

FORESTRY COMMISSION



ANNUAL REPORT 2023



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ABBREVIATIONS AND ACRONYMS

CONEX	Conservation and Extension
FITC	Forest Industries Training Centre
GEF	Global Environment Facility
R & T	Research and Training
TWEP	Tobacco Wood Energy Program
ZCF	Zimbabwe College of Forestry



LETTER TO THE MINISTER OF ENVIRONMENT, CLIMATE AND WILDLIFE



Forestry Commission
1 Orange Grove Drive
P O Box HG 139
Highlands
Harare

31 December 2023

The Honourable Minister of Environment, Climate and Wildlife
12th Floor, Kaguvi Building
P Bag 7753
Causeway
Harare

Dear Honourable E. Ndlovu

**RE: ANNUAL REPORT FOR THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDING 31 DECEMBER 2023.**

As required by subsections (1) of section 49 of the Public Finance Management Act, Chapter 22:19, I have the pleasure of presenting the Annual Report and Accounts of the Forestry Commission for the year ended 31 December 2023.

Yours sincerely,



Veronica Jakarasi (Mrs.)
Board Chairperson





BOARD MEMBERS



BOARD CHAIRMAN

Veronica Jakarasi



COMMISSIONER

Caroline Mudenda



COMMISSIONER

Shelly Cox



COMMISSIONER

Nancy Matshe



COMMISSIONER

Tanyaradzwa Mundoga



COMMISSIONER

Professor Munashe Shoko



EXECUTIVE MANAGEMENT



ACTING DIRECTOR GENERAL

Stephen Zingwena



**DEPUTY DIRECTOR GENERAL,
RESEARCH AND TRAINING DIVISION**

Joyce Gombe



**ACTING DEPUTY DIRECTOR GENERAL,
CONSERVATION AND EXTENSION DIVISION**

Lewis Radzire

SENIOR MANAGEMENT



Finance Manager	Mr. A. W. Chirangande
Human Resources and Administration Manager	Mr. S. Nkiwane
Corporate and Legal Services Manager	Mrs. M.G. Hare
Chief Conservator of Forests	Mr. A. Tembo
Manager, Ngamo Safaris	Ms. S. Ngwenya
Principal, Colleges	Mr. M. Machamacha
Internal Audit Manager	Mr. C. Banga
Acting Corporate Planning Manager	Mr. A. T Chiodze
Research Coordinator	Mr. M Tembani
Business Development and Marketing Manager	Mr. E Mandura
Acting Procurement Manager	Mr. T Muchayi
Nurseries and Depot Manager	Mr. G Mupanhwa
Forest and Wildlife Ecologist	Mr. M Sebele



CORPORATE INFORMATION

HEAD OFFICE

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Highlands
P.O. Box HG 139
Highlands
Harare

AUDITORS

Office of the Auditor – General
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ATTORNEYS

DUBE, MANIKAI & HWACHA Legal Practitioners
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P.O. Box CR 36 Cranborne Harare

JAMES, MOYO-MAJWABU & NYONI Legal Practitioners
2nd Floor Exchange Building, Leopold Takawira Avenue
P.O. Box 1872 Bulawayo

AUDITORS

Office of the Auditor – General
5th Floor, Burroughs House
Corner 4th Street/George Silundika Avenue
Harare

BANKERS

CBZ Bank
Zimbabwe

Standard Chartered Bank Zimbabwe Limited
Africa Unity Square Branch
Corner Nelson Mandela Avenue/Sam Nujoma Street
P O Box 2472
Harare
Highlands
Harare



FORESTRY COMMISSION





VISION, MISSION AND CORE VALUES



OUR VISION

- Sustainably managed and utilized forest resources in Zimbabwe by 2030.



OUR MISSION

- To regulate, conserve and enhance capacity in sustainable management and utilization of forest resources.

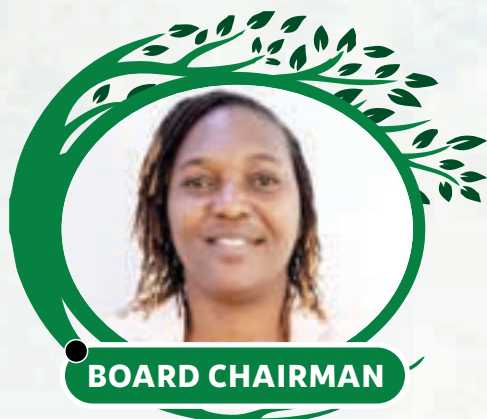


OUR CORE VALUES

-  **Integrity** – Forestry Commission staff shall ascribe to high standards of transparency and ensure accountability in conduct of their business.
-  **Professionalism** – decision making and practice will be based on current scientific knowledge and best practices.
-  **Result oriented** – Forestry Commission will pursue timely attainment of targeted results at all levels.
-  **Innovation** – Forestry Commission will encourage and reward creativity in work performance.
-  **Teamwork** – Forestry Commission will embrace mutual support and respect.



BOARD CHAIRMAN'S STATEMENT



Veronica Jakarasi

I am honoured to present the annual report of the Forestry Commission for the year ending 2023. This year has been one of significant progress and achievement for our organization, despite the challenges posed by global economic conditions and environmental concerns.

Operating environment

The year under review was marked by significant economic challenges, including high inflation and a depreciating local currency. Inflation was notably high from January to mid-year though it stabilised during and after the month of June to year-end. The Zimbabwe dollar (ZWL) depreciated substantially against the US dollar, from ZWL684.33 per USD at the beginning of the year to ZWL6,104.72 per USD by year-end. However, the introduction of monetary and fiscal measures in June 2023 had a positive impact, bringing stability to the operating environment and slowing down inflation. These measures tightened liquidity and halted excessive exchange rate depreciation, resulting in a decline in inflation from 53% in January 2023 to 26.52% by year-end.

PROGRESS AND ACHIEVEMENTS

During the reporting period, the following progress and achievements were registered:

- Under National Development Strategy (NDS) 1, the Forestry Commission managed to facilitate active management of the Simuchembo forest which has an area of 17 479 hectares located in Gokwe North District, Midlands Province. Engagement processes continued to the last quarter during the reporting period with Memoranda of Understanding (MOU) submission to the local authorities of Nkayi and Hwange where Nesikwe Block and Hwange Block B respectively, were also brought under active management during the period under review.
- The Forestry Commission Management and Board engaged effectively with the Ministry of Environment, Climate, and Wildlife and the Ministry of Finance, Economic Development, and Investment Promotion in an attempt to improve the organization's financial standing. During the reporting period, the Ministry of Finance agreed in principle, to cover the Forestry Commission's Employment Costs beginning in January 2024 and noted the need for enhanced capitalization to support Forestry Commission's growth.
- The Employment Conditions of Service and Code of Conduct were reviewed and updated to align with current employment legislation and Labour Act requirements, incorporating best practices in employee welfare and competitive advantage. Three key policies were drafted and approved by the Board namely; the Sexual Harassment Policy, Employment Gender Equity Policy and the Occupational Health and Safety Policy; demonstrating our commitment to a safe, respectful and equitable work environment.

Our Approach to Sustainability

Our commitment to sustainable forestry practices has remained unwavering. We have expanded our reforestation projects, planting over 13 000 hectares of new forest. This not only contributes to increased carbon sequestration potential in the face of climate change, but also supports biodiversity and provides economic benefits to local communities. Forests are critical to Zimbabwe's ecological balance, economic growth and social well-being. Their multifaceted roles transcend environmental conservation, extending into economic sustenance and cultural preservation. Forests therefore are of environmental, economic, social and cultural importance.

However, deforestation continues to threaten sustainable management of Zimbabwe's forests and woodlands. As a result, these areas are less able to supply the environmental goods and services required by the nation's expanding population for inclusive, equitable and sustainable green growth. We observe devastating effects at local, regional and global levels, further requiring transboundary management. Continued protection of our forests is necessary to reduce the detrimental impacts on the natural resources. This will prevent their future degradation and deforestation if we are to achieve our goal of "Sustainably managed and utilized forest resources in Zimbabwe by 2030."

FUTURE PLANS

Going forward, the Forestry Commission looks forward to:

- Launching the Zimbabwe National Forest Policy which aims "to enhance the contribution of the forestry sector to development and social equity through active participation of all stakeholders for the benefit of present and future generations." The Policy was approved on 16 May 2023.
- Establishing a tissue culture facility to facilitate the mass production of high-quality, disease-free tree propagules while optimizing operational costs, thus enhancing overall revenue generation.
- Enhancing a participatory approach in the management of forest conservation through the involvement of the local authorities, traditional leaders and communities.
- Leading the development of the Forest Emission Reference Levels and the Reduced Emissions from Deforestation and Forestry Degradation (REDD+) Strategy towards enabling the Commission to actively participate in the carbon markets.

APPRECIATION

Lastly, I want to express my gratitude to all of our diverse stakeholders; including local communities, civil society, schools, development partners, and the private sector, who contributed in various ways to the conservation and management of forests. My gratitude also goes to our parent Ministry and fellow Commissioners for their assistance and direction over the years. I also want to thank the Forestry Commission's management and employees for their excellent work throughout a challenging year. Let us continue to strive for healthier forests for the people of Zimbabwe and beyond, both now and in the future, by practicing sustainable forest management.



Veronica Nonhlanhla Jakarasi (Mrs)
Board Chairman

ACTING DIRECTOR GENERAL'S STATEMENT

I am pleased to present the annual report for 2023, highlighting the achievements, opportunities and challenges faced by the Forestry Commission. A significant achievement registered for 2023 was the Cabinet approval of the National Forest Policy on 16 May 2023, the first since independence.

OPERATIONAL LANDSCAPE

The year 2023 saw Zimbabwe experiencing a significant El Nino effect. This climatic phenomenon, which typically brings drier-than-average conditions, led to prolonged droughts across the country. The droughts caused severe food insecurity and water shortages, impacting both rural and urban areas. The situation was so severe that the government declared a state of disaster in response to the drought. The Forestry sector was not spared from the effects of the El Nino as this resulted in increased tree mortality due to moisture stress, stunted growth of trees and changes in tree species composition on landscapes as some trees succumbed to the moisture stress which they failed to survive.



ACTING DIRECTOR GENERAL

Stephen Zingwena

FINANCIAL PERFORMANCE

Despite experiencing a difficult operating environment and under-capitalization, the Commission managed to generate operating revenue from own resources amounting to ZWL64.4 billion inflation adjusted (ZWL24.5 billion historical) and posted a surplus of ZWL3.7 billion inflation adjusted (ZWL1.1 billion historical). The main sources of revenue were lease fees, safaris, regulation fees, seed and hardwoods sales. Treasury also supported the Commission through a grant amounting to ZWL16.4 billion inflation adjusted (ZWL6.3 billion historical). Furthermore, the Commission ended the year in a positive net current asset position of ZWL1.57 billion inflation adjusted (ZWL0.123 billion historical) as a result of its current assets exceeding current liabilities.

KEY ACHIEVEMENTS

The following milestones were achieved during the reporting period:

1. A total of 21 000 000 multipurpose trees were planted, against a target of 25 000 000 trees. In general, tree planting was heavily affected by poor and late rains as the season fell in a drought year. The official launch of the tree planting season was done at Domborutinhira Secondary School, Mutasa district, led by the Hon. Vice President of the Republic of Zimbabwe Dr. C.G.D.N. Chiwenga (Rtd.) who was the Acting President at the time. National Tree Planting Day commemoration was held under the theme, "Trees and Forests for Ecosystem Restoration and Improved Livelihoods" and the Tree of the Year (TOY) was Fever Acacia.
2. The installation of a 60 m³ wood drying kiln at the Forestry Commission's Foresthill Sawmill in Lupane registered significant progress as most of the work was accomplished to approximately 95% completion. A test run conducted in December 2023 demonstrated the kiln's effectiveness, producing a load of 65 m³ of perfectly dried indigenous hardwood timber. This enhancement in drying capacity is expected to significantly increase production efficiency and improve the quality of timber products.
3. A total of 914.5 kg of honey was processed over the year, with the majority coming from community sources. In all, 1 711 packaged honey bottles bearing the Forestry Commission's brand were traded.
4. A total of 1 135 274 trees were planted under the Tobacco Wood Energy Program (TWEP) within the tobacco growing regions and a total of 940 359 seedlings were produced at central nurseries in addition to the carried forward stock from the previous year. However, more seedlings could have been produced but was affected by non-disbursement of funds for the Afforestation Fund to support the project.

