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Acronyms/abbreviations

| | |
|---------|--|
| AIDS | Acquired Immune Deficiency Syndrome |
| ANC | Antenatal Care |
| ATM | AIDS, Tuberculosis and Malaria |
| BfdW | Brot fur die Welt (Bread for the World), Berlin, Germany |
| BoD | Board of Directors |
| BoT | Board of Trustees |
| CLTS | Community-Led Total Sanitation |
| CBMC | Centre-Based Management Committee |
| CBO | Community-Based Organization |
| CC | Community Coalition |
| CDA | Community Development Association |
| C-IYCF | Community Infant and Young Child Feeding |
| CSO | Civil Society Organization |
| D&P | Development & Peace, Canada |
| DEC | Development Exchange Centre |
| DCG | DEC Conference & Guest House |
| ED | Executive Director |
| EU | European Union |
| FCT | Federal Capital Territory (Abuja) Finance Manager |
| FM | Human Immunodeficiency Virus |
| HIV | Knowledge Management & Communication |
| KMC | Local Government Area |
| LGA | |
| MCH | Ministries, Departments & Agencies |
| MDA | Micro Enterprise Fundamentals |
| MEF | Management Information System |
| MIS | Northern Education Initiative Plus |
| NEI+ | Orphans & Vulnerable Children |
| OVC | Primary Healthcare Centre |
| PHC | People Living Positive |
| PLP | Pro-Resilience Action |
| PRO-ACT | R egenerated F reirean L iteracy through E mpowering |
| REFLECT | C ommunity T echniques School Based Management Committee |
| SBMC | Sustainable Development Goals |
| SDG | Tuberculosis |
| TB | Traditional Birth Attendant |
| TBA | United Nations Development Programme Village Savings & Loans Association |
| UNDP | Water, Sanitation and Hygiene |
| VSLA | Water, Sanitation and Hygiene Committee |
| WASH | |
| WASHCOM | |

CHAIRMAN DEC BOARD OF DIRECTOR'S REMARKS

President Muhammadu Buhari has been re-elected into office that will span for another 4 years. Despite the promise of fighting against corruption the Country continued to witness corruption and lack of transparency in Government. Although the law provides criminal penalties for conviction of official corruption, the government did not implement the law effectively, and government officials frequently engaged in corrupt practices with impunity. Massive, widespread, and pervasive corruption affected all levels of government, including the judiciary and the security services. The constitution provides immunity for civil and criminal prosecution for the president, vice president, governors, and deputy governors while in office. There were numerous reports of government corruption during the year.

Economic inequality in Nigeria has reached extreme levels, despite being the largest economy in Africa. The country has an expanding economy with abundant human capital and the economic potential to lift millions out of poverty. The National Bureau of Statistics (NBS), in a report about poverty and inequality from September 2018 to October 2019, said 40 percent of people in the continent's most populous country lived below its poverty line of 137,430 naira (\$381.75) a year. It was said that it represents 82.9 million people.

Findings from the 2019 global Multidimensional Poverty Index (MPI) sheds light on disparities in how people experience poverty, revealing vast inequalities among countries and among the poor themselves. *"To fight poverty, one needs to know where poor people live. They are not evenly spread across a country, not even within a household," says Achim Steiner, UNDP Administrator. "The 2019 global Multidimensional Poverty Index provides the detailed information policy makers need to more effectively target their policies."*

The report reveals that in Nigeria, even though the proportion of people who are multidimensionally poor has remained constant at just over 50% over the past decade (upto 2017) the actual number of people who are multidimensionally poor increased from 86 million to 98 million over the same period. Also, important to note from the report is that when compared to the national poverty line which measure income/consumption, a larger proportion of Nigerians (51%) are multidimensionally poor than those that are income poor (46%).

This year's (2019) MPI results show that more than two-thirds of the multidimensionally poor—886 million people—live in middle-income countries. A further 440 million live in low-income countries. In both groups, data show, simple national averages can hide enormous inequality in patterns of poverty within countries. For instance, in Nigeria, even though the national average shows that around 50% of Nigeria are multidimensionally poor, state and local government levels will reveal a completely different scenario – higher or even lower levels.

There is also inequality among the poor. Findings of the 2019 global MPI also paint a detailed picture of the many differences in how - and how deeply - people experience

poverty. Deprivations among the poor vary enormously: in general, higher MPI values go hand in hand with greater variation in the intensity of poverty.

Development Exchange Centre (DEC), has continued to empower women and other poor and vulnerable groups towards improving their well-being in the midst of the above challenging environment nationally. Our main focus has remained tackling poverty among women and vulnerable groups and therefore giving them a voice at the societal level. Women remain the main focus of our development intervention as they are *the most vulnerable group* when a nation faces the challenge of economic growth & development.

DEC has continued to improve the lives of economically active women and vulnerable groups through the delivery of Microcredit services. Income levels of these women have increased along with their contribution to the wellbeing of their families and their communities at large.

Most Notably, DEC began the implementation of its Strategic plan that will span for a period of five years (2019-2023). Through which it has recorded a tremendous success against its previous Strategies. More than 350,000 women and other vulnerable groups have been reached through our social services and microcredit services. More women have attested to increased participation in decision-making in issues that affect their well-being and livelihood. There was an increase in the awareness and management of public health issues, including maternal, and child health among women across the region. Vulnerable groups are now aware of the need to demand and participate in issues that concern their wellbeing. Community structures were strengthened to increase conflict resolution capacity and to achieve solutions locally and for supporting functional education initiatives for the benefit of their children. For instance, our intervention in food security, nutrition and resilience of vulnerable groups has given rise to increased food reserves in affected communities as farmers recorded up to 60% yield increase. Cash Out services to some beneficiaries in affected communities in the Northeast led to the reduction of the level of vulnerability of victims. The Microcredit unit remains a key provider of financial services required for financial independence of women. Currently we have served about 180, 000 financially vulnerable and excluded women, with the total number of Loans disbursed at about 290,000, and a gross loan portfolio of N4.1 billion and 123 business units.

