

# EXCERPTS FROM RHINO ARK CHARITABLE TRUST ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

| RHINO ARK KENYA CHARITABLE TRUST STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2018 |             |                    |                    |
|-------------------------------------------------------------------------------------------------------|-------------|--------------------|--------------------|
| Note                                                                                                  | 2018<br>KES | 2017<br>KES        |                    |
| <b>INCOME</b>                                                                                         | 8           | 179,074,538        | 169,602,183        |
| <b>EXPENDITURE</b>                                                                                    |             |                    |                    |
| Aberdare expenses                                                                                     | 9           | 46,740,267         | 26,674,585         |
| Mau Eburu expenses                                                                                    | 10          | 12,233,737         | 18,400,709         |
| Mt Kenya expenses                                                                                     | 11          | 22,453,744         | 29,303,830         |
| South West Mau expenses                                                                               | 12          | 6,684,081          | 5,140,442          |
| Fund-raising expenses                                                                                 | 13          | 24,481,915         | 23,012,105         |
| Administrative and general expenses                                                                   | 14          | 38,425,945         | 31,970,856         |
|                                                                                                       |             | <u>151,019,689</u> | <u>134,502,527</u> |
| <b>SURPLUS FOR THE YEAR</b>                                                                           |             | <u>28,054,849</u>  | <u>35,099,656</u>  |

| RHINO ARK KENYA CHARITABLE TRUST STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018 |             |                    |                   |
|--------------------------------------------------------------------------------------|-------------|--------------------|-------------------|
| Note                                                                                 | 2018<br>KES | 2017<br>KES        |                   |
| <b>ASSETS</b>                                                                        |             |                    |                   |
| <b>NON CURRENT ASSETS</b>                                                            |             |                    |                   |
| Property and equipment                                                               | 2           | 11,679,130         | 10,981,507        |
| <b>CURRENT ASSETS</b>                                                                |             |                    |                   |
| <b>Investments</b>                                                                   | 3           | 1,681,267          | 1,555,428         |
| Trade and other receivables                                                          | 4           | 9,069,431          | 11,904,614        |
| Bank balances and cash                                                               | 15          | 95,039,632         | 64,519,211        |
|                                                                                      |             | <u>105,790,330</u> | <u>77,979,253</u> |
| <b>TOTAL ASSETS</b>                                                                  |             | <u>117,469,460</u> | <u>88,960,760</u> |
| <b>CURRENT LIABILITIES</b>                                                           |             |                    |                   |
| Trade and other payables                                                             | 5           | 2,555,340          | 2,101,489         |
| <b>NET ASSETS</b>                                                                    |             | <u>114,914,120</u> | <u>86,859,271</u> |
| <b>FINANCED BY:</b>                                                                  |             |                    |                   |
| General fund                                                                         | 7           | 114,914,120        | 86,859,271        |

## RHINO ARK KENYA CHARITABLE TRUST NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 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 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

### 2. PROPERTY & EQUIPMENT

#### (a) For the year ended 31 March 2018

|                                 | Motor<br>Vehicles<br>KES | Furniture, fittings<br>and equipment<br>KES | Computers<br>KES | Total<br>KES |
|---------------------------------|--------------------------|---------------------------------------------|------------------|--------------|
| <b>COST</b>                     |                          |                                             |                  |              |
| At 1 April 2017                 | 37,581,230               | 28,832,330                                  | 3,371,040        | 69,784,600   |
| Additions                       | -                        | 4,875,626                                   | -                | 4,875,626    |
| At 31 March 2018                | 37,581,230               | 33,707,956                                  | 3,371,040        | 74,660,226   |
| <b>ACCUMULATED DEPRECIATION</b> |                          |                                             |                  |              |
| At 1 April 2017                 | 36,378,870               | 19,424,979                                  | 2,999,244        | 58,803,093   |
| Charge for the year             | 777,358                  | 3,145,884                                   | 254,761          | 4,178,003    |
| At 31 March 2018                | 37,156,228               | 22,570,863                                  | 3,254,005        | 62,981,096   |
| <b>NET CARRYING AMOUNT</b>      |                          |                                             |                  |              |
| At 31 March 2018                | 425,002                  | 11,137,093                                  | 117,035          | 11,679,130   |

