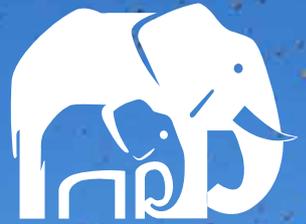


**Annual Report  
2015**

**KENYA  
WILDLIFE  
SERVICE**



***Our Heritage, Our Pride***



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# CORPORATE INFORMATION

## BACKGROUND INFORMATION

Kenya Wildlife Service (KWS) was established by the Wildlife Conservation and Management Act, 1989 (now repealed and replaced by the Wildlife Conservation and Management Act, 2013). The overall mandate of KWS is to conserve and manage wildlife in Kenya.

## VISION

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

## 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

We are guided by the following core values, which provide an integrated focus towards enhancing provision of acceptable quality service:

- i. Passion
- ii. Professionalism
- iii. Innovation
- iv. Quality

## QUALITY POLICY STATEMENT

Kenya Wildlife Service is committed to sustainably conserve, manage and enhance Kenya's wildlife and its habitats, and provides a wide range of public uses in collaboration with stakeholders. In pursuit of this commitment we shall:

- i. Understand our customer and stakeholder challenges, and identify their requirements
- ii. Continually improve our products and services to meet and exceed customer expectations
- iii. Ensure that objectives are established and implemented at requisite levels in line with strategic direction
- iv. Improve the effectiveness of our Quality Management System
- v. Ensure that this policy is well communicated and reviewed for continued suitability

**KEY MANAGEMENT**

The day-to-day management of the Service is entrusted to the Director General who is the Secretary to the Board of Trustees and Chief Executive Officer of the Service. The Director General is assisted by a management team of Deputy Directors and Heads of Departments.

The Service is classified as a State Corporation under PC 3A. The operation of the Service covers the entire country and for ease of administration and management, it has been organized into eight (8) conservation areas.

**FIDUCIARY MANAGEMENT**

Kenya Wildlife Service is managed by a ten (10) member Board of Trustees, comprising four(4) Government representatives, five (5) independent members, the Director General who is the Secretary to the Board of Trustees and Chief Executive Officer of the Service.

## LIST OF 2015 BOARD OF TRUSTEES

The Trustees who served the Kenya Wildlife Service during the year and to the date of this report were as follows:

1. Dr. Richard Leakey, EGH - Board Chairman Appointed on 17th April 2015
2. Mr. Peter Kinyua Appointed on 17th April, 2015
3. Mr. Brian Heath, OGW Appointed on 17th April, 2015
4. Mr. Tom Lalampaa Appointed on 1st July, 2015
5. Ms. Nancy Saumu Pite Appointed on 1st July /2015
6. Mr. Kitili Mbathi - Board Secretary Appointed on 1st February, 2016
7. Mr. William Kibet Kiprono Term expired on 1st October, 2015
8. Representative: Principal Secretary the National Treasury
9. Representative: Principal Secretary in the State Department of Natural Resources
10. Representative; PS for State Department of Devolution and Planning.
11. Representative; Inspector General Kenya Police Service

## RELEVANT KWS AND STAKEHOLDER COORDINATES

### 1. KWS REGISTERED OFFICE

KWS Complex  
Langata Road  
P.O. Box 40241-00100,  
Nairobi, Kenya

### 2. INDEPENDENT AUDITOR

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

### 3. PRINCIPAL LEGAL ADVISOR

The Attorney General  
State Law Office, Harambee Avenue  
P.O. Box 40112-00200,  
Nairobi, Kenya

### 4. BANKERS

- i. Kenya Commercial Bank  
Kencom House, Moi Avenue  
P.O. Box 484000-00100  
Nairobi, Kenya.
- ii. Standard Chartered Bank Kenya Limited  
Lang'ata Shopping Centre, Lang'ata Road  
P.O. Box 30003-00100,  
Nairobi, Kenya
- iii. Equity Bank Limited  
  
Equity Centre, Hospital Road, Upper Hill  
P.O. Box 75104-00200,  
Nairobi, Kenya
- iv. Cooperative Bank of Kenya  
Nairobi Business Centre, Ngong Road  
P.O. Box 30415-00100,  
Nairobi, Kenya
- v. Citi Bank N. A. Kenya  
Citibank House, Upper hill Road, Upper Hill  
P.O. Box 30711-00100,  
Nairobi, Kenya
- vi. Commercial Bank of Africa Ltd  
CBA Centre, (Mara or Ragati Road) Upper Hill  
P.O. Box 30437-00100,  
Nairobi, Kenya



“Harmony with land is like harmony with a friend;  
you cannot cherish his right hand and chop off his left”  
~ Aldo Leopold ~

## BOARD OF TRUSTEES



DR. RICHARD LEAKEY, FRS  
CHAIRMAN

Dr. Richard Leakey is a world-renowned wildlife conservationist. He is the International Board Chairman of the Turkana Basin Institute, which he founded in 2005, as well as Board Chair of Transparency International - Kenya.

He holds, among others, the following qualifications and honours:

- Fellow of the Royal Society, London, UK
- Fellow of the American Academy of Arts and Sciences, Cambridge, Massachusetts, US
- Fellow of the European Academy of Sciences, Liège, Belgium
- Prof. Anthropology, Stony Brook University, New York, US
- Honorary Doctorate, Cambridge University, Cambridge, UK
- 13 other Honorary Doctorates.



MR. PETER KINYUA  
TRUSTEE

Mr. Peter Kinyua graduated from Salve Regina University, Rhode Island, SA, in May 1986, with a Bachelor of Arts and Science Degree. He is a coffee trader and has been exporting coffee for over 25 years. He is a member of Mild Coffee Traders Association and the founder Chairman of Kenya Coffee Traders Association.

He has also been a Director of the Coffee Board of Kenya. Currently he is a coffee Farmer in Juja, Kenya and has a passion for conservation. He successfully sourced for substantial funding for conservation through Rhino Ark, a Charitable Trust that helps save Kenya's Black Rhino population in the Aberdare Ecosystem.



MR. BRIAN HEATH, OGW  
TRUSTEE

Mr. Brian Heath holds an MSc in Tropical Animal Production and Health from Edinburgh University, Scotland.

He is the Chief Executive Officer of the Mara Conservancy; the first Public/Private sector partnership in conservation management in Kenya.

He is the Chairman of Seiya Ltd, a private conservation management company that manages three conservancies in the Mara Region, and also Chairman of the Mara Elephant Project, an elephant conservation donor-funded organisation in the Mara.

He was awarded the Order of the Golden Warrior (OGW) in 2013, a decorative order awarded by the President of Kenya in recognition of outstanding or distinguished service, for his work in conservation. He has forty-five (45)-years-experience in wildlife and livestock management in Kenya.

## BOARD OF TRUSTEES CONT'D



MR. TOM LALAMPAA  
TRUSTEE

Mr. Tom Lalampaa holds a BA in Social Work, an MBA in Strategic Management, and an MA in Project Planning and Management, from the University of Nairobi. He is studying for his PhD.

Mr. Lalampaa is the Chairman of the Kenya Wildlife Conservancies Association (KWCA), a national umbrella body for community and private conservancies in Kenya. He is also the Chief Operations Officer for Northern Rangelands Trust (NRT) an umbrella organization currently supporting 33 community conservancies in Kenya. He has enormous experience in conservation management and was the winner of the Tusk Award for Conservation in Africa in 2013.



MS. NANCY SAUMU PITE  
TRUSTEE

Ms. Nancy Saumu Pite holds a Bachelor of Science degree in Forestry from Moi University.

She is currently a Senior Technical Manager with the Tree Biotechnology Programme Trust (TBPT). She is a skilled community mobilizer and a passionate conservationist with significant experience in community-based forest and marine ecosystem management, having worked with communities around the Arabuko Sokoke and Mkwiro, Majoreni, Shimoni and Vanga Marine Conservation Areas.



GIDEON N. GATHAARA  
REPRESENTATIVE PS, MINISTRY OF ENVIRONMENT, AND NATURAL RESOURCES

Mr. Gideon N. Gathaara holds a Bachelor of Science and Master of Science degree, respectively. Currently he is the Conservation Secretary - Ministry of Environment and Natural Resources

Previously Mr. Gathaara worked as the Conservation Secretary, Ministry of Forestry and Wildlife. He held other positions in government, including: Director of Policy - Ministry of Environment; Chief Conservator of Forests and Acting Chief Conservator of Forests, and Forest Programme Coordinator of the Kenya Wildlife Service.



MS. CHRISTINE MATHU  
 REPRESENTATIVE: PS MINISTRY OF INTERIOR AND COORDINATION OF NATIONAL GOVERNMENT

Ms. Christine N. Mathu holds a Bachelor of Arts Degree in Economics and Government from University of Nairobi and a Masters in Business Administration (MBA) from the Eastern and Southern African Management Institute ESAMI/Maastricht.

She has over thirteen years' experience in Human Resource Management (HRM). Ms. Mathu is the Ag. Deputy Director HRM in the Ministry of Devolution and Planning, State Department of Devolution, as well as the Focal Point/Team Leader for Coordination of Development Partners on Devolution Matters under the USAID/AHADI in the Department.



MR. ARTHUR NDUATI  
 REPRESENTATIVE; PS, THE NATIONAL TREASURY

Mr. Arthur Nduati holds a Masters of Business Administration Degree from JKUAT. He is a Certified Public Accountant of Kenya (CPA, K) and a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

He has over eleven (11) years of experience in Public Finance Management and is currently the Senior Assistant Director of Budget at the National Treasury. Previously, he was Head of Finance in the Ministry of Youth Affairs and Sports, the Ministry of Immigration, and Registration of Persons, and in the Office of the Director of Public Prosecutions.



HENRY KIPKOSGEI BARMAO  
 REPRESENTATIVE: INSPECTOR GENERAL OF POLICE

Mr. Henry Kipkosgei Barmao is a career policeman with thirty-five (35) years of experience. He has attended many certificate courses in strategic and leadership areas relating to law enforcement including: Protection of Civilians; Crisis and Major Events Management; Prevention and the Punishment of the Crimes of Genocide, Crimes against Humanity and all forms of Discrimination, as well as Election and Conflict Early Warning, among many others. He also served for one year as Liaison Officer of the Sierra Leone UN Contingent Mission where he was Commander.

He is currently the Deputy Director Operations at Vigilance House at the Kenya Police Service Headquarters in Nairobi.

## MANAGEMENT TEAM



MR. WILLIAM KIPRONO  
DIRECTOR GENERAL

Mr. William Kiprono is the Director General. He holds a B.Ed. Degree (Arts), Masters of Arts degree in Educational Management and is pursuing a PhD program in Educational Management (Conservation) at Chuka University. He has over twenty four (26) years of experience in public administration, including serving as a County Commissioner before joining KWS as the CEO in 2012



MR. BENJAMIN KAVUU, HSC  
DEPUTY DIRECTOR  
DEVOLUTION & COMMUNITY SERVICE

Mr. Benjamin Kavuu is the Deputy Director, Devolution and Community Service. He holds a Master's degree in Technology (Aquaculture), a B.Ed. (Science), as well as a Diploma in Aquaculture Management. He has twenty-eight (28) years of experience in the Service.



DR. SAMUEL KASIKI, PHD, OGW  
DEPUTY DIRECTOR  
BIODIVERSITY RESEARCH & MONITORING

Dr. Samuel Kasiki is the Deputy Director Biodiversity, Research and Monitoring. He holds a PhD in Ecology, a MSc. in Conservation Biology, and a BSc. in Botany and Zoology.

He has twenty-eight (28) years of experience in the Service.



MR. JULIUS K. KIMANI, HSC, NDC (K)  
DEPUTY DIRECTOR PARKS & RESERVES

Mr. Julius Kimani is the Deputy Director Parks & Reserves.

He is a career wildlife conservationist and holds a Diploma in Wildlife Management obtained from Egerton University, as well as a Diploma in International Studies from the University of Nairobi. He has twenty-seven (27) years of experience in wildlife conservation & management in the Service.



MR. PATRICK OMONDI, OGW  
DEPUTY DIRECTOR  
SPECIES CONSERVATION & MANAGEMENT

Mr. Patrick Omondi is the Deputy Director Species Conservation & Management. He holds a MSc. in Wildlife Management & Control, and a BSc. in Wildlife Management. He is currently pursuing a PhD programme in Animal Ecology. He has twenty-two (22) years of experience in the Service.



MRS. LYNETTE MUGANDA  
DEPUTY DIRECTOR HUMAN CAPITAL

Ms. Lynette Muganda is the Deputy Director, Human Capital. She holds a Master of Business Administration Degree, a Bachelor of Arts, as well as a Postgraduate Diploma in Human Resource Management. She is a member of the Institute of Human Resource Management (IHRM).

She has two (2) years of experience in the Service.

## MANAGEMENT TEAM CONT'D



MR. WILLIAM SING'OEI  
DEPUTY DIRECTOR SECURITY

Mr. William Sing'oei is the Deputy Director, Security. He has attended Senior Police Management Course at the Kenya School of Government, Kabete, as well as other high and middle management police training courses. He is a long-serving police officer in the National Police Service in Kenya with ten (10) years of experience in middle management and fifteen (15) years of experience in Senior Management levels.

He was seconded to KWS since November 2015.



MR. EDWIN WANJALA WANYONYI  
AG. DEPUTY DIRECTOR STRATEGY & CHANGE

Mr. Edwin Wanyonyi is the Ag. Deputy Director Strategy & Change. He holds a Masters Degree in Business Administration and a Bachelor of Business Administration. He is a member of the Kenya Institute of Supplies Management. He has eight (8) years experience in the Service.



ENG. BENSON WAMAYA  
AG. DEPUTY DIRECTOR CORPORATE SERVICE

Eng. Benson Wamaya is the Ag. Deputy Director Corporate Services. He holds a MSc. and a BSc. in Civil Engineering. He has nineteen (19) years of experience in the Service.



MR. FRANCIS MWAITA  
AG. DEPUTY DIRECTOR  
FINANCE & ADMINISTRATION

Mr. Francis Mwaita is the Ag. Deputy Director, Finance and Administration. He holds a Master's Degree in Business Administration (Finance) and a Bachelor of Education Science (Statistics). He is an ACCA finalist and Affiliate Member. He has fourteen (14) years of experience in the Service.



*"When we try to pick  
out anything by  
itself, we find it hitched  
to everything  
else in the universe."*

*~John Muir~*

## CHAIRMAN'S STATEMENT



It gives me immense pleasure to present the Kenya Wildlife Service's (KWS) financial statements for the year ended 30th June, 2015. KWS is charged with the overall mandate of conservation and management of wildlife across the country. This is a huge responsibility bestowed on the Service which implicitly calls for immense resources in accomplishing it.

During the year under review, the Service effectively discharged its mandate albeit numerous challenges. I am proud that KWS made remarkable strides in key areas including: reduction in poaching; recruitment and training of more rangers; force modernization; operationalization of the wildlife DNA forensic and genetics laboratory; establishment of additional wildlife Sanctuaries and mobile veterinary units; and construction of staff houses and fences to mitigate wildlife conflicts. Additionally, during celebrations to mark the World Wildlife Day on 3rd March, 2015, the Service destroyed 15 tonnes of ivory. The function was presided over by the Head of State and it unambiguously demonstrated Kenya's seriousness in fighting the poaching menace, particularly of iconic species.

However, notwithstanding the above achievements, the Service faced various challenges including: significant reduction of revenues due to slump in the tourism industry, which is a key revenue stream; increase in demand for wildlife trophies resulting in increased operational cost; increase in human-wildlife conflicts due to land-use changes; invasive alien species in protected areas; adverse impacts of climate change; and livestock incursion in the protected areas. All these factors weighed heavily on delivery of service given limited resources.

During the year ended 30th June, 2015, the Service realized total revenue of Kshs.6.8 billion compared to Kshs6.4 billion in the previous year including internally-generated revenue amounting to Kshs. 2.9 billion, GOK subventions of Kshs. 3.2 billion, and grants from various donors amounting to Kshs. 693 million. The total expenditure for the period was Kshs. 7.5 billion compared to Kshs. 6.9 billion spent during the same period the previous year. As a result, the overall performance recorded a deficit of Kshs.680 million compared to a deficit of Kshs. 546 million in the previous year.

The term for the previous Board ended on 10th January, 2014, after the enactment of the new Wildlife Conservation and Management (WCM) Act, 2013. During the period when the Government was undertaking parastatal reforms, an inter-ministerial team was formed to oversee the running of KWS. However, with effect from 17th April, 2015, the current Board of Trustees was formally appointed to run the Service for the three (3) years.

The Board of Trustees is now fully constituted and a new Director General has been recruited through a competitive process. It is now expected that the new Board under my leadership will roll out its blueprint for guiding the Service over the next three (3) years.

I wish to acknowledge with appreciation the vital support given to KWS by the government, development partners, and other stakeholders. I look forward to your continued support in fulfilment of our wildlife conservation and management mandate.

I would like to thank the KWS management and staff for their dedication and commitment to the noble task of wildlife conservation.



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**DR. RICHARD LEAKEY, FRS**

CHAIRMAN



*Believe you can  
reach your dreams  
and you will.  
~Anonymous~*

## REPORT OF THE DIRECTOR GENERAL



Kenya Wildlife Service (KWS) has continued to discharge its mandate of wildlife conservation in line with the Wildlife Conservation Management Act, 2013, and the KWS Strategic Plan 2012-2017. The focus for the period under review was in the following key areas: reduction in poaching; diversification of revenue generation streams; force modernization; devolution and community engagement; human-wildlife conflict alleviation; staff housing and infrastructural development; mitigation and adaptation to effects of climate change; addition of space for wildlife; and staff welfare, among others.

The Service derives income from three key sources: internally-generated revenue, GoK funding, and grants from development partners. Internal revenue accounts for approximately 50% of all the revenues. For the financial year ended 30th June, 2015, the Service realized total internal revenues of Kshs.2.9 billion against a revised projection of Kshs. 3.0 billion. This performance was lower by Kshs.1.1billion (Kshs. 4billion in 2013/2014FY) than the revenues generated during the previous financial year ended 30th June, 2014. The poor performance was attributed to reduced visits by non-residents, which usually contributes to 80% of KWS internal revenues.

As a result of the revenue drop, management sought government financial intervention of Kshs. 2.5 billion. I am pleased to report that additional supplementary funding of Kshs. 1 billion was approved to support KWS salaries and operations. Management thereafter embarked on expenditure rationalization to ensure the Service operated within the available funds. This inevitably affected the implementation of planned activities for the period.

Despite the significant drop in revenue, the Service successfully accomplished the following:

- Reduction in elephants and rhino poaching by 67.6% as a result of deployment of 565 new rangers to increase coverage of wildlife areas. The new rangers were effectively reorganized into anti-poaching companies and platoons.
- Acquisition of assorted security equipment
- Construction and commission of the wildlife DNA forensic and genetics laboratory at KWS headquarters to support wildlife crime prosecution.
- Operationalization of KWS prosecution unit and incorporation of KWS in court users committees. This has improved conviction rates of wildlife crime suspects.
- Increased space for wildlife through the establishment of the Elementaita Sanctuary and the Sera conservancy, and secure space adjacent to Lake Nakuru National Park.

