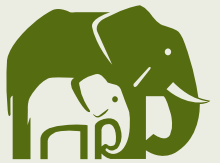


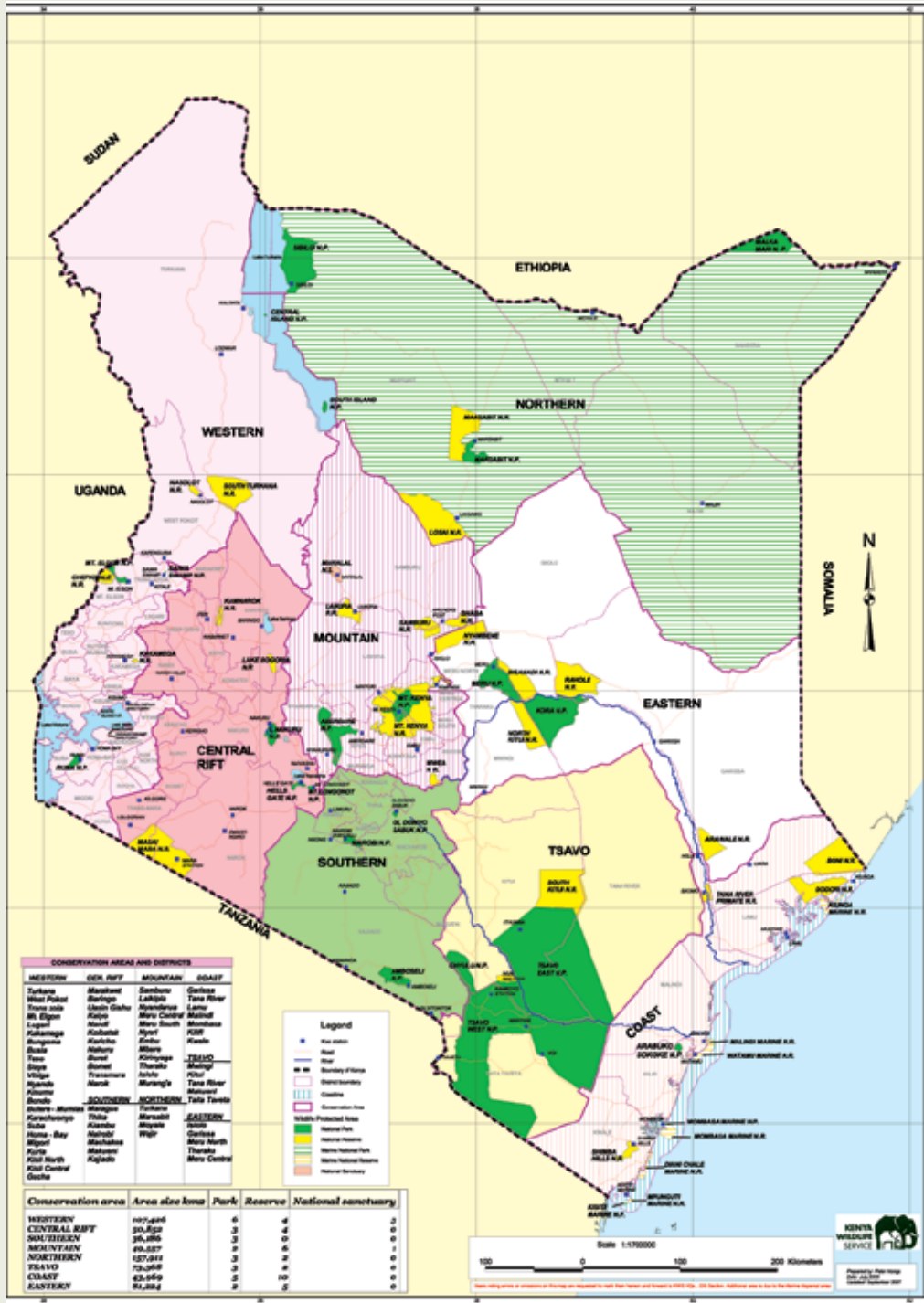
Annual Report 2012

KENYA
WILDLIFE
SERVICE



Our Heritage, Our Pride

Cover Photo Courtesy of Shutterstock.com



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CORE STATEMENTS

OUR VISION

Save the last great species and places on earth for humanity.

OUR MISSION

Sustainably conserve, manage and enhance Kenya's wildlife, its habitats and provide a wide range of public uses in collaboration with stakeholders for posterity.

CORE VALUES

Passion, Professionalism, Innovation and Quality.

SERVICE DELIVERY

We will provide our customers with:

- High quality and secure parks;
- Wildlife conservation education – publication and information about wildlife in a form suitable for and accessible to all;
- Sustainable wildlife populations;
- Protection of agriculture and animal husbandry against destruction by wildlife;
- Data and information services to scientific, advisory and consultancy organisations involved in wildlife conservation;
- Professional services in a friendly, responsive and professional environment.

What we do

- Formulate policies regarding the conservation, management and utilisation of all types of fauna and flora (excluding domestic animals);
- Manage National parks and reserves;
- Provide wildlife conservation, education and extension services to create public awareness and support for wildlife policies;
- Strive to achieve the competence and fairness in the care and development of the parks and reserves through the conduct of research, the deliberate acquisition, use and dissemination of relevant information from research and other sources;
- Administer and coordinate international protocols, conventions and treaties regarding wildlife in all its aspects.

Our Customers

Our customers may be involved or participate in, or represent any or all of the critical areas – tourism, recreation, marine and conservation, and include:

- Individuals, groups, governments and private organisations that use the national parks and reserves for tourism, recreation, and research;
- Individuals, groups or organisations that have any level of interest in or impact on the development and conservation of wildlife.

“ A census, aimed at updating the status of black rhinoceros population in Tsavo East National Park, was also done in the year.”



BOARD OF TRUSTEES



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Hon. David Mwiraria, EGH



Vice-Chair
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Director
William K. Kiprono, MBS



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Dr Winnie Kiiru



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Ian Craig



Eddyson Nyale



H. Kipkosgei Barmao, MBS



Edward Ngigi



Nicholas Ole Kamwaro



Gideon Gathaara



Hassan Noor Hassan

“

KWS is a unique and complex organisation in that apart from offering a service, we also deal with policy and regulation, security, training and research. ”



CHAIRMAN'S STATEMENT



“ We have gained a deeper understanding of how the poached material gets out of the country ”

**Chairman
Hon. David Mwiraria, EGH**

As the following pages will show, 2012 was a challenging year for the Kenya Wildlife Service for two main reasons: poaching and wildlife crime have continued not just in many parts of our country but across the continent, and the global economic recession has seriously eroded revenues from tourism.

I am happy to report that as the year under review was coming to an end, we started to make serious inroads into the poaching networks that smuggle illegal wildlife goods such as ivory and rhino horn out of the country and through it. Using reliable intelligence from the public and partner organisations, we have identified many of the key individuals and their ways of operation. As a result, they have been disabled for the time being.

We have also gained a deeper understanding of how the poached material gets out of the country – mainly through the port of Mombasa, and Jomo Kenyatta International Airport in Nairobi. In both locations, we have introduced sniffer dogs that have proven adept at identifying wildlife contraband, no matter how carefully it is concealed. This has made it much more difficult for smugglers to

CHAIRMAN'S STATEMENT

operate successfully. These measures have attracted the personal interest of our President, who has given a directive that the management of the sea port at Mombasa and at the airport in Nairobi take personal responsibility to prevent further smuggling.

Over the same period, revenues from tourism have dropped by about 40% against the previous year. Three factors have been responsible for this: the credit crunch in Europe, which is still home to our traditional market; concern that the general elections might lead to social unrest; and isolated security incidents that affected tourists, mainly at the coast.

Unfortunately, the postponement of the elections from December 2012 to March 2013 just prolonged the period of uncertainty, with the Christmas period particularly badly affected. Now that the elections are behind us without the realisation of our worst fears, we must redouble our efforts to market Kenya abroad.

With this in mind, some Parks have been vigorously rebranded, notably Mount Kenya, where special bridges have been introduced on the Naro Moru route to make the ascent to the summits easier. In addition, Meru has been greatly enriched by the translocation of rhinos and elephants in our continuing effort to make this largely undiscovered Park more attractive. Accommodation in and around Meru is still in very short supply, and we are encouraging local landowners to make use of their land by building more hotels and lodges.

I remain concerned that we are yet to bring the proposed new Wildlife Policy and Bill into law. This crucial policy and legislation defines the benefits of wildlife conservation, spells out much harsher penalties for those who engage in wildlife crime, and most crucially, delegates the diverse responsibilities of wildlife management to a larger number of players, thereby freeing up the KWS to engage in its core competency of wildlife conservation. The Policy and Bill have been

CHAIRMAN'S STATEMENT

approved at Cabinet level, but remain to be endorsed by Parliament. This now needs to be done as a matter of great urgency.

In October 2012, Mr William Kiprono became the new Director, replacing Mr Julius Kipng'etich, who had fulfilled this role with distinction for the previous eight years. I am pleased to report a smooth handover, and that the new Director is working well with the Board.

We cannot forget to recognise that Kenya's wildlife heritage belongs not just to this country, but to the world as a whole. With this in mind, I appeal to all those who care about Kenya's unique natural assets to do what they can to assist in their conservation.



