



# ANNUAL **FINANCIAL & SUSTAINABILITY** REPORT 2024



HAND IN HAND  
EASTERN AFRICA



“  
Inspiring **Hope,**  
**Dignity** and  
**Choice**”

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# Abbreviations

| Abbreviation |   | Full Meaning                                                                                |
|--------------|---|---------------------------------------------------------------------------------------------|
| HiH-EA       | — | Hand in Hand Eastern Africa                                                                 |
| NGO          | — | Non-Governmental Organization                                                               |
| SDG          | — | Sustainable Development Goals                                                               |
| ESG          | — | Environmental, Social, and Governance                                                       |
| GRI          | — | Global Reporting Initiative                                                                 |
| CSA          | — | Climate-Smart Agriculture                                                                   |
| PET          | — | Polyethylene Terephthalate (plastic)                                                        |
| HDPE         | — | High-Density Polyethylene                                                                   |
| MRF          | — | Material Recovery Facility                                                                  |
| CBO          | — | Community-Based Organization                                                                |
| KEBS         | — | Kenya Bureau of Standards                                                                   |
| KIRDI        | — | Kenya Industrial Research and Development Institute                                         |
| KALRO        | — | Kenya Agricultural and Livestock Research Organization                                      |
| NITA         | — | National Industrial Training Authority                                                      |
| WEF          | — | Women Enterprise Fund                                                                       |
| MSEA         | — | Micro and Small Enterprises Authority                                                       |
| FGM          | — | Female Genital Mutilation                                                                   |
| GALS         | — | Gender Action Learning System                                                               |
| ICPAK        | — | Institute of Certified Public Accountants of Kenya                                          |
| IHRM         | — | Institute of Human Resource Management                                                      |
| PMP          | — | Project Management Professional                                                             |
| FKE          | — | Federation of Kenya Employers                                                               |
| EIF          | — | Enterprise Incubation Fund                                                                  |
| AMFI         | — | Association for Microfinance Institutions                                                   |
| KIVA         | — | Kiva Microfinance Platform                                                                  |
| OTP          | — | One-Time Password                                                                           |
| SLAs         | — | Service Level Agreements                                                                    |
| MoUs         | — | Memoranda of Understanding                                                                  |
| FiRe Awards  | — | Financial Reporting Awards                                                                  |
| BoP          | — | Base of the Pyramid                                                                         |
| BHVC         | — | Baringo Honey Value Chain                                                                   |
| PFF          | — | Planet Friendly Farming                                                                     |
| DEIDS CDS II | — | Developing Entrepreneurship through Digital Skills – Community Development Support Phase II |
| EPKCE        | — | Evidence-Based Policy for Advancing the Care Economy in Kenya                               |
| UN Women     | — | United Nations Entity for Gender Equality and the Empowerment of Women                      |

# 1

## ABOUT US

Hand in Hand Eastern Africa (HIH EA) is registered in Kenya as a Public Benefits Organization (PBO) with a mandate to operate within the Eastern Africa region. It is a member of the Hand in Hand Global Network that comprises affiliated organizations that mutually pursue the shared goal of poverty alleviation by supporting poorer communities to create sustainable enterprises and jobs. The organization strives to work with the marginalized communities in the areas of economic and social empowerment using a participatory approach aimed at helping people fight poverty and vulnerability. The organization has operations in **40 out** of the **47 counties** in Kenya. Since its inception in 2010, the organization has reached

and supported over **420,720** beneficiaries **80%** being women, **20%** men and **40% youth**. The beneficiaries have been facilitated to create and enhance **396,226 enterprises**, which has led to the creation of **534,140 jobs**. The organization's goal towards poverty alleviation through enterprise development is complemented by efforts in thematic areas that increase resilience to climate change, promote advocacy to human rights, enhance gender mainstreaming, regenerative agriculture and circular economy. The organization is committed to achieving the aspirations of its 2023 -2027 strategic plan which has a mission and vision to;



### OUR VISION

An empowered and resilient society with sustainable enterprises and jobs.



### MISSION

To facilitate communities out of poverty through training and enterprise development.



### CORE VALUES

- Respect for all
- Community focus
- Innovativeness
- Professionalism
- Teamwork
- Integrity

# Introduction

## Inspiring Hope, Dignity and Choice

The 2024 Annual and Sustainability Report for Hand in Hand Eastern Africa (HiH-EA) reflects a year of resilience, innovation, and transformative impact across Kenya's entrepreneurial landscape. As we continue to pursue our mission of facilitating communities out of poverty through training and enterprise development, this report offers a comprehensive account of our progress, challenges, and strategic pivots in a dynamic socio-economic and environmental context.

In 2024, HiH-EA deepened its footprint, operating in 40 out of Kenya's 47 counties and supporting over 320,000 entrepreneurs—most of whom are women. Through bold partnerships, including a landmark collaboration with the Swedish government, we expanded our work in the waste value chain and scaled climate-smart agriculture, digital inclusion, and financial access initiatives. Despite climate shocks and economic disruptions, our commitment to quality implementation and adaptive programming remained unwavering, earning us the prestigious FiRe Award for excellence in financial reporting and governance.

This report provides a detailed overview of our financial performance, sustainability efforts, and social impact. It includes:

- » A breakdown of our financial statements and key performance indicators
- » Our approach to environmental sustainability, including climate resilience, waste management, and natural resource conservation

- » Enterprise development and job creation metrics, with a focus on green jobs and inclusive growth
- » Digital transformation and innovation strategies that enhanced operational efficiency and outreach
- » Governance, ethical business practices, and stakeholder engagement frameworks
- » Our organizational footprint, including branch network, partnerships, and community outreach
- » Visual highlights and case studies showcasing real stories of transformation

As we reflect on the milestones of 2024, this report also sets the stage for our forward-looking agenda—scaling systemic change, empowering women and youth, and building climate-resilient communities through sustainable enterprise. We invite our stakeholders, partners, and communities to journey with us through these pages and witness the power of entrepreneurship in driving inclusive development.

## → Our Approach and Values

The process kicks off with mobilizing marginalized community members to form Self Help Groups. These groups are strengthened through registration with relevant authorities and receive training on group leadership, governance and groups dynamics. This comprehensive support helps Self Help Groups navigate the stages of growth and develop the resilience to withstand the challenges that led to immature group collapse.

The Self Help Groups serve as savings groups where the concept of savings is introduced with the aim of promote self-reliance, trust and cohesion

within the group. The concept of merry go round and table banking is implemented with a goal to bring financial services close to the poor who face systemic barriers to formal financial services. The table banking system not only fosters a culture of savings but also facilitates access to credit, crucially enhancing financial inclusion particularly for rural women who are often side lined by traditional banking systems.

Besides serving as savings Groups, Self Help Groups acts as learning clubs for enterprise development training where members are taken through enterprise development including business plan development, marketing strategy development, record keeping and pricing of goods and services.

## TRANSFORMATIONAL GOAL

To amplify enterprise development impact by doubling the reach on the number of people in East Africa, and enhance their resilience and increase their profitability from \$2 to \$8 per day.



# 650,000

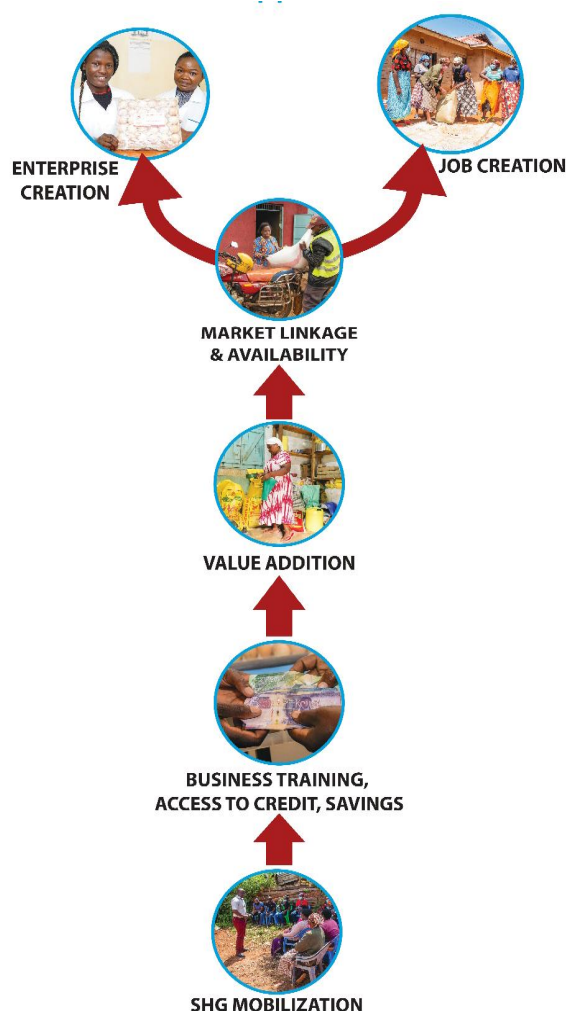
Enterprise development  
of unemployed people  
in EA



# 30%

Enterprise Acceleration

## Transformational Pathway at Bottom of Pyramid



# 2

## Message from our Leadership

Hand in Hand East Africa Board of Trustees unites experts from the worlds of finance, industry, law, climate change and international development – all working for a common cause.



# Message from the Board Chair

**“Our commitment to transparency and strong reporting remains essential as we navigate sector challenges that lie ahead.”**

This has been a highly eventful year for Hand in Hand Eastern Africa. Following the launch of our ambitious strategic plan last year, the organisation has continued to expand its reach. We currently work in 40 out of 47 counties across Kenya, and since inception, we have supported over 320,000 entrepreneurs. The majority of these entrepreneurs are women who - given the right resources and support - are now able to invest in their families and communities.

In 2024, Hand in Hand Eastern Africa achieved many milestones. We signed a bold new partnership with Swedish government which will allow us deepen our work in the waste value chain. We ramped up testing of a new, more commercial approach to supporting business acceleration in and around Nairobi, and we have invested in our internal systems and people.

While the year had many successes, there were also headwinds, with grassroots entrepreneurs facing climate shocks and business disruption throughout the year. Hand in Hand, Eastern Africa continues to innovate and pivot in the face of these challenges, testing new approaches to climate programming and growing our focus on resilience so that communities and entrepreneurs are well supported when shocks occur.

In challenging times, quality implementation is especially important, and with this in mind, an achievement I am particularly pleased to highlight is Hand in Hand Eastern Africa winning the non-profit category at the prestigious Financial Reporting (FiRE) Awards in December. These awards highlight organisations with excellence in financial reporting,

corporate governance, and transparency. The 2024 FiRE awards marked the inaugural inclusion of a non-profits category, and we are incredibly proud to have been selected. Our commitment to transparency and strong reporting remains essential as we navigate sector challenges that lie ahead. I have no doubt that Hand in Hand Eastern Africa is well prepared for these challenges, and that we will continue to deliver so to achieve our vision of an empowered society generating sustainable enterprises and jobs.

“

***An achievement I am particularly pleased to highlight is Hand in Hand Eastern Africa winning the non-profit category at the prestigious Financial Reporting (FiRE) Awards in December.***



**Amalia Johnson Hodgson**

Board Chair Person

# Message from the Chief Executive Officer

**“During the year, we enhanced our curriculums and delivery to include more coverage of digital access, and expanding financial inclusion to rope in business risks and collective investments.”**

We are glad to share highlights of our organization’s performance in 2024. At both a global and national level, entrepreneurs around the world faced the effects of geopolitics, trade and disrupted supply chains. In Kenya, drought, flooding, fiscal policy related protests and high cost of inputs featured in the watch items for businesses. In all this, we saw opportunity and still on-boarded 15,900 additional members for the BoP or foundational facilitation in enterprise creation. We supported 6200 enterprises to accelerate and 126 cooperatives and community based organizations to access much needed knowledge, skills, funds and technology, based on their contextualized needs.

During the year, we enhanced our curriculums and delivery to include more coverage of digital access, and expanding financial inclusion to rope in business risks and collective investments. Our projects met majority of their outcomes targets. Yet, we experienced less than expected success in enterprise formation and job creation results, drawing lessons and building on our monitoring accountability and learning capacity. Our commitment to create track value in the economic, social and environment dimensions continued to inspire funders and partners.

We appreciate and continue relationships building with financial service providers, technical experts, technology transferors, researchers and the scores of other development partners that align with our goal to fight poverty.

Great thanks to our funders, partners, the Hand in Hand Global network members who came through with critical resource and support, as well as our dedicated staff who reached and engaged the

amazing programme members who affirmed our efforts with positive change in enterprise survival, incomes, financial resilience and participation in decision making.

I particularly appreciate the Board’s commitment and guidance. We recognize Dorothea Arndt who exited after a long and dedicated tenure, and welcome Nicholas Lynch-Staunton board and was replaced her in the Board.

We welcome the days ahead with optimism that the impact of our efforts together shall inspire many who see entrepreneurship and empowerment as a great contributor to the fight against poverty.



***We supported 6200 enterprises to accelerate and 126 cooperatives and community based organizations to access much needed knowledge, skills, funds and technology***



**Albert**

Chief Executive Officer

# Board of Directors



**Amalia Johnson Hodgson**

Board Chairperson – HIH EA (K)

Amalia is the Chief Executive Officer at HIH International (UK) and has worked in international development for more than 13 years, specializing in financial inclusion and supporting rural livelihoods. Prior to joining Hand in Hand, she was Head of Financial Sector Development at Nathan Associates, overseeing the organization's portfolio of financial sector focused work. Amalia has worked with and advised a range of institutional and corporate donors, including DFID, SIDA, FSDA, Access to Finance Rwanda, MasterCard Foundation, International UK, and spent several years at the OECD and in the UK financial industry. She has a Masters in International Affairs from Columbia University and a Bachelor degree in Economics from the University of Cambridge.



**Prof. Catherine Ndungo**

Secretary – HIH EA (K) Board

## **Chair – Human Resources & Nomination Committee**

Prof Catherine Ndungo is an Associate Professor in the Department of Kiswahili at Kenyatta University. She holds a PhD in African Oral Literature.

She also holds a Masters degree in Linguistics and African Languages. Prof Catherine Ndungo was formally the Associate Dean, School of Humanities and Social Sciences. Previously she was the Director, Institute of African Studies. She was the founder Chairperson of the Department of Gender and Development Studies.

She has published widely in her area of Scholarship. She is also a member of many professional bodies such as Association of African Women for Research and Development, Organization for Social Science Research for Eastern Africa among others. She sits in several boards and is also the Chairperson of British Institute of East Africa.

## Board of Directors



**Nicholas Lynch Staunton**

Treasurer – HIH EA (K)

Nick Lynch Staunton is a highly motivated international development professional with extensive in-country experience in humanitarian and community development work across diverse developing contexts. Currently serving as Head of Programmes at Hand in Hand International, he brings a detail-oriented, analytical, and impact-focused approach to project design and implementation. Nick has a proven track record in securing multi-year grants and delivering results-driven reporting to institutional donors. His previous roles with CAFOD and SEED Madagascar further reflect his deep commitment to inclusive development and strategic programme leadership.



**Abraham Barno**

Member

### Governance & Programs Board Committee

Abraham Barno has an education background with a MSc in Agriculture Economics from Benguet State University- Republic of Philippines and BSc in Agriculture from the University of Nairobi. He worked in the Ministry of Agriculture and Irrigation as Project Coordinator Small Scale Irrigation and Value Addition. He is also an alternate Director in a Government parastatal. Previous responsibilities include working as an Agriculture Attaché at the Kenya High Commission in London. He previously worked extensively as the Head of Agriculture extension services in the former Western and Rift Valley provinces in Kenya.



**Janet Maro Wostry**

Member – HIH EA (K) Board

Janet Maro is a graduate of Sokoine University of Agriculture (SUA) in Tanzania. She holds a BSc. In Agricultural Economics and Agribusiness as well as a MSc. Project Management.

Janet has a strong passion for sustainable agriculture and rural micro financing, and this crystallized out during her work at Bustani ya Tushikamane (ByT) where she works with farmers on agro ecological farming, group saving and lending.

Janet is a co-founder and Chief Executive Officer (CEO) of Sustainable Agriculture Tanzania (SAT), a national organization in Tanzania. SAT's vision is to reduce the social and environmental problems and as well to provide sustainable food for the fast-growing global population. She was appointed to the Hand in Hand Eastern Africa Board in 2015 and has supported in the establishment of the Hand in Hand Eastern Africa -Tanzania (HiH EA -TZ). Janet is also a Board member of the Tanzania Organic Agriculture Movement (TOAM).


**Edwin Njamura**

Member - HIH EA (K) Board

### Member – Finance, ICT, Audit & Risk Board Committee

Edwin Njamura joined the Capital Markets Authority in July 2012 as Director, Corporate Services. With tremendous support of CMA colleagues and the Board through its various organs, he has been instrumental in the development of the institutional capacity of the Authority by leading transformational programs and maintaining high standards around Accounting & Finance, Human Capital & Administration, Information Technology, and Procurement operations. That is besides involvement in other CMA initiatives and activities including activation of the Code of Corporate Governance for Issuers of Securities to the Public.

Edwin sits on the Council of ICIFA – Kenya’s Institute of Certified Investment and Financial Analysts and is a pioneering committee member of the AIRC – Africa Integrated Reporting Council. He is also a member of the Institute of Certified Public Accountants of Kenya.


