FORESTRY COMMISSION

2020 ANNUAL REPORT

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Letter of Presentation

1 Orange Grove Drive
P O Box HG 139
Highlands
Harare

31 December 2020

The Honourable Minister of Environment, Climate, Tourism and Hospitality Industry

Sir,

As required by subsection (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 2020.

Yours faithfully,

M. Dzinoreva
Acting Chairman, Forestry Commission Board

Reporting Structure

Minister	Honourable N.M. Ndlovu
Forestry Commission Board	
Acting Board Chairman	Mr M. Dzinoreva
Commissioners	Ms S. Cox
	Mrs V. Gundu-Jakarasi
	Ms N. Matshe
	Ms C. Mudenda
	Dr D. Runyowa (representative of parent Ministry)

Management

General Manager	Mr A. Marufu
Deputy General Manager, Conservation & Extension Division	Mr S. Zingwena
Deputy General Manager, Research & Training Division	Mrs J. Gombe
Finance Manager	Mr A. W. Chirangande
Human Resources and Administration Manager	Mr S. Nkiwane
Corporate and Legal Services Manager	Mrs M.G. Hare
Manager, Ngamo Safaris	Ms S. Ngwenya
Acting Principal, Colleges	Mr M. Machamacha
Internal Audit Manager	Mr C. Banga
Corporate Planning Manager	Mr M. F. Piloto

Corporate Information

HEAD OFFICE

1 Orange Grove Drive
Highlands
P.O. Box HG 139
Highlands
Harare

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

ATTORNEYS

DUBE, MANIKAI & HWACHA Legal Practitioners
6th Floor Goldbridge, Eastgate Complex
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

VISION

Sustainably managed and utilised forest resources in Zimbabwe by 2030.

MISSION

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

VALUES

- **Integrity** – Forestry Commission staff shall ascribe to high standards of transparency and ensure accountability in conduct of their business.
- **Professionalism** – decision making and practise 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.

Corporate Governance Statement

Forestry Commission is a parastatal under the Ministry of Environment, Climate, Tourism and Hospitality Industry. It was established by an Act of Parliament on 1 April 1954. Its mandate is derived from the Forest Act (Chapter 19:05 as amended in 1999) and the Communal Land Forest Produce Act (Chapter 19:04), which provide for the regulation of the forestry sector, forestry extension services, management of the gazetted forests, forestry research and training, and income generation.

Good corporate governance is a fundamental part of the culture and practices of the Commission. The Forestry Commission Board is responsible for the corporate governance of the Commission in the sustainable management and conservation of forest resources.

The Forestry Commission Board comprises a maximum of ten members / Commissioners drawn from the public, private and academic sectors, with one of the Commissioners representing our parent Ministry, namely, Ministry of Environment, Climate, Tourism and Hospitality Industry.

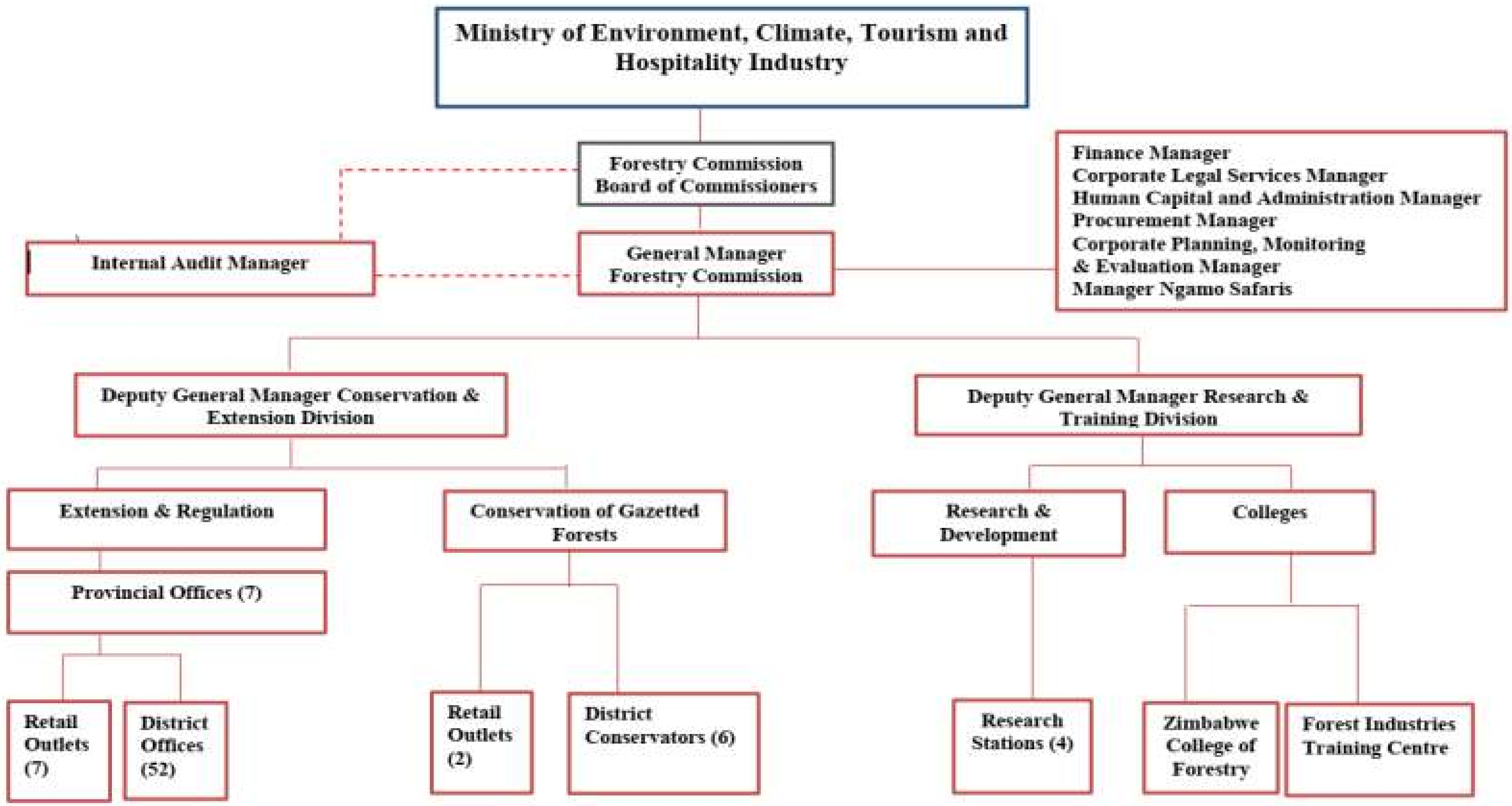
For efficient implementation of its mandate, the Board was organised around four standing Board Committees, namely: -

i. Conservation, Research and Forestry Management Committee.
ii. Business Development, Information and Technology Committee.
iii. Audit, Risk and Legal Committee.
iv. Finance, Human Resource and Administration Committee.

