

2024

**Annual Report
&
Account**

Islamic Crescent Co-operative Society (ICCS) Limited
Annual Financial Report for the Year Ended 31 March 2024

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VISION

‘To be the foremost Co-operative Society providing real shari’ah compliant financing and investment to promoting the socio- economic and wellbeing of her members in Nigeria’

MISSION STATEMENT

‘To provide a comprehensive alternative financing and investments which are based on shari’ah principles and give returns in permissive (halal) ways on the investment of members’

OUR CORE VALUES

- ❖ Trust;
- ❖ Transparency;
- ❖ Accountability;
- ❖ Mutual help;
- ❖ Proficiency.

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MANAGEMENT'S REPORT

The Management of Islamic Crescent Co-operative Society (ICCS) Limited submits its report for the year ended 31 March 2024.

Management Members

The following persons held office as management members of Islamic Crescent Co-operative Society (ICCS) Limited during the year and up to the date of this report, unless otherwise stated:

S/N	Name and Qualification	Experience and special responsibilities
1	Shefi'u K. Gbadamosi , CSAA, AFIBI, B.Sc. Economics, PGD Islamic Banking & Insurance, MBA, Islamic Banking & Finance Executive Chairman	Bro. Shefi'u has more than 10 years of experience in banking and finance industries. He is the Principal Consultant/ COO of Lifeline Alternative Finance Limited, (an Islamic Finance Consulting and Consortium). He had worked with the Nigerian Export- Import Bank (NEXIM) as a Supervisor before he voluntarily resigned to join Lunar Corporate Success Limited as Finance Manager. He has qualifications and expertise in Islamic Banking and Finance and Economics. He has presented research papers on Islamic economic and finance issues in international seminars/conferences in Nigeria and abroad. He is an Associate Fellow of the Institute of Islamic Banking and Insurance, United Kingdom and a Certified Shari'ah Adviser and Auditor (CSAA) of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), Bahrain. He has attended courses in both home and abroad on Islamic Banking and Finance; Corporate Governance and Leadership Quality; Finance Course for Non-Finance Officer; Organizational Supervisory Management; World Conference on Riba; African Takaful (Islamic Insurance) Forum; etc. His professional interests include Islamic Microfinance, Islamic Insurance, Shari'ah Compliant Business, and Islamic Finance Marketing Research. He is the Executive Chairman of the ICCS.
2	Bello O. Abdulfatai , ND & HND Computer Science, PGD Education. Vice Chairman	Bro. Abdulfatai is the Chairman of Ajogbe Table Water Industry Limited, Minna, Niger State. He was the Information Communication Technology (ICT) tutor with The Regent Secondary School, Abuja and

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		Noble Hall as an ICT tutor before he later joined Noble Guide Academy where he is still working as the Vice Principal. He has many years of experience in administration and Information Technology. He is the chairman of the Board General Purpose Committee of ICCS.
3	Abdulwaasiu M. Ariyibi, B.Sc. (Edu) Economics, PGD, Accounting and Finance. Chief Finance Officer	Bro. Abdulwaasi' is a professional Accountant and was the Chairman of an investment club, Broadpalm Enterprise, Abuja. He has 11- year experience in finance, administration and investment. He is a student member of Association of Chartered Certified Accountant (ACCA) and Professional Risk Managers' International Association. He is presently working as a company accountant with a reputable company in Abuja. He has attended courses on Forensic Accounting; Project Investment, Planning, Analysis and Appraisal; Project Monitoring and Evaluation; etc.
4	Misbaudeen A. Asimolowo, MBA, ACE. B.Sc. (Edu) Economics, Chief Investment Officer	Bro. Misbaudeen has eight (8) years work experience in administration and support services. He is currently working with Tertiary Education Trust Fund, Nigeria as a Senior Education Officer. He is an Associate Chartered Economist (ACE) and a registered member of Teacher Registration Council of Nigeria (TRCN). He has attended courses on Efficiency and Performance Improvement, Capacity Building Workshop on Programmes and Project Management, Report Writing Skills etc. in Nigeria and abroad. He is the Chief Investment Officer.
5	Ismail A. Busari, BSc. (Ed) Accounting Publicity and Awareness Officer/ Ag. Secretary to the Management	Bro. Ismail Bushari was the Assistant Headmaster/ Vice Principal of Model Islamic Schools, Abuja. He has more than 6- year experience in administration and corporate image making. He is an education consultant and presently doing his master in Guidance and Counseling at the University of Abuja. He is the chairman of the Publicity and Awareness Committee of the Cooperative.