In particular, I thank TitiYakubu who is transiting after being the Executive Director for 9 years, she did so much in steering the management of the Organization in the path of sustainable development; her enormous work has brought excellent achievement to the organization. Indeed the successes recorded would not have been possible without her dedicated staff that have been supportive. I thank also our resilient and cooperative clients, committed Board of Trustees and Board of Directors, and our Partners who believe in us to deliver.

This report summarizes our main achievements in the year 2019. We look forward to continuing expanding our working for many years to come.

Andrew Gwaivangmin CERM
Chairman

Board of Directors

DEC GOVERNANCE AND MANAGEMENT STRUCTURE

DEC Board of Trustees

| | |
|-----------------------|-------------|
| Mrs. Anthonia Kundera | Chairperson |
| Mr. Ado Solomon | Vice Chair |
| Alh. Inusa Kida | Member |
| Mr. Henry Osadolor | Member |
| Haj. Larai Hamadu | Member |
| Dr. Musa Moda | Member |

DEC Board of Directors

| | |
|-------------------------|-------------|
| Bulus Gwashi | Chairperson |
| Francis Ademola Olaitan | Vice Chair |
| Sarah Drambi Kefas | Member |
| Lazarus Ruben Yerima | Member |
| Kefas Solomon Akundo | Member |
| Hannatu Rwang Unanam. | Member |
| Muhammed Lawal Bello | Member |
| Mercy K. Wodung | Member |
| Fidelia N. Yaji | Member |
| Hadiza Muhammadu Bello | Member |

DEC Management

| | |
|------------------------|--|
| Mr Iliya G. Sambo | Executive Director |
| Mr. Timothy B. Bulus | Finance Manager (FM) |
| Mrs. Helen Abah | Micro-credit Manager (McM) |
| Mrs. Hannatu D. Shehu | Human Resource Manager (HRM) |
| Mr. Samuel B. Yelmison | Head of Programmes (HoP) |
| Mrs. Edna P. Gopep | Head Internal Control (HIC) |
| Mr. Atiku V. Usman | Head Knowledge Management & Communication (HKMC) |

DEC BACKGROUND

DEC- a Non-Governmental Organisation is non-partisan, non-faith-based and not-for-profit- was established in 1987 as a forum to exchange development ideas. It soon evolved into a multi-sector mission designed to deliver both social and economic services to her identified target. DEC has implemented several social enhancement programmes that touch the basic fabric of its target beneficiaries which include provision of functional adult education, vocational skills development, sexual & reproductive health education, water & sustainable environment, good governance & peace building and microcredit which is most identified with DEC. The microcredit component has served over 8,000 women groups with a total client base of over 200,000 in 21 states (FCT inclusive) through 120 business units.

DEC Bauchi was registered in 1997 as a trustee incorporated organization with a Board of Trustees (BoT), and a Board of Directors (BoD) to best position it for service delivery. The registered women groups across the states where DEC operates, form part of the apex decision making body of the organization (BoD) through representation.

Due to its credibility and capacity to actualise its objectives, DEC has continued to received support (financial, material and technical) from several partners- local and international- including government and other development agencies for its activities. These activities as will be presented subsequently has made tremendous impact among beneficiaries of services of DEC and even beyond. In line with its mission, the major beneficiaries of DEC services are women who are considered among vulnerable groups in the society.

DEC VISION

A society with equitable opportunities for sustainable development.

DEC MISSION

"Empowering women to improve their living conditions and status through integrated development services and initiatives".

CORE VALUES

Accountability: Willing and ready to perform in a manner that makes us accountable, responsible and answerable to all stakeholders both internal and external.

Inclusion: Ensuring a gender social inclusion and respect for human dignity and creating an environment where everyone counts.

Integrity: Ensuring credibility, trustworthiness and projecting positive image of individual and organization at all times and in all things.

Partnership: DEC values relationships, rights, responsibilities and mutual sharing of resources for the achievement of common goals.

Teamwork: complimenting each other's ideas and expertise towards achieving both individual as well as organizational goals.

Transparency: Ensuring we are open and accountable in the use of resource and in the ways decisions are made on matters of interest which are laid bare to the organization and its stakeholders.

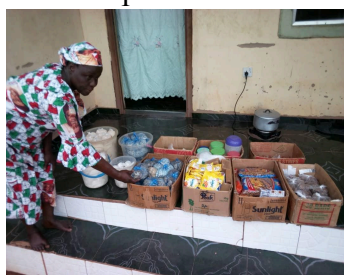
Innovation/Creativity: Valuing and encouraging the ability to bring out new and great ideas that bring unique insights into DEC's work, giving it competitive advantage or resulting in lowering the cost of operations for the organization.

The Report

The year 2019 was the beginning of a new 5-year strategic plan that would steer the Centre through 2023; and the culmination of some projects supported by partners including: ‘Strengthening Community Systems For Grassroots Development In Northern Nigeria’- D&P Canada; ‘Social & Political Empowerment of Women in Northern Nigeria’- BftW Germany; ‘There are however, other partnerships’ projects ongoing which include- ‘Pro-Resilience Action (PRO-ACT)’ and ‘Produce and Sell (PROSELL)’ - Oxfam UK/EU; ‘Unconditional Cash Transfer’ to Victims of Insurgency- Mercy Corps Nigeria (MCN). These partnerships combined with the DEC core programme have continued to contribute toward achieving the vision and mission of DEC and international development basic indices as per the SDGs through interventions in sectors of economic empowerment, education, health care, water & sustainable environment, good governance and microcredit services. DEC’s microcredit services spans across 21 states (FCT inclusive), while social projects are limited to vulnerable communities in selected locations that have been rated as needful and required support based on assessments/surveys report. This report presents a project/partner-based view of tangible and intangible milestones through 2019.