5. GEF funded projects

- o Forestry Commission continued implementing forest related activities under the United Nations Development Program (UNDP)-Global Environment Facility (GEF) 6 project in the Mid to Lower Zambezi Region of Zimbabwe. The project is expected to be ending next year by the 30th of June 2024. Activities involved are nursery production, tree planting, fire management and restoration of degraded sites.
 - o Forestry Commission is again one of the implementing partners in a FAO-administered GEF 7 project entitled “A cross-sector approach supporting the mainstreaming of sustainable forest and land management to enhance ecosystem resilience for improved livelihoods in the Save and Runde Catchments of Zimbabwe”. The project is implemented in eight districts across Manicaland, Masvingo and Midlands Provinces.
 - o Forestry Commission conducted carbon assessments within the Save-Runde catchment as part of its research efforts. The results of these assessments revealed a carbon stock range of 10.57 mg C/Ha for Terminalia/Combretum vegetation to 36.3 mg C/Ha for Miombo vegetation, the dominant vegetation type. These assessments were supported by funding from the GEF 7 project.
6. A total of 74 students against a target of 100 graduated in short and long courses at the Zimbabwe College of Forestry; 50 graduated in short courses while 24 graduated with Certificate and Diploma qualifications at the Zimbabwe College of Forestry’s 29th graduation event held on 30 June 2023.
7. An award was bestowed upon Forestry Commission’s Ngamo Safaris business unit in the year under review. It scooped excellency awards in some of the exhibitions namely; “Best Safari Stand” at the Travel Expo, and ‘Gold medal and crowned record breaker for outstanding achievements in the field and exceptional contributions to the tourism industry’ at the Sijabule Hospitality and Tourism Awards Night on the 26th of October 2023. The Commission appreciates these awards that are a testament to its innovative culture and continuous efforts towards meeting its clients’ needs and services.

■ At the 2023 Edition of the Zimbabwe Agricultural Show, Forestry Commission scooped three awards, namely:

- o Best Overall Display by an Organisation Exhibiting Climate Smart Projects in all sectors;
- o First runner up: Best Organisation Exhibiting Sustainable Conservation Practices
- o 2nd Runner Up: Best Display by a State Enterprise/Parastatal

FUTURE OUTLOOK

Looking ahead, we are excited about the opportunities that lie ahead. We look forward to continuously upgrade Ngamo Safaris facilities to match modern day standards and explore opportunities in participating in biodiversity credits. We will continue to invest in sustainable forestry practices and community development programs. Our goal is to create a positive impact on the environment and the communities we serve, while also delivering value to our stakeholders. It is therefore my earnest ‘prayer’ that government will in future disburse 100% of the tobacco levy to Forestry Commission to support forestry activities and enable the Forestry Commission to accomplish much more.

GRATITUDE

I would like to extend my gratitude to our dedicated team, whose hard work and commitment have been instrumental in our success. I also thank the Forestry Commission Board and our parent Ministry for their guidance and unfailing support. My sincere gratitude goes to our diverse range of stakeholders, partners and clients for their support and collaboration, which we really appreciate and hope will continue in the future. Together, we will continue to promote inclusive, equitable and sustainable management of our forests towards building a sustainable future for generations to come.



Stephen Zingwena (Mr)
Acting Director General.



SERVICE COMMITMENTS AND STANDARDS

Our general standards of service to our clients shall be as follows: -

(i) Continuous improvement regarding: -

- Responsiveness to all queries
- Clear communication of information
- Provision of accurate information
- Provision of consistent, accurate and impartial advice to clients
- Striving to provide reasonable response time regarding our services.
- Training staff to be friendly, helpful, respectful and sensitive to clients' individual needs, explaining, and listening carefully to individual requirements and views.

(ii) Continued commitment to: -

- Provision of timely, efficient, and accessible services to all our clients.
- Upholding the highest standards of professionalism and integrity in all interactions.
- Active engagement and consultation with stakeholders in decision-making processes.
- Promotion of transparency, accountability, and responsiveness in all our activities.



FORESTRY COMMISSION



CORPORATE GOVERNANCE STATEMENT



Forestry Commission derives its governance standards from the Constitution of Zimbabwe, the Public Entities and Corporate Governance Act (PECGA) [Chapter 10:31] and its accompanying Regulations of 2018, as well as the Forest Act [Chapter 19:05].



**CORPORATE & LEGAL SERVICES
MANAGER**

Mary Grace Hare

GOVERNANCE STRUCTURE

The Forestry Commission Board is established in terms of the provisions of the PECGA [Chapter 10:31] as read with Section 5 of the Forest Act [Chapter 19:05], which provides that:

1. The Minister shall appoint members of the Commission as follows -:

- (a) a chairperson;
- (b) a deputy chairperson who shall be of the opposite gender to the chairperson;
- (c) a person holding a recognised qualification or demonstrable knowledge in forestry;
- (d) persons recognised for their qualification, ability or experience in the following—
 - (i) environmental planning and management;
 - (ii) finance;
 - (iii) business and administration;
 - (iv) ecology;
 - (v) human resources;
- (e) a legal practitioner registered in terms of the Legal Practitioners Act [Chapter 27:07];
- (f) a representative from the Ministry responsible for environment;
- (g) a Chief nominated by the National Council of Chiefs. The Board was not fully compliant with this provision during the period under review. The non-compliance emanated from the lateral transfer of the board members to diplomatic missions, retirement of members, and expiry of terms of members. Efforts were being made with the line Ministry to appoint Commissioners to replace those who had left. An approved Board Charter is in place clearly spelling out the roles and responsibilities of the Board. In line with section 15 of Statutory Instrument 168 of 2018 [(Public Entities Corporate Governance (Regulations 2018))], the Board exercises control over the Commission through Committees which deal with specific issues according to their terms of reference. The Committees meet quarterly and report to the Board. The following Committees were in place during the year under review:

Finance and Human Resources Committee

Chairman	Prof. M. Shoko
Committee Members	Ms R.C. Mudenda Mr T. Mundoga Ms N. Matshe

The committee reviews and evaluates financial plans and results in comparison to stated strategies, objectives and plans. It supervises the financial affairs of the Commission to ensure long term stability and sustainability. It is responsible for approving the Commission's budgets and receiving and reviewing audited financial statements before submission to the Board, monitors the Commission's human resources strategy, formulates and reviews human resources policies and conditions of service.

Audit and Legal Committee

Chairman	Ms R. C. Mudenda
Committee Members	Mr T. Mundoga Ms S. Cox

The Audit and Legal Committee primarily focuses on ensuring that the Commission's accounting policies, internal controls and financial reporting practices are in accordance with best practice. On the legal side, the Committee focuses on compliance, identifies legal risk areas and considers and reviews contracts.

Conservation, Research and Training Committee

Chairman	Prof M. Shoko
Committee Members	Ms C.R. Mudenda Ms S. Cox

The Committee guides, oversees and supports sustainable forest conservation initiatives and promotes scientific research.

Business Development Committee

Chairman	Ms S. Cox
Committee Members	Prof M. Shoko Ms N. Matshe

The Committee identifies, evaluates and drives strategic initiatives and partnerships that promote revenue growth, investment opportunities, and fosters information and communication technologies to enhance operational efficiency.

2023 Scheduled Board Meetings

In terms of Section 26 (2) of the Forest Act [Chapter 19:05], the Board is required to meet at least once every quarter. Note that the Board Chair did not sit in any committees. In this regard the Board held the following meetings:

Board Meetings

Date	Meeting	Attendees
30 March 2023	588 th Board Meeting	Ms V. Gundu-Jakarasi Prof M. Shoko Ms R.C. Mudenda Ms N. Matshe Mr T. Mundoga Ms S. Cox
07 July 2023	589 th Board Meeting	Ms V. Gundu-Jakarasi Prof M. Shoko Ms R.C. Mudenda Ms N. Matshe Mr T. Mundoga Ms S. Cox
06 October 2023	590 th Board Meeting	Ms V. Gundu-Jakarasi Prof M. Shoko Ms R.C. Mudenda Ms N. Matshe Mr T. Mundoga Ms S. Cox
06 December 2023	591 th Board Meeting	Ms V. Gundu-Jakarasi Prof M. Shoko Ms R.C. Mudenda Ms N. Matshe Mr T. Mundoga Ms S. Cox

The Board also held one Ad Hoc meeting to attend to urgent matters during the year on the 11th of May 2023.

Committee Meetings

Committee	Number of Meetings
Business Development Committee	4 Ordinary Committee Meetings
Conservation, Research and Training Committee	4 Ordinary Committee Meetings
Audit and Legal Committee	4 Ordinary Committee Meetings
Finance and Human Resources Committee	4 Ordinary Committee Meetings

Statutory Meetings with the Minister

During the reporting period, the Forestry Commission held two statutory meetings with the Minister as follows:

1. On 11 September 2023, a meeting was held with Honourable N.M. Ndlovu, the then Minister.
2. Following the assumption of office by the new Minister, a subsequent meeting was held on 13 November 2023 with Honourable Dr. S.G.G Nyoni.

These meetings facilitated engagement and discussion on key issues affecting the Forestry Commission and ensured alignment with government priorities.

Board remuneration

Board Remuneration for the period January to December 2023 amounted to ZWL37,430,299.12 and US\$3,453.82; broken down as follows:

Board Member	Total ZWL	Total USD
Ms V. Gundu-Jakarasi	9,180,905.27	834.88
Prof M. Shoko	7,579,813.19	683.42
Ms R.C. Mudenda	7,736,007.39	674.51
Ms N. Matshe	6,619,730.73	704.21
Mr T. Mundoga	6,313,842.54	556.80

Our Corporate Strategy

The Board reviewed the Forestry Commission's strengths, weaknesses, opportunities, and threats, aligning with the National Development Strategy 1 (2021-2025) framework. The Strategic Plan was reviewed, focusing on sustainable forest management, conservation, and community engagement. Our commitment to national objectives and statutory mandate is reflected in the programs and outcomes achieved during the period under review. The Board recognizes the importance of skilled personnel and collaboration with stakeholders to ensure successful implementation of our strategic plan. The Board will continue to provide strategic oversight, ensuring an optimal working environment to achieve desired outcomes in 2024 and beyond.

The day-to-day management of the Forestry Commission is entrusted to the Director General who is appointed by the Board in consultation with the Minister. The Board through the Director General guides the operations of the organization. The Director General is assisted by two Deputy Director Generals and supported by a team of Senior Managers.

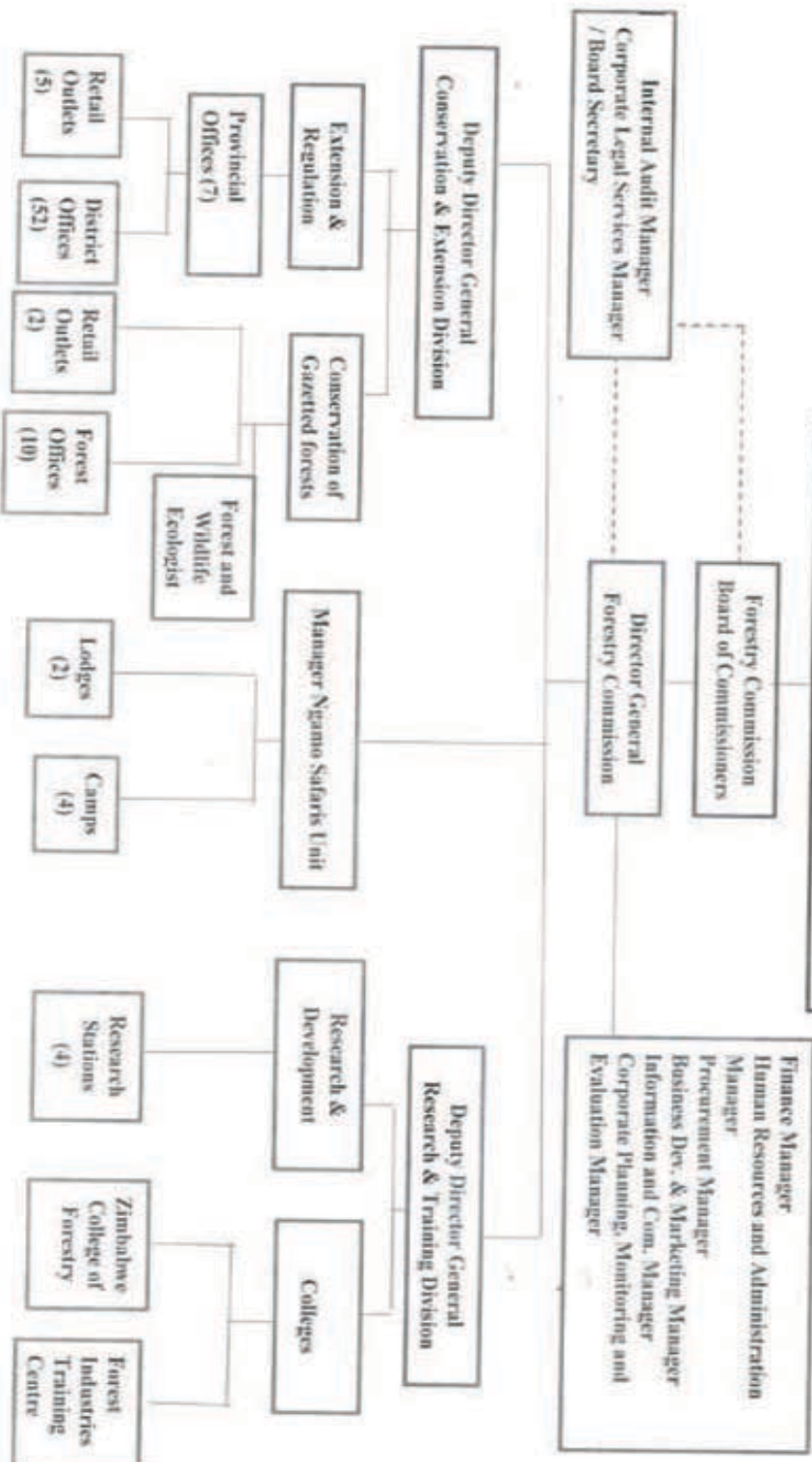
The Forestry Commission has two technical Divisions namely; Conservation & Extension (CONEX) Division and Research & Training (R&T) Division; as well as a safari business unit trading as Ngamo Safaris. The organization's structure is depicted in figure 1 below:

FORESTRY COMMISSION



OPERATIONAL STRUCTURE

Ministry of Environment, Climate and Wildlife





1. FORESTRY COMMISSION OVERVIEW

Forestry Commission consists of three programmes as follows:

- i. **Program 1: Policy and Administration**, which consists of support departments or units such as the Human Capital and Administration department, Finance department, Corporate and Legal Services, Corporate Planning, Monitoring & Evaluation, Procurement department, Information & Communications, and Internal Audit.
- ii. **Program 2: Conservation of forest resources for sustainable development**, which consists of the Forestry Extension Services Department, Regulations Unit, Business Development & Marketing Unit, Ngamo safaris and the Gazetted Forest Management Department.
- iii. **Program 3: Forest Research & Training** comprises two wings: the Research and Development wing and the Forestry and Wood Technology Training wing.

All of the aforementioned programs put forth a great deal of effort to fulfill the Forestry Commission's overall obligations, which include the requirement to:

- i. Formulate policies and guidelines regarding the management, conservation and utilization of all types of forests in the country.
- ii. Promote forestry education and training.
- iii. Conduct forestry research and apply research findings.
- iv. Draw up and implement management plans for gazetted forests.
- v. Assist rural district councils in drawing up forest management plans.
- vi. Provide forestry extension services country-wide.
- vii. Promote national interest in relation to international forest-related conventions and principles.
- viii. Enforce the provisions of the Forest Act [Chapter 19:05], Communal Land Forest Produce Act [Chapter 19:04] and any forest or land use rules and regulations made pursuant thereto or any other related written law.

The operations carried out by CONEX, R & T, and Ngamo Safaris throughout the reporting period are described and explained in the report. The report's attachment contains the Audited Financial Statements as well.





2.0 CONSERVATION AND EXTENSION DIVISION

The Conservation and Extension (CONEX) Division consists of two departments namely; the Forestry Extension Services Department headquartered in Harare and the Gazetted Forest Management Department headquartered in Bulawayo. The amalgamation of the aforementioned departments in 2001 gave birth to the CONEX Division.

The CONEX Division has representatives in every province and district. In the provinces of Matabeleland and Midlands, management and conservation of the twenty-seven indigenous gazetted forests is also paramount. The Division focused on its primary outcome initiatives. areas; which included enhanced forest management, national forestry regulation and extension CONEX's extension programs comprised tree seedling production, tree planting and training for farmers as well as collaborators.

2.1 Major activities and key achievements of the CONEX Division

The major activities or programs that were undertaken during the reporting period included but were not limited to tree seedling production and tree planting, installation of the wood drying kiln, resuscitation of the Gutu nursery, apiary projects establishment, nursery establishment and implementation of the GEF 6 and GEF 7 projects.

2.1.1 Tree Seedling Production and Tree Planting

A total of 13 085 103 tree seedlings were produced against an annual target of 25 000 000 while in tree planting, a total of 21 000 000 trees were planted out of an aggregate target of 25 000 000. In both cases, the annual targets for tree seedling production and tree planting were not achieved. This was attributed to the non-disbursement of the Afforestation Fund during the tree-planting period which was critical for operational activities in the main tobacco-growing provinces. The Afforestation Fund is resourced from a Tobacco Levy collected from the sale of tobacco at a rate of 0.75% of the annual national tobacco sales. The money is supposed to be availed to the Forestry Commission annually to finance afforestation and reforestation programs. The general immobility and lack of Information Communication Technology equipment for data collection of the field officers were some of the reasons why there was under-capturing on production statistics from various nurseries across the country by Field Officers. For tree planting, most of the trees were planted under the timber commercial plantations in the Eastern highlands and tobacco growing regions by tobacco merchants. However, the target was not met especially in communal areas as the season was affected by the El Nino phenomenon where limited rains were received in most parts of the country leading to reduced tree planting activities.



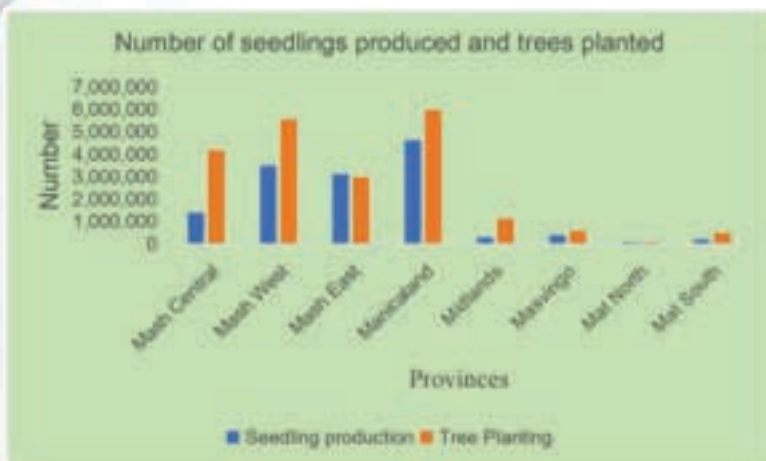


Fig 2.1: Trees planted and seedlings produced in 2023.

The graph indicates that Mashonaland and Manicaland Provinces, which have comparatively high yearly rainfall, have greater tree planting and seedling output. In provinces such as the Midlands, Masvingo, Matabeleland North, and Matabeleland South that receive relatively little rainfall, the production of tree seedlings and planting of new trees may not be as prominent, but forestry extension efforts in these regions primarily concentrate on woodland management practices that preserve existing forests.

2.1.2 The National Tree Planting Day

National Tree Planting Day commemoration was held under the theme, “Trees and Forests for Ecosystem Restoration and Improved Livelihoods” and the Tree of the Year (TOY) was Fever Acacia. The official launch of the tree planting season was done at Domborutinhira Secondary School, Mutasa district, led by the Hon. Vice President of the Republic of Zimbabwe Dr. C.G.D.N. Chiwenga (Rtd.) who was the Acting President at the time. A total of 209 venues were commemorated against a target of 168 and a total of 170 816 assorted trees were planted.



Plate 2.1: Fever Acacia tree planted by the Hon. Vice President of the Republic of Zimbabwe Dr. C.G.D.N. Chiwenga (Rtd.) on 3 December at Domborutinhira Secondary School, Mutasa District.

2.1.3 Pre- National Tree Planting Day Commemoration.

Her Excellency and the Environment patron, First Lady Dr. A. Mnangagwa, led a tree planting and forest conservation of 6 494 trees as part of pre-NTPD campaign in all the provinces. Table 1 shows a summary of trees planted by the First Lady, during the same year, in the first quarter.

Table 1: Pre- National Tree Planting Day Commemoration led by the First Lady in 2023

Province	Location	Date of Planting (Confirmed dates)	Trees Planted	Survival status
Masvingo	Bubi Sec School, Mwenezi district	23/11/23	534 assorted fruit trees	There was 100 % survival during the reporting period. Broadcasted seed did not germinate as a result of prolonged dry spell caused by the effect of the El Nino effect.
Mash East	Chirimamhunga Secodary School ward 6, Seke District	24/11/23	475 eucalyptus and assorted fruit trees	95% of the trees survived.
Mash West	Kwayedza High School, Sanyati District	14/12/2023	2250 eucalyptus and ornamental trees.	80% of the trees survived.
Mash Central	Chitsungo Clinic, Mbire District		35 ornamental trees	All the planted trees survived.
Manicaland	Mhandarume Sec School, Chimanimani District	27/11/2023	400 assorted fruit trees and ornamentals	47% of the trees survived.
Midlands	Poshayi Primary School and Poshayi Village	14/12/23	1825 indigenous and assorted fruit trees	96% of the trees planted in the orchard survived while 46% was registered on the woodlot.
Mat North	Elitsheni Pry School, Bubi	17/11/23	600 assorted trees	100 fruit trees were planted at the school and 70% of them survived. The remaining trees were given to communities.
Bulawayo Metropolitan Province	Sizane High School, Bulawayo District	18/11/23	101 assorted ornamental and fruit trees	41% of trees survived, trees were affected by extreme moisture stress. Plans are underway for replacement at the onset of the rains.
Mat South	Mvuthu High School	16/12/2023	175 assorted fruit trees and ornamentals	Most of the trees planted were affected by moisture stress and termite damage due to prolonged dry spell.
Totals			6 494	



Plate 2.2: A collage of pictures showing participants at the First Lady pre-NTPD function at Elitsheni Primary School, Bubi Rural District Council Matabeleland North province.

2.1.4 100-Day cycle projects.

Under the 100-Day Cycle Program, two noteworthy accomplishments were completed throughout the year which included:

- The installation of a 60 m³ wood drying kiln at Foresthill in Lupane. In December 2023, a test run of the machinery was effective, yielding a 65m³ load of flawlessly dried native hardwood lumber. To complete the installation, a few more fittings were needed as of the end of the year.
- The Lotteries and Gaming Board's grant of US\$4,421,00 made it possible to revive Gutu Forest Nursery. Materials for shedding and fencing were purchased and installed. The nursery was prepared for the upcoming season of production at the time of reporting.



Plate 2.3: Installation of Wood Drying Kiln at Forest Hill, Lupane, Matabeleland North Province.



Plate 2.4: Gutu Nursery Shade, Masvingo Province.

Table 2: Tree planting performance in the TWEPP provinces.

Province	Tree Planting		Area planted in hectare (ha)		Remarks
	Annual target (Trees planted)	Actual achievement (Trees planted)	Annual target (Area planted-ha)	Actual achievement (Area planted-ha)	
Mash Central	1 348 800	486 337	843	25.9	There was a non-disbursement of the Afforestation Fund to support nursery operations that affected availability of planting stock during the tree planting season.
Mash East	1 600 000	57 800	1 000	36.1	Seedling production was seriously affected by water challenge at Hwedza nursery and ownership wrangle at Mahusekwa Nursery which led to low tree planting stock.
Mash West	3 000 000	251 276	1 875	157	Water challenge affected production at Trelawney nursery, which did not produce seedlings. Production at Magunje Nursery was hampered by resource constraints which led to low tree planting stock.
Manicaland	3 000 000	339 861	1 875	212	Seedlings were produced under three central nurseries that were not fully resourced.
Total	8 948 800	1 135 274	5 593	709	

2.1.6 Beekeeping

Out of a targeted 12 600 kg of honey, 914.5 kg was processed over the year, with the majority coming from community sources. In all, 1, 711 packaged honey bottles bearing the Forestry Commission's brand were traded. While no new apiaries were started, Marymount Teachers' College, the Makoni and Chirinda community apiaries, and several established apiaries saw advancements in hive management. Over 95% of the more than 300 hives installed in different gazetted forests in Matabeleland North have not yet been colonized, indicating subpar performance. Donation of beehives was also conducted to ten beekeepers at Muzarabani High School in Muzarabani district.



Plate 2.5: Donation of beehives to beekeepers by the Forestry Commission during the International Day of Forests (IDF) commemoration at Muzarabani High School in Muzarabani District.

2.1.7 GEF 6 project

Numerous activities were conducted during the year under review which included the following:

- Carbon assessments where seven technical staff were trained in Carbon quantification skills.
- Three workshops were also conducted to validate the Integrated Landscape Management Plans.
- A total of seven large nursery sign posts were erected for visibility.
- Fireguards totalling 58.3 km were erected on all the three restoration sites.
- 37 Forestry awareness meetings were convened reaching out to 1 394 participants.
- 296 266 tree seedlings were produced from the three central nurseries at Mavhuradonha, Chitindiva and Mushumbi.
- 272 027 trees were planted covering 523.1 ha.
- Under regulatory activities within the Zambezi valley, a total of 90 patrols and 3 x 4-day blitzes were conducted resulting in 69 arrests and 65 spot-fine tickets issued.