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7	Engr. Shafiu O. Adedeji, (COREN) B.Sc. Civil Engineering. Treasurer	Engr. Shafiu has over 9- year experience in building and construction with three different reputable construction companies in Abuja as Site Manager before he joined Federal Capital Territory Authority as a certified Civil Engineer. He is the ICCS Treasurer and a member of General Purpose Committee of the Cooperative.
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Appointment and Termination

There was no any termination of appointment and no new appointment was made during the period.

Executive Chairman's Anniversary Statement

All praises belong to Allah. We seek His help and forgiveness. We seek refuge in Him from the evil of our souls and our wrongful deeds. Whomever Allah guides no one can mislead him, and whomever He leads astray will have no guide. I bear witness that there is no God except Allah, He has no partner or associate, and I bear witness that Muhammad is His servant and Messenger, may the peace and blessings of Allah be upon him, his noble family, his courageous companions, and those who follow them in righteousness until the Day of Judgment.

Eleven (11) years ago, precisely in June 2013, an idea to establish an Islamic microfinance scheme was conceived from the Master Thesis I wrote on Islamic micro-financing at the prestigious International Islamic University, Malaysia (IIUM). As a result of this, an inspiration to use cooperative model to achieve this lofty idea came up and that led to the invitation of some brothers who are also concerned about the economic conditions of Muslims. These 9 brothers were carefully selected and approached as I saw them being dependable, selfless, resourceful, and committed Muslim individuals to register a cooperative with the Federal Capital Territory Administration (FCTA). The cooperative was registered on 2nd December 2013 with the name Islamic Crescent Cooperative Society (ICCS), Limited. In 2014, we started registration of members and opened business for our members. Alhamdulillah, we have since been operating in the Federal Capital Territory of Nigeria as a dependable and vibrant Islamic Cooperative.

Dear esteem members and our respected invitees, today is a very special day for ICCS family. We are proud to revel in our milestones with the 10th anniversary celebration of our cooperative today. On this occasion, I recall with gratitude the efforts of the pioneer members of this initiative who had not only set up the first truly shari'ah compliant non- affiliated Islamic cooperative society in the FCT but had a vision to build it up as one of the best performing people-oriented cooperatives in the country and a trend-setting cooperative in the FCT. Throughout our history, we have striven to help our members and business owners to achieve their personal and

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commercial goals without compromising their religious beliefs and, in so doing, to promote individual socio-economic development, which in turn, will contribute to the country's overall economic growth. We can proudly say that our business objective is not only to earn permissible returns on the investment of our members but also to ensure that they achieve their social goals as an uncompromising element of the primary objective of Islamic shari'ah. Therefore, we meet the survival and security financial needs of our members adequately. As our vision states:

"To be the foremost cooperative society providing real shari'ah compliant financing and investment to promoting the socio- economic and wellbeing of our members"

We would like to take this opportunity to thank our members for believing in us and to acknowledge your essential role in getting us this far. We are highly elated by the level of trust, confidence, support and partnership you have all exhibited and reposed in us. Together, we are entering into a new promising phase in our endeavours and another decade with pride as one of the resilient, trusted and capable Islamic cooperative societies in the Federal Capital Territory of Nigeria and with enduring gratitude for our strong relationship with our loyal members.

I take this opportunity to extend my heartfelt felicitation to the ICCS management for their invaluable contributions and directions. My appreciation for the inestimable contributions of our supporters and awardees today must also be put on record. On this auspicious day, I recall the day we launched the ICCS at Nurul Bayan International Academy, Wuse Zone 5 where my mentor, Fadheelatus-Shaykh Dr. Tajudeen Muhammad Adigun Ballo, OON (Who is unavoidable absent, may Allah bring him back safely to Nigeria) spoke with us. His encouragement on that day has been one of the strengths that are keeping us going till date.

