expenses	14	162,236	96,009
Operating Expenses	15	41,248	76,171
ECL allowance charge	11	5,113	-
<b>Total operating expenses</b>		<b>2,883,625</b>	<b>2,146,672</b>
<b>Deficit performance for the year</b>		<b>(1,193,556)</b>	<b>(881,968)</b>

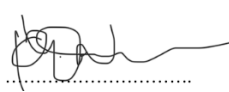
# Statement of Financial Position

In thousands of Naira	Notes	31-Dec-23	31-Dec-22
<b>ASSET (NON-CURRENT)</b>			
Intangible Assets	6	406	1,121
Property and Equipment	7	31,954	44,993
<b>Total Non-Current</b>		<b>32,360</b>	<b>46,114</b>
<b>ASSET (CURRENT)</b>			
Prepayments	5	5,742	5,080
Cash and cash equivalents	4	365,099	1,032,131
<b>Total Current Asset</b>		<b>370,841</b>	<b>1,037,211</b>
<b>Total Asset</b>		<b>403,201</b>	<b>1,083,325</b>
<b>LIABILITIES</b>			
Other Liabilities	8	525,315	11,883
<b>Total Liabilities</b>		<b>525,315</b>	<b>11,883</b>
<b>EQUITY</b>			
Accumulated (deficit)/ surplus from operations	17	(122,114)	1,071,442
		<b>(122,114)</b>	<b>1,071,442</b>
<b>Total liabilities &amp; equity</b>		<b>403,201</b>	<b>1,083,325</b>

The financial statements were approved by the Board of Directors on 12 September 2024 and signed on their behalf by:



Abubakar Suleiman  
Interim Chairman, Board of Directors  
FRC/2013/CIBN/00000001275  
12 September 2024



Eng. Olujimi Hotonu  
Project Director/Chief Executive Officer  
FRC/2022/PRO/DIR/003/639632  
12 September 2024



Ifeanyi Obiekwe  
Chief Financial Officer  
FRC/2013/ICAN/00000001432  
12 September 2024

The accompanying notes are an integral part of these financial statements.



# Statement of Changes in Equity

In thousands of Naira	Notes	Accumulated surplus/ (loss)	Total Equity
Balance at 1 January 2023		1,071,442	1,071,442
<b>Performance for the year</b> Deficits from operations		(1,193,556)	(1,193,556)
<b>Balance at 31 December 2023</b>		<b>(122,114)</b>	<b>(122,114)</b>

In thousands of Naira	Notes	Accumulated surplus/ (loss)	Total Equity
Balance at 1 January 2022		1,953,410	1,953,410
<b>Performance for the year</b> Deficit from operations		(881,968)	(881,968)
<b>Balance at 31 December 2022</b>		<b>1,071,442</b>	<b>1,071,442</b>

*The accompanying notes are an integral part of these financial statements.*

# Statement of Cash Flows

In thousands of Naira	Notes	Accumulated surplus/ (loss)	Total Equity
<b>Cash flows from operating activities</b>			
Deficit from operations		(1,193,556)	(881,968)
Adjustments for:			
Amortisation	6	715	715
Depreciation	7	14,045	8,449
Net impairment loss on cash and cash equivalents	11	5,113	-
Exchange loss	12	26	-
Write-off of property and equipment	7	-	253
		<b>(1,173,657)</b>	<b>(872,501)</b>
Changes in other asset	15(i)	(662)	(105)
Changes in other liabilities	15(ii)	513,432	3,863
<b>Net cash used from operating activities</b>		<b>(660,887)</b>	<b>(868,743)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	7	(1,005)	(32,344)
<b>Net cash used in investing activities</b>		<b>(1,005)</b>	<b>(32,344)</b>
<b>Cash flows from investing activities</b>			
Cash and cash equivalents at beginning of year	4	1,032,131	1,933,218
Net decrease in cash and cash equivalents	-	(661,892)	(901,087)
Effect of exchange rate fluctuation	4	(26)	-
<b>Cash and cash equivalents at 31 December</b>	<b>4</b>	<b>370,213</b>	<b>1,032,131</b>

The accompanying notes are an integral part of these financial statements.

# Notes to the Financial Statement

## 1 Reporting entity

Rebuild Lagos Trust Fund LTD/GTE is a company domiciled and incorporated in Nigeria on 26 April 2021 under the Companies and Allied Matters Act as a private company limited by guarantee. The address of the Fund's registered office is the Union Bank Building, 97 Ahmadu Bello Way, Victoria Island, Lagos. The Company is primarily involved in restoring and rebuilding of the public assets damaged during the 2020 riots in Lagos and also to serve as a catalyst for the development of Lagos State.

## 2 Basis of accounting

### (a) Basis of preparation

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) for accrual basis of accounting issued by International Accounting Standards Board (IASB) and in a manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Amendment Act, 2023. The measurement base applied is historical cost basis.

The financial statements have been prepared on a going concern basis and modified to include fair valuation of particular financial instruments to the extent required or permitted under IFRS as set out in the relevant accounting policies and the accounting policies have been consistently applied throughout the year. Actual results may differ from these estimates. The financial statements for the year ended 31 December 2023 were approved by the Board of Directors on 12 September 2024.

### (b) Functional and presentation currency

The financial statements are presented in Nigerian currency (Naira) which is the Fund's functional currency. Except otherwise indicated, financial information presented in Naira have been rounded to the nearest thousand.

### (c) Going concern

The Fund recorded a loss after tax of N1.19 billion for the year ended 31 December 2023 (2022: (N882million)) leading to a deficit equity of N122million

The governor of Lagos State, Mr. Babajide Sanwolu, has confirmed his willingness to continue to provide financial and other support necessary for the Fund to achieve the goals of the approved projects under the her mandate.

To mitigate the funding gap of the Fund, management obtained financial support from the Lagos state Government which amounted to N1.59billion for the year ended 31 December 2024. The funds received were used to finance ongoing projects.

# Notes to the Financial Statement

Consequently, the Board made an assessment of the Fund's ability to continue as a going concern and the Board is satisfied that the Fund has the resources to continue in business for the foreseeable future. The Board 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 have been prepared on a going concern basis.

**(d) Use of estimates and judgments:** 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 may require a material adjustment to the carrying amount of the asset or liability affected in future periods.