## REPORT OF THE DIRECTOR GENERAL CONT'D

- Completion of aerial census for elephants and large herbivores.
- Development of a five-year *KWS Strategy on the Management of Invasive Species*; and huge acreage of wildlife habitat cleared of invasive species in various parks.
- Development of management plans for protected areas
- Establishment of three (3) additional mobile veterinary units established in Eastern, Southern & Central Rift Valleys.
- Refurbishment of tourism facilities in parks
- Marketing and promotion of products internally and externally
- Construction of staff houses
- Construction of fences in various parks around the country to mitigate wildlife conflict.
- Rehabilitation of park access roads in parks for tourism and security operations.
- Creation of Wildlife Crime Unit by the Office of the Director of Public Prosecutions (ODPP) and inclusion in national judicial dialogue on wildlife crime.

The total net book value of the Service's assets as at 30th June, 2015 amounted to Kshs. 8.4 billion. These assets include: Buildings (residential and non- residential), computers, machinery and water equipment, motor vehicles, aircrafts, boats, airstrips, furniture & fittings, fences, and work-in-progress (on-going construction). It is important to note that the Service's assets are due for a comprehensive valuation. During the year under review, the Service spent Kshs.696 million on capital items. During the year, current assets amounted to Kshs.3.9 billion against current liabilities of Kshs. 2.9 billion.

Conservation of wildlife is a very expensive undertaking, which requires collaborative effort from all stakeholders to save the last great species and places on Earth for humanity. KWS shall therefore continue to engage the government and other development partners for funding as we diversify revenue sources. In the face of numerous challenges, new approaches are needed in conservation to surmount them.

Lastly, I would like to acknowledge the instrumental roles played by the Government, Board of Trustees, staff, development partners and other stakeholders in supporting conservation.



**WILLIAM K. KIPRONO**

DIRECTOR GENERAL



WE WON'T HAVE A SOCIETY IF WE  
DESTROY THE ENVIRONMENT.

*~Margaret Mead~*



# CORPORATE GOVERNANCE STATEMENT

The Board of Trustees of Kenya Wildlife Service is responsible for maintaining high ethical standards in the governance of the Service, and is accountable to the Government of Kenya and compliant to its laws. Accordingly, the Board attaches very high importance to generally accepted corporate governance practices and has embraced internationally developed principles and codes of best practice in corporate governance.

## Board of Trustees

The roles and functions of the Chairman and the Director General are distinct and their respective responsibilities are clearly defined within the *Wildlife Conservation and Management Act, 2013*.

The Board defines the policy guidelines for effective management of the Service. Except for direction and guidance on general policy, it delegates authority of its day-to-day business to the Management through the Director General.

## Board Meetings

The Board holds meetings on a regular basis, and special meetings only when deemed necessary.

During the year under review, the Service did not have a fully constituted Board for ten (10) months but was being run by an inter-Ministerial Committee comprising five (5) members. As advised by the Attorney General, the five (5) members constituted a quorum; hence matters of importance were nonetheless deliberated and dispensed in timely fashion.

On 17th April, 2015, the Board Chairman was appointed together with two (2) independent board members.

## Committees of the Board

Following the appointment of the three (3) new Board members, this raised the number to eight (8), hence making it possible to constitute critical Board Committees. On 1st of July, 2015, the remaining two (2) independent Board members were appointed resulting in a fully constituted Board of Trustees. The Board initially set up two (2) Committees before it was fully constituted, which were to facilitate efficient decision making in the discharging of its duties and responsibilities.

## Board Finance Committee

The Committee is responsible for, and reports to the Board, on financial management oversight including:

- i. Developing policies that maintain and improve the financial sustainability and integrity
- ii. Reviewing and recommending a long-term financial plan for the organization
- iii. Reviewing and recommending an Annual Operating Budget and Annual Capital Budget consistent with long-term financial plans and policies

- iv. Reviewing major proposed financial transactions, new programmes, projects and services, as well as proposals to discontinue the same, and making recommendations on these to the Board.
- v. Reviewing and approving financial statements for external auditors
- vi. Reviewing and approving the opening of new bank accounts
- vii. Monitoring the financial performance of the organisation as a whole against approved budgets and long-term trends
- viii. Requiring and monitoring corrective action to ensure organisational compliance with laws, policies, and applicable financial principles
- ix. Noting missing Human Capital (HC) issues

### **Board Conservation Committee**

The Committee has responsibilities for oversight in Wildlife Conservation and Management and is responsible to the Board on:

- a) Reviewing and advising the Board on the development of Protected Areas' Management Plans, species strategies, and conservation policies
- b) Providing oversight of the organization's programmes, projects and activities relating to conservation
- c) Ensuring that programmes related to conservation are informed by best practice and leading edge thinking; and incorporating scientific, economic, and social trends into organisational planning and decision making in conservation
- d) Evaluating and reviewing conservation programmes and activities
- e) Identifying and submitting to the Board Audit and Risk Committee, risks including legal, financial, and reputational ones, related to conservation
- f) Undertaking an annual self-assessment of its performance.

KENYA  
WILDLIFE  
SERVICE



*By polluting clear water with slime,  
you will never find good drinking water."*  
~ Aeschylus ~

## CORPORATE SOCIAL RESPONSIBILITY STATEMENT

In Kenya, about 70% of the wildlife resides on community land. With only about 8% of the total land mass in Kenya constituting protected areas, there is need to cultivate goodwill for additional space for conservation and harmonious co-existence between humans and wildlife. This has been achieved through strategic investment in areas that have abundance of wildlife outside the protected areas, and also in seasonal dispersal zones.

KWS undertakes diverse Corporate Social Responsibility (CSR) projects with the aim of cultivating conservation goodwill, establishing networks, and mitigating human-wildlife, for sustained and positive relationships and mutual trust in implementing its organisational mandate. The CSR is based on four (4) thematic areas that affect the social livelihoods of communities in different conservation areas (water, education, health, wildlife barriers and community-based wildlife enterprise projects). In addition, KWS strives to encourage alternative and conservation-focused land-uses in wildlife dispersal areas, as well as to secure key migratory corridors that connect different ecosystems that are critical to conservation efforts.

The guiding principle is to address the following key issues that are critical to the impact of our in conservation efforts, especially in wildlife dispersal areas. These include: enhancing stakeholder' goodwill towards wildlife conservation and KWS, creating more space for wildlife, reducing human-wildlife conflict, and improving our corporate image.

During the financial year 2014/2015, KWS undertook various activities in diverse communities bordering conservation areas, including: construction of classes and dormitories such as in Kuku, Syamatani, and Elsa primary schools; construction of fences to control problematic wildlife; provision of relief for farmers suffering from crop destruction and/or injury by wildlife in areas such as Makitau-Ndii, Jipe-Rombo, Mt. Kenya, and Eburu; and sinking of boreholes to increase water availability in communities such as El Mutoroki, Mwamuko Mashinani, Mbale, Mutuguruyi, and El-Masich/Surge.



Every flower is a soul blossoming  
in nature.

*~Gerald De Nerval~*

## SECURITY

### **Wildlife conservation stewardship**

This year had fewer challenges regarding the protection of Wildlife as a result of enhanced law enforcement, which led to a corresponding 69% reduction in elephant and rhino poaching in 2015 compared to the 41% reduction in 2014. However the poaching threat remains in our wildlife ranges. A rise in the cost of living and poverty in areas surrounding wildlife ranges also led to an increase in bush meat off-take as wildlife became an alternate source of food in households.

Livestock incursion in the protected areas remained a challenge, especially in the Tsavo and Sibiloi national parks. However, measures were put in place to restore the ecosystem health, including driving out herds of livestock from protected areas, arresting offenders, and carrying out sensitization meetings in areas surrounding wildlife ranges.

Several strategies were developed to deal with the security challenges experienced and response operations were largely intelligence-based. Monitoring of wildlife movement and migration informed the deployment of security personnel and several ground and aerial patrols were carried out to secure wildlife. Moreover, 1,130 new rangers were recruited, trained and strategically deployed in wildlife threat-prone areas to enhance wildlife protection across the country. One new Wildlife Protection Company was formed: Tsavo West - Jipe (M Company). In addition, 33 Scene of Crime Officers were gazetted to enhance crime evidence management and judicial and law enforcement agency members, with a stake in wildlife crime, were sensitized on how to combat it.

KWS law enforcement personnel were also involved in 16 active engagements (contacts) with armed poachers, which led to successful arrest of the poachers, disruption of poaching syndicates and a foiling of their plans, as well as a recovery of 29 firearms and 295 rounds of ammunition, that would otherwise have been used to attack wildlife and tourists.

### **Wildlife Trafficking**

Combatting the illegal trade of wildlife and wildlife products has been enhanced as a strategy of winning the wildlife crime war. As a result, both overt and covert operations have been launched, leading to arrests of suspects and recovery of illegal wildlife products such as ivory, rhino horns, game meat, animal skins, forest produce, and live animals, among others. KWS is actively collaborating with communities neighbouring national parks and reserves and law enforcement agencies within Kenya, regionally, along our common borders, and internationally, to ensure that poaching and illegal trafficking of wildlife species and their products is curbed. The recovery of ivory and rhino horns reflects the magnitude of illegal wildlife trade locally, regionally, and globally. The trend in ivory and rhino horn recovery over the past five (5) years is shown in Fig. 1 and Fig. 2 below:

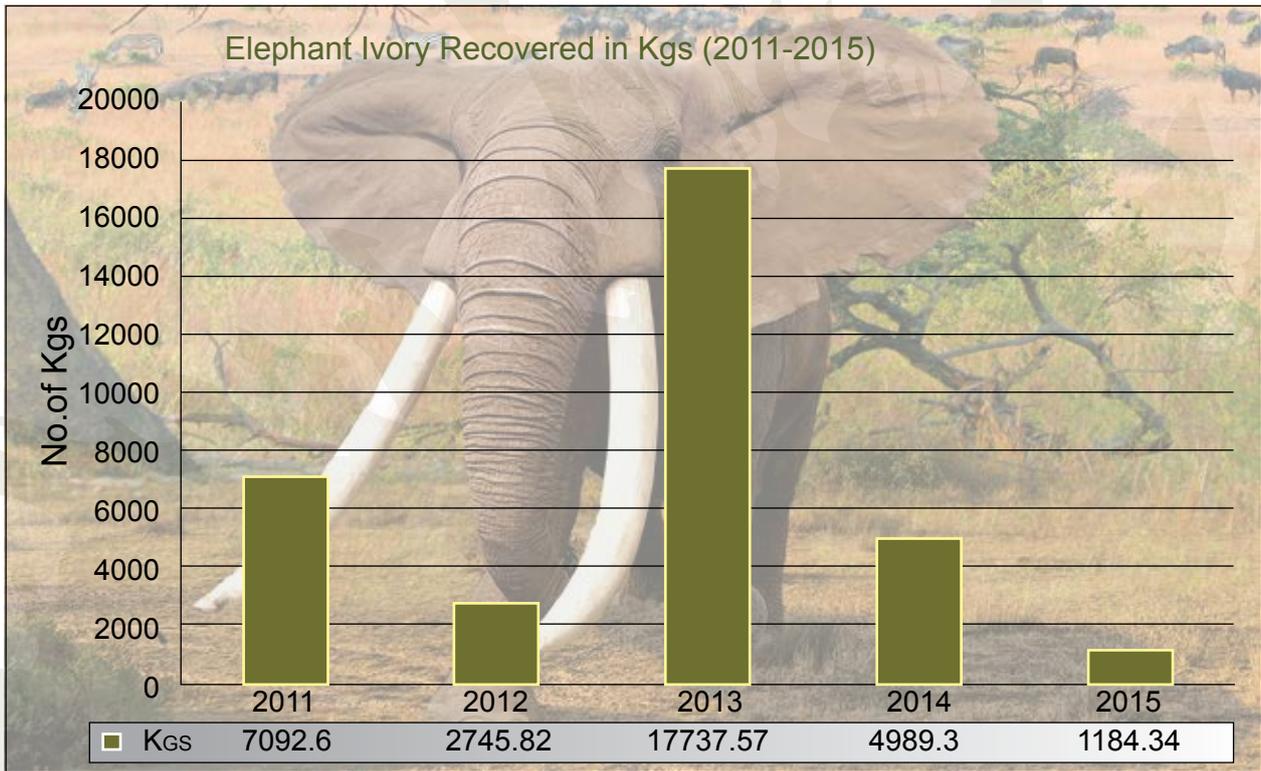


Fig. 1:- Trend in elephant ivory recovery over the past five (5) years

\* Only seizures made in Kenya, both raw and worked ivory, and in cases where weight was given

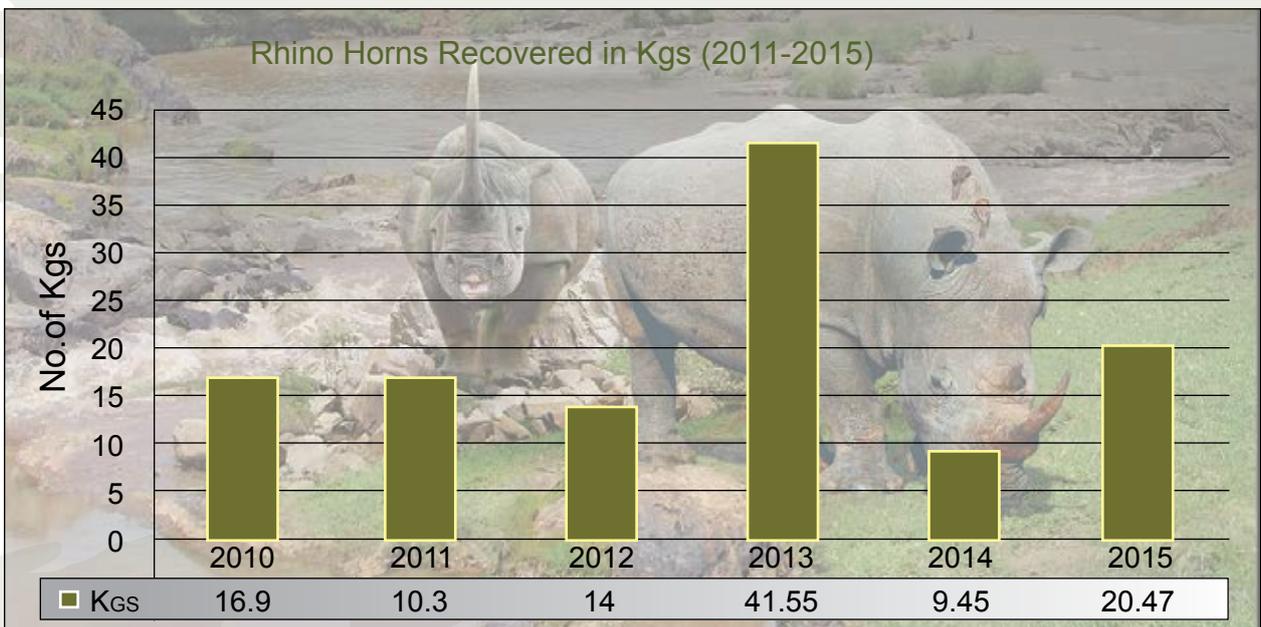


Fig. 2:- Trend in rhino horn recovery over the past five (5) years

### Arrests

During the year, 1,188 illegal trade of wildlife and wildlife products' crime suspects were arrested and those proven guilty were prosecuted. This reflected a 17.2% decrease in such offences compared to the previous year and this can be attributed to increased law enforcement efforts by KWS in collaboration with its stakeholders. Illegal possession of game trophies; livestock incursion into protected areas; habitat destruction, and poaching, made up most of the wildlife offences. Fig.3 below shows the trend in wildlife crime suspect arrests over the past five (5) years.

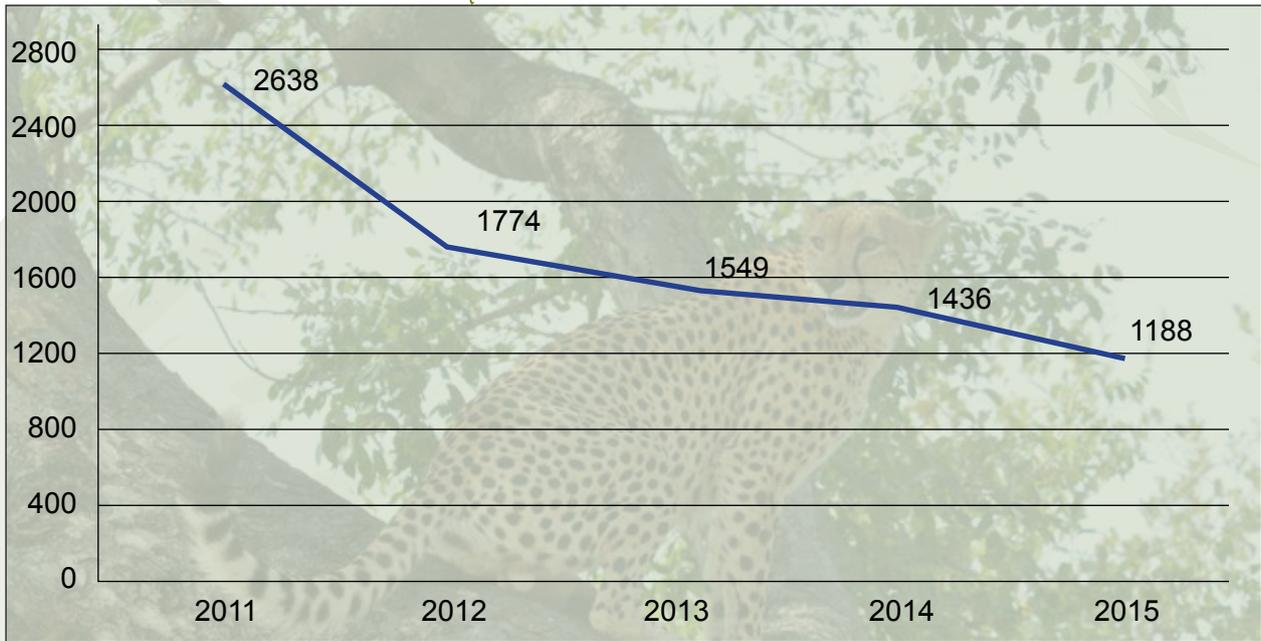


Fig. 3:- Trend in wildlife crime suspect arrests over the past five (5) years

**Elephant and Rhino Security**

As at the end of 2015, Kenya is noted to have a population of over 30,000 elephants -the fourth largest in the world - and a rhino population of 1,121 - the third largest in the world. Whilst these species still face conservation challenges, the Government of Kenya, through KWS and security agencies, has successfully taken various policy, legislative, and operational measures to protect wildlife. Poaching is still a wildlife threat and KWS rangers and security and law enforcement agencies have made significant efforts to combat it. As a result, it has decreased since 2012, as evidenced by a 41% reduction in elephant poaching (lowest since 2007) and 69% reduction in rhino poaching (lowest since 2008) in 2015 compared to 2014. Fig. 4 and 5 below show the trend in elephant and rhino poaching over the past five (5) years.

