

2021

**Annual Report
&
Account**

Islamic Crescent Co-operative Society (ICCS) Limited
Annual Financial Report for the Year Ended 31 March 2021

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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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DIRECTORS' REPORT

The Board of Directors of Islamic Crescent Co-operative Society (ICCS) Limited submits its report for the year ended 31 March 2021.

Directors

The following persons held office as Directors 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. Badamosi , AFIBI, B.Sc. (Hons) Econs, 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 pioneer chairman of Islamic Crescent Cooperative Society, Limited as well as the Managing Partner of Lifeline Alternative Finance Limited, (an Islamic Finance Consulting and Consortium). He had worked with the Nigerian Expert Import Bank 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 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. 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 Chief Executive Officer of the ICCS.

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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 before he had worked with a reputable school called 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	Rabiu Busari , Bsc. Psychology. MBA Secretary to the Board	Bro. Rabiu is working with Nigerian National Petroleum Corporation (NNPC) as a Compensation Officer. Before joining the corporation, he had worked at the College of Islamic Sciences, Gusau, Zamfara State. He is a graduate of University of Jos where he studied B.Sc. Psychology. He is an Associate Member of Nigerian Institute of Management and presently doing MBA at the Nasarawa State University. Bro. Rabiu has attended numerous trainings on Business Management and Professionalism.
4	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.

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5	Misbaudeen A. Asimolowo, B.Sc. (Edu) Economics, MBA, ACE. 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 Acting Chief Investment Officer.
6	Ismail A. Bushari, BSc. (Ed) Accounting, M. Ed Guidance and Counselling Publicity and Awareness Officer	Bro. Ismail Bushari is the Assistant Headmaster/ Vice Principal of Model Islamic Schools, Abuja. He has more than 5- year experience in administration and corporate image making. He is presently doing his master in Guidance and Counseling. He is the chairman of the Publicity and Awareness Committee of the Cooperative.
7	Engr. Shafiu O. Adedeji, (COREN) B.Sc. Civil Engineering. Treasurer/ Gen. Purpose Committee Member	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 a member of General Purpose Committee of the Cooperative.
8	Monsur Bushar, HND, Bus Admin & Management, CIPS Director/ Investment Committee Member	Bro. Monsur Bushar is a seasoned procurement professional and a graduate of Business Administration and Management Studies. He has a diploma in Procurement Operations, from Chartered Institute of Procurement and Supply (CIPS), UK and International Certificate in procurement from Chartered Institute of Procurement and Supply (CIPS), UK. He is a Logistics Specialist. He is also obtained Certificate of Leadership and Management in Health from University of Washington.

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		He has over 9 years of relevant experience in procurement, warehouse management, inventory management, logistics management and contract administration. Monsur worked with FHI 360 for eight years and Integrated and Diagnostics Holding, Lagos. He currently works with Save the Children International in the capacity of Procurement Officer.
9	Arome S. Usman, B.Sc. Public Administration. Director	Bro. Shehu is working with Nigerian Nuclear Regulatory Authority (NNRA). Before joining the authority, he has worked with private organizations as image builder and customer service officer. He is a volunteer for public enlightenment on issues concerning Muslims with Kubwa Muslim Community (KMC), Abuja.
10	Saheed S. Akerele, Diploma in Computer Science Director/ Investment Committee Member	Bro. Saheed is private business owner. He has experience in business development and monitoring. He is a member of Investment and Appraisal Committee of the Cooperative.

Appointment and Termination

There was no any termination of appointment but Bro. Monsur Bushar having served meritoriously at the Board before and stepped aside because of his relocation to Lagos, he was reappointed now that he is back during the accounting year.

Executive Chairman's Statement

All praises belong to Allah, the lord of the whole universe. May the peace and benedictions of Allah be upon the noble Prophet Muhammad, on his companions, his family and the entire Muslims who follow his path.

Dear member,

It is with pride that I present to you the 6th Annual Report and Accounts of our cooperative for the accounting year ended 31st March, 2021. This year we marked 7 years of providing Islamic investment and financing services to Muslims in shari'ah compliant ways. From a handful of 10 members inspired by their faith and socio-economic challenges, to more than 100 members today. With your support we have positively touched the lives of more than 80 directly and indirectly, alhamdulillah. Together we supported 29 members through our shari'ah compliant products and services during this accounting year.