## Estimates and assumptions

**Property and equipment:** The Fund carries its property 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.

## Impairment allowance

Assets accounted for at amortized cost are evaluated for impairment on a basis described in the accounting policy 3.6. In calculating impairment allowance, assets are categorized into individually impaired and, collectively impaired. In categorizing assets into whether individually or collectively impaired, Management exercise some degree of judgement regarding what events/criteria are the assets to be measured against. The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cashflows that are expected to be received. In estimating these cashflows, management makes judgements about a counterparty's financial situation. Each impaired assets is assessed on its merits, and the workout strategy and estimate of cashflows considered recoverable are independently reviewed by the risk management function.

# Notes to the Financial Statement

**3. Summary of significant accounting policies:** The principal accounting policies adopted in the preparation of these financial statements are set out below. They have been applied consistently for similar transactions, other events and conditions unless otherwise stated.

## **3.1 Property and equipment:**

**(i) Recognition and measurement:** 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 is greater than N25,000 (Twenty Five Thousand Naira only) and can be measured reliably. The cost of equipment comprises their purchase cost and any incidental costs of acquisition. For assets acquired through non-exchange (e.g. donations to the Fund) the cost represents the fair value of the acquired items. Any asset with cost below N25,000 (Twenty Five Thousand Naira only) shall be expensed to the profit and loss account.

**(ii) Subsequent costs:** Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

**(iii) Depreciation:** 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 and equipment to their residual values over their estimated useful lives. If an item of fixed asset is acquired after the 25th of the month, the depreciation of the asset starts in the succeeding month.

The estimated annual rates of depreciation are as follows:

Furniture and equipment	20%
Office equipment	20%
Motor vehicles	25%
Computer equipment	33.33%



# Notes to the Financial Statement

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.

**(i) Derecognition:** 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 income statement when the asset is derecognised.

**(ii) Leasehold Improvement:** The Fund recognises leasehold improvements as property and equipment. The improvements are measured at cost on initial recognition, when it is probable that economic benefits will flow to the entity and the resources will be used for more than one financial period. Subsequent to initial recognition the asset is measured at cost less accumulated depreciation in the same policy as other items of property and equipment.

## 3.2 Intangible Assets

**(i) Recognition and measurement:** Software not integral to the related hardware acquired by the Fund is stated at cost less accumulated amortisation and accumulated impairment losses.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Fund, are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software
- Product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

# Notes to the Financial Statement

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.

**(ii) Subsequent measurement:** Subsequent expenditure on computer software is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure are expensed as incurred.

**(iii) Amortisation:** Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that the asset 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 is 3 years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(iv) De-recognition:** An intangible asset shall be derecognised:

(a) on disposal; or

(b) when no future economic benefits are expected from its use or disposal

The gain or loss arising from the derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss when the asset is derecognised (unless IAS 17 requires otherwise on a sale and leaseback.) Gains shall not be classified as revenue.

# Notes to the Financial Statement

## **3.3 Impairment of non-financial assets**

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 or cash generating unit. An impairment loss is recognised for non-financial assets when the amount by which the asset or cash generating unit's carrying amount exceeds its recoverable amount. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Intangible assets not yet available for use are tested for impairment annually. All other assets are assessed for indicators of impairment at the end of each reporting period.

## **3.4 Revenue: Revenue recognition criteria for exchange and non-exchange transactions**

Revenue from an exchange transaction 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. Such revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment excluding taxes. Revenue from a non-exchange transaction recognised as an asset shall be recognised as a revenue except to the extent that a liability is also recognised in respect of the same inflow. Such revenue shall be measured at the amount of the increases in net assets recorded by the Fund.

The Fund's revenue comprises interest income, grant income, donations and other income:

# Notes to the Financial Statement

## **Interest Income:**

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. Interest income is included in finance income in the income statement.

Interest Income received is the income generated through the placement of funds with financial institutions.

## **Grant income:**

A number of the Fund's programs are supported by grants received from donor agencies (both local and international). If conditions are attached to a grant which must be satisfied before the Fund is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied. Grants are recognised in Income statement on a systematic basis over the period in which the Fund recognises as expenses the related costs for which the grants are intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Fund with no future related costs are recognised in the income statement in the period in which they are received or become receivable.

## **Donations:**

The Fund's major source of Revenue are donations from State Governments, Companies, Multinationals, Individuals and others. Donations received are recognised as income at the the time of receipt in the income statement and used to fund the cost of different projects being handled by the Fund and also for administrative expenses. Donor sponsored donations is where the donor pays directly for an item or service that is beneficial to the Fund, this is recognised as sponsored donation income and recognised as expense in the respective expense line in the income statement for the period the donation was received.

## **Other income:**

Other income represents income generated from sources other than donations, interest and grant income. It includes income realised from non-refundable fees from tenders for contract, processing cost from tenders of contract and any penal charges on non execution of job. Income is recognized when the right to receive the income is established.

# Notes to the Financial Statement

## 3.5 Financial instruments

**(i) Classification:** The classification of financial instruments depends on the purpose for which the assets are acquired. The Fund classifies its financial assets at amortised cost.

The Fund's liabilities are classified as other financial liabilities and are measured at amortised cost.

Classified as cash and cash equivalent are cash and bank balances and placements with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Fund in the management of its short-term commitments.

Classified as other financial liabilities are other payables and accruals.

**(ii) Recognition:** Financial instruments are initially recognised at fair value and on the trade date at which the Fund becomes a party to the contractual provisions of the instrument. Financial instruments are derecognised when the rights to receive cash flows from the financial instruments have expired or where the Fund has transferred substantially all risks and rewards of ownership.

**Other financial liabilities:** Other financial liabilities are initially measured at fair value.

**(iii) Subsequent measurement:**

**Receivables:** Receivables are subsequently measured at their amortised cost using the effective interest method (cost plus accrued interest) in the statement of financial position.

**Other financial liabilities:** Other financial liabilities are subsequently measured at amortised cost.

**(iv) Derecognition of financial instruments:** The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cash flows to one or more recipients, subject to certain criteria.



# Notes to the Financial Statement

The Fund may enter into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised in the statement of financial position. In transactions where the Fund neither retains or transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost. The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Fund continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Any interest in transferred financial assets that is created or retained by the Fund is recognised as an interest income or interest expense in the income statement.

