



# **HORN OF AFRICA DEVELOPMENT INITIATIVE (HODI)**

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**ANNUAL REPORT AND FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
31ST DECEMBER 2023**

## 1 Qusanno

**Key results**

- Capacity of 12 qusanno village group leaders was enhanced to manage groups affairs through training on group dynamics. Group leaders from Qusanno had an opportunity to interact with the social service department to learn more about legal requirements.
- Qusanno groups have successfully completed filing their annual tax returns for 2022 as required by regulations.
- Qusanno village groups filed quarterly progress reports with the regulator.
- Total of Ksh 520,200 contributed.
- Ksh 680,000 has been granted to 3 village groups.

Total number of direct beneficiaries/ primary actors

**Total = 105**

Female = 100

Male = 5

PWD = 0

Total number of indirect beneficiaries/ secondary actors

**Total=630**

Female = 600

Male = 30

PWD = 0



## Key activities

- Monthly meetings, monthly savings, loan repayments and new loans.



- Updating monthly saving data in the Qusanno app. Monthly savings and loan repayment in branded books for 4 qusanno villages.



- KRA returns filing for 4 qusanno villages, progress reports with the social service department office and yearly certificate renewal.



## 2. Integrating peacebuilding, development and humanitarian efforts across the Kenya Ethiopia cross border.

### Key results

- 121 youth have been equipped with knowledge on social inclusion, conflict resolution, safeguarding and leadership. 14 youth chairs from 13 youth groups have started monthly dialogue and discuss the challenges they are facing.



- DRR committees in 11 locations have been established and trained as DRR committees on Drought management cycle, early warning and early response and developed 11 action plans. 11 DRR action plans have been developed.



Total number of direct beneficiaries/ primary actors

**Total = 1,874**

Female = 693

Male = 1051

PWD = 39

Total number of indirect beneficiaries/ secondary actors

**Total = 11,244**

Female = 4,158

Male = 6,300

PWD = 234

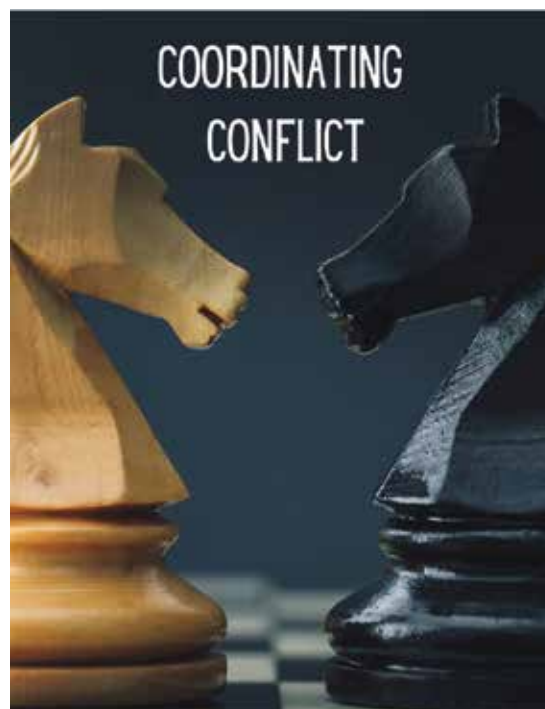
- 5 cross border peace meetings supported with other stakeholders in partnership with both national and county governments.



- 21 community volunteers have been onboarded and trained on HODI policy and procedure, vulnerability and risk assessment, DRR committee training, youth training, report writing, baseline survey for households and being the link between the organization and the communities.