**Felisters Gitau Mutugu**

Member – HIH EA (K) Board

### Member – HR & Nominations; Social Enterprise Board Committee

Felisters is the Chief Executive Officer - Farmers’ Choice

She provides strategic advice to the Board and prepares & implement comprehensive business plans. Also plans cost effective operations & market development activities. Other highlights:

Verified Finance stewardship through planning and oversight of expenditure with budgets exceeding \$130M annually.

- A knack for Regional Business with 12+ years’ experience in domestic and export markets across Sub-Saharan, Asia and Middles East region.
- Track-record of growing topline performance over 40% year on year by guiding business
- development initiatives to originate multi-million business case development.
- People leader; managed and mentored over 500 staff across the ladder.

## 3

# 2024 Annual Financial Report Overview

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024



# Organisation Information

## BOARD OF DIRECTORS

|                         |             |
|-------------------------|-------------|
| Amalia Johnsson Hodgson | Chairperson |
| Nicholas Lynch Staunton | Treasurer   |
| Catherine Ndungo        | Secretary   |
| Abraham Barno           | Member      |
| Janet Maro              | Member      |
| Edwin Njamura           | Member      |
| Felister Gitau          | Member      |

## REGISTERED OFFICE

Hand in Hand Eastern Africa  
Lower Duplex Apartments  
Upper Hill Road  
P.O. Box 8562,00100  
Nairobi, Kenya

## INDEPENDENT AUDITOR

Ernst & Young LLP  
Kenya Re Towers  
Upper Hill  
Off Ragati Road  
P.O. Box 44286 - 00100  
Nairobi, Kenya

## PRINCIPAL BANKERS

KCB Bank Kenya Limited  
Moi Avenue Branch  
P.O. Box 30437,00100  
Nairobi, Kenya  
Absa Bank Limited  
Bunyala Road Branch  
P.O. Box 72058,00200  
Nairobi, Kenya

## LEGAL ADVISORS

Chege Kibathi & Company Advocates LLP  
P.O. Box 21686-00100  
Nairobi, Kenya

Naikuni Ngaah & Miencha Co Advocates  
Kose Heights, 6th Floor Apt No F6.3  
Argwings Kodhek Groove, Hurlingham

John Wageche & Company Advocates  
Madonna House Annex, 1st Floor, Room A018, Westlands  
P.O Box 21686-00100  
Nairobi, Kenya

## REPORT OF THE BOARD OF DIRECTORS

The board of directors submit their report and the audited financial statements for the year ended 31 December 2024, which disclose the state of the organisation's affairs.

## REGISTRATION

The organisation is registered in Kenya under Section 10 of the Non - Governmental Organisations Co-ordination Act. The organisation's address is set out on the last page.

The organisation is a non-profit and non-political body registered as an International Non-Governmental Organisation (NGO) in Kenya.

## PRINCIPAL ACTIVITIES

The principal activity of the organisation is to reduce poverty through enterprise development and job creation.

## RESULTS FOR THE YEAR

During the year ended 31 December 2024, the revenue increased from Kes. 992,324,087 to Kes 1,049,503,787. Notably, the expenditure increased by Kes 64,932,751 due to increased project activities as compared to the prior year.

|                                                                                                                                                    | <b>2024<br/>Kes</b>    | <b>2023<br/>Kes</b> | <b>Movement<br/>Kes</b> |
|----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|---------------------|-------------------------|
| Revenue                                                                                                                                            | 1,049,503,787          | 992,324,087         | 57,179,700              |
| Expenditure                                                                                                                                        | 1,006,080,858          | 941,148,107         | 64,932,751              |
| Surplus for the year                                                                                                                               | 43,422,929             | 51,175,980          | (7,753,051)             |
| Key performance indicator                                                                                                                          |                        |                     |                         |
| Programme expense Percentage                                                                                                                       |                        |                     |                         |
| Project costs to total costs (%)                                                                                                                   | 93%                    | 93%                 |                         |
| Standard minimum -Over the years, the organization has internally set a standard minimum ratio of direct project cost to total cost to be 65%. (%) |                        | 65%                 | 65%                     |
|                                                                                                                                                    | <b>Cumulative 2024</b> | <b>2024</b>         | <b>2023</b>             |
| Members Mobilized                                                                                                                                  | 410,118                | 15,879              | 17,182                  |
| Existing Member - Under Acceleration                                                                                                               | 21,005                 | 3,538               | 10,738                  |
| Groups Created                                                                                                                                     | 20,688                 | 794                 | 873                     |
| Enterprises Created                                                                                                                                | 378,915                | 10,500              | 18,335                  |
| Jobs Created                                                                                                                                       | 510,891                | 14,501              | 24,270                  |
| Hand in Hand EA Staff                                                                                                                              | 295                    |                     |                         |

A number of the projects were not recruiting new members in the year 2024 but were rather training members who were on board before 2024 since the projects were in their final year of implementation. In addition, most of the new projects during the period also focused on the acceleration of members who had graduated from the Bottom of the Pyramid (BOP) program.

## **DIRECTORS**

The Directors who held office during the year and to the date of this report are set out on page 9.

## **EVENTS AFTER THE REPORTING DATE**

The Board of Directors are not aware of any matters or circumstances arising since the end of the financial period which have a material effect on the financial statements.

## **STATEMENT AS TO DISCLOSURE TO THE ORGANISATION AUDITORS**

With respect to each director at the time this report was approved:

- a. There is, so far as the director is aware, no relevant audit information of which the organisation's auditor is unaware; and
- b. The director has taken all the steps that the director ought to have taken as a director so as to be aware of any relevant audit information and to establish that the organisation's auditor is aware of that information.

## **TERMS OF APPOINTMENT OF AUDITORS**

The Organisation's auditors, Ernst & Young LLP, have expressed their willingness to continue in office. The directors monitor the effectiveness, objectivity and independence of the auditors. The directors also approve the annual audit engagement contract which sets out the terms of the auditor's appointment and the related fees. The agreed auditor's remuneration has been charged to the statement of comprehensive income.

## **BY ORDER OF THE BOARD OF DIRECTORS**

## STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITIES

It is the responsibility of the Directors of Hand in Hand Eastern Africa to prepare financial statements for each financial year that give a true and fair view of the financial position of the Organisation as at the end of the financial year and performance for that period. The Directors are required to ensure that the Organisation maintains proper accounting records that are sufficient to show and explain the transactions of the Organisation and disclose, with reasonable accuracy, the financial position of the Organisation. The Directors are also responsible for safeguarding the assets of the Organisation, and for taking reasonable steps for the prevention and detection of fraud and error.

The Directors accept responsibility for the preparation and presentation of these annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards. The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Organisation and of its operating results.

The Directors also accept responsibility for:

- i. designing, implementing and maintaining such internal controls as it determines necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error;
- ii. selecting suitable accounting policies and applying them consistently; and,
- iii. making accounting estimates and judgements that are reasonable in the circumstances.

Having made an assessment of the Organisation's ability to continue as a going concern, the Directors are not aware of any material uncertainties related to events or conditions that may cast doubt upon the Organisation's ability to continue as a going concern.

The Directors acknowledge that the independent audit of the financial statements does not relieve them of their responsibilities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAND IN HAND EASTERN AFRICA**

### **Opinion**

We have audited the accompanying financial statements of Hand in Hand Eastern Africa ('Organisation') set out on pages 19 to 40, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Hand in Hand eastern Africa as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards for Small and Medium-sized Entities as issued by the International Accounting Standards Board.

### **Basis for 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 organisation in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)

and other independence requirements applicable to performing audit of the financial statements in Kenya. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audit of the financial statements in Kenya. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The directors are responsible for the other information. The other information comprises of the information included in the Annual Report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Directors' Responsibilities for the financial statements**

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards for Small and Medium-sized Entities as issued by the International Accounting Standards Board and for such internal control as the directors determine is 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, the directors are responsible for assessing the organisation'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 directors either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Obtain an understanding of internal control relevant to the audit 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 organisation's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner responsible for the audit resulting in this independent auditors' Report is CPA Tom Nyakoe, Practicing Certificate No. 2283.

For and on behalf of Ernst & Young LLP  
 Certified Public Accountants  
 Nairobi, Kenya

## STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED 31 DECEMBER 2024

|                               | Notes  | 2024<br>Kes<br>Restricted | 2024<br>Kes<br>Unrestricted | 2024<br>Kes<br>Total | 2023<br>Kes<br>Restricted | 2023<br>Kes<br>Unrestricted | 2023<br>Kes<br>Total |
|-------------------------------|--------|---------------------------|-----------------------------|----------------------|---------------------------|-----------------------------|----------------------|
| <b>Revenue</b>                |        |                           |                             |                      |                           |                             |                      |
| Restricted income             | 3a     | 913,987,723               | -                           | 913,987,723          | 888,307,429               | -                           | 888,307,429          |
| Unrestricted income           | 3b     | -                         | 21,636,465                  | 21,636,465           | -                         | 12,077,347                  | 12,077,347           |
| Interest income               | 3a, 4a | 23,410,006                | 68,736,446                  | 92,146,452           | 18,131,891                | 39,135,475                  | 57,267,366           |
| Other income                  | 4b     | -                         | 4,768,418                   | 4,768,418            | -                         | 17,615,683                  | 17,615,683           |
| Amortised capital grant       | 10     | <u>16,964,729</u>         | <u>-</u>                    | <u>16,964,729</u>    | <u>17,056,262</u>         | <u>-</u>                    | <u>17,056,262</u>    |
|                               |        | <b>954,362,458</b>        | <b>95,141,329</b>           | <b>1,049,503,787</b> | <b>923,495,582</b>        | <b>68,828,505</b>           | <b>992,324,087</b>   |
| <b>Expenditure</b>            |        |                           |                             |                      |                           |                             |                      |
| Project costs                 | 23 a)  | 891,444,242               | 44,231,796                  | 935,676,038          | 860,966,160               | 14,159,874                  | 875,126,034          |
| Administration costs          | 23 b)  | 45,953,487                | 6,454,817                   | 52,408,304           | 45,473,160                | 1,795,818                   | 47,268,978           |
| Depreciation and amortisation | 23 c)  | <u>16,964,729</u>         | <u>1,031,787</u>            | <u>17,996,516</u>    | <u>17,056,262</u>         | <u>1,696,833</u>            | <u>18,753,095</u>    |
| <b>Total expenditure</b>      |        | <b>954,362,458</b>        | <b>51,718,400</b>           | <b>1,006,080,858</b> | <b>923,495,582</b>        | <b>17,652,525</b>           | <b>941,148,107</b>   |
| <b>Surplus for the year</b>   |        | <u>-</u>                  | <b>43,422,929</b>           | <b>43,422,929</b>    | <u>-</u>                  | <b>51,175,980</b>           | <b>51,175,980</b>    |

## STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2024

|                                       | Notes | 2024<br>Kes               | 2023<br>Kes               |
|---------------------------------------|-------|---------------------------|---------------------------|
| <b>Assets</b>                         |       |                           |                           |
| <b>Non-current assets</b>             |       |                           |                           |
| Land and buildings                    | 5     | 18,891,452                | 18,891,452                |
| Property and equipment                | 5     | 27,292,726                | 32,708,765                |
| Intangible assets                     | 6     | <u>946,663</u>            | <u>3,619,481</u>          |
| <b>Total non-current assets</b>       |       | <b><u>47,130,841</u></b>  | <b><u>55,219,698</u></b>  |
| <b>Current assets</b>                 |       |                           |                           |
| Loans and advances                    | 7     | 42,218,406                | 32,304,815                |
| Receivables                           | 8     | 62,578,661                | 33,433,417                |
| Cash and cash equivalents             | 9     | <u>837,651,527</u>        | <u>817,867,564</u>        |
| <b>Total current assets</b>           |       | <b><u>942,448,594</u></b> | <b><u>883,605,796</u></b> |
| <b>Total Assets</b>                   |       | <b><u>989,579,435</u></b> | <b><u>938,825,494</u></b> |
| <b>Reserves and Liabilities</b>       |       |                           |                           |
| <b>Reserves</b>                       |       |                           |                           |
| Accumulated funds                     |       | 85,468,978                | 87,903,372                |
| Capital fund reserve                  | 11    | 1,331,714                 | 2,137,157                 |
| Revolving fund reserve                | 16    | 90,000,000                | 64,470,327                |
| Hand in Hand EA reserve fund          | 17    | 63,952,443                | 42,819,350                |
| Loan loss reserve                     | 18    | <u>1,317,161</u>          | <u>1,317,161</u>          |
| <b>Total reserves</b>                 |       | <b><u>242,070,296</u></b> | <b><u>198,647,367</u></b> |
| <b>Non-current liabilities</b>        |       |                           |                           |
| Deferred income                       | 10    | 63,687,236                | 63,634,678                |
| Retirement benefit obligations        | 12    | 33,645,268                | 41,852,994                |
| Borrowings                            | 14    | <u>16,500,000</u>         | <u>46,295,730</u>         |
| <b>Total non-current liabilities</b>  |       | <b><u>113,832,504</u></b> | <b><u>151,783,402</u></b> |
| <b>Current liabilities</b>            |       |                           |                           |
| Payables                              | 13    | 22,262,927                | 65,115,598                |
| Borrowings                            | 14    | 54,192,346                | 50,608,517                |
| Member deposits                       | 15    | 29,036,940                | 40,102,404                |
| Deferred income                       | 10    | <u>528,184,422</u>        | <u>432,568,206</u>        |
| <b>Total current liabilities</b>      |       | <b><u>633,676,635</u></b> | <b><u>588,394,725</u></b> |
| <b>Total Reserves and Liabilities</b> |       | <b><u>989,579,435</u></b> | <b><u>938,825,494</u></b> |

## STATEMENT OF CHANGES IN FUND BALANCES

### FOR THE YEAR ENDED 31 DECEMBER 2024

|                                                         | Notes | Accumulated<br>fund<br>Kes | Capital<br>reserve<br>Kes | Revolving<br>fund<br>reserve<br>Kes | HIH EA Reserve<br>Fund<br>Kes | Loan loss<br>reserve<br>Kes | Total<br>Kes              |
|---------------------------------------------------------|-------|----------------------------|---------------------------|-------------------------------------|-------------------------------|-----------------------------|---------------------------|
| <b>Year ended 31 December 2024</b>                      |       |                            |                           |                                     |                               |                             |                           |
| At start of year                                        |       | 87,903,372                 | 2,137,157                 | 64,470,327                          | 42,819,350                    | 1,317,161                   | 198,647,367               |
| Amortisation of capital reserve                         | 11    | 1,031,787                  | (1,031,787)               | -                                   | -                             | -                           | -                         |
| Transfers to capital reserve during the year            | 11    | (226,344)                  | 226,344                   | -                                   | -                             | -                           | -                         |
| Transfer of general reserves to revolving fund reserve  | 16    | (25,529,673)               | -                         | 25,529,673                          | -                             | -                           | -                         |
| Transfer to HIH EA fund reserve                         | 17    | (21,133,093)               | -                         | -                                   | 21,133,093                    | -                           | -                         |
| Surplus for the year                                    |       | <u>43,422,929</u>          | <u>-</u>                  | <u>-</u>                            | <u>-</u>                      | <u>-</u>                    | <u>43,422,929</u>         |
| <b>At end of year</b>                                   |       | <b><u>85,468,978</u></b>   | <b><u>1,331,714</u></b>   | <b><u>90,000,000</u></b>            | <b><u>63,952,443</u></b>      | <b><u>1,317,161</u></b>     | <b><u>242,070,296</u></b> |
| <b>Year ended 31 December 2023</b>                      |       |                            |                           |                                     |                               |                             |                           |
| At start of year                                        |       | 48,285,852                 | 3,351,827                 | 64,470,327                          | 36,219,629                    | 1,317,161                   | 153,644,796               |
| Amortisation of capital reserve                         | 11    | 1,696,833                  | (1,696,833)               | -                                   | -                             | -                           | -                         |
| Transfers to capital reserve during the year            | 11    | (482,163)                  | 482,163                   | -                                   | -                             | -                           | -                         |
| Transfer of unrestricted fund to revolving fund reserve | 16    | (6,173,409)                | -                         | -                                   | -                             | -                           | (6,173,409)               |
| Transfer to project expenses                            | 16    | -                          | -                         | -                                   | -                             | -                           | -                         |
| Transfer to HIH EA fund reserve                         | 17    | (6,599,721)                | -                         | -                                   | 6,599,721                     | -                           | -                         |
| Surplus for the year                                    |       | <u>51,175,980</u>          | <u>-</u>                  | <u>-</u>                            | <u>-</u>                      | <u>-</u>                    | <u>51,175,980</u>         |
| <b>At end of year</b>                                   |       | <b><u>87,903,372</u></b>   | <b><u>2,137,157</u></b>   | <b><u>64,470,327</u></b>            | <b><u>42,819,350</u></b>      | <b><u>1,317,161</u></b>     | <b><u>198,647,367</u></b> |