Plate 2.6: Part of the 148,205 Eucalyptus seedlings produced at Mavhuradonha nursery in Muzarabani district.

2.1.8 GEF 7 project

The project entitled “A cross-sector approach supporting the mainstreaming of sustainable forest and land management to enhance ecosystem resilience for improved livelihoods in the Save and Runde Catchments of Zimbabwe” is part of a global program led by the Food and Agricultural Organization of the United Nations (FAO), the GEF-7 Sustainable Forest Management Impact Program on Dryland Sustainable Landscapes (SFM/Drylands IP). The Zimbabwe child project was designed together with five other national projects in Southern Africa with the aim to overcome common management challenges by pursuing the same overall goal: to support a transformational shift towards a sustainable and integrated management of multi-use dryland landscapes of the Miombo and Mopane ecoregions.

In Zimbabwe, FAO leads and jointly execute the project with Environmental Management Agency (EMA). The implementation of the project involves the FAO country office working in collaboration with governmental organizations such as the EMA, Forestry Commission (FC) and Zimbabwe Parks and Wildlife Management Authority (ZIMPARKS); Non-Governmental Organisations (NGOs) and private partners.

The project interventions are being implemented in eight districts which are Shurugwi, Masvingo, Zaka, Chimanmani, Buhera, Bikita, including Chivi and Chipinge districts identified as Land Degradation Neutrality (LDN) hotspots.

The following activities were achieved during the reporting period:

- A total of 28.53 ha was planted against a target of 20ha in the GEF 7 Landscape.
- A total of 6 472 trees were planted.
- A total of 21 442 seedlings were produced across the GEF 7 Landscape.
- A total of 13 965 ha was placed under Woodland management in the various GEF 7 operating districts.



Plate 2.7: Forestry Extension Officer (FEO) for Shurugwi District, Ms Mudzinganyama (In foreground in khaki sleeveless jacket and black cap) facilitating a nursery production training.

2.1.9 Presidential Rural Horticulture Development Program

No funding was availed to FC for fruit tree production as planned. However, fruit trees from own FC resources continued to be distributed to communities through programs such as NTPD Commemorations and Agric4She. The Plan for 2024 is to require meticulous recording of all fruit trees planted under this program by field officers working in collaboration with the Ministry of Lands and the newly instituted Trees4ED Coordinators. Under the original plan of the Program, Forestry Commission's role was to produce the fruit trees and facilitate training of communities in the planting and management of the fruit trees under a 3-phase scheme. The Budget for seedling production was supposed to come to Forestry Commission through Ministry of Agriculture, but that did not materialize.

2.1.10 Presidential Urban Afforestation /Beautification Program

The Program did not record much success in planting trees in the year that followed its official launching in December 2022 due to lack of funding. Throughout the year, only planning meetings for the Airport Road Beautification were regularly held during the reporting period. The Program was formally inaugurated with a tree-planting event near the Newlands Shopping Center on E.D. Mnangagwa Road in Harare. A variety of trees, including Kenyan croton, fever trees, and beefwood were planted spanning 4.2 km from RG. Mugabe Road to the Glenara intersection. In order to finance the program's expansion to additional cities and towns outside of Harare, plans call for stepping up the hunt for partnerships in 2024.

2.1.11 Publicity and Exhibitions

As part of its publicity strategy, Forestry Commission participated in various exhibitions during the year under review. These included District, Provincial and National and other similar level events. Of significant interest was the achievements made at various Provincial Agricultural shows where Forestry Commission excelled under difficult circumstances, including at the Zimbabwe Agricultural Show where it received three Awards listed below:

- Best Overall Display by an Organisation Exhibiting Climate Smart Projects in all sectors.
- First runner up: Best Organisation Exhibiting Sustainable Conservation Practices
- 2nd Runner Up: Best Display by a State Enterprise/Parastatal

Plate 2.8 depicts the Acting Director General, Mr. S. Zingwena, showing off the Trophy Award just received from His Excellency, the President.



Plate 2.8: The Acting Director General, Mr. S. Zingwena (foreground centre) receiving the Trophy at the Zimbabwe Agricultural Show 2023 Official Opening.

2.1.12 Independence Celebrations

The Forestry Commission marks independence celebrations annually by planting trees. The 2023 independence tree planting and celebrations were held in Mashonaland Central. Forty-three trees were planted and over 3 000 trees were distributed to the school and the local community.



FORESTRY COMMISSION



Plate 2.9: The Board Chairman, Mrs V.N Jakarasi in Mashonaland Central at the Zimbabwe's 43rd Independence Day celebrations after the tree planting ceremony.



3.0 RESEARCH AND TRAINING DIVISION

The R&T Division is divided into two wings namely; the Research and Development and the Training wings. The thematic areas of research are Forest Genetic Resources Conservation, Plantation Forest Research, Climate Change, Tree Improvement and Forest Monitoring. The knowledge generated provides scientifically-grounded basis for assessing both the positive and negative impacts of forest management including utilization, land-use change, and technological innovation and thereby offer scientifically sound options for increasing forest productivity, restoring landscapes and ensuring sustainable tree-based land management practices.

The Division is headquartered at Forest Research Centre in Harare and comprises of the following research stations:

- i. Forest Research Centre in Harare
- ii. John Meikle in Stapleford
- iii. Muguzo in Chimanimani
- iv. Chesa in Bulawayo
- v. Mtao Satellite station
- vi. Ngungunyana Satellite station.



Figure 3.1: Research stations (red circles) coordinating the establishment and management of research activities for Forestry Commission (Source Tembani et al. 2014).

The Zimbabwe College of Forestry (ZCF) and the Forest Industries Training Centre (FITC) are the two separate institutions that make up the Training wing. While FITC provides training in primary wood processing, ZCF gives training in forest management. Thus, the colleges do offer a wide range of forestry value chains from forest establishment and silviculture to forest management, and timber harvesting. In addition, community forestry and natural resources management are offered. At both colleges, training is offered at certificate and diploma levels. Skills upgrading and in-service courses are offered to practicing industry personnel. The emphasis at both colleges is on practical work and students spend significant time out doors for field work or trips to observe and learn current forestry practices.

3.1 Major activities and key achievements of the R & T Division

The major activities or programs that were undertaken during the reporting period included Carbon assessments for Save-Runde catchment, production of Zimbabwe's vegetation map, Forest resources inventory, Seed processing, production of Publications and Forestry training.

3.1.1 Carbon assessments for Save-Runde catchment

With the help of the GEF 7 project, carbon assessments for the Save-Runde catchment were carried out. The results showed that the landscape's carbon stocks ranged from 10.57 mg C/Ha for Terminalia/Combretum vegetation to 36.3 mg C/Ha for Miombo vegetation, which is the dominant vegetation type.

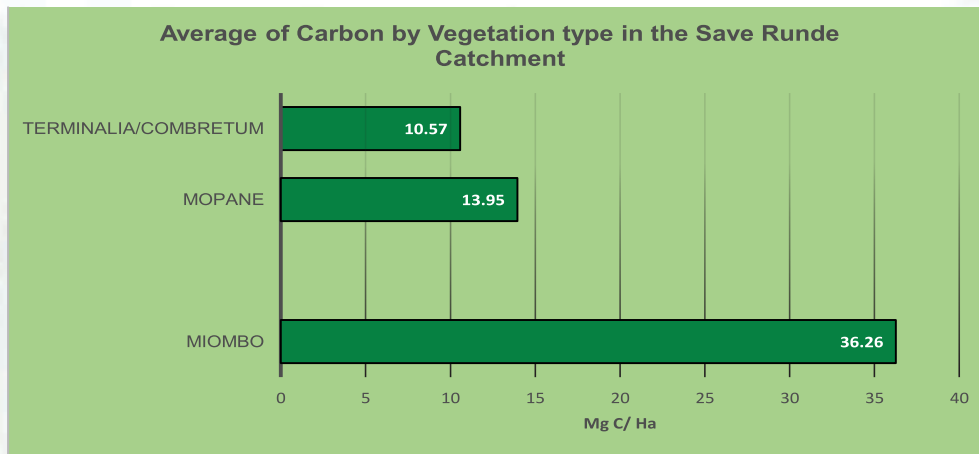


Figure 3.2: Average Carbon by Vegetation type in the Save Runde Catchment.

3.1.2 Zimbabwe's vegetation type map.

During the reporting period, the country's vegetation type map was produced. It showed different types of vegetation that exist in Zimbabwe with miombo and mopane as the largest vegetation types.

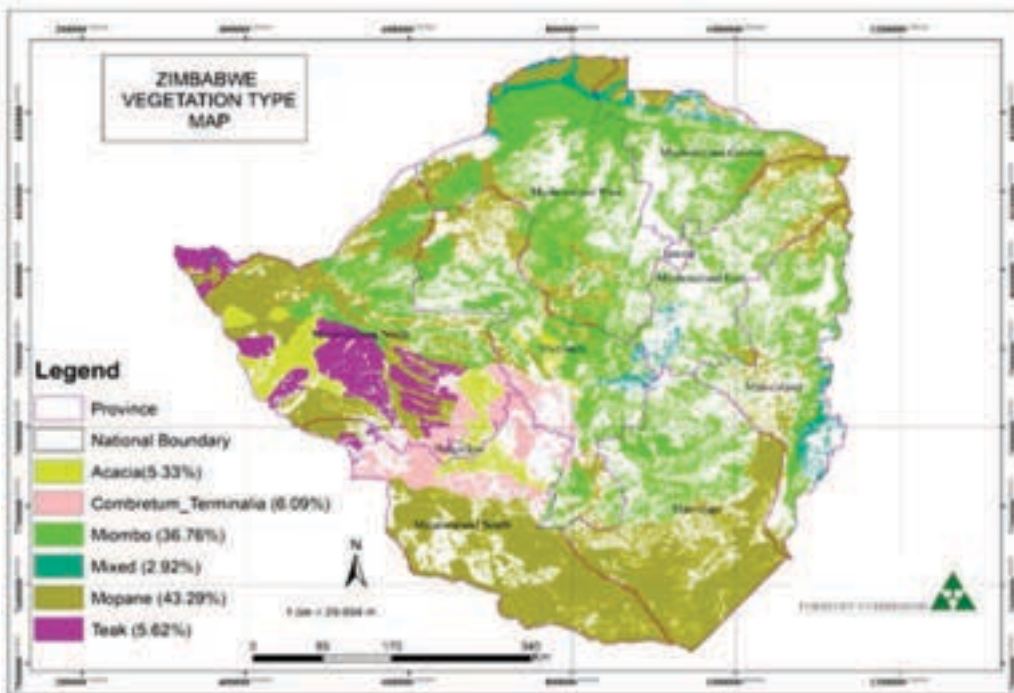


Figure 3.3: Zimbabwe's Vegetation type map.

3.1.3 Forest resources inventory

A total of 4 inventories were completed, achieving set target of delivering 4 inventories during the reporting period. As part of the Food and Agricultural Organization of the United Nations (FAO)-funded Forest Reference Emission Level (FREL) assessment exercise, three inventories of Mopane and Miombo forests were carried out nationwide, and one inventory of forest genetic resources was carried out in the Save Runde watershed with funding from the GEF 7 project. Countries utilize the FREL as a baseline to track their progress in lowering emissions caused by deforestation and forest degradation. To be deemed consistent with the International Panel on Climate Change (IPCC) Reducing Emissions from Deforestation and Forest Degradation (REDD+) criteria, countries executing REDD+ projects have to make sure that reductions in emissions surpass the FREL. Conversely, the primary goal of the Forest Genetic Resources inventory was to assess the current state of forest genetic resources in the two catchments as well as to develop a conservation strategy for the extant forest genetic resources.

3.1.4 Seed processing

During the reporting period, a total of 1 053 kg of seeds were processed across various stations, falling slightly short of the targeted 1 100 kg. To enhance future seed production, Forestry Commission plans to invest in seed production infrastructure, including seed extraction and drying facilities at research stations. Additionally, strengthening partnerships with the Timber Producers Federation (TPF) is crucial to protect seed orchards from illicit logging and fire damage. These strategies are outlined in the Enhanced Seed Production Strategy paper 2023-2028.