#### (b) For the year ended 31 March 2017

|                                 | Motor<br>Vehicles<br>KES | Furniture, fittings<br>and equipment<br>KES | Computers<br>KES | Total<br>KES |
|---------------------------------|--------------------------|---------------------------------------------|------------------|--------------|
| <b>COST</b>                     |                          |                                             |                  |              |
| At 1 April 2016                 | 37,581,230               | 26,180,998                                  | 3,021,879        | 66,784,107   |
| Additions                       | -                        | 2,651,332                                   | 349,161          | 3,001,493    |
| At 31 March 2017                | 37,581,230               | 28,832,330                                  | 3,371,040        | 69,784,600   |
| <b>ACCUMULATED DEPRECIATION</b> |                          |                                             |                  |              |
| At 1 April 2016                 | 33,920,440               | 16,475,725                                  | 2,744,483        | 53,140,648   |
| Charge for the year             | 2,458,430                | 2,949,254                                   | 254,761          | 5,662,445    |
| At 31 March 2017                | 36,378,870               | 19,424,979                                  | 2,999,244        | 58,803,093   |
| <b>NET CARRYING AMOUNT</b>      |                          |                                             |                  |              |
| At 31 March 2017                | 1,202,360                | 9,407,351                                   | 371,796          | 10,981,507   |

| 3. INVESTMENTS                     | 2018<br>KES      | 2017<br>KES      |
|------------------------------------|------------------|------------------|
| Old Mutual Money Market Fund       | 137,447          | 129,696          |
| British American Money Market Fund | 1,543,820        | 1,425,732        |
|                                    | <u>1,681,267</u> | <u>1,555,428</u> |
| <b>Movement</b>                    |                  |                  |
| At 1 January                       | 1,555,428        | 1,439,739        |
| Add: Interest earned               | 125,839          | 115,689          |
| At 31 December                     | <u>1,681,267</u> | <u>1,555,428</u> |

| 4. TRADE AND OTHER RECEIVABLES | 2018<br>KES      | 2017<br>KES       |
|--------------------------------|------------------|-------------------|
| Trade receivables              | 1,074,140        | 283,706           |
| Prepayments                    | 4,440,406        | 3,087,291         |
| Other receivables              | 3,554,885        | 8,533,617         |
|                                | <u>9,069,431</u> | <u>11,904,614</u> |

| 5. TRADE AND OTHER PAYABLES | 2018<br>KES      | 2017<br>KES      |
|-----------------------------|------------------|------------------|
| Trade payables              | 0                | 102,291          |
| Other payables              | 2,555,340        | 1,999,198        |
|                             | <u>2,555,340</u> | <u>2,101,489</u> |

| 6. RELATED PARTY TRANSACTIONS | 2018<br>KES       | 2017<br>KES       |
|-------------------------------|-------------------|-------------------|
| Key management compensation:  |                   |                   |
| Salaries                      | 14,328,135        | 13,606,852        |
| Pension                       | 2,400             | 2,400             |
|                               | <u>14,330,535</u> | <u>13,609,252</u> |

| 7. GENERAL FUND                | 2018<br>KES        | 2017<br>KES       |
|--------------------------------|--------------------|-------------------|
| At 1 April                     | 86,859,271         | 51,759,615        |
| Surplus/(deficit) for the year | 28,054,849         | 35,099,656        |
| At 31 March                    | <u>114,914,120</u> | <u>86,859,271</u> |

| 8. INCOME                             | 2018<br>KES        | 2017<br>KES        |
|---------------------------------------|--------------------|--------------------|
| Rhino Charge collections (note 8 (a)) | 141,242,320        | 134,078,436        |
| Other income (note 8 (b))             | 11,339,891         | 17,313,858         |
| Other donations (note 8(c))           | 20,199,273         | 14,980,560         |
| Interest income                       | 6,293,054          | 3,229,329          |
|                                       | <u>179,074,538</u> | <u>169,602,183</u> |

#### (a) RHINO CHARGE COLLECTIONS

|                   |                    |                    |
|-------------------|--------------------|--------------------|
| Rhino Charge 2018 | 16,042,597         | -                  |
| Rhino Charge 2017 | 125,199,723        | 16,238,917         |
| Rhino Charge 2016 | -                  | 117,839,519        |
|                   | <u>141,242,320</u> | <u>134,078,436</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 RC donations will therefore be booked in two financial years, that is, the total 2016 RC donations are reflected in 2017 and 2018 financial years.