Hon. David Mwiraria, EGH
Chairman

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A significant population of Kenya's wildlife lives outside protected areas, so it is vital that those communities living with wildlife appreciate the importance of its conservation. //



DIRECTOR'S REPORT



“ We shall strengthen and modernise our institutional capacity, service delivery and financial sustainability in partnership with our customers and other interested parties **”**

Director
William K. Kiprono, MBS

I assumed the post of Kenya Wildlife Service (KWS) Director towards the end of the period under review, so much of what is described within these pages took place before I took office. However, I should like to assure stakeholders that as we move forward, there will be continuity in the organisational culture of the KWS in the pursuit of its mandate.

In particular, we are implementing the Strategic Plan 2.0 for the years 2012–17. This Plan is designed to continue the philosophy of its predecessors, articulating our vision to save the last great species and places on earth for humanity. Under the guidance of this Plan, we shall strengthen and modernise our institutional capacity, service delivery and financial sustainability in partnership with our customers and other interested parties.

We remain keen to extend our policy of engaging local communities more in our efforts. Surprising though it may seem, a significant population of Kenya's wildlife lives outside protected areas, so it is vital that those communities living with wildlife appreciate the importance of its conservation. By the same token, the

DIRECTOR'S REPORT

Service itself must remain sensitive to the potential for human-wildlife conflict, particularly when livelihoods in local communities can be threatened.

To this end, we are pursuing several projects that assist communities living with wildlife, including the Maasai, Samburu and other ethnic groups within the Northern Rangelands. These include the development of small eco-tourism businesses making use of wildlife as a resource. This can sometimes involve the creation of private sanctuaries and the training of community rangers to supplement our efforts in terms of security.

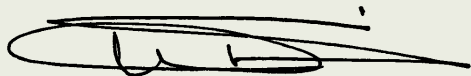
We are also working hard to improve the skills within our own force of rangers, some of whom are heavily engaged in the battle against poaching. The Law Enforcement Academy at Manyani maintains rigorous paramilitary standards in the training of its officers, and in the current situation it must be a priority in terms of budgetary support. It should also be recognised that the Academy at Manyani trains officers outside the KWS, including those from other countries such as Somalia and South Sudan. As such, we feel that this is an institution of international importance that warrants some measure of development partners' support.

I am pleased to report the early success of our beach management programme. Initiated in 2011 with Treasury funding of Kshs 150 million, this programme is designed to improve beach cleanliness, enhance visitors' security and improve the environment for marine species. The programme has been implemented in partnership with hotels and communities, greatly improving the image of the North Coast Beach and Mombasa Marine Park. One major success has been the creation of designated areas for curio sellers and other members of the informal sector who make a living from tourism. This has greatly reduced the unsolicited harassment of which tourists have complained in the past. Details of the programme can be found in this report.

DIRECTOR'S REPORT

Elsewhere, we are continuing with the branding and rebranding of our Parks, an initiative that started in 2005. This policy includes the opening up of Parks that are not used frequently, so that the burden on the more popular wildlife destinations such as the Maasai Mara, Lake Nakuru and Amboseli can be reduced. We also need to do a great deal more to market niche products such as cave tourism, cultural tourism and other experiences that do not depend solely on protected areas. Exciting new developments include the canopy walk in Kakamega Forest and the opening of a health spa in Hell's Gate National Park.

As always, this Report tells a story of highly dedicated staff who accomplish a great deal, often with limited resources. As I acquaint myself with the challenges ahead, I look forward to working closely with many of them in the coming years.



WILLIAM K. KIPRONO, MBS
DIRECTOR

// During the year under review, over 200 cases needing veterinary intervention were successfully attended. //



WILDLIFE CONSERVATION

The year 2012 was a tough one for the conservation of wildlife in Kenya. Wildlife crime is no longer a local irritant, but a scourge promoted and maintained by highly organised international syndicates. In particular, much of the demand for rhino horn and ivory comes from China and South East Asia, and the poachers within the country are simply a poorly paid manifestation of a long chain of middlemen between Kenya and the markets for contraband on the other side of the Indian Ocean.

The general level of wildlife crime increased over the year, especially outside protected areas, where local residents are co-opted into poaching as a result of poverty, human-wildlife conflict and a growing demand for illegal wildlife products. Many elephant poachers are no longer using guns. They have resorted to using traps mounted with spears set on top of trees along elephant paths so that when an elephant steps on the trap, it is speared through the back. Bush meat poaching is another security issue, with poisoned arrows being the preferred weapon.

This situation has coincided with reduced revenues caused by a lower level of tourism than normal. Fear of a repetition of the post election violence in 2008, combined with the continued credit crunch in Europe led to many tourists shunning Kenya over the period.

Tsavo remains particularly vulnerable to the poaching of elephants, partly because of its accessibility from the Nairobi-Mombasa highway, and also because of its proximity to the port of Mombasa. Sixty-four elephants were lost within Tsavo West National Park alone.

However, KWS has had a number of notable successes in combating wildlife crime, described under the Law Enforcement chapter of this report. The Service continues to work on improving its relationship with other Government agencies, but a great deal still needs to be done to bring on board the Kenya Forest Service, National Environment Management Authority and the Provincial Administrations to act decisively on the destruction of natural resources both within and outside protected areas.

WILDLIFE CONSERVATION

Human-wildlife conflict

Human-wildlife conflict has been on the rise in recent months, but during the period under review, KWS has conducted many outreach programmes designed to sensitise communities on the importance of wildlife conservation.

Results from analysis of human-wildlife conflict incidences show that crop raids, predation and human threats are all significant. Conflict cases have been increasing annually since 2009, with peaks between March and October and drops between November and March.

Livestock incursion continued in many protected areas. Closely related to this is the issue of forest produce extraction through charcoal burning, wood carving, and miraa picking in areas where this is an economically important crop. However, intensive patrols, ambushes and aerial reconnaissance continue to be deployed in an effort to reduce the impact of these practices.

Major interventions and research accomplishments

During the year under review, over 200 cases needing veterinary intervention were successfully attended. The majority of clinical cases involved the removal of wire and winch snares, arrows and spear heads lodged on animals in human-wildlife conflict hotspots, and a substantial number of postmortem procedures to ascertain causes of death among rhinos and elephants.

The second and final phase of the Siyiapei elephant translocation was a major undertaking, where 43 elephants were moved to the Maasai Mara National Reserve. From Tana River County, another 35 elephants were moved, 11 among them to Meru and the other 24 to the Aberdares National Park. This was to mitigate poaching threats and human-wildlife conflict in these areas.

The other notable achievement during the year was the translocation of 21 black rhinos to Ruma National Park, where a rhino sanctuary was established. The animals

WILDLIFE CONSERVATION

were sourced from Mugie and Solio Ranches in Laikipia County. One hundred and twenty seven Burchell's zebras from Mugie Farm were also released into Ruma. Subsequent monitoring has shown that the population is adapting well.

Elsewhere, 30 Hirola antelopes were captured and relocated into a predator-free boma, covering 72 square kilometres in Ishaqbini conservancy in Garissa County. The Hirola is a critically endangered species, occupying a restricted range along the border of Kenya and Somalia. The conservancy will now form a key habitat to this endemic population.

Another wildlife translocation exercise was carried out to save the diverse antelope species enclosed within the perimeter fence of the proposed Konza City compound near Machakos.

KWS also identified income generating commercial ventures and sourced direct donor support to veterinary services by undertaking collaborative projects. These initiatives include the commercialisation - through filming - of translocations of certain species, and the Kshs 1.6million funding on Foot and Mouth disease mapping in buffaloes through the Danish International Development Assistance (DANIDA), courtesy of the Department of Veterinary Services in the Ministry of Livestock Development.

A further Kshs 2.5 million funding was received from Kenya's National Council for Science and Technology (NCST) to undertake a study on the genetic characterisation of the lethal Elephant Endo-theriotropicprobosciviruses in Tsavo. KWS also conducted the Bovine Tuberculosis (BTB) epidemiological study in non-human primates in the Maasai Mara ecosystem, where 26 baboons and two vervet monkeys were sampled under funding from the German Research Foundation (DFG).

WILDLIFE CONSERVATION

These projects – funded by both the Government and international donors - have greatly improved our understanding of diseases that have economic significance. Most importantly, the financial burden of this research was lifted from KWS itself.

Coastal initiatives

At the coast, a proactive monitoring programme was implemented in the Mombasa Marine Park with the aim of providing data for Park managers so that threats can be detected and prompt management action taken. In addition to the actual data, the monthly monitoring routines required of rangers to record conditions result in a greater awareness of any changes that occur. As the programme is rolled out to other parks, wardens will be able to determine whether ecological issues arising in their parks are particular to their region or are occurring at a national level.

The long dry period within the coastal area led to the drying up of all the swamps in Arabuko Sokoke Forest Reserve. This has caused great distress to the animals and has greatly increased the risk of the elephants and other animals breaking through the electric fence into the settlement areas in search of water.

In response to this, the Forest Reserve Management team has resorted to the creation of an artificial water supply to meet the needs of the elephants and other animals within the Forest. KWS has installed a 3.5km water pipeline through community areas into the Arabuko swamp. The local community has also benefited from the water supply by tapping water along the pipeline for their domestic use.