**(v) Amortised cost measurement:** The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

**(vi) Fair value measurement:** The Fund did not measure any assets or liabilities at fair value at the end of the reporting period. 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.

# Notes to the Financial Statement

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.

## 3.6 Impairment of financial assets

**i. Assets carried at Amortised cost:** The Fund assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. The Fund recognises loss allowances for Expected Credit Losses (ECL) on the following financial instruments that are not measured at FVTPL:

- cash and cash equivalent.

The Fund measures loss allowances at an amount equal to lifetime ECL, except for the following, for which they are measured as 12-month ECL: - Debt investment securities that are determined to have low credit risk at the reporting date; and

- Other financial instruments on which credit risk has not increased significantly since their initial recognition.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

**ii. Measurement of ECLs:** ECLs are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive);

- financial assets that are credit impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows discounted at the assets' original effective interest rate.

# Notes to the Financial Statement

IFRS 9 Impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

## Stage 1

12-month ECL applies to all financial assets that have not experienced a Significant Increase in Credit Risk (SICR) since origination and are not credit impaired. The ECL will be computed using a 12- month PD that represents the probability of default occurring over the next 12 months. For those assets with a remaining maturity of less than 12 months, a PD is used that corresponds to remaining maturity.

## Stage 2

When a financial asset experiences a SICR subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Impairments are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1. We see slight increase in impairment based on the Life Time consideration.

## Stage 3

Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime expected credit losses. The impairment requirements of IFRS 9 are complex and require management judgments, estimates and assumptions, particularly in the areas of assessing whether the credit risk of an instrument has increased significantly since initial recognition and incorporating forward looking information into the measurement of ECLs.

# Notes to the Financial Statement

**iii. Inputs into measurement of ECL:** The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default (PD);
- loss given default (LGD)
- exposure at default (EAD)

ECL for exposures in stage 1 (12-month ECL) is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD. These parameters are generally derived from external credit rating agencies and other historical data and they are adjusted to reflect forward-looking information as described above.

PD is an estimate of the likelihood of default over a given time horizon, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates. LGD is the magnitude of the likely loss if there is a default. The Fund estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim and counterparty industry. LGD estimates are recalibrated for different economic scenarios and, for lending, to reflect possible changes in the economies. They are calculated on a discounted cash flow basis using the effective interest rate as the discount.

EAD represents the expected exposure in the event of a default. The Fund expects to derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount at the time of default.

# Notes to the Financial Statement

## **Forward looking information (FLI):**

The Fund will incorporate forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on consideration of a variety of external actual and forecast information, the Fund intends to formulate a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process would involve developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information may include economic data and forecasts published by governmental bodies and monetary authorities, supranational organisations and selected private-sector and academic forecasters.

The base case is expected to represent a most-likely outcome and be aligned with information used by the Fund for other purposes, such as strategic planning and budgeting. The other scenarios would represent more optimistic and more pessimistic outcomes.

**(iv) Credit-impaired financial assets:** At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

**(v) Presentation of allowance for ECL in the statement of financial position:** Loss allowances for financial assets measured at amortised cost are charged to income statement and deducted from the gross carrying amount of the assets.



# Notes to the Financial Statement

## **(vi) Financial Liabilities:**

Recognition: The Fund recognises financial liabilities initially at fair value on the trade date at which the Fund becomes a party to the contractual provisions of the instrument.

Subsequent measurement: Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in income statement. Any gain or loss on derecognition is also recognised in income statement.

## **(vi) Offsetting:**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Fund's trading activity.

**Derecognition of financial instruments:** The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Fund neither transfers nor retains substantially all the risks and the rewards of the ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in income statement.

Any interest in transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

# Notes to the Financial Statement

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. Where the Fund enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the statement of financial position. In transactions where the Fund neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

## **3.7 Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balances and placements with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Fund in the management of its short-term commitments. Cash and cash equivalents are carried in the statement of financial position at amortised cost (cost plus accrued interest) less the Expected Credit Loss (ECL) impairment on the asset in line with IFRS 9.

## **3.8 Provisions**

A provision is recognised if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are determined by discounting the expected cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Fund from a contract are lower than the unavoidable cost of meeting its obligation under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Fund recognises any impairment loss on the assets associated with that contract.

## **3.9 Other current assets and prepayments**

Other current assets are measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in income statement when there is objective evidence that the asset is impaired.

Prepayments are carried at cost less accumulated amortisation.

# Notes to the Financial Statement

## 3.10 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the spot exchange rate at the reporting date. Non monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the spot exchange rate at the date on which the fair value was determined. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non- monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated to the functional currency using the exchange rate at the transaction date. Exchange differences on non-monetary assets are accounted for based on the classification of the underlying items.

## 3.11 Employee benefits

**(a) Defined contribution plan:** The Fund has a defined contribution plan. 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 the income statement 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 income statement on an annual basis.

**(b) 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 recognised for the amount expected to be paid under short-term cash benefits such as accumulated leave and leave allowances if the Fund has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be measured reliably.

# Notes to the Financial Statement

**3.12 Expenditure:** All expenses are accounted for on an accrual basis. The Fund's expenses are classified into project expenses, programs expenses and other operating expenses.

**(a) Program Expenses:** Program expenses are categorized into two: (i) Project expenses and (ii) Other program expenses. The expenses are incurred wholly and exclusively for the benefit of fulfilling the mandate of the Fund and they are recorded under either of the specified categories in the period they are incurred.

**(i) Project expenses:** Project expenses are expenses incurred wholly and exclusively for the rebuilding or repairing of the damaged assets the Fund is working upon. Such expenses are recognized in the specific project account in the period they occurred.

**(ii) Other Program expenses:** Other program expenses are expenses incurred wholly and exclusively for welfare, skill acquisition, health programs and other soft side developmental activities of the Fund. Such expenses are recognized in the period they occurred.

**(b) Other Operating Expenses:** Other operating expenses are mainly secretarial and/or office running expenses like professional fees, stationery expenses, entertainment, advertisements, transportation expenses etc. Such expenses are recognized in the specific expense account in the period they occurred.

## **3.13 Contingent assets and liabilities:**

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

Contingent liability is the probable obligation that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Fund. However, they are recognised, if it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Contingent liabilities are disclosed in the financial statements when they arise.