The day- to- day management of the Forestry Commission is entrusted with the General Manager who is appointed by the Board in consultation with the Minister. The Board through the General Manager guides the operations of the organization. The General Manager is assisted by two Deputy General Managers 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 on page x.

Operational Structure



Our Promise to Clients

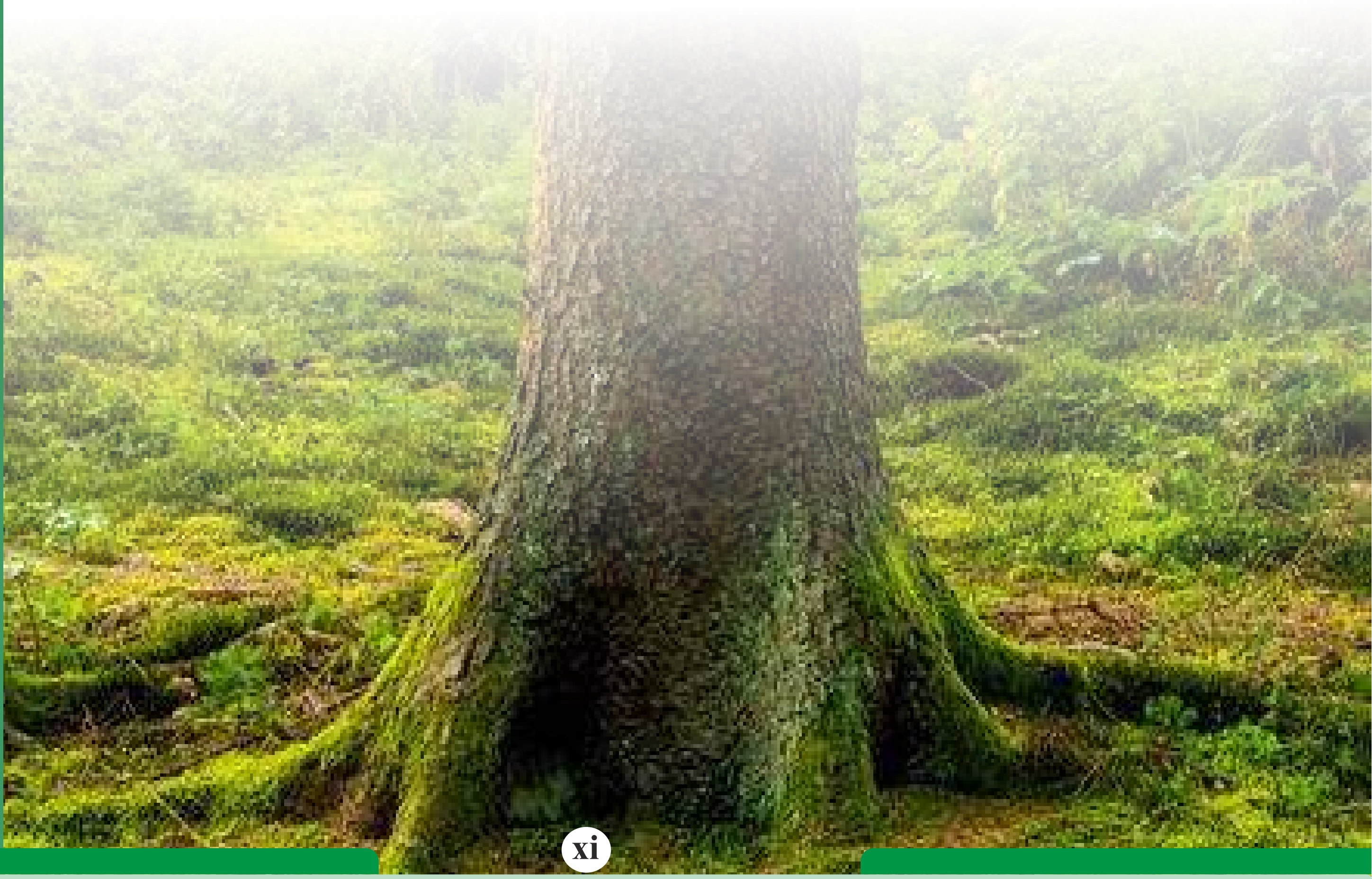
Our general standards of service to our clients shall be characterised with continuous improvement regarding: -

- Responsiveness to all queries
- Clear communication of information
- Provision of accurate information

Forestry Commission's relationship and responsibilities shall endeavour to: -

- Render consistent, accurate and impartial advice to clients
- Provide reasonable response time regarding our services

Forestry Commission shall train its staff to be friendly, helpful, respectful and sensitive to clients' individual needs, explaining and listening carefully to individual requirements and views.



Acting Chairman's Statement

The Forestry Commission pursued its mandate to facilitating for development and sustainable management including conservation and rational utilization of all forest/woodland/tree resources in Zimbabwe in 2020. This year's report gives an insight into activities undertaken by Forestry Commission during the year 2020, with the aim of keeping our stakeholders and valued clients well informed. The Forestry Commission continues to recognise the importance of forests, woodlands and trees in general, their contribution to biodiversity conservation, and their importance for the survival of our country as they directly or indirectly support our economy, tourism, agriculture, livelihoods and communities. They provide a wide range of goods and services including timber, food, medicines and other non-timber forest products, energy as well as ecological functions such as carbon storage, nutrient cycling, control of soil erosion, provision of water and air purification.

Be that as it may, up to 300 000 ha of forests are lost to deforestation every year in Zimbabwe, thus, contributing to climate change and the loss of habitats for many species. The drivers of deforestation include illegal logging, and conversion of forest land to agriculture, mining, and human settlements. Poverty and increasing human population tend to exacerbate effects of these drivers, thus compromising the capacity of forests and woodlands to provide goods and environmental services required by the country. The vision of "Sustainably managed and utilised forest resources in Zimbabwe by 2030", demands more action on the part of the Government of Zimbabwe (GOZ) and all Zimbabweans in order to halt and reverse deforestation. Forestry Commission was therefore appreciative of the decision by government to increase the allocation of the tobacco/afforestation levy from 50% to 100% in favour of Forestry Commission - consequently, we received ZWL$138 million afforestation levy from Government for the year 2020. We were also pleased with the directive of the 39th Cabinet Decision Matrix which saw the Board Chairmen of Forestry Commission and Allied Timbers sign the Land Lease Agreement between the two entities on 29 January 2020. According to the Agreement, Allied Timbers, shall pay Forestry Commission 5% of its audited annual turnover backdated to July 2019 for Forestry Commission's 120 000 ha in the Eastern Highlands and Mvuma being used for plantation development by Allied Timbers. Such funding, over and above funds generated by Forestry Commission from activities such as safari and timber concessions enable the organisation to effectively discharge its state functions, namely, forestry research, training, extension and regulation as well as forest protection/conservation.