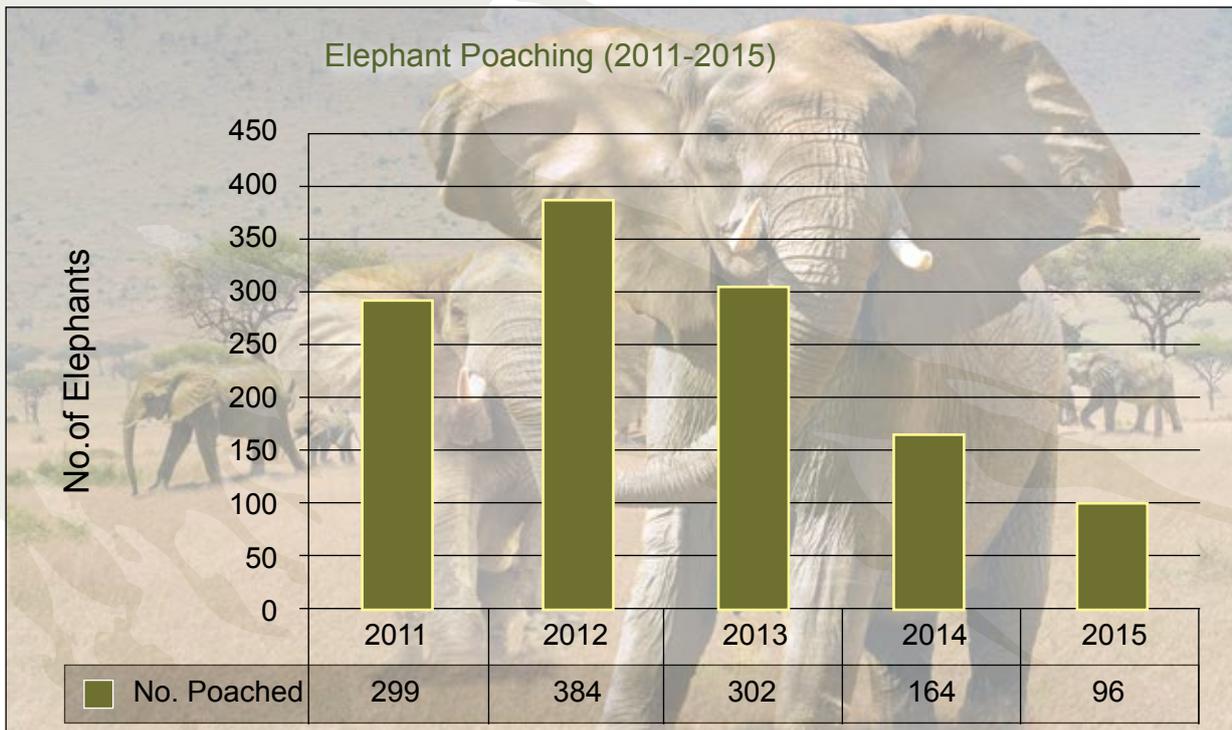


Fig. 4 Trend in elephant poaching over the past five (5) years

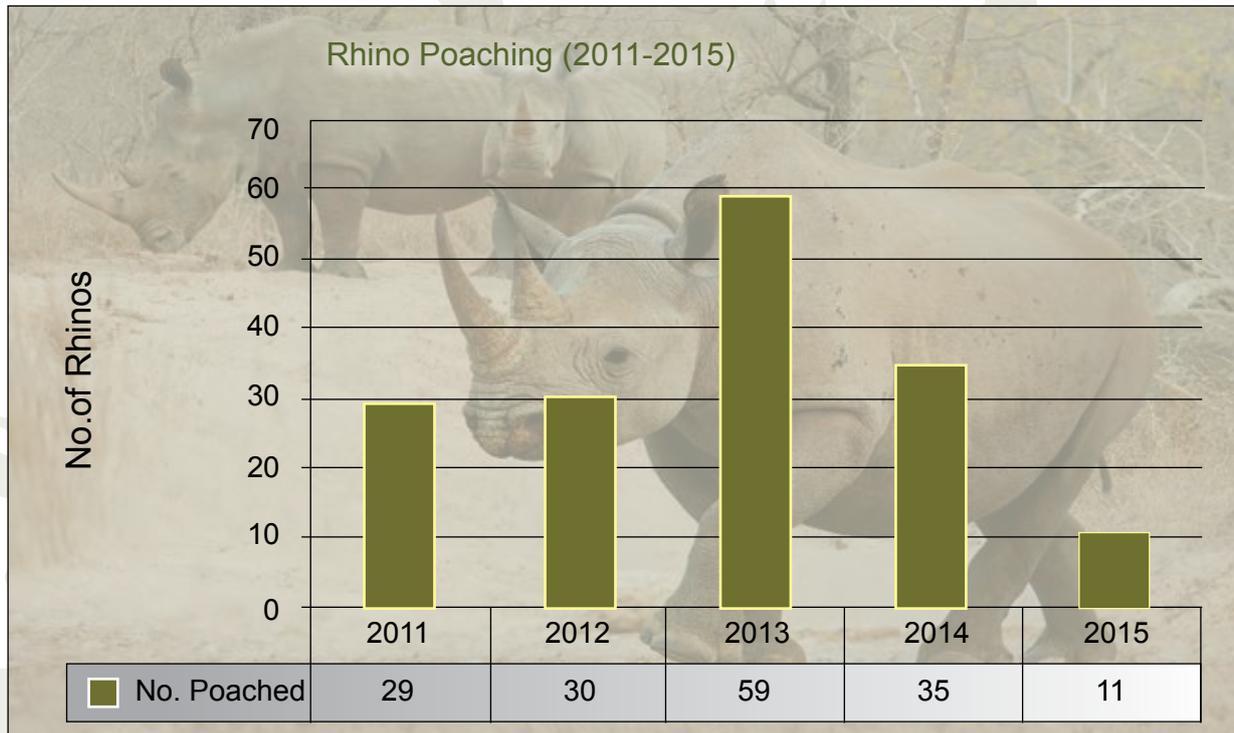


Fig. 5 Trend in Rhino Poaching over the past five (5) years

**a) Financial sustainability**

KWS endeavoured to restrict itself within the set budget and financial discipline was exercised throughout the period. However in some instances, due to the dynamics of wildlife crimes, some incidences were unforeseen leading to over expenditure in relation to approved budgets.

All cases of fraud were dealt with in accordance with laid down procedure and proactive measures taken to secure resources.

**b) Partnership with stakeholders**

KWS law enforcement units work closely with other law enforcement agencies in all matters of wildlife security at local, regional, and international levels. KWS has also intensified structured engagements with law enforcement agencies, National and County Governments, local communities, and conservation stakeholders. For example, it enhanced specific engagement with the Provincial Administration, National Police Service, National Intelligence Service, Kenya Forest Service, Kenya Revenue Authority, Kenya Airports Authority, Office of Director of Public Prosecution, and the Judiciary, among others. Regionally, cross-border collaboration between Tanzania and Uganda has been put in place, to address crimes of trans-boundary nature and this has led to positive results in tackling crime along the shared borders. During the year, the 26th Kenya-Tanzania Cross-Border Wildlife Security Meeting was held in Arusha, Tanzania, to strengthen strategic partnerships between the two countries with regards to strengthening cross-border wildlife security management. Engagement with INTERPOL and the Lusaka Agreement Task Force in fighting wildlife crime was enhanced and this led to successful law enforcement operations.

**c) Service delivery**

Response to security threats and incidents improved during the period. KWS continued to liaise with stakeholders in the tourism industry to enhance service delivery and ensure visitors' safety and satisfaction with our products.

**e) Institutional capacity**

The Law Enforcement capacity was enhanced through training, putting it in a better position to handle emerging security threats. It benefitted from training opportunities and other capacity building programmes offered to its

law enforcement officers by KWS partners. A total of 375 personnel were trained on various skills and techniques including: leadership, investigation information management, counter terrorism operations, targeting and risk management, rural border, canine handling, digital radio systems, and the operation of night vision devices.



Counter terrorism training in Mwanza, Tanzania.



Canine handling training



Ranger/Handler Erica Jepchirchir detects wildlife horn with her Springer Spaniel (breed) canine

**Conclusion**

The year 2015 was a successful one for wildlife law enforcement as a downward trend in poaching continued to be witnessed as a result of enhanced wildlife security. Though poaching has stabilised, the threat still exists and KWS will continue to enhance its wildlife security operations to consolidate the gains made. This however calls for concerted efforts from all State and Non-State actors. KWS will continue to engage its stakeholders and community members who are all invaluable partners in wildlife security.



*If we could see the miracle of a single flower  
clearly, our whole life would change  
~Buddha~*

## BIODIVERSITY RESEARCH & MONITORING

### **Wildlife conservation stewardship**

KWS, in partnership with Elephant Without Borders (EWB<sup>1</sup>) conducted four major Aerial censuses in the following ecosystems. Laikipia-Samburu-Marsabit, Meru, Nasolot, and Lamu. For these ecosystems, the number of elephants recorded was 7,134, 659, 662, and 60 respectively.



*Aerial view of total count of wildlife in Lamu County and in adjacent areas*

<sup>1</sup> EWB - Elephant Without Borders is a Non-Governmental Organization that is registered in Botswana and in the U.S.A.

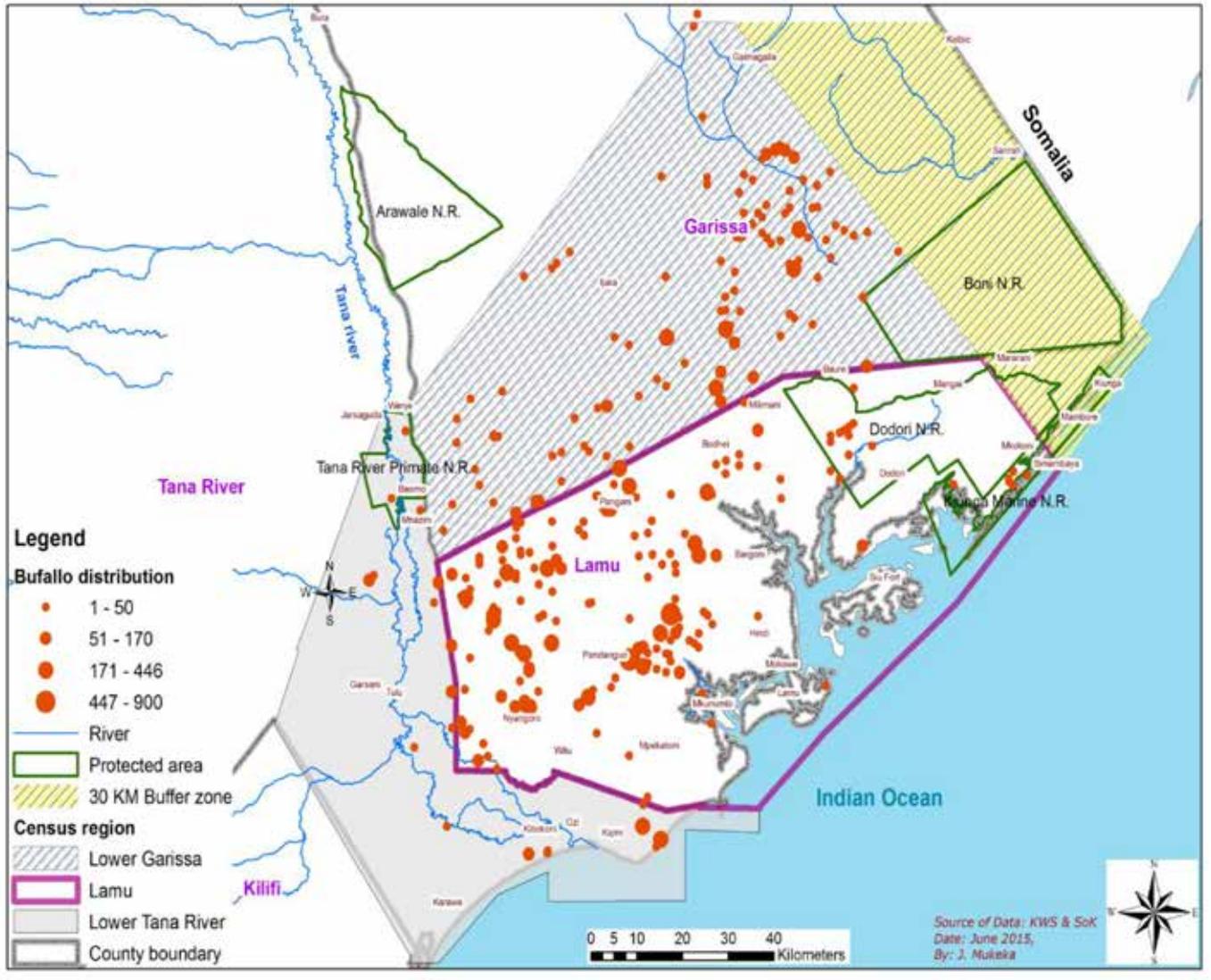


Fig. 6: Spatial distribution of African buffalo in Lamu - Lower Garissa-Lower Tana River landscapes (from the 2015 aerial census).

In addition to the above major censuses, others were undertaken in various national parks and reserves including: Nairobi, Lake Nakuru, Soysambu, Tsavo West, and Chyulu Hills National Parks.

For Lake Nakuru National Park and Soysambu Conservancy, censuses were conducted in April and May of 2015 and 7,475 mammals were recorded with buffalo being the dominant species. In Tsavo West and Chyulu Hills National Parks, Black Rhino censuses were conducted at night. In Nairobi National Park, rhino censuses were conducted on a bi-monthly basis. Greater kudu assessment was carried out in Shaba National Reserve and Lewa Downs Conservancy. In the Coast Conservation Area, monitoring of wildlife populations was undertaken in Shimba Hills National Reserve and in Mwaluganje Elephant Sanctuary. Further, monitoring of the Dugong population in Kiunga Marine National Reserve was carried out.

In the Northern Conservation Area camera Trap Technology was used to monitor biodiversity in Marsabit Forest. From the camera traps, 4,000 photographs were developed and analyzed.



*Leopard image captured using a camera trap in Marsabit Forest*

A biodiversity inventory was completed for Lake Jipe, for some soda lakes, and in other extreme environments that have potential for microbial bio-prospecting.

In Mountain Conservation Area, a survey on herpetology, insects, small mammals, and birds, was completed. This was done in partnership with the Kuming Institute of Zoological Studies and the National Museums of Kenya.

In ecosystem rehabilitation, the Division conducted various activities countrywide including: the initial treatment of plants such as *Lantana camara*, *Opuntia*, *Datura stramonium* and *Solanum incanum* in Oldonyo Sabuk and Amboseli National Parks.



*Mechanical removal of invasive species *Solanum incanum* in Amboseli National Park.*

Further, afforestation of degraded areas in Oldonyo Sabuk National Park was carried out with 5,000 seedlings being planted there. In addition, over 7,000 seedlings were planted in Amboseli National Park, Kitirua and Noonkotiak areas. In the Eastern Conservation Area, one thousand tree seedlings in Kathithi Water Catchment were taken care of to ensure there is enough water for Meru National Park in future.



*Kathithi and Murera Schools pupils participate in the reforestation of the Kathithi Water Catchment area.*

In the Central Rift Conservation Area, monitoring the survival of the planted Euphorbia saplings was undertaken, and in the Western Conservation Area, the Division monitored a large fire outbreak that nearly burned the whole of the Ruma National Park.

With a view to supplementing water provision in key parks, 23 water monitoring stations were put in place in the Tsavo Conservation Area.

Due to the reality of climate change worldwide and the resultant global warming, the development of a National Wildlife Climate Change Adaptation Strategy for Kenya has continued. A climate change consultant team made up of staff from CAMCO in Kenya and BRL in France, visited Meru National Park with the aim of developing a Kenya National Wildlife Climate Change Adaptation Strategy

In the Chyulu Hills Ecosystem, the development with stakeholders of a REDD<sup>2</sup> Project continued and the Division also participated in the development of the Water Tower Protection and Climate Change Mitigation and Adaptation Programme with the Ministry of Environment and Natural Resources and Regional Development Authorities with Mt. Elgon and Cherangany landscapes as the areas of focus for the programme.

Regarding Multilateral Environmental Agreements, the Division participated in the Ramsar Standing Committee, in Gland, Switzerland, from the 22nd to the 28th of November, 2015, and Kenya was elected to represent Africa in the CBD<sup>3</sup> Synergy initiative.

Additionally KWS participated in the discourse on the proposed biosphere reserves for Marsabit and Mt Elgon Trans-boundary areas, as well as the proposed Orari Nyiro World Heritage Site.

<sup>2</sup> REDD - Reducing Emissions from Deforestation and forest Degradation

<sup>3</sup> CBD - Convention on Biological Diversity

**Management Plans:** KWS completed the *Marsabit Forest Ecosystem (MFE) Management Plan* which was approved and forwarded to Hon. Judi Wangalwa Wakhungu the Cabinet Secretary for Environment and Regional Development Authorities, for gazettelement. KWS also prepared draft management plans for the Kisite -Mpunguti Marine Protected Area (KMMPA) 2015-2025, the Malindi and Watamu Marine Protected Areas, the Lake Elementaita Wildlife Sanctuary, and the Mwingi and South Kitui National Reserves.

Moreover, KWS updated management plans for the Hell's Gate/Mt. Longonot Ecosystem (HG/LE) 2010-2015, the Nairobi National Park 2015-2025, and the Witu Forest 2015-2025. The Division also facilitated a consultative process for gazettelement of the Amboseli Ecosystem Management Plan (AEMP) 2008-2018 and participated in the preparation of national wildlife conservation and management regulations and guidelines.

**Environmental Impact Assessments (EIAs):** KWS conducted EIAs for various projects including: the Sheldrick Falls Tourist Site in Shimba Hills National Reserve; restocking of Rimo National Reserve, Olgulului Olorashi Community Water project in Amboseli, burrowing pits for the Standard Gauge Railway; and the Kwale Animal Rescue and Rehabilitation Centre.

KWS also compiled the final draft of the State of the Environment (SOE), 2013.

**Geographic Information Systems:** KWS continued to leverage geographic information systems (GIS) technology across the organization. It used GIS to produce a wide range including maps on: the 2015 Lamu Aerial Census, encroachment by China Roads and Bridge Corporation (CRBC) into Nairobi National Park, and maps on land use/land cover in the Marsabit Ecosystem.

Further, KWS continued to develop an integrated aerial and ground count wildlife census database containing data from the Lake Nakuru, Nairobi, and Tsavo National Parks.

### FINANCIAL SUSTAINABILITY

On the financial front, KWS raised over KSh 5,254,369 (five million, two hundred and fifty-four thousand, three hundred and sixty nine shillings) as shown in Table 1 below:

SOURCE	PURPOSE	AMOUNT (KSh)
Research Authorization	Conducting biodiversity related research	3,170,725.69
Library Services	Printing, photocopying, scanning, and other library services	43,644.00
UNESCO Regional Office	LVBC for Mt. Elgon	2,000,000.00
The women association	Tree planting event in Oldonyo Sabuk National Park	40,000.00
<b>TOTAL</b>		<b>5,254,369.00</b>

Table 1

### PARTNERSHIP WITH STAKEHOLDERS

KWS collaborated with many partners and stakeholders including: UNEP, ICIPE, NMK, UON, KLA, the Smithsonian Institute, Moi University, KenGen, TAWIRI, AWF, IFAW, the Machakos wildlife Forum, FAO, GEF-UNDP, KFS, KARLO, KEFRI, the NaGa foundation, the Western Indian Ocean Marine Science Association (WIOMSA), KCDP, the Born Free Foundation, Save the Elephants (STE), Friends of Lake Nakuru, WCK, Safaricom, the Environmental Systems Research Institute Eastern Africa, Imarisha, and Nature Kenya.

