

EXCERPTS FROM RHINO ARK CHARITABLE TRUST ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

RHINO ARK KENYA CHARITABLE TRUST STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 KES	2021 KES
INCOME	7	<u>157,769,574</u>	<u>63,294,760</u>
EXPENDITURE			
Aberdare expenses	8	22,856,232	24,093,781
Mau Eburu expenses	9	15,708,289	13,573,978
Mt Kenya expenses	10	30,653,073	19,159,916
South West Mau expenses	11	10,427,742	6,817,570
Fundraising expenses	12	29,863,823	6,329,232
Kakamega Forest	13	5,681,564	4,670,181
Administrative and general expenses	14	<u>46,373,254</u>	<u>39,246,969</u>
		<u>161,563,976</u>	<u>113,891,627</u>
DEFICIT FOR THE YEAR		<u>(3,794,403)</u>	<u>(50,596,867)</u>

RHINO ARK KENYA CHARITABLE TRUST STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 KES	2021 KES
ASSETS			
NON CURRENT ASSETS			
Property and equipment	2	<u>9,261,789</u>	<u>12,476,935</u>
CURRENT ASSETS			
Investments	3	2,335,746	2,159,612
Trade and other receivables	4	7,157,170	11,594,252
Bank balances and cash	15	<u>15,378,535</u>	<u>9,702,186</u>
		<u>24,871,451</u>	<u>23,456,050</u>
TOTAL ASSETS		<u>34,133,240</u>	<u>35,932,985</u>
CURRENT LIABILITIES			
Trade and other payables	5	<u>10,904,283</u>	<u>8,909,625</u>
NET ASSETS		<u>23,228,957</u>	<u>27,023,360</u>
FINANCED BY:			
General fund		<u>23,228,957</u>	<u>27,023,360</u>

RHINO ARK KENYA CHARITABLE TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of Preparation

The financial statements summarise the transactions of the Trust and deal with the net assets at the disposal of the Directors. The financial statements are presented in Kenya Shillings (KES), which is the Trust's functional and presentation currency.

The financial statements are prepared under the historical cost basis of accounting except where otherwise stated in the accounting policies below.

(b) Income Recognition

Donations and Rhino Charge collections are recognised on receipt.

Investment income is recognised on accrual basis.

(c) Property and Equipment

Items of property and equipment are stated at cost less accumulated depreciation. Depreciation is charged on the straight line basis over the estimated useful lives of the assets.

The annual depreciation rates in use are:

Motor vehicles	25.0%
Furniture and fittings	12.5%
Computers	33.3%
Office equipment	12.5%

(d) Foreign Currency Transactions

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

(e) Financial Instruments

A financial instrument is a contract that gives rise to both a financial asset of one enterprise and a financial liability of another enterprise. The financial instruments held by the Trust are investments in the money market, trade and other receivables, bank balances and cash and trade and other payables.

All the financial instruments held by the Trust are accounted for on an amortised cost basis.

(f) Receivables

Receivables are stated at nominal value, less provision for any amounts considered irrecoverable.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less.

(h) Use of estimates

The preparation of financial statements requires that management makes estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. The more significant estimation process is related to the determination of provision for doubtful debts. Although some variability is inherent in these estimates, management believes that the amounts provided are adequate.

(i) Investments

Investments are held in the money market with Old Mutual and Britam Asset Managers. Interest is earned on a monthly basis from these placements and rolled over as principal.

(j) Payables

Payables are stated at nominal value.