# Notes to the Financial Statement

## **3.14 Taxation:**

The Fund is exempted from income tax based on the provisions of Section 23 (i) of the Companies' Income Tax Laws of Nigeria and Section 26 of the Capital Gains Tax Act applicable in Nigeria. However, the Fund pay transactional taxes such as Withholding Tax (WHT) and Value Added Tax (VAT) for its transactions.

## **3.15 Equity:**

Rebuild Lagos Trust Fund Ltd/Gty is a private company limited by guaranty and does not have initial contributory capital by the guarantors, shareholders or any stakeholder. Surplus or deficit performance in a given year is transferred to the retained earnings as part of equity.

## **3.16 New standards and interpretations not yet effective:**

A number of new Standards, Amendments to Standards, and Interpretations are effective for annual periods beginning after 1 January 2024 and have not been applied in preparing this financial statements. Those Standards, Amendments to Standards and Interpretations which may be relevant to the Fund are set out below.

The Fund does not plan to adopt these standards early. The standards will be adopted in the period that they become mandatory unless otherwise indicated:



S/N	Standard/Interpretation	Date Issued by IASB	Effective Date	Summary of the requirements and impact assessment
1	<p>Amendments to IAS 7 &amp; IFRS 7</p> <p>Subscribe Finance arrangements</p>	May 2023	1 January, 2024	<p>In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. The amendment does not have any material impact on the Fund</p>
2	<p>Amendments to IAS 1</p> <p>Classification of Liabilities as Current or Non-current</p>	January 2020	1 January, 2024	<p>In January 2020, the IASB issued amendment to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The amendment clarify.</p> <ul style="list-style-type: none"> <li>• What is meant by a right to defer settlement</li> <li>• That a right to defer must exist at the end of the reporting period</li> <li>• That classification is unaffected by the likelihood that an entity will exercise its deferral right.</li> <li>• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification</li> </ul> <p>The board will concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.</p> <p>The amendment does not have any material impact on the Fund</p>

**The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Fund in future periods.**



# Notes to the Financial Statement

## 4. Cash and cash equivalents

### In thousands of Naira

	31-Dec-23	31-Dec-22
Cash in hand	3	23
Current accounts with banks (see (a) below)	49,953	1,032,106
Deposits with financial institutions (see (b) below)	320,282	2
Effect of exchange rate fluctuation	(26)	-
<b>Cash and cash equivalents for cash flow purposes</b>	<b>370,212</b>	<b>1,032,131</b>
Less impairment: (see (c(i&ii)) below)		
Stage 1	(5,113)	-
	<b>365,099</b>	<b>1,032,131</b>

(a) Balance in the Fund's current accounts is further analysed as follows:

In thousands of Naira	31-Dec-23	31-Dec-22
Sterling bank	1,711	1,000,730
Union bank plc	43,584	30,857
First City Monument Bank (FCMB)	2,499	500
Zenith donation page	4	(1)
Sterling bank (\$) comms	97	-
Sterling bank(Igboere Project)	2,009	9
Sterling \$ Account(Ford)	23	11
Effect of exchange rate fluctuation	26	-
	<b>49,953</b>	<b>1,032,106</b>

(b) Deposit with financial institutions include:

In thousands of Naira	31-Dec-23	31-Dec-22
FCMB Asset Management Limited (i)	320,282	2
	<b>320,282</b>	<b>2</b>

(i) Balance with FCMB Asset Management Limited (Fund Manager) represents funds placed with the Fund Manager under the discretionary portfolio management agreement. The funds are invested in line with RLTF's investment policy which permits investment in cash equivalents and short-term money market securities.

Current	365,099	1,032,131
	<b>365,099</b>	<b>1,032,131</b>

# Notes to the Financial Statement

## (C) i. Reconciliation of allowance accounts for losses on financial assets on 31-Dec-23

<b>N'000</b>	<b>Impairment on Stage 1 -12 Months ECL</b>	<b>Impairment on Stage 2 -Life Time ECL Not Credit Impaired</b>	<b>Impairment on Stage 3</b>	<b>Total allowance for impairment</b>
Balance at 1 January, 2023	-	-	-	-
Impairment allowance for the year	5,113	-	-	5,113
	<b>5,113</b>	-	-	<b>5,113</b>

## (C) i. Reconciliation of allowance accounts for losses on financial assets 31-Dec-22

<b>N'000</b>	<b>Impairment on Stage 1 -12 Months ECL</b>	<b>Impairment on Stage 2 -Life Time ECL Not Credit Impaired</b>	<b>Impairment on Stage 3</b>	<b>Total allowance for impairment</b>
Balance at 1 January, 2022	-	-	-	-
Impairment allowance for the year	-	-	-	-
	-	-	-	-

## 5. Prepayments

<b>In thousands of Naira</b>		<b>31-Dec-22</b>
<b>Non financial Assets</b>		
Prepaid insurance (see note (a) below)	41	640
Other prepayments (see note (b) below)	5,701	4,440
	<b>5,742</b>	<b>5,080</b>
<b>Classified as:</b>		
Current	5,742	5,080
Non-current	-	-
	<b>5,742</b>	<b>5,080</b>

(a) Prepaid insurance is for insurance cover for the Fund's property and equipment.

(b) Other prepayments represents IT subscription N2.1m, and deposit for fund raising event N3.6m.

# Notes to the Financial Statement

## 6. Intangible Assets

<b>In thousands of Naira</b>	
	<b>Accounting software</b>
Balance as at 1 January, 2023	2,146
Additions	-
<b>Balance as at 31 December, 2023</b>	<b>2,146</b>
Balance as at 1 January, 2022	2,146
Additions	-
<b>Balance as at 31 December, 2022</b>	<b>2,146</b>
<b>Accumulated Amortisation:</b>	
Balance as at 1 January 2023	(1,025)
Charge for the year	(715)
Balance as at 31 December 2023	(1,740)
Balance as at 1 January 2022	(310)
Charge for the year	(715)
Balance as at 31 December 2022	(1,025)
<b>Carrying amounts</b>	
<b>Balance as at 31 December, 2023</b>	<b>406</b>
<b>Balance as at 31 December, 2022</b>	<b>1,121</b>

1. The Fund does not have internally generated intangible assets.
2. There were no authorised or contracted capital commitments as at the reporting date.
3. There were no impairment losses on intangible assets during the year.
4. There were no capitalised borrowing costs related to the construction of intangible asset during the year.
5. All intangible assets are non-current. Intangible assets of the Fund have finite useful life and are amortised over 3 years