Unfortunately, 2020 was a challenging year with the advent of the global COVID-19 pandemic of which Zimbabwe was not spared resulting in the country imposing its 1st lockdown measures in March 2020. As a result, Forestry Commission had to defer or cancel a number of activities due to lockdown restrictions on movements of people and the number of people that could gather for given meetings. The much-anticipated launch of Technical Assistance support to Natural Resource Management (TANRM) Zimbabwe project funded by European Union under the purview of the State Enterprises Restructuring Agency was also deferred. This assistance will help Forestry Commission to strengthen its policies, legal & institutional frameworks for sustainable forest resource management. A number of meetings including board meetings had to be undertaken online/virtually. I am, however happy to report that, Forestry Commission, nonetheless, managed to stay on course.

Looking forward, we eagerly anticipate adoption by GoZ soon of the National Forest Policy as this will play a fundamental role in guiding the management and sustainable utilization of forest resources.

Finally, I would like to thank our wide ranging stakeholders - farmers, civil society, school children, collaborators and private sector who contributed to tree planting and tree care as well as forest/woodland protection during 2020. I sincerely thank our parent Ministry and fellow Commissioners for support and guidance over the years. My gratitude also goes to the management and staff of the Forestry Commission for their sterling work amidst a difficult year. Let us not be weary in our fight for sustainable forest management – the fight for better forests and woodlands for all of Zimbabwe, now, and in the future.

Marius Dzinoreva
Acting Chairman, Forestry Commission Board

General Manager's Statement

The year 2020 was a difficult year as this was further exacerbated by the COVID-19 pandemic. On 11 March 2020, the World Health Organization (WHO) declared COVID-19 a global pandemic as the new coronavirus rapidly spread to all regions of the world. Consequently, over the course of 2020, travel within the country was restricted - at various times, full lockdowns and curfews were imposed between 7 pm to 5 am. This presented an unprecedented challenge to the implementation of planned activities. Illegal harvesting of timber and non-timber forest products (NTFPs) increased due to reduced monitoring/patrols by Forestry Commission. Ngamo Safaris photographic and hunting tourism activities were grounded to a halt by the pandemic due to travel/movement restriction measures. Meetings that required face-to-face participation were suspended, and the Forestry Commission had to adopt new modalities through virtual platforms such as Zoom where possible. This curtailed most stakeholders' face-to-face activities which were programmed to happen through physical meetings such as farmer training, extension meetings as well as student training at the Forestry Colleges in Mutare. Thankfully, given the government's continuous monitoring of the disease, there were opportunities for relaxing some of these restrictions, by relaxing travel and allowing some restricted meetings with limited number of participants and observing safety guidelines as provided by the WHO and the Ministry of Health.

During the reporting period: -

1. A total of 16 531 421 multipurpose trees were recorded as planted, against a target of 45 million trees. In general, tree planting was heavily affected by Covid-19 induced restrictions.

   His Excellency, President E.D. Mnangagwa commemorated the 2020 National Tree Planting Day (NTPD) by planting the tree-of-the-year, namely, *Adansonia digitata* commonly called African Baobab (Umkhomo in Ndebele and Muuyu in Shona) at Chombwe Piped Water Irrigation Scheme in Chivi District on 22 December 2020.

2. Four demonstration firewood eucalyptus plantation sites were establishment in Mashonaland Central, Mashonaland West, Mashonaland East and Manicaland Provinces under the TWEP Programme during 2020.

3. Forestry Commission is one of the Implementing Partners in a United Nations Development Program (UNDP)-administered Global Environment Fund (GEF 6) project entitled *"Strengthening Biodiversity and Ecosystems Management and Climate-Smart Landscapes in the Mid to Lower Zambezi Region of Zimbabwe"*. The forest conservation project commenced in July 2018 and will run up to 30 June 2024 and is being implemented in Hurungwe, Mbire and Muzarabani Districts. In the current reporting period, forest restoration sites summing to approximately 15000ha were mapped.

[1] Ban on gatherings and movement of people

4. Pertaining forest research, 1710 vegetatively propagated tree seedlings of *Eucalyptus tereticornis* and *Pinus maximinoii* were produced at John Meikle Forest Research Station.

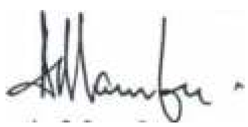
5. A total of 13 348 kg of Pine seed cones were collected at John Meikle Forest Research Station.

Looking forward, Forestry Commission will soon embark on Reducing Emissions from Deforestation and Forest Degradation (REDD+) activities with a view to: -

i. Enhance the conservation, protection and management of Zimbabwe's Forest resources and increase the national total forest cover
ii. contribute to the National Climate Change Response Strategy goals as well as the climate change mitigation and adaptation efforts.

We look forward to finalization of the Forest Amendment Bill which was gazetted on 6 December 2019 and is still before Parliament. The proposed amendments will not only enhance the regulatory responsibilities of the Forestry Commission, but also, enhance the protection of forests from veldfires through the introduction of mandatory and deterrent sentences to offenders.

In closing, I want to thank all the Forestry Commission employees for all the hard work and commitment they have shown over the year 2020 – a year that turned out much differently than anyone could have imagined due to COVID-19. The above average results achieved are a testimony to the fact that we rose to the challenge and proved as an organisation to be resilient in the face of change. I also wish to thank the Forestry Commission Board and our parent Ministry for their relentless commitment to guiding us. Finally, my sincere gratitude goes to our many and diverse stakeholders, partners and customers for their support/collaboration and belief in Forestry Commission.



A. Marufu
Forestry Commission General Manager

1. Forestry Commission Overview

Forestry Commission comprises two divisions, namely, Conservation & Extension (CONEX) Division and Research & Training (R & T) Division as well as the Ngamo Safaris Business Unit which is responsible for operating safari businesses in Matabeleland.

***Plate 1.1:** Forest Fire Fighting equipment and Tissue culture laboratory.*

2.0 Conservation and Extension (CONEX) Division

During the reporting period, the CONEX Division continued to focus on its key result areas, namely, improved forest management and forestry regulation and extension activities throughout the country. CONEX's extension programmes comprised tree seedling production, tree planting and training for farmers as well as collaborators.

2.1 FORESTRY EXTENSION

2.2 Tobacco Wood Energy Programme (TWEP)

TWEP is a programme that is implemented by Forestry Commission to address deforestation caused by tobacco farming which accounts for a fifth of the national deforestation rate of 300 000ha annually. Much of Zimbabwe's tobacco is cured using fuelwood. Through the TWEP programme, Forestry Commission supplies small-scale tobacco farmers with fast growing eucalyptus seedlings for woodlot establishment. This way, farmers have a ready supply of exotic fuelwood and thus discourage farmers from resorting to slow growing natural/indigenous woodlands for tobacco curing. Number of trees planted in the four tobacco growing provinces of Zimbabwe is shown in the table below: -

	Number of Trees Planted Under TWEP			
Province	**Number of Trees Planted**	**% Trees Planted**	**Area (Ha) Planted**	**%Area Planted**
Mashonaland Central	2 071 277	52%	829	44%
Mashonaland East	649 927	16%	274	14%
Mashonaland West	869 593	22%	515	27%
Manicaland	401 134	10%	283	15%
TOTAL	**3 991 931**		**1 901**	

Plate 2.1: *Hurungwe-Kazangarare Primary kids holding gum seedlings for planting.*

2.3 Global Environment Facility – 6 (GEF) Project

The year 2020 marked the second year of Forestry Commission's participation in the Global Environment Facility (GEF)-sponsored Project entitled *"Strengthening Biodiversity and Ecosystems Management and Climate-Smart Landscapes in the Mid to Lower Zambezi Region of Zimbabwe"*. The project covers parts of Hurungwe District in Mashonaland West, and Muzarabani and Mbire Districts in Mashonaland Central, and seeks to strengthen capacity and governance frameworks for integrated wildlife and woodland management and wildlife/forest crime enforcement in Zimbabwe.