2. PROPERTY AND EQUIPMENT

	Motor Vehicles KES	Furniture, fittings and Equipment KES	Computers KES	Total KES
2022				
COST				
At 1 April 2021	52,231,074	35,929,050	5,146,904	93,307,028
Additions	407,319	2,211,640	-	2,618,959
At 31 March 2022	<u>52,638,693</u>	<u>38,140,690</u>	<u>5,146,904</u>	<u>95,925,987</u>
ACCUMULATED DEPRECIATION				
At 1 April 2021	44,977,320	30,883,912	4,968,861	80,830,093
Charge for the year	4,064,041	1,592,021	178,043	5,834,105
At 31 March 2022	<u>49,041,361</u>	<u>32,475,933</u>	<u>5,146,903</u>	<u>86,664,198</u>
NET CARRYING AMOUNT				
At 31 March 2022	<u>3,597,032</u>	<u>5,564,757</u>	-	<u>9,261,789</u>

2021

COST				
At 1 April 2020	52,231,074	35,929,050	5,188,904	93,349,028
Disposals	-	-	(42,000)	(42,000)
At 31 March 2021	<u>52,231,074</u>	<u>35,929,050</u>	<u>5,146,904</u>	<u>93,307,028</u>
ACCUMULATED DEPRECIATION				
At 1 April 2020	41,015,109	28,390,535	4,391,337	73,796,981
Disposal	-	-	(13,999)	(13,999)
Charge for the year	3,962,211	2,493,377	591,523	7,047,111
At 31 March 2021	<u>44,977,320</u>	<u>30,883,912</u>	<u>4,968,861</u>	<u>80,830,093</u>
NET CARRYING AMOUNT				
At 31 March 2021	<u>7,253,754</u>	<u>5,045,138</u>	<u>178,043</u>	<u>12,476,935</u>

3. INVESTMENTS

	2022 KES	2021 KES
Old Mutual Money Market Fund	173,911	161,967
British American Money Market Fund	<u>2,161,835</u>	<u>1,997,645</u>
	<u>2,335,746</u>	<u>2,159,612</u>

Movement

At 1 April 2021	2,159,612	1,988,463
Add: Interest earned	176,134	171,149
At 31 March 2022	<u>2,335,746</u>	<u>2,159,612</u>

4. TRADE AND OTHER RECEIVABLES

	2022 KES	2021 KES
Trade receivables	5,317,172	3,730,725
Prepayments	-	927,935
Other receivables	6,069,334	7,545,592
Rhino Ark USA	<u>456,012</u>	<u>456,013</u>
	11,842,518	12,660,265
Less: Provision for bad debts	<u>(4,685,348)</u>	<u>(1,066,013)</u>
	<u>7,157,170</u>	<u>11,594,252</u>

* The provision for bad debts relates to advances made to KWS Kakamega, amounts receivables from Rhino Ark USA and customers whose amounts have been outstanding for over a year.

EXCERPTS FROM RHINO ARK CHARITABLE TRUST ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2022