## STATEMENT OF CASH FLOWS

|                                                           | Notes | 2024<br>Kes                | 2023<br>Kes                |
|-----------------------------------------------------------|-------|----------------------------|----------------------------|
| OPERATING ACTIVITIES:                                     |       |                            |                            |
| Surplus for the year                                      |       | 43,422,929                 | 51,175,980                 |
| Adjustments for:                                          |       |                            |                            |
| Depreciation on equipment                                 | 5     | 15,323,699                 | 16,080,277                 |
| Amortisation of intangible assets                         | 6     | 2,672,818                  | 2,672,818                  |
| Gain on disposal of assets                                | 4     | (69,070)                   | (1,688,233)                |
| Increase in provision for retirement benefit obligation   | 12    | 27,947,821                 | 28,464,844                 |
| Payment of retirement benefit obligation                  | 12    | (36,155,547)               | (18,313,869)               |
| Changes in working capital:                               |       |                            |                            |
| Loans and advances                                        |       | (9,913,591)                | 36,143,857                 |
| Receivables                                               |       | (29,145,244)               | (5,679,029)                |
| Payables                                                  |       | (42,852,671)               | 31,280,118                 |
| Members Deposits                                          |       | (11,065,464)               | (40,550,205)               |
| Deferred income                                           |       | <u>95,668,774</u>          | <u>9,012,854</u>           |
| <b>Net cash flows generated from operating activities</b> |       | <b><u>55,834,454</u></b>   | <b><u>108,599,412</u></b>  |
| INVESTING ACTIVITIES:                                     |       |                            |                            |
| Purchase of equipment                                     | 5     | (10,156,056)               | (19,055,327)               |
| Proceeds from disposal of equipment                       |       | 317,466                    | 2,122,303                  |
| Transfer to Fanikisha Company                             | 19    | <u>-</u>                   | <u>(6,173,409)</u>         |
| <b>Net cash flows used in investing activities</b>        |       | <b><u>(9,838,589)</u></b>  | <b><u>(23,106,433)</u></b> |
| FINANCING ACTIVITIES:                                     |       |                            |                            |
| Proceeds from borrowings                                  |       | 16,494,701                 | 15,035,770                 |
| Loan write-off                                            |       | -                          | (460,086)                  |
| Repayments of borrowings                                  |       | <u>(42,706,602)</u>        | <u>(32,549,926)</u>        |
| <b>Net cash flows used in financing activities</b>        |       | <b><u>(26,211,901)</u></b> | <b><u>(17,974,242)</u></b> |
| <b>Increase in cash and cash equivalents</b>              |       | <b><u>19,783,963</u></b>   | <b><u>67,518,737</u></b>   |
| Movement in cash and cash equivalents                     |       |                            |                            |
| At start of year                                          |       | 817,867,564                | 750,348,826                |
| Increase during the year                                  |       | <u>19,783,963</u>          | <u>67,518,738</u>          |
| <b>At end of year</b>                                     | 9     | <b><u>837,651,527</u></b>  | <b><u>817,867,564</u></b>  |

## NOTES TO THE FINANCIAL STATEMENTS

### 1. General information

The organisation is a Not-for-profit organization registered under Non-Governmental Organization Coordination Act and is domiciled in Kenya. The address of its registered office and principal place of business is in Lower duplex flats on lower upper hill road, Upper hill. The principal activity of the organisation is to reduce poverty through enterprise development and job creation.

The organisation is governed by a constitution which installs the board of directors as the policy-making organ. It also provides that the organisation should not have less 7 members who in the event of a winding up will be liable to a contribution of not less than Kes 100.

Hand in Hand Eastern Africa is part of the Hand in Hand network, whose shared vision is to fight poverty through job and business creation. Hand in Hand's mission is to work for the economic and social empowerment of the poorest and most marginalized people by supporting the development of businesses and jobs. The organizations within the Hand in Hand group actively support each other, although they are independent, and each organization has its own governance and management structure as well as strategic plan.

### 2. Material accounting policy information

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### a. Basis of preparation

The financial statements have been prepared on a historical cost basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

#### Going concern

The financial performance of the organisation is set out in the report of the board of directors and in the statement of income and expenditure. The financial position of the organisation is set out in the statement of financial position.

Based on the financial performance and position of the organisation and its risk management policies, the board of directors is of the opinion that the organisation is well placed to continue in operation for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

#### b. Key sources of estimation uncertainty

In the application of the accounting policies, the board members are required to make the judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Such estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The board members have made the following significant accounting estimates and assumptions:

##### i. Useful lives of property and equipment

The board of directors reviews the useful lives and residual values of the items of property and equipment on a regular basis. During the financial year, the board members

determined no significant changes in the useful lives and residual values.

## ii. Simplified approach in accounting for retirement benefit obligations

In determining whether to use a simplified approach in accounting for the retirement benefit obligations as management have considered the cost versus the benefit of using the unit credit method and the ultimate user of the accounts. The management are of the view that the unit credit method will not give additional beneficial information to the users of the financial statements.

## c. Revenue recognition

- i. Grants for restricted purposes and for specified funded projects are recognized when spent on qualifying activities. Any unutilized grants are recognized as deferred income and any excess expenditure over income is recorded as grants receivable at year end where there is commitment of additional funds from grant providers.
- ii. All other donations and unrestricted funds are accounted for on a cash receipt basis unless there is committed funds or pledged funds that are receivable.
- i. Interest income is accrued by reference to time under the effective interest method.

## d. Taxation

No taxation has been provided in these accounts, as the organisation is exempt from tax on its income as discussed on note 21.

## e. Capital grants

This represents funds received for purchase of equipment or the value of such equipment that are granted to the organization. The initial amount is credited to a deferred income account known as capital grants. The grant balance is amortised to income annually at an amount equal to that of depreciating the assets purchased with the grants.

## f. Equipment

All equipment is initially recorded at cost and thereafter stated at historical cost less accumulated depreciation. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use. The organisation capitalises all individual items of equipment in excess of Kshs. 10,000 in cost. All other equipment is written off as expenditure on acquisition unless other considerations make it prudent to have it capitalised.

Depreciation is calculated on a reducing balance method on a monthly basis to write down the cost of each asset, to its residual value over its estimated useful life using the following annual rates:

| Details                           | Rate % |
|-----------------------------------|--------|
| Motor vehicles                    | 25     |
| Furniture, fixtures and equipment | 12.5   |
| Computers                         | 30     |

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.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposal of equipment are determined by comparing the proceeds with the carrying amount and are taken into account in determining (deficit)/surplus.

#### **g. Intangible assets**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years at a rate of 33.3%.

#### **h. Loans and advances and other receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are classified as current assets where maturities are within 12 months of the reporting date. Subsequent to initial recognition, such assets are carried at amortised cost using the effective interest rate method. Changes in the carrying amount are recognised in profit or loss.

A financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The amount of the impairment loss is calculated as the difference between the asset's carrying amount and the present values of expected future cash flows, discounted at the financial instrument's effective interest rate. Impairment losses are recognised in profit or loss.

Other receivables include deposits and prepayment for services/goods to be received in future and advances to staff, related parties and sub-grantees. Other receivables are only accounted for if there is tangible evidence that the service will be performed in future, or a refund will be made in the event the service/goods is not delivered.

#### **i. Payables**

Trade payables are obligations on the basis of normal credit terms and do not bear interest.

#### **j. Deferred income**

Grant income is deferred where it has been received to fund specific future expenditure.

#### **k. Borrowings and members guarantee deposits**

Borrowings and members guarantee deposits are initially measured at fair value and subsequently measured at amortised cost, using the effective interest rate method.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognised as interest expense in profit or loss under finance costs under the effective interest rate method.

#### **l. Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

#### **m. Retirement benefit obligations**

The organisation operates a defined contribution staff retirement benefit scheme for all employees who have successfully completed their probation period. The scheme is

administered by an insurance company. The organisation's contributions to the defined contribution retirement benefit scheme are charged to profit or loss in the year to which they relate. The organisation has no other payment obligations once the contributions have been paid.

The organisation and its employees contribute to the National Social Security Fund (NSSF), a statutory defined contribution scheme registered under the NSSF Act. The organisation's contributions to the defined contribution scheme are charged to profit or loss in the year to which they relate.

**n. Revolving fund reserve**

Revolving fund reserve relates to funds given by donors or from retained earnings meant to ensure that there is sufficient capital to lend to members as enterprise incubation Fund.

The loan amount repaid is ploughed back to the fund ready for on lending to other members hence the revolving fund.

**o. Capital fund reserve**

This represents unrestricted funds received for purchase of equipment and intangible assets with no conditions or future compliance. Where a capital grant has a condition or future compliance then the same is classified a non-current liability. The fund is appropriated from the general reserves and an amount equivalent to the depreciation or amortisation is released back to the general reserves.

**p. Hand in Hand EA reserve fund**

This represents an accumulation of funds acquired from interest income earned from investment in unrestricted funds and also where specific donors has approved transfer of earned interest to the reserve fund account. Hand in Hand Eastern Africa has an operating reserve set aside to stabilize providing a cushion against unexpected events, losses of income, and any expenses not covered by donor project budgets. Reserve funds will allow the organization to weather serious financial challenges hence able to implement strategies to surmount encounters.

**q. Loan loss reserve**

This represents an accumulation of funds reserved to cushion the organisation against any impairment of loans in the future.

**r. Employee entitlements**

The estimated monetary liability for employees' accrued annual leave entitlement at the reporting date is recognised as an expense accrual.

**s. Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income and expenditure on a straight-line basis over the period of the lease.

The organisation leases certain items of property, plant and equipment. Leases of property,

plant and equipment where the organisation has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is apportioned between the liability and finance charges using the effective interest method. Rental obligations, net of finance charges, are included in borrowings in the statement of financial position. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

**t. Translation of foreign currencies**

The organisation maintains the project funds in Kenya Shilling which is the functional currency.

Transactions in foreign currency during the year are converted into Kenya Shilling at the rates ruling at the transaction date.

The resulting differences from conversion and translation are dealt with in the receipts and payment in the year in which they arise.

### 3. Grant income and receipts

#### a. Restricted funds

| Year ended 31 December 2024                                                             | Deferred Income<br>Balance as at 1<br>Jan 2024 | Receipts             | Transfer to de-<br>ferred income | Capital grants   | Grant<br>income    | Bank interest earned |
|-----------------------------------------------------------------------------------------|------------------------------------------------|----------------------|----------------------------------|------------------|--------------------|----------------------|
|                                                                                         | Kes                                            | Kes                  | Kes                              | Kes              | Kes                | Kes                  |
|                                                                                         | a                                              | b                    | c                                | d                | e=a+b-c-d          | f                    |
| Hand in Hand Sweden - community uplifts projects                                        | 47,389,848                                     | 64,202,885           | 69,239,981                       | 243,900          | 42,108,852         | 1,353,312            |
| Hand in Hand International - village uplifts projects                                   | 230,473                                        | 7,562,292            | 230,110                          | 46,600           | 7,516,055          | 45,704               |
| On the farm and beyond Project Bomet & Busia                                            | 1,748,410                                      | -                    | -                                | -                | 1,748,410          | (503,373)            |
| Kitui Regenerative Agriculture - PFF                                                    | 1,452,214                                      | 21,258,347           | 1,514,651                        | 132,536          | 21,063,374         | 222,533              |
| Entrepreneurship in the community, Kenya                                                | 1,225,029                                      | -                    | -                                | -                | 1,225,029          | (1,225,029)          |
| Enterprise Development for Rural Families In Kenya- SIDA                                | 157,837,154                                    | -                    | 2,461,810                        | 1,766,992        | 153,608,352        | 7,095,158            |
| Capitalizing on digital solutions                                                       | 24,573,551                                     | -                    | -                                | 394,835          | 24,178,716         | 680,229              |
| Baringo honey value chain                                                               | 300,000                                        | -                    | -                                | 300,000          | -                  | -                    |
| Planet and People Friendly Farming                                                      | 111,095                                        | 42,704,573           | 7,879,313                        | 277,240          | 34,659,115         | 558,830              |
| FSDK Poultry Value chain *                                                              | 2,689,115                                      | (1,961,192)          | -                                | -                | 727,923            | (512,160)            |
| Safaricom Foundation                                                                    | 389,734                                        | -                    | -                                | -                | 389,734            | 12,416               |
| ForumCiv                                                                                | -                                              | 24,589,033           | 2,032,919                        | 345,600          | 22,210,514         | 1,530,853            |
| German Development Cooperation                                                          | 454,081                                        | -                    | -                                | -                | 454,081            | -                    |
| Cohort of entrepreneurs, Level 2                                                        | 7,859,970                                      | 113,592,084          | 8,864,880                        | 236,784          | 112,350,390        | -                    |
| Planet Friendly Farming-Kitui                                                           | 2,532,623                                      | 3,938,211            | -                                | -                | 6,470,834          | (110,397)            |
| Lind Invest                                                                             | 46,314,912                                     | 39,098,840           | 41,857,345                       | 311,024          | 43,245,383         | 1,987,465            |
| Enterprise Development for Rural Families In Kenya-HIHS                                 | 50,855,029                                     | -                    | 9,899,637                        | -                | 40,955,392         | 1,907,777            |
| Women Economic Empowerment-UN Women                                                     | (538,145)                                      | 21,340,321           | -                                | -                | 20,802,176         | -                    |
| Women in Waste                                                                          | 2,263,123                                      | 12,241,721           | -                                | -                | 14,504,844         | (124,820)            |
| Driving Innovation, Growth and Income                                                   | 1,210,592                                      | 47,766,537           | 4,974,537                        | 666,536          | 43,336,056         | 894,009              |
| Increasing Net-Worth of Underserved Actors (INUA)                                       | (1,924)                                        | 81,553,103           | 1,858,634                        | 274,430          | 79,418,115         | -                    |
| Bloom, Buzz and Business                                                                | 22,465,414                                     | 39,754,710           | 21,409,805                       | 231,523          | 40,578,796         | 1,447,698            |
| Rights Way forward to Social and Economic Justice                                       | 11,128,327                                     | 8,854,743            | 4,494,513                        | 59,220           | 15,429,337         | -                    |
| Unlocking the potential and growth of Micro Enterprises                                 | 3,675,417                                      | 94,715,519           | 5,021,293                        | 957,160          | 92,412,483         | -                    |
| Waste to Profit                                                                         | 56,954,302                                     | 103,316,070          | 116,182,650                      | 1,232,158        | 42,855,564         | 2,192,805            |
| Bridging the Digital and Poverty Gap in greater Nairobi                                 | -                                              | 1,777,554            | 56,047                           | 135,720          | 1,585,787          | 11,513               |
| GUNVOR-Empowerment                                                                      | -                                              | 32,663,609           | 1,754,617                        | 269,700          | 30,639,292         | 514,133              |
| The path to prosperity-CISCO                                                            | -                                              | 2,409,311            | 161,075                          | -                | 2,248,236          | 40,982               |
| Building Inclusive and Resilience Entreprises-SIDA (BIRE)                               | -                                              | 242,977,615          | 229,071,137                      | 1,998,533        | 11,907,945         | 5,356,164            |
| County Aggregation and Industrial Parks-FAO                                             | -                                              | 3,588,610            | 1,323,147                        | -                | 2,265,463          | -                    |
| Developing Entrepreneurship through Digital Skills (DEIDS CDS II)                       | -                                              | 16,146,025           | 13,271,852                       | 49,221           | 2,824,952          | 34,204               |
| Evidence Based Policy for Advancing the care economy in Kenya-UN Women (EPKCE -UNWOMEN) | -                                              | 2,779,100            | 2,512,577                        | -                | 266,523            | -                    |
|                                                                                         | <b>443,120,344</b>                             | <b>1,026,869,621</b> | <b>546,072,530</b>               | <b>9,929,712</b> | <b>913,987,723</b> | <b>23,410,006</b>    |

\* Negative balance on funds received under FSDK Poultry Value chain project relates to surplus sent back to the donor during the year when the project came to an end.