Achievements during the reporting period include the following: -

i. **Establishment of three permanent sample plots (PSPs)** in Ward 7 - Hurungwe, Ward 3- Mbire and Ward 29 Muzarabani which provided a unique long-term re-measurement dataset that was be used to develop growth-and-yield models that support timber supply analysis and sustainable forest management decision. The data set included measurement of above ground biomass, wood density, stocking density and basal area.

ii. **Completion of upgrades to nurseries for supply of tree seedling to project areas.**

a) Harare Forest Research Nursery Greenhouse was repaired with construction of propagation sheds and installation of micro jet sprinklers repairs.

b) Chitindiva and Mavhuradonha Wilderness nurseries were fenced off and green house shade cloths were erected.

Preparatory work to set up a facility/laboratory for tissue culture of forest tree species is at an advanced stage. The practice will involve growing of plants in a nutritious medium in the laboratory – a method that has the advantages such as producing multiple plants from a single plant tissue and thus increase the quality and multiplication of individual varieties of given tree species.

Plate 2.2: *Microjet fitted greenhouse at Harare Forest Research Centre.*

iii. **Production of 83 227 tree seedlings to date.**

iv. **Identified and mapped forest restoration sites covering 27 994 ha in consultation with the communities.**

2.4 National Tree Seedling Production and Tree Planting

A total of 11 834 459 tree seedlings which included Eucalyptus trees, fruit trees, indigenous trees and ornamental trees were produced during the reporting period country-wide against a planned target of 24 840 000 million trees – hence an 48% achievement. This underachievement was mainly due to COVID-19 restrictions which negatively impacted on nursery operations. The number of seedlings included those produced by Forestry Commission in its nurseries as well as those produced by beneficiaries of Forestry Commission extension services, namely farmers and other agencies as well as Forestry Commission's collaborators in tree planting such as Friends of the Environment (FOTE) and the Sustainable Afforestation Association (SAA).

A total of 16 531 421 multipurpose trees were recorded as planted[2] against a target of 45 750 000, and hence, a 36% underachievement. Again, this underachievement is mainly attributable to COVID-19 restrictions as was the case with seedling production. By and large, the 2019-2020 rainfall season was good and favourable for tree planting.

The graph below depicts quantities of tree seedlings that were produced and planted in 2020 on a provincial basis, namely Mashonaland Central (Mash Cent), Mashonaland West (Mash West), Mashonaland East (Mash East)[3] Manicaland (Manica), Midlands, Masvingo, Matabeleland North (Mat North) and Matabeleland South (Mat South).

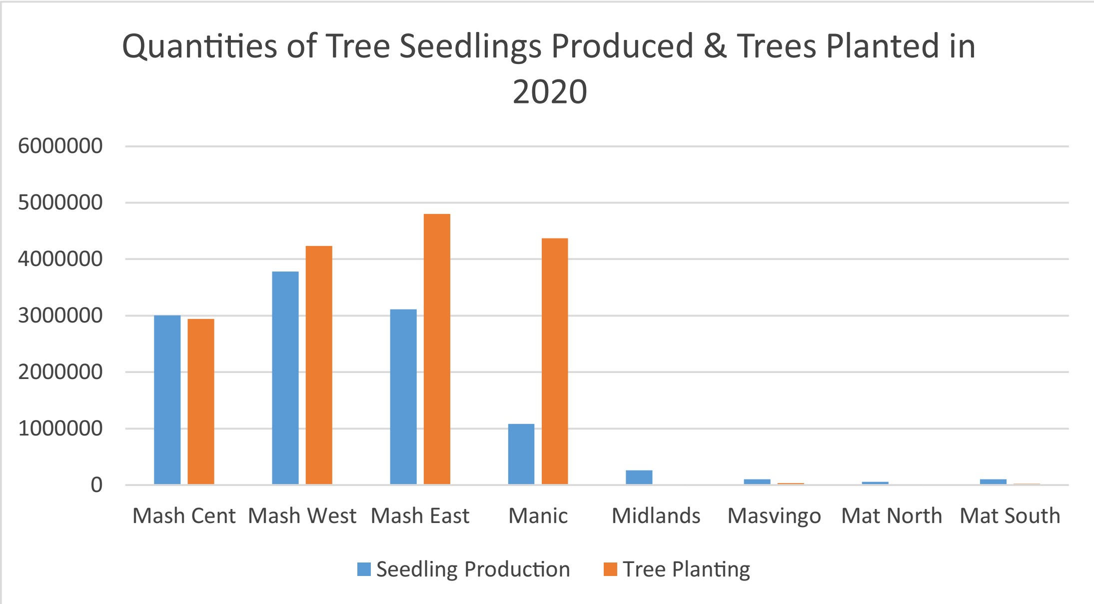


Figure 2.1: *Number of tree seedling production and trees planted per province.*

The table below shows the contribution of each province to the national total.

Province	Number of tree seedlings produced	Contribution of Province to number of tree seedlings produced	Number of trees planted	Contribution of Province to number of trees planted
Mashonaland Central	3 115 215	26%	2 939 995	18%
Mashonaland West	3 782 913	32%	4 236 315	36%
Mashonaland East	3 333 461	28%	4 801 029	41%
Manicaland	1 085 269	9%	4 368 279	37%
Midlands	259 895	2%	116 680	1%
Masvingo	101 114	1%	34 908	0.3%

[2] Excludes plantings on commercial timber plantations.

Matabeleland North	55 478	0.5%	9 909	0.1%
Matabeleland South	101 114	1%	24 306	0.2%
Total	**24 840 000**		**16 531 421**	

The graph shows that both tree seedling production and tree planting were better in provinces with relatively better annual rainfall, namely Mashonaland and Manicaland. Whilst tree seedling production and tree planting is pronounced in provinces with relatively less rainfall, namely Midlands, Masvingo, Matabeleland North and Matabeleland South, forestry extension in these areas focuses mainly on conserving already established trees and shrubs through woodland management activities which promote natural regeneration.