### SERVICE DELIVERY

With an eye to improving acquisition and utilization of information the Law Enforcement Academy (LEA) and KWSTI were upgraded. Services at the main library at the headquarters was maintained and payment for electronic journal subscriptions were up to date. It continued to improve access to biodiversity related data by uploading these onto a Web-based system known as the KWS Integrated Database System, which it developed three years ago. The system is accessible through the KWS Intranet (<http://kwsids>).

## TREND IN BLACK RHINO NUMBERS (1987 - 2015)

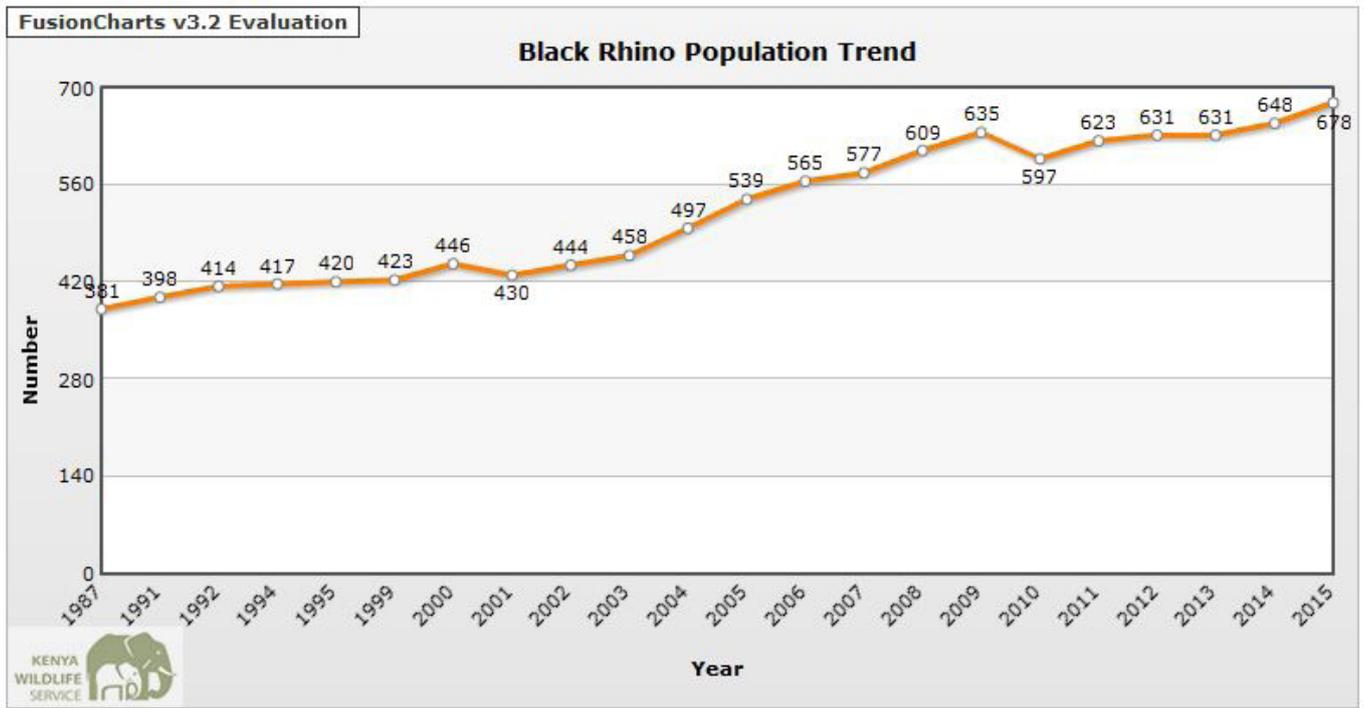


Fig. 6: Black rhino Population Trend

Source: KWS Integrated Database System

Further, KWS enhanced a near-real time Ranger patrol system for the Mount Kenya Ecosystem. In Kenya’s coastal zone, KWS worked with other partners under the Kenya Coastal Development Project (KCDP) to develop an integrated coastal biodiversity information management system (ICBIMS).

KWS also developed a soda lakes web portal and uploaded it onto the Kenya Wildlife Service web site and spearheaded the installation of camera traps in Mwaluganje Elephant Sanctuary to monitor elephant movements and human activities.

### INSTITUTIONAL CAPACITY

In the area of learning and growth, various staff participated in different training programmes. Under longer term training, 3 staff continued working on their PhDs; 7 continued with their Masters Degrees; 1 staff continued with her Bachelors; 1 staff completed a Master’s Degree in Geospatial Information Systems and Remote Sensing; and 1 completed a Bachelor’s Degree.

Under short term courses, 2 GIS staff attended training on the use of software tools known as Land Cover Impact Tool and SPIRITS<sup>4</sup> (tools developed by the Joint Research Centre (JRC) of the European Union); 1 staff attended training on Earth Observation and Spatial Analysis for Enhanced Climate and Disaster Risk Management for Societal Benefit in Africa; 1 staff attended the International Training of Trainers on Integrated Water Resource Management at Wageningen University in the Netherlands; and some staff participated in an exchange visit to the World Bank funded by the Lake Victoria Environmental Management Project (LVEMP) in Kisumu and Homabay.

With regard to publications, KWS staff co-authored the following five papers:

1. Morphological Diversity of Ascobolus and Pilobolus Fungi from Wild Herbivore Dung in Nairobi National Park, Kenya. *Journal of Microbiology Research* 2015, 5(4): 134-141 DOI: 10.5923/j. microbiology.20150504.03  
Aluoch AM, Obonyo MA, Okun DO, Akinyi A, Otiende YM, Mungai PG
2. Using Poaching Levels and Elephant Distribution to Assess the Conservation Efficacy of Private, Communal and Government Land in Northern Kenya. *PLOS ONE* | DOI:10.1371/[journal.pone.0139079](https://doi.org/10.1371/journal.pone.0139079) **September 25, 2016**  
Festus W. Ihwagi, Teejun Wang, George Wittemyer, Andrew K. Skidmore, Albertus G. Toxopeus, Shadrack Ngene, Juliet King, Jeffrey Worden, Patrick Omondi, Ian Douglas-Hamilton.
3. A New Tooth Wear-Based Dietary Analysis Method for Proboscidea (Mammalia).  
***Journal of Vertebrate Paleontology* e918546: DOI: 10.1080/02724634.2014.918546**  
Juha Saarinen, Aleksis Karnea, Thure Cerling, Kevin Uno, Laura Sailaa, Samuel Kasikie, Shadrack Ngene, Thadeus Obari, Emma Mbuag, Fredrick Kyalo Manthig & Mikael Fortelius.
4. Modeling Cheetah *Acinonyx jubatus* Fundamental Niche in Kenya. *International Journal of Environmental Monitoring and Analysis*: 2015; 3(5): 317-330  
Bernard Mungoma Kuloba, Hein Van Gils, Iris Van Duren, Shadrack Muvui Muya, Shadrack Mumo Ngene.
5. Mammal Diversity Surveys In The Coastal Forests: Kenya 2010-2011. ISSN: 1744-3997  
Samuel Andanje, Kevin Davey, Bernard Ogwoka, Bernard Risky Agwanda, Abdullahi Ali, Tom Bruce, Tim Wachter, Rajan Amin.

With a view to enhancing biodiversity research in the country, KWS reviewed and authorized 79 Research Projects.

<sup>4</sup> *SPIRITS - Software for the Processing and Interpretation of Remote sensed Image Time Series*



KENYA  
WILDLIFE  
SERVICE



A leopard does not change  
his spots, or change his feeling  
that spots are rather a credit.

*~Ivy Compton-Burnett~*

## WILDLIFE CONSERVATION STEWARDSHIP

### Veterinary Services

Veterinary services are critical in maintaining healthy and viable wildlife populations. KWS provides wildlife veterinary services such as: diagnosis and treatment of sick and injured animals; surveillance and research in disease; dissemination of information generated from the above exercises; translocation of wildlife as a management tool for conservation and supplementation; problem wildlife control mitigation; rescue of young orphaned or abandoned wildlife in distress; diagnostic laboratory services; investigation of disease outbreaks or mortalities; and the development of wildlife veterinary policies and procedures. All these services are aimed at ensuring viable healthy breeding wildlife populations in Kenya.

In 2015, the following additional activities were undertaken:

### Wildlife Translocation

Translocation of wildlife is a wildlife management tool deployed to maintain ecological balance and integrity due to diminishing habitats, as well as human-wildlife conflict. In 2015, KWS translocated a total of 13 black rhinos to Sera Wildlife Conservancy to start up the newly established community-based rhino sanctuary; 4 black rhinos were from Lake Nakuru National Park, and 9 were from from Lewa Wildlife Conservancy. The animals have since adapted well to the new environment and are expected to reproduce and thrive like other rhino populations in the country.



*Translocation of a black rhino from Lake Nakuru National Park to the Sera Wildlife Conservancy.*

Elephant translocation is one of the most effective ways of controlling human-elephant conflict. In 2015, a total of eleven (11) bull elephants were translocated from Kajiado County (Nkaroni area) to the Aberdare and Amboseli National parks in a bid to reduce rampant human-elephant conflict in that area.



*Elephant translocation exercise.*

Various antelope species were also translocated from Bamburi Nature Trail to Tindress Game Sanctuary at Solai as a wildlife re-stocking strategy, and 11 Oryx, 3 Elands and 6 Waterbucks were also translocated and added to already existing populations at the sanctuary.

### **Rhino Ear-Notching Exercise**

In the year under review, to ensure that at least 60% of all rhinos are identifiable by trained observers in rhino conservation areas, KWS conducted a white and black rhinos (*Ceratotherium simum* and *Diceros bicornis*) ear-notching exercise at the Lake Nakuru National Park. This exercise involved chemical immobilization of selected rhinos and thereafter making V-shaped notches on specific parts of the ear. Each notch is unique to each rhino to enable its positive identification. A total of 12 (1 white and 11 black) rhinos were ear-notched. This will enhance the rhino monitoring and surveillance process in those conservation areas.



*Ear-notching exercise of a black rhino at the Lake Nakuru National Park*

### Wildlife Diseases Investigations and Surveillance

In 2015, KWS managed to contain a severe outbreak of anthrax that threatened the survival of buffalo, black and white rhino, and the Rothschild Giraffe species of wildlife in the Lake Nakuru National park. Spread of the disease was controlled in a number of ways including: disposal of carcasses through burying and burning; disinfection of carcass sites; closure of water points near affected areas; and the timely vaccination of rhinos and Rothschild Giraffes. This was a joint effort between KWS, the Directorate of Veterinary Services, the Ministry of Agriculture, Livestock and Fisheries, together with other stakeholders. KWS is happy to report that the anthrax disease was successfully managed.

A number of collaborative studies were undertaken together with International Centre for Insect Physiology and Ecology (ICIPE) and the Institute of Primates Research (IPR) to determine the epidemiology of the zoonotic Yellow and Dengue Fevers respectively. The study targeted non-human primates and mosquitoes as disease vectors in West Pokot, a county in Kenya that borders Uganda. Four (4) Patas monkeys and ten (10) baboons were captured and sampled in areas around Kapenguria.



*Collection of blood samples from baboons for Dengue and Yellow Fevers for use in an epidemiological study*

KWS also worked with the Directorate of Veterinary Services, Foot and Mouth Disease (FMD) Laboratory in Embakasi in Nairobi, to conduct FMD surveillance in buffaloes at the Lake Nakuru National Park.

## Wildlife Clinical Cases Interventions

In 2015, over 400 reports of wildlife, such as elephants, rhinos, lions, cheetahs and ungulates requiring veterinary clinical intervention, were promptly attended to. Cases of wildlife injuries were mainly due to human-wildlife conflict.

With the support of conservation partners such as The David Sheldrick Wildlife Trust (DSWT), Lewa Wildlife Conservancy (LWC), and Animal Rights Reserved (ARR), KWS has established six (6) fully operational field veterinary units in wildlife conservation areas and parks such as: Tsavo, Masai Mara, Laikipia, Naivasha, Amboseli and Meru National Parks respectively. These units are manned by KWS veterinary surgeons and have significantly shortened the wildlife emergencies response time in conservation areas. Additionally, the Sky Vet Initiative established in 2013 by KWS, in partnership with DSWT, has increased the efficiency of wildlife clinical intervention and enabled rapid response to wildlife emergencies. In such cases, KWS veterinarians are airlifted by chartered planes to respond speedily to such cases countrywide. Through this quick response initiative many endangered species including rhinos, elephants, cheetahs and lions, have been treated and saved from death.



*Treatment of a sick leopard in Tsavo West National Park*

## Establishment of a Wildlife Genetics and Molecular Forensic Laboratory

In order to curb wildlife crime, KWS has established a regional wildlife forensic laboratory at its Headquarters in Nairobi. On May 8th, 2015, the KWS Wildlife Genetics and Molecular Forensics Laboratory was commissioned by the Cabinet Secretary, Ministry of Environment and Natural Resources, Prof. Judy Wakhungu. The KWS Genetics and Molecular Forensic lab is currently deploying DNA technology to fight wildlife crime. For example the lab, in collaboration with other conservation partners, has established a Rhinoceros DNA Index System (RhoDIS), which is increasing the traceability of rhino products, something that can now be admitted as legal evidence in a court of law during wildlife crime cases.

This acts as a major deterrent to poaching and enhances the ability of enforcement agencies to secure strong prosecution evidence.

The DNA lab will also be used to provide a complete DNA profile for elephants that will be useful for prosecutorial purposes in a court of law. This will ultimately curb elephant poaching.



*DNA technology in wildlife conservation*

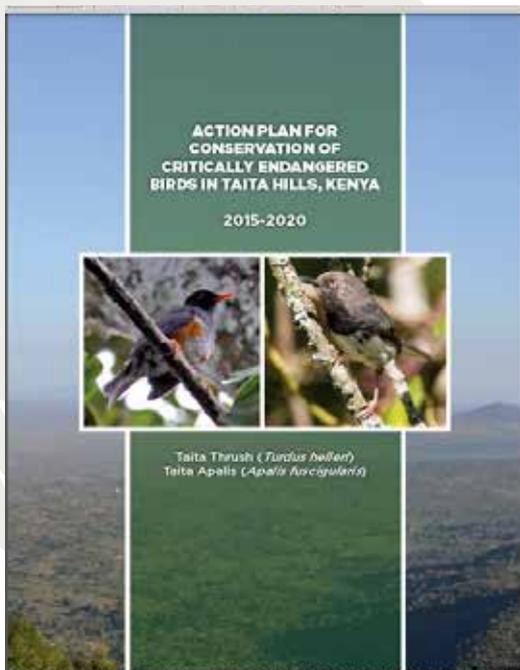
DNA forensic analysis serves as a reliable tool for distinguishing between bush and livestock meat as evidence in a court of law, as this is often required to convict wildlife criminals. Additionally, the lab through genetic studies has: increased KWS understanding of wildlife biodiversity resources; enhanced wildlife disease diagnostic capacity; improved wildlife health; and enhanced collaboration with other research institutions and laboratories.

**Endangered Species Conservation Strategies**

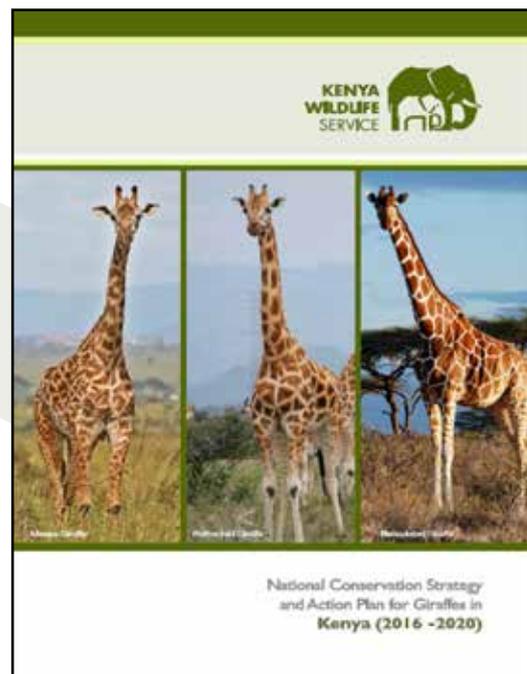
National species-specific strategies are formulated to ensure special focus on threatened or endangered species, and they seek to address specific risk factors facing each species. In 2015, KWS formulated three of these strategies including the National Action Plan for the Conservation of Giraffes in Kenya. Currently there are three sub-species of giraffes in Kenya: the Masai Giraffe (*Giraffa camelopardalis tippelskirchi*); the Rothschild’s Giraffe (*G. c. rothschildi*); and the Reticulated Giraffe (*G. c. reticulata*). The new strategy gives baseline estimates on giraffe population and their current distribution in Kenya. It aims to counter threats and conservation challenges facing all the three giraffe sub-species, and to address the issue of KWS staff working with local communities to help them appreciate and benefit from giraffe conservation efforts.

Another strategy has been developed by KWS for conservation of critically endangered birds such as the Taita Thrush (*Turdus helleri*) and Taita Apalis (*Apalis fuscicularis*) in Taita hills, so as to establish healthy populations of Taita Apalis and Taita Thrush as a global heritage benefiting the local people. The strategy also addresses the conservation needs of these two critically endangered species, which have significantly reduced in recent years due to severe habitat fragmentation, isolation, and decline in quality and extent of indigenous forest in the Taita Hills. Fire outbreaks, habitat disturbance, conversion to exotic tree planting, and invasive plant species, are some of the factors leading to the decline of the species.

A strategy to conserve Sagalla Caecilian (*Boulengerula niedeni*) an endangered amphibian endemic to the Sagalla Hill in Taita Hills, South eastern Kenya, is complete. The species is threatened by climate change, loss of indigenous forest vegetation, planting of non-indigenous trees, incompatible farming practices that lead to loss of organic matter, drying, and compacting and erosion of the soil.



Taita Thrush and Taita Apalis species



National Conservation Strategy and Action Plan for Giraffes in Kenya (2016-2020)

**Species Specific Strategy Review:** Two strategies were reviewed and updated in 2015 i.e. the *National Conservation and Management Strategy for Black Rhinos* and *The Cheetah and Wild Dog Strategy in Kenya*.

**Species Conservation Conferences:** These are scheduled annually to evaluate the progress in implementation of species specific strategies; to build synergies amongst researchers, and to share knowledge and ideas. In 2015 three conferences were held i.e. The 9th Annual Carnivore Researchers Conference and The Inaugural Elephant Conference.



Participants at the Inaugural Elephant Conference at the Nairobi Safari Walk at the KWS Headquarters.



Participants at the 9th Annual Carnivore Conference at the Nairobi Safari Walk, KWS Headquarters.