#### (b) OTHER INCOME

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Bongo surveillance project | 5,160,237         | 12,011,577        |
| Operations base – Aberdare | 2,545,339         | 2,029,882         |
| Miscellaneous income       | 3,634,315         | 3,272,399         |
|                            | <u>11,339,891</u> | <u>17,313,858</u> |

#### (c) OTHER DONATIONS

Other donations are monies received from various donors for projects specific to Rhino Ark. In the current year, there were donations received from MPESA 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.

| 9. ABERDARES EXPENSES                  | 2018<br>KES       | 2017<br>KES   |
|----------------------------------------|-------------------|---------------|
| Fence Maintenance                      | 7,481,833         | 6,913,791     |
| Staff costs                            | -                 | 1,269,987     |
| Depreciation on property and equipment | 3,982,439         | 3,404,721     |
| Other costs                            | 1,447,119         | 1,051,052     |
| Fuel                                   | 1,086,976         | 783,542       |
| Motor vehicles costs                   | 21,578,753        | 1,823,297     |
| Tools & materials                      | -                 | 126,300       |
| Fence equipment                        | 197,560           | 582,655       |
| Elephant Grid                          | 3,296,324         | 3,046,731     |
| Community support                      | 39,070,824        | 19,002,076    |
|                                        | <u>76,669,443</u> | <u>79,400</u> |
| Aberdare operating cost                | 7,669,443         | 7,593,109     |
| Bongo surveillance project             | 46,740,267        | 26,674,585    |

| 10. MAU EBURU EXPENSES                 | 2018<br>KES       | 2017<br>KES       |
|----------------------------------------|-------------------|-------------------|
| Staff costs                            | 4,166,459         | 6,705,400         |
| Allowances                             | 152,817           | 790,079           |
| Community conservation                 | 890,600           | 455,805           |
| Tree nurseries project                 | 1,180,511         | 1,721,108         |
| Eburu Rafiki                           | 607,889           | 174,850           |
| Depreciation on property and equipment | -                 | 88,090            |
| Fence costs                            | 2,310,207         | 4,269,543         |
| Public relations                       | 1,113,280         | 2,179,897         |
| Other costs                            | 1,124,636         | 1,511,075         |
| Motor vehicle costs                    | 687,338           | 504,862           |
|                                        | <u>12,233,737</u> | <u>18,400,709</u> |

| 11. MT. KENYA EXPENSES                 | 2018<br>KES       | 2017<br>KES       |
|----------------------------------------|-------------------|-------------------|
| Staff costs                            | 7,102,898         | 6,627,273         |
| Allowances                             | 8,275,508         | 13,388,444        |
| Depreciation on property and equipment | 352,358           | 675,353           |
| Fence costs                            | 3,779,443         | 5,761,905         |
| Motor vehicle costs                    | 1,069,474         | 1,244,273         |
| Other costs                            | 1,874,063         | 1,606,582         |
|                                        | <u>22,453,744</u> | <u>29,303,830</u> |

| 12. SOUTH WEST MAU EXPENSES | 2018<br>KES      | 2017<br>KES      |
|-----------------------------|------------------|------------------|
| Allowances                  | 572,868          | -                |
| Public Relation             | 79,307           | -                |
| Staff Costs                 | 3,012,098        | -                |
| Fence and Other Costs       | 3,019,808        | 5,140,442        |
|                             | <u>6,684,081</u> | <u>5,140,442</u> |