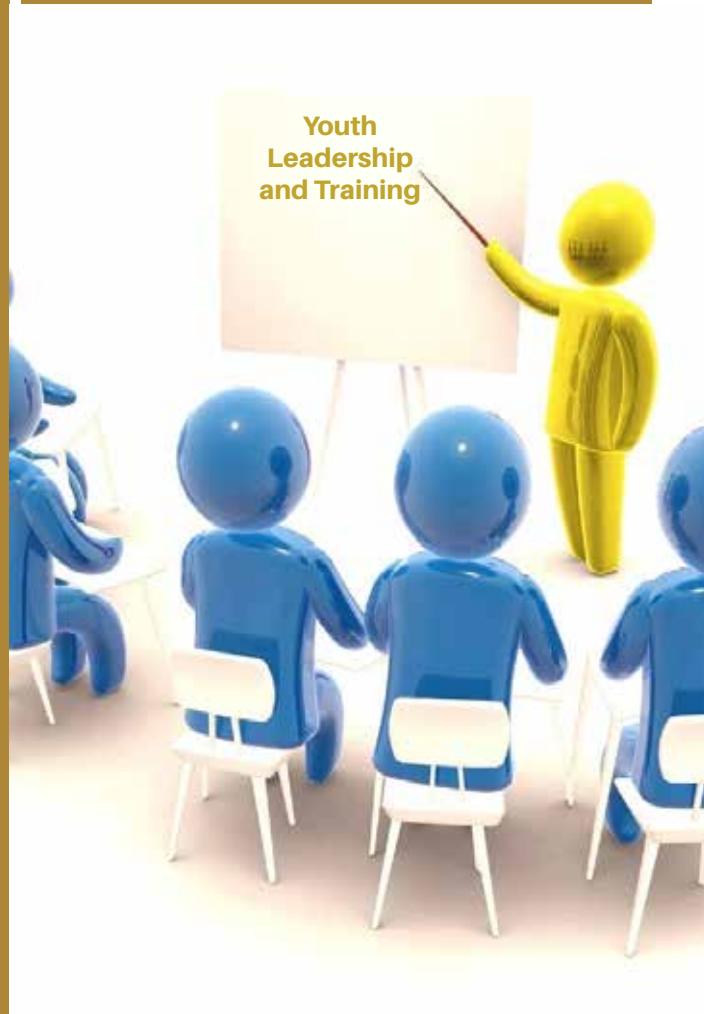
- Supported the drafting of the Marsabit County peacebuilding and conflict resolution bill.



## Key activities

- Establishment of DRR committees (132 members) in 11 location of Moyale and Sololo subcounty.

- Youth mapping and training conducted for 4 locations with 121 representatives of 53 youth groups and 13 youth champions.



- 11 locations have been trained on vulnerability and risk assessment and have developed 11 action plans.

- 11 local peace committees (165 members) from 2 sub counties have been established through IPDHE2022/24.



### 3 Mala Marii: Empowering the communities of Butiye and Sololo wards to become resilient in a changing environment.

#### Key results

- 8 HODI(5F and 2M) Staff Increased capacity to present Malamarii project to stakeholders,duty bearers,and community members and community leaders and planned well for implementation of project activities.



- 40 community members from two villages of Malamarii;Butiye and Teso, have been equipped with knowledge on CMDRR approach and developed 2 community action plans to reduce vulnerability in 2 communities.



- 10 community facilitators have been identified,selected and equipped with knowledge on CMDRR approach and dialogue session facilitation skills to Facilitate monthly dialogue sessions for 3 villages.



Total number of direct beneficiaries/ primary actors)

**Total = 356**

Female = 142

Male = 214

PWD = 5

Total number of indirect beneficiaries/ primary actors)

**Total = 2,136**

Female = 852

Male = 1,284

PWD = 30

## Key activities

- Project inception activities: Start up workshop attended by 8 HODI(5F and 2M). Stakeholders, Duty bearers and community members events. Attended by 19 (7F and 12M). Community entry meetings attended by 188; 71F and 117M.
- Identify, develop and distribute materials tackling community successes and resilience in tackling climate change related issues; Training of community facilitators On CMDRR approaches attended by 10M and 6F.
- Facilitation of CMDRR approach for 2 villages of MalaMarii village attended by 40 community members; 24M and 16F
- Monthly dialogue meetings for 3 villages 75=35F,41M.
- Quarterly review meeting.





## 4. Shoot to score.

### Key Results

- 20 balls and 80 cones were distributed to 4 schools where 800 participants participated and also as a result, football hours and league matches were smoothly implemented.



- 8 new coaches trained on life skills, child safeguarding, organization policies and procedures, league and match preparation, event delivery and as a result, coaches implemented the child safeguarding, enhanced coaching competence and also adherence to policies and procedures.