Acquiring More Land For Conservation

KWS has continued to evaluate new areas for sustainable wildlife conservation, including Kitale Nature Conservancy and Delta Crescent Wildlife Sanctuary, as well as the Masol and Kaimosi conservancies, which are found in West Pokot and Vihiga respectively. All these sites have potential for sustainable wildlife conservation, but inevitably there are community land ownership disputes that will have to be resolved.

WILDLIFE CONSERVATION

Save the Mau

In the year, the Save the Mau Trust mobilised community members, staff from various organisations, students, pupils and other stakeholders towards planting over 700,000 seedlings. The overall survival rate of all planted sites is at 80–85%, despite numerous challenges. The green rangers recruited by the Trust have continued to take care of these trees.

The project has mobilised more than a hundred Tree Nursery Groups in the project area and sensitised them on the principles and values of the Save the Mau Trust. It has also inspired young people to participate in environmental conservation, resulting in the formation of several school environmental groups around Lake Naivasha.

Launched in 2009, the Trust comprises five partners; East African Breweries, Equity Bank, Nation Media Group, the Green Belt Movement and KWS itself.

The Climate Change Adaptation Project

The Canadian government through KWS has given a one year grant of Kshs 80 million towards the implementation of a project titled The Importance of National Parks for Climate Change Adaptation and enhanced ecosystem services around Conservation Areas in Kenya.

The project underscores the importance of protected areas as a natural way of coping with the adverse effects of climate change. It is being implemented in six national parks: Amboseli, Lake Nakuru, Mount Kenya, the Aberdares, Tsavo East and Tsavo West.

WILDLIFE CONSERVATION

The project aims at enhancing the ecological integrity and resilience of protected areas and wildlife populations to climate change, whilst reducing human-wildlife conflict among local communities. It also aims to increase water security for wildlife and adjacent communities, while ensuring that conservation education is imparted to local communities, schools and colleges. Already, the KWS has trained staff in some parks on climate change adaption and mitigation strategies.

Other Partnerships with Stakeholders

Collaborations with the Animal Rights Reserved charitable organisation (ARR), Lewa Wildlife Conservancy and the David Sheldrick Wildlife Trust (DSWT) are continuing in key conservation areas, with a record five mobile veterinary units established to decentralize the response of the Service to veterinary emergencies. The units are strategically located in areas considered to be conservation hotspots, notably the Tsavo and Mountain regions, Naivasha, the Maasai Mara and Meru. KWS also has a continuous engagement policy with institutions of higher learning through research proposals.



Scientists from Parks Canada test drive a bulldozer for desilting a watering pan on the outskirts of Amboseli National Park. The desilting of water pans is a climate change adaptation and mitigation partnership between Kenya Wildlife Service and Parks Canada.



A greenhouse for growing seedlings for restoring a degraded Mzima Springs in Tsavo West National Park. The Park restoration programme is part of Parks Canada - Kenya Wildlife Partnership in Climate Change.

WILDLIFE CONSERVATION



The then Chief Coordinator, Interim Coordinating Secretariat, Mr. Hassan Noor Hassan (right in black) assisted by Rhino Ark's C.E.O Christian Lambrechts prepare to place the first post in position to signify the launch of the Mt Kenya fencing project. The project is a collaborative effort between KWS and Rhino Ark in partnership with communities and other stakeholders aimed at conserving the crucial Mt Kenya water tower.



The Executive Director, Madhvani Group Mr K.N Nair signs a lease agreement for the Ark Lodge in Aberdares. Looking on is the immediate former KWS Director, Julius Kipng'etich. The partnership is part of the strategic positioning of Kenya to develop high-end visitor facilities and increasing its bed space capacity in line with its economic blue print Vision 2030.



Former Brazilian Ambassador to Kenya H.E. Ana Maria Sampaio Fernandes is taken through firefighting equipment by KWS Emergency Unit Officer Rogoi Wamba outside KWS Kijaru Court. The equipment was donated by the Brazilian Government to Kenya following last year's Mt. Kenya fire. The Kenyan and Brazilian Governments signed a technical cooperation agreement in 2008. The agreement covered a Joint training on Incident Command System (ICS), management of bush fires, training on mountain search and rescue and training on marine rescue techniques.



Kenya Wildlife Service Director William Kiprono and Rhino Ark's C.E.O Christian Lambrechts exchange the signed management agreement between the two organizations for the fencing of Mt. Kenya.



French Ambassador to Kenya, H.E. Etienne de Poncins addresses senior KWS officials and diplomats during the Wildlife Sector Development Partners meeting at the Nairobi Safari Walk. At the meeting, KWS shared its gains and strategies put in place for effective wildlife conservation in the country that were possible through increased support from the Government of Kenya and its development partners.



Immediate former KWS Director, Julius Kipng'etich congratulates a wildlife officer from the Republic of South Sudan (ROSS) who graduated from the KWS Manyani Law Enforcement Academy (LEA). With them (left) is the ROSS Director of Political Affairs, Riak Kiir Deng. The Kenyan Government through the Kenya South Sudan Liaison Office (KESSULO) sponsors training and capacity building programmes between the Governments of Kenya and South Sudan.

“ A wildlife translocation exercise was carried out to save the diverse antelope species enclosed within the perimeter fence of the proposed Konza City compound near Machakos. ”



SERVICE DELIVERY

During the year, KWS made tremendous strides towards enhancing quality service. The main focus was to steer the organisation's operations towards a customer-centric approach and culture. As such, it was necessary to lay a foundation through policy on which quality service delivery would thrive.

The Corporate Service Charter was revised and crafted both in English and Swahili. The charter outlines KWS service commitments to its customers and stakeholders. During the year, a customer service course was introduced in which staff at all levels were trained. The customer service officers also underwent an intensive workshop to harness their skills as service team leaders.

Process Approach to service delivery

At the beginning of the year, KWS embarked on a switch from activity-based to process-based standard operating procedures (SOPs). The aim was to incorporate all related functions, and to achieve ownership of processes.

The Mission, Vision, Core Values and the quality policy were reviewed and aligned to the new strategic direction of the organisation. This has since been communicated to all staff.

In March 2012, the organization was successfully audited for the second cycle of ISO 9001:2008 certification. Our current certificate runs until March 2015. Management reviews and internal quality audits were conducted throughout the year, with the recommendations from the reviews and findings forming the basis for decision-making and continual improvement of the Quality Management System.

To enhance service delivery, a training module dubbed Making Quality Happen was developed for the front office staff in customer service, and delivered to various groups at different intervals during the year. The aim was to enable staff to link their day-to-day activities with quality service, and to appreciate the cost of poor service to KWS. This set the stage for a comprehensive ISO awareness campaign

SERVICE DELIVERY

to be carried out in 2013. The expected outcome of the campaign will be a marked improvement in internal processes, and ultimately, enhanced service delivery.

The most popular Guest Houses in KWS parks underwent extensive renovations for the first time since the year 2000. At the end of the exercise Kamboyo Guest house in Tsavo West, Naishi in Lake Nakuru, Amboseli Cottages, Fishing Lodge and Tusk camp in Aberdares, will all have a fresh new look, geared towards offering visitors a comfortable and memorable experience. This is in line with making guest houses more comfortable. All housekeepers attended a month-long refresher training at the Kenya Utalii College. They received instruction in housekeeping, laundry and kitchen techniques. The objective was to equip the housekeepers with several up-to-date skills in the hotel industry, thus making our cottages compete favourably with similar facilities outside parks.

Development of new sites

Once again, KWS offered several investment opportunities for tourism facilities development in a wide range of parks. The fourteen sites ranged from Kakamega Forest, Lake Nakuru and Mount Elgon to the wooded grasslands of Tsavo West. A bidders' conference was held on 11th April 2013. The industry response has been encouraging, although the challenge has been the slow progress seen in the actual development of the sites. This lack of progress has largely been attributed to the difficulty in securing funding for tourism projects.

For the first time, KWS will now offer tents for hire to visitors in many popular parks including Nairobi, Lake Nakuru and Amboseli. The tents will also be offered in newly created campsites in major tourism areas such as Naivasha Station. This initiative is set to boost revenue from camping and to enable visitors stay longer in parks therefore appreciating the need to conserve their natural environment. The tents have been enthusiastically received by local adventure seekers, with demand increasing daily.

During the period, KWS started to explore the possibility of opening up historic military sites dating back to the First World War. If this is done in good time, Kenya

SERVICE DELIVERY

shall be able to take advantage of the centenary of the war, which will be marked in 2014. Target markets will include tourists from Britain and Germany, who were the main protagonists in this particular combat.

Health Spa through Public Private Partnership

In conjunction with Kengen at Olkaria in Hell's Gate National Park, a geothermal resource demonstration centre is now nearly complete. The facility has a large Olympic size hot water pool that is guaranteed to provide rest and relaxation, a modern sauna and spa as well as a cordon bleu restaurant. The facility is located at Olkaria Gate in Hell's Gate National Park, and is a Vision 2030 tourism project.

Branding of Mombasa Marine Park

Mombasa Marine Park and Reserve was branded in July 2012 to improve the image of Kenya's coastal destination. The branding also represented a significant landmark towards realisation of the tourism pillar as envisioned within Vision 2030. Mombasa Marine Park and Reserve continues to play a pivotal role in the maintenance of beach environments, improvement of security and safety for beach users, enhancing the preservation of coral reef areas and capacity building of local tour operators to deliver quality service.