**Species Monitoring:** Four (4) lions in Shompole and two (2) in the Nairobi National Park were fitted with satellite collars to monitor their movements and habitat use. To expand space for wildlife, several black rhinos Rhinos were translocated from Lake Nakuru National Park and Lewa Wildlife Conservancy to Sera Community Conservancy. Eleven black and one white rhinos were ear-notched in Lake Nakuru National Park to enhance monitoring of their movements.

**Status reporting:** Kenya rhino population as at end of 2015 stood at 1,122 (678 black, 441 southern white, 3 northern white), which is the 3rd largest population after South Africa and Namibia. Kenya also hosts 80% of the eastern sub-species (*Diceros bicornis michaeli*) of the black rhino.

**Captive Wildlife Management (CWM)**

The captive wildlife facilities provided refuge, and nurtured various wildlife found in distress during the reporting period. In 2015, a total of 40 orphaned, abandoned, held in breach of the law, or injured animals, of different species, were rescued and nurtured at the Nairobi Animal Orphanage. Thirty nine (39) quails, 18 badges and 2 cocktails that had been confiscated while in transit without proper documentation were also part of the nurtured animals. Two (2) buffaloes, 5 birds and 10 monkeys were reintroduced to the wild after nurturing, while the non-releasable carnivores were retained at the captive wildlife facilities for conservation education purposes.



Various development partners including the Born Free Foundation and the Japan Embassy, supported the upgrading of the Nairobi Animal Orphanage through refurbishment and expansion, to enhance animal welfare standards and conservation education. A feasibility study and proposal to establish an animal rescue and rehabilitation centre in Kwale under the KCDP project were developed and submitted for consideration.

*General examination of a rescued lion cub at the Nairobi Animal Orphanage in Nairobi*



*Development partners from the Japanese Government on a visit to the Nairobi Animal Orphanage*

KWS received various proposals to establish private and community-owned captive facilities that included an elephant orphanage by Namunyak Conservancy in Samburu County; a bird and animal sanctuary in Bungoma; a small animal rehabilitation centre in Tsavo by the Tsavo Trust; as well as animal orphanages by County Governments of Murang'a and Uasin Gishu. The proposals are under different stages of consideration by the management.



*Stuffed animals used for Conservation Education*

Another key function of the Captive Wildlife Management (CWM) is to conduct education programmes within and outside the facilities. In 2015, the department carried out 20 in-house programmes in outreach efforts to 146 adults and 769 children. Eleven (11) outreach programmes successfully reached 171 adults and 22,254 children. The department also prepared one sub-adult male lion taxidermy (stuffed animal specimen) for conservation education.

### **CITES IMPLEMENTATION**

At the 16th meeting of The Conference of the Parties to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in 2013, Kenya was identified among seven countries: United Republic of Tanzania, Uganda, Vietnam, Malaysia, The Philippines, China and Thailand, not doing much to control elephant poaching and illegal trade in elephant ivory. These countries were directed to develop and implement respective National Ivory Action Plans to combat illegal ivory trade. The plans were to focus on four areas of intervention: national wildlife legislation and regulation review; international and regional interagency collaboration, coordination, outreach, public awareness and education in wildlife law enforcement; regular reports to the Standing Committee of the Convention on progress in the implementation of those actions that impact the control of poaching and illegal trade in ivory.

Kenya Wildlife Service as the designated wildlife management authority for purposes of implementing the CITES Convention in Kenya, coordinated formulation and implementation of the National Ivory Action Plan, gave update reports to the 65th and 66th CITES Standing Committee meetings in 2014 and 2015 respectively. Effective implementation of the National Ivory Action Plan resulted in reduction by 40 % of elephant poaching in 2014. Enhanced coordination in the implementation of the CITES Convention helped regulate wildlife trade and control illegal wildlife trade in the country. It is hoped that, when this progress in Kenya wildlife conservation and management, through the National Action Plan, is discussed in the next CITES meeting, Kenya will be removed from the list of eight (8) top countries in elephant poaching and illegal trade in ivory.

Keep close to Nature's heart...and  
break clear away, once in awhile, climb  
a mountain or spend a week in the  
woods. Wash your spirit clean.

*~John Muir~*

# COMMUNITY SERVICE AND DEVOLUTION

## INTRODUCTION

Community Service and Devolution is a strategy recognized by the Wildlife Conservation and Management Act, 2013. The Act calls for active community participation in wildlife conservation outside protected areas. The increase in human population has led to increased pressure on predominantly wildlife areas and encroachment into protected areas. The absence of a land use policy in Kenya has led to endless sub-division of wildlife dispersal areas and wildlife corridors. In the year under review, a lot has been achieved in community-based wildlife conservation. This type of conservation is not embedded in current national legislation, leading to challenges in wildlife conservation and management outside protected areas.

The goal of Devolution and Community Service in KWS is quite broad. Managing wildlife outside parks and reserves means that the unit has to physically interact with members of parliament, members of the County Assemblies, opinion leaders, rural communities, County Administrators, NGOs, Civil Society, private ranchers, and other relevant ministries at the grass-roots level.

## KEY FUNCTIONS AND GOALS OF THE DIVISION

- Provide community education awareness creation, mobilization & extension services
- Provide wildlife policy and legislative direction outside protected areas
- Provide technical advice to the government, Local Authorities and landowners, on the best of wildlife conservation and management methods
- Plan, coordinate, implement and monitor community-based conservation projects
- Enhance synergies and create strategic partnerships in wildlife conservation
- Establish mechanisms to reduce human-wildlife conflict

To attain these broad goals, the division targets the following five outputs, in recognition of the fact that wildlife represents one of Kenya's most valuable natural resources, and that KWS combines the management of wildlife with concern for its conservation.

The strategic approaches are:

- i) Promote positive human-wildlife interaction
- ii) Provide policy direction, guidelines, and technical support
- iii) Enlist community support for wildlife conservation
- iv) Strengthen CWS & community capacity

## HUMAN/WILDLIFE CONFLICT MANAGEMENT

Human wildlife conflict continues to pose a big management challenge to KWS, largely due to increased human population and the lack of a national land use policy. The *Wildlife Conservation and Management Act, 2013* encourages community participation and collaboration in managing wildlife resources through devolved structures. An important means of developing a positive value of wildlife resource is to reduce negative impacts of wildlife on human activities. Wildlife can be compatible with some forms of land use e.g. pastoralism and ranching. However, densely settled areas & agricultural land are not compatible with wildlife. In response to this, KWS has deployed the following management tools to avert the negative consequences of conserving wildlife or living with wildlife resources.

### Causes of human-wildlife conflict

- Lack of a national land use policy, which leads to incompatible land uses
- Increase in population and encroachment into historical wildlife areas, corridors, dispersal/breeding zones, and buffer areas
- Inadequate service resources to enhance a timely response to conflict cases and prompt compensation of victims

### Erection of Electric Fences and other forms of Wildlife Proofing

Wildlife proofing, or barriers, are erected as an appropriate solution to the persistent problem of damage to crops, property, and livelihoods. KWS has erected fences along the perimeter of certain parks and reserves such as: the Lake Nakuru National Park, Northern part of Nairobi National Park, Mt. Kenya National Park, Shimba Hills National Reserve, Mt. Elgon, and Aberdare National Park to minimize human-wildlife conflict.

KWS also works closely with the County Government administration in dealing with human-wildlife conflict cases. Erecting and maintaining electric fences is an expensive venture that is often taken up after consultation with the affected communities, and after securing funding from the government and other donors. KWS encourages communities to employ alternative methods of dealing with human-wildlife conflict.

### Challenges in fence maintenance

- High cost of maintenance High community (stakeholder) expectations about fences
- Environmental degradation issues around the fenced areas
- Use of counterfeit and poor quality fencing materials sold in the market

PAMU is a unit within the Community Wildlife Service Department that was established to ensure a swift response to human-wildlife conflict incidents countrywide. The role of the rapid response team is to beef up local problem-animal-control teams in all Community Wildlife Service (CWS) stations. The Problem Animal Management Unit (PAMU), a highly mobile rapid response team, responds to human-wildlife conflict cases in conflict hotspots countrywide. Currently the team has 38 personnel, who are sometimes deployed simultaneously in smaller teams to high conflict zones, to beef up the local PAC teams.

The aim of this mobile team is to significantly reduce the number of human-wildlife conflicts within the country, especially in the identified conflict hotspots listed below:

- Laikipia
- Narok/Transmara
- Tsavo East & West (Taita Taveta, Rombo, Njukini)
- Lamu (Mpeketoni, Witu)
- Imenti South (Meru)
- Amboseli

### COMPENSATION

The communities adjacent to protected areas depend on land for their livelihood, for example through cultivation of crops and rearing of livestock. Industrialization, population growth, and inappropriate land use, have contributed to the rise in human-wildlife conflict around protected areas. Most of the human-wildlife conflicts take place when crops are in season in the communities in such areas. These incident reports are attended to using the Problem

Animal Control system and are recorded in the Occurrence Book and Problem Animal Control (PAC) Register respectively, for use in follow-up on financial compensation to the affected community members. In the year 2015, 46 cases of human death caused by species other than snakes were processed, and Ksh. 230 million was paid out as financial compensation to the affected community members compensated.

### COMMUNITY ENGAGEMENT

This engagement includes education and awareness creation. KWS employed several approaches to actively engage local people in wildlife conservation for their benefit, including through: direct visits by community officers to the target individuals; short training courses/workshops to sensitize and educate local people; preparation and presentation of specific wildlife related messages at public meetings (Barazas); exchange visits of the target groups to various wildlife areas; use of mass media in community education and sensitization programmes; and building capacity of local institutions and communities to instil a sense of ownership and responsibility for wildlife resource. This engagement process is on-going, bearing in mind emerging issues in natural resources management.

### PARTNERSHIP WITH STAKEHOLDERS

Since the enactment of the Wildlife Conservation Management Act, 2013 (WCMA), there has been an increase in activities to ensure that the policy and legal frameworks of The Act are operationalized.

During the period under review, the Ministry of Environment and Natural Resources, through KWS, built the capacity of devolved units at the county level. In partnership with the State Department of Environment, Natural Resources and Regional Development Authorities, the Division successfully undertook induction training in 35 counties for members of County Wildlife Conservation and Compensation Committees (CWC&CC).

As a result, these committees are now better able to perform their duties. Selection of the 35 counties was dependent on the magnitude of human-wildlife conflict in them. The counties selected included:

1. Nyeri	10. Marsabit	19. Machakos	28. Turkana
2. Kirinyaga	11. Samburu	20. Kajiado	29. Baringo
3. Laikipia	12. Isiolo	21. Muranga	30. Kisumu
4. Embu	13. Tharaka Nithi	22. Garissa	31. Homabay
5. Nakuru	14. Taita Taveta	23. Makueni	32. Siaya
6. Meru	15. Kwale	24. Kitui	33. Kakamega
7. Nyandarua	16. Kilifi	25. Trans-Nzoia	34. Kericho
8. Wajir	17. Lamu	26. West Pokot	35. Narok
9. Mandera	18. Tana River	27. Elgeyo Marakwet	

The exercise, funded by the State Departments of Environment, Natural Resources respectively, was guided by the following four broad objectives in building capacities of the County Wildlife Conservation and Compensation Committees (CWCCCs) in discharging their mandate:

- i) To increase understanding of wildlife conservation and management
- ii) To Equip, facilitate, & harmonize wildlife conservation operations at county level
- iii) To enhance CWCCC understanding of their roles & functions
- iv) To identify and strengthen areas of inter-linkages with other agencies and stakeholders

The induction targeted chairpersons and members of the CWCCCs were gazetted from various counties, together with the secretaries to the committees. From the methodology adopted and facilitation provided for the induction, participants were taken through all the planned induction topics. It became evident from participants' feedback after the induction exercise that they were thereafter in a position to execute their functions optimally. Additionally, inconsistencies noted in documenting compensation claims approved by the CWCCCs, would thereafter be handled in an efficient and effective compensation process.

Moreover, to champion devolution, KWS has engaged strategic County Governments to ensure wildlife interest is mainstreamed into County Development Plans, spatial planning and County Assembly By-Laws. This was done through joint technical committees, and after feasibility studies had been carried out regarding county conservation area creation.

### **COMMUNITY SOCIAL AND ECONOMIC SUPPORT PROGRAMMES**

These programmes are undergirded by the principle of giving incentives to local people who live in wildlife areas (dispersal areas, & corridors), who daily tolerate wildlife and bear the cost of wildlife conservation. The cost borne may be in form of damage caused by wildlife or of "opportunity costs" lost by focusing on wildlife conservation such as: not cultivating crops; not fencing perimeter areas; and not practicing incompatible land use systems.

The money raised through these programmes is used to support people to improve their socio-economic livelihood. This programmes' also help fund social projects: education, health, and environment enterprises. In Education for example, construction of classrooms; school administration blocks; and boarding schools to enable young people in wildlife range areas to access education through wildlife initiatives were supported. The programmes therefore helped inculcate conservation knowledge and benefits and raise future grassroots conservation champions and ambassadors to positively influence attitudes towards wildlife and natural resources. For example, in Tsavo-Amboseli ecosystems positive environmental conservation influence was through direct sponsorship in education, through the provision of bursaries amounting to 20 million shillings per year.

Similarly, in community economic empowerment efforts, KWS engaged several counties and key strategic partners such as the Narok, Pokot, Samburu, and Northern Rangeland Trust Counties to initiate a three-month para-military and capacity building training of 241 community rangers in the KWS Law Enforcement Academy (LEA) School. It is envisaged that the trained conservancy rangers will complement KWS anti-poaching, and human-wildlife resolution efforts respectively, as well as community engagements in areas where the KWS ranger force is small. This is aimed at helping local people become stewards of conservation at the local level. The First lady, Mrs Margaret Kenyatta also launched UNDP Women in Conservation Programme in Amboseli Kuku Group Ranch, to enhance women conservation related to beadwork enterprises.

To increase space for wildlife outside protected areas, over 200 conservancies operate across the country. The most recent are conservancies created through KWS and Northern Rangelands Trust (NRT) partnership in Marsabit County in a bid to open up tourism in the north and include Shurr, Songa, and Jaldessa. The conservancies in Amboseli ecosystems have been merging to form a contiguous network of ecosystem that links Amboseli and Chyulu National Parks. This exercise is spearheaded by Amboseli Land Owners Conservancy Association (ALOCA).

The KWS service and strategic partners are implementing legal and economic frameworks for conservation in various ecosystems such as Mara, Tsavo, Amboseli and Laikipia including land trusts, easements, and conservation leases, to increase space for wildlife and to incentivize wildlife conservation among communities living near conservation areas.

## WILDLIFE CONSERVATION STEWARDSHIP

### Development of Wildlife Regulations

The Wildlife Conservation and Management Act, 2013 came into force on 10th January, 2014. Section 116 of the Act outlines several regulations that must be enacted to give full effect to various provisions. The process of formulating requisite regulations under the Act commenced in earnest in January 2015.

Adherence to the Kenya Constitution, 2010 obligation to collect, collate, and analyze public opinion, which informed the drafting of the Regulations, ensured the exercise was credible. As such, a forum of experts and stakeholders in conservation was organized to enable further scrutiny and input into the draft regulations. The KWS Technical Committee, together with consultant experts, have collated public views, comments, and recommendations and incorporated these into the zero drafts of the 18 regulations in the Act.

The draft regulations will now be subjected to a National Validation Forum so that members of the public confirm that their aspirations have been captured therein. This step will ensure the goodwill of the public before the drafts are finally submitted to the Kenyan National Assembly for debate, approval, and subsequent enactment and gazette in the Kenya Gazette by the Cabinet Secretary, Ministry of Environment and Natural Resources.

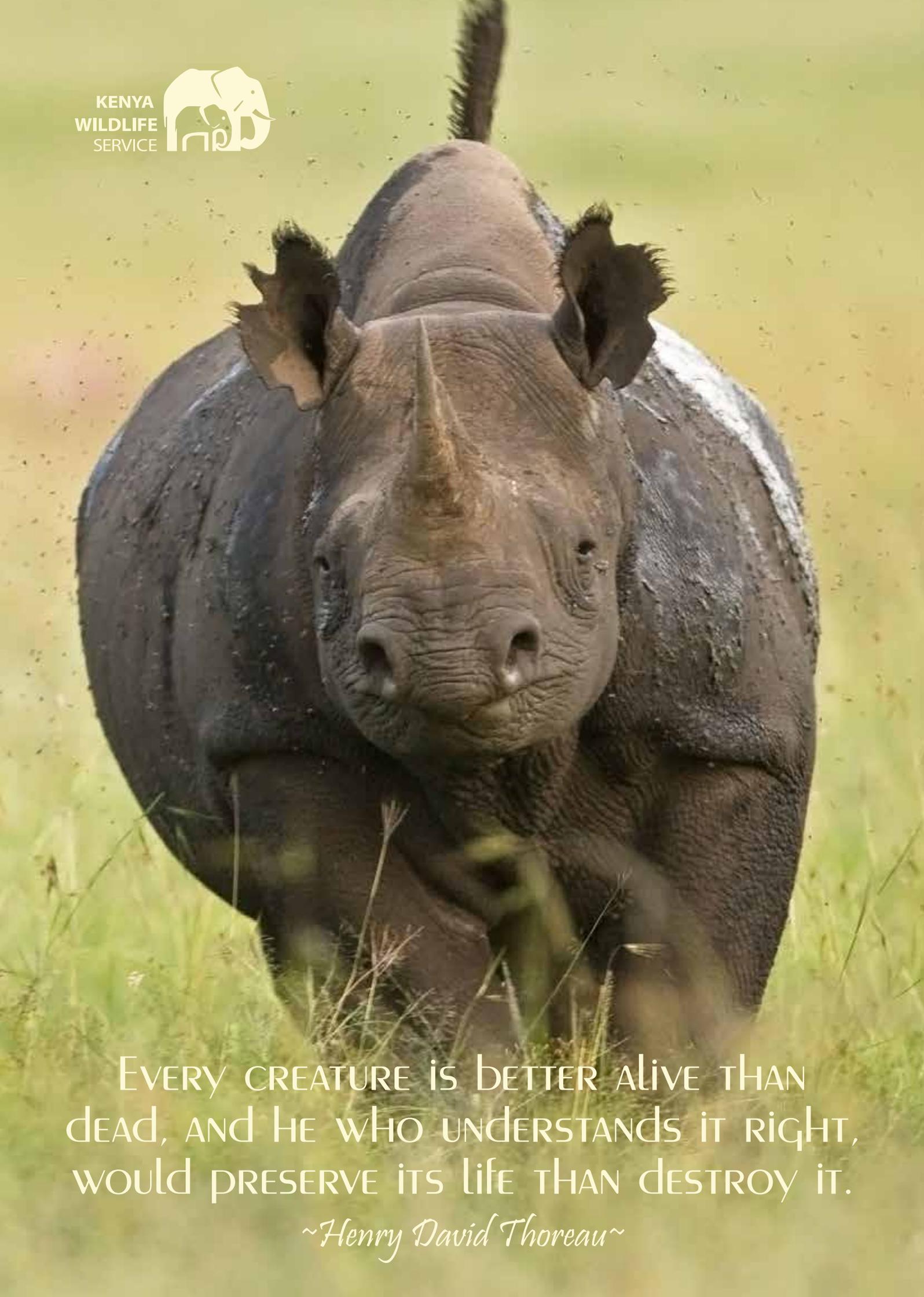
### Appointment and Gazette of Honorary Wardens

Section 12(5) in the Act provides that the Cabinet Secretary Ministry of Environment and Natural Resources may, on the recommendation of the KWS Board of Trustees, appoint suitable persons to be Honorary Wardens for the purposes of carrying out the provisions of the Act.