2.5 The National Tree Planting Day[4] (5 December 2020)

The National Tree Planting Day (NTPD) for 2020 was commemorated under the theme *"Fruit Trees for Food Security and Nutrition"*. His Excellency – Cde E.D Mnangagwa launched NTPD on 22 December 2020 at Chombwe Piped Water Irrigation Scheme in Chivi District during a commissioning session of the Irrigation Scheme where a total of 800 trees were planted. His Excellency also led 26 African Ambassadors in tree planting at the Institute of African Knowledge in Warren Park-Harare at the Museum of African Liberation site. The Patron of the Environment, Her Excellency Amai A. Mnangagwa participated in all of Zimbabwe's eight rural provinces NTPD activities and a total of 10 783 trees were planted during this exercise.

At all the officiating ceremonies, the presiding officials and dignitaries planted the tree of the year for 2020, namely, *Adansonia digitata*, commonly called African baobab in English, (Ukhomo in Ndebele and Muuyu in Shona).

The 11th Friends of the Environment (FOTE) Walkathon, the annual curtain raiser to NTPD was held virtually on 3 December 2020, courtesy of Covid-19 lockdown restrictions against large gatherings. The virtual participants registered online indicating their chosen Walk route and upload pictures of themselves and their tree planting activities onto a FOTE online platform for social media publicity.

[4] Official Day is first Saturday of December annually although commemorations may be conducted on different dates just before or soon after the official day

Plate 2.3: *HE Cde. E.D. Mnangagwa launching tree planting at Chombwe Irrigation Scheme, Chivi District Masvingo.*

2.6 Farmer/Stakeholder Training

One of the flagship programmes of Forestry Commission is farmer training in communal and resettlement areas with a view to: -

- Create an awareness within the communities on the benefits of trees and woodlands/forests, both in providing essential products for their daily needs and in protecting their environment;
- Develop an appreciation of trees/woodlands/forests and natural resources and the proper attitude and interest to acquire knowledge and skills to manage, develop, protect and evaluate these life sustaining resources;
- Support tree planting, including establishment of community woodlots and Natural Resources Management Committees.

To this end, Forestry Commission has a resident Forestry Extension Officer in each and every district in Zimbabwe mandated to provide extension services. The subject areas covered under forestry extension include tree growing and tree care, woodland management, beekeeping, fire prevention and fire fighting, forestry regulations and by laws, sustainable utilisation of forest products and climate change. Training techniques vary from workshops, on-farm-training, demonstrations, field days, look and learn visits/tours, talks at meetings and radio/tv programmes. As a result of the Covid 19 restrictions, fewer training sessions were conducted in 2020 given that only 300 workshops were conducted during the reporting period compared to 600 sessions in 2019. Likewise, 9000 participants were trained in 2020 compared to 20000 in 2019.

Courtesy of the Covid 19 restrictions, the organisation did not raise awareness on environmental and forestry issues at a number of platforms which were cancelled and these included the Zimbabwe International Trade Fair in Bulawayo, Zimbabwe Agricultural Show at District and Provincial level and the International Day of Forests on 21 March.

2.7 Forest Resources Regulation

Forestry Commission derives its regulatory power from the following instruments: -

- Section 73 of the Constitution of Zimbabwe which entitles every person to a sustainable environment managed through legislation and other measures that prevent pollution and ecological degradation while promoting forest conservation for economic and social development;
- Southern African Development Community protocol on Forestry, Article 15 of 2002 which urges state parties to take all necessary legislative, administrative and enforcement measures to address natural and human induced threats to forests;
- Forest Act 19:05 and Communal Land Forest Produce Act 19:04 which render the power to regulate, control trade in forest produce and burning vegetation in state and private forests, communal areas and resettlement areas.

However, movement restrictions and measures to curb the spread of COVID-19 during 2020 had negative outcomes for sustainable forest management and forest protection efforts in Zimbabwe; the measures resulted in the postponement, and in some cases outright cancellation of regulatory activities. As a result, illegal harvesting of timber and non- timber forest products (NTFPs) increased in 2020 due to reduced monitoring by the regulations unit as well as the forest protection unit. Thus, there were many cases of illegal movement of forest produce, felling of trees during land clearing without permits, felling trees for charcoal production, illegal trading of firewood and flourishing of unregistered timber businesses.

Plate 2.4: *A canoe made from pod mahogany discovered during patrols in Hurungwe district.*

2.8 GAZETTED FOREST PROTECTION AND MANAGEMENT

Forestry Commission is mandated by the Forest Act to protect, conserve and manage twenty-seven indigenous hardwood forests covering 829 000 hectares in the Matabeleland North and Midlands Provinces which are part of the Kalahari sand ecosystem which extends into the Namibian and Botswana arid regions and Manicaland Province. Protection of these forests play a vital role in the stabilization of the fragile Kalahari sand ecosystem, protection of water catchments in Zimbabwe, moderation of climate by absorbing greenhouse gases, maintenance of biological diversity and a major wildlife habitat. The forests are renowned for their slow-growing teak *(Baikiaea plurijuga),* rosewood *(Guibortia coleosperma)* and mukwa *(Pterocarpus angolensis)*. Should these forests succumb to destruction due to fire, poaching, diseases or pests - it would require approximately eighty to a hundred years for the trees to mature once more, as they have a very slow recovery rate.

Regarding management and protection of its 27 gazetted forests extending 829 000 ha mainly located in Matabeleland North province on fragile soils, CONEX undertook the following operations during the reporting period: -

- Managing the forest areas through fire protection, regeneration and appropriate silvicultural operations as well as undertaking timber anti-poaching activities;
- Managing wildlife in FC's gazetted forest areas through game counts, provision of water, maintaining appropriate carrying capacities and undertaking wildlife anti-poaching activities;
- Generating revenue from wildlife safaris and timber concessions – with the proceeds ploughed back into management and protection of these very forests.

Covid 19 impacted negatively on tourism arrivals in Zimbabwe. The economy of Matabeleland North Province is by and large dependent on forest-based tourism for jobs and livelihoods and a large number of employees was retrenched or worked on reduced shifts on account of a decline in the number of tourists. Unfortunately, the decline in the communities' incomes led to communities risking their engagement in illegal activities such as poaching at a time when Forestry Commission could not significantly intensify its anti-poaching patrol activities due to resource constraints.

During the reporting period, the Forest Protection Unit conducted 12 000 patrol man-days covering 55 000km and effected 70 arrests of wildlife poachers and 40 timber poachers. In addition, 25 stray hunting dogs were shot and 66 wire snares were removed.

Other operations within the gazetted forests included pumping water for game animals during the dry season as well as putting out fires and ensuring fire protection measures, that is, clearing fire-lines, fireguard burning and early block burning. A total of 660 hectares of bush encroachment were controlled.

Sustainable Forest Management was also practiced at Forestry Commission's sixteen gazetted estates in the Eastern Highlands leased by Allied Timbers stretching over 120 000 hectares. Sustainable forestry practices prevent soil erosion on the very steep mountainous terrain where pine, eucalyptus and wattle are grown. Further, sound forestry practices in this catchment area guarantee water supply necessary for the support of the vital sectors of the economy such as tourism, agriculture and energy.