# Notes to the Financial Statement

## 7. Property and Equipment

The movement in this account during the year was as follows:

In thousands of Naira	Motor Vehicles	Computer Equipments	Office Equipments	Furniture & Fittings	Total
<b>COST:</b>					
Balance as at 1 January, 2023	34,944	6,553	4,283	10,110	55,890
Additions during the year	-	1,005	-	-	1,005
<b>Balance as at 31 December, 2023</b>	<b>34,944</b>	<b>7,558</b>	<b>4,283</b>	<b>10,110</b>	<b>2,146</b>
Balance as at 1 January, 2022	4,100	5,704	4,375	9,651	23,830
Additions	30,844	983	58	459	32,344
Write off	-	(134)	(150)	-	(284)
<b>Balance as at 31 December, 2022</b>	<b>34,944</b>	<b>6,553</b>	<b>4,283</b>	<b>10,110</b>	<b>55,890</b>
<b>Accumulated Depreciation:</b>					
Balance as at 1 January 2023	(4,108)	(2,585)	(1,281)	(2,922)	(10,896)
Charge for the year	(8,736)	(2,408)	(879)	(2,022)	(14,045)
<b>Balance as at 31 December, 2023</b>	<b>(12,844)</b>	<b>(4,993)</b>	<b>(2,160)</b>	<b>(4,944)</b>	<b>(24,941)</b>
Balance as at 1 January, 2022	(513)	(529)	(425)	(961)	(2,428)
Additions	(3,595)	(2,075)	(868)	(1,961)	(8,499)
Write off	-	19	12	-	31
<b>Balance as at 31 December, 2022</b>	<b>(4,108)</b>	<b>(2,585)</b>	<b>(1,281)</b>	<b>(2,922)</b>	<b>(10,896)</b>
<b>Carrying amounts</b>					
<b>Balance as at 31 December, 2023</b>	<b>22,100</b>	<b>2,565</b>	<b>2,123</b>	<b>5,166</b>	<b>31,954</b>
<b>Balance as at 31 December, 2022</b>	<b>30,836</b>	<b>3,968</b>	<b>3,002</b>	<b>7,188</b>	<b>44,994</b>

- No leased asset is included in property and equipment as at year end (31 December 2022: Nil).
- There were no authorised or contracted capital commitments as at the reporting date (31 December 2022: Nil).
- There were no impairment losses on any class of property and equipment during the year (31 December 2022: Nil).
- There were no capitalised borrowing costs related to the construction of property and equipment during the year (31 December 2022: Nil).
- All property and equipment are non-current (31 December 2022: Nil).
- There were no property and equipment pledged as securities for liabilities (31 December 2022: Nil).
- There were no amounts of proceeds and cost that relates to items produced as output of the entity's ordinary activities

# Notes to the Financial Statement

## 8. Other Liabilities

In thousands of Naira	31-Dec-23	31-Dec-22
<b>Financial Liabilities:</b>		
Accruals (see (a) below)	520,911	6,697
Other payables (see note (b) below)	100	4,131
	<b>512,011</b>	<b>10,828</b>
<b>Non-financial Liabilities:</b>		
PAYE payable	1,288	11
Withholding tax payable (Federal)	2,040	197
Withholding tax payable (State)	50	-
Staff pension payable	926	847
	<b>4,304</b>	<b>1,055</b>
	<b>525,315</b>	<b>11,883</b>
<b>Classified as:</b>		
Current	525,315	11,833
Non-current	-	-
	<b>525,315</b>	<b>11,883</b>

a) Accruals are for subscriptions, Audit fees, Professional fees and Contractors' payments due but not paid yet. There were no non-audit services rendered to the Fund.

a) Other payables is made up of the amount payable in respect of the project manager - Savants Integrated Concept Ltd

In thousands of Naira	31-Dec-23	31-Dec-22
Accrued Subscription	274	151
Audit fees	3,500	3,500
Professional fees	1,075	1,433
Management fees	227	-
Project fees (see (b)(i)(below))	515,835	1,613
	<b>520,911</b>	<b>6,697</b>

a)i. Project fees are accrued expenses due to contractors and consultants but not yet paid

# Notes to the Financial Statement

## 9 Donation

In thousands of Naira	31-Dec-23	31-Dec-22
Lagos State (see (9a) below)	1,588,975	1,000,000
Individual donation (see (9b))	6	1
Companies in Nigeria(See note 9c )	2,660	-
Grant from Ford Foundation (see note (9d))	-	20,786
Donor restricted donation (see note (9e))	42,005	139,227
	<b>1,633,646</b>	<b>1,160,014</b>

a) The cumulative donations by Lagos State to support Rebuild Lagos Trust Fund projects in the year was N1.59bn, (2022 N1.0bn)

### b) Individual Donation

In thousands of Naira	31-Dec-23	31-Dec-22
Proceeds from online donation page	6	1
	<b>6</b>	<b>1</b>

c) Donations from companies in Nigeria include donations received from Legal firms in respect of the Igboere High Court project from companies in Nigeria include donations received from Legal firms in respect of the Igboere High Court project

d) Ford Foundation provided a grant of \$50,000 in 2022 to support the expenses of the MD/CEO

### (e) Donor Restricted Donation

In thousands of Naira	31-Dec-23	31-Dec-22
FCMB support for staff cost	30,000	28,500
UBN sponsored Rent & Utilities bills (see note (i))	12,005	4,631
Zenith Bank Medical Equipment to the Primary Healthcare Centre (PHC)	-	106,096
	<b>42,005</b>	<b>139,227</b>

i. Union Bank of Nigeria provided office space for the Fund to carry out its administrative activities. The quantitative annual rental value of the office in 2023 was N7.37m. The rental value could not be ascertained in 2022. In addition, Olaniwun Ajayi LP offered legal services on pro bono to the Fund. The quantitative value of this donation could not be reasonably determined.