The Beach Management Programme

From November 2011, KWS received funding of Kshs 150 million from the Treasury to pilot the Beach Management Programme, which is designed to halt the decline in tourism levels at the coast. Through the programme, KWS continues to ensure that beaches along the Marine Park are clean and safe for visitors. Local boat operators have been trained in tourism and customer care and their boats equipped with life-saving equipment. Park signage and visitor information have been improved and beach amenities for local tour operators are being put in place. The programme has been implemented jointly with the industry players and the

SERVICE DELIVERY

local community towards restoring the competitive edge of Kenya's coastal area as a tourism destination, while ensuring that the marine and beach tourism products are sustained.

Local publicity

KWS has continued to boost revenues through promotional campaigns. Local newspaper advertisements and distribution of brochures have played their part, but social media have proven to be particularly effective: for example, the Facebook page for the Meru Conservation Area has increased membership to almost a thousand.

Online Reservations

In conjunction with the IT department, Marketing and Business Development department embarked on developing an online reservations platform. This is currently in use at the central reservations office for cottages and guesthouses. The system will allow real time occupancy reports to be generated for management and for long-term development of loyalty programmes.

PASMAP Activities

Partnership for Accountability in Schools Management around Parks (PASMAP) is a programme designed as a partnership between KWS and Development Alternative Inc. (DAI). The project aims to increase participation of local communities and other key stakeholders in school management in areas adjacent to the Parks, thus ensuring better access to quality education and service delivery. This involved the creation of functional school trusts and increased participation of children in school governance. The main interventions included educating communities on the importance of the trusts, development of school development plans and support to essays, music, poetry competitions on the theme of transparency and accountability in schools. Overall the project covered 39 schools.

// KWS played an important role in protecting the country's water catchment areas within parks and reserves, as these areas also constitute a habitat for wild animals //



“Government support for wildlife protection, conservation and management will contribute significantly to the enhancement of the country’s economy.”



LAW ENFORCEMENT

During the period under review, several security and wildlife law enforcement operations were carried out with great success, both within and outside the Service's areas of jurisdiction. KWS security units employed a number of strategies aimed at apprehending and dismantling the poaching syndicates.

Systematic surveillance of known gangs proved useful in intercepting the suspects at their planning stages. In cases where the poachers committed a crime, prompt and sustained follow ups were undertaken, leading to the arrest of 1,951 wildlife offenders.

Proliferation of small arms into the hands of citizens in areas hosting wildlife is a big threat to the security of wildlife, as these weapons are used in poaching and other violent crimes. In ranches adjacent to protected areas, the presence of livestock and herders - and hence poachers masquerading as herders - is one of the greatest threats to wildlife security. Weak legislation and policy also poses a challenge to law enforcement.

Elephant and rhino security

Kenya has a population of about 38,000 elephants (the fourth largest in the world) and 1025 rhinos (the third largest in the world). They are to be found in KWS protected areas, private ranches, county council lands, and community land. They can be enclosed in sanctuaries or in free range.

KWS has now developed a number of strategies aimed at protecting wildlife from poachers. 'Operation Okoa Ndovu' is one such initiative, which commenced on 19th March 2012 and covers the entire country. Tremendous achievements have been realised since the inception of this operation. Several poaching gangs have been arrested and others disrupted. Notable recoveries include those of firearms, ammunition, ivory, other hunting weapons and vehicles used in transporting plundered material.

LAW ENFORCEMENT

Since the beginning of 2012, several consignments of ivory have been intercepted locally and in other parts of the world, with reports linking some of the seizures to an origin within Kenya. However, most DNA tests on ivory intercepted abroad have shown that the bulk of these recoveries are not from Kenya.

The key challenge with international seizures is the delay in receiving the formal customs documentations for prompt investigations from the seizing authorities abroad. KWS continues to work with other law enforcement agencies, especially Customs, the Police, INTERPOL, the Lusaka Agreement Task Force, Kenya Airports Authority and the Kenya Ports Authority in ensuring that local and international laws on wildlife crimes are enforced.

Poaching threats to rhinos are on the increase throughout Africa. The illegal trophy trade is becoming so lucrative that it is threatening conservation. Kenya remains home to the largest population of rhinos in East and Central Africa, and the country therefore remains the main target for illegal poachers of rhino horn. Owing to sustained pressure to combat rhino poaching within KWS managed parks and reserves, criminals have moved on to private sanctuaries, where security measures are not so well-resourced.

In many cases, the mode of poaching has changed from guns to quieter means, such as spears, arrows and snares. KWS works closely with the management of the various private rhino sanctuaries within the country to protect the rhinos by jointly launching and reviewing rhino security strategies. These include the attachment of KWS rangers to private sanctuaries, sharing of intelligence and guidance on appropriate security personnel deployments.

Bush meat Poaching

Bush meat poaching for subsistence and commercial purposes in areas outside the parks remains a challenge. Successful security operations and awareness programmes were mounted to address the problems, which led to the arrest and

LAW ENFORCEMENT

prosecution of offenders and recovery of game meat and hunting gear. To address this challenge, KWS law enforcement units carried out investigations into the illegal trophy trade, bush meat trade and other wildlife crimes.

Protection of Habitat and Water Catchment Areas

KWS played an important role in protecting the country's water catchment areas within parks and reserves, as these areas also constitute a habitat for wild animals. Three of Kenya's five water towers – the Aberdare ranges, Mount Kenya and Mount Elgon are found within KWS protected areas.

It is through KWS efforts to control illegal logging and destruction of these catchment areas that many of the towns in Kenya, including Nairobi and Mombasa, are guaranteed their water supply. The water catchment areas support vital sectors of the country's economy such as tourism, agriculture and energy.

Since 2008, KWS has taken the lead in a joint government effort to protect the Mau ecosystem from further destruction. Illegal logging, destruction of vegetation and forests were witnessed, especially in the water catchment areas, and strategies to address the problems were put in place.

Another critical achievement has been the engagement of local stakeholders. Meetings with provincial administrations, other law enforcement agencies, livestock owners, ranchers and community elders were held throughout the year, creating a far greater awareness of the threats to Kenya's natural resources and what can be done about them.

Tourist security

The safety of local and international tourists within all the areas under KWS jurisdiction was ensured through enhanced visitor security patrols and operations.

LAW ENFORCEMENT

KWS, in close liaison with the Tourist Police Unit, kept vigil over tourist security in wildlife-protected areas, as well as on the important access roads. A close collaboration was also maintained with other stakeholders in the tourism industry, particularly the Kenya Tourism Federation, where KWS is a member of the security sub-committee.

Digital Radio Network & Solar Power Systems Project

The French Government has provided a line of credit to the Government of Kenya to the tune of Kshs 750 million towards the procurement and installation of a digital radio network and solar power installation. This network will be instrumental in facilitating KWS security operations through the upgrading of its current analogue network to a more robust and enhanced digital platform.

The new technology has additional capabilities such as GPS tracking, messaging and vice encryption. This is expected to reduce maintenance costs and increase efficiency in communications, ultimately ensuring timely and accurate responses to cases of human wildlife conflict, poaching and visitor security.

Strategies for Enhancing Wildlife Security

Kenya is a signatory to a number of environmental conventions and protocols. As the designated national authority, KWS is called on to interpret international conventions and adapt them to local conditions and policy. KWS also has the legal mandate to enforce wildlife law and regulations.

KWS law enforcement units worked very closely with other agencies in all matters of wildlife security at a local, regional and international level. Structured engagement with Government institutions, local communities, Customs and Immigration, the Kenya Airports Authority, private ranches and other conservation stakeholders were intensified to address matters of common interest. The collaboration and engagement with the Judiciary in many parts of the country was also intensified.

LAW ENFORCEMENT

Regionally, cross border collaborations between Tanzania and Uganda were put in place to address trans-boundary crimes, and have yielded results in tackling crime along the shared borders. INTERPOL and the Lusaka Agreement Task Force were instrumental in facilitating, coordinating and offering support where crimes of an international nature occurred.

KWS initiated deliberate efforts of reaching out to local communities to be partners in wildlife law enforcement. KWS continues to deploy specialised security units throughout the country. These include the Canine Unit, which helps to sniff wildlife products and track wildlife offenders, the Horse Unit to ease accessibility of mountainous terrains, the Prosecution Unit for wildlife related offences, the Security Data, Research and Development Unit for information management, the Wildlife Investigation Unit, the Intelligence Unit and the Emergency Management Unit to deal with different disaster situations.

During the year, KWS invested heavily in training and building the capacity of its law enforcement personnel. The KWS Law Enforcement Academy, located in Tsavo West National Park, offered paramilitary training and other specialised law enforcement courses to KWS law enforcement staff. The Academy also trained other stakeholders involved in wildlife conservation and law enforcement, including County Councils, Private Wildlife Sanctuaries and the Kenya Airports Authority (KAA).

Over the years, the Law Enforcement Academy has trained over a thousand conservancy scouts, and it is now being upgraded. This will involve redesigning all the courses offered to incorporate recent lessons learnt. KWS has also greatly benefitted from training opportunities for individuals from other institutions, both within and outside the country.

The KWS Force Modernisation Programme is aimed at applying the appropriate mixture of personnel, technology and infrastructure to achieve better results. It

LAW ENFORCEMENT

is expected that the implementation of the programme, through the procurement of specialised security equipment, drones, night vision goggles, helicopters, light aircraft, camera traps and satellite collars will greatly enhance the capacity of the Service to deal with wildlife crime.

