**2023**

**Annual Report**

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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.

# MANAGEMENT’S REPORT

The Management of Islamic Crescent Co-operative Society (ICCS) Limited submits its report for the year ended 31 March 2023.

# 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,AFIIBI, 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 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 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 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 | **Monsur Bushar,** MBA, CIPSHND, Bus Admin & Management, **Secretary to the Management** | 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. 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 as the Senior Procurement Officer.  |
| 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,** 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.  |
| 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. |
| 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. |

**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.

Distinguished members,

Assalaamu alaykum warahmatullahi wabarakaatuh,

It is my pleasure to highlight to you ICCS’ remarkable achievements within 8 years of its operations. Indeed, many milestones have been reached amidst various challenges. As the Cooperative is equipped with very experienced and sincere management team to build and achieve record breaking growth, it has unarguably led to its expansion and strategic performance that establishes our position as one of the fast growing Islamic Cooperatives in FCT.

I am delighted to inform you that the future of the ICCS is outstandingly bright and beautiful. We are confident to state that our exceptional service delivery and responsive operational system yielded the excellent performance we recorded this accounting year. We are determined to create more expansive value for our members and all our stakeholders. The most remarkable contribution we can make to our members and the society is to ensure sustainable value addition as we explore market opportunities.

During the accounting year under review, the Cooperative made significant growth. We attracted and retained a significant number of active members while very few who were not active and those who could not meet up with the minimum required shareholding were excused from the cooperative. We expect more exponential growth in membership strength as more prospective members have shown interest to join us. In terms of financial performance, the Cooperative grew its profit by **108.7%** from N **N2,134,834.00** in 2022 to **N4,456,381:00** in 2023, while the balance sheet remained strong with **58.59%** growth in Total Assets from **N24,514,733.85** in 2022 to **N38,879,884:94** in 2023. Financing to members and investment for the year stood at **N44,702,932:90,** which was a **154.3%** growth from **N17,582,140:40** reported in 2022. Member’s shareholding grew by **32.9%** from **N20,528,500:00** in 2022 to **N27,283,500:00** in 2023.

The Management of the Cooperative has demonstrated its commitment to sustainable growth and expansion, adding new and innovative products and services. The strategic commitment of the Cooperative is to be among the dominant Islamic Cooperatives operating in FCT with a sizeable number of members and comprehensive Islamic finance products and services coverage; rank among the Top 10 Islamic Cooperatives in Nigeria in the shortest possible time.

As an Islamic cooperative society, our focus is to optimize rather than maximize profit, with the goal of preserving sufficient earnings to enable future growth and maintaining healthy risk management system that will allow us to invest in the business with the aim of providing services to our esteem members. This will assist us in delivering a long-term, sustainable relationship that serves our members' best interests. Our success in year 2023 demonstrates that we not only kept our commitment to our members but we are growing in a sustainable manner so that we may continue to enhance value to society while also generating the benefits that you, our members, will appreciate. We are working tirelessly to automate our accounting system so that we can respond to our members' ever-changing needs in their daily lives more efficiently and effectively.

However, in spite of the notable achievements we have made so far, the challenges of inadequate funds seem largely insurmountable. This therefore serves as a clarion call on the need for our esteem members to double their commitment with the interest they have in ICCS Limited.

Thank you.