- 414 girls and boys registered and played in 66 matches in the school league, thereby exercising their rights to play and learn. 8 coaches supported their participation. These have provided a platform where participants from different ethnicities can interact, play and exchange culture, ultimately leading to formation of strong bonds.



Total number of direct beneficiaries/ primary actors

**Total = 916**

Female = 456

Male = 460

PWD = 10

Total number of indirect beneficiaries/ Secondary actors

**Total = 500**

Female = 150

Male = 350

PWD = 20

– 800 participants played, learnt life skills and had a safe space through the football hour in schools where they learnt life skills on peace-building and gender equality and through these the participants were able to embrace gender equality and peaceful coexistence.



– Training of the coaches: 8 coaches were selected and trained.

– Marsabit school league: A total of 66 inter school league matches were conducted and 4 schools participated actively.

– Football hours: life skills and football drills for 800 participants in 4 schools in 2023.

– Distribution of balls and other equipment.



## 5. Educating Girls in Kenya. (EGK)

### Key activities

- 625 pads and 468 undergarments were distributed to 280 vulnerable girls in four primary schools and 68 pcs of pads were left with schools for emergencies.



- Delivery of life skills sessions to all 280 girls. They were educated on hygiene and menstruation.



Total number of direct beneficiaries/ primary actors)

**Total = 280**

Female = 280

Male = 0

PWD = 0

Total number of indirect beneficiaries/ primary actors)

**Total = 68**

Female = 68

Male = 0

PWD = 0

## Key results

- Distribution of essential hygiene products to 280 vulnerable girls enrolled in primary schools. The girls were issued with 30 Boxes of disposable pads and 39 dozen undergarments to support them during their monthly menstrual cycles and reduce the number of girls who are absent from schools due to lack of sanitary hygiene materials.



- Educated 280 primary school girls on the importance of menstrual hygiene, how to use the essential hygiene products during menstrual flow and being comfortable talking about menstruation



Total direct beneficiaries/ primary actors

**3,531**

Total indirect beneficiaries/ secondary actors

**14,578**

Total number of people impacted in 2023

**18,109**

**DONATE**

Your generous gift will help a small community achieve sustainability. Give them the chance to get back on their feet and begin a new chapter in life.

Give Today

<https://www.hodiafrica.org/get-involved/donate/>



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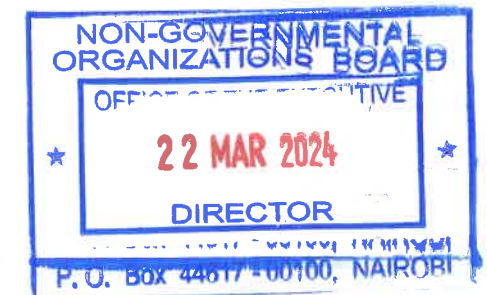
We offer industry-specialized services and assist our clients in achieving financial reporting requirements, compliance with tax laws and insightful financial and strategic advice to achieve organizational goals.

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## Glossary of Terms

<b>CPA</b>	- Certified Public Accountants
<b>FIFA</b>	- Federation Internationale de Football Association
<b>HODI</b>	- Horn of Africa Development Initiative
<b>IESBA</b>	- The International Ethics Standards Board for Accountants
<b>ICPAK</b>	- Institute of Certified Public Accountants of Kenya
<b>IFRS</b>	- International Financial Reporting Standards
<b>ISA</b>	- International Standards on Auditing
<b>NBV</b>	- Net Book Value
<b>NGO</b>	- Non Governmental Organisation
<b>NSSF</b>	- National Social Security Fund
<b>PAYE</b>	- Pay As You Earn
<b>SACCO</b>	- Savings And Credit Cooperative Organisation
<b>SASRA</b>	- SACCO Societies Regulatory Authority
<b>VSO</b>	- Voluntary Service Overseas



## Report of the Directors

The Directors submit their report together with the Audited financial statements for the period ended 31st December 2023, which disclose the state of affairs of the Non-Governmental Organisation (NGO).

### 1. Incorporation

The organisation is domiciled in Kenya as a Non-Governmental Organisation registered with the Non-Governmental Organizations Co-ordination Board with its operations in Marsabit County.