| 13. FUND RAISING EXPENSES           | 2018<br>KES       | 2017<br>KES       |
|-------------------------------------|-------------------|-------------------|
| General fund raising                | 16,269,011        | 16,800,061        |
| Rhino charge raffle and event costs | 6,830,664         | 4,949,544         |
| Rhino charge filming                | 1,382,240         | 1,262,500         |
|                                     | <u>24,481,915</u> | <u>23,012,105</u> |

| 14. ADMINISTRATIVE AND GENERAL EXPENSES | 2018<br>KES       | 2017<br>KES       |
|-----------------------------------------|-------------------|-------------------|
| Depreciation on property and equipment  | 3,825,645         | 3,629,015         |
| Bank charges                            | 311,395           | 274,305           |
| Office management and administration    | 28,375,012        | 24,707,061        |
| Auditors remuneration                   | 1,505,410         | 1,400,000         |
| Public relations and press              | 2,928,660         | 264,645           |
| Foreign exchange loss                   | 241,930           | 379,459           |
| Vehicle running expenses                | 1,237,893         | 1,316,371         |
|                                         | <u>38,425,945</u> | <u>31,970,856</u> |

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

|                        |                   |                   |
|------------------------|-------------------|-------------------|
| Cash and bank balances | 24,956,918        | 22,489,853        |
| Call deposits          | 70,082,714        | 42,029,348        |
|                        | <u>95,039,632</u> | <u>64,519,211</u> |

| 16. LEGAL FORM                                                                                                            | 2018<br>KES | 2017<br>KES |
|---------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Rhino Ark Kenya Charitable Trust was established in 1991 under an irrevocable trust in accordance with the Laws of Kenya. |             |             |

| 17. TAXATION                                                                                                                                                                                         | 2018<br>KES | 2017<br>KES |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| The Trust has been granted exemption from taxation under the First Schedule to the Kenyan Income Tax Act (Cap 470) under Certificate number 20170214/11869 dated 14 February 2017 valid for 5 years. |             |             |

| 18. EVENTS AFTER THE REPORTING DATE                                                                                                                                                                                          | 2018<br>KES | 2017<br>KES |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|
| The Directors are not aware of any material events or circumstances that have arisen between the accounting date and the date of this report that would require adjustment to, or disclosure in, these financial statements. |             |             |

| 19. CURRENCY                                                           | 2018<br>KES | 2017<br>KES |
|------------------------------------------------------------------------|-------------|-------------|
| The financial statements have been presented in Kenya Shillings (KES). |             |             |

Audit by **ERNST & YOUNG**



The year 2017-2018 was marked by key developments in our major new projects in Mt. Kenya and South Western Mau.

It was also one of continued support both from thousands of donors to the annual Rhino Charge, direct corporate donations and a resumed significant support from the Treasury through Kenya Wildlife Service for the procurement of materials for the Mt. Kenya fencing project.

Whilst the Mt. Kenya and the Mau were at the centre of our current & forward planning and funding in the year, the Aberdare Fence, Rhino Ark's initial flagship project, remained a major focus of funds disbursement for its maintenance.

Rhino Ark is preparing for the fencing of the most vulnerable boundary of South Western Mau Forest Reserve, the largest forest block in the Mau Forests Complex. This builds upon the initial conservation activities carried out in South Western Mau in partnership with the Netherlands-based IDH Sustainable Trade Initiative and their project 'Initiative for Sustainable Landscape (ISLA)' aiming at conserving that forest and bringing sustainability in the broader landscape.

In addition to the 38-kilometre Phase I of the electric fence, along the Eastern Salient of the Aberdare National Park, Rhino Ark has also started the rehabilitation of the 40-kilometre Phase II that was completed in 1994. The fence in both phases has outlived its intended lifespan.

#### Overall funds 2017/18

The total funds raised during the financial year under review were KES 178.3 million. This included donations from Rhino Charge, Corporates and other donations.

Despite the difficult economic times, the 2017 Rhino Charge exceeded expectations and raised at field audit a total of KES 153 million or approximately US\$ 1.53 million.