## 10 Interest income calculated using the effective interest method

In thousands of Naira	31-Dec-23	31-Dec-22
<i>Interest income on cash equivalents</i>		
Interest income earned on bank placements	-	3,260
Interest income earned on placement with fund managers	43,449	98.858
	<b>43,449</b>	<b>102,118</b>



# Notes to the Financial Statement

## 11 ECL impairment charge in financial assets

In thousands of Naira	31-Dec-23	31-Dec-22
Impairment on Stage 1 -12 Months ECL (note 4(c(i)))	5,113	-
	<b>5,113</b>	<b>-</b>

## 12 Other income

In thousands of Naira	31-Dec-23	31-Dec-22
Exchange Loss (see note (a) below)	(26)	728
Refund of Excess Bank charges	-	1,844
Scrap disposal at Igbosere	13,000	-
	<b>12,972</b>	<b>2,572</b>

- a) The Fund translated her Sterling Bank USD account balances using the closing rate as at reporting date in line with IAS 2. The effect of the changes in foreign exchange rates and the payouts made from the foreign currency denominated account during the year resulted in a net exchange loss.

## 13 Programs expenses

In thousands of Naira	31-Dec-23	31-Dec-22
Project expenses (see note (a))	2,660,268	1,965,278
<b>Total Program Expenses</b>	<b>2,660,268</b>	<b>1,965,278</b>

### a) Project expenses

In thousands of Naira	31-Dec-23	31-Dec-22
Igbosere High Court Complex (see note (a(i)) (a(i)))	2,586,415	1,575,170
Lagos City Hall (see note (a(ii)))	-	57,905
Primary Health Centre Adeniji Adele (see note (a(iii)))	73,853	332,203
	<b>2,660,268</b>	<b>1,965,278</b>

- i. Construction and restoration activities of the colonial building of High Court of Lagos State Igboere, Lagos Island (Phase 1A) commenced immediately after the groundbreaking ceremony was performed by the Lagos State Governor on December 12, 2022.

As at the close of the year, the foundation works and the basement level which houses some of the MEP services such as the underground water tank amongst other services has been completed. Also, the ground floor slab and ground-first floor columns have been completed while the first-floor slab is at about 70% completion.

Based on the Structural Engineers advise, the installation of priority piles (84no.) out of the total number of 322 piles designed for the proposed new multi-storey building (Phase 2) also commenced during the year.

# Notes to the Financial Statement

- ii. Following the positive result of the integrity test by the Nigerian Society of Structural Engineers on the Lagos City Hall property, the detailed design has been developed to incorporate key stakeholders' inputs, and requirements that were captured during the stakeholders visioning session.

The Fund has progressed further to engage relevant stakeholders for the option of a public, private partnership (PPP) approach for the rehabilitation of the Hall under a build, operate and transfer (BOT) arrangement. The review and approval process are with the Lagos State Office of Public, Private Partnership (OPPP).

- iii. The Fund has restored the vandalized Primary Healthcare Centre, Adeniji Adele road, Lagos Island with improved utilization and functionality of the available spaces. Delivery and set-up of both medical and non-medical equipment completed. Operations of the facility was opened to patients on 30th January 2023 while the official commissioning of the project by the Lagos State Governor was on May 26, 2023.

## b) Other Program Expenses

There were no other program expenses for the year ended 31 December 2023 (2022: Nil)

## 14 Personnel expenses

In thousands of Naira	31-Dec-23	31-Dec-22
Wages and salaries (see note (a) below)	156,063	92,948
Post-employment benefits:		
Defined contribution plan - pension cost	6,173	3,061
	<b>162,236</b>	<b>96,009</b>

- a) Included in staff cost is N30 million donor restricted sponsorship by First City Monument Bank to support the Fund

## 15 Operating expenses

In thousands of Naira	31-Dec-23	31-Dec-22
Professional/consultancy fees (see note (a))	4,695	27,003
Communication expenses (see note (b))	1,411	4,959
Audit fee (see note (c))	3,500	3,500
Other operating expenses (see note (d))	26,884	18,824
Management fees (see note (e))	4,758	21,885
	<b>41,248</b>	<b>76,171</b>

## a) Professional/consultancy fees

In thousands of Naira	31-Dec-23	31-Dec-22
Communication consultant	-	14,210
Accounting software maintenance fees	350	359
Staff recruitment consultancy fee	-	10,159
Internal Audit Professional fees	4,300	1,433
Others	45	842
<b>Total</b>	<b>4,695</b>	<b>27,003</b>

# Notes to the Financial Statement

## b) Communication Expenses

In thousands of Naira	31-Dec-23	31-Dec-22
Adverts	-	3,889
New website development	500	-
Dispatch of letters and other communication expenses	225	1,070
Social media adds on LinkedIn, Face book etc	686	-
<b>Total communication expenses</b>	<b>1,411</b>	<b>4,959</b>

c) Auditor's fees represents fees paid for the annual external audit services provided by the auditors for the year ended 31 December 2023. There were no non-audit services provided by the external auditors.

## d) Other Operating Expenses

In thousands of Naira	31-Dec-23	31-Dec-22
Donor electricity/diesel	4,631	4,631
Donor Rent	7,374	-
Fund Raising Expenses	762	-
Transport and accommodation	327	1,422
Motor vehicle expenses	1,812	1,099
Entertainments	1,077	1,328
Office cleaning expenses	980	708
Office consumables	268	174
Phone & internet expenses	403	458
Stationeries & printing	1,236	1,952
Contract staff expenses	2,431	1,398
Repairs and maintenance	527	539
Security expenses	650	643
Insurance expenses	672	328
Computer consumables	264	2,036
Training expenses	161	141
Filing expenses	168	-
Subscriptions	3,103	1,220
Bank charges	38	747
<b>Total</b>	<b>26,884</b>	<b>18,824</b>

# Notes to the Financial Statement

## e) Management Fees

In thousands of Naira	31-Dec-23	31-Dec-22
Custodian fees	227	600
Pre-Liquidation charge (see note (e(i)))	-	9,284
Asset manager fees	4,531	12,001
<b>Total communication expenses</b>	<b>4,758</b>	<b>21,885</b>

Rebuild Lagos Trust Fund (RLTF) has a discretionary portfolio agreement with FCMB Asset Management (Fund Manager) and United Bank for Africa PLC (Custodian) in respect of management of the funds of RLTF. Under the agreement, RLTF pays an annual charge of 1% and 0.05% of the portfolio value as management fee and custodian fee respectively.

e.(i) This represents the fees and penalty charged by FCMB Asset Management on the preliquidation of N1.3bn deposit in 2022.