The Wildlife Conservation and Management is faced with a myriad of challenges that are complex in nature, hence the need for the adoption of an all-inclusive approach to garner support from different stakeholders in furtherance of the mandate of the Service.

During the year under review, the management completed the process of gazetting two hundred and twenty three (223) individuals who applied for the position of Honorary Warden in various Conservation Areas. Some of the achievements that have been realized over the years through the support of Honorary Wardens include: -

- i) Facilitation of joint security patrols, especially in Amboseli and Northern conservation area.
- ii) Enhanced security of wildlife, in and out of the protected areas, through de-snarling trainings and capacity building of rangers
- iii) Increased space for wildlife through creation of wildlife conservancies for example Marula Ranch created by Francesco Netto in Naivasha.
- iv) Provision of Structural and technical support for wildlife security operations.
- v) Coordination of logistics for Joint operations and mountain rescues, as witnessed in Mt. Kenya.
- vi) Provision of funds for training Community Rangers.
- vii) Collection and verification of intelligence information.
- viii) Increased marketing of KWS products



EVERY CREATURE IS BETTER ALIVE THAN  
DEAD, AND HE WHO UNDERSTANDS IT RIGHT,  
WOULD PRESERVE ITS LIFE THAN DESTROY IT.

*~Henry David Thoreau~*

## TRUSTEES' REPORT

The Directors submit their report together with the audited financial statements for the year ended 30 June 2015 which show the state of affairs for the Kenya Wildlife Service (the "Service").

### Principal activities

The principal activities of the Service are;

- Conserve and manage national parks, wildlife conservation areas, and sanctuaries under its jurisdiction;
- Provide security for wildlife and visitors in national parks, wildlife conservation areas and sanctuaries;
- Promote or undertake commercial and other activities for the purpose of achieving sustainable wildlife conservation;
- Develop mechanisms for benefit sharing with communities living in wildlife areas;
- Coordinate the preparation and implementation of ecosystem plans
- Prepare and implement national park management plans and advise in the preparation of management plans for community and private wildlife conservancies and sanctuaries;
- Undertake and conduct enforcement activities such as anti- poaching operations, wildlife protection, intelligence gathering, investigations and other enforcement activities for the effective wildlife conservation;
- Conduct and co-ordinate, all research activities in the field of wildlife conservation and management and ensure application of research findings in conservation planning, implementation and decision making;
- Advise on the establishment of national parks, wildlife conservancies and sanctuaries;
- Promote and undertake extension service programmes intended to enhance wildlife conservation, education and training;

### Results

The deficit for the year of Shs. 680,519,000 (2014: Deficit of Shs. 546,253,000) has been deducted from net reserves.

### Trustees

The members of the Board of Trustees who served during the year are shown on page 3.

### Auditors

The Auditor General is responsible for the statutory audit of the Kenya Wildlife Service in accordance with section 81 of the Public Finance Management (PFM) Act, 2012, & section 69 of the Public Audit Act which empowers the Auditor General to nominate other auditors to carry out the audit on his behalf.

PricewaterhouseCoopers was nominated by the Auditor General to carry out the audit of the Kenya Wildlife Service for the year ended 30 June 2015.

By Order of the Board



Date: 26<sup>th</sup> MAY 2016

*Stand for something even if it means  
standing alone.*

*~Anonymous~*



## STATEMENT OF TRUSTEES RESPONSIBILITIES

The Public Finance Management Act, Public Audit Act 2003 and State Corporation Act require the Trustees to prepare financial statements in respect of the Service, which give a true and fair view of the state of affairs of the Service at the end of the financial year and the operating results for the year. The Trustees are also required to ensure that the Service keeps proper accounting records which disclose with reasonable accuracy the financial position of the Service. The Trustees are also responsible for safeguarding the assets of the Service.

The Trustees are responsible for the preparation and presentation of the Service's financial statements, which give a true and fair view of its state of affairs of the Service at the end of the financial year ended 30 June 2015. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Service; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the Service; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Trustees accept responsibility for the Service's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS), and in the manner required by the PFM Act and the State Corporations Act. The Trustees are of the opinion that the Service's financial statements give a true and fair view of the state of its transactions during the financial year ended 30 June 2015, and of its financial position as at that date. The Trustees further confirm the completeness of the accounting records maintained for the Service, which have been relied upon in the preparation of its financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Trustees to indicate that the Service will not remain a going concern for at least the next twelve months from the date of this statement. Approval of the financial statements The Service's financial statements were approved by the Board of Trustees on 26 May 2016 and signed on Its behalf by:



**Dr. Richard Leakey, EGH**

CHAIRMAN



**WILLIAM K. KIPRONO**

BOARD SECRETARY

KENYA  
WILDLIFE  
SERVICE



*The softest things in the universe  
overcome the hardest ones*

*~Lao Tzu~*



Former Vice President of the Republic of Kenya, H.E. Kalonzo Musyoka laying a wreath at the Conservation Heroes Monument during the KWS Conservation Heroes Day



Delegates in attendance during the KWS Staff Superannuation (DB) Scheme and KWS Staff Retirement Benefits (DC) Scheme, 2006 Annual General Meeting held in Nanyuki



Deputy Director, Parks and Reserves, Julius Kimani, H.E. Kalonzo Musyoka, Cabinet Secretary Ministry of Environment and Natural Resources, Prof. Judi Wakhungu, Chief Operations Officer, Africa Network for Animal Welfare, Steve Itela, Conservation Secretary, Ministry of Environment and Natural Resources, Gideon Gathaara at the Conservation Heroes Monument at KWS Hqs.



Cabinet Secretary Ministry of Environment and Natural Resources, Prof. Judi Wakhungu flags off vehicles donated to KWS by the Chinese Government



H.E. Hon. Uhuru Kenyatta, C.G.H. President of the Republic of Kenya and Commander-in-Chief of the Defence Forces at the KWS exhibition stand during the World Wildlife Day celebrations.



Cabinet Secretary, Ministry of Environment and Natural Resources, Prof. Judi Wakhungu makes the "First Call" during the launch of the Digital Radio & Solar Power Backup Project funded by the French Government. Looking on is French Minister for Foreign Trade, Promotion of Tourism and French Nationals Abroad - Mr. Matthias FEKL (right).



National Coordinator for Thanksgiving Service for Uniformed and Disciplined Services, Rev. Fr. Peter Kimani blessing the Heroes Monument during the Conservation Heroes Day



"March On" by ranger recruits during the Passing Out Parade at Manyani.

PICTORIAL



Cabinet Secretary, Ministry of Environment and Natural Resources, Prof. Judi Wakhungu inspecting a Quarter Guard during the Passing Out Parade of 592 Ranger Recruits at the KWS Field Training School, Manyani.



Donation of equipment from Kenya Country Manager, Born Free Foundation, Tim Oloo and Marketing Director, Kenya Airways, Chris Diaz in support of rhino monitoring and surveillance at Ngulia Rhino Sanctuary, Tsavo West National Park.



Group photo of participants during the launch of the inventory of the National Stockpile of Elephant Ivory and Rhino Horn.



Cabinet Secretary, Ministry of Environment and Natural Resources, Prof. Judi Wakhungu receives a key to one of the vehicles donated to KWS by the Chinese Government.



Demo by the KWS Canine Unit during the graduation ceremony for Basic Canine Handlers Course held at the KWS Training Institute.



A family member of a KWS conservation fallen hero lays a wreath at the KWS Heroes Monument



Cabinet Secretary, Ministry of Environment and Natural Resources, Prof. Judi Wakhungu with other participants at a group photo during the Wildlife Conservation NGOs Conference held at Enashipai Hotel, Naivasha.



“The most important environmental issue is one that is rarely mentioned, and that is the lack of a conservation ethic in our culture.”

*~Gaylord Nelson~*



# REPUBLIC OF KENYA

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NAIROBI

## OFFICE OF THE AUDITOR-GENERAL

### REPORT OF THE AUDITOR-GENERAL ON KENYA WILDLIFE SERVICE FOR THE YEAR ENDED 30 JUNE 2015

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#### REPORT ON THE FINANCIAL STATEMENTS

The accompanying financial statements of Kenya Wildlife Service set out on pages 21- 47, which comprise the statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in net reserves and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information have been audited on my behalf by PricewaterhouseCoopers, auditors appointed under Section 39 of the Public Audit Act, 2003. The auditors have duly reported to me the results of their audit and on the basis of their report, I am satisfied that all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit were obtained.

#### **Management Responsibility for the Financial Statements**

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

The trustees are 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 of the Public Audit Act, 2003 and submit the audit report in compliance with Article 229(7) of the Constitution. The audit was conducted in accordance with the International Standards on Auditing (ISA). 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 controls. 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. Accuracy and Completeness of the Financial Statements**

The financial statements for the year 2014/2015 contain uncorrected misstatements in regard to profit and loss, assets and reserves of Kshs.95,259,000, Kshs.106,824,000 and Kshs.11,565,000 respectively.

Consequently, the accuracy and completeness of the financial statements of Kenya Wildlife Service could not be confirmed.

#### **2. Property, Plant and Equipment**

As previously reported, property, plant and equipment balance of Kshs.8,371,719,000 as at 30 June 2015 excludes the undetermined value of various parcels of land across the country without title documents on which the service has put up various developments including buildings. These comprise twelve (12) national parks, twenty nine (29) national reserves, nine (9) sanctuaries, nine (9) marine parks and one hundred and twenty nine (129) plots.

The Service did not also maintain an updated fixed assets register. The fixed assets register balance of Kshs.3,331,474,000 as at 30 June 2015 is in variance with the ledger balance of Kshs.8,371,719,000 resulting to an unexplained difference of Kshs.5,035,589,000.

In addition, the general ledger has not been correctly updated over the years to reflect disposal of fixed assets.

Further, the depreciation charge for the year of Kshs.508,590,000 was computed based on gross balance for property, plant and equipment as recorded in the ledger which does not take into account the fully depreciated assets. Airstrips, roads and bridges have also not been depreciated. The depreciation charge may be misstated due to inaccuracies reflected in the general ledger.

Consequently, it has not been possible to ascertain the accuracy and completeness of the property, plant and equipment balance of Kshs.8,371,719,000.

#### **3. Inventories**

The inventories balance of Kshs.455,946,000 as at 30 June 2015 was based on the latest purchase price and not on the recommended method of first in first out or

weighted average cost basis. This was an unexplained departure from the International Financial Reporting Standards under which the financial statements are prepared. Further, the Service did not maintain proper stores records to conduct effective year end stock take.

In the circumstances, the accuracy and completeness of the inventory balance of Kshs.455,946,000 could not be ascertained.

#### **4. Financial Performance and Service Sustainability**

During the year under review, the Service recorded a deficit of Kshs.680,519,000 (2013/2014) deficit of Kshs.546,253,000) bringing the accumulated deficit to Kshs.4,428,098,000 (2013/2014 accumulated deficit of Kshs.3,747,579,000). The continued sustainability of the Service is therefore dependent on the regular Government support, creditors and or development partners support. This scenario is untenable considering the vital importance of Wildlife Conservation for the present and future generations as envisioned in the Constitution of Kenya.

#### **Qualified Opinion**

In my opinion, except for the 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 Kenya Wildlife Service as at 30 June 2015, and of 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 Act, 2013.

#### **Other Matter**

##### **Weak Internal Information Technology Control**

During the period under review, some users of the system who had either retired or resigned had active accounts. Staff who had been transferred during the period had their old accounts still active. Further one vendor account which was activated was not monitored. In addition, password parameters had not been enabled as per the ICT policy providing room for abuse of user access rights.

Consequently, the service is operating a weak information system that casts doubt on the integrity of the financial information from the system.

My opinion is not qualified in respect of this matter



**FCPA Edward R.O. Ouko, CBS**  
**AUDITOR-GENERAL**

**Nairobi**

**26 September 2016**



## REPORT OF THE INDEPENDENT AUDITOR TO THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA WILDLIFE SERVICE

### Report on the financial statements

We have audited the accompanying financial statements of Kenya Wildlife Service (the “Service”) set out on pages 21 to 47. These financial statements comprise the statement of financial position at 30 June 2015 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *Trustees’ responsibility for the financial statements*

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Wildlife Conservation and Management Act, and for such internal control, as the trustees determine necessary, to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors’ responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Partners: A Eriksson K Muchiru M Mugasa F Muriu P Ngahu A Murage S N OChieng’ R Njoroge B Okundi K Saiti R Shah



## REPORT OF THE INDEPENDENT AUDITOR TO THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF KENYA WILDLIFE SERVICE (CONTINUED)

### *Lack of evidence for existence and valuation of inventories*

- a) The Service inventory are carried on the balance sheet at Shs. 455,946,000. We were appointed as auditor on 30 November 2015 and thus did not observe the counting of the physical inventories at the end of the year. We were unable to satisfy ourselves by alternative means concerning inventory quantities held at 30 June 2015.
- b) Management has valued inventory using the latest purchase price for respective stock items. This is a departure from International Financial Reporting Standards which require stock to be valued on a First in First out (FIFO) or weighted average cost basis. We were unable to quantify the extent of the misstatement to the inventory value.

### *Lack of evidence for existence of property, plant and equipment*

- a) Included in the statement of financial position is property, plant and equipment of Shs 8,371,719,000. This amount is not fully supported by the Service's fixed assets register. The fixed assets register has a balance of Shs 3,331,474,000, which is Shs. 5,035,589,000 lower than that reported in the general ledger and financial statements. We noted that the fixed assets register is incomplete and has not been kept up to date. On the other hand, the general ledger has not been correctly updated over the years for some disposals of fixed assets. In the absence of a reliable fixed assets register and the inaccuracies in the general ledger, we are unable to ascertain the existence of property, plant and equipment reported in statement of financial position.
- b) The statement of profit or loss includes a depreciation charge on property, plant and equipment of Shs 508,590,000. Depreciation has been computed based on the gross balances for property, plant and equipment recorded in the general ledger and does not take into account assets that have been fully depreciated. Airstrips, roads and bridges have not been depreciated. In addition, the computed depreciation is likely to be misstated in view of the inaccuracies in the general ledger noted above. We are unable to quantify the extent of misstatement to the depreciation charge for the year and accumulated depreciation as at 30 June 2015 arising from these matters.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraph, the financial statements give a true and fair view of the financial position of Kenya Wildlife Service at 30 June 2015 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the Wildlife Conservation and Management Act, 2013.

The engagement leader responsible for the audit resulting in this independent auditor's report is FCPA Richard Njoroge - PINo 1244.

Certified Public Accountants  
Nairobi

26 May 016



If you do what you have  
always done you will get  
what you have always gotten

*~Anonymous~*

## STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE

	Notes	2015 Kshs '000	2014 Kshs '000
<b>Revenues from non-exchange transactions</b>			
Government grants - recurrent	5	3,879,786	2,329,146
<b>Revenue from exchange transactions</b>			
Turnover	6	2,120,395	3,512,941
Other income	7	745,884	502,261
Net interest income		62,714	47,872
<b>Total revenue</b>		<b>6,808,779</b>	<b>6,392,220</b>
<b>Operating expenses</b>			
Salaries, allowances and benefits	8	3,810,838	3,644,655
Operating and maintenance expenses	9	2,946,257	2,572,172
Depreciation	10	508,590	490,662
Community expenses	11	84,847	133,177
Training and development	12	138,766	97,806
<b>Total operating expenses</b>		<b>7,489,298</b>	<b>6,938,473</b>
Total deficit for the year		(680,519)	(546,253)
Other comprehensive income			
<b>Total comprehensive loss</b>		<b>(680,519)</b>	<b>(546,253)</b>

The notes on pages 71 to 90 are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

YEAR ENDED 30 JUNE

	Notes	2015 Kshs '000	2014 Kshs '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	13	8,371,719	8,189,495
<b>Current assets</b>			
Inventories	14	455,946	363,097
Trade and other receivables	15	811,304	513,700
Cash and cash equivalents	16	2,676,695	1,767,096
		3,943,945	2,643,893
<b>Total assets</b>		<b>12,315,664</b>	<b>10,833,388</b>
<b>RESERVES AND LIABILITIES</b>			
<b>Reserves</b>			
Capital reserve		1,271,887	1,271,887
Revaluation reserve		2,805,102	2,805,102
Capital grants		9,747,629	8,878,253
Revenue reserve		(4,428,098)	(3,747,579)
<b>Total reserves</b>		<b>9,396,520</b>	<b>9,207,663</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	1,063,779	1,042,626
Unexpended specific donations	18	1,855,365	583,099
		2,919,144	1,625,725
<b>Total net reserves and liabilities</b>		<b>12,315,664</b>	<b>10,833,388</b>

The financial statements on pages 71 to 90 were approved for issue by the Board of Trustees on 26 May 2016 and signed on Its behalf by:



**Dr. Richard Leakey, EGH**

CHAIRMAN



**WILLIAM K. KIPRONO**

BOARD SECRETARY

The notes on pages 71 to 90 are an integral part of these financial statements.

## STATEMENT OF CHANGES IN NET RESERVES

	<b>Capital Reserve Kshs '000</b>	<b>Revaluation Reserve Kshs '000</b>	<b>Capital Grants Kshs '000</b>	<b>Revenue Reserve Kshs '000</b>	<b>Total Kshs '000</b>
<b>Year ended 30th June 2014</b>					
At start of the year	1,271,887	2,805,102	7,853,019	(3,301,626)	8,628,382
Pensions deficit adjustments	-	-	-	100,300	100,300
Capital donor funds received	-	-	1,025,234	-	1,025,234
Net deficit for the year	-	-	-	(546,253)	(546,253)
<b>At end of the year</b>	<b>1,271,887</b>	<b>2,805,102</b>	<b>8,878,253</b>	<b>(3,747,579)</b>	<b>9,207,663</b>
<b>Year ended 30th June 2015</b>					
At start of the year	1,271,887	2,805,102	8,878,253	(3,747,579)	9,207,663
Capital donor funds received	-	-	869,376	-	869,376
Net deficit for the year	-	-	-	(680,519)	(680,519)
<b>At end of year</b>	<b>1,271,887</b>	<b>2,805,102</b>	<b>9,747,629</b>	<b>(4,428,098)</b>	<b>9,396,520</b>

Capital reserve represents the aggregate value of 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.

Revaluation reserve represents the surplus on the subsequent revaluation of buildings, aircrafts, boats, and other assets.