The Treasury through Kenya Wildlife Service (KWS) was a major donor providing KES 37 million for fence materials. As those funds were not channelled through our accounts, they are not reflected in our balance sheets, although they are earmarked in support of our fence projects in Mt. Kenya. In addition, the Kenya Rural Road Authority has committed approximately KES 8 million towards the construction of four animal grids along the Mt. Kenya Electric Fence in the Imenti Forest.

Every kilometre of fence built under the partnership agreements with KWS specifies that materials are provided by Treasury funds or key partners, whilst Rhino Ark's inputs include payments to personnel for each completed kilometre of fence, vehicles, machinery, fuel, tools and mobile housing. In addition, both KWS and Rhino Ark commit management time for constant supervision and issues resolution with communities along the pre-planned fence alignment.

#### Corporate / conservation bodies support

Corporate and consensual grant supporters continued positively.

I would like to acknowledge the following organisations that have made generous contributions:

- IDH-ISLA for donating KES 8.2 million for a feasibility study of establishing a physical barrier along the north-eastern boundary of South Western Mau Forest Reserve, as well as for strategic and technical support and aerial surveillance.
- Safaricom Foundation for donating KES 8.2 million for the South Western Mau Forest Reserve which is part of the KES 11 million they have pledged.
- Mount Kenya Trust donating KES 2 million for fence construction on Mt. Kenya.
- Rare Species Conservatory Foundation for donating KES 5.16 million in support of the conservation of the Mountain Bongo antelope.
- Wildlife Conservation Society, through the Mount Kenya Trust, donated KES 3 million towards the building of one-way elephant gates in the Imenti Forest.
- AutoXpress donated to KES 2.5 million worth of tyres for the years 2018 and 2019.

#### Wider Mau Eburu conservation well underway

The construction of the 43.3 kms perimeter game-proof electrified fence completed in November 2014, is now over three years old. The fence protects 8,715 hectares of indigenous forest within the Mau Forests Complex Water Tower.

Rhino Ark, along with KWS, KFS and Loldia Farm have completed the securing the wildlife corridor between Eburu Forest Reserve and Lake Naivasha, with one joint security outpost, one wildlife water point and the electric fences along the corridor between the Moi North Lake Road and Eburu Forest completed. This fence helps in reducing illegal human activity as well as contains wildlife within a safe zone while protecting surrounding communities from human/wildlife conflict. Rhino Ark has also provided support to establish a ranger outpost at Ndabibi gate, to enhance forest protection work in the Ndabibi zone.

A unique development in preparation is the building of a wildlife overpass above the Moi North Lake Road. The Kenya Rural

Road Authority has endorsed the overpass proposal and already lowered the road to provide for the required height.

The 5-year (2017-2022) Participatory Forest Management Plan (PFMP) for Eburu forest has been completed. The plan was developed with technical and financial support from the Rhino Ark, in collaboration with KFS and other key partners. The PFMP implementation committee, in which Rhino Ark is represented, has been formed to pave the way for roll out of the plan.

Eburru Rafiki has recently secured funding for grassroots educational outreach work, in partnership with Rhino Ark. Their main focus is on community sensitization on forest conservation, governance and alternative livelihoods. With this funding Rhino Ark has developed a new conservation outreach kit and carried out effective outreach work amongst the forest adjacent communities.

Support for community livelihoods is being provided through linking local communities with agricultural experts, with Rhino Ark facilitating the farms visits and training of community groups on an ongoing basis.

The ongoing model schools tree nurseries project, an initiative supported by the MPESA Foundation continues to grow. Construction of two new nurseries, in Morop Primary School and Elementaita Primary Schools has been completed, bringing to 7 the current total of operational nurseries under this programme. The nurseries are helping to enrich the pupils' conservation learning experiences and expose them to best practices through training and practical work.

The school tree nurseries programme is working in tandem with the ongoing conservation education programme in local primary and secondary schools around Eburu forest. Rhino Ark continues to support the programme through regular mentoring visits by our field outreach team.

With the support of Calgary Zoo, an exciting new Mountain Bongo monitoring initiative has kicked off in Eburu forest to prepare ground for the eventual establishment of a sanctuary. The initiative will also provide further detailed information on threats to the bongo and their forest habitat.