# Shefi’u Gbadamosi

Executive Chairman

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
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| **STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST MARCH 2023** |
|  |  |  |  |
|  | **NOTES** | **2023** | **2022** |
|  |  | N |  N |
| REVENUE | 1 | 42,869,581.00  | 23,027,388.00  |
| OPERATING COST | 2 | 37,076,783.00  | 20,111,608.00  |
| OPERATING PROFIT |  |  5,792,798.00  | 2,915,780.00  |
| RENT INCOME FROM SUKUK/IJARAH/OTHERS | 3 |  80,169.00  |  80,167.00  |
| GROSS INCOME FROM OPERATIONS |  |  **5,872,967.00**  | **2,995,947.00**  |
|  |  |  |  |
| **EXPENSES** |  |  |  |
| RENT |  |  300,000.00  | 175,000.00  |
| SALARIES |  |  298,000.00  | 340,000.00  |
| GENERAL EXPENSES | 4 |  620,450.00  |  280,680.00  |
| FINANCE CHARGE |  |  89,726.00  |  65,433.00  |
| MAINTENANCE EXPENSE |  |  108,410.00  |  -  |
| TOTAL EXPENSES |  |  1,416,586.00  |  861,113.00  |
| **PROFIT FOR THE YEAR** |  |  **4,456,381.00**  |  **2,134,834.00**  |
|  |  |  |  |
| **OTHER COMPREHENSIVE INCOME** |  |  |  |
| MEMBERSHIP REGISTRATION |  |  184,250.00  |  72,000.00  |
| DEVELOPMENTAL FEE |  |  69,800.00  |  68,700.00  |
| **TOTAL INCOME GENERATED FROM OPERATIONS & OTHERS** |  **4,526,181.00**  |  **2,275,534.00**  |

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| **STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2023** |
|  | NOTES | 2023 |  2022 |
| **ASSETS** |  | N |  N |
| **NON CURRENT ASSET** |  |  |  |
| INVESTMENT IN FG SUKUK |  |  500,000.00  |  500,000.00  |
| LAND |  |  2,635,000.00  |  |
| SYNDICATE FINANCING |  |  1,500,000.00  |  |
|  |  |  4,635,000.00  |  500,000.00  |
| **CURRENT ASSET** |  |  |  |
| INVENTORY |  |  |  |
| RECEIVABLES |  |  18,789,334.00  | 18,115,285.50  |
| PREPAYMENT |  |  150,000.00  |  125,000.00  |
| QARD HASSAN | 5 |  1,210,500.00  |  -  |
| CASH & CASH EQUIVALENT SAVINGS SCHEME |  |  4,239,747.00  |  -  |
| CASH & CASH EQUIVALENT INVESTMENT SCHEME |  18,490,050.94  |  5,774,448.35  |
| TOTAL CURRENT ASSET |  |  42,879,631.94  | 24,014,733.85  |
| **TOTAL ASSET** |  |  **47,514,631.94**  | **24,514,733.85**  |
|  |  |  |  |
|  |  |  |  |
| **EQUITY AND LIABILITY** |  |  |  |
|  |  |  |  |
| **EQUITY** |  |  |  |
| MEMBERS CONTRIBUTED EQUITY | 6 |  27,283,500.00  | 20,528,500.00  |
| RETAINED EARNINGS | 7 |  3,119,467.00  |  1,494,383.80  |
|  |  |  |  |
| **GENERAL RESERVE** |  |  |  |
| 30% RETAINED EARNINGS SET ASIDE FOR THE YEAR ENDED MARCH 31 2023 |  1,336,914.00  |  640,450.20  |
| ACCUMULATED RETAINED EARNINGS SET ASIDE AS AT MARCH 31 2022 |  864,872.00  |  |
| ACCUMULATED REGISTRATION & MEMBERSHIP FEE AS AT MARCH 31 2023 |  411,960.00  |  72,000.00  |
| ACCUMULATED DEVELOPMENTAL FEE AS AT MARCH 31 2023 |  157,990.00  |  68,700.00  |
| ACCUMULATED GENERAL RESERVES |  |  1,698,499.00  |  1,698,499.85  |
|  |  |  |  |
| **LIABILITIES** |  |  |  |
| **NON CURRENT LIABILITIES** |  |  |  |
| SYNDICATE FINANCING |  |  3,100,000.00  |  -  |
| **CURRENT LIABILITIES** |  |  |  |
| TRADE & OTHER PAYABLES |  |  |  12,200.00  |
| TARGET SAVINGS |  |  2,341,000.00  |  -  |
| PENALTIES |  |  33,880.00  |  -  |
| AMOUNT HELD ON BEHALF OF THIRD PARTIES | 8 |  480,949.94  |  -  |
| MANDATORY SAVING SCHEME |  |  6,685,600.00  |  -  |
| **TOTAL EQUITY & LIABILITIES** |  |  **47,514,631.94**  | **24,514,733.85**  |