\*\* Negatives on bank interest earned relates to interest either refunded to the donor, reallocated to unrestricted expenses/ reserve fund

### 3. Grant income and receipts (continued)

| Year ended 31 December 2023                              | Deferred Income Balance as at<br>1 Jan 2023 | Receipts           | Transfer to deferred income | Capital grants    | Grant<br>income    | Bank interest earned |
|----------------------------------------------------------|---------------------------------------------|--------------------|-----------------------------|-------------------|--------------------|----------------------|
|                                                          | Kes                                         | Kes                | Kes                         | Kes               | Kes                | Kes                  |
|                                                          | a                                           | b                  | c                           | d                 | e=a+b-c-d          | f                    |
| Hand in Hand Sweden - community uplifts projects         | 68,737,476                                  | 28,930,794         | 47,389,848                  | 482,485           | 49,795,937         | 2,775,510            |
| Cohort of entrepreneurs, Thika                           | 299,985                                     | -                  | -                           | 299,985           | -                  | -                    |
| Hand in Hand International - village uplifts projects    | 2,558,999                                   | 15,511,927         | 230,473                     | 188,538           | 17,651,915         | 64,727               |
| On the farm and beyond Project Bomet & Busia             | 9,566,358                                   | 105,722,271        | 1,748,410                   | 10,214,267        | 103,325,952        | 434,316              |
| Kitui Regenerative Agriculture - PFF                     | 112,977                                     | 23,957,833         | 1,452,214                   | 46,284            | 22,572,312         | 52,498               |
| Entrepreneurship in the community, Kenya                 | 13,558,328                                  | 30,144,113         | 1,225,029                   | -                 | 42,477,412         | 520,800              |
| Sunflower Project                                        | 8,035,827                                   | -                  | -                           | -                 | 8,035,827          | 161,433              |
| Enterprise Development for Rural Families In Kenya- SIDA | 120,183,601                                 | 160,602,667        | 157,837,154                 | -                 | 122,949,114        | 7,395,717            |
| Capitalizing on digital solutions                        | 29,238,139                                  | 23,682,928         | 24,573,551                  | 219,720           | 28,127,796         | 1,045,399            |
| Baringo honey value chain                                | 13,044,473                                  | -                  | 300,000                     | 11,000            | 12,733,473         | 217,457              |
| Waves of Change Kenya- PKL                               | 30,444,598                                  | 16,522,367         | -                           | -                 | 46,966,965         | 347,742              |
| Planet and People Friendly Farming                       | 2,541,204                                   | 41,353,366         | 111,095                     | 483,582           | 43,299,893         | 324,834              |
| FSDK Poultry Value chain                                 | 3,889,777                                   | -                  | 2,689,115                   | -                 | 1,200,662          | 75,580               |
| Expanding the Pipeline & Scoping                         | 336,325                                     | 103,010,250        | -                           | 1,002,663         | 102,343,912        | -                    |
| Safaricom Foundation                                     | 1,742,283                                   | -                  | 389,734                     | -                 | 1,352,549          | 30,338               |
| ForumCiv*                                                | 1,573,824                                   | (1,573,824)        | -                           | -                 | -                  | -                    |
| Waves of Change- HIHI                                    | 3,976                                       | 7,041,471          | -                           | 115,744           | 6,929,703          | 11,550               |
| German Development Cooperation                           | 1,769,434                                   | -                  | 454,081                     | -                 | 1,315,353          | (7,459)              |
| Cohort of entrepreneurs, Level 2                         | 14,473,239                                  | 86,558,267         | 7,859,970                   | 1,546,711         | 91,624,825         | -                    |
| Planet Friendly Farming-Kitui                            | 297,225                                     | 5,524,680          | 2,532,623                   | -                 | 3,289,282          | 47,164               |
| Lind Invest                                              | 43,073,659                                  | 56,236,772         | 46,314,912                  | 753,892           | 52,241,627         | 1,457,531            |
| Bee Keeping Project- Kitui **                            | 21,576,563                                  | (8,099,803)        | -                           | -                 | 13,476,760         | 462,027              |
| Enterprise Development For Rural Families In Kenya-HIHS  | 45,180,407                                  | 14,285,177         | 50,855,029                  | -                 | 8,610,555          | 1,708,003            |
| Women Economic Empowerment-UN Women                      | 946,908                                     | 8,008,527          | (538,145)                   | 30,000            | 9,463,580          | -                    |
| Women in Waste                                           | 2,004,737                                   | 15,140,241         | 2,263,123                   | 392,564           | 14,489,291         | 124,820              |
| Driving Innovation, Growth and Income                    | -                                           | 29,955,204         | 1,210,592                   | 2,042,360         | 26,702,252         | 312,106              |
| Increasing Net-Worth of Underserved Actors (INUA)        | -                                           | 18,000,000         | (1,924)                     | 46,284            | 17,955,640         | -                    |
| Bloom, Buzz and Business                                 | -                                           | 36,551,759         | 22,465,414                  | 69,426            | 14,016,919         | 209,225              |
| Rights Wayforward to Social and Economic Justice         | -                                           | 35,065,330         | 11,128,327                  | 369,369           | 23,567,634         | 360,573              |
| Unlocking the potential and growth of Micro Enterprises  | -                                           | 5,197,581          | 3,675,417                   | -                 | 1,522,164          | -                    |
| Waste to Profit                                          | -                                           | 57,222,427         | 56,954,302                  | -                 | 268,125            | -                    |
|                                                          | <b>435,190,322</b>                          | <b>914,552,325</b> | <b>443,120,344</b>          | <b>18,314,874</b> | <b>888,307,429</b> | <b>18,131,891</b>    |

\* Negative balance on funds received under Forum civ project relates to surplus sent back to the donor during the year when the project came to an end.

\*\* Negative balance on funds received under Bee keeping Project -Kitui is as a result of merging the project (Transfer of Funds) with Bloom, Buzz and Business project.

### 3. Grant income and receipts (continued)

|                                 | 2024<br>Kes              | 2023<br>Kes              |
|---------------------------------|--------------------------|--------------------------|
| b) Unrestricted income          |                          |                          |
| Interest Income Reserved        | 21,133,092               | 6,599,721                |
| Transfer from HIH Sweden        | -                        | 5,477,626                |
| Transfer from HIH International | <u>503,373</u>           | <u>-</u>                 |
|                                 | <b><u>21,636,465</u></b> | <b><u>12,077,347</u></b> |

### 4. Other income

|                                                       |                          |                          |
|-------------------------------------------------------|--------------------------|--------------------------|
| a) Interest income                                    |                          |                          |
| Interest on loans and advances                        | 13,164,060               | 11,345,827               |
| Bank interest Income                                  | <u>55,572,386</u>        | <u>27,789,648</u>        |
|                                                       | <b><u>68,736,446</u></b> | <b><u>39,135,475</u></b> |
| b) Other operating income                             |                          |                          |
| Member registration fees                              | 1,530,000                | 1,673,900                |
| Training certificate fees                             | 280,700                  | 486,000                  |
| Loans and savings processing fees                     | 1,473,982                | 5,817,833                |
| Passbook fees                                         | 275,100                  | 272,100                  |
| Group registration fees                               | 57,900                   | 78,400                   |
| Training fees Income                                  | -                        | 854,844                  |
| Group registration renewals fees                      | 126,300                  | 161,800                  |
| Loan insurance fees                                   | 100,805                  | 77,943                   |
| Gain on disposal of fixed asset                       | 69,070                   | 1,688,233                |
| HIH EA fundraising income                             | -                        | 100                      |
| Write off on net book value of disposed capital grant | 248,395                  | 175,780                  |
| Other income                                          | <u>606,166</u>           | <u>6,328,750</u>         |
|                                                       | <b><u>4,768,418</u></b>  | <b><u>17,615,683</u></b> |

## 5. Property and equipment – 2024

|                       | Land              | Motor vehicles    | Furniture,<br>fixtures and<br>equipment | Computer<br>equipment | Total              |
|-----------------------|-------------------|-------------------|-----------------------------------------|-----------------------|--------------------|
|                       | Kes               | Kes               | Kes                                     | Kes                   | Kes                |
| Cost                  |                   |                   |                                         |                       |                    |
| At start of year      | 18,891,452        | 40,735,604        | 25,348,454                              | 39,441,062            | 124,416,572        |
| Additions             | -                 | 841,400           | 2,696,855                               | 6,617,801             | 10,156,056         |
| Disposals             | -                 | -                 | (16,999)                                | (448,080)             | (465,079)          |
| <b>At end of year</b> | <b>18,891,452</b> | <b>41,577,004</b> | <b>28,028,310</b>                       | <b>45,610,783</b>     | <b>134,107,549</b> |
| Depreciation          |                   |                   |                                         |                       |                    |
| At start of year      | -                 | 28,441,669        | 17,788,057                              | 26,586,629            | 72,816,355         |
| Charge for the year   | -                 | 6,892,978         | 1,687,650                               | 6,743,071             | 15,323,699         |
| On disposal           | -                 | -                 | (16,999)                                | (199,684)             | (216,683)          |
| At end of year        | -                 | 35,334,647        | 19,458,708                              | 33,130,016            | 87,923,371         |
| Net book value        |                   |                   |                                         |                       |                    |
| <b>At end of year</b> | <b>18,891,452</b> | <b>6,242,357</b>  | <b>8,569,602</b>                        | <b>12,480,767</b>     | <b>46,184,178</b>  |

### Property and equipment – 2023

|                       |                   |                   |                   |                   |                    |
|-----------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| Cost                  |                   |                   |                   |                   |                    |
| At start of year      | 9,176,887         | 46,004,253        | 23,803,490        | 34,144,699        | 113,129,329        |
| Additions             | 9,714,565         | 684,300           | 1,580,528         | 7,075,934         | 19,055,327         |
| Disposals             | -                 | (5,952,949)       | (35,564)          | (1,779,571)       | (7,768,084)        |
| <b>At end of year</b> | <b>18,891,452</b> | <b>40,735,604</b> | <b>25,348,454</b> | <b>39,441,062</b> | <b>124,416,572</b> |
| Depreciation          |                   |                   |                   |                   |                    |
| At start of year      | -                 | 26,852,212        | 15,823,254        | 21,394,626        | 64,070,092         |
| Charge for the year   | -                 | 7,285,583         | 1,998,900         | 6,795,794         | 16,080,277         |
| On disposal           | -                 | (5,696,126)       | (34,097)          | (1,603,791)       | (7,334,014)        |
| <b>At end of year</b> | <b>-</b>          | <b>28,441,669</b> | <b>17,788,057</b> | <b>26,586,629</b> | <b>72,816,355</b>  |
| Net book value        |                   |                   |                   |                   |                    |
| <b>At end of year</b> | <b>18,891,452</b> | <b>12,293,935</b> | <b>7,560,397</b>  | <b>12,854,433</b> | <b>51,600,217</b>  |

## 5. Equipment (continued)

|                                                            | 2024<br>Kes              | 2023<br>Kes              |
|------------------------------------------------------------|--------------------------|--------------------------|
| Net book value of assets under grant                       | 44,911,136               | 49,742,470               |
| Net book value of purchased assets - under capital reserve | <u>1,273,042</u>         | <u>1,857,747</u>         |
|                                                            | <b><u>46,184,178</u></b> | <b><u>51,600,217</u></b> |

## 6. Intangible assets

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| Cost                     |                          |                          |
| At start and end of year | <u>37,463,787</u>        | <u>37,463,787</u>        |
| Amortisation             |                          |                          |
| At start of year         | 33,844,306               | 31,171,488               |
| Charge for the year      | <u>2,672,818</u>         | <u>2,672,818</u>         |
| At end of year           | <b><u>36,517,124</u></b> | <b><u>33,844,306</u></b> |

Net book value

|                |                       |                         |
|----------------|-----------------------|-------------------------|
| At end of year | <b><u>946,663</u></b> | <b><u>3,619,481</u></b> |
|----------------|-----------------------|-------------------------|

The intangible assets comprises of acquired application software for accounting, sales and payroll.

|                                                                          |                       |                         |
|--------------------------------------------------------------------------|-----------------------|-------------------------|
| Net book value of assets under grant                                     | 887,992               | 3,340,072               |
| Net book value of assets from unrestricted funds - under capital reserve | <u>58,671</u>         | <u>279,409</u>          |
|                                                                          | <b><u>946,663</u></b> | <b><u>3,619,481</u></b> |

## 7. Loans and advances

|                                  |              |               |
|----------------------------------|--------------|---------------|
| Gross loans                      | 45,873,189   | 35,959,598    |
| Provisions for loans             | (3,654,783)  | (3,654,783)   |
| Net loans for the year           | 42,218,406   | 32,304,815    |
| At the start of the year         | 35,959,598   | 68,448,672    |
| Additions during the year        | 100,298,608  | 76,227,903    |
| Repayments during the year       | (90,385,017) | (108,716,977) |
|                                  | 45,873,189   | 35,959,598    |
| Provisions for loans             | (3,654,783)  | (3,654,783)   |
| At the end of the year           | 42,218,406   | 32,304,815    |
| Interest charged during the year | 13,164,060   | 11,345,827    |

## 7. Loans and advances (continued)

Loans and advances are funds advanced to registered members under Enterprise Incubation Fund and Mazingira Fund which are sourced from various donors including Hand in Hand International, Safaricom Foundation and KIVA. The program is meant to empower the recipient of the funds to enhance business skills through training, provide startup capital and enhance capacity.

Registered members comprise of individuals who come together to form self-help groups to participate in the above listed programmes. The minimum number of members per group is 15 persons. The members guarantee each to the maximum of the group savings as disclosed in Note 12 below.

The funds repaid are ploughed back to a revolving fund under Enterprise Incubation Fund and Mazingira Fund to further the activities of the programmes while the interest income is used to cover the expenses of administering the incubation fund.

The organisation provides for impairment loss where there is objective evidence of impairment. The impairment loss is calculated as the difference between outstanding amount of the loan and the present value of the estimated future cash flows which includes the realisation of collateral except where the collateral value is typically undeterminable.

For the purpose of credit risk management, the organisation considers accounts that are overdue by 1 day or more as delinquent loans and measures the level of delinquency as 1-30, 31-90, 91-180, 181 and above days past due. The organisation makes a full provision on those loans above 181 days and carries out specific assessment on the remaining portfolio.

In 2020 the organisation received a guarantee fund of Kes. 9,757,584 as disclosed in Note 14. By 31 December 2023 the organisation had utilised Kes. 777,598 of this guarantee fund against loans that were considered to be in impaired based on management's assessment. Due to low risk on loan default, the donor approved in 2022 transfer of Kshs.7,806,067 to the Member Loans Revolving Fund to enable more members access new loans as part of financial inclusion. The current Guarantee Fund Balance is Kshs.1,173,919.

| <b>a. Provision for impairment</b>            | <b>2024<br/>Kes</b>     | <b>2023<br/>Kes</b>     |
|-----------------------------------------------|-------------------------|-------------------------|
| At start of year                              | 3,654,783               | 3,682,839               |
| Loans Written Off during the year             | -                       | (28,056)                |
| At end of year                                | <b><u>3,654,783</u></b> | <b><u>3,654,783</u></b> |
| <b>b. Impaired loans</b>                      |                         |                         |
| Utilised against EIF guarantee fund (Note 14) | -                       | <b><u>(460,086)</u></b> |

## 8. Receivables

|                          |                          |                          |
|--------------------------|--------------------------|--------------------------|
| Other receivables        | 17,452,337               | 20,317,227               |
| Deposits and prepayments | 14,439,855               | 13,116,190               |
| Related party balances   | <u>30,686,469</u>        | -                        |
|                          | <b><u>62,578,661</u></b> | <b><u>33,433,417</u></b> |

## 9. Cash and cash equivalents

|                          |                           |                           |
|--------------------------|---------------------------|---------------------------|
| Cash at bank and in hand | 230,951,526               | 41,047,564                |
| Fixed deposits           | <u>606,700,000</u>        | <u>776,820,000</u>        |
|                          | <b><u>837,651,526</u></b> | <b><u>817,867,564</u></b> |

| <b>10. Deferred income</b>   | <b>2024</b>               | <b>2023</b>               |
|------------------------------|---------------------------|---------------------------|
|                              | <b>Kes</b>                | <b>Kes</b>                |
| Non-current                  |                           |                           |
| Revenue grant                | 17,888,108                | 10,552,138                |
| Capital grant                | <u>45,799,128</u>         | <u>53,082,540</u>         |
|                              | 63,687,236                | 63,634,678                |
| Current                      |                           |                           |
| Revenue grant                | <u>528,184,422</u>        | <u>432,568,206</u>        |
| <b>Total deferred income</b> | <b><u>591,871,658</u></b> | <b><u>496,202,884</u></b> |

Revenue Grants are classified as non-current where the funds for an ongoing project are received in advance and are to be used for more than one year. In the event that funds are received in advance the organisation release funds for use on the project on a pro-rata basis over the period of the grant.

The above non-current grant relate to funds received in advance for HIH Sweden - Community Uplift Project which runs over a period exceeding 12 months.

|                                          | <b>2024</b>              | <b>2023</b>              |
|------------------------------------------|--------------------------|--------------------------|
|                                          | <b>Kes</b>               | <b>Kes</b>               |
| Capital grant                            |                          |                          |
| At start of year                         | 53,082,540               | 51,999,708               |
| Capital grants during the year           | 9,929,712                | 18,314,874               |
| Amortisation of capital grants           | (16,964,729)             | (17,056,262)             |
| Write off on net book value of disposals | <u>(248,395)</u>         | <u>(175,780)</u>         |
| <b>At end of year</b>                    | <b><u>45,799,128</u></b> | <b><u>53,082,540</u></b> |

## 11. Capital fund reserve

|                                 |                         |                         |
|---------------------------------|-------------------------|-------------------------|
| At start of year                | 2,137,157               | 3,351,827               |
| Additions during the year       | 226,343                 | 740,453                 |
| Assets disposed during the year | -                       | (258,290)               |
| Amortisation of capital reserve | <u>(1,031,787)</u>      | <u>(1,696,833)</u>      |
|                                 | <b><u>1,331,713</u></b> | <b><u>2,137,157</u></b> |

The capital fund reserve is an appropriation of reserve fund for unrestricted funds already utilised in purchase of capital equipment.

| <b>12. Retirement benefit obligations</b> | <b>2024</b>              | <b>2023</b>              |
|-------------------------------------------|--------------------------|--------------------------|
|                                           | <b>Kes</b>               | <b>Kes</b>               |
| At start of year                          | 41,852,994               | 31,702,020               |
| Current service cost                      | 27,947,821               | 28,464,843               |
| Benefits paid                             | (36,155,547)             | <u>(18,313,869)</u>      |
| <b>At end of year</b>                     | <b><u>33,645,268</u></b> | <b><u>41,852,994</u></b> |

The organisation uses a simplified approach in accounting for the retirement benefit obligations as management feel that using the unit credit method will involve undue cost due to the fact that all expenditure is budgeted for and donor approved at the beginning of each year and use of the unit credit method will not give additional beneficial information to the users of the financial statements.

The organisation has no external users of the financial statements apart from the donors.