We now look forward with confidence to many more decades of being a truly shari'ah-compliant and people-centric cooperative society. A lot has changed since 2014 we started operations, but one thing has remained constant; the Islamic Crescent Cooperative Society, Limited remains dedicated to helping you achieve your goals without compromising your religious value. This is the right moment for us all today as members of ICCS to renew our pledge and loyalty to further strengthen the position of our cooperative. To be among the leading cooperative societies in the coming years will rely on your unwavering loyalty, honesty, dedication, but above all personal commitment to the development of the ICCS by being active financial members.

May Allah shower His mercy on us all and give us the strength and capacity to make our future dream come true.

With many thanks and warm regards, I say Jazaakumullaahu khairan to everyone here present.



Shefi'u Kolawole Gbadamosi, MBA, AFIIBI, CSAA
Executive Chairman

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REPORT OF THE AUDIT COMMITTEE OF THE ANNUAL GENERAL MEETING OF THE ISLAMIC CRESCENT COOPERATIVE SOCIETY FOR FINANCIAL YEAR ENDED 31 March, 2024.

We, members of the Audit Committee for 2023/25 have audited the financial statements of the Islamic Crescent Cooperative Society (ICCS) comprising of Statement of Financial Position as at 31 March 2024, related Statement of Comprehensive Income, Statement of Other Comprehensive Income, and Notes to the Financial Statements.

In our opinion, the accompanying financial statements present fairly, in all material respect the Statement of Financial Position, Statement of Comprehensive Income, Statement of Other Comprehensive Income, and Notes to the Financial Statements for the year then ended in line with the accounting standards applied.

Report on other Regulatory and Society's Bye-Law provisions.

As provided by the relevant sections of the Society's Bye-Law, we report that:

1. Management observed the utmost good faith towards the Society in every transaction.
2. Management acted in the best interest of the Society to preserve its assets, further its business, and promote the purposes for which it was formed.
3. Management ensured that financial products offered were shariah compliant with lessened financial stress of the members.
4. Management conducted the affairs of the Society in line with the Byelaws.
5. Management ensured the maintenance of accounts of all monies received and expended and all the assets and liabilities of the Society.
6. Explanations were provided to us by Management in response to all our requests.

Basis of Opinion

We evaluated the appropriateness of accounting policies adopted, consistent application thereof and treatment of transactions as well as the reasonableness of accounting estimates and related disclosures made by the Board and conducted our audit in accordance with the relevant audit guidelines.

We state our independence from the Board of the Society and believe that the audit evidence we have received is sufficient and appropriate to provide a basis for our opinion.

We obtained an extensive understanding of internal control relevant to the audit in order to adopt audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

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Key Audit Matters

Key Audit Matters are those matters that, in the audit committee's judgment, are the most significant in the audit of the financial statements of the period. The Key Audit Matters are selected from matters that were communicated to the Board and Management of ICCS charged with responsibility for the smooth running of the Society.

Revenue recognition: Revenue from investment is recorded when earned and received within the financial year.

Asset recognition: Certain expenses incurred in a previous financial period were derecognised from the carrying amount of Land during the year.

Membership number: Membership number of some existing members were changed during the financial year. Allocation of existed members numbers to new members is being practiced.

Accounting system: An automated accounting system is yet to be deployed. A key man risk crystalized with the indisposition of the Chief Financial Officer (CFO) leading to late submission of financial reports and schedules.

Presented this day 12 May 2024 by members of the 2023/25 Audit Committee.

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|--------------------------|-----------|
| 1. Abdulazeez Alogba | Chairman |
| 2. Ridwan Yusuf | Secretary |
| 3. Nimotallaah Arikewuyo | Resigned |

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STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2024

	NOTES	2024 N	2023 N
REVENUE	1	38,278,034.00	42,869,581.00
OPERATING COST	2	32,116,022.00	37,076,783.00
OPERATING PROFIT		6,162,012.00	5,792,798.00
RENT INCOME FROM SUKUK/IJARAH/OTHERS	3	80,238.00	80,169.00
GROSS INCOME FROM OPERATIONS		6,242,250.00	5,872,967.00
EXPENSES			
RENT		350,000.00	300,000.00
SALARIES		474,000.00	298,000.00
GENERAL EXPENSES	4	1,130,750.00	620,450.00
FINANCE CHARGE		137,174.00	89,726.00
MAINTENANCE EXPENSE		170,000.00	108,410.00
TOTAL EXPENSES		2,261,924.00	1,416,586.00
PROFIT FOR THE YEAR		3,980,326.00	4,456,381.00
OTHER COMPREHENSIVE INCOME			
MEMBERSHIP REGISTRATION		277,000.00	184,250.00
DEVELOPMENTAL FEE		94,400.00	69,800.00
TOTAL INCOME GENERATED FROM OPERATIONS & OTHERS		4,074,726.00	4,526,181.00