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| **NOTES TO THE FINANCIAL STATEMENT** |
|  |  | **2023** |  **2022** |
| 1 | **REVENUE** | N |  N |
|  | Murabaha on general goods & services |  30,864,426.50  |  19,972,888.00  |
|  | Mudharaba on textile/Others |  8,221,204.00  |  2,700,000.00  |
|  | Istisna’ on construction |  3,783,950.00  |  354,500.00  |
|  |  |  **42,869,580.50**  |  **23,027,388.00**  |
| 2 | **OPERATING COST** |  |  |
|  | Murabaha on general goods & services |  26,655,884.68  |  17,127,845.00  |
|  | Mudharaba on textile |  7,650,000.00  |  2,700,000.00  |
|  | Istisna’ on construction |  2,770,898.67  |  283,763.00  |
|  |  |  **37,076,783.35**  |  **20,111,608.00**  |
| 3 | **RENT INCOME** |  |  |
|  | 1st quarter Sukuk Income |  23,549.80  |  23,548.00  |
|  | 2nd quarter Sukuk Income |  16,605.37  |  16,605.37  |
|  | 3rd quarter Sukuk Income |  23,679.20  |  23,679.20  |
|  | 4th quarter Sukuk Income |  16,334.63  |  16,334.63  |
|  |  |  **80,169.00**  |  **80,167.20**  |
| 4 | **GENERAL EXPENSES** |  |  |
|  | Honorarium |  150,000.00  |  |
|  | AGM Expenses |  385,750.00  |  |
|  | ICCS web maintenance |  20,000.00  |  |
|  | Document verification |  20,000.00  |  |
|  | Painting of office |  12,000.00  |  |
|  | Refreshment for the management |  25,500.00  |  |
|  | Local conveyance |  7,200.00  |  |
|  |  |  **620,450.00**  |  |
| 5 | **QARD HASSAN** |  |  |
|  | Investment Scheme |  237,000.00  |  |
|  | I-CRF |  213,500.00  |  |
|  | Savings |  760,000.00  |  |
|  |  |  **1,210,500.00**  |  |
|  |  |  |  |
| 6 | **EQUITY** |  |  |
|  | Members contributed equity as at April 1, 2021 |  20,528,500.00  |  9,376,300.00  |
|  | Increase in members contributed equity as at March 31 2022 |  6,755,000.00  |  11,152,200.00  |
|  | Total Equity |  **27,283,500.00**  |  **20,528,500.00**  |
|  |  |  |  |
| 7 | **RETAINED EARNINGS** |  |  |
|  | Profit for the year |  3,119,467.00  |  3,119,467.00  |
|  | 30% Transfer to General Reserve |  1,336,914.00  |  1,336,914.00  |
|  |  |  **4,456,381.00**  |  **4,456,381.00**  |
|  |  |  |  |
| 8 | **AMOUNT HELD ON BEHALF OF THIRD PARTIES** |  |
|  | Investment Scheme |  372,802.94  |  |
|  | Savings Scheme |  108,147.00  |  |
|  |  |  **480,949.94**  |  |
|  |  |  |  |

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**Summary of Significant Accounting Policies**

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

#  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.

#  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.

#  Other Revenue

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

#  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.

#  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.

#  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.

**Other Related Parties**

1. **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 common loan (Qard Hassan) outstanding made to the Management members as at 31st March 2023.

1. **Management Remuneration**

Management members were not paid any amount during 2023 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:

1. 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
2. It gives a true and fair view of the financial position as at 31st March 20223 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.
3. 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

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Shefi’u Badamosi Abdulwaasi’ Ariyibi

# Executive Chairman Chief Finance Officer

**Federal Capital Territory, Abuja**

**March 31, 2023**