## 12. Retirement benefit obligations (continued)

Assumptions regarding future mortality experience are set based on organisation's analysis in accordance with published statistics and experience in each country.

Amounts recognised in the profit or loss for the year are as follows:

|                      | 2024<br>Kes       | 2023<br>Kes       |
|----------------------|-------------------|-------------------|
| Current service cost | <u>27,947,821</u> | <u>28,464,844</u> |

## 13. Payables

|                                       |                          |                          |
|---------------------------------------|--------------------------|--------------------------|
| Trade payables                        | 9,932,338                | 26,604,941               |
| Other payables                        | 10,987,162               | 29,264,010               |
| Member refunds                        | 61,419                   | 221,390                  |
| Members prepayment account            | 842,358                  | 1,601,561                |
| Accruals                              | 439,650                  | 4,716,532                |
| Related party balances (Note 19 (vi)) | -                        | 244,203                  |
| Due to related party (Fanikisha Hub)  | <u>-</u>                 | <u>2,462,961</u>         |
|                                       | <b><u>22,262,927</u></b> | <b><u>65,115,598</u></b> |

Members' prepayment account includes unallocated funds to either deposit or loan repayment. Members refund account comprise of balance refundable to members.

| 14. Borrowings                                   | 2024<br>Kes              | 2023<br>Kes              |
|--------------------------------------------------|--------------------------|--------------------------|
| Non - current                                    |                          |                          |
| Child Fund                                       | 1,100,000                | -                        |
| HiH International (Note 19 (iii))                | -                        | 27,230,465               |
| Association for Microfinance Institutions (AMFI) | -                        | 3,665,265                |
| Safaricom Foundation                             | <u>15,400,000</u>        | <u>15,400,000</u>        |
|                                                  | <u>16,500,000</u>        | <u>46,295,730</u>        |
| Current                                          |                          |                          |
| KIVA                                             | 7,787,963                | 16,434,598               |
| EIF Guarantee Fund                               | 21,173,918               | 11,173,919               |
| HiH International (Note 19 (iii))                | <u>25,230,465</u>        | <u>23,000,000</u>        |
|                                                  | <u>54,192,346</u>        | <u>50,608,517</u>        |
| <b>Total borrowings</b>                          | <b><u>70,692,346</u></b> | <b><u>96,904,247</u></b> |

The loan from Hand in Hand International (HiH) was for a five-year term from 9 April 2013, this was however extended for another 5 years to 8 April 2025, the loan is interest free after period extension and no security has been placed on this loan facility.

Hand in Hand Eastern Africa makes use of the Kiva.org website to source for funds from its partner institutions. The debt capital sourced for Hand in Hand Eastern Africa on the Kiva website is earmarked to re-finance the capital used to disburse loans to their clients. The total amount of funds awarded each month is dependent upon the amount of monies Hand in Hand Eastern Africa is able to raise on the Kiva website ([www.kiva.org](http://www.kiva.org)) from Kiva's base of social investors. The total payment due to Kiva during a given month is therefore the sum of the individual principal payments owed by Hand in Hand Eastern Africa clients during that month. At the close of the month, Kiva aggregates these payments, and bills Hand in Hand Eastern Africa. There are no guarantees associated with Kiva financing, and there is no interest rate charged on this loan.

Safaricom Foundation's loan fund was for the initial one year (pilot). Then repayment for a period of three years after the pilot. The Foundation renewed the contract for a period of 3 years from 20 November 2018, this has however been revoked again for another 3 years from 1 March 2022. There is no interest charged on this loan.

#### 14. Borrowings (continued)

Enterprise Incubation Fund (EIF) Guarantee Fund is a Guarantee Fund held as a provision for bad debt resulting from existing EIF loans defaulting due to business disruptions caused by COVID 19. The guarantee fund has been entrusted to the Borrower with zero-rate interest. The initial term of the guarantee fund was six months from 1 July 2020 to 31 December 2020. In December 2020 it was agreed that the term be extended until 31 December 2021. In July 2022 the transfer of Kshs. 7.8 million to Loan revolving Fund was approved while the balance was to be utilised against any future loan impairments. The fund is unsecured and interest free.

|                                          | 2024<br>Kes      | 2023<br>Kes      |
|------------------------------------------|------------------|------------------|
| <b>EIF Guarantee fund movement</b>       |                  |                  |
| At start of year                         | 1,173,919        | 1,634,005        |
| Utilised against impaired loans (Note 7) | -                | (460,086)        |
| <b>At the end of year</b>                | <b>1,173,919</b> | <b>1,173,919</b> |

#### 15. Member deposits

|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| At start of the year      | 40,102,404        | 80,652,608        |
| Additions                 | 39,354,390        | 47,241,437        |
| Paid out                  | (50,419,854)      | (87,791,641)      |
| <b>At end of the year</b> | <b>29,036,940</b> | <b>40,102,404</b> |

Deposits are funds received from registered members to act as security for loans advanced to the individual members. The loans and advances are advanced under the Enterprise Incubation Fund and Mazingira Fund as disclosed under Note 7 above. Once the members have repaid their loans, the members guarantee deposit is available for withdrawal.

#### 16. Revolving fund reserve

|                                 | 2024<br>Kes       | 2023<br>Kes       |
|---------------------------------|-------------------|-------------------|
| At the start of the year        | 64,470,327        | 64,470,327        |
| Transfer from accumulated funds | 25,529,673        | -                 |
| <b>At the end of the year</b>   | <b>90,000,000</b> | <b>64,470,327</b> |

Breakdown for revolving fund reserve is as follows:

|                                            |                   |                   |
|--------------------------------------------|-------------------|-------------------|
| MESP incentive revolving funds             | 2,512,610         | 2,512,610         |
| Swiss-Re loan capital                      | 7,331,192         | 7,331,192         |
| Conrad EIF Loan Capital                    | 813,445           | 813,445           |
| BHVC revolving fund                        | 300,000           | 300,000           |
| Collector micro loan revolving funds       | 7,035,713         | 7,035,712         |
| Ansar micro loan revolving funds           | 1,671,301         | 1,671,301         |
| Hilti ETP revolving funds                  | 7,000,000         | 7,000,000         |
| Guvor Loan Capital                         | 7,806,067         | 7,806,067         |
| General fund transferred to revolving fund | 55,529,672        | 30,000,000        |
|                                            | <b>90,000,000</b> | <b>64,470,327</b> |

| <b>17. Hand in Hand EA Reserve Fund</b> | <b>2024</b>       | <b>2023</b>       |
|-----------------------------------------|-------------------|-------------------|
|                                         | <b>Kes</b>        | <b>Kes</b>        |
| At the start of the year                | 42,819,350        | 36,219,629        |
| Transfer from accumulated funds         | <u>21,133,093</u> | <u>6,599,721</u>  |
| At the end of the year                  | <u>63,952,443</u> | <u>42,819,350</u> |

This relates to accumulation of funds from interest income earned from unrestricted funds.

| <b>18. Loan loss reserve</b>        | <b>2024</b>      | <b>2023</b>             |
|-------------------------------------|------------------|-------------------------|
|                                     | <b>Kes</b>       | <b>Kes</b>              |
| At the start of the year            | 1,317,161        | 1,317,161               |
| Transfer from accumulated funds     | -                | -                       |
| Transfer to Specific Loan Provision | -                | -                       |
| <b>At the end of the year</b>       | <b>1,317,161</b> | <b><u>1,317,161</u></b> |

This relates to accumulation of funds from surplus for the current year.

## 19. Related party transactions and balances

The organization works closely with other Hand in Hand organizations such as HIH Tanzania, HIH International, and HIH Sweden. The organization also has a social enterprise by the name Fanikisha Hub which was registered in 2023. The board approved the transfer of the subsidiary fund balance amounting to KES 6,173,409 held by HIH EA to Fanikisha's bank account in FY 2023.

| <b>i) Grant income and receipts</b>                                 | <b>2024</b>              | <b>2023</b>              |
|---------------------------------------------------------------------|--------------------------|--------------------------|
|                                                                     | <b>Kes</b>               | <b>Kes</b>               |
| Restricted funds                                                    |                          |                          |
| Grant income                                                        | 913,987,723              | 888,307,429              |
| Deferred income                                                     | 546,072,530              | 443,120,344              |
| Receipts during the year                                            | 1,026,869,622            | 914,552,325              |
| <b>ii) Key management personnel compensation</b>                    |                          |                          |
| Short term employee benefits                                        | 53,142,719               | 50,649,206               |
| Post-employment benefits                                            | <u>7,724,499</u>         | <u>7,853,932</u>         |
|                                                                     | <b><u>60,867,218</u></b> | <b><u>58,503,138</u></b> |
| <b>iii) Loans from related parties (Hand in Hand International)</b> |                          |                          |
| Movement                                                            |                          |                          |
| At start of year                                                    | 50,230,465               | 73,230,465               |
| Paid during the year                                                | <u>(25,000,000)</u>      | <u>(23,000,000)</u>      |
| At end of year                                                      | <b><u>25,230,465</u></b> | <b><u>50,230,465</u></b> |
| <b>iv) Transfer of Funds to Fanikisha Hub</b>                       |                          |                          |
| Transfer during the year                                            | -                        | 6,173,409                |

| 19. Related party transactions and balances (continued) | 2024<br>Kes | 2023<br>Kes |
|---------------------------------------------------------|-------------|-------------|
|---------------------------------------------------------|-------------|-------------|

v) Expenses paid on behalf of Hand in Hand Tanzania

|                                 |                         |                         |
|---------------------------------|-------------------------|-------------------------|
| <b>Payments during the year</b> | <b><u>8,619,629</u></b> | <b><u>7,482,620</u></b> |
|---------------------------------|-------------------------|-------------------------|

Hand in Hand Eastern Africa make payments on behalf of Hand in Hand Tanzania and are reimbursed on a quarterly basis.

|  | 2024<br>Kes | 2023<br>Kes |
|--|-------------|-------------|
|--|-------------|-------------|

vi) Outstanding balances arising from sale and purchase of goods/services/property/other assets

Payables from related parties can be analysed as follows:

|                            |            |           |
|----------------------------|------------|-----------|
| Hand in Hand International | 30,686,469 | 137,277   |
| Hand in Hand Tanzania      | -          | (381,480) |

|                                             |            |           |
|---------------------------------------------|------------|-----------|
| Total Payables from related party (Note 13) | 30,686,469 | (244,203) |
|---------------------------------------------|------------|-----------|

Movement

|                  |           |   |
|------------------|-----------|---|
| At start of year | (244,203) | - |
|------------------|-----------|---|

|                                            |            |           |
|--------------------------------------------|------------|-----------|
| Expenses paid on behalf of related parties | 33,089,200 | 7,482,620 |
|--------------------------------------------|------------|-----------|

|                   |             |             |
|-------------------|-------------|-------------|
| Payments Received | (2,158,528) | (7,726,823) |
|-------------------|-------------|-------------|

|  |                          |                         |
|--|--------------------------|-------------------------|
|  | <b><u>30,686,469</u></b> | <b><u>(244,203)</u></b> |
|--|--------------------------|-------------------------|

Receivable by related party Hand in Hand Sweden (Note 13)

Movement

|                  |         |        |
|------------------|---------|--------|
| At start of year | 199,460 | 22,400 |
|------------------|---------|--------|

|                                            |         |         |
|--------------------------------------------|---------|---------|
| Expenses paid on behalf of related parties | 709,532 | 679,217 |
|--------------------------------------------|---------|---------|

|                   |           |           |
|-------------------|-----------|-----------|
| Payments Received | (908,992) | (502,157) |
|-------------------|-----------|-----------|

|                       |          |                       |
|-----------------------|----------|-----------------------|
| <b>At end of year</b> | <b>-</b> | <b><u>199,460</u></b> |
|-----------------------|----------|-----------------------|

## 20. Operating lease commitments - as a lessee

The future minimum lease payments payable under non-cancellable

operating leases are as follows:

|                       |            |            |
|-----------------------|------------|------------|
| Not later than 1 year | 24,574,418 | 23,072,441 |
|-----------------------|------------|------------|

|                                              |                   |                   |
|----------------------------------------------|-------------------|-------------------|
| Later than 1 year and not later than 5 years | <u>70,806,929</u> | <u>47,048,205</u> |
|----------------------------------------------|-------------------|-------------------|

|  |                          |                          |
|--|--------------------------|--------------------------|
|  | <b><u>95,381,347</u></b> | <b><u>70,120,646</u></b> |
|--|--------------------------|--------------------------|

## 21. Taxation

The organisation is registered under the Non-Governmental Organisations Act (1995) and has renewed their Tax exemption on 20 November 2024 which runs from 26<sup>th</sup> August 2022 to 26<sup>th</sup> August 2027. The organisation has therefore not provided for tax payment in the financial statements.

## 22. Presentation currency

The financial statements are presented in Kenya Shillings (Kes).

**23. Expenditure**

|                                            | 2024              | 2024                | 2024             | 2023              | 2023                | 2023             |
|--------------------------------------------|-------------------|---------------------|------------------|-------------------|---------------------|------------------|
|                                            | Kes               | Kes                 | Kes              | Kes               | Kes                 | Kes              |
| <b>a Project Costs</b>                     | <b>Restricted</b> | <b>Unrestricted</b> | <b>Total</b>     | <b>Restricted</b> | <b>Unrestricted</b> | <b>Total</b>     |
| Staff cost                                 | 470,126,625       | 24,918,657          | 495,045,282      | 496,370,933       | 1,248,449           | 497,619,382      |
| Transport expenses                         | 53,970,716        | 7,377,966           | 61,348,682       | 51,879,885        | 2,044,938           | 53,924,823       |
| Marketing & group leaders' trainings       | 209,259,131       | 2,043,077           | 211,302,208      | 151,973,737       | 1,287,730           | 153,261,467      |
| Partnerships and VCM cost                  | 24,037,107        | 2,044,657           | 26,081,764       | 28,869,472        | 1,679,953           | 30,549,425       |
| Monitoring and evaluation                  | 23,675,360        | 2,399,436           | 26,074,796       | 34,474,924        | 866,179             | 35,341,103       |
| Program monitoring systems                 | 4,442,979         | 722,000             | 5,164,979        | 6,623,320         | 49,743              | 6,673,063        |
| Professional services                      | 7,283,934         | 120,239             | 7,404,173        | 8,278,559         | 1,471,884           | 9,750,443        |
| Staff capacity building                    | 29,078,435        | 3,225,555           | 32,303,990       | 28,522,289        | 4,919,417           | 33,441,706       |
| Assets maintenance and insurance cost      | 6,643,681         | 324,996             | 6,968,677        | 8,470,116         | 297,881             | 8,767,997        |
| Premises expenses                          | 25,798,330        | 1,055,213           | 26,853,543       | 25,511,297        | 288,600             | 25,799,897       |
| External monitoring and evaluation surveys | 24,694,936        | -                   | 24,694,936       | 16,887,570        | -                   | 16,887,570       |
| Technical assistance                       | 8,122,418         | -                   | 8,122,418        | 1,643,785         | -                   | 1,643,785        |
| Community resource persons expenses        | <b>4,310,590</b>  | <b>-</b>            | <b>4,310,590</b> | <b>1,460,273</b>  | <b>5,100</b>        | <b>1,465,373</b> |
|                                            |                   |                     |                  |                   |                     | -                |

891,444,242      44,231,796      935,676,038      860,966,160      14,159,874      875,126,034

**The following shows breakdown for staff costs;**

|                               |                |                |                |                  |                |                  |
|-------------------------------|----------------|----------------|----------------|------------------|----------------|------------------|
| Salaries, Insurance and wages | 370,230,417    | 19,735,390     | 389,965,807    | 389,790,530      | 956,624        | 390,747,154      |
| Pension contribution          | 31,683,159     | 1,430,813      | 33,113,972     | 34,413,866       | 46,127         | 34,459,993       |
| Staff medical expenses        | 41,254,122     | 2,360,462      | 43,614,584     | 38,849,706       | -              | 38,849,706       |
| Gratuity expense              | 26,640,819     | 1,218,492      | 27,859,311     | 28,332,007       | 74,056         | 28,406,063       |
| Other staff costs             | <u>318,108</u> | <u>173,500</u> | <u>491,608</u> | <u>4,984,824</u> | <u>171,642</u> | <u>5,156,466</u> |
|                               | 470,126,625    | 24,918,657     | 495,045,282    | 496,370,933      | 1,248,449      | 497,619,382      |

| 23 Expenditure (continued)        |                                   | 2024              | 2024             | 2024              | 2023              | 2023             | 2023              |
|-----------------------------------|-----------------------------------|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
|                                   |                                   | Kes               | Kes              | Kes               | Kes               | Kes              | Kes               |
| b)                                | Administrative Costs              | Restricted        | Unrestricted     | Total             | Restricted        | Unrestricted     | Total             |
|                                   | Stationery supplies and printing  | 6,893,063         | 321,225          | 7,214,288         | 8,045,201         | 287,093          | 8,332,294         |
|                                   | Communication costs               | 11,070,586        | 776,018          | 11,846,604        | 11,396,242        | 142,579          | 11,538,821        |
|                                   | Office running costs              | 19,448,884        | 713,514          | 20,162,398        | 18,950,371        | 249,579          | 19,199,950        |
|                                   | Staff relocation expenses         | 177,500           | -                | 177,500           | -                 | -                | -                 |
|                                   | Management and trustee meetings   | 1,163,733         | 371,213          | 1,534,946         | 992,075           | 230,143          | 1,222,218         |
|                                   | Audit fees                        | 3,257,134         | 154,058          | 3,411,192         | 2,313,026         | 372,614          | 2,685,640         |
|                                   | Premises expenses                 | 2,046,807         | 318,979          | 2,365,786         | 2,227,423         | 229,300          | 2,456,723         |
|                                   | Bank and money transfer charges   | 1,895,780         | 86,058           | 1,981,838         | 1,548,822         | 216,144          | 1,764,966         |
|                                   | Exchange (gain)/loss              | -                 | 2,441,106        | 2,441,106         | -                 | 4,275            | 4,275             |
|                                   | Interest on Borrowings            | -                 | 1,171,826        | 1,171,826         | -                 | 64,091           | 64,091            |
|                                   | Provision for impairment of loans | -                 | 100,820          | 100,820           | -                 | -                | -                 |
| <b>Total administrative costs</b> |                                   | <b>45,953,487</b> | <b>6,454,817</b> | <b>52,408,304</b> | <b>45,473,160</b> | <b>1,795,818</b> | <b>47,268,978</b> |
|                                   |                                   |                   |                  |                   |                   |                  |                   |
| c)                                | Depreciation and Amortisation     |                   |                  |                   |                   |                  |                   |
|                                   | Depreciation                      | 14,512,650        | 811,049          | 15,323,699        | 14,604,182        | 1,476,095        | 16,080,277        |
|                                   | Amortisation                      | 2,452,079         | 220,738          | 2,672,817         | 2,452,080         | 220,738          | 2,672,818         |
|                                   |                                   | 16,964,729        | 1,031,787        | 17,996,516        | 17,056,262        | 1,696,833        | 18,753,095        |

## 24. Contingent Liabilities

As at 31 December 2024, Hand in Hand Eastern Africa had no pending lawsuit (2023: Nil).