Plate 3.1: Seed drying racks constructed at John Meikle Forest Research Station

3.1.5 Publications

Forestry Commission actively contributed to scientific discourse and knowledge dissemination through a range of publications during the reporting period. Researchers published in a variety of prestigious journals, including:

- Environmental Development
- Echography
- Southern Forests: a Journal of Forest Science
- International Journal of Forest, Animal and Fisheries Research

These publications address critical issues such as:

- Climate change mitigation strategies
- Factors influencing tree species distribution

- Forest biomass dynamics
- Deforestation impact on carbon stocks

Additional reports and papers highlight Forestry Commission's ongoing work in various areas:

- State of Forest Genetic Resources (FGR) inventory
- Review of estate plantations and small-scale woodlots
- Online Library Information Management System User Manual
- Carbon Credit Framework report
- Plantation Tree Seed Production and Distribution Strategy
- Plantations Statistics report
- National Forest Policy (NFP) report

This diverse range of publications demonstrates the Forestry Commission's commitment to advancing knowledge and promoting sustainable forest management practices in Zimbabwe.

3.2 Colleges/ Forestry Training.

3.2.1 Enrolment

There were 64 males and 47 females among the 111 students registered for the August–December 2024 semester, which is a relatively higher number of men than women. Below is the enrollment for 2023:

Table 3: Enrolment in the August-December semester

Programme	Male	Female	Total
Certificate in Forestry	2	2	4
Diploma in Forestry 1.1	15	11	26
Diploma in Forestry 2.1	11	14	25
Diploma in Forestry 3.1	20	13	33
Diploma in Wood Tech. 1.1	4	2	6
Diploma in Wood Tech. 2.1	4	2	6
Diploma in Wood Tech. 3.1	8	3	11
Total	64	47	111

3.2.2 Students' graduation at the Colleges

A total of 74 students against a target of 100 students graduated in short and long courses at the Colleges; 50 graduated in short courses while 24 graduated with Certificate and Diploma qualifications at the Zimbabwe College of Forestry's 29th graduation event held on 30 June 2023. Mrs. Victoria Jakazi, the Managing Director of Wattle Company, was the Guest of Honour. The Graduation ceremony was run under the theme, "**Transforming Lives Through Forestry Training and Innovation**".



FORESTRY COMMISSION 

Plate 3.2: Guest of Honour, Commissioners and graduates pose for a photo after the graduation ceremony.



FORESTRY COMMISSION 



4.0 NGAMO SAFARIS



Plate 4.1: Installed Solar geysers at Ganda Lodge.

Ganda Lodge, a photographic tourism facility under the business portfolio of Ngamo Safaris, is a renowned safari destination in Zimbabwe, established by the Forestry Commission to support conservation efforts through recreational hunting and photographic safaris. Located near Hwange National Park, it offers a vast area of 8,000 square kilometers of pristine wilderness, home to a diverse range of wildlife including lions, leopards, buffalo, and various plains game. Ngamo Safaris operates photographic safari in the form of Ganda Lodge and hunting (consumptive) safaris supported by 3 camps; namely Kazuma, Intundla and Amandundumela.

Ngamo Safaris Offices are located in Bulawayo. In general, the hunting wing mostly generates the United States Dollar (USD) component through the implementation of its activities while the photographic safaris wing generates a combination of foreign currency and the local currency.

4.1 Major activities and key achievements of Ngamo Safaris Business unit

All Ngamo Safaris operations are situated in the Forestry Commission's Gazetted forests of Matabeleland North Province and are split down as illustrated in the table below:

Table 4: Ngamo Safaris non consumptive and consumptive activities

Ngamo Safaris activities	
Activity	Area
Hunting (Consumptive) wing	
Intundla hunting camp	Ngamo Forest in Lupane and Sikumi Forest in Hwange
Amandundumela hunting camp	Gwaai Forest in Lupane and Mbembesi Forest in Bubi
Kazuma hunting camp	Kazuma Forest in Hwange and Victoria Falls
Photographic (Non-consumptive) wing	
Ganda Lodge	Sikumi Forest in Hwange

4.1.2 Wildlife abundance and trends

There was an improvement in the game's movement in every hunting area managed by Ngamo Safaris. This may have been attributed to water availability on water holes in Amandundumela and Intundla Forest. Out of the 23 boreholes reported, 21 were functional while 2 boreholes had collapsed in Kalugu and plans were underway during the reporting period to restore their functionality.



Plate 4.2: Herd of Elephants at Ganda Safari Lodge Waterhole.

4.1.3 Photographic Safaris

In 2023, Ganda Lodge accommodated 762 people, compared to a budget of 731 guests. This resulted in a total of 1462 bed nights against the 1455 budget. Five hundred and sixty-five (565) guests were hosted in 2022 alone, indicating a spike in 2023. This might be

related to improvements made to the facilities such as solarizing the campsite and opening roads and game drive routes done during that year and improved tourism post COVID-19. During the reporting period, the Photographic Safari business realized a total revenue of ZWL\$443, 837, 249.

4.1.4 Hunting Safaris

A total of 42 hunts were conducted in all the Ngamo Safaris hunting areas in 2023 as compared to 34 hunts in 2022. There was a 24% increase in the number of hunts due to increased marketing efforts by the Ngamo staff. From a budget of USD1, 297,365 hunting revenue, actual revenue realized was USD925, 036. The 42 hunts conducted are shown in the Figure below:

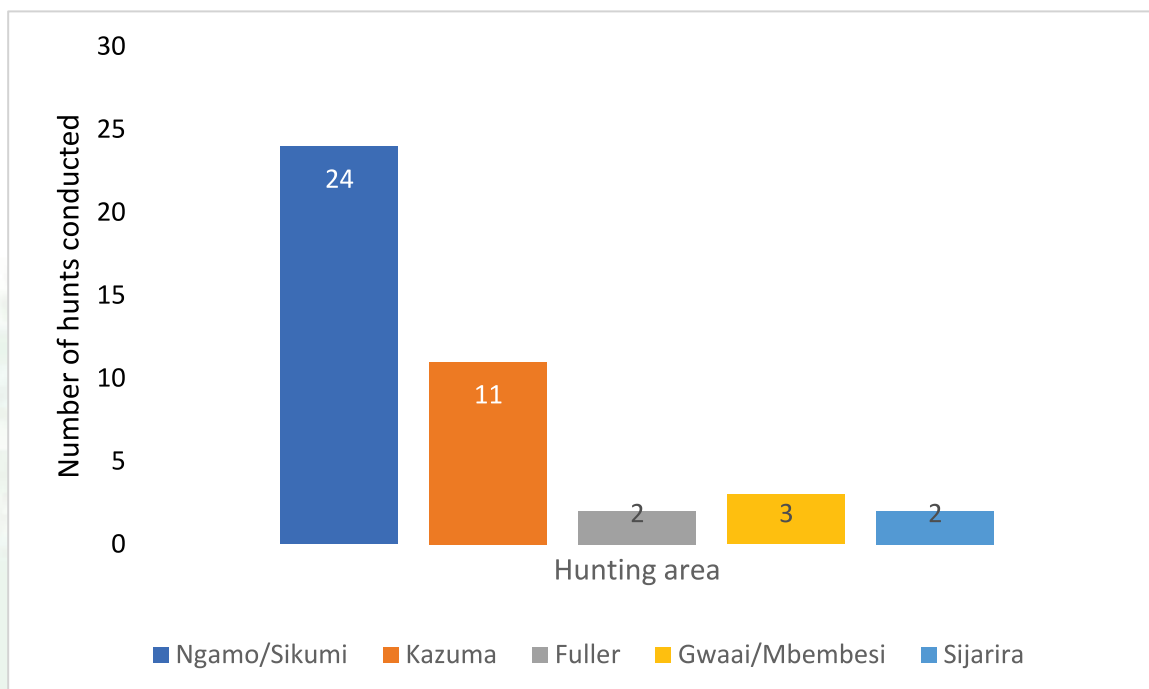


Figure 4.1: Hunts conducted in the Ngamo Safaris hunting areas.

Ngamo/Sikumi conducted the highest hunts as compared to Fuller and Sijarira which had the lowest hunts. This is attributed to Ngamo/Sikumi forest commanding the largest quota compared to all other hunting areas earlier mentioned.

Going ahead, Ngamo Safaris, which saw a spike in number of hunts during the reporting period compared to the previous year, needs to make sure that the boreholes continue to function properly and add more water points where necessary because these elements are essential for boosting the diversity of animals. In order to attract a wider range of clients, the Ganda Lodge also required to be continuously updated to modern standards.

**Plate 4.3: A successful hunt at Kazuma**

4.2 Revenue Generation at Ngamo Safaris

All the revenue that was generated by the hunting wing was in USD whereas that generated by the Photographic Safaris was in ZWL as depicted in the table below:

Table 5: Targets and actual achievement of revenue generated at Ngamo Safaris for the year 2023

Revenue stream	Revenue Target for 2023		Revenue generated for 2023	
	USD Jan-Dec	ZWL Jan-Dec	USD Jan-Dec	ZWL Jan-Dec
Hunting Safaris conducted by Ngamo	1.297 mil		925,036	
Photographic Safaris conducted by Ngamo		176.769 mil		443 837 249
Total	1.297 mil	176.769 mil	925, 036	443 837 249

CONCLUSION

In conclusion, the Forestry Commission's 2023 Annual Report highlights significant achievements and progress in sustainable forest management, conservation, research, training and community engagement. Despite facing economic challenges and the impact of the El Nino phenomenon, the Commission remained committed to its mandate, delivering value to stakeholders and contributing to the country's development.

The Commission's efforts in reforestation, forest conservation, and research demonstrate its dedication to environmental sustainability and community livelihoods. With a focus on innovation, teamwork, and professionalism, the Forestry Commission is poised to continue making a positive impact on Zimbabwe's forest resources and the lives of its people.



AUDITED FINANCIAL STATEMENTS

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Ref: **SB73**

**REPORT OF THE AUDITOR GENERAL
TO
THE MINISTER OF ENVIRONMENT, CLIMATE AND WILDLIFE
AND
THE BOARD OF COMMISSIONERS
IN RESPECT OF THE FINANCIAL STATEMENTS OF THE
FORESTRY COMMISSION
FOR THE YEAR ENDED DECEMBER 31, 2023**

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Forestry Commission set out on pages 5 to 26, which comprise the statement of financial position as at December 31, 2023, the statement of profit or loss and other comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

In my opinion, the financial statements present fairly, in all material respects, the financial position of Forestry Commission as at December 31, 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs) and International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Forestry Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**FORESTRY COMMISSION
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of Forestry Commission for the year ended December 31, 2023. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matter described below to be the key audit matter to be communicated in my report.

Key Audit Matter	How my audit addressed the Key Audit Matter
Valuation of Trade and other receivables - Allowance for credit losses refer to Note 6 of the financial statements. Management estimated the recoverable amount of trade receivables for the Commission to be ZWL\$ 7.1 billion as at December 31, 2023 after deducting an allowance for credit losses of ZWL\$1.3 billion. In determining the allowance for credit loss management makes estimates and judgements about the recoverable amounts. Therefore, I consider valuation of trade and other receivables a key audit matter.	My audit procedures performed to address the risk of misstatement with regard of trade and other receivables included the following: • An assessment of the recoverability of long outstanding receivables by making comparison of the rate of collection in the prior, current and subsequent years. • Analysed the receivables age analysis and assessed the reasonability of the expected credit loss. • Assessed the management's estimates and judgements for reasonableness. Based on these procedures, I considered that the valuation of receivables was appropriate.

Other Information

Those Charged with Governance are responsible for the other information. The other information comprises all the information in the Forestry Commission's 2023 annual report other than the financial statements and my auditor's report thereon ("the other information").

My opinion on the Commission's financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Commission's financial statements, my responsibility is to read the Other Information and, in doing so consider whether the Other Information is materially inconsistent with the Commission's financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.

FORESTRY COMMISSION AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Commission's management and Those Charged with Governance are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Forestry Act [Chapter 19:05] and Public Finance Management Act [Chapter 22:19], and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

**FORESTRY COMMISSION
AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In my opinion, the financial statements have, in all material respects, been properly prepared in compliance with the disclosure requirements of the Forestry Act [Chapter 19:05], Public Finance Management Act [Chapter 22:19] and other relevant Statutory Instruments.

