

2022

Annual Report & Account

Islamic Crescent Co-operative Society (ICCS) Limited
Annual Financial Report for the Year Ended 31 March 2022

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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 2022.

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 , AFIIIBI, 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 pioneer chairman of Islamic Crescent Cooperative Society, Limited. He is the Managing Partner 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. 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. 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.
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 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.

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3	Rabiu Busari, Bsc. Psychology, 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.
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 Chief Investment Officer.
6	Ismail A. Busari, BSc. (Ed) Accounting Publicity and Awareness Officer	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.
8	Monsur Bushar, HND, Bus Admin & Management, CIPS Director	<p>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 also obtained Certificate of Leadership and Management in Health from University of Washington.</p> <p>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 before joining Save the Children International where he works in the capacity of Senior Procurement Officer.</p>
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 a 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 and no new appointment was made during the period.

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 courageous companions, his noblest family and the entire Muslims who follow his path.

Dear member,

I am delighted to present to you the 7th Annual Report and Accounts of our cooperative for the accounting year ended 31st March, 2022. This year we are 8 years old providing Islamic investment and financing services to our members in shari'ah compliant ways. The Cooperative which started with a handful of 10 members inspired by their faith and socio- economic challenges has grown to more than 100 members today, alhamdulillah. With your support we have positively touched the lives of more than 100 Muslims directly and indirectly, alhamdulillah.

As part of the Board's responsibility, my colleagues on the Board and I, are giving all relevant support and leadership to focus on delivering unrivalled service to all our members. Our process and operations aimed at supporting members to reach their full potentials and fulfilling life ambitions, be it a member saving to accumulate capital for a target business, another member seeking to give his/her family a comfortable life to live and members in diaspora looking for the most efficient and safest way to save and invest back home in preparation for homecoming.

Fellow members, I salute our commitment in building an enduring coop society and I am pleased that our Coop is increasingly being distinguished as one of the reliable and efficient cooperatives across the Federal Capital Territory of Nigeria. We must remain focused on this growing stage, though the challenges are gloomy, the rewards are compelling! Our tenacity and common goal of nurturing ICCS Limited to becoming one of the undisputed leading and dominant cooperative societies in Nigeria will greatly be rewarded by the positive return outlook on the services we render. I am more than ever optimistic about our products and services and I look forward to sustainable bountiful harvests for our members as we extract

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value from the significant investments we are making recently. It is in Cooperative's strategies to embark on social finance schemes for our members. The Cooperative will soon introduce a health scheme, called I-Crescent Ta'awun 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.

It is my pleasure to present the financial performance of our Coop for the accounting year ended March, 2022. It was a year of growth as reflected in the **31%** and **162%** respective growth in total asset and operating income. Our Cooperative witnessed a persistent growth in total assets moving from **N18,694,206.00** in 2021 to **N24,514,733.85** in 2022 and total operating income is **N2,134,834.00** compared to **N814,084.00** in year 2021.

In line with the Cooperative Act 2004 (As amended) and ICCS' Byelaw, the tenure of the present Board of Directors ends this year. Three among our Board members; Bro. Saheed Akerele, Bro. Shehu Arome, and Bro. Rabi'u Busari will be relieved owing to the new development and their present condition in their places of work. While we will greatly miss the impeccable experience and unwavering sacrifice of these dedicated Directors, we take comfort in their continued support to the ICCS Limited to the best of their capacities. On behalf of every member, I wish them the best in their undertakings in life and assure them that ICCS will forever be grateful for the active roles they played in the growth of the Coop. In accordance with our reviewed Byelaw, a management team, comprises of 7 experienced, competent and committed members has been appointed to take charge of the activities of the Coop for another two years. Fellow members, I will like you to join me in welcoming our new management team as follows:

- | | |
|-------------------------------|---------------------------------|
| 1. Bro. Shefi'u Badamosi | Executive Chairman |
| 2. Bro. Abdulfatai Bello | Vice Chairman |
| 3. Bro. Monsur Bushar | Secretary |
| 4. Bro. Misbahudeen Asimolowo | Chief Investment Officer |
| 5. Bro. Abdulwaasi' Ariyibi | Chief Finance Officer |
| 6. Engr. Shafiu Adedeji | Treasurer |
| 7. Bro. Ismail Busari | Publicity and Awareness Officer |