## 25. Events after the reporting date

There are no significant events after the reporting period which have not been reported in these financial statements.

A man wearing a blue baseball cap and a bright yellow safety vest over a white t-shirt is crouching in a grassy field. He is holding a small, green, bushy plant and is in the process of planting it into a hole he has dug in the ground. The background shows a line of tall, thin trees and a hilly landscape under a clear sky.

4

# ENVIRONMENTAL PILLAR

Through our CSA programs, farmers are becoming stewards of the environment, actively contributing to climate mitigation and adaptation efforts at the grassroots level.

# Environmental Pillar



The environmental pillar under HiH-EA is supported by four sub-categories

## Sustainable Agriculture and Climate Resilience

### HiH-EA Climate Resilience Actions

During 2024, HiH-EA trained 31,686 **farmers** on Climate Smart Agriculture (**CSA**) techniques. The training focused on equipping farmers with knowledge and skills in conservation agriculture, agroforestry, soil and water management,

drought-tolerant crops, organic composting and integrated farming systems. These CSA practices aim to enhance agricultural productivity while reducing greenhouse gas emissions and increasing the resilience of farming systems to climate variability.

## Key Results Realized.



**74%** adoption rate of climate- smart practices and technologies among trained farmers.



**1,296 Kgs** of sunflower seeds are distributed to farmers for planting.



**23 Azolla** demo units established to provide alternative protein source for livestock.



**20 beehives** bought to promote sustainable apiculture.



Over **200 irrigation** and vertical kits gardening procured for farmers to minimize dependence on rain fed agriculture.



Over **1,000 farmers** facilitated exposure and learning visits on climate-smart agriculture technologies.



Over **10 tonnes** of honey were harvested and sold by farmers providing family income.



**Farmers are becoming stewards of the environment, actively contributing to climate mitigation and adaptation efforts.**

## Community Resilience and Environmental Stewardship

Through our CSA programs, farmers are becoming stewards of the environment, actively contributing to climate mitigation and adaptation efforts at the grassroots level. The ripple effect of these interventions has also fostered increased awareness of sustainable land use within communities thus directly contributing to the achievement of SDGs 13- climate action and 15-Life on land.

### Future climate resilience Action

HiH-EA remains dedicated to scaling climate-smart agriculture across more regions. Future includes:

- » Expanding training to additional farmers and regions vulnerable to climate change
- » Deepening support through access to drought-tolerant seeds, farm inputs, and market linkages

- » Collaborating with government and private sector partners to amplify impact

We recognize that sustainable agriculture is essential for the long-term resilience of communities and ecosystems. Our continued investment in climate-smart solutions is a key pillar in achieving both environmental sustainability and economic empowerment for rural farmers

## Embracing Innovation and Digital Solutions

HiH-EA has embraced digital transformation, which directly supports **SDG 9** – Industry, Innovation, and Infrastructure. By doing so, this has fostered innovation, improved operational efficiency, and modernized organizational infrastructure.

Digital platforms have also empowered Hand in Hand Eastern Africa employees and expanded workforce participation.

Hand in Hand, Eastern Africa has also embraced digital tools, which have helped to optimize resource use, reduce waste, and support data-driven decision-making.



## HiH-EA Achievements on digital solutions



Reduction of paperwork and paper usage by **90%**



Data driven decision-making has also increased from **30%** to almost **80%** with the introduction of the business analytics tool (dashboards) that has been embraced by all departments.



Reduced of usage of toners and printer cartridges



The implementation of remote collaboration platforms such as Zoom for the HI HEA quarterly reviews and all other meetings at a cost USD45 per year has made this possible for close to 300 HI HEA staff who are able to virtually conduct meetings reducing travels for physical meetings. This shift not only reduces greenhouse gas emissions associated with transportation but also leads to cost savings and increased productivity.

Embracing digital solutions has also enabled Hand in Hand Eastern Africa in achieving SDG 13 – Climate Action by reducing travel through remote collaboration tools, optimizing logistics for fuel savings, and promoting energy- efficient systems.



# Waste Management and Circular Economy



In the face of growing environmental concerns, waste management and the circular economy have emerged as essential strategies for promoting sustainability. In response to the pressing environmental challenges, HHH-EA has demonstrated a robust commitment to addressing waste management challenges through innovative community-based programs that mobilize grassroots entrepreneurs to address waste management service gaps in their communities through market-based solutions.

In recent years, HHH-EA has initiated several projects aimed at improving waste management practices in urban areas. The organization focuses on the following strategic areas of intervention.

1. Practice-oriented training on technical aspects of waste management, health & safety, leadership & management and emerging (digital) technologies.
2. Supporting community-based waste entrepreneurs (CBWEs) to create and scale waste management enterprises, reaching both local and international markets, and accessing appropriate financing mechanisms to ensure sustainable growth.
3. Promoting evidence-based approaches to empower women entrepreneurs to successfully lead and operate waste-related enterprises.
4. Engaging with policymakers at national and county levels on evidence-based strategies to create an enabling environment for CBWEs to improve waste management services.

## Key Results Realized:

**64+**  
tons

**64+** tons of waste diverted from dumpsites through segregation and circular processing.



Creation of 1,174 waste-based enterprises, leading to 1,439 jobs, with a focus on women and youth.



Reduction in illegal dumping and related public health risks.



Facilitated provision of 63 Handcarts, 35 wheelbarrows, 45 weighing scales, 46 First Aid kits and 1528 personal protective equipment (PPEs) such as Overall, Gumboots and gloves for safety purposes while on their duty.

HIH-EA addresses key indicators of responsible waste management. Kenya generates over 22,000 tons of waste daily, with low collection efficiency. The organization directly tackles this issue through community education and enterprise development. Through Community based waste management initiatives, HIH-EA facilitated collection of 64,327.94 kg of PET plastics and 43,625.1 kg of other waste (organic, HDPE, textile, paper), promoted composting and biogas production to manage organic waste, and supported development of Material Recovery Facilities (MRFs) in Mombasa County.

This resulted in a reduction in greenhouse gas emissions from avoided burning and dumping, lower environmental degradation and improved sanitation in informal settlements, promotion of upcycled products such as furniture, decor, detergent packaging, sanitary pads, briquettes, and textiles. 2,525 individuals were trained through a 4-step green entrepreneurship curriculum and this led to the establishment of value chains in glass, paper, organic matter, and plastics.

HIH-EA embodies the environmental pillar of ESG through green entrepreneurship by ensuring waste is transformed into income through community-based enterprises, such as organic farming using compost, tree nurseries using recycled plastic, fashion products from textile waste (e.g., dreads, handbags), home decor and jewelry from PET

and paper waste. This has led to environmental impacts such as reduced landfill use by diverting recyclable waste, emissions mitigated through controlled waste handling and clean environments fostered through reduced disease and pollution.

To ensure policy engagement and systemic impact, HIH-EA works beyond grassroots levels by engaging national and county governments on enabling policies for CBWEs, conducting community barazas and educational visits to promote environmental awareness and advocating for waste sector harmonization.

## Our way Forward on Waste Management.

To consolidate and expand impact, HIH-EA will continue to facilitate:

- » Institutional recognition of waste management as a formal economic sector.
- » Expansion of funding mechanisms to support startups.
- » Policy harmonization through the relevant bodies to support circular businesses.
- » Continued community training and private sector partnerships for scalability.
- » Setting up of waste segregation centers.



# Natural Resource Management Report – Hand in Hand Eastern Africa

At Hand in Hand Eastern Africa (HIH-EA), we are committed to driving sustainable development by integrating **natural** resource management into our community empowerment programs. Recognizing that environmental sustainability is essential for long-term economic progress, we have undertaken deliberate efforts to support green initiatives that protect ecosystems, enhance community resilience, and contribute to global climate action goals

The organization of KES 24,287,811 in 2024 on this thematic focus, key achievements have been the drilling and equipping of 12 solar-powered water boreholes in the counties of Kitui, Machakos, Makueni, Nyandarua, Laikipia, Nakuru, Kajiado, and Baringo. These boreholes, implemented through the Community Uplift Project and the EDRF III Project, are a vital resource for households and microenterprises, offering reliable access to clean water while utilizing solar energy to minimize environmental impact. The use of renewable energy in water provision marks a significant step

toward sustainable water access in arid and semi-arid regions.

In addition to enhancing water access, HIH-EA has continued to champion clean energy solutions. Through a targeted subsidy program, we have supported 335 farmers in the installation of biodigesters, which convert organic waste into biogas for cooking. These systems not only provide a sustainable energy source but also reduce reliance on firewood and charcoal, thereby protecting forests and reducing greenhouse gas emissions.



We have further expanded access to clean cooking solutions through sensitization of the use of energy-saving cooking stoves through an incentive program where HiH beneficiaries are rewarded with the stoves, depending on the number of trees planted within the period. This was achieved through a partnership with Akili Trust and Burn Manufacturing. This initiative accelerated the tree planting, facilitated access to stoves, enhancing energy efficiency, reducing indoor air pollution, and significantly decreasing fuel consumption, directly contributing to climate mitigation efforts.

To improve household water security, HIH-EA has also continued to offer water tanks on loan to our beneficiaries. In 2024, 375 members were supported to access water tanks worth KES 7,676,688. These tanks support safe water storage and enable households to manage water more efficiently, particularly during drought periods. HiH carried out a subsidy program and project activities that linked members to access more than 100 solar-powered water irrigation systems.

In our ongoing effort to promote reforestation and environmental restoration, HIH-EA supported the planting of 54,000 trees across various project

areas. This initiative contributes to restoring degraded landscapes, improving biodiversity, and enhancing carbon sequestration, while also fostering community awareness and participation in climate action.

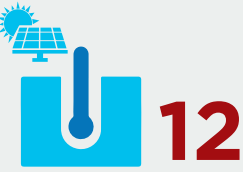
Together, these efforts reflect our holistic approach to environmental sustainability. From clean energy and water conservation to ecosystem restoration, our interventions are designed to

# 54,000 TREES

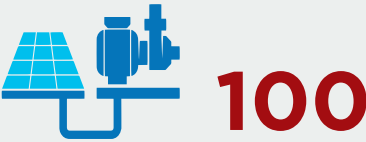
In our ongoing effort to promote reforestation and environmental restoration, HIH-EA supported the planting of 54,000 trees across various project areas.

# Number of environmental initiatives supported

Tree planting, water conservation, or energy projects



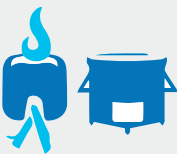
12 Solar-powered boreholes supported in 8 Counties



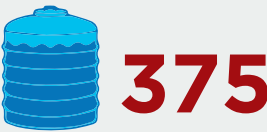
100 +Solar Powered Pumps



335 Biodigester units installed



Energy-saving stoves sensitized



375 Water tanks loaned for KES 7,676,688



54,000 trees planted

Counties Covered



Covered 32 counties in Kenya.

Total Households Reached



Over 15,907 direct beneficiaries

deliver long-lasting impact while strengthening community capacity to adapt to climate change.

Our natural resource management efforts in 2024 have played a crucial role in promoting environmental sustainability while supporting community livelihoods. These initiatives align with Sustainable Development Goals 13 and 15, focusing on climate action and the protection of life on land through practical interventions like tree planting, clean energy adoption, and water conservation.

Our work also aligns with the Global Reporting Initiative (GRI) Standard 304-3, which emphasizes habitat protection and biodiversity. By restoring degraded landscapes and supporting the use of biodigesters, solar-powered boreholes, and energy-saving stoves, we are not only improving community resilience but also minimizing our environmental footprint.

These actions reflect our commitment to the Environmental (E) component of the ESG framework, demonstrating how we reduce environmental risks and promote sustainable, inclusive development. As we continue to scale up these efforts, environmental conservation remains central to our mission of empowering communities and building climate resilience.

Looking ahead, HIH-EA remains committed to expanding these efforts by scaling up green technologies, deepening community engagement, and forging partnerships that enhance the sustainability and reach of our work. Through practical, community-driven solutions, we continue to advance environmental conservation as a core pillar of our mission to uplift lives and build climate-resilient communities.



# 5

## SOCIAL AND ECONOMIC PILLAR

In 2024, HIH-EA advanced ESG goals by promoting green jobs, climate-resilient practices, and economic inclusion of women and youth. Strengthened by transparent governance, its enterprise model empowered communities with skills and support, fostering sustainable growth, environmental stewardship, and lasting social and economic transformation across rural areas.



# 2024 Enterprise Development & Job Creation Impact Report

Hand in Hand Eastern Africa (HIH-EA) empowers vulnerable communities—especially women and youth—through sustainable enterprise development. In 2024, the organization strengthened its commitment to grassroots entrepreneurship and inclusive job creation, making significant contributions to Kenya’s socio-economic transformation. These efforts align with the Sustainable Development Goals (SDGs), Global Reporting Initiative (GRI), and Environmental, Social, and Governance (ESG) standards.

## 2024 Key Achievements



**797**

1. **797** new community groups mobilized, engaging 15,900 members at the base of the pyramid (68% women, 32% men of which 28% are youth).



**6,206**

2. **6,206** high-potential accelerator enterprises supported, enabling scale and improved market access.



**126**

3. **126** cooperatives and CBOs trained, strengthening grassroots institutions and local economies.



**10,481**

4. **10,481** new enterprises created, 35% of which are categorized as green enterprises (linked to climate-smart agriculture, renewable energy, waste-to-profit enterprises) showcasing strong entrepreneurial drive among vulnerable populations.



**14,476**

5. **14,476** jobs created across sectors, 35% of which are categorized as green jobs (linked to climate-smart agriculture, renewable energy, waste-to-profit enterprises).



**35**

6. HIH-EA has 35 community resource persons supporting project implementation of which 21 (60%) are females and 14 (40%) are males.

In 2024, HIH-EA advanced ESG goals by promoting green jobs, climate-resilient practices, and economic inclusion of women and youth. Strengthened by transparent governance, its enterprise model empowered communities with skills and support, fostering sustainable growth, environmental stewardship, and lasting social and economic transformation across rural areas.

# SOCIAL PILLAR

HH-EA's human resource practices are rooted in the principles of fairness, transparency, inclusion, and accountability. We are dedicated to fostering a workplace that not only adheres to legal and ethical standards but also prioritizes the growth, wellbeing, and empowerment of our staff.

## Workforce Profile

We continue to grow a diverse, skilled, and mission-driven workforce. As of the end of the reporting period:

### Metric

Total Staff Complement

Status (2024): 295



48.8%

144 Female

51.2%

151 Male

### Metric

Number of Internal Promotions

Status (2024): 27



52%

14 Female

48%

13 Male

### Metric

Number of Internships

Status (2024): 35



63%

22 Female

37%

13 Male



**In Q3 and Q4 of 2024, HIH-EA organized inclusive team-building activities aimed at strengthening collaboration, enhancing staff morale, and promoting mental well-being.**

This data reflects our commitment to gender-balanced hiring, talent retention, and internal career growth—advancing SDG 5 (Gender Equality) by promoting equal opportunities, and SDG 8 (Decent Work and Economic Growth) through inclusive employment and professional development. The inclusion of internships supports youth employability and skills-building, further contributing to our goal of creating sustainable pathways to economic independence.

### **1. Staff Engagement and Team Building:**

In Q3 and Q4 of 2024, HIH-EA organized inclusive team-building activities aimed at strengthening collaboration, enhancing staff morale, and promoting mental well-being. These efforts contributed to a healthier and more cohesive workplace culture.