27 May 2025.


R. KUJINGA,
ACTING AUDITOR – GENERAL.

FORESTRY COMMISSION
STATEMENT OF FINANCIAL POSITION
as at December 31, 2023

	Note	Inflation adjusted		31-Jan-22	Historical cost		31-Jan-22
		31-Dec-23	31-Dec-22 Restated		31-Dec-23	31-Dec-22 Restated	
		ZWL\$	ZWL\$		ZWL\$	ZWL\$	ZWL\$
Non-current assets		40 255 519 909	2 310 524 755	1 733 410 608	39 703 046 055	1 218 540 913	88 980 511
Property, plant and equipment	4	40 255 519 909	2 310 524 755	1 733 410 608	39 703 046 055	1 218 540 913	88 980 511
Current assets		12 596 743 273	8 047 046 351	2 864 743 104	11 154 405 714	1 491 010 129	160 954 299
Inventories	5	1 854 405 330	918 770 213	533 437 380	713 425 430	102 735 713	30 167 063
Trade and other receivables	6	7 056 076 160	4 911 155 242	1 234 088 054	7 086 575 190	1 023 188 963	54 984 095
Prepayments	7	445 019 445	1 002 305 470	—	169 662 966	112 132 429	—
Cash and cash equivalents	8	3 210 242 428	1 216 315 466	897 223 064	3 210 242 428	253 993 018	30 812 349
TOTAL ASSETS		52 852 263 182	10 357 571 106	4 598 153 712	50 857 451 769	2 709 551 042	249 934 810
RESERVES AND LIABILITIES		41 830 438 334	2 337 923 705	(1 151 646 458)	39 826 729 822	1 038 826 270	(1 136 292 308)
Reserves		1 235 732 976	2 315 561 365	261 902 367	1 075 721 711	1 122 467 040	6 396 961
Non-distributable reserve		35 830 776 707	—	—	37 821 335 111	—	—
Revaluation reserve		4 164 138 649	961 962 340	(413 538 545)	1 069 673 009	1 83 042 570	(1 144 691 187)
Accumulated fund		11 030 724 948	8 019 850 444	4 449 806 178	11 030 724 947	1 870 726 479	396 227 116
Current liabilities		10 467 419 336	7 377 881 698	2 372 160 867	10 407 419 336	1 837 012 833	368 902 806
Deferred income	9	—	150 043	231 894	—	4 553	13 230
Trade and other payables	10	10 467 419 336	7 377 881 698	2 372 160 867	10 407 419 336	1 837 012 833	368 902 806
Provisions	11	533 305 512	641 795 303	477 413 511	533 305 512	133 705 084	27 261 080
TOTAL RESERVES AND LIABILITIES		52 852 263 182	10 357 571 106	4 598 153 712	50 857 451 769	2 709 551 042	249 934 810

19/05/2025.

19/05/2025.

21/05/2025.

A. W. CHIRANGANE
(FINANCE MANAGER)
(SACCP, MBA, R.P. Acc(Z))

S. ZINGWENA
(ACTING DIRECTOR GENERAL)

AMBASSADOR M. JASSAT
(BOARD CHAIRPERSON)

FORESTRY COMMISSION
STATEMENT OF PROFIT OF LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended December 31, 2023

	Note	Inflation adjusted		Historical cost	
		2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
Income		80 910 718 713	37 009 208 424	30 846 967 388	4 138 326 570
Income	12	64 453 958 445	29 846 144 749	24 972 942 724	3 337 357 893
Amortised grant	9	100 043	41 650	4 553	8 677
Government grant	12	16 456 840 225	7 163 022 026	6 274 020 121	800 960 000
Expenditure		(76 169 151 862)	(35 633 699 461)	(29 740 337 957)	(4 680 024 750)
Administrative expenses	13	(45 042 786 890)	(16 300 514 600)	(17 873 539 088)	(1 918 212 686)
Employment costs	14	(31 126 365 002)	(19 333 184 871)	(11 866 858 865)	(2 761 812 064)
Operating surplus / deficit for the year		4 741 566 851	1 375 508 963	1 106 569 441	58 301 820
Net monetary loss		(1 079 628 928)	(1 778)	-	-
Surplus / deficit for the year		3 661 937 923	1 375 501 185	1 106 569 441	58 301 820
Other comprehensive income					
Revaluation surplus		35 630 776 707	-	37 881 335 111	-
Total comprehensive income		39 492 714 629	1 375 501 185	38 787 904 552	58 301 820

FORESTRY COMMISSION
STATEMENT OF CHANGES IN RESERVES
for the year ended December 31, 2023

	Inflation adjusted			Historical cost			
	Non-Distributable Reserve	Revaluation Reserve	Accumulated Fund	Total	Non-Distributable Reserve	Revaluation Reserve	Accumulated Fund
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Balance as at January 1, 2022	261 892 387	-	(413 538 845)	(151 646 458)	8 398 862	-	(141 944 390)
Surplus for the year	-	-	1 375 501 185	1 375 501 185	-	-	58 301 820
Initial recognition of assets	1 114 068 978	-	-	1 114 068 978	1 114 068 978	-	-
Balance as at December 31, 2022	1 375 961 365	-	961 962 340	2 337 923 705	1 122 467 840	-	(83 642 570)
Balance as at January 1, 2023	1 375 961 365	-	961 962 340	2 337 923 705	1 122 467 840	-	(83 642 570)
Surplus for the year	-	-	3 661 937 922	3 661 937 922	-	-	1 106 509 441
Revaluation surplus	-	35 830 776 707	-	35 830 776 707	-	37 681 335 111	-
Transfers to retained earnings	(140 238 387)	-	140 238 387	-	(46 746 129)	-	46 746 129
Balance as at December 31, 2023	1 235 722 978	35 830 776 707	4 764 138 649	41 830 638 334	1 075 721 711	37 681 335 111	1 069 673 000
							39 826 729 822

FORESTRY COMMISSION
STATEMENT OF CASH FLOWS

for the year ended December 31, 2023

	Note	Inflation adjusted		Historical cost	
		2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
Cash flows from operating activities:		7 413 042 290	2 991 733 635	3 713 685 611	295 865 963
Operating surplus/deficit for the year		3 691 937 622	1 375 301 165	1 106 569 441	58 301 820
Adjustments for non cash items		3 741 902 672	1 435 901 469	295 316 580	199 995 548
Allowance for credit losses		1 161 074 476	408 648 805	1 161 074 476	65 134 353
Leave pay provision		1 364 481 428	851 960 450	520 197 947	106 447 005
Amortisation of capital grant		(190 043)	(41 860)	(4 553)	(8 677)
Depreciation charge on property, plant and equipment	4	136 927 696	76 326 086	52 203 458	8 422 867
Loss on disposal of non current asset		51 478 646	-	16 626 122	-
Unrealised foreign exchange gains		(3 623 706 368)	-	(1 457 780 868)	-
Net monetary loss		1 079 628 938	7 778	-	-
Operating loss before working capital changes		7403 840 594	2 811 402 654	1 401 886 021	258 297 368
Changes in Working Capital		9 201 696	180 330 981	2 311 799 590	37 568 596
Increase in trade and other receivables		(2 144 920 919)	(5 106 830 175)	(6 032 917 197)	(1 063 912 773)
Increase in inventories		(905 635 123)	(319 580 626)	(615 689 715)	(68 978 860)
Increase in trade and other payables		3 119 757 737	5 606 741 782	8 960 406 507	1 166 060 028
Cash flows from investing activities		(1 984 060 057)	(396 542 169)	(756 426 201)	(82 695 494)
Acquisition of property, plant and equipment		(1 984 060 057)	(396 542 169)	(756 426 201)	(82 695 494)
Net (decrease)/ increase in cash and cash equivalents		5 428 962 233	2 594 791 466	2 857 259 410	213 170 469
Cash and cash equivalents at the beginning of year		1 214 318 486	39 812 549	252 983 018	39 812 549
Effects of inflation		(3 433 038 290)	(1 420 285 626)	-	-
Cash and cash equivalents at the end of year	8	3 210 242 426	1 214 318 486	3 210 242 426	252 983 018

FORESTRY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

1. NATURE OF BUSINESS

The Forestry Commission was incorporated under statute in Zimbabwe by the Forest Act [Chapter 19:05]. The Commission's main activities include the management, protection and utilization of state indigenous forests, research, training, advisory and extension services, national and regional planning.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Commission's financial statements have been prepared with the aim of complying with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretation Committee (IFRIC), the Forest Act Chapter [Chapter 19:05] as well as the Public Finance Management Act [Chapter 22:19].

2.2 Basis of measurement

The annual financial statements are prepared on the basis of statutory records that are maintained under historical basis and adjusted to consider the effects of inflation for in accordance with International Standard (IAS) 29 – "Financial Reporting in Hyperinflationary Economies".

IAS 29 – "Financial Reporting in Hyperinflationary Economies" requires that the financial statements be prepared in the currency of a hyperinflationary economy and be stated in terms of the measuring unit current at the balance sheet date and that corresponding figures for previous periods be restated in the same terms. As such, all the elements of the financial statements have been restated in line with IAS 29 - "Financial Reporting in Hyperinflationary Economies". The Public Accountants and Auditors Board (PAAB) pronounced on 11 October 2019 that the Zimbabwean economy was trading under hyperinflationary conditions.

The restatement was calculated by means of conversion factors derived from Zimbabwe Total Consumption Poverty Lines (TCPL) issued at the end of every month by the Zimbabwe Central Statistical Office. The TCPL measures the amount required to purchase both food and non- food items and can also be used for restatement in the absence of Consumer Price Index (CPI) as the two are strongly co-related. The TCPL indices and conversion factors used to restate the accompanying financial statements as at December 31, 2023 are as follows:

Date	TCPL	Conversion Factor
TCPL as at 31 December 2023	140252.59	1.00
TCPL as at 31 December 2022	29219.01	4.80
TCPL as at 31 December 2021	8008.57	17.51

The main procedures applied for the above-mentioned restatement are as follows:

- Monetary assets and liabilities that are carried at amounts at the balance sheet date are not restated because they are already expressed in terms of the monetary unit current at the balance sheet date.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

- Non-monetary assets and liabilities that are not carried at amounts current at the balance sheet date are restated by applying the relevant conversion factors
- Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Zimbabwe dollars at the foreign exchange rate ruling at that date
- Comparative financial statements are restated by applying the relevant year end conversion factors
- All items in the statement of cash flows are restated in terms of the measuring unit current at the balance sheet date
- The effect of inflation on the net monetary position of the Commission is included in the income statement as a gain or loss on the monetary position

2.3 Critical accounting judgements, assumptions and estimates

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant judgments include the following:

2.3.1 Useful lives and residual values of property, plant and equipment

The Commission assesses useful lives and residual values of property, plant and equipment each year taking into account past experience and technology changes. The depreciation rates are set out in note 3.2.2 and no changes to these useful lives have been considered necessary during the year

2.3.2 Impairment

Impairment loss occurs when fair value of an asset is less than the carrying amount. During the period under review, bulk of the Commission's assets were fully depreciated and as a result no impairment test on the assets was conducted.

2.3.3 Allowance for credit losses

The major impact of the application of International Financial Reporting Standard (IFRS 9) – "Financial Instruments" is on trade and other receivables. IFRS 9 – "Financial Instruments" stipulates 3 approaches to calculating expected credit losses (ECL), i.e. the general approach, the simplified approach and the credit impaired approach.

The Commission adopts the simplified approach as this is the approach specifically designated for trade receivables or contract assets that arise from transactions that are within the scope of IFRS 15. In calculating the expected losses for trade receivables, default rates were determined according to the aging of receivables. Customers that are in default are those who have not paid their accounts for at least a period of 12 months. Adjustments are made to the default rates in order to take into

FORESTRY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

account reasonability and supportable forecasts affecting collectability. The default rates adjusted in line with forward looking information are then applied on the total value of receivables for the particular aging group to come up with the expected credit losses.

2.3.4 Going concern

Management assessed the ability of the Commission to continue operating in the foreseeable future. At the reporting date management consider the status by comparing the current assets against current liabilities, financial performance and future projections as well as treasury budget support. Where its positive management prepare financial statements on a going concern basis.

2.3.5 Determination of the Commission's Functional Currency

Functional and presentation currency items included in the financial statements of the Commission are measured using the currency of the primary economic environment in which the Commission operates ('the functional currency'). The financial statements are presented in Zimbabwe dollar ('ZWL'), which is the Commission's functional and presentation currency. Assessment of functional currency was done and management concluded that the Zimbabwe Dollars (ZWL) is the functional currency of the Commission. All foreign currency transactions are translated to functional currency in accordance with International Accounting Standard (IAS) 21- 'The Effects of Changes in Foreign Exchange rates' at official interbank rates.