Economic Empowerment

Goal: Improved and Sustainable Livelihood



Esther Felix from Nzallah VSLA group collected a loan of N15000 and started a provision store business in her house.



VSLA has lifted him up and he collected a loan of N10,000 to buy bags of fertilizer for his farm, from the picture it is showing that the farm is promising in Zing Taraba State.



Exhibition of food produce during 2019 World Food Day Celebration in Rogo LGA, Kano State.



Education:

Goal: Improved access to quality education



Beneficiaries of vocational training with hands-on training at Gurum Hausawa, Bassa LGA, Plateau State



DEC organizes debate to school pupils



Message reaches community about the importance of girl child education at Dilombo community of Zuru LGA, Kebbi State

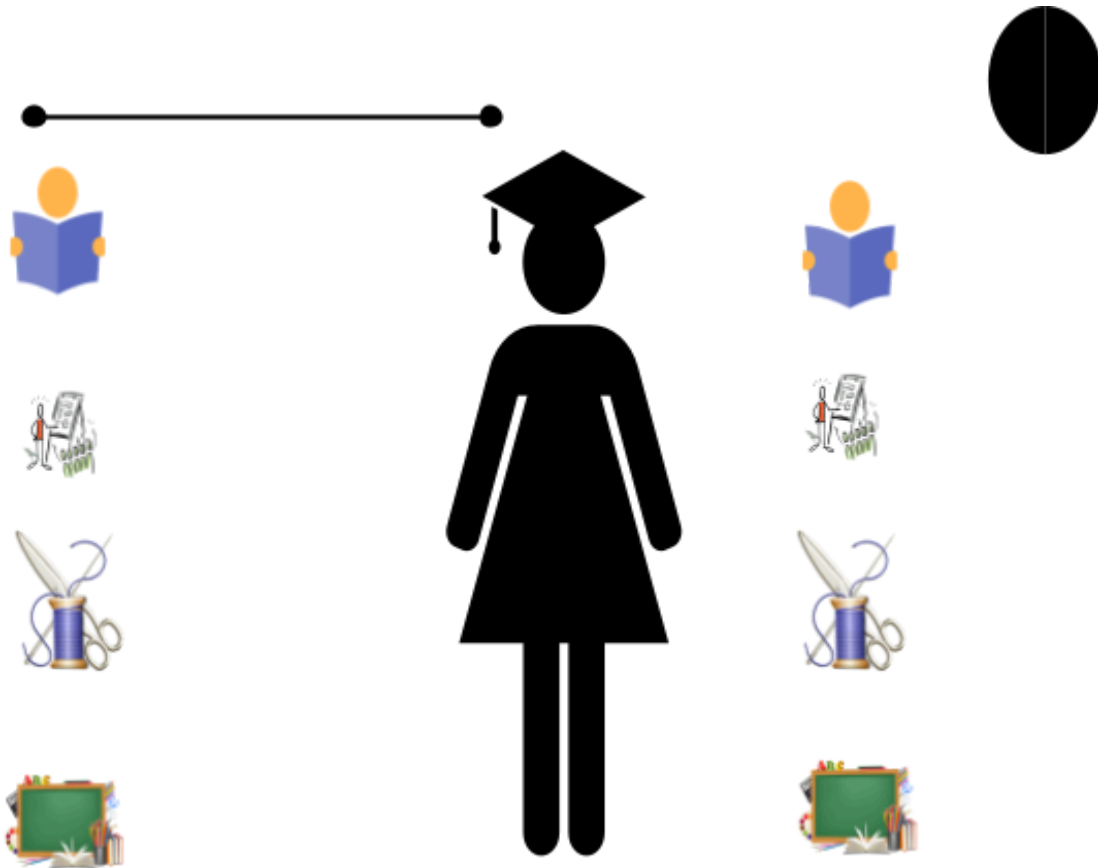


Fig.1- Education- output and activity pictures

Outcome:

Re-FLECT, is a participatory approach to adult literacy and social change to promote women's rights and gender equality, outlining the principles on which the REFLECT process is based and analyzing the learning points. This has also Improves access to equal education for women and adolescents girls. Through the provision of vocational skills, adolescent class of Gidan Galadima were able to buy one bag of flour and a gallon of Vegetable Oil to improve on their trade instead of buying measures which is of low interest.

DEC has trained 205 persons across five communities of Bandarga, Gidan Nagari, Gidan Galadima, Gadiya and Kachallari, who will serve as the School Based Management committee (SBMC) who will be as a link between the government, the school and the community. It will also be a channel of bringing resources from the community into the school and a way of receiving government resources to schools; SBMC is the ‘voice of the community in school governance and to also promote the common interest of schools and community education.

Income Generating Activities were done at the literacy centres. The women were identified and thought different skills as a group. So far at the centres some are engage in learning how to extract groundnut oil and also making of groundnut cake after extracting the oil, some centres are engaged in learning how to make soya beans cheese, while other are engaged on how to make chin-chin. All the centres were able to sell the final products and make a little gain.

Community sensitization/awareness campaign on importance of Girls Child Education was organised in five communities of Zuru LGA (Dega, Zonzomo, Dlombo, Jumbo and Banderga) in order to promote enrolment, retention, completion and gender balance. The sensitization/campaign was launched at Dega community with the aid of fliers, T- shirts, banners and posters that carried different messages on the importance of Girl child education were distributed and pasted on strategic locations in the community. A role play was done to demonstrate the importance of girl’s child education.