### **2. Employee Training and Development**

In line with our commitment to continuous professional development, our employees participated in targeted training programs conducted by reputable institutions during the reporting period. These included:

- » Institute of Certified Public Accountants of Kenya (ICPAK) – Enhanced skills in financial reporting, compliance, and ethical accounting.
- » Institute of Human Resource Management (IHRM) – Strengthened HR capacity in areas such as labour law, navigating strategy, people and technology, employee engagement, as well as employee well-being.
- » Project Management Professional (PMP) – Built capacity in strategic project planning, execution, and evaluation.
- » Strathmore University Business School – New Managers Leadership Programme (NMLP), The programme is designed to equip new and emerging managers with essential leadership and managerial skills needed to transition effectively from individual contributors to team leaders.
- » Federation of Kenya Employers (FKE) – Empowered managers with insights on labour relations, workplace compliance and discipline management. These training initiatives supported the growth of both technical and leadership competencies across various departments. These capacity-building efforts reflect our commitment to nurturing a knowledgeable, ethical, and future-ready workforce.

### 3. Employee Health and Wellbeing

HH-EA provides a comprehensive medical insurance cover to all employees and their eligible dependents. This benefit ensures access to quality healthcare services, promoting physical and mental wellbeing across the organization. By prioritizing employee health, the organization

**HH-EA recruitment process is designed to attract, assess, and select candidates in a fair, transparent, and competency-based manner.**

supports a productive workforce and fosters a culture of care and resilience. This initiative directly contributes to: This commitment reflects our holistic approach to workforce sustainability and responsible employment practices.

### 4. Recruitment Process and Impact

HH-EA recruitment process is designed to attract, assess, and select candidates in a fair, transparent, and competency-based manner. We uphold equal opportunity principles and are committed to diversity, meritocracy, and inclusion in all hiring decisions.

Our recruitment process ensures that we engage individuals who are not only qualified but also aligned with our mission to uplift communities through enterprise development. By hiring talent that is passionate, ethical, and community-focused, we amplify our impact at the grassroots level.

#### Key Impacts:



Enhanced service delivery to program beneficiaries through skilled and mission-driven staff.



Improved organizational capacity to scale sustainable livelihoods in vulnerable communities.



Promotion of gender and regional diversity, contributing to inclusive economic participation.

Through strategic recruitment, Hand in Hand Eastern Africa strengthens its human capital and advances its mission of driving long-term, people-centered development.

### 5. Leave Days and Time Off

Hand in Hand Eastern Africa recognizes the importance of rest, personal wellbeing, and work-life balance in enhancing employee productivity and satisfaction. As part of our employee welfare policy, staff are entitled to various forms of leave, including:

- » **Annual Leave:** paid time off granted to employees each year to rest, rejuvenate, in line with organizational policy, and labor laws.
- » **Sick Leave:** Leave provided to employees who are unwell and unable to perform their duties, upon provision of medical evidence.
- » **Maternity and Paternity Leave:** Leave granted to new mothers and fathers to support childbirth and early childcare, in accordance with statutory provisions.
- » **Compassionate Leave:** Short-term leave given to employees facing personal or family emergencies, such as the loss of a loved one.
- » **Study Leave:** Approved time off for employees to pursue further education or training relevant to their role and development.
- » **Compensatory Leave:** Time off granted in lieu of extra hours or work done beyond the standard schedule, subject to approval.

These provisions are structured to support employees during significant life events, health-related needs, and personal development pursuits. The organization promotes a culture that respects time off, encouraging employees to rest, rejuvenate, and return to work more engaged and motivated.

This approach reflects our commitment to building a sustainable and people-first workplace that nurtures long-term performance and wellbeing.

# Financial Inclusion

## Advancing Economic Sustainability through Inclusive Access

Hand in Hand Eastern Africa (HIH-EA) advances sustainable development by embedding financial inclusion in its enterprise programs. Through targeted interventions in credit, savings, and micro-insurance, HIH-EA strengthens livelihoods and economic growth, supporting SDGs 1, 8, and 9, GRI 203-2, and the social pillar of the ESG framework.

## Financial Support and Scale of Impact

In 2024, HIH-EA facilitated a total of KES 299,565,008 in credit through both internal and external financial mechanisms. This financial support empowered members to establish and expand their enterprises, contributing to increased household incomes and enhanced financial resilience.



A total of **5,502** members embraced and adopted a saving culture during the reporting period.

## Financial inclusion outreach and support included.

1



# 5,609

**KES 100,298,608** disbursed through internal lending mechanisms to **5,609** members distributed as shown below.

2



# 2,464

**KES 199,266,400** accessed through external linkages with pro-poor financial service providers by 2,464 members.

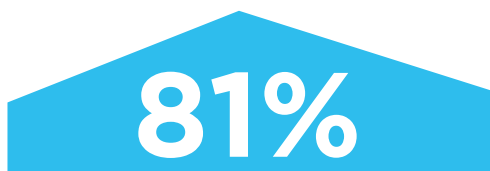
5



# 5,502

A total of **5,502 members** embraced and adopted a saving culture during the reporting period.

3



An increase in female loan uptake from **79% (2023)** to **81% (2024)**, showcasing progress in gender equity.

5



Launched micro-insurance education and gamification initiatives, raising awareness and uptake of tailored insurance products.

4



# 10M

Over **KES 10 million** mobilized through savings challenges and gamified savings initiatives across 15 branches.

6



Ongoing work toward achieving **10% micro-insurance** coverage across enterprise members.



## Program Delivery and Partnerships

HIH-EA's financial inclusion efforts were implemented through a combination of internal lending program and strategic partnerships with financial service providers. Gamified training, group-based delivery, and incentive structures were employed to enhance engagement and behavioral change.

Partnerships with other stakeholders such as pro-poor financial service providers supported delivery of customized products. MoUs and Service Level Agreements (SLAs) are being formalized to improve partner accountability and responsiveness.

## Lessons Learned

- » Financial products must align with **income patterns and risk perceptions**.
- » **Training before product rollout** significantly improves adoption.

- » **Group-based models** enhance savings and loan repayment performance.
- » Combining **digital and non-digital tools** ensures broader inclusion.
- » **Ongoing M&E** enhances service adaptation and member satisfaction.

Through inclusive, practical, and community-driven solutions, HIH-EA continues to uplift livelihoods and build financial resilience as a core pillar of HIH-EA mission.

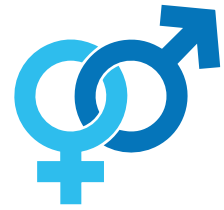
## Value chains and Market linkages

In 2024, HIH-EA strengthened market-ready enterprises by fostering 40 market linkages, certifying 15 products with KEBS, and establishing 20 aggregation centers. The organization promoted green and non-green technologies, distributed key value chain assets, and facilitated 20 exposure visits, including participation in a trade exhibition in Juba.

## Key Achievements

- a. Market Linkages:** 40 successful linkages created between producers and Input providers (e.g., seed, feed suppliers), Aggregators (e.g., cooperative buyers) and Off-takers and processors (e.g., dairy and cosmetic processors) these linkages enhanced access to consistent markets and improved producer incomes.
- b. Product Certification:** 15 enterprise products certified by KEBS in collaboration with KIRDI: Sectors: Dairy (yoghurt, milk), Sunflower oil, Cosmetic products (e.g., creams, balms). Certification improved product competitiveness and market trust.
- c. Aggregation Centres Established:** 20 centers formed to support collective marketing and value addition in: Potato, Vegetables, Feed formulation, Milk aggregation
- d. Value Chain Assets Distributed:** In 2024, HIH-EA distributed a range of green and non-green value chain assets to boost productivity and resilience across agricultural sectors. These included green technologies like incubators (4), pasteurizers (2), chilling machines (2), and Galla goats to support poultry, dairy, and livestock diversification. Non-green assets such as feed mixers (4) and weighing machines (8) enhanced animal feed formulation and produce measurement in aggregation centres. These interventions strengthened enterprise competitiveness and promoted sustainable agricultural practices.
- e. Market Exposure Visits :** 20 market-facing exposure visits conducted, allowing enterprises to: Learn from best practices, Network with buyers and exhibitors and Showcase products (e.g., during the Juba Trade Exhibition) these visits built business confidence, skills, and visibility.

# Gender Equality & Economic Empowerment



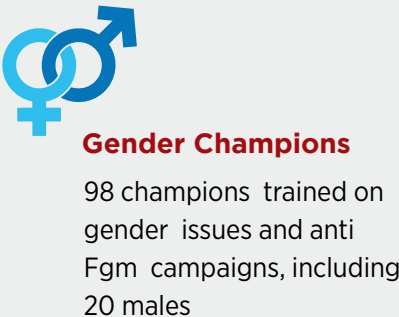
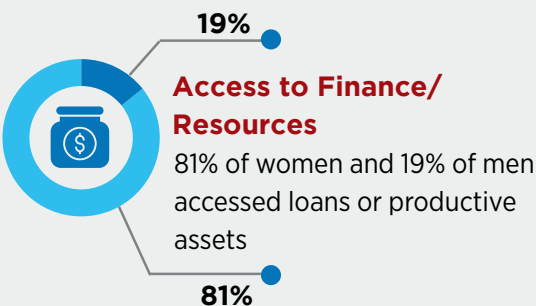
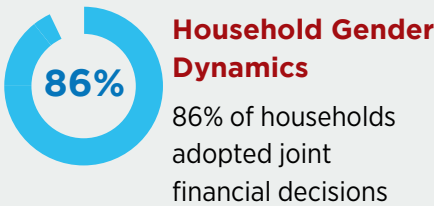
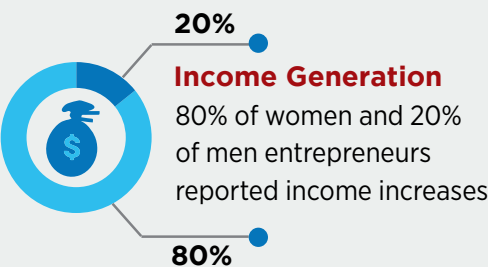
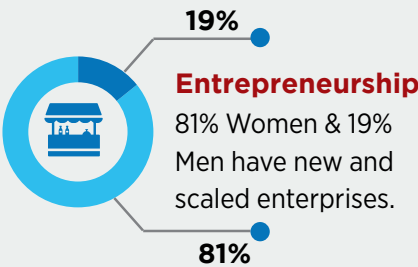
In 2024, Hand in Hand Eastern Africa (HIH-EA) made significant change in promoting gender equality across 34 counties in Kenya, contributing directly to Sustainable Development Goal 5 and broader ESG priorities. Using its proven 4-Step Model, HIH-EA empowered a predominantly female membership—80% women—by providing training and support to start businesses, access resources, and challenge entrenched gender norms.

The integration of a comprehensive Gender Curriculum into all programming ensured that gender equity was prioritized at every stage of enterprise development. This approach not only fueled economic growth but also sparked meaningful social transformation, with women

gaining greater voice, agency, and leadership, and men increasingly supporting gender equity. The resulting impact was evident in households, local economies, and even in traditionally male-dominated sectors like beekeeping and sunflower farming.

## Key Outcomes in 2024

### Outcome Area: 2024 Results



### % of new and scaled enterprises by gender -

In the realm of entrepreneurship, women exhibited remarkable leadership by running 81% of all new or scaled businesses, highlighting a significant shift toward women-led enterprise development in HIH-EA's program areas. This trend was accompanied by strong economic outcomes, with 80% of women entrepreneurs reporting increased income, demonstrating the effectiveness of the initiatives in boosting economic resilience and supporting predominantly female-led ventures.

### % of Households that adopted joint financial decision -

Household Gender Dynamics is particularly noteworthy, with 86% of households adopting joint financial decision-making processes. This represents a significant advancement in fostering equitable intra-household power dynamics, reflecting shared financial planning and management between genders. This indicates that only 14% of households did not yet report joint financial decisions, signifying a widespread adoption of more collaborative approaches.

## Programmatic Interventions & Measurable Results

### Gender-Responsive Enterprise Development -

Through a Gender-Responsive 4-Step Model, over 112,760 women received targeted training in areas like digital literacy, market access, and business continuity, focusing on high-value sectors such as beekeeping, poultry, agribusiness, and dairy. This initiative led to the creation of 14,476 jobs, boosting household incomes and economic resilience. Beyond economic benefits, women gained greater voice and decision-making power, with many stepping into leadership roles and challenging traditional gender norms, ultimately positioning themselves as catalysts for inclusive regional development.

### Time, Trees, and Transformation: How Gender Equality and Environmental Action -

In 2024, Hand in Hand Eastern Africa (HIH-EA) advanced environmental sustainability



The organization also planted 54,000 trees to restore ecosystems and combat climate change.



**Household Gender Dynamics is particularly noteworthy, with 86% of households adopting joint financial decision-making processes.**

and gender equality through integrated interventions, investing KES 24.3 million in natural resource management. Key initiatives included installing 12 solar-powered boreholes, distributing 375 water tanks, and promoting clean energy technologies like bio-digesters and energy-saving stoves, all aimed at reducing the burden of unpaid care work on women. The organization also planted 54,000 trees to restore ecosystems and combat climate change. These efforts eased domestic workloads, improved household health, and reduced “time poverty,” enabling women to pursue education, income-generating activities, and leadership roles. HIH-EA’s approach demonstrates the powerful link between gender equality and environmental sustainability.

### **Transforming Gender Relations through GALS -**

In 2024, Hand in Hand Eastern Africa scaled the **Gender Action Learning System (GALS)** to over **20,000 households**, fostering

inclusive decision-making and challenging deep-rooted gender norms at the household level.

The results were transformative:



**Joint budgeting** increased from **56% in 2023 to 86% in 2024**, indicating a significant shift toward shared financial planning.



**Women’s decision-making** power in key areas such as **land use, children’s education, and household income** grew by **35%**, reflecting enhanced agency and voice.



**Intra-household dialogue** improved markedly across generations, contributing to healthier relationships and more equitable family dynamics.

By embedding gender equality into everyday household practices, GALS strengthened family cohesion and empowered women as equal partners in development and economic progress.

## Leadership & Decision-Making Power

Hand in Hand Eastern Africa strengthened local leadership. It amplified women's voices by training 98 Gender Champions, including 20 male allies who are now actively leading community forums on gender-based violence (GBV), female genital mutilation (FGM), and women's rights.

This investment in grassroots leadership yielded powerful outcomes:

- » 51% of Self-Help Groups (SHGs) are now women-led and 49 % men-led, signaling a shift in power dynamics and increased confidence among women to lead.
- » One thousand thirty-five women (1035) were elected to leadership positions in community-based organizations (CBOs), producer cooperatives, and Marketing Cooperative boards, where they are influencing decision-making and championing gender-responsive practices.

# 1035

Through Community based waste management initiatives, HiH EA facilitated collection of 64,327.94 kg of PET plastics and 43,625.1 kg of other waste (organic, HDPE, textile, paper), promoted composting and biogas production to manage organic waste, and supported development of Material Recovery Facilities (MRFs) in Mombasa County.

Hand in Hand Eastern Africa is driving grassroots gender transformation in Kajiado and Narok counties. The project focuses on dismantling patriarchal norms and promoting gender justice through community-led interventions.

## Key Achievements:

- » **Community Dialogue:** 70+ sessions held, resulting in 38 villages publicly abandoning FGM. 100+ religious leaders, elders, and teachers engaged in gender equality advocacy.
- » **Women's Empowerment & Advocacy:** Women's groups actively advocate for girls' education and well-being. Welfare kitties formed to support school fees, mentorship, and girls' school retention.
- » **Economic & Social Empowerment:** Women trained in human rights and entrepreneurship now have greater control over property and income. Success stories, such as Elizabeth Sipoi's water business, reflect rising financial independence.
- » **Adult Education & Digital Literacy:** 785 women enrolled in Adult and Continuing Education, gaining literacy, digital, and financial skills.
- » **Male Engagement:** Men trained as gender champions are promoting family planning and co-ownership of property. Notable changes include men updating land titles to include their wives' names.
- » **Wider Impact:** 1,132 community members mobilized by local champions. Two girls rescued from early marriages and re-enrolled in school.



# Beekeeping:

## Technology-Driven Empowerment in Arid Regions

In traditionally patriarchal regions like Baringo, Kitui, and Makueni, beekeeping was once the exclusive domain of men. In 2024, this narrative shifted significantly through our projects, transforming the sector into a pathway for women's economic empowerment.

### Key results and impact



**466**

**466** Langstroth beehives were distributed, with approximately **70%** allocated to women and **30%** to men, enabling their direct entry into a high-value, climate-resilient enterprise.



● **29%**

Women now comprise 71% (201 of 308) and men 29% of all honey suppliers to the Honey Value Chain Cooperative, a dramatic reversal in participation.

● **71%**



**1,200**

Over **1,200** women were trained in modern beekeeping techniques, including the use of protective gear and tools—enhancing safety, productivity, and confidence.



Governance has also shifted: **4 out of 7** board members (57%) at BHVC are now women, signaling a rebalancing of power and influence in decision-making spaces.

**Women-led beekeeping groups reported meaningful income generation, reinvesting earnings in household nutrition, children's education, and micro-enterprise development.**

# Empowering Women through Agroecology

In 2024, Hand in Hand Eastern Africa scaled agroecology in Bomet and Busia County as a climate-resilient, low-cost, and gender-equitable farming approach. By prioritizing biodiversity, indigenous knowledge, and low external input systems, agroecology became a strategic lever for women's empowerment, especially in resource-constrained rural settings.