5. TRADE AND OTHER PAYABLES	2022 KES	2021 KES
Trade payables	-	-
Other payables	10,904,283	8,909,625
	<u>10,904,283</u>	<u>8,909,625</u>
6. RELATED PARTY TRANSACTIONS	2022 KES	2021 KES
Key management compensation:		
Salaries	21,492,516	15,144,117
Pension	240,000	240,000
	<u>21,732,516</u>	<u>15,384,117</u>
7. INCOME	2022 KES	2021 KES
Rhino Charge collections (note 7 (a))	121,398,498	19,307,070
Other income (note 7 (b))	13,752,121	8,891,926
Other donations (note 7 (c))	21,594,924	33,875,216
Interest income	<u>1,024,031</u>	<u>1,220,548</u>
	<u>157,769,574</u>	<u>63,294,760</u>
(a) RHINO CHARGE COLLECTIONS		
Rhino Charge 2019	4,419,900	2,015,000
Rhino Charge 2020	98,699,096	-
Rhino Charge 2022	<u>18,279,502</u>	<u>17,292,070</u>
	<u>121,398,498</u>	<u>19,307,070</u>
Donations for the Rhino Charge (RC) are booked in the financial year that they were received. As the RC is held in the month of June each year; total 2022 RC donations will therefore be booked in two financial years, that is, the total 2021 RC donations are reflected in 2021 and 2022 financial years.		
(b) OTHER INCOME		
Bongo Surveillance Project	5,194,868	4,270,228
Operations base – Aberdares	3,283,055	2,024,645
Miscellaneous income	5,274,198	2,583,054
Gain on disposal of asset	-	13,999
	<u>13,752,121</u>	<u>8,891,926</u>
(c) OTHER DONATIONS		
M-PESA Foundation (EC)	2,985,500	3,105,760
African Fund for Endangered Wildlife (AFEW and Others)	7,150,349	11,981,873
Eburu Rafiki	535,325	2,489,066
IDH, The Sustainable Trade (IDH/ISLA)	1,072,373	1,578,415
Elephant Club	5,678,107	-
Tusk Trust Limited	3,303,270	10,510,102
United Nations Environment Programme (UNEP)	-	4,070,000
Guard Post Sponsorship	<u>870,000</u>	<u>140,000</u>
	<u>21,594,924</u>	<u>33,875,216</u>
Other donations are monies received from various donors for projects specific to Rhino Ark. In the current year, there were donations received from M-PESA Foundation and IDH for South West Mau project, Eburu Rafiki for conservation of Mau Eburu and from Mount Kenya Trust for the conservation of Mt. Kenya and Tusk Trust Limited.		
8. ABERDARES EXPENSES	2022 KES	2021 KES
Staff costs	7,581,339	5,663,330
Other costs	3,138,383	3,498,649
Fuel	886,038	1,245,265
Motor vehicles costs	773,939	1,405,219
Tools & materials	598,264	2,367,657
Depreciation	1,338,941	1,338,941
Community support	<u>2,780,540</u>	<u>3,204,513</u>
	17,097,444	18,723,574
Bongo Surveillance Project	<u>5,758,788</u>	<u>5,370,207</u>
	<u>22,856,232</u>	<u>24,093,781</u>
9. MAU EBURU EXPENSES	2022 KES	2021 KES
Staff costs	5,452,346	4,117,051
Allowances	107,275	55,035
Community conservation	2,763,389	1,897,848
Tree nurseries project	1,137,262	764,628
Eburu Rafiki	1,389,675	2,894,461
Fence costs	2,888,046	2,176,972
Other costs	1,438,210	1,127,773
Depreciation	41,675	-
Motor vehicle costs	<u>490,411</u>	<u>540,210</u>
	<u>15,708,289</u>	<u>13,573,978</u>

10. MT. KENYA EXPENSES

	2022 KES	2021 KES
Staff costs	8,006,269	5,584,790
Allowances	9,226,120	6,855,820
Fence costs	3,434,098	3,373,822
Fire fighting	-	332,948
Depreciation	60,155	-
Motor vehicle costs	1,102,577	573,654
Other costs	<u>8,823,854</u>	<u>2,438,882</u>
	<u>30,653,073</u>	<u>19,159,916</u>

11. SOUTH WEST MAU EXPENSES

	2022 KES	2021 KES
Allowances	169,333	54,164
Depreciation on property and equipment	670,669	670,669
Public relations	-	188,000
Staff costs	5,515,599	4,267,183
Fence and other costs	<u>4,072,141</u>	<u>1,637,554</u>
	<u>10,427,742</u>	<u>6,817,570</u>

12. FUNDRAISING EXPENSES

	2022 KES	2021 KES
General fundraising	<u>29,863,823</u>	<u>6,329,232</u>
	<u>29,863,823</u>	<u>6,329,232</u>

13. KAKAMEGA FOREST

	2022 KES	2021 KES
Staff Costs	4,131,456	3,047,833
Vehicle running	-	15,662
Fence construction	246,257	130,575
ESIA	-	172,260
Depreciation	<u>1,303,851</u>	<u>1,303,851</u>
	<u>5,681,564</u>	<u>4,670,181</u>