## 16 Reconciliation notes to the statement of cashflows

### i. Changes in other assets

In thousands of Naira	31-Dec-23	31-Dec-22
Balance at beginning of the year (see note 5)	(5,080)	(4,975)
Balance as at end of the year(see note 5)	(5,742)	(5,080)
Decrease in prepayments	(662)	(105)

### ii. Changes in other liabilities and accruals

In thousands of Naira	31-Dec-23	31-Dec-22
Balance at beginning of the year (see note 8)	11,883	8,020
Balance at end of the year(see note 8)	525,315	11,883
Increase in other liabilities	513,432	3,863

## 17 Movement in surplus from operations

In thousands of Naira	31-Dec-23	31-Dec-22
Balance at beginning of the year	1,071,442	1,953,410
Decrease during the year	(1,193,556)	(881,968)
Balance at end of the year	<b>(122,114)</b>	<b>1,071,442</b>

# Notes to the Financial Statement

## 18 Contingent liabilities, litigation and claims

The Fund was not involved in any suit in its ordinary course of business as at the reporting date. The Board of the Fund is not aware of any pending or threatened claims or litigations, which may be material to the financial statements. There were no other contingent liabilities requiring disclosure in the financial statements.

## 19 Taxation

The Fund is exempted from income tax under the provisions of Section 23 (i) of the Companies' Income Tax Laws of Nigeria and Section 26 of the Capital Gains Tax Act applicable in Nigeria.

## 20 Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes Directors and key management personnel, among others.

As at the end of the year 31 December 2023, there were no related parties transactions.

### Key management compensation

The summary of the compensation of key management personnel for the year is as follows:

In thousands of Naira	31-Dec-23	31-Dec-22
Salaries and other short-term employee benefits	136,514	96,009
<b>Total compensation of key management personnel</b>	<b>136,514</b>	<b>96,009</b>

## 21 Events occurring after reporting period

There were no events occurring after the end of the reporting period which could have a material effect on the financial position of the Fund as at 31 December 2023.

## 22 Financial risk management

### Introduction and overview

The Fund is not in the business to grant loans or credit to people and therefore has a minimized credit risk exposure, however, available surplus funds are placed with Commercial Banks and Asset Management Company for adequate investment returns.

In pursuit of this objective RLTF risk tolerance is low to ensure preservation of principal amount invested while earning decent returns. The risk control focus is to avoid concentration of investment in one counter party that may affect liquidity and ability of the Fund to execute projects at any given time.

The Fund is exposed to a range of financial risks through its financial instruments. The key components of the financial risks are:

- Credit risk
- Liquidity risk

# Notes to the Financial Statement

## Measurement basis of financial assets and liabilities

**31-Dec-23**

### Financial assets

	Fair Value through P/L	Fair Value through OCI	Amortised cost	Total
	N'000	N'000	N'000	N'000
Cash & Current accounts with banks	-	-	49,930	49,930
Deposits with financial institutions	-	-	315,169	315,169
Other assets	-	-	5,742	5,742
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>370.841</b>	<b>370.841</b>

### Financial Liabilities

Other liabilities	-	-	525,315	525,315
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>525,315</b>	<b>525,315</b>

**31-Dec-22**

### Financial assets

	Fair Value through P/L	Fair Value through OCI	Amortised cost	Total
	N'000	N'000	N'000	N'000
Cash & Current accounts with banks	-	-	1,032,129	1,032,129
Deposits with financial institutions	-	-	2	2
Other assets	-	-	5,080	5,080
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>1,037,211</b>	<b>1,037,211</b>

### Financial Liabilities

Other liabilities	-	-	11,883	11,883
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>11,883</b>	<b>11,883</b>

## a) Credit risk

Credit risk is the risk of financial loss to the Fund if a beneficiary or counterparty to a financial instrument fails to meet its contractual obligations and this arises principally from the Fund's cash and cash equivalent.

### i. Maximum exposure to credit risk

#### Financial instruments subject to impairment

The Fund limits its exposure to credit risk by investing only in short term placements with banks and financial institutions directly or through its asset manager. The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Fund's maximum exposure to credit risk on these assets. The Fund held bank balances with local banks assessed to have investment credit ratings based on the Fund's investment policy.



# Notes to the Financial Statement

## Loans and Advances to Banks

<b>31-Dec-23</b>	<b>Impairment on Stage 1 -12 Months ECL</b>	<b>Impairment on Stage 2 -Life Time ECL Not Credit Impaired</b>	<b>Impairment on Stage 3</b>	<b>Total allowance for impairment</b>
	N'000	N'000	N'000	N'000
Investment grade	370.209	-	-	370.209
<b>Gross Carrying Amount</b>	<b>370,209</b>	-	-	<b>370,209</b>
Loss allowance	(5,113)	-	-	(5,113)
<b>Carrying Amount</b>	<b>365,096</b>	-	-	<b>365,096</b>

<b>31-Dec-22</b>	<b>Impairment on Stage 1 -12 Months ECL</b>	<b>Impairment on Stage 2 -Life Time ECL Not Credit Impaired</b>	<b>Impairment on Stage 3</b>	<b>Total allowance for impairment</b>
	N'000	N'000	N'000	N'000
Investment grade	1,032,108	-	-	1,032,108
<b>Gross Carrying Amount</b>	<b>1,032,108</b>	-	-	<b>1,032,108</b>
Loss allowance	-	-	-	-
<b>Carrying Amount</b>	<b>1,032,108</b>	-	-	<b>1,032,108</b>

### ii. Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as

<i>in thousands of Naira</i>	<b>Note</b>	<b>31-Dec-23</b>	<b>31-Dec-22</b>
Cash and bank balance	4	365,099	1,032,131
		<b>365,099</b>	<b>1,032,131</b>

### iii. Concentration risk

Concentration risk refers to any single exposure or group of exposures large enough to cause credit losses which threaten the Fund's ability to maintain its core operations. It is the risk that common factors within a risk type or across risk types cause credit losses or that an event occurs within a risk type which results to credit losses.