It is regrettable, however, that despite the need to sustainably protect all gazetted forests, Forestry Commission continues to face an influx of illegal settlers in Gazetted Forests. There are approximately 50 000 individuals occupying at least 60 000 hectares of Forest Land. Of the twenty-seven Gazetted Forests, the most affected Forests are Gwaai, Mzolo, Bembesi, Inseze, Inseze Extension, Umgusa, Chesa, Gwampa and Lake Alice in Matabeleland North as well as Mafungautsi in Midlands. The settlers are primarily engaged in livestock and crop production.

Illegal settlers have also invaded forest plantations in the Eastern Highlands, namely, Nyambewa, Gwendingwe, Tarka, Tandayi, Martin and Chisengu Forest Plantations in Chimanimani, Maswera and Stapleford Forest Plantations in Penhalonga where they are carrying out gold panning activities. Forestry Commission is unable to deal with the illegal settlement issue single-handedly, as Government's intervention is required since evictions are politically sensitive.

3.0 Research and Training Division

The Research and Training (R&T) Division comprises two units, namely, Research and Development (R & D) Unit which is headquartered in Harare and the Colleges/Training Unit which operates from Mutare.

The R & D is organised around Plantation Forestry, Social & Indigenous Forestry and a supportive Technical Services wing. The headquarters for the Division is at the Forest Research Centre in Harare with John Meikle Station in Penhalonga, Muguzo Station in Chimanimani and Chesa Station in Bulawayo as satellites. The thematic areas of research are Biodiversity/ Forest Genetic Resources Conservation, Plantation Forest Research, Climate Change Mitigation/Adaptation, Forest Health, and Social Forestry with support from Forest Resources Mapping & Inventory section and Biometrics sections. The knowledge generated provides scientifically-grounded basis for assessing both the positive and negative impacts of forest management in Zimbabwe including utilization, land-use change, and technological innovation and thereby offering scientifically sound options for increasing forest productivity, restoring landscapes and ensuring sustainable tree-based land management practices.

Accomplishments of the R & D Unit during 2020 are given below as follows:

3.1 Plantation Forestry Research

3.1.1 Tree Breeding/ Improvement:

- *Eucalyptus tereticornis* and *Pinus maximinoii* seedlings were produced at Chesa Forest Research Station for the establishment of seed orchards and Breeding Seedling Orchards.
- A total of 1710 vegetatively propagated tree seedlings of *Eucalyptus tereticornis* and *Pinus maximinoii* were produced at John Meikle Forest Research

3.1.2 Seed/Germplasm Collection and Distribution

- The seed balls distribution programme continued during the reporting period with a total of 5,000 seed balls of *Acacia erioloba, A. karroo, A. tortilis, Faidherbia albida* and Katambora grass having been distributed to three (3) local community groups in Gwanda, namely Hwabai village (2 groups) and Sibumbu village (1 group). This is part of the Seed Centre's efforts to promote farmer managed natural regeneration of forest resources at the community level. The programme is being implemented in partnership with Gwanda Forest Extension Office and a local NGO, which provided fencing to the seed ball sites.
- Seed collection of various indigenous agroforestry species was conducted by the Seed Centre in Muzarabani and Mbire districts to replenish the seed stocks for various national tree-planting programmes. Species collected include *Piliostigma thorningii, Moringa olifera* and *Ziziphus mauritiana.*

- A total of 13 348 kg of Pine cones were collected at John Meikle Forest Research Station with a total of 331.2 kg having been dispatched to the Seed Centre in Harare for further processing and germination testing.
- A total of RTGS$ 3 724 753.22 and US$ 19,842.00 was realised from sale of tree seed at the Tree Seed Centre against a target of RTGS$ 3 million, which translates to 124% achievement. High demand of seed coupled with availability of seed in stock boosted sales.

Plate 3.1: *Seed processing at Harare Forest Research Centre.*

3.1.3 Plantation Silviculture

- Two (2) *Venonanthura polyanthes* weeding trial experiments, out of three (3) targeted were formulated during the report period. Two sites were identified at Charter and Tarka estates. Chemicals were procured and distributed to Muguzo Forest Research Station.
- Production of *P. tecunumanii* and *P. maximinoii* seedlings for the establishment of four (4) spacing management (CCT) trials was in progress during the report period. Low recoveries were experienced for *P. maximinoii* due to poor germination in the nursery.

Plate 3.2: *Venonanthura polyanthes trials at Tarka estate.*

3.1.4 Forest Protection - Biological Control Trials

- The biological control studies for some serious pests of eucalyptus in Zimbabwe, continued during 2020. Post release evaluation of the natural enemies namely, *Seletricoides neseri* and *Psllaephagus bliteus* for the alien invasive pests *Leptocybe invasa* and *Glycapis brimblecombei* showed that the natural enemies are still present insufficient numbers to control pests as shown in the table below:

Post release monitoring results for natural enemy (S. neseri and P. bliteus) vs. pest (G. brimblecombei and L. invasa) populations

Period	No. of emergence (recoveries) at post release monitoring	
	P. bliteus (natural enemy)	*G. brimblecombei* (pest)
July	165	320
August	549	252
September	219	162
Mean	**311**	**244**
Total	**933**	**734**

- Preservation of insect herbarium specimens was also undertaken at the Forest Protection Unit's entomology and pathology laboratory using alcohol to preserve against disintegration

3.2 Mapping and Inventory

- The Mapping and Inventory Unit mapped a total of 15 000ha earmarked for forest restoration in Hurungwe, Mbire and Muzarabani Districts. The exercise was conducted under the UNDP Lower Zambezi Biodiversity Project.
- The unit completed processing of the 2017 land cover map and the map is now available in digital format. An interactive app for the 2017 map was developed and awaits to be deployed to the company website for use by stakeholders and the

general public. Key findings from the completed land cover map covering the period 1992 to 2017 are as follows:

a) The country has a total natural forest area of 18.351 million hectares, which is about 46 percent of the total land area. The area under forest plantation is estimated to be 187 531.42hectares, which is about 0.48 percent of the total land area.
b) The area of forest continues to decline, and the country lost approximately 6 558 724.54 hectares for the period 1992 to 2017.
c) The annual deforestation rate is estimated at 262 348.98 hectares per annum for the period 1992 to 2017.
d) Forest loss is largely due to agricultural expansion and infrastructure development

- A ground truthing exercise for the Land Use, Land Use Change and Forestry (LULUCF) areas statistics generated through *Collect Earth* towards the development of the first biennial update report and the fourth national communication to the UNFCCC, was conducted.

Plate 3.3: *Measurements and assessments in an artificial regeneration trial of indigenous species at Lutumba in Beitbridge.*

3.3 Research/Scientific Publications or Articles

Forestry Commission's research officers, namely, Messrs T. Gotore, and Ms I. Makowe were co-authors in the publications listed below: -

- **Gotore, T.,** Ndagurwa, H.G., Kativu, S., Gautier, D., and Gazull, L. 2020. Woody plant assemblage and the structure of miombo woodland along a disturbance gradient in Hurungwe, Zambezi Valley, Zimbabwe. Journal of Forestry Research, pp.1-11.