14. ADMINISTRATIVE AND GENERAL EXPENSES

	2022 KES	2021 KES
Depreciation on property and equipment	2,418,814	3,733,650
Bank charges	570,230	393,992
Office management and administration	34,105,060	29,018,494
Auditors remuneration	1,189,489	1,355,893
Public relations and press	3,606,041	4,071,526
Provision for bad debts	3,619,335	100,000
Vehicle running expenses	<u>864,285</u>	<u>573,414</u>
	<u>46,373,254</u>	<u>39,246,969</u>

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise of the following statement of financial position amounts:

	2022 KES	2021 KES
Cash and bank balances	9,103,744	6,626,093
Call deposits	<u>6,274,791</u>	<u>3,076,093</u>
	<u>15,378,535</u>	<u>9,702,186</u>

16. CONTINGENT LIABILITY

No contingent liabilities have arisen from the activities of the Trust.

17. LEGAL FORM

Rhino Ark Kenya Charitable Trust was established in 1991 under an irrevocable trust in accordance with the Laws of Kenya.

18. TAXATION

The Trust has been granted exemption from taxation under the First Schedule to the Kenyan Income Tax Act (Cap 470) under Certificate number KRAEXM0096130722 valid from 15 February 2022 for 5 years.

19. CURRENCY

The financial statements have been presented in Kenya Shillings (KES).



Peter Kinyua

Chairman, Board of Directors, 2022

The year 2021-2022 has been marked by a remarkable recovery of Rhino Ark's financial situation and an expansion of our programme of work. Indeed, the total contribution towards our conservation work increased more than fourfold from KES 92.61 million in 2020-2021 to KES 427.89 million in 2020-2021.

It has also been tinged with sadness at the loss of two conservation legends. Charles Njonjo, one of our Patrons and an ardent conservationist, and Richard Leakey, a leading figure in the fight against wildlife crime and a great supporter of Rhino Ark's work, both passed on at the start of the year.

Overall funds 2021/22

The total funds raised during the financial year under review were KES 427.89 million. This included in-cash donations amounting to KES 157.77 million (2021: KES 63.29 million) from Rhino Charge, Corporates and individuals. In-kind donations amounting to KES 270.12 million were received from international organisations, Government, a variety of corporations, individuals and volunteers.

KWS covered the costs of the personnel maintaining the 400 kilometres Aberdare Fence and the existing 230 kilometres Mt. Kenya Fence, whilst Kenya Forest Service (KFS) covered similar costs for the 43.3 kilometres Eburu Fence. These contributions amounted to KES 26.62 million.

Support from Corporate and Conservation Entities

We received the following important contributions from a number of key supporters:

- M-Pesa Foundation donated KES 2.985 million for the maintenance of the Eburu Fence;

- Rare Species Conservatory Foundation donated USD 47,000 in (KES 5.19 million) support of the conservation of the Mountain Bongo antelope;
- Calgary Zoo donated KES 3.89 million in support of forest conservation and community livelihoods towards the recovery of the Mountain Bongo antelope;
- Wildlife Conservation Society donated USD 25,000 (KES 2.63 million) for addressing human-wildlife conflict (building of elephant grids) in the Imenti forest;
- Total Energies donated KES 0.63 million in fuel credit in support of the Rhino Charge 2021 event;
- Eburru Rafiki donated KES 535,325 in support of grassroots education outreach. This includes funds from the Millard Family Foundation, The Safari Collection and several other donors;
- IDH Sustainable Trade Initiative (IDH) donated Euro 8,364 (KES 1.072 million) for the activities at South Western Mau Forest Reserve;
- Tusk Trust Limited donating GBP 21,645 (KES 3.30 million) for activities at AJSU protecting the Aberdare ecosystem;
- Elephant Cooperation donated USD 50,000 (KES 5.68 million) for building an elephant underpass on the Nanyuki-Meru highway.

Mau Eburu Project

Forest protection

Rhino Ark continues to support the maintenance of the Eburu electric fence and forest protection. We played a pivotal role in combatting the severe forest fires that broke out during the dry season at the beginning of 2022. Over 500 hectares of forest were ravaged by various fires before being contained. Thanks to funding from Tusk Trust; Rhino Ark was able to equip and train a community brigade of 22 firefighters with state-of-the-art fire equipment and clothing.