One project of critical importance is the establishment of a forensic laboratory to facilitate effective investigations and criminal prosecutions. Currently, few case exhibits presented in a court of law are sufficiently identified owing to lack of evidence, and the acquitted individuals continue to engage in wildlife crime, well aware of the inadequacy of exhibit identification. However, the forensic laboratory will use state of the art techniques to help tie criminals to their crimes and victims to their assailants. Innocent suspects will also be exonerated.

Further Critical Action Areas

The battle against wildlife crime calls for concerted effort in the following areas:

- A sustained total ban on the international ivory and rhino horn trade.
- Demand reduction in consumer states in South East Asia, China for Ivory and Vietnam for Rhino horns respectively.
- Capacity building of the Customs Authorities at the entry and exit points to verify all the exported goods (in search for contraband wildlife trophies, especially ivory and rhino horns).
- Creation of an information sharing and operations network within the country, and throughout the East African region, as well as with other source, transit and consumer countries.

If these measures are vigorously implemented, Government support for wildlife protection, conservation and management will contribute significantly to the enhancement of the country's economy, with consequent benefits to tourism, education, agriculture, security and energy sectors.

// To enhance service delivery, a training module dubbed Making Quality Happen was developed for the front office staff in customer service, and delivered to various groups at different intervals during the year. //



PICTORIAL



KWS Assistant Director, Mr Robert Njue (right) and former chairman of the Rhino Charge Committee, Mr Anton Levitan, hold a dummy cheque for Ksh84 million, raised during the Rhino Charge 2012. With them is the former Chairman of Rhino Ark, Mr Colin Church.



KWS Director Mr William Kiprono (right) receives a dummy cheque of Ksh720,000 for the upgrading of picnic sites in Nairobi National Park from Toyota Kenya's General Manager, Sales and Marketing, Mr Ali Swaleh. Looking on are KWS officials.



Part of the KWS Vet Capture team load a giraffe onto a truck during a translocation exercise.



Participants find their way across the water trenches during the Hell's Gate on a Wheelbarrow event in Naivasha.



The Republic of South Sudan Wildlife Officers march during their passing out parade at the KWS Law Enforcement Academy in Manyani, Tsavo West National Park.



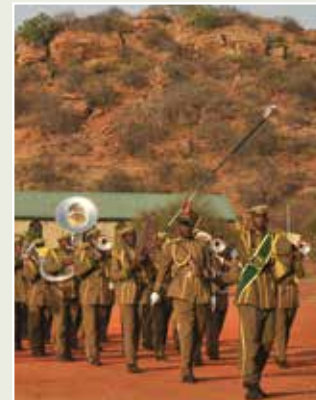
KWS Sergeant, Ms Phyllis Mwanahamisi (left) with volunteers, collects litter at the Mombasa Marine National Park and Reserve public beach. The initiative is part of the much-acclaimed Beach Management Programme, which aims at restoring Kenya's coastal area as a tourism destination, whilst ensuring that marine and beach tourism products are preserved.



Incoming KWS Director, Mr Kiprono (left), presents a photo album of the times and events during the tenure of the outgoing director, Mr Julius Kipng'etich. Looking on is Mr Kipng'etich's wife, Chemutai Murgor



The US Ambassador to Kenya, HE Mr Robert Godec (left) receives a gift from Mr Kiprono when he paid a courtesy call on the KWS Director at our headquarters in Lang'ata, Nairobi.



The KWS brass band entertains guests during a passing out parade at the Law Enforcement Academy in Manyani.

PICTORIAL



KWS Board of Trustees Chairman, Hon. David Mwiraria (right) gets acquainted with the e-board system during its launch at the KWS headquarters. With him is the CEO of Software Technologies Ltd, Ms Jyoti Mukherjee (left) and the KWS Head of ICT, Mr Michael Odhiambo.



Chinese professional NBA player, Mr Yao Ming, lays a wreath at the Conservation Heroes Monument. The basketball player visited Kenya to feature in film aimed at creating awareness on the importance of elephant and rhino conservation.



KWS Spokesperson, Mr. Paul Mbugua, displays firearms and rounds of ammunition recovered from suspected poachers during a press conference at the KWS headquarters.



In an exercise designed to reduce human-wildlife conflict, KWS rangers from the Vet Capture Unit hoist an elephant onto a KWS truck during the elephant translocation exercise from Narok North to the Maasai Mara National Reserve.



Ranger Laban Wanjohi (on the Via Ferrata) demonstrates how to use the equipment to guests, led by Hon. David Mwiraria, KWS Board of Trustees chairman. KWS has commissioned the world's highest Via Ferrata at Mount Kenya National Park.



Mr. Kiprono (right) dances with community members and KWS officials during the opening of classrooms at Chemura Primary School in Iten, Elgeyo Marakwet County, as part of the KWS Corporate Social Responsibility Programme.




Hon. Mwiraria (right) dances with Jikaze women as they entertain guests during the launch of Via Ferrata, in Mt. Kenya National Park.



Hon. Mwiraria (left) hands over a lion sculpture to the Attorney General, Hon. Prof. Githu Muigai during the commissioning of the KWS wildlife forensic and genetics laboratory in Lang'ata, Nairobi.



Hon. Mwiraria (left) hands over the National Elephant Conservation and Management Strategy to then KWS Director Mr Julius Kipng'etich at the Nairobi National Park's Ivory Burning Site.

A large school of yellow-striped snappers (Lutjanus fulvus) swimming in clear blue water. The fish are densely packed in the center, with many others scattered throughout the frame. They have yellow bodies with prominent white vertical stripes. The background is a deep blue, suggesting an underwater environment.

“ A proactive monitoring programme was implemented in the Mombasa Marine Park with the aim of providing data for Park managers so that threats can be detected and prompt management action taken. ”



KENYA NATIONAL AUDIT OFFICE

REPORT OF THE AUDITOR-GENERAL ON KENYA WILDLIFE SERVICE FOR THE YEAR ENDED 30 JUNE 2012

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of Kenya Wildlife Service set out on pages 4 to 18, which comprise the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 14 of the Public Audit Act, 2003. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 13 of the Public Audit Act, 2003.

Auditor-General's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit and report in accordance with the provisions of Section 15(2) of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution of Kenya. The audit was conducted in accordance with International Standards on Auditing. Those standards require compliance with ethical requirements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for Qualified Opinion

1. Residential Staff House – Mombasa Marine Park

On 3 August 2010, the Service contracted a construction firm to construct a residential house next to Kenyatta Public Beach. The contract was for two (2) storey flat with four (4) dwelling units of two bedrooms on each floor. The total cost of the project was Kshs.49,811,020 with a completion date of June 2011. The project was however undertaken on a disputed piece of land lying between the Mombasa – Malindi road and the Kenyatta Public Beach, which had been transferred to a private developer in 1986 when the Service was already occupying the piece of land. The Government of Kenya has since repossessed the piece of land from the private developer, but allocated it to the National Museums of Kenya.

In the circumstances, the ownership status of the piece of land and the building valued at Kshs.49,811,020 could not be confirmed as at 30 June 2012.

2. Ownership Documents of Parks

i) Documents availed for audit verification revealed that although Kenya Wildlife Service occupies Mombasa Marine Park, ownership documents are in the name of National Museums of Kenya. The management has explained that the service has been negotiating with National Museums of Kenya regarding this public land since 2012 and that the matter has now been referred to the National Land Commission.

ii) Further, it was also noted that one parcel of land at Amboseli National Park measuring 392 Square Kilometers, has no ownership documents. In addition, three (3) parcels of land in Loitokitok and one (1) Parcel in Namanga have not been surveyed. The management has explained that as regards Amboseli National Park, a letter of allotment issued to KWS in 1997 by the Commissioner of Lands was later cancelled. As regards unsurveyed parcels of land at Namanga and Loitokitok, the management has explained that part development plans have already been prepared for these plots.

In the circumstances, ownership of land at Mombasa Marine Park has not been vested to the Service. Further, no time frame has been given by the Service as to when the survey of parcels of land in Loitokitot and Namanga will be completed.

Qualified Opinion

In my opinion, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Service as at 30 June 2012 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards and comply with the Wildlife Conservation and Management Act, Cap 376 of the Laws of Kenya.



Edward R.O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

11 July 2013

FINANCIAL STATEMENTS AS AT **30 JUNE 2012**

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CORPORATE INFORMATION

1. INCORPORATION

Kenya Wildlife Service (KWS) is a state corporation established by an Act of Parliament Cap 376 which came into effect in 1989. A Board of Trustees manages KWS.

2. PRINCIPAL ACTIVITY

The activity of Kenya Wildlife Service (KWS) is to conserve and manage Kenya's wildlife for the Kenyan people and the world and to enforce related laws and regulations.