2.5 New standards and new developments

2.5.1 New standards, interpretations and amendments adopted effective from 1 January 2023

In the current year the Commission has applied new and several amendments to IFRSs issued by the International Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after January 1, 2023. The following are the new standards applicable to the Commission.

a) Amendments to International Accounting Standard (IAS) 1 - "Presentation of Financial Statements" – Classification of liabilities as current and non-current

The narrow-scope amendments to IAS 1 – "Presentation of Financial Statements" clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 - "Presentation of Financial Statements" means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

b) Amendments to International Accounting Standard (IAS) 8 - "Accounting policies, accounting estimates and prior period errors" – Definition of accounting estimates

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, by replacing the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The requirements for recognising the effect of change in accounting prospectively remain unchanged.

c) Amendments to International Accounting Standard (IAS) 1 - "Presentation of financial statements" – Making materiality judgements

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

2.5.2 New standards, interpretations and amendments not yet effective.

The Commission has not applied the following new and revised International Financial Reporting Standards, (IFRS) that have been issued but are not yet effective:

a) Amendments to International Accounting Standard (IAS) 21 - "The Effects of Changes in Foreign Exchange Rates": Lack of exchangeability (Effective 1 January 2025)

The amendments contain guidance to specify when a currency is not exchangeable and how to determine the exchange rate when it is not exchangeable. The Commission did not opt for early adoption of the standard.

b) International Financial Reporting Standard (IFRS) S1 – "General Requirements for Disclosure of Sustainability-related Financial Information".

IFRS S1 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. Forestry Commission as an entity has a board which oversees its operations including sustainability. The board oversight role includes designing, monitoring and evaluating of controls put in place. In terms of environmental sustainability, the Commission plays a crucial role of maintaining the natural environment as mandated by the enabling Act. It is a signatory to several regional and international treaties which makes it abide to good environmental practices. The Commission did not opt for early adoption of the standard.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

c) International Financial Reporting Standard (IFRS) S2 – “Climate-related Disclosures”

IFRS S2 requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. These are climate related risks and opportunities that could reasonably be expected to affect the entity's prospects. The Commission did not opt for early adoption of the standard.

3 MATERIAL ACCOUNTING POLICIES

The principal accounting policies of the Commission, which are set out below, have been consistently followed in all material respects.

3.1 Foreign currency transactions and balances

The Commission maintains its records in Zimbabwean Dollar (ZWL) and also conducts some transactions in foreign currencies. Transactions in foreign currencies are translated to ZWL at bank exchange rate gazetted weekly and ruling at the time of the transactions. Transactions and translation gains and losses arising from conversion settlement of foreign debts are dealt with in the statement of comprehensive income in determination of the operating income.

3.2 Property, plant and equipment**3.2.1 Recognition and measurement**

Items of property, plant and equipment are stated at revalued amounts less accumulated depreciation and impairment losses. Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are again carried at revalued amounts less any recognized impairment loss. Depreciation of these assets, as with other property assets, commences when the assets are ready for their intended use.

3.2.2 Depreciation

Property, plant and equipment are items that are held for use in the supply of services or administrative purposes. Items of property, plant and equipment are depreciated using the straight-line method, so as to write off the assets over their anticipated useful lives. The depreciation rates are as follows:

Asset class	Annual Rate (%)
Buildings	5
Library books	10
Office furniture and equipment	10
Roads and communication equipment	10
Plant and machinery	10

FORESTRY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

Vehicles and equipment	20
Computers	20

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the statement of comprehensive income.

3.2.3 Property, plant and equipment acquired through capital grants

Assets acquired from capital grants, are included in property, plant and equipment at cost, and those acquired through a grant at their grant value at the date of contribution. The amount included in the assets is credited to deferred income and amortized over the lives of the respective assets.

3.2.4 Impairment

At each statement of financial position date, the Commission reviews the carrying amount of its assets to determine whether there is an indication that those assets suffered any impairment. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment (if any). If the recoverable amount of an assets is estimated to be less than the carrying amount, the carrying amount of the assets is reduced to its recoverable amount.

Impairment is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case is treated as a revaluation decrease.

In the event that, in the subsequent period, an asset that has been subject to an impairment loss is no longer considered to be impaired, the value is restored and the gain is recognized in the statement of comprehensive income. The restoration is limited to the value which would have been recorded had the impairment adjustment not taken place. During the period under review, bulk of the Commission's assets were fully depreciated and as a result no impairment tests were conducted.

3.3 Leases

The Commission leases out additional space at its premises to third parties. The leases are recognised as operating leases where rental income from the lessees is recognised on a systematic basis and credited to the Statement of Profit or Loss and other Comprehensive Income.

3.4 Inventory

Inventories are assets held for sale in the ordinary course of business; or assets held in the process of production for such sale; or assets held in the form of materials or supplies to be consumed in the production process or in the rendering of services. The Commission's inventory comprises timber, seedlings, consumables, spares and fuel and are valued at the lower of cost and net realizable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Average cost was applied in valuation of the inventory. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

FORESTRY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
for the year ended December 31, 2023

3.5 Revenue

Revenue represents the amounts receivable in the ordinary course of business. The Commission's revenue is made up of the fair value of sale of goods and services. Revenue is measured based on the amount the Commission expects to be entitled in a contract with its customers and excludes amounts collected on behalf of third parties. The Commission's main revenue lines comprise of lease fees, accommodation bookings and meals, regulation fees, sale of timber, sale of seedling and fees from students.

3.5.1 Performance obligations and timing of revenue recognition

The majority of the Commission's revenue is derived from selling goods and/provision of services with revenue recognized at a point in time when control of the goods has transferred to the customer. This is generally when the goods are delivered to the customer. However, for export sales, control might also be transferred when delivered either to the port of departure or port of arrival, depending on the specific terms of the contract with a customer. There is limited judgement needed in identifying the point control passes. Once physical delivery of the products to the agreed location has occurred, the Commission no longer has physical possession, usually will have a present right to payment (as a single payment on delivery) and retains none of the significant risks and rewards of the goods in question.

Some of the contracts are negotiated on a bill and hold basis. In such arrangements revenue is recognized even though the Commission still has physical possession only if:

- the arrangement is substantive (i.e., a contract has been drafted);
- the products have been identified separately as belonging to the customer;
- the product is ready for physical transfer to the customer; and
- the Commission does not have the ability to use the product to direct it to another customer.

3.5.2 Determining the transaction price

Forestry Commission's revenue is mainly derived from fixed price contracts and therefore the amount of revenue to be earned from each contract is determined by reference to those fixed prices. Exceptions are as follows:

- Accommodation contracts provide customers with a limited right cancellation. These relate predominantly, but not exclusively, to online booking sales direct to consumers. Historical experience enables the Commission to estimate reliably the value of goods that will be returned and restrict the amount of revenue that is recognized such that it is highly probable that there will not be a reversal of previously recognized revenue when goods are returned.
- For other customers, the Commission accepts orders and is paid up in advance of providing the service/delivering the products. The Commission measures the amount of revenue to recognize on delivery of the goods/provision of services by calculating a financing component at the interest rate that would have applied had the Commission borrowed the funds from its customer.
- Variable consideration relating to volume rebates has been constrained in estimating contract revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognized when the amount of volume rebates has been determined.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

3.5.3 Allocating amounts to performance obligations

For most contracts, there is a fixed unit price for each product sold, with discounts given for a certain number of days requested at a specific time. Therefore, there is no judgement involved in allocating the contract price to each unit ordered in such contracts (it is the total contract price divided by the number of units ordered). Where a customer orders more than one product line, the Commission is able to determine the split of the total contract price between each product line by reference to each product's standalone selling prices (all product lines are capable of being, and are, sold separately).

3.5.4 Revenue recognition**3.5.4.1 Government grant - recurrent**

Government grants are ordinarily extended to incentivize or promote investment in specified public expenditure. IAS 20- Government grants prescribe approaches in accounting for government grants; - reduction in cost method and deferred income approach. The commission receives Treasury support in form of recurrent grants which are recognized as revenue during the accounting period received.

3.5.4.2 Lease fees and property rentals.

Lease fees from Allied Timbers (5% of the audited annual turnover) is received bi annually with the first instalment due on or before the 30 September of the accounting period based on June unaudited financial statements and the second instalment due to the commission on or before 30 April of the following year based on Allied Timbers audited annual turnover.

3.5.4.3 Daily rates- hunting

Daily rates- hunting is revenue recognised from mainly international clients who pay deposits before they come for hunting. Revenue is then realized when the clients visit and stay whilst doing the actual hunts. Revenue is realized from the deposits made by the clients for the services rendered using the daily rates charges.

3.5.4.4 Daily rates photographic, accommodation and meals

Revenue is realized when actual service and/or product is rendered to the customer and the customer has enjoyed the actual benefit accompanied by the specified product or service.

3.5.4.5 Sale of timber logs, seeds, seedlings and honey

These are separately identifiable products whose risk and benefits are immediately passed to the customer on receipt of the products. Revenue is immediately recognised once a sale transaction is completed.

FORESTRY COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
 for the year ended December 31, 2023

3.5.4.6 Regulation fees

Revenue from regulation fees includes permits and licences fees which are prescribed by the forestry act. Revenue is recognised once a client is issued with a permit or licences.

3.5.4.7 Fees from students

Revenue is recognised when a student is registered for each semester with Forestry Industry Training College. Only fees from registered students is realized as revenue.

3.5.4.8 Hiring of Forestry Commission facilities

Fees for hiring of facilities are recognised as revenue when the customers make actual use of the hired facilities. Revenue is recognised from advance deposits made by the clients.

3.6 Financial instruments

Financial instruments are contracts that give rise to financial assets or financial liabilities. Financial assets and financial liabilities are recognized on the Commission's statement of financial position when it becomes a party to the contractual provisions of the instrument. These instruments are generally carried at their estimated carrying values.

Non-derivative financial instruments carried in the statement of financial position comprise: cash and cash equivalents, trade and other receivables, trade and other payables. These instruments are recognized initially at fair value plus any directly attributable transaction costs.

3.6.1 Recognition

Financial assets and liabilities are initially recognised at the trade date and are initially measured at fair value.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2023

3.6.2 Financial assets

The Commission classified all its financial assets based on the business managing the assets and the asset's contractual terms measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.	Loans extended to staff members are in this category
Financial assets at FVOCI	These assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling of the financial asset.	Trade receivables are in this category

3.6.1.1 Trade and other receivables

Trade and other receivables are stated at cost less impairment losses. When a trade receivable is uncollectible it is written off against the allowance for credit losses. Subsequent recoveries of amounts previously written off are credited against the trade receivables impairment provision in the profit or loss. Staff loans and receivables arising from ordinary course of business constitute trade and other receivables.

3.6.1.2 Allowance for expected credit losses

The major impact of the application of International Financial Reporting Standard (IFRS 9) – "Financial Instruments" is on trade and other receivables. IFRS 9 - "Financial Instruments" stipulates 3 approaches to calculating expected credit losses (ECL), i.e. the general approach, the simplified approach and the credit impaired approach.

The Commission adopted the simplified approach as this is the approach specifically designated for trade receivables or contract assets that arise from transactions that are within the scope of IFRS 15. In calculating the expected losses for trade receivables, default rates were determined according to the aging of receivables. Customers that are in default are those who have not paid their accounts for at least a period of 12 months. Adjustments are made to the default rates in order to take into account reasonability and supportable forecasts affecting collectability. The default rates adjusted in

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line with forward looking information are then applied on the total value of receivables for the particular aging group to come up with the expected credit losses.

3.6.1.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term bank deposits with an original maturity of three months or less.

3.7 Financial Liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or financial asset to another entity or to exchange financial assets with another entity under conditions that are potentially unfavorable to the Commission.

3.8 Provisions

A provision is recognized in the statement of financial position when the Commission has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

3.9 Employee Benefits

3.9.1 Defined contribution plan

Employment benefits are all forms of consideration given by an entity in exchange for service rendered by employees or for the termination of employment. International Accounting Standard (IAS) 19 requires an entity to recognise:

- a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- an expense when the entity consumes the economic benefit arising from the service provided by an employee in exchange for employee benefits.

The Commission uses a defined contribution plan which is defined by International Accounting Standard (IAS) 19 as a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. The Commission retirement benefits applicable to the National Social Security Authority and Public Service pension are determined by the systematic recognition of legislated contributions.