A certification examination has been conducted in collaboration with the Mass Literacy Agencies of Kano and Kebbi States for the learners in adult and adolescents girls learning

centres so as to have basis for integrating the successful and willing girls to formal institutions. 171 adult and adolescents girls have participated in the exams. In some of the learning centres adolescent's boys were enrolled because of the interest they have in learning.

Testimonies from Learners;

“I couldn't read and talk in public before but now with the flaws in my reading I can confidently stand and read in public” Maryamu Shuiabu

“I can now read confidently and also add up figures which I couldn't do before” Alisa Wada

Healthcare:

Goal: Significantly Promote Good Health and Wellbeing



Traditional Birth Attendant supported with first aid boxes in Rogo LGA, Kano State



Commemoration of World Immunization Week Celebration at Gidan Mari Rogo LGA Kano State 2019

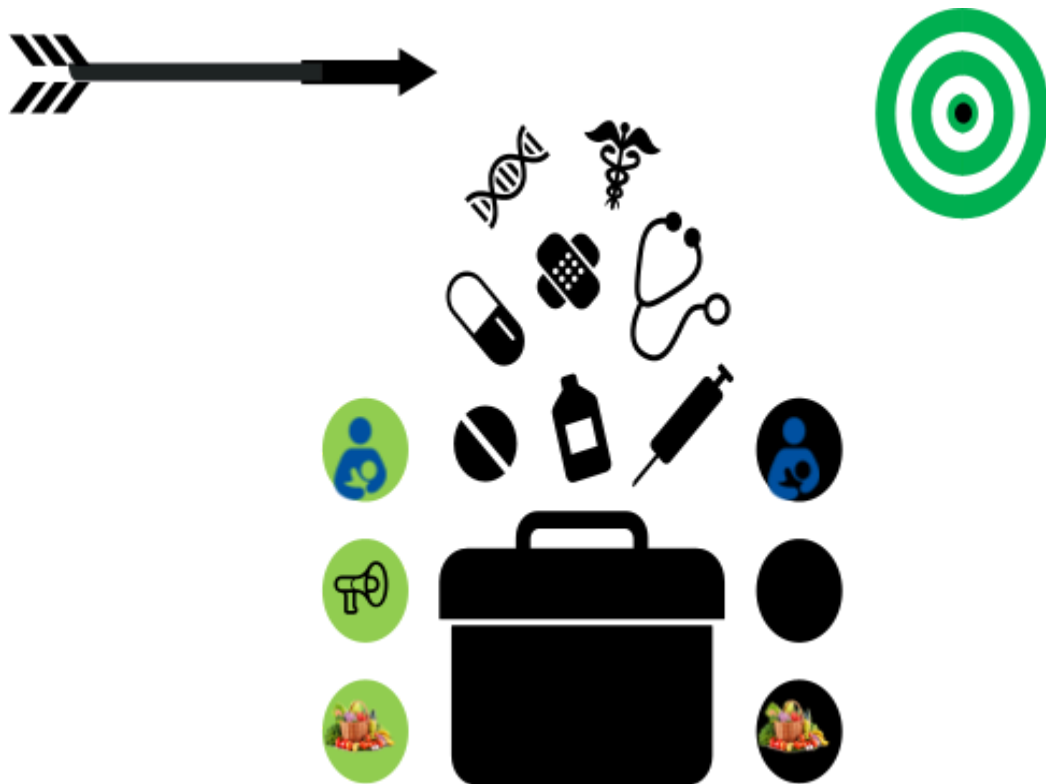
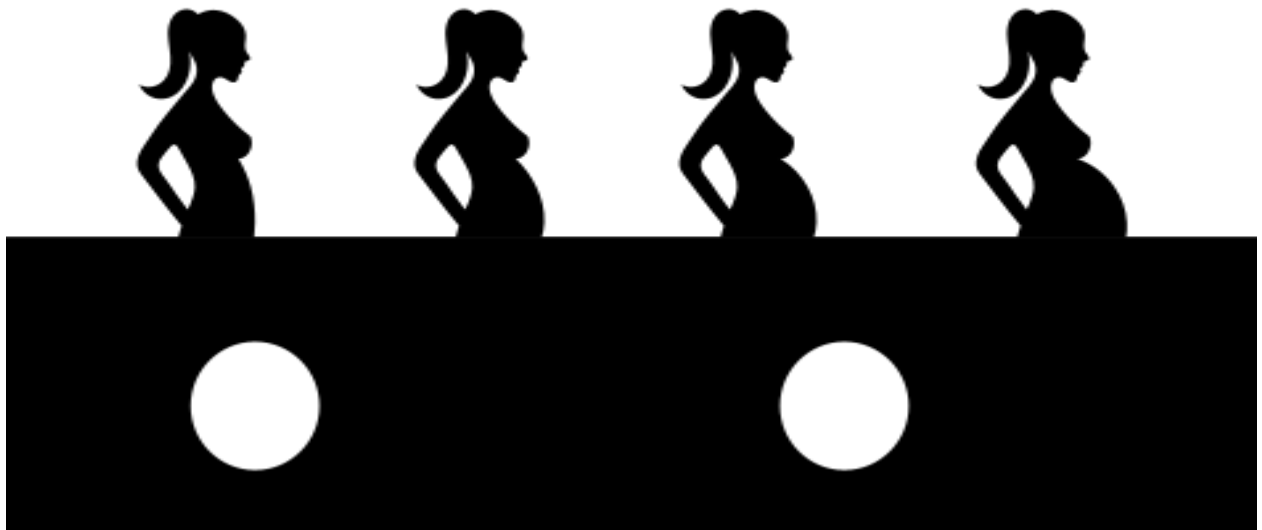


Fig.2- Healthcare- output and activity pictures



Outcome:

54 TBAs were trained and encouraged to always educate and created awareness within their communities to pregnant women, women of child bearing age, breast feeding women, community leaders, religious leader and community member on the importance of anti-natal care (ANC) and post natal care (PNC) in health facility for easy and quick detection of complication.