- **Makowe, I.** and Hurley, B. 2020. The biology of *Centrodora damoni* (Hymenoptera: Aphelinidae). Poster presented at a IUFRO Conference on Forest Health held in Pretoria, Future Africa, FABI. University of Pretoria.

3.4 Colleges/Forestry Training

The Colleges/Forestry Training Unit of the R & T Division comprises the Zimbabwe College of Forestry (ZCF) and Forest Industries Training Centre (FITC) located in Penhalonga, Mutare. ZCF offers courses in forest resources management while FITC offers training in primary wood processing. Both units prepare graduates with hands on forestry and wood-technology skills at certificate and diploma levels. Skills upgrading and in-service courses are offered to practicing industry personnel. Plans are now underway to offer degree programmes. Graduates from the Colleges are mainly employed in Zimbabwe and a few have secured jobs in South Africa, Australia, USA and Swaziland.

Further, skills upgrading and in-service courses are also offered to practicing industry personnel.

3.4.1 Enrolment – Certificate and Diploma

- They are 2 semesters run by The Forestry Colleges which are the February-to-May and the August-to-December semester. Student enrollment for 2020 is shown below:

Student Enrolment for the Year 2020				
	Programme	**Male**	**Female**	**Total.**
1	Certificate in Forestry	6	1	7
2	Diploma in Forestry part 1/1	10	5	15
3	Diploma in Forestry part 2/1	21	4	25
4	Diploma in Forestry part 3/1	15	8	23
5	Diploma in Forestry Block Release	6	0	6
6	Certificate in Wood Technology part 1/1	5	3	8
7	Diploma in Wood Technology part 1/1	0	0	0
8	Diploma in Wood Technology part 2/1	6	4	10
9	Diploma in Wood Technology part 3/1	0	0	0
	Total	**69**	**25**	**94**

- The process to start degree programmes was initiated. Draft Regulations have been produced for Bachelor of Science degree in Forestry and Bachelor of Science degree in Wood Processing. Wider consultations are still ongoing. After these consultations, an application will be made to the Ministry of Higher and Tertiary Education.

3.4.2 Enrolment – Short Term Courses

- No training was possible under lockdown.

3.4.3 Graduation

A total of 48 students successfully completed their training. Graduation ceremony could not be held in 2020 due to national Covid 19 lockdown. The following table shows the numbers for each programme:

Number of graduates in 2020			
Programme	**Total**	**Male**	**Female**
Diploma in Forestry	24	21	3
Diploma in Wood Technology	3	2	1
Certificate in Forestry	10	6	4
Foundation Certificate in Forestry	11	5	6

4.0 Ngamo Safaris

Ngamo Safaris is a business unit within Forestry Commission falling under the Conservation and Extension Division. The unit generates revenue for the organisation through sustainable utilization of the wildlife resources in Forestry Commission's gazetted forests in Matabeleland North Province. A significant amount of this revenue is ploughed back into management/protection/conservation of Forestry Commission's gazetted forests. 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 is responsible for over 90% of the revenue generated under Ngamo Safaris.

During the reporting period, the coronavirus pandemic kept tourists confined to their home countries with many either cancelling or postponing their travel plans, and as a result, wildlife conservation initiatives that depend on tourism revenues, Ngamo Safaris included were severely crippled in 2020. Revenue generation for 2019 was ZWL$16,199,580 compared to ZWL$9,587,263 generated in 2020.

Only five international visitors and 453 locals checked into Ganda Lodge during the reporting period. However, Ngamo Safaris took the opportunity to spruce up its Ganda Lodges chalets during the tourism slump by re-painting, re-tiling and re-thatching.

***Plate 4.1:** The spruced-up Forestry Commission's Ganda Lodge*

Photographic Ganda Lodge near Hwange National Park is directly operated by Ngamo Safaris while other photographic safari activities are run by private operators who lease land from Forestry Commission.

As was the case with photographic safaris, hunting safaris also had a slump due to Covid 19 travel restrictions. A total of nine (9) hunts were conducted in 2020 resulting in 106 hunter days. The breakdown of the hunts is as follows:

- 2 x Elephant, Plains Game.
- 2 x Elephant, Leopard, Buffalo, and Plains Game.
- 1 x Elephant, Lion, and Plains Game.
- 1 x Sable, Plains Game.
- 1 x Buffalo, Plains Game.
- 1 x Elephant, Leopard, and Plains Game.
- 1 x Elephant, Leopard, Lion, and Plains Game.

5. Conclusion

Movement restrictions and measures to curb the spread of COVID-19 during 2020 presented challenges to the sustainable management and protection of forest resources. Compared to the year 2019, most of the achievements were halved while in some cases implementation of activities was halted to conform to the COVID-19 requirements. The Forestry Commission, however, managed to raise 11 834 459 seedlings and a total of 16 531 421 multipurpose trees were recorded as planted. Fewer farmer training sessions were conducted in 2020 given that only 300 workshops were conducted during the reporting period compared to 600 sessions in 2019. During the reporting period, the Forest Protection Unit conducted 12 000 patrol man-days covering 55 000km and effected 70 arrests of wildlife poachers and 40 timber poachers.

Going forward the priority is to continue focusing on the key priority areas highlighted in the National Development Strategy 1. Of particular importance is to finalise the land cover mapping covering the period 2017 to 2020 and put new areas under active management by communities and the Rural District Council with technical support from Forestry Commission. The Land Cover map provides the status of the country's forests and woodlands and the rate of deforestation over that period. This is an important activity that informs national tree planting and restoration effort targets to restore degraded forest areas in line with the African Landscapes Restoration Initiative (AFR 100).

6. Audited Financial Statements

All communication should be addressed to:
The Auditor-General
P. O. Box CY 143, Causeway, Harare
Telephone: +263-242-793611/3/4
Telegrams: AUDITOR
E-mail: oag@auditgen.gov.zw
Website: www.@auditorgeneral.gov.zw

OAG ZIMBABWE
Office of the Auditor-General

OFFICE OF THE AUDITOR-GENERAL
5th Floor, Burroughs House,
48 George Silundika Avenue,
Harare

Ref: SB73

REPORT OF THE AUDITOR GENERAL

TO

THE MINISTER OF ENVIRONMENT, TOURISM AND HOSPITALITY INDUSTRY

AND

THE BOARD OF COMMISSIONERS

IN RESPECT OF THE FINANCIAL STATEMENTS OF THE

FORESTRY COMMISSION

FOR THE YEAR ENDED DECEMBER 31, 2020

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the financial statements of Forestry Commission set out on pages 7 to 27, which comprise the statement of financial position as at December 31, 2020 and the statement of profit or loss and other comprehensive income, the statement of changes in reserves and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Forestry Commission as at December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

FORESTRY COMMISSION
AUDIT REPORT
For the year ended December 31, 2020

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS 21) "The effects of changes in foreign exchange rates" on opening balances

The prior year financial statements did not comply with IAS 21 "The Effects of Changes in Foreign Exchange Rates," as the Commission had been unable to use an appropriate exchange rate on change of functional currency. The Commission translated its comparative financial statements using the interbank rate which came into existence on February 22, 2019 through the Exchange Control Directive RU 28 of 2019 issued by the Reserve Bank of Zimbabwe.