#### Mt Kenya fencing project

A total of 170 kilometres of the Mount Kenya Electric Fence has been completed. The fence will eventually encircle Mount Kenya. By the time it is finally constructed, the fence will reach 450 kilometres – giving protection to a World Heritage Site, a precious water towers and a unique range of biological diversity. The built fence currently runs from Kiringa River, Kirinyaga County, passes through Embu and Tharaka Nithi counties and is now in Meru County where it has reached the Muchene corridor linking Mt Kenya with the Imenti forest. The Mount Kenya Electric Fence is constructed under a public-private partnership, involving Government agencies (Kenya Wildlife Service (KWS) and Kenya Forest service (KFS), Rhino Ark, the Upper Tana Natural Resources Management Project, Mount Kenya Trust and the local communities.

Rhino Ark, together with KWS, KFS and local communities, completed the construction of the 43 km long fence in the Imenti Forest, which is a known human-wildlife conflict hotspot. Further work has been done on the completed Imenti fence, including the re-alignment of a three kilometres fence section in Tigania West.

To enable to movement between Shaba National Reserve and the Imenti Forest, three elephant gates have been built.

Four animal grids are being built on the Kirachene-Malukumi road that crosses the Imenti Forest. These grids are financed by the Kenya Rural Road Authority.

#### Aberdare ecosystem

Although the Aberdare Electric Fence is completed, Rhino Ark is involved in the daily maintenance of the 400 km fence. Routine fence maintenance is carried out.

The Aberdare Joint Surveillance Unit (AJSU), which has been strengthened, continued conducting operations in the Northern Aberdare. The purpose of the continued patrolling efforts is to address illegal activities in Northern Aberdare which is a known hotspot area. AJSU also participated in a comprehensive assessment of the status of the 400-kilometre fence together with a technical team from KWS to ensure that all minor repairs are properly done and identify area that would require some level of rehabilitation.

The rehabilitation of the animal grid at Kieni was completed last year, and the two grids at Geta have been repaired and upgraded to sustain heavier traffic.

As part of the rehabilitation of Phase I of the Aberdare Electric Fence, the 5 km fence section at Ruhuruni has been entirely rebuilt. Rehabilitation of Phase II has also started. This is part of the long term commitment of Rhino Ark to the conservation of the Aberdare ecosystem.

Rhino Ark, with KFS and KWS, conducted a surveillance flight above the forests on the western slopes of Aberdare and Kipipiri Hill. These flights have helped in reducing illegal activities, in particular charcoal making and logging.

Rhino Ark in partnership with Challenge Aid, a UK based Charitable Trust, extended the community library project dubbed 'School of Hope (SOH)' to include three schools. The concept of SOH is to provide a facility where learners can converge after the normal school hours to do private studies and do homework/school assignments. SOH project has been established in three schools around Aberdare – SOH Bondeni, SOH Njogu-ini and the latest is SOH Wanjerere Pny School.

The Rhino Ark Nyeri office was officially opened on 28 February 2018 which will host the CEO of the Aberdare Trust and the Field Coordinator of the Bongo Surveillance Project.

#### South Western Mau ecosystem

Over the last three years, Rhino Ark has been advising the Netherlands-based IDH Sustainable Trade Initiative in the formulation and implementation of their project 'Initiative for Sustainable Landscape (ISLA)' aiming at conserving South Western Mau Forest Reserve and bringing sustainability in the broader South Western Mau landscape. Rhino Ark has taken the lead in

coordinating the forest conservation portfolio of the ISLA project.

As part of the South Western Mau landscape conservation project funded by IDH, Rhino Ark, with the help of IDH and Finlays conducted quarterly surveillance flights above the South Western Mau Forest Reserve to monitor the state of the forest. The most recent flight showed a significant reduction in charcoal making and illegal logging. However, livestock grazing remains very high, with several enclosures observed deep in the forest.

Rhino Ark also conducted a surveillance flight above the South Western Mau landscape including the upper catchments of Sondu and Mara rivers. The flight was to apprise senior officials of the challenges affecting the forests and other areas in the upper catchments of these two critical rivers, as well as to detect illegal activities.