Caregivers were equipped with relevant knowledge and skills to obtain local indigenous and highly nutritious food that is available within the community for their benefits and well-being of their children and the community at large.

Champion for MCH were trained and this has promoted, influenced and mobilized community members especially husbands to support their pregnant women and this has led to increased uptake of MNCH+N services such as Ante-natal Care (ANC), immunizations, Exclusive breastfeeding, Post-Natal Care (PNC), Family Planning, thereby reducing maternal and infant mortality from 4.5% to 4% as well as unplanned pregnancies.

Communities outreaches has help improved and extended the reach of health care through activities such as health education, basic health screening and facilitating access to services. 5 communities of Gidan Mari, Gidan Tuta, Gidan Galadima, Gidan Barka and Gidan Nagari had benefitted and had increased knowledge on ANC, ATM, STI, exclusive breastfeeding, malaria, immunization and cancer awareness amongst women.

Water & Sustainable Environment:

Goal: Sustainable management of energy, water, and sanitation for all.



Raised seedlings in Gadiya Community, Gamawa LGA Bauchi State

On-going Water Point drilling in Zuru LGA, Kebbi State.



A community member in mud, expressing joy during a water point drilling process in Jambo community, Zuru LGA, Kebbi State



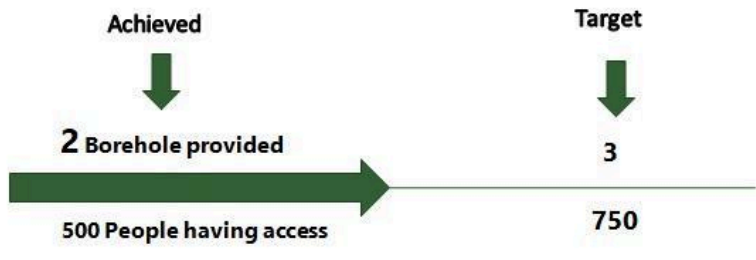
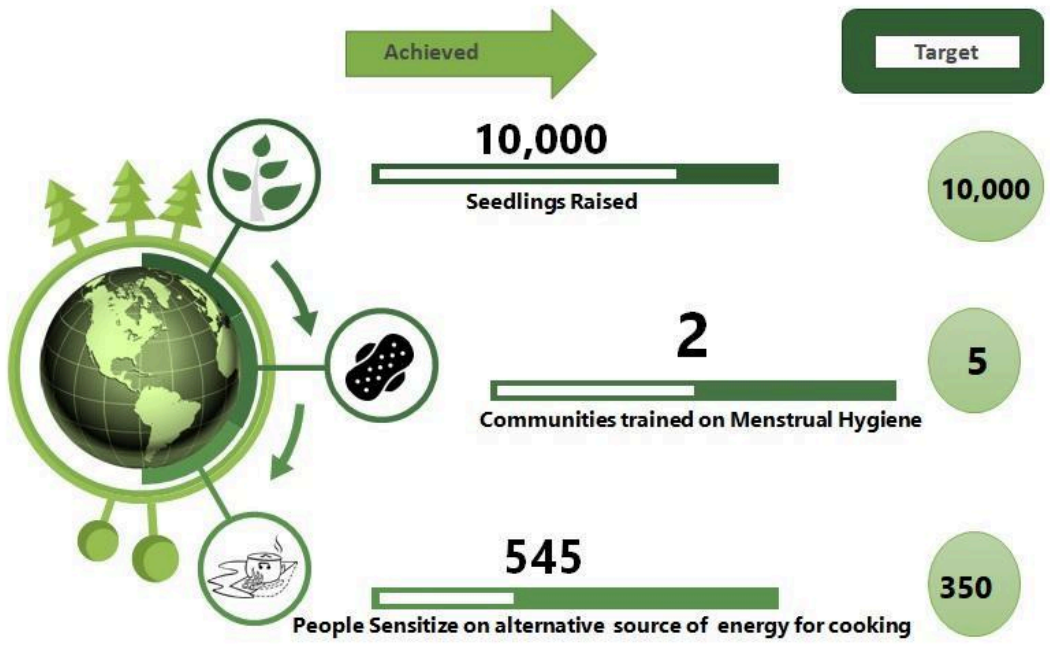


Fig.3- Water & Sustainable Environment- output and activity pictures

Outcome:

5 communities of Jarwa, Gadiya, Kafin Romi, Jajeri and Kachallari in Gamawa LGA of Bauchi State have acquired skills on how to raise plant nursery which is aimed to instil the habit sustainability towards tree planting. The formed committees were able to raise 10,000 plants of various varieties and were distributed to schools, Religious centres, market places and emirate councils for transplanting.

In Jambo Community of Zuru LGA, Kebbi State had witness a tremendous success of being an Open Defecation Free community, this was achieve through the sensitization of WASHCOM. Other project communities have also witness the uptake of toilet construction (86) and use.

In communities of Rogo LGA, Kano state, 20 households are now adopting the use of energy efficient stoves for cooking and reducing the felling of trees while improving the climatic conditions of their region. Households attest to spending less on firewood and improved health as the stoves do not emit thick smoke as with traditional use of burning logs of wood. Economically, this has opened up avenues for enterprise as craftsmen now produce the stoves from the prototype for sale.

Good Governance & Peace Building:

Goal: Access to justice, accountable institutions, peaceful and inclusive societies for sustainable development



Radio discussion on women participation on peace building and Trauma healing



Governance team visit to the community head of Rinze and Cabinet

Outcome:

PWD & women groups comprising 130 women and 35 PWD sensitized and trained on human rights, resource mobilization, political participation, leadership engagement & inclusion, were able to stage advocacy visits to major political parties to demand inclusion. These vulnerable groups are now aware that they can demand for and participate in issues that concern their wellbeing.