### 2. Principal Activities

HODI's mission is to champion justice and development in the Horn of Africa. To achieve this mission, HODI has five main programs each geared towards a specific thematic area.

#### Football for Social Change and Evidence Advocacy

HODI utilizes football's influence on the social fabric to engage a wider audience for youth and community transformation. HODI emphasizes the importance of listening to children's voices to mitigate their vulnerabilities and underscores peaceful coexistence for sustainable development.

#### Quality Education for Life

HODI promotes education by increasing enrollment, attendance, and completion rates, especially among girls and vulnerable groups, fostering a culture of valuing education among young people.

#### Peace Building and Conflict Resolution

HODI promotes reconciliation and peaceful coexistence. The peace advocacy is done through attitude, mindset change, conflict resolution, and peace-building.

#### Environmental Stewardship for Sustainable Livelihoods

HODI supports communities through enhanced cohesion and resilience-building against climate change effects, focusing on improving livelihoods as a pathway to climate change resilience and sustainable environmental stewardship.

#### Organizational Development and Institutional Strengthening

HODI aims to strengthen grassroots cohesion and facilitate learning through organizational development initiatives, and collaboration with community groups and schools whose membership comprises people from diverse backgrounds.

### 3. Result for the year

The results for the year are set out on pages 13 to 16.

### 4. Board Members

The members of the board who held office during the year and to the date of this report are set out on page 5.

### 5. Auditor

FH Consulting LLP were appointed during the year as the organisation's Auditors in accordance with the Kenyan Non-Governmental Organisation's Act. The Directors monitor the effectiveness, objectivity and independence of the auditor. The Directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees.

By order of the Board

March 22, 2024

Chairman



## Statement of Executive Committee responsibilities

The Kenyan Non-Governmental Organisation's Act requires the NGO to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the NGO as at the end of the financial year and of its income and expenditure statement. It also requires the Executive Committee to ensure that the NGO keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the NGO.

The Executive Committee are also responsible for safeguarding the assets of the NGO. The Board members accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

1. Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements.
2. Selecting and applying appropriate accounting policies; and
3. Making accounting estimates and judgements that are reasonable in the circumstances.

The Executive Committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the NGO as at 31st December 2023 and of its results and cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Nothing has come to the attention of the Directors to indicate that the NGO will not remain a going concern for at least twelve months from the date of this statement.

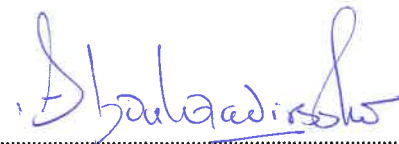
Approved by the Executive Committee and signed on its behalf by:



Chairman

March 22<sup>nd</sup> 2024

Date



Secretary

March 22, 2024.

Date

## Independent Auditor's Report to the members of Horn of Africa Development Initiative (HODI)

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audit tax advisory

### Report on the financial statements.

#### Opinion

We have audited the organisation financial statements of Horn of Africa Development Initiative set out on pages 13 to 27 which comprise the statement of comprehensive income, statement of financial position as at 31st December 2023, the statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. In our opinion the organisation financial statements give a true and fair view of the state of financial affairs of the NGO as at 31st December 2023 and of its financial performance and cash flows for the year then ended in accordance with the IFRS.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Centre in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with these requirements. The IESBA Code is consistent with the International Ethics Standards Board for Accountants' Board of Ethics for Professional Accountants (parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of the Management and Those Charged with Governance for the Financial Statements.

The Executive Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal controls as the Management determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the NGO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the organisation or to cease operations, or have no realistic alternative



Auditor's responsibilities for the audit of the Financial Statements  
(Continued)

significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal Requirements as required by the Kenya  
NGO's Act**

- We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion proper books of account have been kept by the organisation, so far as appears from our examination of those books; and
- The organisation's balance sheet and statement of comprehensive income respectively in this report are in agreement with the books of account.