Our Cooperative witnessed yet another year of persistent growth in total assets moving from **N10,380,373.00** in 2020 to **N18,694,206.00** in 2021 and total operating income is **N814,084.00** compared to **N748,073.00** in year 2020. Our performance considering the profit for the year, though improved a little compared to the last year's profit but it is as a result of challenges posed by the global phenomenon of Covid-19 pandemic which negatively affected the performance of global business in general. During the time of lockdown, some of our members were given holiday for the repayment of facilities and no financing requests was received. These actually affect the financial performance in term of profit as neither profit was realized nor created during this challenging period. During the year under review, we held our Annual Strategic Retreat to report and review all our activities and design a new road-map to channel our strategic plans for the next three years. I am particularly proud of what we have collectively achieved over the past 7 years, but also aware of how critical our operations will be in an increasingly challenging economic situation of our country.

The Cooperative has started developing adequate processes, methodologies and tools to identify and monitor the positive impact of our financing products and how they can benefit our members

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immensely. This requires a paradigm shift in our business practices particularly in our screening process that not only considers shari'ah aspects but takes into account the economic impacts of our various products and services to the members. This is to realize the elements of Maqaasid Al-Shari'ah (Objectives of Shari'ah) which form part of our mission. It is in Cooperative's strategies to embark on social finance schemes for our members. The Cooperative will soon introduce Contributory Health Scheme, an initiative to assist members in confronting healthcare challenges through Micro-Takaful model. I can confidently inform you that all hands are on deck to make this a reality in the history of our Cooperative. We are working hard every day to place ICCS at the right place in the cooperative sector and the economy at large. Top on the list of our agenda is to make sure our members' well-being is given priority above any other things. This is the only way we think we can appropriately reward our members for trusting us with their hard earned money.

I wish you all Ramadan Kareem in advance!

Thank you.



Shefi'u Badamosi
Executive Chairman

AUDIT COMMITTEE'S REPORT TO ISLAMIC CRESCENT COOPERATIVE SOCIETY LIMITED, ABUJA

To the Glory of Almighty Allah (SWT). We have audited the financial statements of Islamic Crescent Co-operative Society Limited, Abuja for the year ended 31st March 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position and the related notes 1 to 7. The financial reporting framework that has been applied in their preparation is applicable laws in accordance with the FCT Cooperative Act and relevant Islamic guidelines.

This report is made solely to the Society's members, as a body, in accordance with relevant sections of the FCT Cooperative Act and in line with the Regulations and the Byelaws of the ICCS Limited. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an audit committee's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Responsibilities of the Audit Committee

Even though we are not External Auditors, still our responsibility is also to audit and express an opinion on the financial statements in accordance with our terms of reference as stipulated in the Regulations and the Byelaws of the ICCS Limited.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Managements; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Our Audit Committee's opinion on this year's financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31st March 2021 and of its income and expenditure for the year ended;

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- have been properly prepared in accordance with the FCT Cooperative Act and relevant Islamic guidelines; and
- no matters on which we are required to report by exception came to our notice during the audit exercise.

Recommendation

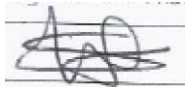
Due reference should be made to the three recommendations we proffered in our last year report for the purpose of emphasis since Covid-19 not only impacts negatively on economic activities but really restrained much physical meetings until of recent time.

Appreciation

Once again, I am very grateful for the significant work and support provided by the Board Members, my colleagues in the Audit Committee and Mr. Muhammad Oladipo (a volunteer ICCS member and Professional Accountant) throughout the financial year. We all share a strong desire to help make the robustness of financial record keeping of our Co-operative stronger, for the benefit of all members.

Jazakumllah Khaeran.

For: Audit Committee



Bro. Sharafadeen Adeniyi
Audit Committee Member



Bro. Sadiq, M. Abiodun (FCA)
Head of Audit Committee

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STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2021

	NOTES	2021	2020
REVENUE	1	12,637,288.00	8,400,995.00
OPERATING COST	2	11,134,473.00	7,350,870.00
OPERATING PROFIT		1,502,815.00	1,050,125.00
INVESTMENT INCOME FROM SUKUK/IJARAH/OTHERS	3	211,985.00	102,632.00
GROSS INCOME FROM OPERATIONS		1,714,800.00	1,152,757.00
EXPENSES			
RENT		175,000.00	-
SALARIES		345,000.00	90,000.00
GENERAL EXPENSES	4	320,800.00	147,500.00
FINANCE CHARGE		59,916.00	36,184.00
MEETINGS & CONFERENCES		-	131,000.00
TOTAL EXPENSES		900,716.00	404,684.00
PROFIT FOR THE YEAR		814,084.00	748,073.00
OTHER COMPREHENSIVE INCOME			
DEVELOPMENTAL FEE		63,200.00	56,000.00
TOTAL INCOME GENERATED FROM OPERATIONS & OTHERS		877,284.00	804,073.00

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STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2021