3. BOARD OF TRUSTEES

Date Appointed

1.	Hon. David Mwiraria, EGH - Board Chairman	25/10/11
2.	Mr. William Kibet Kiprono, MBS - Board Secretary	1/10/2012
3.	Permanent Secretary Ministry of Finance	
4.	Permanent Secretary Ministry of Forestry and Wildlife	
5.	Director of Veterinary Services	
6.	Permanent Secretary Ministry of Local Government	
7.	Inspector General Kenya Police Service	
8.	Director of Kenya Forests Service	
9.	Permanent Secretary Office of the President In-charge of Internal Security	
10.	Ms. Winnie Kiiru	28/10/11
11.	Ms. Margaret M. Mwakima	28/10/11
12.	Mr. Nicholas Ole Kamwaro	28/10/11
13.	Mr. Adil Khawaja	28/10/11
14.	Ms. Patricia Awori	28/10/11
15.	Mr. Ian Craig	28/10/11
16.	Mr. George Fungo Chenge	(Date appointed - 15/09/08 term expired on 14/09/11)
17.	Dr. Hellen Gichohi	(Date appointed - 15/09/08 term expired on 14/09/11)
18.	Peter Ole Sapalan	(Date appointed - 15/09/08 term expired on 14/09/11)
19.	Mr. Ian Craig	(Date appointed - 15/09/08 term expired on 14/09/11)
20.	Dr. George Wamukoya	(Date appointed - 15/09/08 term expired on 14/09/11)
21.	Dr. Obiero Ong'anga	(Date appointed - 15/09/08 term expired on 14/09/11)
22.	Mr. Julius Kipng'etich, EBS, CBS	Resigned on 30/09/12

CORPORATE INFORMATION

4. REGISTERED OFFICE

KWS Complex
Langata Road
P.O. Box 40241-00100
NAIROBI

5. AUDITOR

Auditor General
Kenya National Audit Office
Anniversary Towers
University Way
P.O. Box 30084-00100
NAIROBI

6. BANKERS

a) Kenya Commercial Bank Limited

P.O. Box 484000-00100
Moi Avenue Branch
NAIROBI

b) Standard Chartered Bank Kenya Limited

P.O. Box 30003-00100
Langata Branch
NAIROBI

c) Equity Bank Limited

Upper Hill
P.O. Box 75104-00200
NAIROBI

d) Cooperative Bank of Kenya

Business Centre, Ngong Road
P.O. Box 30415-00100
NAIROBI

e) Citi Bank

Upper hill
P.O. Box 30711-00100
NAIROBI

f) Commercial Bank of Africa Ltd

Upper Hill
P.O. Box 30437-00100
NAIROBI

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Wildlife Conservation and Management Amendment Act requires the Trustees to prepare financial statements for each financial year which include a balance sheet showing in details the assets and liabilities of the Kenya Wildlife Service, a statement of income and expenditure and such other statements that the Trustees may deem necessary. It also requires the Trustees to ensure the Kenya Wildlife Service keeps proper books of account and other books and records in relation to the Kenya Wildlife Service and to all the undertakings, funds, investments, activities and property of the Kenya Wildlife Service. They are also responsible for safeguarding the assets of the Kenya Wildlife Service.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies, supported by reasonable and prudent judgements and estimates, in accordance with International Financial Reporting Standards and in the manner required by the Wildlife Conservation and Management Amendment Act. The Trustees are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Kenya Wildlife Service and of its operating result. The Trustees further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements as well as adequate systems of internal financial control.

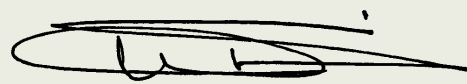
The financial statements have been prepared on a going concern basis on the assumption that the Government of Kenya and the donors will continue to provide financial support for the foreseeable future to the Kenya Wildlife Service to enable it to meet its obligations as they fall due.

Signed on behalf of the Trustees by



DAVID MWIRARIA
Chairman

Date: 16 May 2013



WILLIAM K. KIPRONO, MBS
Director

Statement of Comprehensive Income for the year ended 30 June 2012

	Note	2012 KShs'000	2011 KShs'000
INCOME			
Turnover	3	4,286,892	3,775,238
Other income	4	429,904	360,641
Net interest income		58,321	731
TOTAL INCOME		4,775,117	4,136,610
EXPENDITURE			
Salaries, allowances and benefits	5	2,755,276	2,468,138
Operating and maintenance expenses	6	2,951,778	2,720,777
Depreciation	7	432,991	374,470
Community services	8	122,557	85,582
Training and development	9	197,268	207,043
Auditor's remuneration		3,543	3,543
TOTAL EXPENDITURE		6,463,413	5,859,553
OPERATING DEFICIT		(1,688,296)	(1,722,943)
GRANTS FOR RECURRENT EXPENDITURE	10	1,959,713	1,321,123
NET SURPLUS / (DEFICIT) FOR THE YEAR		271,417	(401,820)

The notes set out on pages 50 to 59 form an integral part of these financial statements

Statement of Financial Position as at 30th June 2012

	Note	2012 KShs'000	2011 KShs'000
ASSETS			
Non Current Assets			
Property, plant and equipment	20	8,145,137	7,852,372
Current Assets			
Inventories	11	321,174	238,225
Receivables	12	371,271	359,666
Cash and bank balances	13	966,500	800,489
		1,658,945	1,398,379
TOTAL ASSETS		9,804,082	9,250,752
RESERVES AND LIABILITIES			
RESERVES (Page 6)			
Capital Reserve		1,271,887	1,271,887
Revaluation Reserve		2,805,102	2,805,102
Capital Grants		7,371,845	7,014,300
Revenue Reserve		(3,150,945)	(3,303,762)
		8,297,889	7,787,527
Current Liabilities			
Payables	14	903,335	826,156
Unexpended specific donations	15	347,558	351,769
Retirement benefit obligation	16	255,300	285,300
		1,506,193	1,463,225
TOTAL EQUITY AND LIABILITIES		9,804,082	9,250,752

Signed by:



DAVID MWIRARIA
CHAIRMAN



WILLIAM K. KIPRONO
DIRECTOR

DATE: _____

The notes set out on pages 50 to 59 form an integral part of these financial statements

Statement of Cash Flow for the year ended 30th June 2012

	Note	2012 KShs'000	2011 KShs'000
Cash flows absorbed by operating activities	17(a)	(1,276,891)	(1,063,152)
Investing activities			
Additions to property, plant and equipment		(725,756)	(796,488)
Cash outflows from investing activities		(725,756)	(796,488)
Net cash flows before financing activities		(2,002,647)	(1,859,640)
Grants for recurrent expenditure		1,959,713	1,321,123
Pension Actuarial Deficit		(148,600)	(15,700)
Capital donor funds Received		357,545	624,366
Cash inflows from financing activities		2,168,658	1,929,789
Increase in cash and cash equivalents	17(b)	166,011	70,149
Opening Cash & Bank Balance		800,489	730,340
Closing Cash & Bank Balance		966,500	800,489

The notes set out on pages 50 to 59 form an integral part of these financial statements

Statement of Changes in Reserves for the year ended 30th June 2012

	Capital Reserve KShs'000	Revaluation Reserve KShs'000	Capital Grants KShs'000	Revenue Reserve KShs'000	Total KShs'000
1 July 2010	1,271,887	2,805,102	6,389,934	(3,121,786)	7,345,137
Write-off Long-term Liability				22,544	22,544
GOK Subvention -Pension Actuarial Liability				197,300	197,300
Capital Donor Funds Received	-	-	624,366	-	624,366
Net Deficit for the year	-	-	-	(401,820)	(401,820)
30 June 2011	1,271,887	2,805,102	7,014,300	(3,303,762)	7,787,527
1 July 2011	1,271,887	2,805,102	7,014,300	(3,303,762)	7,787,527
Adjustment – Pension Actuarial Deficit				(118,600)	(118,600)
Capital Donor Funds Received	-	-	357,545	-	357,545
Net Surplus for the year	-	-	-	271,417	271,417
30 June 2012	1,271,887	2,805,102	7,371,845	(3,150,945)	8,297,889

Capital reserve represents the aggregate value of the property, plant and equipment taken over from the Wildlife Conservation and Management Department of the Ministry of Tourism and Wildlife (MTW) at the value agreed at that time.

The notes set out on pages 50 to 59 form an integral part of these financial statements

Notes to the financial statements as at 30th June 2012

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards. The financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment.

b) Depreciation

Airstrips and roads are not depreciated because adequate maintenance is carried out to ensure that these assets maintain their value. Depreciation on the property, plant and equipment portfolio revalued as at 23rd October, 2008 is computed based on the remaining useful life to reduce their values to a 5% residual value. Subsequent additions are depreciated on a straight line basis at the following rates until they are reduced to their residual value of 5%.

Freehold land	Nil
Buildings on long leasehold and freehold land	2%
Buildings on short leasehold land	Over the lease period
Fences and Barriers	10%
Machinery and Water Supplies	10%
Furniture and Equipment	10%
Motor Vehicles and Tractors	20%
Computer and Accessories	20%
Aircraft	7.5%
Boats and Boat engines	10%
Roads and Bridges	Nil
Airstrips	Nil

c) Stores

Stocks are carried at historical cost of acquisition plus any incidental costs incurred to bring them at their present location and condition. Obsolete stocks are segregated and not included in the valuation of stocks. Consumable stores are valued at the lower of cost and net realizable value.

d) Translation of foreign currencies

Transactions during the year are converted into Kenya Shillings at rates ruling at the transaction dates. Assets and liabilities at the balance sheet date that are expressed in foreign currencies are translated into Kenya Shillings at rates ruling at the balance sheet date. The resulting differences from conversion and translation are dealt with in the income and expenditure account in the year in which they arise.

e) Bad and doubtful debts

Specific provisions are made in respect of accounts considered to be bad or doubtful.