The notes on pages 71 to 90 are an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE

	Notes	2015 Kshs '000	2014 Kshs '000
<b>Cash flows used in operating activities</b>	<b>20</b>	<b>(3,229,600)</b>	<b>(1,885,842)</b>
Interest received		62,714	47,872
Net cash used in operating activities		(3,166,886)	(1,837,970)
<b>Cash flows from investing activities</b>			
Additions to property, plant, and equipment	13	(696,756)	(477,275)
Proceeds from disposal of assets		24,079	-
Net cash used in investing activities		(672,677)	(477,275)
<b>Cash flows from financing activities</b>			
Grants for recurrent expenditure		3,879,786	2,329,146
Pension actuarial deficit		-	(82,699)
Capital donor funds received		869,376	1,025,234
Net cash from financing activities		4,749,162	3,271,681
<b>Increase in cash and cash equivalents</b>		<b>909,599</b>	<b>956,436</b>
At start of year		1,767,096	810,660
Increase		909,599	956,436
<b>At end of the year</b>	<b>16</b>	<b>2,676,695</b>	<b>1,767,096</b>

The notes on pages 71 to 90 are an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

Kenya Wildlife Service (KWS) was established by the Wildlife Conservation and Management Act, 1989 (now repealed and replaced by the Wildlife Conservation and Management Act, 2013). The overall mandate of KWS is to conserve and manage wildlife in Kenya. The address of its registered office is:

Kenya Wildlife Service (KWS)  
KWS Complex  
Lang'ata Road  
P.O. Box 40241-00100  
Nairobi,  
Kenya

The Service is classified as a State Corporation under PC 3A. The operation of the Service covers the entire country, and for ease of administration and management the country is organized into eight (8) conservation areas. For financial reporting purposes, the Balance Sheet is represented by the Statement of Financial Position and the Profit and Loss Account by the Statement of Comprehensive Income, in these financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### a) Basis of preparation

The financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) and in accordance with the requirements of the PFM Act and the State Corporations Act. The accounting policies adopted have been consistently applied to our financial statements in all the years presented. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings. The financial statements are presented in Kenya currency: the Kenya Shilling (Kshs.) rounded to the nearest thousand ('000).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and for management to exercise its judgment in the process of applying the Service's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 of this report.

### Going Concern

The trustees believe that the Service will continue in operational existence for at least 12 months from the date of these financial statements. The trustees believe that it is appropriate to prepare the Service's financial statements on a going-concern-basis, which assumes that the Service will continue to meet its obligations as they fall due, for the foreseeable future.

The Service operations are also guaranteed by the Government of Kenya which is the principal sole shareholder of the Service.

### Changes in accounting policy and disclosures

#### i) *New and amended standards adopted by the Service*

The following are the significant amended standards that have been adopted by the Service for the first time, for the financial year beginning on or after 1st July, 2014:

Amendment to IAS 32 - 'Financial instruments: Presentation' - on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties, in the normal course

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

of business, as well as in the event of default, insolvency, or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the financial statements of the Service.

Amendments to IAS 36 - 'Impairment of assets' - on recoverable amount disclosures for non-financial assets: This amendment removed certain disclosures of the recoverable amount of CGUs, which had been included in IAS 36 by the issue of IFRS 13. The amendment had no impact on the Service's financial statements.

Amendment to IAS 39 - 'Financial instruments: Recognition and measurement' - on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. There has been no significant impact on the Service financial statements as a result.

### ii) ***New standards and interpretations not yet adopted***

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2014, and have not been applied in preparing these financial statements. IFRS 9 - 'Financial instruments' - addresses the classification, measurement, and recognition of financial assets and liabilities.

IFRS 9 was issued in November, 2009 and again in October, 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified in two (2) measurement categories: those measured as at fair value, and those measured at an amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments, and on the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in the income statement, unless this creates an accounting mismatch. The Service is yet to assess IFRS 9's full impact. The Service will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 15 - 'Revenue from contracts with customers' - deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows, arising from an entity's contracts with its customers. Revenue is recognized when a customer obtains control of a good or service, and has the ability to direct the use, and obtain the benefits, from the good or service. The standard replaces IAS 18 - 'Revenue' - and IAS 11 - 'Construction contracts' - and related interpretations. The standard is effective for annual periods beginning on or after 1st January, 2017, and earlier application is permitted. The Group is assessing the impact of IFRS 15 on the Service.

IFRIC 21 - 'Levies' - sets out the accounting for an obligation to pay a levy if that liability is within the scope of IAS 37 - 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy, and when a liability should be recognized. The Service is not currently subjected to significant levies so their impact is immaterial.

There are no other IFRSs or IFRIC interpretations that are not yet effective, that would be expected to have a material impact on the Service.

**b) Functional currency and translation of foreign currencies****i) Functional and presentation currency**

Items included in the financial statements of the Service are measured using the currency of the primary economic environment in which the organization operates - 'the functional currency'. The financial statements are presented in the Kenyan currency: Shilling (Kshs.), which is the Service's presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions or valuation, where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the Profit or Loss Account. Foreign exchange gains and losses that relate to borrowings, as well as cash and cash equivalents are presented in the Profit or Loss Account within the item 'finance income or cost'. All other foreign exchange gains and losses are presented in Profit or Loss Account within the items 'other income' or 'other expenses'. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are included in other comprehensive income and cumulated in the 'available-for-sale financial assets reserve'.

**c) Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable, for the sale of goods and services, in the ordinary course of the Service's activities. Revenue is shown as net of value-added tax (VAT), and as returns, rebates, and discounts.

The Service recognizes revenue when the amount of revenue can be reliably measured. It is probable that future economic benefits will flow to the Service when specific criteria have been met for each of the Service's activities as described below.

Revenue is recognized as follows:

- (i) Sales of services are recognized on an accrual basis in the period in which the services are rendered, and refer to the completion of the specific transaction assessed, on the basis of the actual service provided, and as a percentage of the total services to be provided.
  - Park entry fees are recognized when accessing the National Parks by use of smart cards. The amount paid is deducted at the point of access.
  - Rental income is recognised in the Income Statement as it accrues, using effective lease agreements.
  - Aircraft sales are usually aircraft hire services, and income is recognized immediately the services are offered.
  - Interest income is recognised on a time-proportion-basis using the effective interest method.

**d) Property, plant, and equipment**

All categories of property, plant, and equipment are initially recorded at cost, and subsequently stated at historical cost, less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are appropriately included either in the asset's carrying amount or as a separate asset when it is probable that future economic benefits associated with the item will flow to the Service, and when the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred. Increases in the carrying amount arising from revaluation of land and

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

buildings are credited to other comprehensive income and shown as revaluation reserve. Decreases that offset previous increases of the same asset are charged in other comprehensive income, and debited against the revaluation reserve. All other decreases are charged to the Profit and Loss Account.

Airstrips and roads are not depreciated because adequate maintenance is carried out to ensure that these assets maintain their value. Depreciation is calculated using the straight-line method, to allocate their cost or re-valued amounts to their residual values over their estimated useful lives, and to reduce their value to a 5% residual value as follows:

Freehold land	Nil
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%
Buildings on long leasehold and freehold land	2%
Buildings on short leasehold land	Over the lease period
Roads and bridges	Nil
Airstrips	Nil

Leasehold land and buildings are amortised and depreciated respectively over the remaining period of the lease term. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in Profit and Loss Account. When revalued assets are sold, the amounts are included

### e) Impairment of assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs, to sell and value in use.

For the purposes of assessing impairment, assets are valued at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

### f) Inventories

Inventories 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.

Inventories (consumable stores) are stated at the lower of cost and net realizable value.

### g) Trade Receivables

Trade receivables are amounts due from customers, for merchandise sold or services performed, in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Specific provisions are made in respect of accounts considered to be bad or doubtful.

**h) Trade Payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognized initially at fair value, and subsequently measured at amortized cost, using the effective interest method.

**i) Provisions**

Provisions are recognized when: the Service has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and when the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, using a pre-tax rate that reflects current market assessments of the time value of money as well as the risks specific to the obligation. The increase in the provision due to passage of time is recognized as an interest expense. Other reserves relating to that asset are transferred to retained earnings.

**j) Cash and cash equivalents**

Cash and cash equivalents include cash-in-hand, deposits held at call with banks, and other short-term and highly-liquid investments.

**k) Financial assets**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Service provides money, goods, or services directly to a debtor, with no intention of trading the receivable. They are measured at amortized cost.

At the end of each reporting period, the Service reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If yes, the asset's recoverable amount is estimated and an impairment loss is recognized in the Profit and Loss Account whenever the carrying amount of the asset exceeds its recoverable amount.

**l) Accounting for leases**

Leases are classified as finance leases whenever the terms of the lease substantially transfer all risks and rewards of ownership to the company as a lessee. All other leases are classified as operating leases.

***The Service as a lessee:***

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Profit and Loss Account on a straight-line basis over the period of the lease.

***The Service as a lessor:***

Assets leased to third parties under operating leases are included in property, plant, and equipment, in the Statement of Financial Position. Leased assets are recorded at historical cost, less depreciation.

Depreciation is calculated on the straight-line basis to write down the cost of leased assets according to their residual values over their estimated useful life, and using annual rates consistent with the normal depreciation policies for similar assets under property, plant, and equipment.

Gains and losses on disposal of leased assets are determined by reference to their carrying amount and are taken into account in determining the operating profit.

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### m) Reserves

The Service creates and maintains reserves in terms of specific requirements. The Service has a Revenue Reserve, which consists of the accumulated surplus, as well as Capital Reserve, which represents the aggregate value of the assets taken over by the Service.

### n) Grants

#### i. Capital grants

Grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Service will comply with all attached conditions.

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 the GoK, all of which are passed onto the Service in the form of government grants. Grants received from and through the GoK are treated as Capital Grants in the financial statements, whether in respect of either development expenditure or acquisition of fixed assets. The Service has no share capital and the principle form of funding is via capital grants from the government. Assets acquired from these grants are capitalized and then depreciated in accordance with the depreciation policy. The computed depreciation charge is expensed in the Profit and Loss Account.

#### ii. 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.

### o) Employee benefits

#### i. Retirement benefits obligations

The Service employees are eligible for retirement benefits under defined benefit and 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 was closed to new entrants and to future accrual of benefits with effect from 31st December, 2006.

The closure of the scheme to new entrants and to future accruals benefits followed a fundamental review by the 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 1st January, 2007, which enables all the pensionable employees participate, with effect from 1st January, 2007.

KWS discontinued contributions to the Scheme with effect from 31st 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. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to reserves in other comprehensive income, in the period in which they arise.

Past-service costs are recognized immediately in income.

**o) Employee benefits (cont'd)****i. Retirement benefits obligations (cont'd)****(b) Defined Contribution Scheme - KWS Staff Retirement Benefits Scheme, 2006**

The Service operates a defined retirement benefits contribution scheme where it matches contributions to the scheme made by the employer up to 10.57% of the employee's gross salary. Employees contribute 5% of their pensionable salaries to the scheme.

The Service's contributions to the Scheme are charged in the Income Statement in the year to which it relates. The Service also contributes to Kenya's statutory National Social Security Fund (NSSF) for its employees. The Service's obligation is limited to a specified contribution per employee per month. Currently, the contribution is limited to a maximum of two hundred shillings (Kshs. 200) 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.

**ii. Termination benefits**

Termination benefits are payable when employment is terminated by the Service before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Service recognizes termination benefits at the earlier of the following dates: (a) when the Service can no longer withdraw the offer of those benefits; and (b) when the Service recognizes costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

**iii. Other entitlement**

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

**p) Comparatives**

Where necessary the comparative figures have been restated to conform to current period presentation.

**q) Subsequent events**

There have been no events subsequent to the financial year end which significantly impact the financial statements for the year ended 30th June, 2015.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

**i) Critical accounting estimates and assumptions**

The Service makes accounting estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual accounts. Those accounting estimates and assumptions, that significantly risk causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are addressed below.

**Impairment losses**

At the end of each reporting period, the Service reviews the carrying amounts of its financial assets to determine if they have suffered an impairment loss. A financial asset or a group of financial assets is

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (cont'd)

impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'), and if the loss event impacts the estimated future cash flows of the financial asset, or group of financial assets, that can be reliably estimated. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Service estimates the recoverable amount of the cash generating unit to which the asset belongs.

### **Useful lives of property, plant, and equipment**

The Service's management determines the estimated useful lives and related depreciation charges for its property, plant, and equipment. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

### **Retirement benefits obligations**

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

## 4. FINANCIAL RISK MANAGEMENT

The activities of KWS expose it to a variety of financial risks including: market risk, credit risk, and the effects of changes in foreign currency exchange rates. The service's overall risk management focuses on the unpredictability of the tourism market and seeks to minimize potential adverse effects on the organization's performance.

### **Market risk**

#### **i) Foreign exchange risk**

The Service is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities

At 30th June, 2015, if the Kenya Shilling had weakened/strengthened by 10% against the US dollar, with all other variables held constant, deficit for the year would have been eighteen million four hundred fifty-three thousand three hundred sixty-seven shillings (Kshs. 18,453,367 in 2015 (Kshs.12, 876,367 in 2014) higher/lower.

#### **(ii) Price risk**

The Service does not hold any financial instruments subject to price risk

#### **(iii) Cash flows and fair value interest rate risk**

At 30th June, 2015, the Service did not have interest-bearing financial liabilities (Kshs. Nil in 2014). It has short-term deposits, which earn a fixed rate of interest. The Service is therefore not exposed to cash flow interest risk.

### **Credit risk**

Credit risk arises from deposits with banks, and trade and other receivables. Credit risk is the risk that counterparty will default on its contractual obligations, resulting in financial loss to the Service. Credit risk is managed by the Finance Department. The Treasury Manager is responsible for managing and analyzing credit risk for each new client before standard payment and delivery terms are offered. Credit risk arises from cash-at-bank and short-term deposits with banks, as well as trade and other receivables. The Service has no significant concentrations of credit risk.

#### 4. FINANCIAL RISK MANAGEMENT (cont'd)

For banks and financial institutions, only reputable well-established financial institutions, are accepted. For trade receivables, the Service's Finance Department assesses the credit quality of each customer, taking into account its financial position, past experience, and other factors. Individual risk limits are set based on limits set by the Board. The utilization of credit limits is regularly monitored.

The amount that best represents the Service's maximum exposure to credit risk at 30th June, 2015 is shown in the table below:

	<b>2015</b> <b>Kshs '000</b>	<b>2014</b> <b>Kshs '000</b>
Cash at bank	2,624,850	1,699,629
Trade receivables - Note 15	319,508	249,429
Other receivables - Note 15	491,796	264,271
	3,436,154	2,213,329

No collateral is held in respect to the above assets. All receivables that are neither past due nor impaired are within their approved credit limits; no receivables have had their terms renegotiated; and management does not expect any losses from non-performance by these parties.

None of the above assets are either past due or impaired. The trade receivables which were past due but not impaired relate to a number of independent customers for whom there is no history of default. The ageing analysis of these trade receivables is as follows:

	<b>2015</b> <b>Kshs '000</b>	<b>2014</b> <b>Kshs '000</b>
Past due but not impaired:		
- by up to 90 days	97,847	56,645
Total past due but not impaired	97,847	56,645
Total receivables:		
Carrying amount before provision for impairment loss	521,430	315,450
Provision for impairment loss	(201,922)	(66,021)
Net carrying amount	319,508	249,429

All receivables past due by more than 90 days are considered to be impaired, and are carried at their estimated recoverable value.

#### (iv) **Liquidity risk**

Liquidity risk is the risk that arises when the Service will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, and the availability of funding from an adequate amount of committed credit facilities. Due to the dynamic nature of KWS businesses, management and the Board maintain flexibility in funding by maintaining committed credit lines.

Management performs cash flow forecasting and monitors rolling forecasts of the Service's liquidity requirements, to ensure it has sufficient cash to meet its operational needs.

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 4. FINANCIAL RISK MANAGEMENT (cont'd)

### (iv) Liquidity risk

The Service's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Service's reputation.

Surplus cash held by the Service, over and above the amounts required for working capital management are invested in interest-bearing fixed deposit accounts.

The table below analyses the Service's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows

<b>At 30th June, 2015:</b>	<b>Less than 1 year Kshs. '000</b>
<b>Liabilities</b>	
- trade and other payables	1,063,779
Total financial liabilities (contractual maturity dates)	1,063,779
<b>At 30th June, 2014:</b>	
<b>Liabilities</b>	
- trade and other payables	1,042,626
Total financial liabilities (contractual maturity dates)	1,042,626

### (vi) Capital management

The Service is governed by the Wildlife Conservation and Management Act, 2013, which does not provide for a specific capital structure.

**5. GRANTS FOR RECURRENT EXPENDITURE**

	<b>2015</b> <b>Kshs '000</b>	<b>2014</b> <b>Kshs '000</b>
Donor agencies	452,953	438,507
Donations	240,075	111,062
GoK subvention	3,186,758	1,779,577
	<hr/> 3,879,786 <hr/>	<hr/> 2,329,146 <hr/>

**6. TURNOVER**

Analysis of revenue by category:

Park entry fees	2,084,867	3,466,760
Accommodation	35,528	46,181
	<hr/> 2,120,395 <hr/>	<hr/> 3,512,941 <hr/>

**7. OTHER INCOME**

Rental income	208,067	122,703
Hire of aircrafts and vehicles	169,789	69,716
Airwing sales	22,614	28,315
Insurance compensation	24,234	3,178
Training services	47,943	44,738
Tuition fees - KWSTI	95,331	60,209
KWS officers' mess	11,996	10,951
Accommodation & hire of training facilities - KWSTI	47,794	51,303
KWS shops	18,331	25,769
Other miscellaneous income	94,289	82,972
Telecommunication facilities	5,496	2,407
	<hr/> 745,884 <hr/>	<hr/> 502,261 <hr/>

These are revenues realized from other sources of income other than from visitors to the national parks. This includes hiring of aircrafts, training facilities both at Manyani (LEA) and Naivasha (KWSTI).

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 8. SALARIES, ALLOWANCES & BENEFITS

	<b>2015</b>	<b>2014</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>
Salaries and allowances	3,146,147	3,008,269
Leave pay accrual	106,893	119,733
	<hr/>	<hr/>
	3,253,040	3,128,002
	<hr/>	<hr/>
Gratuity contributions, pension and NSSF	252,682	222,113
Passage and leave expenses	57,191	55,263
Medical expenses	247,925	239,277
	3,810,838	3,644,655

#### The average number of employees at the end of the year was:

Permanent employees	4,731	4,232
Temporary and contract employees	1,423	1,486

These are costs related to both permanent and temporary personnel that were engaged by the organization during financial year 2014/2015.