Through trauma healing therapy, 50 persons who were victims in crises areas of Akwanga LGA, Nassarawa state were able to let go injustices and begin healing and reconciliation process.

Communities have been trained on scorecard development, and in the development process, they bring out issues/problems they faced, draw up an action plan, the aim of the plan, the issue, possible resources required and sources. The community score card had been used as a tool for advocacy to their duty bearers.

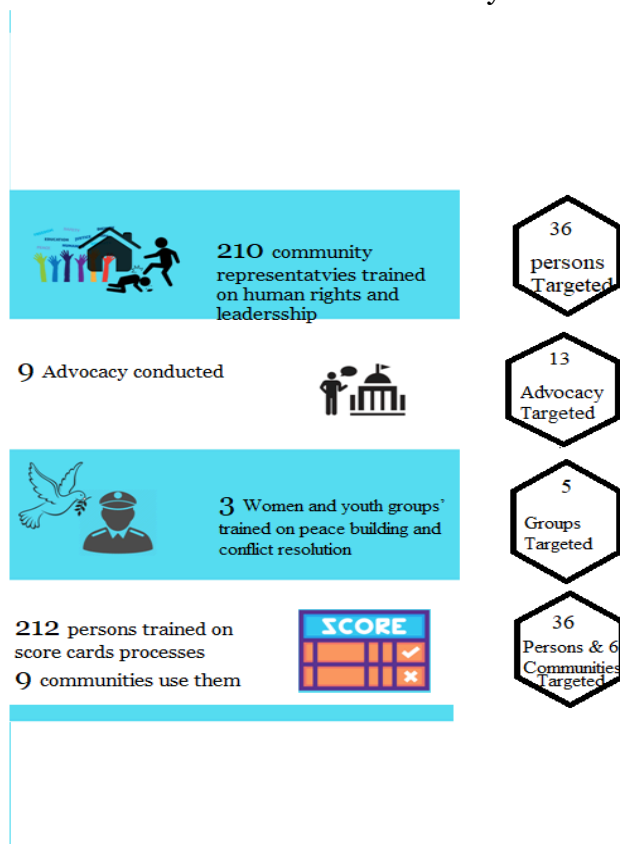
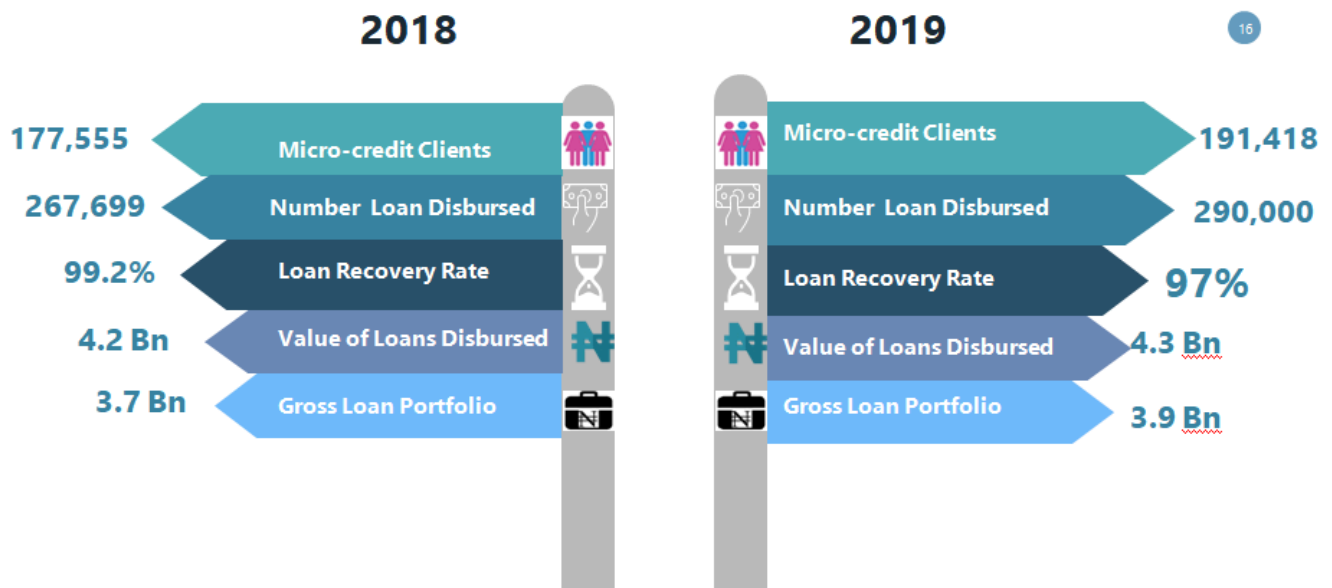


Fig.4- Good governance & Peace building- output and activity pictures

Microcredit:

Fig.9- Microcredit output and activity pictures



The microcredit unit provides access to financial services required for financial independence and sustainable development. The unit achieves this through the provision of several products to its targets. Through income generated from its services, the unit expands its outreach to serve more financially vulnerable and excluded persons, thus expanding its client base. This has classified the unit as a financial-social service provider which does not declare profit. In this vein, the microcredit unit while striving to be productive and sustainable, is more committed to the positive socio-economic transformation of its beneficiaries.

DEC Conference Centre & Guest House (DCG):

The initiative for the DCG was complimented by DEC’s partner EED-Germany with a view to provide decent accommodation for DEC’s teaming women groups when there was need for them to be away from their homes, benefitting from capacity building activities at the Centre. It has since extended its services to persons seeking accommodation and conferencing services and thereby generating income. The DCG with 36 luxurious rooms and 5 conference halls of various capacities provided shelter to over 7,000 guests and hosted 127 events having 4,365 participants. The DCG has thus met its obligation of providing alternative resources reaching a gross of ₦37million for the achievement of organizational goals.