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Finally, I would like to thank every member for the loyalty, confidence, support, understanding and commitment on this great journey. Let me reassure you that our Coop is on a stronger footing and I am confident to say that we are at a growing stage in our journey towards greatness. I urge all our members, especially those that have been with the Cooperative from the inception to not back out as we grow steadily. Top on the list of our agenda is to make sure our members' welfare 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.

Thank you.



Shefi'u Badamosi
Executive Chairman

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AUDIT COMMITTEE REPORT TO THE MEMBERS AND BOARD OF DIRECTORS OF ISLAMIC CRESCENT COOPERATIVE SOCIETY FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

AsSalaamu Alaykum wa rahmatuLLAAHI wa barakatuhu to us all.

RESPONSIBILITIES OF THE AUDIT COMMITTEE

Members of the Audit Committee are individually and collectively required to meet as prescribed during the final period to:

1. Make or cause to be made an examination of the affairs of the Society, which shall include an audit of its books and an inspection of cash account, loans and stock of goods
2. To ascertain that all actions of the Board are in conformity with the Act, Regulations and these Byelaws
3. To make a written report to the Board of its findings following each examination
4. Make an Annual Audit and written audit reports and submit same to the Annual General Meeting after verification by the Board

REPORT OF FINDINGS

1. That the Board of Directors have in place processes and procedures for the effective leadership and operation of the activities of the ICCS to achieve its set objectives.
2. Required books of Account and other financial records are maintained to enable the preparation of the financial position of the ICCS as at when required.
3. That no member of the Board received any undue payment from the ICCS during the cause of the year. All payments made to any member of the Board of Directors is based on standard requirements and with the approval of the Board of Directors.
4. That the Board took steps to refund members who did not satisfy the minimum requirement for membership based on the provisions of the Bye-law of the ICCS.
5. That there is a need for the establishment of an effective monitoring mechanism for all Salaam facilities.

KEY AUDIT MATTER

The Board of Directors during the year under review established a Daily Contribution Scheme. The Audit Committee was informed by the Board of Directors that this is directly under the I-crescent Foundation and thus our Audit report does not cover its operation.

As a result of damage to some Information Technology work tool, some documents were not available to the Audit Committee. The Audit Committee however relied on other supporting evidences to reach its conclusion.

Adoption and migration to an automated platform in the operation of the ICCS would greatly improve the quality of the financial records and reduce significantly the time taken to complete the Audit. It would also enhance members' service delivery.

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The Board of Directors waived penalty charge for some beneficiaries during the year under review for non-compliance with the terms of their respective facility. While this is a standard practice and within the powers of the Board of Directors, sufficient evidence was not provided to the Audit Committee.

OUR OPINION

The Financial Statement and other supporting notes are a reflection of the position of the ICCS as at the 31st March, 2022. Our opinion is limited to the financial statement and related notes and does not cover other information in the Annual report.

RECOMMENDATION

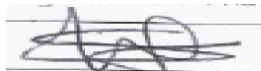
1. To further enhance the achievement of the objectives of the ICCS, members should support the Board through volunteering and propagation of the products and services of the ICCS.
2. The Board should consider expanding the Product line of the ICCS to include bulk purchase and sale of food and other regular household item.
3. The Board should conduct research into how other sectors like Agriculture and Transportation can play roles as additional stream of investment. These can be investment heaven for the Society if carefully explored.
4. The Society should deploy modern tools for book keeping through the adoption of appropriate software(s).