Fencing of the eastern boundary of the South Western Mau Forest reserve is a key goal of the South West Mau landscape conservation project. This will help to address human-wildlife conflict challenges faced by the forest adjacent local communities, as well as provide Kenya Forest Service with a management tool to better control human access into the forest. Towards preparing for the fencing work, a detailed technical survey of the forest cut line was carried out in September-October 2017, with the 30km proposed Phase I of the fence reviewed and costed. In addition, a preliminary Environmental and Social Impact (ESIA) reconnaissance survey was carried out in February 2018. The survey has enabled preparation of a clear ESIA implementation plan.

Mobilization for implementation of a conservation education curriculum in local primary and secondary schools has commenced with the carrying out of a comprehensive schools survey. Approval for this programme was secured from Nakuru County education office. The stage 1 and stage 2 are now completed and a survey of 46 schools was carried out. Building on the experience gained from the seminal Eburu schools programme, the survey collected detailed technical data on the schools, including population, facilities/ infrastructure, GIS data and an assessment capacity to host the programme. Further surveys are planned to identify more schools in the area, but the findings of the surveys have provided the basis to plan the conservation education programme implementation.

Rhino Ark, with the financial support from Finlays and technical support from KWS, has completed the construction of a new outpost for KFS rangers at Kusumek. It is the second of the two outposts that were planned for establishment in 2017 to support the forest protection work. The quarterly aerial surveillance flights conducted by Rhino Ark, with support from IDH/ISLA and Finlays, revealed that north eastern boundary is the most vulnerable boundary of the forest.

#### The General Fund

We have removed the split between Fence Maintenance Reserve and Fence Construction Reserve and shown it as one line: General Fund.

#### Bongo Surveillance Programme (BSP) successes

The Bongo programme continues apace, thanks to a dedicated band of conservation individuals who constantly seek out fund support from a variety of donors. A further USD 50,000 was received during the year from Rare Species Conservatory Foundation and EU 8,500 from IDH towards the BSP. The funds go towards collecting vital information about the Bongo, patrols, removal of snares and spear traps, as well as to the dynamic Bongo wildlife schools outreach programmes under BSP.

#### Other initiatives

Rhino Ark and the Mount Kenya Conservation Forum, together with key partners, including Kenya Wildlife Service, Mount Kenya Trust and Space of Giants, organized the first workshop for landowners that are located in the identified elephant corridor linking Mt Kenya and the Aberdare on 28 July 2017. The aim was to inform of the benefits of establishing a secured corridor as well as to share experiences from other wildlife corridors established in Kenya: Eburu Forest-Lake Naivasha and Mt Kenya-Ngare Ndare Forest.

Following the workshop, a committee was established chaired by a land owner representative to spearhead the establishment of the corridors. The committee has met severally and has also engaged KFS and KWS towards addressing illegal activities in Thego Forest.

#### Thousands to thank

Rhino Ark has an enormous following both in Kenya and now greatly developed overseas as well. Much of the fund raised focuses upon the annual Rhino Charge where individual car entrants make substantial pledges and raise even more than their pledge each year. It is a grass roots conservation thrust within Kenyan society that has now developed a deep foundation. Every donor knows that Rhino Ark's ventures are to secure the nation's precious 'water towers' and to work in partnership with the government to ensure good governance for maximum benefits. The 2011 Environmental Assessment triggered by Rhino Ark and with support from UNEP and the East African Wild Life Society's Kenya Forests Working Group (KFWG) has placed a value on the Aberdare alone at KES 59 billion (which amount to 95 billion when adjusted to present value) annually in good/services (water being the most important) and in biodiversity benefits. This equals to approximately KES 530,000 per hectare per year.

It is always difficult to single out thanks in a report like this. Rhino Ark Kenya Charitable Trust has thousands of donors in Kenya and friends overseas who support our home grown and home driven conservation initiative.

I thank all of you for your generous support.

I wish to especially thank the Rhino Charge Committee and the huge band of volunteers who yearly give so much time, thought, ideas and energy to running this unique event.

**Isaac Awuondo**  
Chairman, Board of Directors