Notes to the financial statements as at 30th June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Income

Income is accounted for on an accrual basis except for prepaid park entry tickets and smartcard income, which is recognized on a receipt basis.

g) Capital grants

In addition to an annual subvention, the Government of Kenya (GOK) has negotiated financing packages with various donors to fund the Service. This finance is in the form of loans and grants to GOK, all of which are passed on to the Service in the form of government grants. Grants received from and through the GOK have been treated as Capital Grants whether in respect of either development expenditure or acquisition of fixed assets. Assets acquired from these grants are capitalized and then depreciated in accordance with the depreciation policy per note 1(b). The computed depreciation charge is expensed in the profit and loss account.

h) Grants for recurrent expenditure

Grants received from and through the GOK have been treated as revenue receipts when in respect of funding recurrent expenditure. Related operating and maintenance expenses are charged to revenue expenditure.

i) Employee benefits

The Service employees are eligible for retirement benefits under defined benefit and defined contribution schemes. The funds are administered independently of the Service's assets.

(a) Defined Benefit Scheme - KWS Staff Superannuation Scheme

The Scheme operates on a defined benefits basis and has been closed to new entrants and to future accrual of benefits with effect from 31 December 2006.

The closure of the scheme to new entrants and to future accruals benefits followed a fundamental review by Kenya Wildlife Service of its retirement benefits arrangements. As part of this review, KWS also set up a new defined contribution scheme with effect from 1 January 2007 in which all the pensionable employees participate in with effect 1 January 2007.

To this end, KWS discontinued contributions to the Scheme with effect from 31 December 2006. The amount in the balance sheet is determined as the present value of the defined past service benefits obligation net of value placed on existing scheme assets as computed by an independent actuary. The deficit/surplus arising is recognized in the accounts.

(b) Defined Contribution Scheme - KWS Staff Retirement Benefits Scheme 2006

The service operates a defined contribution scheme whereby it matches contributions to the scheme made by the employees up to 10.57% of the employee's gross salary while the employees contribute 5% of their pensionable salaries. The Service's contributions to the fund are charged in the income statement in the year to which it relate.

The Service also contributes to the statutory National Social Security Fund for its non pensionable employees. The Service's obligation is limited to a specified contribution per employee per month. Currently, the contribution is limited to a maximum of Kshs. 200.00 per employee per month. The Service's contributions are charged to the income statement in the year to which they relate. The Service has no legal obligation to pay further contributions if the fund does not hold sufficient assets to pay all the employees benefits relating to employee service in the current and prior periods.

Notes to the financial statements as at 30th June 2012

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Grants for recurrent expenditure (continued)

i) Employee benefits (continued)

c) Provision for Staff Leave

A provision is made to recognize staff entitlements in respect of annual leave not taken at the end of financial year.

j) Cash and Cash equivalents

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

k) Impairment of assets

The carrying amounts of the organisation's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the assets recoverable amount is estimated and an impairment loss recognised whenever the carrying amount of an asset exceed its recoverable amount. No impairment loss has been recognised as at 30th June, 2012.

2. CURRENCY

The financial statements have been presented in Kenya shillings (Kshs).

3. TURNOVER

	2012 KShs'000	2011 KShs'000
Park entry fees	4,216,756	3,659,634
Accommodation	70,136	115,604
	4,286,892	3,775,238

4. OTHER INCOME

	2012 KShs'000	2011 KShs'000
Rental income	72,267	73,943
Hire of aircrafts and vehicles	64,405	40,763
Airwing Sales	51,802	28,998
Telecommunication Facilities	8,956	6,586
Insurance Compensation	12,580	7,730
Training Services	24,866	42,054
Tuition fees – KWSTI	34,268	29,196
KWS Officers Mess	6,020	4,621
Accommodation & hire of training facilities – KWSTI	74,555	41,493
KWS Shops	21,621	16,798
Other miscellaneous income	58,564	68,460
	429,904	360,641

Notes to the financial statements as at 30th June 2012

5. SALARIES, ALLOWANCES AND BENEFITS

	2012 Kshs'000	2011 Kshs'000
Salaries and allowances	2,227,975	2,024,314
Leave pay accrual	138,539	74,891
	2,366,514	2,099,205
Gratuity contributions, pension and NSSF	161,390	151,469
Passage and leave expenses	46,387	28,328
Medical expenses	180,985	189,136
	2,755,276	2,468,138

6. OPERATING AND MAINTENANCE EXPENSES

	2012 Kshs'000	2011 Kshs'000
Food and Rations	132,922	89,652
Office and Other Related Expenses	31,539	6,656
Motor Vehicle Running Expenses	258,627	234,856
Animal Feeds	31,340	19,740
Uniform and Clothing	82,877	30,911
Specimens Veterinary Supplies	11,788	8,310
Fence Running Expenses	1,661	8,325
Insurance	182,166	145,087
Legal and Professional Fee	21,397	19,600
Cleaning and Sanitary Expenses	7,520	6,336
Radio Licenses	1,557	1,546
Estates Maintenance Expenses	19,741	28,332
Motor Vehicle Maintenance	100,179	125,446
Maintenance of Computer Software	21,029	24,423
Maintenance of Water Supplies	3,835	4,433
Maintenance of Game Proof Defenses	3,083	7,259
Maintenance of Bandas and Camp Sites	20,520	13,232
External Training – MFTS	41,561	48,279
Maintenance of Fences – Kazi Kwa Vijana	0	2,575
Purchase of Tyres	38,119	35,142
Travel and Accommodation	194,796	212,824
External Travel	41,830	54,844
Field Allowance	74,638	61,758
Hospital Referral Expenses	10,418	11,582
Transfer Expenses	12,068	5,903
Court Case Expenses	4,456	4,063
Entertainment	18,592	24,067
Advertising and Publicity	39,957	46,757
Sports and Recreation Expenses	27,238	30,959

Notes to the financial statements as at 30th June 2012

6. OPERATING AND MAINTENANCE EXPENSES (continued)

	2012 Kshs'000	2011 Kshs'000
Special Events / Public Affairs	38,279	29,405
Signage and Display	7,221	7,809
Staff Tea	12,285	11,644
Subscriptions	12,674	19,838
Printing and Publishing	13,846	17,970
DSTV Subscription	7,134	6,650
Bank Charges	18,591	7,793
Wildlife Compensation	72,145	109,600
Endowment Fund	20,604	23,112
Plant and Machinery Maintenance	32,351	51,323
Aircraft Running Expenses	72,262	107,363
Equipment, Boats & Furniture Maintenance	24,489	37,903
Shop Merchandise	12,532	10,480
Maintenance of Buildings and Bandas	103,951	125,437
Roads Maintenance	746,361	572,767
Telephone and Postage	61,395	52,782
Electricity and Water	70,508	64,435
Stationery Expenses	27,550	43,000
Consultancy and Professional fees	19,653	15,867
BOT Allowances & Expenses	10,388	15,373
Food and Drinks	40,694	12,312
Other Operating and Maintenance Expenses	91,411	65,017
	2,951,778	2,720,777

7. DEPRECIATION

	2012 Kshs'000	2011 Kshs'000
Buildings – Non Residential	46,023	45,982
Buildings – Residential	22,140	22,140
Computers and Accessories	27,796	24,384
Machinery & Water Supplies	6,530	5,012
Motor Vehicles and Tractors	219,717	194,870
Aircrafts	25,278	7,037
Boats and Boat Engines	1,943	1,860
Fences and Barriers	21,867	16,780
Furniture and Equipments	61,697	56,405
	432,991	374,470

Notes to the financial statements as at 30th June 2012

8. COMMUNITY SERVICES

	2012 Kshs '000	2011 Kshs'000
Community Projects Support	113,538	72,810
Tree Nurseries Support	9,019	12,772
	122,557	85,582

9. TRAINING AND DEVELOPMENT

	2012 Kshs '000	2011 Kshs'000
In-service Training	14,072	11,223
Training-Local	108,467	116,978
Seminars, Conferences & Meetings	74,729	78,842
	197,268	207,043

10. GRANTS FOR RECURRENT EXPENDITURE

	2012 KShs'000	2011 KShs'000
Donor Agencies	419,555	378,566
Donations	83,223	202,734
GOK subvention	1,456,936	739,823
	1,959,714	1,321,123

Notes to the financial statements as at 30th June 2012

11. INVENTORIES

	2012 KShs'000	2011 KShs'000
Spare parts and tools	48,413	43,811
Aircraft spares	68,040	28,309
Ammunition	74,650	59,180
Stationery	6,655	4,502
Telecommunication equipment spares	2,119	1,987
Building, water and fencing materials	36,608	32,495
Uniforms and compo- rations	54,544	41,959
Shop items	6,385	2,809
Fuel and oils	12,842	8,466
General stores and tools	10,918	16,207
	321,174	239,725
Less: Provision for obsolete stock	0	(1,500)
	321,174	238,225

12. RECEIVABLES

	2012 Kshs '000	2011 Kshs'000
Trade receivables	189,473	189,633
Staff receivables	79,774	85,888
Grants receivable	5,156	6,639
Prepayments and deposits	152,272	143,356
Mobilization funds	10,893	10,893
	437,568	436,409
Less Provision for bad debts	(66,297)	(76,743)
	371,271	359,666

13. CASH AND BANK BALANCES

	2012 Kshs'000	2011 Kshs'000
Bank balances – KWS Operations	212,120	394,069
Bank balances – Projects	327,173	376,258
Cash in Hand – KWS Operations	41,585	30,162
Short-term Deposits	385,622	0
	966,500	800,489

Notes to the financial statements as at 30th June 2012

14. PAYABLES

	2012 KShs'000	2011 KShs'000
Trade Payables	358,452	460,488
Accruals	298,757	74,891
	657,209	535,379
Payroll Deductions	67,632	137,174
Contract Retentions Payable	61,750	43,628
Other Payables and Accruals	116,744	109,975
	903,335	826,156

15. UNEXPENDED SPECIFIC DONATIONS

	2012 KShs '000	2011 KShs'000
Balance at 1 July	351,769	292,510
Additions	249,379	286,736
Utilized in the year	(253,590)	(227,477)
	347,558	351,769

The amounts relate to unutilized funds for specific projects financed by various donors.