SIGNED BY:

ABDULAZEEZ ALOGBA
Audit Committee Chairman

SHARAFDEEN ADENIJI (PhD)
Audit Committee member

MUHAMMED OLADIPO
Audit Committee member



For: Audit Committee

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STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2022

	NOTES	2022
REVENUE	1	23,027,388.00
OPERATING COST	2	<u>20,111,608.00</u>
OPERATING PROFIT		2,915,780.00
RENT INCOME FROM SUKUK/IJARAH/OTHERS	3	<u>80,167.00</u>
GROSS INCOME FROM OPERATIONS		2,995,947.00
EXPENSES		
RENT		175,000.00
SALARIES		340,000.00
GENERAL EXPENSES	4	280,680.00
FINANCE CHARGE		<u>65,433.00</u>
TOTAL EXPENSES		<u>861,113.00</u>
PROFIT FOR THE YEAR		<u>2,134,834.00</u>
OTHER COMPREHENSIVE INCOME		
MEMBERSHIP REG/DEVELOPMENTAL FEE		<u>140,700.00</u>
TOTAL INCOME GENERATED FROM OPERATIONS & OTHERS		<u><u>2,275,534.00</u></u>

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STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2022

	NOTES	2022
<u>ASSETS</u>		
NON CURRENT ASSET		
INVESTMENT IN FG SUKUK		500,000.00
CURRENT ASSET		
INVENTORY		
RECEIVABLES		18,115,285.50
PREPAYMENT		125,000.00
QARD HASSAN		-
CASH & CASH EQUIVALENT		5,774,448.35
TOTAL CURRENT ASSET		24,014,733.85
TOTAL ASSET		24,514,733.85
EQUITY AND LIABILITY		
<u>EQUITY</u>		
MEMBERS CONTRIBUTED EQUITY		20,528,500.00
RETAINED EARNINGS		1,494,383.80
GENERAL RESERVE		
30% RETAINED EARNING AS AT MARCH 31 2022		640,450.20
REGISTRATION & MEMBERSHIP FEE		72,000.00
DEVELOPMENTAL FEE		68,700.00
ACCUMULATED RESERVES		1,698,499.85
<u>LIABILITIES</u>		
NON CURRENT LIABILITIES		
CURRENT LIABILITIES		
TRADE & OTHER PAYABLES		12,200.00
MANDATORY SAVING SCHEME		
TOTAL EQUITY & LIABILITIES		24,514,733.85

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NOTES TO THE FINANCIAL STATEMENT

	2022
1 REVENUE	N
Murabaha on general goods & services	19,972,888.00
Mudharaba on textile/Others	2,700,000.00
Istisna' on construction	<u>354,500.00</u>
	<u>23,027,388.00</u>
2 OPERATING COST	
Murabaha on general goods & services	17,127,845.00
Mudharaba on textile	2,700,000.00
Istisna' on construction	<u>283,763.00</u>
	<u>20,111,608.00</u>
3 RENT INCOME	
1st quarter Sukuk Income	23,548.00
2nd quarter Sukuk Income	16,605.37
3rd quarter Sukuk Income	23,679.20
4th quarter Sukuk Income	<u>16,334.63</u>
	<u>80,167.20</u>
4 GENERAL EXPENSES	
Annual General Meeting 2021	114,000.00
ICCS website	10,000.00
Legal/Consulting fee	30,000.00
Office Maintenance Expense	48,000.00

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Board expenses	20,700.00
Local conveyance	27,980.00
Office equipment	<u>30,000.00</u>
	<u>280,680.00</u>

5 EQUITY

Members contributed equity as at April 1, 2021	9,376,300.00
Increase in members contributed equity as at March 31 2022	<u>11,152,200.00</u>
Total Equity	<u>20,528,500.00</u>

6 RETAINED EARNINGS

Profit for the year	2,134,834.00
30% Transfer to General Reserve	<u>640,450.20</u>
	<u>2,775,284.20</u>

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.

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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%

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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 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.

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 any other loans asides common loan (Qard Hassan) outstanding made to Directors and specific Executives as at 31st March 2022.

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(c) Directors remuneration

Directors were not paid any amount during 2022 financial year except the annual honorarium.

(d) Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31st March, 2022.

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 for Islamic Financial Institutions; and
- (b) It gives a true and fair view of the financial position as at 31st March 2022 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, 2022