	NOTES	2021	2020
ASSETS			
NON CURRENT ASSET			
INVESTMENT IN FG SUKUK		500,000.00	500,000.00
CURRENT ASSET			
INVENTORY			
RECEIVABLES		12,904,067.00	5,586,860.00
QARD HASSAN		402,000.00	312,000.00
CASH & CASH EQUIVALENT	5	4,888,139.00	3,981,513.00
TOTAL ASSET		18,694,206.00	10,380,373.00
EQUITY AND LIABILITY			
EQUITY			
MEMBERS CONTRIBUTED EQUITY	6	15,452,500.00	9,376,300.00
RETAINED EARNINGS	7	814,084.00	748,073.00
GENERAL RESERVE			
30% RETAINED EARNING AS AT MARCH 31 2020		224,422.00	224,422.00
REGISTRATION & MEMBERSHIP FEE		99,710.00	56,000.00
DEVELOPMENTAL FEE		19,490.00	
LIABILITIES			
NON CURRENT LIABILITIES			
CURRENT LIABILITIES			
TRADE/TARGET SAVINGS & OTHER PAYABLES		500,000.00	200,000.00
MANDATORY SAVING SCHEME		1,584,000.00	
TOTAL EQUITY & LIABILITIES		18,694,206.00	10,380,373.00

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Notes to the Financial Statements

	2021	2020
	N	N
1 REVENUE		
Murabaha on general goods & services	8,359,838.00	4,501,645.00
Mudharaba on textile/Others	2,785,450.00	2,377,150.00
Istisna' on construction	1,492,000.00	1,522,200.00
	12,637,288.00	8,400,995.00
2 OPERATING COST		
Murabaha on general goods & services	7,214,473.00	3,889,315.00
Mudharaba on textile	2,700,000.00	2,200,000.00
Istisna' on construction	1,220,000.00	1,261,555.00
	11,134,473.00	7,350,870.00
3 INVESTMENT INCOME		
1st quarter Sukuk Income	16,560.00	23,549.00
2nd quarter Sukuk Income	23,615.00	23,679.00
3rd quarter Sukuk Income	16,310.00	16,403.00
Margin from membership Levies	155,500.00	
	211,985.00	63,631.00

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4 GENERAL EXPENSES

1441 A.H Ramadan gifts for board members		25,000.00
Annual General Meeting 2020	10,500.00	70,000.00
ICCS website	10,000.00	10,000.00
Consulting fee		10,000.00
FCT ARDS IGR Certificate of registration		10,000.00
Consultancy fee		10,000.00
PR AMAC official		5,000.00
Office Maintenance Expense	40,800.00	
Production of Share Certificates	69,000.00	
Stationeries	34,500.00	
Travels & Tours	20,000.00	
Accreditation with NAIC	10,000.00	
Training	5,000.00	
ICCS Retreat	70,000.00	
Overdrawn Margin	51,000.00	
	320,800.00	140,000.00

5 CASH & CASH EQUIVALENT

Guarantee Trust Bank	3,512,474.00	3,822,528.00
Jaiz Bank	1,375,665.00	158,925.00
	4,888,139.00	3,981,453.00

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6 EQUITY

Members contributed equity as at April 1, 2020	9,376,300.00	7,096,300.00
Increase in members contributed equity as at March 31 2020	6,076,200.00	2,952,000.00
Total Equity	15,452,500.00	9,376,300.00

7 RETAINED EARNINGS

Profit for the year	569,858.80	523,651.00
30% Transfer to General Reserve	244,225.20	224,422.00
	814,084.00	748,073.00

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 Directors 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 Directors have 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.

(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%

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 Board of Directors recognizes that the Co-operative is reliant upon the ongoing financial support of its member shareholders to ensure the continuing financial viability of the Co-operative. The Board has a number of financial strategies in place to ensure any sudden demand on the Co-operatives funds by member shareholders 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 Board resolution allows the Co-operative the discretion to issue preference shares in lieu of repurchase of shares.

(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.

Related parties

(a) Other related parties

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 Directors and key Executives

There was no loan (Qard Hassan) outstanding made to Directors and specific Executives as at 31st March 2021.

(c) Directors remuneration

Directors were not paid any amount during 2021 financial year.

(d) Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31st March, 2021.

DIRECTORS' DECLARATION

In accordance with the resolution of the Directors of Islamic Crescent Cooperative Society, the Directors 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 Directors of the Cooperative declare 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; and
- (b) It gives a true and fair view of the financial position as at 31st March 2021 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 Board



Shefi'u Badamosi
Executive Chairman



Abdulwaasi' Ariyibi
Chief Finance Officer

Federal Capital Territory,
Abuja.
March 31, 2021