16. RETIREMENT BENEFITS OBLIGATIONS

This represents the amount due to KWS Staff Superannuation Scheme (Defined Benefit) from the sponsor (KWS).

	2012 KShs'000	2011 KShs'000
Balance at the beginning of the year	285,300	498,300
Actuarial Revaluation adjustments	118,600	0
Paid during the year	(148,600)	(213,000)
	255,300	285,300

Notes to the financial statements as at 30th June 2012

17. NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of the net deficit to Cash outflows from operating activities

	2012 Kshs '000	2011 Kshs'000
Operating deficit for the year	(1,688,296)	(1,722,943)
Depreciation	432,991	374,470
Interest Income	(58,321)	(731)
Operating Deficit before Working Capital Changes	(1,313,626)	(1,349,204)
Increase in Inventories	(82,949)	(66,168)
(Increase) / Decrease in receivables	(11,605)	45,951
Increase in payables	77,179	246,279
(Decrease) / Increase in unexpended specific donations	(4,211)	59,259
Cash utilized by operations	(21,586)	285,321
Interest received (net)	58,321	731
Cash flows absorbed by operating activities	(1,276,891)	(1,063,152)

b) Movement in cash and cash equivalents Change

	2012 KShs'000	2011 KShs'000
Opening balance	800,489	730,340
Closing balance	966,500	800,489
Increase in cash and cash equivalents	166,011	70,149

Notes to the financial statements as at 30th June 2012

18. CONTINGENT LIABILITIES

	2012 Kshs '000	2011 Kshs'000
Pending Litigations	32,097	38,627

19. CAPITAL COMMITMENTS

	2012 Kshs '000	2011 Kshs'000
Authorized and contracted for	256,117	635,312
Authorized but not contracted for	98,525	6,504
	354,642	641,816

20. PROPERTY PLANT AND EQUIPMENT

	Buildings		Computers & Accessor- ies	Machinery & Water Supplies	Motor Vehicles & Tractors	Aircraft	Boats and Boat Engines	Roads & Bridges	Airstrips	Fences & Barriers	Furniture & Equip- ments	Work-in- Progress	Total
	Non-Resi- dential	Residential											
COST/VALUATION	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
At 1 July 2010	1,150,176	1,541,990	187,770	608,394	1,381,692	335,968	14,356	3,735,872	384,225	375,684	625,328	304,197	10,645,652
Additions	0	0	29,012	5,006	389,940	0	0	0	0	53,350	78,323	240,857	796,488
At 30th June 2011	1,150,176	1,541,990	216,782	613,400	1,771,632	335,968	14,356	3,735,872	384,225	429,034	703,651	545,054	11,442,140
At 1st July 2011	1,150,176	1,541,990	216,782	613,400	1,771,632	335,968	14,356	3,735,872	384,225	429,034	703,651	545,054	11,442,140
Additions	0	0	4,934	13,113	89,262	301,931	1,506	0	0	109,573	82,102	123,334	725,756
At 31st June 2012	1,150,176	1,541,990	221,716	626,513	1,860,894	637,899	15,862	3,735,872	384,225	538,607	785,753	668,388	12,167,896
DEPRECIATION													
At 1 July 2010	546,451	358,084	151,573	413,040	902,376	95,642	11,219	0	0	252,963	483,951	0	3,215,298
Charge for the year	45,982	22,140	24,384	5,012	194,870	7,037	1,860	0	0	16,780	56,405	0	374,470
At 30 June 2011	592,433	380,224	175,957	418,052	1,097,246	102,679	13,079	0	0	269,743	540,356	0	3,589,768
At 1 July 2011	592,433	380,224	175,957	418,052	1,097,246	102,679	13,079	0	0	269,743	540,356	0	3,589,768
Charge for the year	46,023	22,140	27,796	6,530	219,716	25,278	1,943	0	0	21,867	61,698	0	432,991
At 31st June 2012	638,456	402,364	203,753	424,582	1,316,962	127,957	15,022	0	0	291,610	602,054	0	4,022,759
NET BOOK VALUE													
At 31st June 2012	511,720	1,139,626	17,963	201,931	543,932	509,943	841	3,735,872	384,225	246,997	183,699	668,388	8,145,137
At 30th June 2011	557,743	1,161,766	40,825	195,348	674,386	233,290	1,278	3,735,872	384,225	159,291	163,295	545,054	7,852,372

LIST OF PARTNERS

African Fund for Endangered Wildlife (AFEW)
 African Union – Inter - Africa Bureau of Animal Resources (AU – IBAR)
 African Wildlife Foundation (AWF)
 African World Heritage Fund
 Agence Française de Développement (AFD)
 ARN Security
 ATA Interpol
 Bill Jordan Wildlife Defense Fund
 Birdlife International
 Bloodlink Foundation
 Bonde Conservancy
 Born Free Foundation
 Brookside
 Capital FM
 Care for the Wild International (CFTW)
 Center for Disease Control (CDC)
 CHF International
 CITES Mike Programme
 CMC Motors
 Crater Lake Hotel
 Cray Fish
 David Sheldrick Wildlife Trust
 Development Alternative Inc (DAI)
 EABL Foundation
 Earth Watch Institute
 Eco Bank
 Eden Wildlife Trust
 Elephant Research Trust Fund
 Enashpai
 Equator Bottlers Ltd
 Equity Bank
 European Union
 Family Health International
 Finlays Horticulture
 Flamingo Hill Camp
 Florensis Kenya
 Fonds Français pour l'Environnement Mondial FFEM
 Food and Agricultural Organisation (FAO)
 Forestry Bureau, COA TAIWAN
 FREI GEBORN (Germany)
 Friedrich Loeffler Institute of Animal Health (FLI)
 French Development Agency (AFD)
 French Embassy

German Embassy
 Global Environment Facility (GEF), Greenline
 International Centre for Insect Physiology and Ecology (icipe)
 International Fund for Agriculture Development (IFAD)
 International Fund for Animal Welfare (IFAW)
 International Livestock Research Institute (ILRI)
 INTERPOL
 Italian Embassy
 Japan International Cooperation Agency (JICA)
 Karen Hospital
 Ken Gen
 Kenya Agricultural Research Institute
 Kenya Airports Authority
 Kenya Airways
 Kenya Association of Hotel Keepers and Caterers
 Kenya Association of Manufacturers
 Kenya Association of Tour Operators
 Kenya Brazil Cooperation
 Kenya Commercial Bank
 Kenya Forestry Research Institute
 Kenya Land Conservation Trust
 Kenya Medical Research Institute
 Kenya Organisation for Environmental Education (KOEI)
 Kenya power
 Kenya Tourism Board
 Kenya Tourist Board
 Kenya Veterinary Association
 Kenya Veterinary Board
 Kesal
 Kichaka Creative
 Lake Nakuru Lodge
 Lusaka Agreement Task Force
 Mabati Rolling
 Main Event
 Maridadi Flowers Ltd
 Marwell Preservation Trust
 Mater Hospital
 Meridian Medical Centre
 Nakumatt Supermarket
 Netherlands Environment Assessment Agency

NIC Bank
 Northern Rangelands Trust (NRT)
 Novartis Animal Health
 Orpower
 Oserian Development Co. Ltd
 Park Action Committee Nakuru
 Parks Canada
 Ramsar Convention
 Rhino Ark
 Royal Dutch Airlines (KLM)
 Royal Media Services
 Safaricom
 Sarova Lion H. Game lodge
 Savannah Club Japan
 Save the Elephant Foundation
 Save the Mau Trust
 Sketchers
 Somak travel
 Springboard Promotion
 Standard Chartered Bank
 Tanzania National Parks (TANAPA)
 Tanzania Wildlife Research Institute (TAWIRI)
 The Boma Hotel
 The World Conservation Union
 Toyota Kenya
 Treats & Tents
 Tuskys Supermarket
 Uchumi Supermarket
 Uganda Wildlife Authority
 UNESCO
 United Nations Educational Scientific and Cultural
 United Nations Environment Programme (UNEP)
 United States Aid for International Development United States Agency for International Development (USAID)
 United States Embassy
 University of Nairobi, Faculty of Veterinary Medicine
 US Fish & Wildlife Service (USFWS)
 Vad Den Berg
 Wildlife Clubs of Kenya (WCK)
 World Organisation of Animal Health (OIE)
 World Wide Fund for Nature
 Zoo D Amneville
 Zoological Society of London

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The proposed Wildlife Policy and Bill is a crucial policy and legislation which defines benefits of wildlife conservation and spells out much harsher penalties for those who engage in wildlife crime. //





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