Under the Rhino Ark/Calgary Zoo partnership, a total of 194 days of forest security patrols were carried out by community scouts in collaboration with KFS and KWS rangers. These patrols recovered 105 snares, destroyed 11 illegal charcoal kilns and made 11 arrests. Also under this framework, a total of 16 trap cameras were maintained in the forest to collect data on wildlife species distribution.

Community livelihoods

Rhino Ark supports the ongoing schools' conservation education programme is ongoing with 32 schools participating. The programme received a major endorsement by the Ministry of Education at the annual Curriculum Implementation Committee meeting in January 2022, with the Quality Assurance Office committing to participate in the programme. The schools tree nurseries programme expanded with the establishment of a model nursery at Kahuho Secondary School. The nursery is maintained by pupils.

In terms of sustainable energy initiatives, Rhino Ark trained and assisted 10 farmers to access a discounted installation rate to implement the use of biogas in the ecosystem.

Under the Rhino Ark/Calgary Zoo partnership, the beekeeping programme has been enhanced. Eburu beekeepers have been supported to register a cooperative – the Eburu Natural Forest Honey Cooperative Society Limited, and received training on beehive management. The Cooperative now has 60 active members. The Community Forest Association (CFA) has been supported to strengthen its governance capacity and boost its membership, with 681 new members recruited. Support for ecotourism initiatives has been provided through construction of a CFA office at the Eburu Forest station, sponsorship of the installation of forest trail visitor signage; and the organisation of 24 monthly training sessions for Community Conservation Champions on birding and medicinal plant identification.

South Western Mau Project

Rhino Ark's programme in South Western Mau remains centred on three key pillars: Protection, Restoration and Community livelihoods.

Restoration

In 2021, Rhino Ark commenced a 3-year partnership with Platinum Credit (a subsidiary of the Platcorp Holdings Company) to rehabilitate 10 hectares of degraded forest at the Kapkembu forest outpost in collaboration with Kenya Forest Services. 16,000 seedlings were planted and the site micro-fenced and placed under active maintenance. The site is part of the upper catchment for the Mara River system. Following the success of this rehabilitation work, Platinum expanded their support with a commitment to rehabilitate a further 40 hectares of forest in 2022. The new

site selected is at Tirigoi, approximately 1.5 kilometres from the Kapkembu site. The Kapkembu and Tirigoi sites will add to the 40 hectares of Rhino Ark rehabilitated forest in Kipkoris that we are maintaining.

Rhino Ark expresses its sincere gratitude to Platinum Credit Ltd.

Protection of the Forest

During the period, Rhino Ark supported and participated in 22 forest patrols along various trails known to be channels for illegal activities. The patrols, undertaken in collaboration with forest rangers and community conservation champions - recovered 38 snares (two of which contained snared animals), 32 logs and destroyed 10 charcoal kilns.

Community livelihoods

Rhino Ark continues to support community livelihood activities. The field team is providing technical support to community members engaged in beekeeping. Within the reporting period, 8 new tree nurseries were established, with a total of 24,000 seedlings produced. The newly established nurseries complement a further 20 nurseries established by forest adjacent communities with technical support from Rhino Ark. The community conservation outreach programme is ongoing, which includes a conservation education initiative in 46 local schools. The field team is supplemented by a team of 9 volunteer Community Conservation Champions to enhance outreach and community engagement.

Mt. Kenya fencing project

A 60-kilometre-long phase of the Mt Kenya solar electric fence was launched in November 2021. This phase has been implemented through a public-private partnership between the Upper Tana Catchment Natural Resources Management Project, Kenya Wildlife Service, Kenya Forest Service, Rhino Ark Kenya Charitable Trust and Mount Kenya Trust. Support has also been received from the Kenya Pipeline Company and the Fresno Chaffee Zoo (USA).