The serene building and environment of the DCG with ample car space, located at Kaduna road, GRA, Bauchi, Bauchi state

The EED Hall, with a seating capacity of 300 persons

Fig.10: DCG pictures

Organizational/Institutional Development:

Goal: Enhanced organizational effectiveness and efficiency for growth and sustainability

| | |
|-------------|--|
| Objective 1 | To improve the leadership and management structures for effective coordination and governance |
| Objective 2 | To significantly increase staff capacity for proper management and enhanced organizational efficiency |
| Objective 3 | To develop/strengthen organizational systems and policies that will enhance efficiency and effectiveness |

Table 3- Organizational/Institutional Development objectives

It comprises of the Internal Control (IC), Finance & Administration, Knowledge Management & Communication (KMC) and Human Resource. The Internal Control responds to mitigate organizational risks and audits finances of the organization, enforcing compliance to especially financial operation policies and adherence to approved budgets. This ensures prudent use of resources and prevention resource misappropriation.

Finance & Administration ensures financial management and liquidity for DEC’s entire operational plan. It ensures responsible financial investments and resource mobilization. All DEC finances are controlled at the Head Office with funding after due process from the programme staff to the Finance Manager (FM), to the Executive Director (ED), all being vetted by the IC. All advances are retired by programme officers upon completion of activities. Staff remuneration is paid into benefitting accounts electronically. In addition, the IC has reduced financial losses by detecting and preventing fraud. It has recovered

The KMC serves the role of information management, organizational learning, growth and visibility. It is responsible for communications, MIS, information technology, monitoring & evaluation and reporting. Organizational information is shared via social media accounts, newsletters, organizational profiles, calendars, reports, jingles and documentaries- DEC is gaining more visibility and attracting partnerships. The MIS has provided a robust monitoring tool that has continued to evolve and adapt to current realities including reduced operational cost.

The Human Resource manages the human capital at DEC by recruiting, appointing and deploying staff as needed through staff audit exercises and staff appraisals. Staff capacity is also of high importance and catered by organizing in-house trainings, identifying external trainings- local, national and international- and assigning staff to attend based on identified need.



Head of KMC making presentation during Loan Review meeting held at Kaduna



Management members during leadership training at Akosombo, Ghana

Fig11: Institutional development activity pictures

CHALLENGES

During the period, DEC has come across numerous challenges that may have in one way or another affected its output and outcome.

- Inflation resulting from unstable rise in foreign exchange rates put pressure on the naira that led to the high cost of implementing activities which has led to the downward review of number of benefitting persons and/or communities.
- Similarly, inflation put pressure on staff as remuneration package was becoming insufficient and unable to meet current market realities.
- Herdsmen conflict with farmers in some communities resulting in unsafe working conditions and undesirable client performance and displacement.
- Inaccessibility of some communities lead to high cost of programme as only 4 wheel drives may be utilized. These vehicles have high maintenance and fuelling cost.
- Poaching of experienced staff by international NGOs leading to loss of skilled personnel.

Through astute management, these challenges were managed in a manner to limit drastic drawbacks on the organization while drawing positives that could be underneath. This has put DEC in good shape to be able to withstand unforeseen circumstances that lie in the future. Dialogue is on-going to address some of the challenges at round table for workable solutions on regular period.

Learning Points

DEC has gained tremendous experience that would prove invaluable assets for its future programming. These may be summarized thus:

- VSLA model promotes gender inclusion. Men in communities do not mind joining women groups or groups who also have female leaders.

- Similar to the VSLA, the men folk desire to join literacy classes for women without any prejudice. They simply want to be included in anything good.
- The project can only thrive well only where community is co-existing peacefully. For example, Andaha community was dropped because of non-peaceful co-existence.
- Proper community mobilization and communication are essential help eliminate trivial barriers to project engagement.

CONCLUSION

The BOT, BOD, and Management of DEC have been very effective and efficient in providing oversight function in the management of resources for accountability and improved performance. The Governance structure has been very proactive and taken strategic decisions based on the evolving environment to remain relevant for efficiency. They have demonstrated commitment and focused on the organisation goal for optimal performance to achieve set targets. Their efforts and unflinching support have yielded positive results which are evident in the positive transformation of the beneficiaries of our services and have lifted the image and credibility of the organisation with more partnership opportunities. The Centre is on course its vision of ***a society with equitable opportunities for sustainable development.***

DEC 2019 AUDITED ACCOUNTS



Chartered Accountants

Samuel Ibrahim Ochimana & Co.
Chartered Accountants
Floor 2, Giwo House
No. 6, Ahmadu Bello Way
P.O. Box 3082
Bauchi, Nigeria

REPORT OF THE AUDITORS TO THE MEMBERS OF DEVELOPMENT EXCHANGE CENTRE FOR THE YEAR ENDED 31 DECEMBER 2019

We have audited the accompanying financial statements of **Development Exchange Centre**, as set out on pages 6 to 35 which comprise the statement of financial position as at 31 December 2019, statement of comprehensive income, statement of changes in equity, statements of cash flows, the statement of value added, for the year then ended and summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act, CAP C20, LFN 2004, and Financial Reporting Council of Nigeria Act, 2011, and for such internal control as the Directors determines are necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of **Development Exchange Centre** as at 31 December 2019, and of its financial performance and cash flows for the year then ended, in the manner required by the Company and Allied Matters Act, CAP C20, LFN 2004 and in accordance with the International Financial Reporting Standards (IFRS) in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011.