### 9. OPERATING AND MAINTENANCE EXPENSES

Food and rations	133,400	122,162
Office and other related expenses	15,941	18,663
Motor vehicle running expenses	222,084	229,895
Animal feeds	36,449	38,725
Uniform and clothing	76,369	97,835
Specimens' veterinary supplies	2,196	609
Fence running expenses	1,243	3,020
Insurance	127,076	146,835
Legal and professional fees	35,164	36,735
Cleaning and sanitary expenses	10,065	11,444
Radio licenses	1,546	1,552

**9. OPERATING AND MAINTENANCE EXPENSES *cont'd***

	<b>2015</b>	<b>2014</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>
Estates maintenance expenses	16,217	16,798
Motor vehicle maintenance	112,482	118,674
Maintenance of computer software	23,600	18,276
Maintenance of water supplies	2,848	4,927
Maintenance of game proof defenses	(7,606)	23,854
Maintenance of bandas and camp sites	16,844	29,025
External training - MFTS	10,957	41,768
Purchase of tyres	31,433	33,180
Travel and accommodation	269,066	247,111
External travel	32,821	28,849
Field allowance	191,747	103,685
Hospital referral expenses	3,848	4,101
Transfer expenses	7,158	10,958
Court case expenses	8,692	7,589
Entertainment	20,604	20,553
Advertising and publicity	13,836	32,382
Sports and recreation expenses	1,137	242
Special events/public affairs	45,669	29,512
Signage and display	2,809	2,562
Staff tea	10,363	11,087
Subscriptions	18,667	17,767
Printing and publishing	9,789	11,270
DSTV subscription	6,588	6,113
Bank charges	15,430	15,633
Wildlife compensation	71,063	50,800
Plant and machinery maintenance	23,288	33,493
Aircraft running expenses	46,061	110,075
Equipment, boats & furniture maintenance	25,981	23,419
Shop merchandise	9,878	15,893
Maintenance of buildings and bandas	65,372	86,194
Roads maintenance	405,766	359,187
Telephone and postage	47,979	52,249
Electricity and water	61,711	62,242
Stationery expenses	33,708	26,778
Consultancy and professional fees	13,325	9,691
Board of Trustees' allowances & expenses	2,635	8,422
Food and drinks	90,044	74,638
Audit fees	15,113	7,060
Other operating and maintenance Expenses	507,801	108,640
	<b>2,946,257</b>	<b>2,572,172</b>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 10. DEPRECIATION

	<b>2015</b>	<b>2014</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>
Buildings - non-residential	48,822	47,859
Buildings - residential	23,178	22,140
Computers and accessories	11,920	22,734
Machinery & water supplies	9,624	9,159
Motor vehicles and tractors	266,005	250,806
Aircrafts	28,967	28,950
Boats and boat engines	2,063	2,063
Fences and barriers	38,387	34,410
Furniture and equipment	79,624	72,542
	<hr/>	<hr/>
	508,590	490,663
	<hr/>	<hr/>

### 11. COMMUNITY SERVICES

Community projects support	84,788	125,873
Tree nurseries support	59	7,304
	<hr/>	<hr/>
	84,847	133,177
	<hr/>	<hr/>

### 12. TRAINING AND DEVELOPMENT

In-service training	7,739	6,347
Seminars, conferences & meetings	44,075	46,389
Other training	86,952	45,070
	<hr/>	<hr/>
	138,766	97,806
	<hr/>	<hr/>

## 13. PROPERTY PLANT AND EQUIPMENT

	Buildings	Computers & Accessories	Machinery, Furniture & Fitting	Motor Vehicles & Tractors	Aircraft	Boats & Boat Engines	Roads, Bridges & Airstrips	Fences & Barriers	Work-in-Progress	Total
	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000	KShs '000
<b>Cost or valuation</b>										
At 30th June 2013	2,692,166	237,145	1,500,929	1,860,894	637,899	36,540	4,120,097	638,474	824,407	12,681,982
Additions	-	22,834	39,357	126,652	-	-	-	105,647	182,785	477,275
<b>At 30th June 2014</b>	<b>2,692,166</b>	<b>259,979</b>	<b>1,540,286</b>	<b>2,120,977</b>	<b>637,899</b>	<b>36,540</b>	<b>4,120,097</b>	<b>744,121</b>	<b>1,007,192</b>	<b>13,159,257</b>
At 1st July 2014	2,692,166	259,979	1,540,286	2,120,977	637,899	36,540	4,120,097	744,121	1,007,192	13,159,257
Additions	-	11,056	372,528	42,443	-	-	-	58,572	212,197	696,756
Disposals	-	-	-	(119,624)	-	-	-	-	-	(119,624)
Transfers	872,120	-	-	-	-	-	-	-	(872,120)	-
<b>At 30 June 2015</b>	<b>3,564,286</b>	<b>271,034</b>	<b>1,912,815</b>	<b>2,043,796</b>	<b>637,899</b>	<b>36,540</b>	<b>4,120,097</b>	<b>802,693</b>	<b>347,269</b>	<b>13,736,429</b>
Depreciation										
At 30 June 2013	1,108,981	234,073	1,103,465	1,540,099	156,907	17,083	-	318,492	-	4,479,100
Charge for the year	69,999	22,734	81,701	250,806	28,950	2,063	-	34,410	-	490,662
<b>At 30 June 2014</b>	<b>1,178,980</b>	<b>256,807</b>	<b>1,185,165</b>	<b>1,790,905</b>	<b>185,857</b>	<b>19,146</b>	<b>-</b>	<b>352,902</b>	<b>-</b>	<b>4,969,762</b>
At 1 July 2014	1,178,980	256,807	1,185,165	1,790,905	185,857	19,146	-	318,492	-	4,969,762
Disposals	-	-	-	(113,642)	-	-	-	-	-	(113,642)
Charge for the year	72,000	11,920	89,248	266,005	28,967	2,063	-	38,387	-	508,590
<b>At 30th June 2015</b>	<b>1,250,980</b>	<b>268,127</b>	<b>1,274,414</b>	<b>1,943,268</b>	<b>214,824</b>	<b>21,209</b>	<b>-</b>	<b>391,1289</b>	<b>-</b>	<b>5,364,710</b>
<b>Net book value</b>										
<b>At 30 June 2015</b>	<b>2,313,306</b>	<b>2,307</b>	<b>638,402</b>	<b>100,528</b>	<b>423,075</b>	<b>15,331</b>	<b>4,120,097</b>	<b>411,404</b>	<b>347,269</b>	<b>8,371,719</b>
<b>At 30 June 2014</b>	<b>1,513,186</b>	<b>3,171</b>	<b>355,122</b>	<b>330,072</b>	<b>452,042</b>	<b>17,394</b>	<b>4,120,097</b>	<b>391,219</b>	<b>1,007,192</b>	<b>8,189,495</b>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

Property and equipment excluding capital work in progress were professionally valued by CB Richard Ellis as on 23rd October, 2008 on the basis of depreciated replacement cost, market value, or estimated replacement cost, applicable in the existing circumstances and the results were incorporated in the figures above.

The Service owns large parcels of land across the country. These are carried at nil cost in the financial statements as no cost was incurred in acquiring them. The parcels are allocated to the Service but title deeds have not been formerly issued for most of them. The Service holds 33 title deeds out of 222 plots of land it owns across the country.

### 14. INVENTORIES

	<b>2015</b>	<b>2014</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>
Spare parts and tools	43,690	42,630
Aircraft spares	65,474	41,899
Ammunition	179,104	117,240
Stationery	6,242	8,177
Telecommunication equipment spares	1,395	419
Building, water, and fencing materials	65,278	52,113
Uniforms and compositions	66,061	63,523
Shop items	13,230	10,148
Fuel and oils	5,227	3,813
General stores and tools	10,245	23,135
	<hr/>	<hr/>
	455,946	363,097
	<hr/>	<hr/>

### 15. TRADE AND OTHER RECEIVABLES

Trade receivables	521,430	315,450
Less: provision for impairment losses	(201,922)	(66,021)
Net trade receivables	319,508	249,429
Staff receivables	163,815	137,854
Prepayments and deposits	322,645	118,660
Mobilization funds	5,336	7,757
	<hr/>	<hr/>
	811,304	513,700
	<hr/>	<hr/>

**15. TRADE AND OTHER RECEIVABLES (cont'd)**

Movements on the provision for impairment of trade receivables are as follows:

	<b>2015</b>	<b>2014</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>
At start of year	66,021	66,021
Provision in the year	135,901	-
At end of year	201,922	66,021

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables above. The Service does not hold any collateral security against the receivables. The fair value of trade and other receivables approximates their carrying value.

**16. CASH AND CASH EQUIVALENTS**

For the purposes of the Statement of Cash Flows, cash, and cash equivalents include the following:

	<b>2015</b>	<b>2014</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>
Bank balances – KWS operations	478,360	319,906
Bank balances – Projects	785,419	704,008
Cash-in-Hand – KWS operations	51,845	67,467
Short-term deposits	1,361,071	675,715
	2,676,695	1,767,096

The weighted average effective interest rate on short-term deposit as at 30th June, 2015 was 11.21% (11.03% in 2014). These short-term deposits mature within three (3) months from the end of the reporting period.

**17. CASH AND CASH EQUIVALENTS**

	<b>2015</b>	<b>2014</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>
Trade payables	451,560	453,535
Accruals	253,132	265,476
Payroll deductions	178,396	155,577
Contract retentions payable	57,574	54,566
Endowment fund	67,804	67,804
Other payables	55,313	45,668
	1,063,779	1,042,626

Endowment Fund relates to a Trust Fund that was created by the Service to enhance long-term plans to meet its future needs, as well as to increase funding that is independent from that of partners and supporters. No contribution has been made to this fund since 2013.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

### 18. UNEXPENDED SPECIFIC DONATIONS

	<b>2015</b> <b>Kshs '000</b>	<b>2014</b> <b>Kshs '000</b>
Balance at 1st July, 2014?	583,099	273,219
Additions	1,272,266	630,508
Utilized in the year	-	(320,628)
	<hr/> 1,855,365	<hr/> 583,099

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

### 19. RETIREMENT BENEFIT OBLIGATIONS

The Service operates a defined benefit scheme. The scheme assets and defined benefit obligations are as follows:

	<b>2015</b> <b>Kshs '000</b>	<b>2014</b> <b>Kshs '000</b>
Assets	3,107,500	2,719,200
Defined obligations	2,743,100	2,502,700
Surplus	364,400	216,500
Unrecognized actuarial surplus	(364,400)	(216,500)
Endowment Fund	-	-

KWS discontinued contributions to the KWS Retirement Benefits Scheme with effect from 31st December, 2006. The Scheme has been closed to new entrants and to future accrual of benefits. The closure of the scheme to new entrants and to future accruals benefits followed a fundamental review by KWS of its retirement benefit arrangements. As part of this review, KWS set up a defined contribution scheme with effect from 1st January, 2007 in which all the pensionable employees participate, with effect from 1st January, 2007.

The surplus has not been recognized in the financial statements since there is uncertainty on the recoverability of the asset, which can only be realized when winding up the scheme.

### 20. CASH GENERATED FROM OPERATIONS

Reconciliation of the net deficit to cash outflows from operating activities

	<b>2015</b> <b>Kshs '000</b>	<b>2014</b> <b>Kshs '000</b>
Operating deficit for the year *		
Adjustments for:	(4,560,305)	(2,875,399)
Depreciation charge (Note 13)	508,590	490,662
Gain on disposal of assets	(18,137)	-
Interest income	(62,714)	(47,872)
Changes in working capital:		
- Inventories	(92,849)	(9,731)
- Trade and other receivables	(297,604)	21,043
- Trade and other payables	21,153	225,574
- unexpended specific donations	1,272,266	309,880
Cash outflows used in operating activities	<hr/> (3,229,600)	<hr/> (1,885,842)

\*: The operating deficit is the total deficit for the year excluding recurrent government grants.

## 21. RELATED PARTY TRANSACTIONS

### i) Government of Kenya (GoK)

The Service is fully owned by the Government of Kenya (GoK), which provides grants to finance KWS operations and provides full guarantees to all long-term domestic and external lenders of KWS. The relevant balances are shown in Note 5.

### ii) Key management compensation

Key management includes the KWS Director and Deputy Directors. The compensation paid or payable to key management for employee services is shown below:

	<b>2015</b>	<b>2014</b>
	<b>Kshs '000</b>	<b>Kshs '000</b>
Salaries and other short-term employment benefits	38,674	34,185
<b>i) Trustees' remuneration</b>		
Fees for services as a trustee	18,345	15,564
Other emoluments included in employee benefits (Note 9)	13,058	11,022
<hr/>		
Total remuneration of trustees	31,403	26,586
<hr/>		

## 22. CONTINGENT LIABILITIES

The Service has contingent liabilities in respect of legal claims arising from the ordinary course of business. The Service is a defendant in a court action brought by both Kenya Revenue Authority and National Social Security Fund following assessments that were carried out by the respective authorities as detailed below:

- i) NSSF court case- The Service is faced with a large payment demand from NSSF arising from alleged non-compliance with the NSSF Act, CAP 258. The amount demanded is one billion one hundred and forty-five million shillings only (Kshs. 1.145billion), of which one hundred and forty-six million shillings only (Kshs. 146 million) relates to principal contributions. The rest is interest and penalties that have accumulated over the year. The assessment was for the period September, 2007 to October, 2008. The Service has contested the assessment in court and the case is ongoing.
- ii) KRA assessment on VAT- There is an outstanding VAT claim of one billion four hundred and seventy-three million shillings (Kshs. 1.473billion) (principal, Interest and penalties) arising from KRA assessment for VAT on park entry fees for the period January, 2008 to February, 2010. Management appealed and the case is ongoing in the Tax Tribunal.
- iii) There are outstanding penalties, and interest, not provided for following KRA assessment of VAT on park entry fees for the period 2008 to 2013 of forty-seven million shillings (Kshs. 47 million) concerning which management has applied for a waiver.

# NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 22. CONTINGENT LIABILITIES (cont'd)

The Trustees do not believe that any significant additional liability will arise from the resolution of these matters. A summary of the pending cases and claims against the Service are shown in the table below:

	<b>2015</b> <b>Kshs '000</b>	<b>2014</b> <b>Kshs '000</b>
NSSF Claims (principal, Penalties and interest)	1,145,564	1,067,987
VAT assessment on park entry fees (principal, penalties and interest)	1,473,245	1,378,675
VAT assessment on park entry fees (interest and penalties)	46,746	45,265
	<hr/>	
Total	2,665,555	2,491,927
	<hr/>	

## 23. CAPITAL COMMITMENTS

Authorized and contracted for	107,292	151,515
Authorized but not contracted for	350,440	36,731
	<hr/>	
	457,732	188,246
	<hr/>	

## LIST OF PARTNERS

1. Africa Network for Animal Welfare	36. Embassy of the United States
2. African Conservation Centre	37. Equity Bank Group
3. African Fund for Endangered Wildlife	38. Ethics and Anti-Corruption Commission
4. African Union Inter-African Bureau of Animal Resources	39. European Union
5. African Wildlife Foundation	40. Finlays Horticulture
6. African World Heritage Fund	41. Flamingo Hill Camp
7. Amboseli Trust for Elephants	42. Florensis Kenya Ltd
8. ARN security	43. Food and Agriculture Organization
9. Bill Jordan Wildlife Defense Fund	44. Forestry Bureau
10. Birdlife International	45. Frei geboren
11. Born Free Foundation	46. French Development Agency
12. Brand Kenya	47. Friedrich-Loeffler-Institut of Animal Health
13. British Army Training Unit Kenya	48. Friends of Conservation
14. Care for the Wild International	49. George Adamson Wildlife Preservation Trust
15. Centers for Disease Control and Prevention	50. German Embassy
16. CITES Mike Programme	51. Giraffe Centre
17. CMC Motors	52. Global Environment Facility
18. Council of Agriculture, TAIWAN	53. High Commission of Canada
19. David Sheldrick's Wildlife Trust	54. International Center of Insect Physiology and Ecology
20. Delegation of the European Union to Kenya	55. International Fund for Animal Welfare
21. Development Alternatives Inc	56. International Livestock Research Institute
22. EABL Foundation	57. International Union for the Conservation of Nature
23. Earthwatch Institute	58. INTERPOL
24. East African Wildlife Society	59. Japan International Cooperation Agency
25. Ecobank	60. KENGEN
26. Eden Wildlife Trust	61. Kenya Agricultural & Livestock Research Organisation
27. Elephant Neighbours Center	62. Kenya Agricultural Research Institute
28. Elephant Research Trust Fund	63. Kenya Airports Authority
29. ElephantVoices	64. Kenya Association of Hotelkeepers & Caterers
30. Elizabeth Glaser Pediatric AIDS Foundation	65. Kenya Association of Manufactures
31. Embassy of Brazil	66. Kenya Brazil Cooperation
32. Embassy of France	67. Kenya Commercial Bank
33. Embassy of Israel	68. Kenya Forestry Research Institute
34. Embassy of Italy	69. Kenya Forestry Research Institute Kenya Forest Service
35. Embassy of the People's Republic of China	70. Kenya Land Conservation Trust

## LIST OF PARTNERS (CONT'D)

71. Kenya Medical Research Institute	106. Save the Elephants
72. Kenya Organization for Environmental Education	107. Save the Mau Trust
73. Kenya Plant Health Inspectorate Service	108. Stand Out Shout Out
74. Kenya Ports Authority	109. Stop Ivory
75. Kenya Roads Board	110. Tanzania National Parks
76. Kenya Tourism Board	111. Tanzania Wildlife Research Institute
77. Kenya Tourism Federation	112. The David Sheldrick Wildlife Trust
78. Kenya Veterinary Services	113. The Green Belt Movement
79. Kenya Water Towers Agency	114. The Kenya Association for Tour Operators
80. Kenya Wildlife Conservancies Association	115. The Kenya Judiciary
81. Kenya Wildlife Trust	116. The Mater Hospital
82. KLM Royal Dutch Airlines	117. The Nature Conservancy
83. Lake Nakuru Lodge	118. The World Conservation Union
84. Lusaka Agreement Task Force	119. Toyota Kenya
85. Marwell Preservation Trust	120. Tsavo Elephant Research
86. Meridian Medical Centre	121. Tsavo Trust
87. Nairobi Greenline	122. U.S. Fish and Wildlife Services
88. Nakumatt Supermarkets	123. Uganda Wildlife Authority
89. National Environmental Management Authority	124. United Nations Development Programme
90. National Museums of Kenya	125. United Nations Educational, Scientific and Cultural Organisation
91. Netherlands Environmental Assessment Agency	
92. Ngorongoro Conservation Area Authority	126. United Nations Environment Programme
93. NIC Bank	127. United Nations Office on Drugs and Crime
94. Northern Rangelands Trust	128. United States Agency for International Development
95. Novartis Animal Health	129. United States Agency for International Development (USAID)
96. Office of The Auditor General Kenya	130. University Of Nairobi, Faculty of Veterinary Medicine
97. Orpower	131. Vad Den Berg
98. Oserian Development Company Ltd	132. Wildlife Clubs of Kenya Wildlife Conservation Society
99. Park Action Committee Nakuru	133. WildlifeDirect
100. Parks Canada	134. World Bank
101. Ramsar Convention	135. World Organization of Animal Health
102. Rhino Ark	136. World Wide Fund for Nature
103. Sarova Lion Hill Game Lodge	137. World Wildlife Fund
104. Savannah Club Japan	138. Zoo d'Amnéville
105. Save Elephant Foundation	139. Zoological Society of London

### **KENYA WILDLIFE SERVICE HEADQUARTERS (KWS)**

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email: [kws@kws.go.ke](mailto:kws@kws.go.ke)

### **KWS TRAINING INSTITUTE:**

Principal, Kenya Wildlife Service Training Institute,  
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Mobile: + 254 700 000 321  
email: [kwsti@kws.go.ke](mailto:kwsti@kws.go.ke)

### **KWS LAW ENFORCEMENT ACADEMY**

Commandant, Law Enforcement Academy (LEA)  
Tel: +254 (43) 0787 528 893  
P.O. Box Private Bag - 80301 Voi.  
email: [mftsmanyani@kws.go.ke](mailto:mftsmanyani@kws.go.ke).

### **KWS AIRWING:**

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