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STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2024			
	NOTES	2024 N	2023 N
ASSETS			
NON CURRENT ASSET			
INVESTMENT IN FG SUKUK		500,000.00	500,000.00
LAND		2,500,000.00	2,635,000.00
SYNDICATE FINANCING		-	1,500,000.00
		3,000,000.00	4,635,000.00
CURRENT ASSET			
INVENTORY		-	-
RECEIVABLES		45,191,300.00	18,789,334.00
PREPAYMENT		145,833.00	150,000.00
QARD HASSAN	5	360,500.00	1,210,500.00
CASH & CASH EQUIVALENT SAVINGS SCHEME		11,862,620.00	4,239,747.00
CASH & CASH EQUIVALENT INVESTMENT SCHEME		6,894,544.00	18,490,050.94
TOTAL CURRENT ASSET		64,454,797.00	42,879,631.94
TOTAL ASSET		67,454,797.00	47,514,631.94
EQUITY AND LIABILITY			
EQUITY			
MEMBERS CONTRIBUTED EQUITY	6	37,218,500.00	27,283,500.00
RETAINED EARNINGS	7	2,786,228.00	3,119,467.00
GENERAL RESERVE			
30% RETAINED EARNINGS SET ASIDE FOR THE YEAR ENDED MARCH 31 2024		1,194,098.00	1,336,914.00
		-	864,872.00

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ACCUMULATED RETAINED EARNINGS SET ASIDE AS AT MARCH 31 2022		
ACCUMULATED REGISTRATION & MEMBERSHIP FEE AS AT MARCH 31 2024	688,960.00	411,960.00
ACCUMULATED DEVELOPMENTAL FEE AS AT MARCH 31 2024	252,390.00	157,990.00
ACCUMULATED GENERAL RESERVES	3,900,285.00	1,698,499.00
LIABILITIES		
NON CURRENT LIABILITIES		
SYNDICATE FINANCING	4,000,000.00	3,100,000.00
CURRENT LIABILITIES		
TRADE & OTHER PAYABLES		
TARGET SAVINGS	1,265,000.00	2,341,000.00
PENALTIES	-	33,880.00
AMOUNT HELD ON BEHALF OF THIRD PARTIES	8 720,836.00	480,949.94
MANDATORY SAVING SCHEME	15,428,500.00	6,685,600.00
TOTAL EQUITY & LIABILITIES	67,454,797.00	47,514,631.94

NOTES TO THE FINANCIAL STATEMENT

	2024	2023
1 REVENUE	N	N
Murabaha on general goods & services	28,409,034.00	30,864,426.50
Mudharaba on textile/Others	6,804,500.00	8,221,204.00
Istisna' on construction	3,064,500.00	3,783,950.00
	38,278,034.00	42,869,580.50

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2 OPERATING COST

Murabaha on general goods & services	23,386,189.00	26,655,884.68
Mudharaba on textile	6,159,000.00	7,650,000.00
Istisna' on construction	2,570,833.00	2,770,898.67
	32,116,022.00	37,076,783.35

3 RENT INCOME

14th rental	23,550.00	23,549.80
15th rental	16,605.00	16,605.37
16th rental	23,679.00	23,679.20
17th rental	16,404.00	16,334.63
	80,238.00	80,169.00

4 GENERAL EXPENSES

Honorarium	300,000.00	150,000.00
AGM Expenses	366,000.00	385,750.00
Refreshment for the management	42,300.00	25,500.00
Audit allowance	30,000.00	
Laptop battery	9,000.00	
Office cabinet	35,000.00	
Office utilities	180,000.00	
Laptop upgrade	6,450.00	
Advertisement	12,000.00	

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ICCS retreat	115,000.00	
Stationeries	35,000.00	
ICCS web maintenance		20,000.00
Document verification		20,000.00
Painting of office		12,000.00
Local conveyance		7,200.00
	1,130,750.00	620,450.00