## Key results and impact:

By aligning ecological sustainability with gender equity, agroecology enabled women to lead resilient, community-based food systems while building economic independence and enhancing their decision-making power at home and within producer networks.

## Conclusion: Scaling Systemic Gender Transformation—

In 2024, HIH-EA's gender-inclusive approach was not a parallel track—it was the path to impact. Integrating anti-discrimination modules, gender analysis, male allyship, and women's leadership development resulted in lasting transformation.

### Looking Ahead to 2025, We Will:

- » Scale digital and climate-smart solutions for rural women
- » Expand market access for women-led enterprises

Deepen collaboration with county governments and civil society organizations



**Prioritizing biodiversity, indigenous knowledge, and low external input systems, agroecology became a strategic lever for women's empowerment**



6



# GOVERNANCE & ETHICAL BUSINESS PRACTICES PILLAR

Through our CSA programs, farmers are becoming stewards of the environment, actively contributing to climate mitigation and adaptation efforts at the grassroots level.





# GOVERNANCE & ETHICAL BUSINESS PRACTICES PILLAR.

## Governance Structure

Hand in Hand Eastern Africa (HIH-EA) operates under a robust governance structure designed to uphold the highest standards of accountability and oversight. The Board meets three times every year and plays a strategic role in decision making, sanctioning of organizational policies, risk management, and performance evaluation.

- » **Accountability and responsibility**-HIH-EA maintains open channels of communication with key stakeholders, including donors, beneficiaries, government agencies, and partner organizations. Transparent reporting, community feedback mechanisms, and independent evaluations are used to foster trust and responsiveness.
- » **Gender distribution and professional background of board members**
- » HIH-EA is committed to diversity and inclusion at the governance level. The Board constitutes 8 members and maintains gender balance (4 male, 4 female). It includes independent directors who are not involved in daily operations, ensuring objectivity in oversight functions with diverse expertise in finance, agriculture, economics and enterprise development.

- » **Board committees**-There are three board committees, namely Finance, ICT, Audit & risk committee, Governance & programs committee and Human resources & nomination committee.
- » **Board Evaluation.** The HR and nominations committee undertakes an annual evaluation of the performance of the board, its committees and the chair. The process aims to encourage open and constructive discussion in relations to performance. Directors and key executives have access to continuing education to update and enhance their skills and knowledge.
- » **Audit ,Risk and Internal controls.**The organization adopts a risk-based approach to governance, anchored by an independent internal audit function that reports directly to the Audit & Risk Committee of the Board. Regular internal audits, risk assessments, and compliance reviews are conducted to proactively identify and address potential threats to operational integrity and donor confidence. In addition, HIH-EA engages external auditors through a statutory audit process, with firms appointed on a rotational basis for a maximum term of five years, ensuring transparency, accountability, and adherence to best financial practices.
- » **Organizational policies** -HIH-EA has put in place robust whistleblowing and safeguarding policies to promote a safe, transparent, and accountable working environment. These policies empower staff and stakeholders to report concerns confidentially and without fear of retaliation, and they provide clear procedures for preventing and responding to any form of harm, exploitation, or misconduct. Additionally, HIH-EA has established comprehensive policies in other key areas, including finance, procurement, programs, financial inclusion, and human resources. All policies are regularly communicated to staff and integrated into day-to-day operations to uphold ethical standards and ensure consistent, responsible decision-making throughout the organization.
- » **Stakeholder Engagement**-HIH-EA recognizes that meaningful stakeholder engagement is essential to fulfilling its mission and enhancing impact. The organization is committed to inclusive and transparent engagement with all its stakeholders—including program beneficiaries, donors, government agencies, community-based organizations, private sector partners, and employees.
- » HIH-EA actively engages with key government agencies and regulators such as KIRDI, KALRO, KEBS and NITA among others. These collaborations are integral to ensuring that HIH-EA's field activities align with national

HIH-EA is committed to diversity and inclusion at the governance level. The Board constitutes 8 members and maintains gender balance (4 male, 4 female).

standards and regulatory frameworks. Through joint trainings, capacity building, product certification, and technical support, HIH-EA leverages the expertise of these institutions to enhance the quality and sustainability of its enterprise development programs across Kenya.

- » **Transparency and Reporting**-HIH-EA provides regular updates to stakeholders through annual reports, donor-specific reports and social media platform. These efforts aim to foster transparency and maintain stakeholder confidence in the organization's operations and stewardship.
- » **Data security and protection**-The following measures that have been put in place to ensure data security and protection. Eg.OTPs, passwords, 2-step authentication, masking primary member data, different profiles set, conducting training to sensitize employees, authenticator and registration with Office of the Data Protection commissioner

# Stakeholders Management for Sustainable Development

Fostering healthy relationships amidst evolving priorities is critical to achieving our mission. Our stakeholders range from communities, donors, strategic partners, the National and county governments, civil society organization, public benefits organizations, employees and vendors to mention a few.

Each group of stakeholders plays a significant role in helping us create a social impact or being impacted by our interventions geared towards alleviating poverty.

Strategic stakeholder engagement has proven to increase an organization's chance of success. Hand in Hand EA has pushed this initiative by engaging multiple stakeholders; donors, national and county governments, communities, and internal and external partners. This is mainly geared towards fulfilling the organizational mission to

create an empowered and resilient society with sustainable enterprises and jobs and create value by facilitating communities out of poverty through training and Enterprise development.

Through its engagement with Various stakeholders Hand in Hand Eastern Africa has been able to promote sustainable impact in climate change initiatives, promotion of advocacy and human rights, gender mainstreaming, regenerative agriculture and circular economy. The organization strives to work with its donors,



partners and the marginalized communities in enterprise creation for their improved livelihood upholding its core values: respect, community focus, innovativeness, professionalism, integrity and teamwork.

## Enhancing market access for Micro and Small Business

One of the key challenges faced by Micro and Small enterprises is limited market access. To address this persistent challenge, we have cultivated partnerships with off-takers, business support organizations and wholesalers, among others. These collaborations ensure that micro and small enterprises sell their products and services at fair market rates.

Additionally, as we engage off takers, we amplify and enhance visibility of locally produced goods and services. Market linkages for enterprises owned by marginalized community members, not only secure livelihoods but also foster circular models and inclusive economic growth.



## Alignment to SDG Goals

Alignment to **SDG 8 to promote Sustained, Inclusive and Sustainable economic growth**: Partnerships geared towards market systems development and climate smart agriculture, resulting in year-round production.

Alignment to **SDG 13 Climate Action**, Waste management is central to minimize the effect of wastes like plastics on various ecosystems.

Alignment to **SDG 2 – Zero Hunger**, through enabling farmers to maximize resources and crop yields at a lower cost with minimal water usage.

## Enhancing Credit Access for MSEs through Strategic Partnerships

Access to finance remains a critical challenge for Micro and Small Enterprises (MSEs) in Kenya, hindering their growth potential and their ability to contribute to economic development. Recognizing this, Hand in Hand Eastern Africa (HIHEA) actively fosters strategic partnerships to enhance credit access for its members, empowering them to build sustainable livelihoods and create employment opportunities. This commitment directly contributes to several Sustainable Development Goals and aligns with globally recognized reporting frameworks.

## Partnership in Action:

In the past year, HiH EA has forged impactful collaborations that have significantly boosted financial inclusion for MSEs:

Partnership with Equity Bank resulted in the disbursement of **510** loans totaling **Ksh 70,636,910** to HiH EA members. Through a

## Highlights



**27,000**

27000 tonnes of plastic waste off taken by Mr. Green Africa



**14**

14 entrepreneurs Facilitated to participate in a regional trade fair in Juba, South Sudan through a partnership with MSEA.



**25**

25 solar irrigation kits distributed to lead farmers demo farms through a partnership with Spowdi AB limited.

dedicated partnership with the Women Enterprise Fund, 950 loans amounting to a approximately 90,000,000 disbursed to women entrepreneurs within the HiH EA network. This partnership helped in offering tailored financial solutions to reach undeserved entrepreneurs and addresses the financial barriers faced by women in business, fostering their economic empowerment and contributing to gender equality.

## Contribution to Sustainable Development Goals 17 (SDGs):

Hand in Hand East Africa partnership with Equity bank and WEF, has been able to provide access to credit to MSEs to their businesses, increase their income – generating activities, and lift themselves and their families out of poverty. The partnership with the Women Enterprise Fund directly addresses gender disparities in access to finance. By providing targeted financial support to women entrepreneurs, HiH EA and WEF are empowering women economically, fostering their independence, and contributing to inclusive sustainable development.

By working together, HiH EA, Equity Bank, and the Women Enterprise Fund leverage their respective strengths and resources to create a greater impact than they could achieve individually. This highlights the importance of multi-stakeholder collaboration in addressing complex development challenges.

## Alignment with GRI Standards 102 - 43:

These initiatives and their reporting align with several principles and disclosures within the Global Reporting Initiative (GRI) standards:

GRI 201: Economic Performance: The reporting of the total amount of loans disbursed 160

million and the number of beneficiaries 1460 directly reflects the economic impact of HIHEA's partnerships. This data demonstrates the organization's contribution to local economic development and financial inclusion.

GRI 203: Indirect Economic Impacts: By facilitating access to finance for MSEs, HIHEA is contributing to broader indirect economic impacts such as job creation, increased household incomes, and the strengthening of local value chains. β

GRI 400 series (Social): The focus on empowering women entrepreneurs through the WEF partnership directly aligns with GRI 405: Diversity and Equal Opportunity. Furthermore, the overall impact on livelihoods and job creation relates to GRI 401: Employment and GRI 403: Occupational Health and Safety (as stronger businesses can provide better working conditions).

GRI 413: Local Communities: By strengthening local MSEs, these partnerships contribute to the well-being and economic resilience of local communities.

## ESG Category:

The partnerships align with the social pillar of the Environmental, Social, and Governance (ESG) framework:

**Social (S):** The initiatives directly address social issues such as poverty alleviation, gender inequality, and economic empowerment. By enhancing financial inclusion for marginalized groups and fostering entrepreneurship, HIHEA is making a significant positive social impact. The partnerships demonstrate a commitment to fair and equitable practices and contribute to community development.

# PICTURE GALLERY



Mwaro CBO members, beneficiaries of our EDRF project, making silages from Silage balling machine.



Mary Nyambura, a farmer and entrepreneur from Kiambu county.



Josaphat, HIHEA's BDO, during a follow-up visit to a member in Homabay county.



A member of Amaní CBO collecting Azola plant.



Stanley Cephas a beneficiary of Digitise project taking photos of his meals which is part of online marketing of his restaurant business.



Our staff participating in a tree planting exercise in Machakos County.

## PICTURE GALLERY



HIH EA team led by our CEO Albert Wambugu receiving the Best Non Profit Category Award in Financial Reporting Awards (FiRe) Gala, Nairobi 2024.



HIH EA team with the Governor Trans-Nzoia county George Natembeya during a project scoping visit.



Our members participating in the Run for Change Race in Iten, Elgeyo-Markwet County.



Our Kabarnet branch team and members showcasing sunflower products during an exhibition in Baringo County.



HIH EA Kitui branch team during the sensitization of the 16-days of Activism in Kitui county.



Anthony Njuguna, Hola Branch Manager, pose with a HIHEA member during the EAC Micro Small and Medium Enterprises (MSMEs) trade fair in Juba.



Our Programme Manager, Darius Mutwiri representing HIHEA during the signing of an MOU between the University of Eldoret and Hand in Hand Eastern Africa.



Jane Kilonzo, a hairdresser and a beneficiary of HIHEA's capitalizing on Digital Solutions to accelerate Enterprise in Kenya (CDS) project.



Edward Gathuthi, our Grants and Strategic Partnership Manager capacity building HIHEA staff on proposal writing.



Albert Wambugu and project implementing team launching Kathome boreholes in Machakos.



Cenclyne Kiyaka, then the Branch Manager of Nakuru West, spearheading members savings challenge competition.



Lind Invest Foundation CEO Jens Bruun alongside Rikke Hansen together with HIH EA CEO, Darius Mutwiri; Programme Manager and Eldoret Branch Staff pose for a photo during a courtesy visit to Betuka Farmers Cooperative Society.



The signing of grant between HIH EA and the Swedish International Development Cooperation Agency at the Embassy of Sweden in Nairobi.

## PICTURE GALLERY



Richard Pantzar, founder of Vinterfors and Albert Wambugu, our CEO during the launch Muungano Kalivu and Gwatano ya Makaiye water project in Kibwezi.



Bogani Star CBO members based in Kinangop formulating dairy feeds.



HII EA team after a successful pause and reflect session of Community Uplift Programs in Nairobi.



Cecily Wangu, Business Relationship Officer, conducting a value addition training in Nairobi.



Michael Muthama, our Financial Inclusion Coordinator, capacity building staff from Embu and Chuka on Financial Inclusion



Hand in Hand team led by Albert Wambugu and the county government of Uasin Gishu spearheaded by the Deputy Governor Evans Kapkea during an MOU signing.



# OUR FOOTPRINT

## Social Media:



Facebook: **Hand in Hand Eastern Africa**



LinkedIn: **Hand in Hand Eastern Africa**



X: **@HandinHandEA**



Instagram: **HandinHand EA**



Flickr: **Hand in Hand Eastern Africa**



YouTube: **Hand in Hand Eastern Africa**



TikTok: **@handinhandeastern**



Website: **[www.handinhand-ea.org](http://www.handinhand-ea.org)**

## Hand in Hand Eastern Africa Branch Network and Contacts

### Head Office

Lower Hill Duplex, Upper Hill Road  
P.O BOX 8562-00100, Nairobi, Kenya  
+254 703 960 766 | 020 266 0909/8  
[info@handinhandea.org](mailto:info@handinhandea.org)

### Machakos Office:

Sartaj Building, 4<sup>th</sup> Floor. Building hosting Mass Mart. Telephone: +254 703 960 119.

### Eldoret Office:

Anchor Building, 2<sup>nd</sup> Floor. Telephone +254 725 057294.

### Narok Office:

Maisha Poa Building, Ground Floor. Tel +254 708 118 647

### Embu Office:

Pearl Centre, 2<sup>nd</sup> Floor, Office B3. Tel: +254 706 271 476.

### Nyeri Office:

Hawayu Premier Plaza 2<sup>nd</sup> Floor. Telephone +254 725 057 327.

### Hola Office:

Osman Building, Hospital Road, opposite Tana River County referral hospital. Contact +254 113 020359

### Bungoma Office:

Hibho Plaza, 3<sup>rd</sup> Floor, Room 3. Tel: +254 726 596 370

### Ukunda Office:

Gasi Plaza (Building Hosting Aga khan Hospital), Diani Beach Road, Opposite Radar Security, 1<sup>st</sup> Floor, Block 1026, Room no. 10. Tel: +254 700 113 882.

**Kisumu Office:**

Mega Plaza, Block A, 5<sup>th</sup> Floor. Oginga Odinga Street. Tel: +254 726 162 323

**Kitale Office:**

Ambwere House, 5<sup>th</sup> Floor, Makasembo Street. Opposite CFG Central Farmers Garage. Tel: +254 706 271 480

**Nakuru Office:**

CK Patel Building, 7<sup>th</sup> Floor.

**Bomet Office**

Bomet Koma Plaza, 3<sup>rd</sup> Floor. Tel: +254 717 283 878

**Busia Office**

Syamakhanga. Tel: +254 717 283 870

**Kibwezi**

California Plaza, 1<sup>st</sup> Floor. Tel: +254 708 264 270

**Mombasa Road**

Even Business Park. Tel: +254 706 242 374

**Migori**

Emeralds Plaza, 2<sup>nd</sup> Floor, Left Wing. Tel: +254 717 281 175

**Kabarnet**

Potter Business Centre, 1<sup>st</sup> Floor, Room F 102. Tel: +254 706 271 461

**(Ruaka) Kiambu**

Ruaka Square, 3<sup>rd</sup> Floor, Room 310. Tel: +254 703 960 122

**Mombasa**

Mombasa Trade Centre Ltd Building, 10<sup>th</sup> Floor, South Tower. Tel: +254 110 859 886.

**Kitui**

Bonus Mall, 3<sup>rd</sup> Floor, Room C5/C6/C7. Tel: +254 721 423 768.

**Muranga**

Mentor Sacco Society Ltd, 6<sup>th</sup> Floor. Tel: +254 114 056 587.

**Thika**

Thika Business Centre, 4<sup>th</sup> Floor, Room 13. Tel: +254 703 960 121.

**Meru**

Royal Business Park, 5<sup>th</sup> Floor, North Wing.

**Chuka**

Daima Plaza, 2<sup>nd</sup> Floor, Room BB6. Tel: +254 114 089 199

**Ngong**

Ngong Business Arcade, 4<sup>th</sup> Floor, Room 4 A1. Tel: +254 708 118 647.

**Voi**

Maghonyiv Plaza, 1<sup>st</sup> Floor, Room 1F3/1F4. Tel: +254 708 264 271.

**Kilifi**

Kilifi Plaza, 2<sup>nd</sup> Floor. Tel: +254 110 859 886.

**Narok**

Maisha Poa Building, Ground Floor. Tel: +254 708 118 647.



“

Inspiring **Hope,**  
**Dignity** and  
**Choice**



HAND IN HAND  
EASTERN AFRICA



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