As at the reporting date, the Company's credit risk exposure were concentrated as follows:

<i>in thousands of Naira</i>	<b>Note</b>	<b>31-Dec-23</b>	<b>31-Dec-22</b>
Banks/Financial institutions	4	365,099	1,032,131
		<b>365,099</b>	<b>1,032,131</b>

# Notes to the Financial Statement

## b) Liquidity risk

Liquidity risk is the potential loss arising from the Fund's inability to meet its obligations as they fall due without incurring unacceptable cost or losses. Liquidity risk is not viewed in isolation, because financial risks are not mutually exclusive and liquidity risk is often triggered by consequences of other risks faced by the Fund. This risk would include the inability to manage unplanned decreases or changes in funding sources. The Fund ensures at all times, it has enough liquidity sufficient to cover its six (6) months operations, all things being equal. As at 31 December 2023, the liquidity gap of the Fund was negative N918m due to the non receipt of government subvention expected to have been received before 31 December 2023. However, on January 30, 2024, the Fund received N1.49bn and on March 4, 2024, additional N500m was received from the Lagos State government which turned the liquidity gap of the Fund to positive.

### i. Liquidity risk management process

The Fund holds cash and cash equivalents with short term maturities in banks which can be liquidated in part or whole at any time to meet maturing financial liabilities.

The following are the contractual maturities as at 31 December 2023 of financial liabilities and financial assets:

	Note	Carrying amount	Nominal Inflow/ (Outflow)	3 months or less	3- 6 months	6 - 12 months	Over 1 year
<b>In thousands of Naira</b>							
<b>Financial assets</b>							
Cash and cash equivalents	4	365,099	370,212	370,212	-	-	-
<b>Total</b>		<b>365,099</b>	<b>370,212</b>	<b>370,212</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>							
Other liabilities & accruals	8	521,011	521,011	521,011	-	-	-
<b>Total</b>		<b>521,011</b>	<b>521,011</b>	<b>521,011</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liquidity gap</b>		<b>(155,912)</b>	<b>(150,799)</b>	<b>(150,799)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative gap</b>				<b>(150,799)</b>	<b>(150,799)</b>	<b>(150,799)</b>	<b>(150,799)</b>

# Notes to the Financial Statement

The following are the contractual maturities as at 31 December 2022 of financial liabilities and financial assets:

	Note	Carrying amount	Nominal Inflow/ (Outflow)	3 months or less	3- 6 months	6 - 12 months	Over 1 year
<b>In thousands of Naira</b>							
<b>Financial assets</b>							
Cash and cash equivalents	4	1,032,131	1,032,131	1,032,131	-	-	-
<b>Total</b>		<b>1,032,131</b>	<b>1,032,131</b>	<b>1,032,131</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>							
Managed funds							
Unearned income							
Other liabilities & accruals	8	10,828	4,131	4,131	-	-	-
<b>Total</b>		<b>10,828</b>	<b>4,131</b>	<b>4,131</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liquidity gap</b>		<b>1,021,303</b>	<b>1,028,000</b>	<b>1,028,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cumulative gap</b>				<b>1,028,000</b>	<b>1,028,000</b>	<b>1,028,000</b>	<b>1,028,000</b>

## c) RLTF's Approach to Risk

A three line of defense system is in place for the management of enterprise risks as follows:

- Oversight function is held by the Board of Directors, the Executive Management, the business lines and process owners within the Fund exercise primary responsibility of establishing an appropriate risk and control environment in order to align risk management with business objectives.
- Independent control function over the Fund's processes and related risks to ensure that the business and process owners operate within defined appetite and approved policies and procedures. It is provided by functions such as general services, internal control and finance. These departments develop policies and procedures, risk management processes and controls, monitor and report on risks accordingly for prompt decision making by the Board.
- Independent assurance to the Board of Directors on the effective implementation of the risk management framework and validating the risk measurement processes. There are two complementary parts to this - the internal and external audit.

### Risk appetite

Risk appetite is the expression of the level of risk Rebuild Lagos Trust Fund is willing to take for a given risk reward in order to achieve a desired goal. The risk appetite the Fund is willing to take is described in various policy statements of the Fund. On a general note the risk appetite is low as the Fund is adverse to losing money under its management.

### Risk Management Philosophy, Culture and Objectives

The Fund makes it essential as part of its risk management framework to ensure that all vital information are brought to the attention of stakeholders and appropriate decisions are taken to further improve the risk culture and ultimately ensure that all identified issues are brought within the Board's approved risk appetite. This internal mechanism have imposed discipline within the Fund thereby improving its risk management culture.



**OTHER NATIONAL  
DISCLOSURES**

# Other National Disclosures

## Value Added Statement

<b>In thousands of Naira</b>	<b>31-Dec-23</b>	<b>%</b>	<b>31-Dec-22</b>	<b>%</b>
Receipts	1,690,069	(166)	1,264,704	(163)
Bought-in materials and services – Local	(2,706,629)	266	(2,041,449)	263
<b>Value eroded</b>	<b>(1,016,560)</b>	<b>100</b>	<b>(776,745)</b>	<b>100</b>
<b>Distribution of value added:</b>				
<b>To employees:</b>				
Wages, salaries and pensions	162,236	(16)	96,009	(12)
<b>Retained in the business:</b>				
For the replacement of property and equipment and intangible assets (depreciation and amortisation)	14,760	(1)	9,214	(1)
Depletion of Reserves	(1,193,556)	117	(881,968)	113
<b>Value eroded</b>	<b>(1,016,560)</b>	<b>100</b>	<b>(776,745)</b>	<b>100</b>

# Other National Disclosures

## Financial Summary

For the year ended 31 December 2023

In thousands of Naira	31 December 2023	31 December 2022	31 December 2021
<b>Statements of financial position</b>			
Total assets	403,202	1,083,325	1,961,430
Total liabilities	(525,315)	(11,883)	(8,020)
	<b>(122,114)</b>	<b>1,071,442</b>	<b>1,953,410</b>
<b>FINANCED BY:</b>			
Capital contribution	-	-	-
Accumulated Surplus from operations	(122,114)	1,071,442	1,953,410
Other reserves	-	-	-
<b>Equity</b>	<b>(122,114)</b>	<b>1,071,442</b>	<b>1,953,410</b>
<b>Statements of financial performance</b>			
Revenue	1,690,069	1,264,704	2,090,645
Programs expenses	(2,660,268)	(1,965,278)	(47,269)
Recurring expenses	(223,357)	( 181,394)	(89,966)
<b>(Deficit)/Surplus for the year</b>	<b>(1,193,556)</b>	<b>( 881,968)</b>	<b>1,953,410</b>

2023 is the Fund's third audited financial statements and only 3 year financial summary has been prepared.