5 QARD HASSAN

Investment Scheme	-	237,000.00
I-CRF b/f	213,500.00	213,500.00
I-CRF	147,000.00	
Savings	-	760,000.00
	360,500.00	1,210,500.00

6 EQUITY

Members contributed equity as at April 1, 2023	27,283,500.00	20,528,500.00
Increase in members contributed equity as at March 31 2024	9,935,000.00	6,755,000.00
Total Equity	37,218,500.00	27,283,500.00

7 RETAINED EARNINGS

Distributable profit	2,786,228.00	3,119,467.00
30% profit Transferred to the General Reserve	1,194,098.00	1,336,914.00
	3,980,326.00	4,456,381.00

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8 AMOUNT HELD ON BEHALF OF THIRD PARTIES

Investment Scheme	5,500.00	372,802.94
Savings Scheme b/f	108,147.00	108,147.00
Savings Scheme	607,189.00	
	720,836.00	480,949.94

Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of Preparation

The Management of the Co-operative have prepared the financial statement on the basis that the Co-operative is a non-reporting entity because there are no users dependent on general-purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the Nigerian Co-operatives' Act 2004 (As amended). The Co-operative is a for-non-profit entity for financial reporting purposes under these laws.

Being an Islamic Cooperative, to provide more relevant disclosure of assets and liabilities, they have been disclosed in content adhering to the requirement of the AAOIFI "Presentation of financial statements" The financial statements have been presented in accordance with the International Financial Reporting Standards applicable to entities reporting under the Cooperatives Act 2004 and the significant accounting policies disclosed below, which the Management has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

(b) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held as collateral and deposits held at call with financial institutions, other short-term high liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Payments and receipts relating to financial assets held for trading or designated as financing and receivables are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Cooperative's main income generating activity.

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(c) Other Revenue

Revenue from the membership registration is recognized upon confirmation of the membership. All revenues are stated net of the operating income.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets are depreciated on either a reducing balance or straight line method over the asset's useful life to the Co-operative commencing from the time the asset is held ready for use. The depreciation rates proposed for each class of depreciable assets are:

Plant and equipment 1% - 10% and Building and structural improvement 2.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of Profit or Loss and other comprehensive income. When re-valued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Going Concern Assumption

The financial statements have been prepared based upon the going concern assumption; however, the Management recognizes that the Co-operative is reliant upon the ongoing financial support of its members to ensure the continuing financial viability of the Co-operative. The Management has a number of financial strategies in place to ensure any sudden demand on the Co-operatives funds by members can be met without impacting the viability of the Co-operative. The strategies include diversifying profit and cash flow generating activities and maintaining a strategic cash holding level. Also the Management's resolution allows the Co-operative the discretion to call for syndicate financing whenever the need arises.

(f) Credit Risk

The Co-operative has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the Co-operative is considered to relate to the class of assets described as receivables.

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Other Related Parties

(a) Transactions with related parties of the Co-operative

Transactions with related parties (except otherwise disclosed) are conducted on an arm's length basis under normal commercial terms and conditions. Amounts receivable and payable in respect of transactions between related parties by the Co-operative are highlighted in the financial statement.

(b) Loans to Management Members

There was no any other loans asides benevolent loan (Qard Hassan) outstanding made to the Management members as at 31st March 2024.

(c) Management Remuneration

Management members were not paid any amount during 2024 financial year except the annual honorarium.

MANAGEMENT'S DECLARATION

In accordance with the resolution of the Management of Islamic Crescent Cooperative Society, the Management members have determined that the Co-Operative is not a reporting entity and for this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The Management of the Cooperative declares that:

- (a) The Financial statements and Notes set out in the annual report are in accordance with the Nigerian Co-operatives Societies Act 2004 (As amended) and comply with relevant Accounting Standards for Islamic Financial Institutions; and
- (b) It gives a true and fair view of the financial position as at 31st March 2024 and of the performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
- (c) There are reasonable grounds to believe that the Co-operative will be able to pay its debts if any as and when they become due and payable.

On behalf of the Management



Shefi'u Badamosi
Executive Chairman



Abdulwaasi' Ariyibi
Chief Finance Officer

Federal Capital Territory, Abuja on May 12, 2024