The engagement partner responsible for the audit resulting in this independent auditor's report is CPA Fridah Nkirote -P/No.2223



22 March 2024

For and on behalf of  
FH Consulting LLP  
Certified Public accountants  
Nairobi, Kenya

FH CONSULTING LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
P. O. Box 64587 -00620,  
NAIROBI

**STATEMENT OF COMPREHENSIVE INCOME**

		2023	2022
	Note	Kshs	Kshs
<b>Income</b>			
Grants Income	7(a)	23,095,038	9,599,331
Other Income	7(b)	587,514	866,537
<b>Gross Income</b>		<b>23,682,552</b>	<b>10,465,869</b>
<b>Expenditure</b>			
Project costs	8	15,565,131	4,629,058
Administrative costs	9	2,997,915	2,131,568
Employment costs	10	5,687,208	2,975,669
Bank Charges		161,684	101,835
<b>Total Expenditure</b>		<b>24,411,939</b>	<b>9,838,130</b>
<b>(Deficit)/Surplus for the year</b>		<b>(729,387)</b>	<b>627,738</b>

## (I) Financial assets

The organisation's financial assets include cash and cash equivalents, trade and other receivables and investment securities fall into the following categories:

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss for assets carried at amortised cost is calculated at the difference.

# NOTES TO THE FINANCIAL STATEMENTS

## Note 7(a): Grant Income

	<b>2023</b>	<b>2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Grant Income</b>		
Austrian Development Agency/ VSO Kenya	16,748,388	3,968,442
FIFA Foundation	4,136,017	-
ForumCiv	1,941,200	-
GlobalGiving	269,433	3,860,880
Concern Worldwide	-	1,770,009
	<b>23,095,038</b>	<b>9,599,331</b>

## Note 7(b): Other Income

<b>Other Income</b>		
Miscellaneous Income	542,450	439,060
Gain on Asset Disposal	23,049	
Online Donations	22,015	99,750
Donations In Kind	-	327,727
	<b>587,514</b>	<b>866,537</b>

<b>Gross Income</b>	<b>23,682,552</b>	<b>10,465,869</b>
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## Note 8: Project Expenses

	<b>2023</b>	<b>2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Project Expenses</b>		
Workshops	4,168,740	37,500
Volunteer Expenses	1,787,682	60,000
Motor Vehicle Fuel & Maintenance	1,754,304	294,264
Participants Transport Reimbursement	1,569,200	27,000
Visibility Costs	1,547,484	291,790
Materials & Equipments	1,107,316	1,507,695
Sub-grants to partners	650,000	-
Events	608,137	-
Monitoring, Evaluation & Learning	496,251	11,500
Project Initiation Costs	410,200	19,200
Communication Costs	306,269	139,303
Subscriptions	297,079	119,752
Repairs & Maintenance	289,411	98,390
Project Reporting Costs	154,200	77,666
Local Travel	125,750	334,409
Motor Vehicle Hire	87,369	9,200
Staff Development	83,840	56,460
Project Audit & Related Costs	50,000	185,420
Education, Medical Bills, Food & Others	46,900	62,281
Recruitment	5,000	-
Beneficiaries Cash Transfers	-	685,000
Sports Bra Project	-	327,727
Scholarships	-	284,500
	<b>15,545,131</b>	<b>4,629,058</b>

## Note 9: Administrative Expenses

	<b>2023</b>	<b>2022</b>
	<b>Kshs</b>	<b>Kshs</b>
<b>Administrative Expenses</b>		
Office Rent	898,000	780,000
Stationery & Printing	456,217	44,364
Depreciation Charge	328,780	509,905
Security Costs	369,000	-
Institutional Audit Cost	240,000	190,000
Office Consumables	218,235	51,285
Motor Vehicle Insurance	176,362	203,820
Utilities Costs	113,160	42,094
Professional & Management Fees	101,625	159,563
Subscriptions	37,584	2,800
Fundraising Expenses	25,000	20,000
Fines & Penalties	15,947	-
Motor Vehicle Fuel & Maintenance	11,306	52,148
Repairs & Maintenance	10,500	30,100
Postage & Courier	8,300	7,950
Management Events	3,700	-
Annual NGO Board Filing	2,000	2,000
Local Travel	1,800	33,239
Motor Vehicle Hire	400	-
Communication Costs	-	2,300
	<b>3,017,915</b>	<b>2,131,568</b>



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