This activity is a continuation of the Mt. Kenya electric fence programme through which 230 kilometres of fence as well as 30 kilometres of low fence with outriggers have already been constructed with support from various stakeholders.

The Imenti Forest in the northeast of Mount Kenya, has proved to be one of the most challenging forest areas fenced by Rhino Ark to date due to

elephant movement and fence breakage. To address these challenges, Rhino Ark completed the construction of two elephant grids and is now preparing to build an additional 4 elephant grids. Rhino Ark has also started the construction process of a new wildlife underpass on the Nanyuki-Meru highway where the highway crosses the Imenti Forest. These add to the 30 kilometres of double fences and the two one-way automatic elephant gates already built in the same area. This forest has possibly one of the highest concentrations of applied technology to enable elephant movement and human development side by side.

The Mount Kenya Wildlife Conservancy (MKWC) has launched the 800-acre Mawingu Mountain Bongo Sanctuary. The sanctuary represents a key milestone in the breeding and rewilding process of the bongo antelope towards its reintroduction in indigenous forest habitat such as the Ragati, Eburu and Mau Forests.

As part of its forest restoration programme, Rhino Ark planted an additional 5,500 indigenous trees in Gathiuru Forest, in conjunction with Mount Kenya Conservation Forum, KFS and Gathiuru Forest Association.

Aberdares ecosystem

Protecting the precious but fragile ecosystem of the Aberdares needs constant fence maintenance to deter poachers, illegal loggers, charcoal burners and minimise forest encroachment, and also serves the key function of protecting forest-adjacent communities from marauding wildlife. Rhino Ark continued financing the maintenance of the 400-km-long Aberdare fence, as a priority area.

To this end, Rhino Ark signed an agreement with the IUCN under the EU - funded BIOPAMA Rapid Response Grant, to help maintain the Aberdare Electric Fence and the organisation of the Aberdare Fence Relay Run.

Rhino Ark secured a third grant from Tusk Trust in support of community scout operations as part of the Aberdare Joint Surveillance Unit (AJSU). Fully trained and equipped, AJSU carries out many tasks; including, forest patrols, detection of illegal activities, arrests, destruction of charcoal kilns and marijuana crops, and removal of snares and traps. AJSU also conducts regular assessment of the status of the 400-kilometre-long fence around the Aberdare ecosystem.

Rhino Ark, in partnership with Challenge Aid, a UK-based charitable trust - donated textbooks and feminine hygiene products to schools adjacent to the Aberdare Electric Fence. The donations are part of an ongoing project implemented by both partners under the banner of 'School of Hope'.

Wildfires have been a major concern in the Northern Aberdares. During one period of wildfires, at least 700 hectares alone of moorlands vegetation burned within the Aberdare National Park and adjacent Forest Reserve. The recent investment in capacity building with firefighters in terms of equipment and training within Rhino Ark, Mount Kenya Trust, KFS and KWS - has greatly assisted in tackling these fires.

Bongo Surveillance Project (BSP)

Rhino Ark remains a key partner and supporter of the Bongo Surveillance Project, raising the bulk project funding and seconding a conservation education officer to the initiative.

During the course of the reporting year USD 47,000 was received from the Rare Species Conservatory Foundation. These funds have been earmarked for the collection of vital information about the Bongo, security patrols, the removal of snares and spear traps, as well as for the dynamic Bongo wildlife school outreach programmes under BSP.

A Thousand Thank-yous

We wish to extend our sincere thanks to each and every one of our supporters, partners and friends, whose dedication and commitment has been vital to our continued success in the conservation of Kenya's water towers.

Rhino Ark received KES 5 million from His Excellency, Uhuru Kenyatta, President of the Republic of Kenya. I thank him for his generous support to our vital conservation work for Kenya's water towers.

I wish to thank the Rhino Charge Committee and all the volunteers for all their hard work and dedication.

I would also like to extend our deep gratitude to everyone at Rhino Ark and to our Board of Directors, who continue to provide essential day-to-day and strategic operational and executive support which drives our organisation forwards.