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	Inflation adjusted		Historical cost	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
5 Inventory				
Consumables	353 973 226	167 567 864	134 951 521	18 737 225
Timber	1 530 432 110	751 202 349	583 473 909	83 098 490
	1 884 405 336	918 770 213	718 425 430	102 735 715
6.1 Trade and other receivables				
Trade receivables	8 274 626 862	5 677 932 106	8 274 626 862	1 182 902 522
Allowances for credit losses	(1 330 523 100)	(613 361 176)	(1 330 523 100)	(169 446 624)
Other receivables	111 972 398	46 584 312	111 972 398	6 705 065
Total trade and other receivables	7 056 076 160	4 911 155 242	7 056 076 160	1 023 158 963
6.2 Expected credit loss provision				
As at December 31, 2023, the lifetime expected credit loss provision on trade and other receivables is as follows:				
	2023			
	Less than 90 days past due	More than 90 days past due	More than 120 days past due	Total
Expected credit loss	5%	6%	45%	
Carrying amount (ZWL)	5 080 351 597	1 054 354 697	2 251 892 966	8 386 599 260
Credit loss allowance	254 017 580	63 261 282	1 013 244 238	1 330 523 100
	2022			
	Less than 90 days past due	More than 90 days past due	More than 120 days past due	Total
Expected credit loss	5%	6%	21%	
Carrying amount (ZWL)	213 864 529	312 116 887	666 624 171	1 192 607 587
Credit loss allowance	10 693 226	18 727 133	140 028 265	169 448 624
	Inflation Adjusted		Historical Cost	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
7 Prepayments				
Motor vehicles purchase	-	615 110 117	-	68 781 501
Utilities and other	445 019 449	387 689 333	169 662 695	43 350 828
	445 019 449	1 002 806 450	169 662 695	112 132 429
8 Cash and cash equivalents				
Bank balances	3 197 871 714	1 199 149 698	3 197 871 714	248 822 854
Cash on hand	12 370 714	15 168 787	12 370 714	3 160 164
	3 210 242 428	1 214 318 486	3 210 242 428	252 983 018
9 Deferred income				
Opening balance of the capital grant	190 043	231 662	4 553	13 230
Amortised during the year	(190 043)	(41 650)	(4 553)	(8 877)
	-	190 043	-	4 553

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	Inflation adjusted		Historical cost	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
10 Trade and other payables				
Trade payables	1 592 241 061	3 455 310 038	1 592 241 061	719 858 258
Hunting deposits	1 758 731 345	1 109 746 027	1 758 731 344	231 197 089
Other payables	7 146 446 930	2 812 805 533	7 146 446 930	585 959 486
	10 497 419 336	7 377 861 598	10 497 419 335	1 537 012 833
11 Provisions				
Leave pay	533 305 612	641 798 803	533 305 611	133 708 084
	533 305 612	641 798 803	533 305 611	133 708 084
12 Income				
Government grant	16 456 540 225	7 163 022 028	6 274 020 121	800 960 000
Allied Timbers land lease fees	11 614 529 148	4 587 055 392	4 428 013 943	510 677 431
Daily rates: Hunter	5 492 564 333	850 999 868	2 094 028 190	95 156 789
Daily rates: Observer	180 298 712	55 229 381	68 738 491	6 175 616
Trophy fees	6 528 191 774	1 280 120 111	2 488 888 896	143 140 031
Meat sales	134 695 469	31 474 078	51 352 354	3 519 358
Accommodation	589 457 241	136 272 815	224 729 289	15 237 684
Breakfast	202 897 199	72 362 229	77 354 116	8 091 375
Lunch	24 987 586	9 271 983	9 480 713	1 036 771
Dinner	171 913 613	87 260 472	85 541 691	8 757 932
Game Drives	52 992 377	-	20 203 226	-
Bar Sales	64 322 843	13 568 002	24 522 944	1 517 142
Timber royalties	2 805 045 475	734 952 477	1 089 417 478	82 180 664
Sale of Timber & logs	2 530 803 879	3 881 924 849	964 863 467	434 067 739
Camp lease fees	6 404 704 784	3 027 459 653	2 441 779 750	338 623 443
Animal sales other	-	746 650 741	-	83 488 736
Gwaai Sawmill net	2 454 192 377	841 468 255	935 655 499	94 091 008
Retail Outlets Sales	1 974 672 968	1 070 417 568	752 839 776	119 691 584
Regulation Fees	7 249 223 390	5 302 186 711	2 763 750 630	592 878 092
Supervision fees	283 086 571	86 426 814	107 926 139	9 664 044
Sale of Seed & seedlings	1 395 947 402	479 061 389	532 201 907	53 567 520
Fees from students Colleges	848 101 520	384 125 716	323 336 857	44 070 214
Hiring facilities & Accommodation	829 891 576	445 294 794	318 384 356	49 791 820
Canteen sales colleges	340 968 380	279 760 571	129 993 452	31 262 171
Property Rentals & Base Stations	1 304 042 249	1 161 372 324	497 163 268	129 861 931
Firewood sales	100 429 957	30 179 559	38 288 702	3 374 608
Miscellaneous revenue	6 041 842 547	856 280 718	2 303 439 313	95 747 303
Exchange gain - realised	1 010 595 688	3 404 962 720	385 287 405	360 766 865
Exchange gain - unrealised	3 823 709 368	-	1 457 780 865	-
	80 910 528 670	37 609 166 774	30 846 962 845	4 138 317 893

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	Inflation adjusted		Historical cost	
	2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
13 Administration expenses				
Advertising and publicity	482 379 814	265 789 606	183 908 254	29 788 101
Audit fees	368 125 881	1 358 002 379	140 347 114	152 108 001
Bank charges	937 892 542	765 887 749	567 509 489	85 784 918
Board expenses	424 584 125	74 210 171	161 871 773	8 312 071
Staff canteen expenses	502 420 311	430 575 538	191 548 880	48 227 547
Computer expenses	523 301 094	257 680 851	199 507 387	28 862 080
Contract hunters pay	-	32 779 741	-	3 671 118
Depreciation	136 927 888	76 326 086	52 203 458	8 422 887
Donations	35 103 717	-	13 353 216	-
Electricity, rates and water	4 028 979 432	1 527 573 193	1 536 030 934	171 066 148
Depots expenses	997 332 207	869 652 069	380 219 295	97 366 065
Field operations	8 736 768 132	3 071 676 353	3 713 265 389	344 038 458
Food and groceries for clients	882 939 372	86 428 838	260 369 148	9 680 627
Graduation expenses - Colleges	60 187 606	27 595 500	22 938 769	3 691 016
House keeping-Colleges	106 366 085	56 056 487	41 313 953	10 647 006
Insurance costs	234 678 233	84 827 942	69 470 585	6 501 338
Legal and professional fees	495 807 680	8 230 421	189 025 598	921 866
Liquor and minerals Ngomo Safaris	23 279 390	5 722 287	6 875 217	640 938
Maintenance of plant and machinery	1 054 204 409	381 289 801	413 350 670	42 706 855
Allowance for credit losses	1 151 074 478	621 678 879	1 181 074 478	128 516 433
Office expenses	-	1 951 277	-	218 557
Other overheads	374 619 326	119 512 045	142 822 800	13 388 206
Safari expenses	194 333 852	11 345 723	74 089 368	1 270 802
Postage and carriage	40 585 670	35 036 616	15 465 573	3 924 352
Printing and stationery	225 046 106	58 623 414	89 810 816	6 586 243
Protective clothing	379 509 934	135 081 541	144 687 336	15 195 065
Research and development costs	-	69 954 746	-	7 835 433
Regulatory and compliance costs	11 427 541	32 043 846	4 356 725	3 588 118
Seminars and conferences	127 440 304	180 211 879	48 586 338	17 544 879
Subscriptions	178 377 857	55 123 576	58 006 058	6 174 258
Subsistence and travel	2 218 179 582	1 099 455 487	845 676 063	123 146 899
Telephone	2 070 823 809	259 308 629	789 835 230	29 044 426
Vehicle and equipment expenses	4 031 527 314	1 864 812 858	1 537 011 006	208 872 408
Loss on asset disposals	51 478 646	-	19 626 122	-
TWEP (Tobacco Wood Energy Programme) expenditure	494 851 593	959 351 892	188 661 092	107 434 289
Exchange loss	12 507 204 165	1 398 385 088	4 789 125 484	189 185 324
	45 042 786 860	16 300 814 990	17 873 539 688	1 918 212 686
14 Employment costs				
Bonus	5 670 625 106	3 067 220 081	2 161 913 472	342 972 643
Salaries and wages	22 657 758 382	12 984 804 048	8 638 221 038	1 451 944 251
Educational training expenses	-	87 118 355	-	9 741 463
Staff training	32 667 532	37 115 648	12 427 739	4 150 224
Leave pay provision	1 354 481 428	951 980 450	520 197 547	105 447 005
Staff transport and welfare	1 400 827 556	2 204 965 859	534 098 673	248 556 477
	31 126 365 002	19 333 184 471	11 866 858 869	2 161 812 964

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15. Related parties

The Commission's related party relationship emanates from the circumstances that the identified stakeholders has significant influence on the operations of the Commission through their day to day management activities.

15.1 management staff and board members were identified as related parties and their remuneration.

15.2 Key management staff

Remuneration of executive directors and key management staff of the Commission comprise of an annual basic salary, annual bonus, social security contribution, pension contributions, medical aid contribution and other benefits.

	Inflation adjusted		Historical cost	
	2023	2022	2023	2022
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
General Manager	91 981 008	26 007 222	35 067 569	2 898 885
Deputy General Manager - Conex	77 225 868	20 554 543	29 442 194	2 331 508
Deputy General Manager - Research and Training	77 225 868	19 880 517	29 442 194	2 300 628
Finance Manager	55 990 042	14 482 421	21 348 082	1 819 380
Corporate Planning Manager	-	13 782 290	-	1 538 867
Human Resources Manager	54 437 264	14 274 377	20 754 088	1 596 127
Principal Colleges	47 923 762	12 791 353	18 270 830	1 430 299
Chief Conservator of Forests	48 113 643	12 560 553	18 343 222	1 404 482
Manager Ngomo Safaris	44 363 675	14 067 034	16 913 555	1 571 825
Totals	497 261 130	148 370 313	189 579 722	16 590 421

15.3 Non-Executive Directors

Board Chairperson:				
Board fees	65 101 174	2 728 177	24 819 883	305 058
Other benefits	13 437 467	7 789 935	5 123 007	871 052
Vice Board Chairperson:				
Board fees	39 351 901	1 872 803	15 002 883	187 059
Other benefits	4 881 024	8 481 619	1 860 880	725 878
Commissioners:				
Board fees	264 268 137	10 212 104	100 763 082	1 141 854
Other benefits	37 514 332	45 441 214	14 302 248	5 081 130
Total	424 584 126	74 335 944	161 871 773	8 312 071

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		Inflation adjusted		Historical cost	
		2023 ZWL\$	2022 ZWL\$	2023 ZWL\$	2022 ZWL\$
16 Pension arrangements					
16.1 Public Service Pension Fund		1 556 887 276	714 141 349	593 559 883	79 853 612
		1 556 887 276	714 141 349	593 559 883	79 853 612

The Commission operates a defined contribution Pension Fund administered by Old Mutual and Public Service Pension Fund to which both the company and its employees contribute as follows:

Old Mutual:	Employees	8% of monthly pensionable emoluments
	Employer	10.4% of monthly pensionable emoluments
Public Service Pension Fund:	Employees	7.5% of monthly pensionable emoluments
	Employer	15% of monthly pensionable emoluments

Due to funding challenges, the Old Mutual scheme is currently on Paid Up Status but will resume as soon as the financial situation improves.

16.2 National Social Security Authority (NSSA)

The National Social Security Authority was introduced on October 1, 1994 and with effect from that date all employees are members of the scheme. With effect from 1 June 2020 both the company and its employees contribute as follows up from 3.5%:

Employees: 4.5% of pensionable emoluments.
Employer: 4.5% of pensionable emoluments.

17. Going concern

The Commission had a net surplus of ZWL\$ 3.7 billion for the year ended December 31, 2023 (2022 surplus: ZWL\$1.4 billion). In addition, the Commission current assets exceeded current liabilities by ZWL\$1.57 billion (2022: current liabilities exceeding current assets by ZWL\$27.4 million). The Commission receives funding support from Treasury in form of grant for recurrent expenditure.

18. Subsequent Events-Non Adjusting

On 5 April 2024 a new currency was launched called Zimbabwean Gold (ZWG) replacing the Zimbabwean Dollar (\$ZWL). The effect on the Commission's Financial Reporting is on comparability as there will be a shift to ZIG reporting in year 2024. Currency change ZWL to ZWG will also bring in new aspects such as accounting for functional currency reserve.

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19 Prior period error note

The Commission erroneously excluded land and Library books in its prior years reporting periods.

The financial statements for year 2022 have been restated to correct this error. Land and library books were initially recognised through a valuation exercise conducted at the year end of 2023. Restatement of prior years was not possible as the values attributable to land were no longer available and changes in currencies over the years. The land was acquired as far back as 1954 on Forestry Commission establishment. In addition, library books had been in existence over the years since establishment but were not accounted as part of the property, plant and equipment and the value to this was unknown. The impact of the restatement on the financial statements is summarised below:

		Inflation Adjusted 31-Dec-23 ZWS	Historical Cost 31-Dec-23 ZWS
Impact on the statement of financial position.			
Initial recognition of land	4	1 077 403 178	1 077 403 178
Initial recognition of library books	4	36 665 800	36 665 800
Increase in total assets		1 114 068 978	1 114 068 978
Impact on the statement of changes in reserves			
Increase in non distributable reserve		1 114 068 978	1 114 068 978
Increase in equity		1 114 068 978	1 114 068 978



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