The Company has kept proper books of account, which are in agreement with the statement of financial position and statement of comprehensive income as it appears from our examination of their records.

S/I Ochimana, FCA -FRC/2013/ICAN/0000004321

For: Samuel Ibrahim Ochimana & Co
Chartered Accountants
Bauchi, Nigeria.

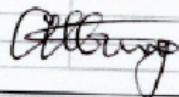


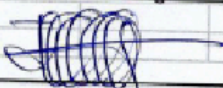
Tel: 08023824848, 08062531010
E-Mail: siochimana1991@yahoo.com, siochimana1991@gamil.com
Partners: Samuel I. Ochimana, Shaka A. Umoru
Offices In: Bauchi, Abuja, Lokoja.

DEVELOPMENT EXCHANGE CENTRE

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2019**

| | NOTE | 2019 N | 2018 N |
|-------------------------------|------|----------------------|----------------------|
| ASSETS | | | |
| Cash and Short term Funds | 2 | 673,081,446 | 357,360,539 |
| Investment | 3 | 497,722,000 | 538,000,000 |
| Loans and Advances | 4 | 3,911,093,626 | 3,342,637,897 |
| Other Assets | 5 | 2,693,252 | 23,260,631 |
| Capital Work in Progress | 6 | 23,060,990 | - |
| Fixed Assets | 6 | 88,944,824 | 104,665,185 |
| Intangible Assets | 6 | 10 | 3,728,393 |
| TOTAL ASSETS | | 5,196,596,148 | 4,369,652,645 |
| LIABILITIES | | | |
| Members' Savings & Deposits | 7 | 2,667,204,286 | 2,269,659,160 |
| Creditors & Accruals | 8 | 44,638 | 1,223,600 |
| Long Term Loans | 9 | 64,000,000 | 64,000,000 |
| TOTAL LIABILITIES | | 2,731,248,924 | 2,334,882,760 |
| EQUITY | | | |
| Accumulated Funds | 10 | 2,465,347,224 | 2,034,769,885 |
| TOTAL EQUITY AND LOANS | | 5,196,596,148 | 4,369,652,645 |





DIRECTORS

The Accounting policies on pages 9-22 and notes on pages 23 to 30 form an integral part of these Financial Statements



| DEVELOPMENT EXCHANGE CENTRE (DEC) | | | | |
|---|-------------|----------------------|----------------------|--|
| INCOME AND EXPENDITURE | | | | |
| FOR THE YEAR ENDED 31 DEC. 2019 | | | | |
| INCOME | NOTE | 2019 | 2018 | |
| | | N | N | |
| Interest income | 13 | 1,419,609,044 | 1,260,809,292 | |
| Interest Expenses | 15 | (87,026,963) | (60,492,562) | |
| | | <u>1,332,582,081</u> | <u>1,200,316,730</u> | |
| Other Income | 14 | 111,094,723 | 54,929,942 | |
| | | <u>1,443,676,804</u> | <u>1,255,246,672</u> | |
| General & Administrative Expenses | 16 | (1,468,436,294) | (1,391,208,996) | |
| Impairment Charge for Credit loss | 17 | (10,507,280) | 9,557,329 | |
| Depreciation | 18 | (26,470,945) | (35,001,488) | |
| SURPLUS/(DEFICIT) FOR THE YEAR BEFORE OPERATING GRANTS | | <u>(61,737,715)</u> | <u>(161,406,483)</u> | |
| ADD: OPERATING GRANTS | | | | |
| DEC Contribution to Bfdw Project Activity | 11 | 20,500,000 | - | |
| Operating Grants from other Financiers | 12 | 433,532,291 | 459,615,912 | |
| | | <u>392,294,576</u> | <u>298,209,429</u> | |
| SURPLUS/(DEFICIT) FOR THE YEAR AFTER OPERATING GRANTS | | | | |



DEVELOPMENT EXCHANGE CENTRE (DEC)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DEC. 2019**

| | <u>2019</u> N | <u>2018</u> N |
|--|------------------------|------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Interest Income, Fees, & other Receipts | 1,530,703,767 | 1,315,739,234 |
| Adjustment for: | | |
| Other Overhead Charges & Expenses | <u>(1,555,463,257)</u> | <u>(1,451,701,558)</u> |
| | (24,759,490) | (135,962,324) |
| WORKING CAPITAL CHANGES | | |
| (Increase)/ Decrease in clients loan | (578,963,009) | (431,752,743) |
| (Increase)/ Decrease in Debtors & Prepayments | 20,567,378 | (21,412,642) |
| (Increase)/ Decrease in Investments | 40,278,000 | (513,170,000) |
| (Increase)/ Decrease in members saving deposit | 397,545,126 | 357,283,417 |
| (Increase)/ Decrease in creditors & accruals | (1,178,962) | 698,600 |
| (Increase)/ Decrease in Loans | - | - |
| Cash Generated from operation | <u>(146,510,957)</u> | <u>(744,315,692)</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed assets | (7,022,200) | (3,171,170) |
| Acquisition of Capital Work in Progress | <u>(23,060,990)</u> | <u>-</u> |
| | (176,594,147) | (747,486,862) |
| Cash flow from financing activities | | |
| Grants received from donors | 454,032,291 | 459,615,912 |
| Transfer from microfinance 1% Risk Premium | <u>38,282,763</u> | <u>59,188,134</u> |
| Net Increase/ Decrease in Cash & Cash Equivalent | 315,720,907 | (228,882,816) |
| Cash & Cash Equivalent at the beginning of the year | <u>357,360,539</u> | <u>586,043,355</u> |
| Cash & Cash Equivalent at the end of the year | <u>673,081,446</u> | <u>357,360,539</u> |
| Represented By: Cash & Short Term Fund | <u>673,081,446</u> | <u>357,360,539</u> |