The Commission used January 01, 2019 as the date of change in functional currency and rebased its foreign currency denominated balances to ZWL at a rate of 1:1. Statutory Instrument 33 of 2019 prescribed that all assets and liabilities that were denominated in US$ before February 22, 2019 be deemed to be RTGS dollars at a rate of 1:1 and all transactions subsequent to February 22, 2019 at Interbank rate starting at 1:2.5. The Commission's inability to assess the appropriateness of using the interbank rate in achieving fair presentation was primarily due to the need to comply with Statutory Instrument 33 and the fact that there were no official exchange rates between October 2018 and February 2019 due to lack of an observable foreign exchange market. In that regard, The Commission's 2020 opening balances misstatements have an impact on the current year financial statements. Had the Commission applied the requirements of IAS 21, many elements of the financial statements would have been materially impacted.

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 Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other 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 qualified opinion.

FORESTRY COMMISSION
AUDIT REPORT
For the year ended December 31, 2020

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, 2020. These matters were addressed in the context of my audit of the Forestry Commission financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition, to the matters described in the Basis for Qualified Opinion section, I have determined the matters described below to be the key audit matters to be communicated in my report.

Matter	How my audit addressed the Key Audit Matter
Valuation of trade Receivables, refer to note 6 in the financial statements The Commission had trade receivables with a gross amount of $ 71 778 400. Management has estimated an allowance for credit losses of $ 2 023 267. The allowance for credit losses for trade receivables is a management estimate which involve significant judgements and assumptions about the recoverability of amounts owed by customers. In the face of the worsening liquidity conditions and business performance constraints within the economy, there is an increased risk of default by customers. The level of judgement and assumptions made by the management in the determination of the value of the receivables increases the risk that receivables may be inappropriately disclosed. Resultantly the valuation of receivables is considered a key audit matter.	The audit procedures that I performed to address the risk of material misstatement relating to valuation of trade receivables included but were not limited to the following: • Obtained an understanding of the design and operating effectiveness of the internal controls. • Evaluated the reasonability of management judgements and assumptions made in estimating the allowance for credit losses considering the nature and reliability of any historic data used to support these assumptions • Tested the accuracy of the receivables age analysis and recoverability of amounts due from debtors through testing of subsequent receipts and corroborative enquiry. • Reviewed the Commission's provisioning policy to confirm compliance with IFRS 9 requirements. I was satisfied by the reasonableness of management judgement and assumptions made in determining the value of receivables in the financial statements.

FORESTRY COMMISSION
AUDIT REPORT
For the year ended December 31, 2020

Other information

Management is responsible for the Other Information. The Other Information comprises all the information in the Forestry Commission's 2020 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 other information, I am required to report that fact. I have nothing to report in this regard.

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

The Commission's management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs) 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 ISAs 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:

FORESTRY COMMISSION
AUDIT REPORT
For the year ended December 31, 2020

- 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;

- 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.

FORESTRY COMMISSION
AUDIT REPORT
For the year ended December 31, 2020

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] and other relevant Statutory Instruments.

November 10, 2022.

N. MAGADZA,
ACTING AUDITOR – GENERAL.

FORESTRY COMMISSION

STATEMENT OF FINANCIAL POSITION

as at December 31, 2020

		Inflation Adjusted		Historical Cost	
		2020	2019	2020	2019
	Note	ZWL$	ZWL$	ZWL$	ZWL$
Non-current assets		**117 279 372**	**42 500 492**	**13 273 513**	**9 486 716**
Property, plant and equipment	4	117 279 372	42 500 492	13 273 513	9 486 716
Current assets		**224 099 108**	**81 071 648**	**222 155 449**	**18 096 349**
Inventories	5	12 150 620	8 151 468	10 206 961	1 819 524
Trade and other receivables	6	71 778 400	28 684 786	71 778 400	6 402 853
Cash and cash equivalents	7	140 170 088	44 235 395	140 170 088	9 873 972
Total assets		**341 378 480**	**123 572 140**	**235 428 962**	**27 583 065**
RESERVES AND LIABILITIES					
Reserves		**267 566 126**	**63 418 128**	**161 616 609**	**13 634 788**
Non distributable reserve		76 758 880	37 626 902	8 398 862	8 398 862
Accumulated fund		190 807 246	25 791 226	153 217 747	5 235 926
Non current Liabilities		**21 907**	**137 016**	**21 907**	**30 584**
Deferred income	8	21 907	137 016	21 907	30 584
Current liabilities		**73 790 447**	**60 016 996**	**73 790 447**	**13 917 693**
Trade and other payables	10	57 356 711	48 206 690	57 356 711	11 281 464
Provisions	11	16 433 736	11 810 306	16 433 736	2 636 229
TOTAL RESERVES AND LIABILITIES		**341 378 480**	**123 572 140**	**235 428 962**	**27 583 065**

2/11/ ,2022

A.W. CHIRANGANDE,
(FINANCE DIRECTOR).
(ACIS,MBA,R.P.Acc(Z).

2/11/22 ,2022

A. MARUFU,
(DIRECTOR GENERAL).

2/11/ ,2022

V.GUNDU-JAKARASI,
(CHAIRPERSON).

FORESTRY COMMISSION

STATEMENT OF PROFIT OF LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2020

		Inflation Adjusted		Historical Cost	
	Note	2020 ZWL$	2019 ZWL$	2020 ZWL$	2019 ZWL$
Income		**480 829 180**	**228 090 234**	**346 436 864**	**50 904 322**
Income	12	301 379 003	154 131 495	195 028 187	34 395 675
Amortised grant	9	8 677	38 873	8 677	8 677
Government grant	12.1	179 441 500	73 919 866	151 400 000	16 499 970
Expenditure		**(352 599 334)**	**(155 397 769)**	**(198 455 043)**	**(34 687 003)**
Administrative expenses	13	(170 350 290)	(98 768 921)	(105 088 646)	(22 046 634)
Employment costs	14	(182 249 044)	(56 628 849)	(93 366 397)	(12 640 369)
Surplus for the year		**128 229 846**	**72 692 465**	**147 981 821**	**16 217 319**
Monetary Gain		**36 786 174**	**142 446 631**	-	-
Total Comprehensive Surplus for the year		**165 016 020**	**215 139 096**	**147 981 821**	**16 217 319**

FORESTRY COMMISSION

STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2020

	Inflation Adjusted			Historical cost		
	Non-Distributable Reserve	Accumulated Fund	Total	Non-Distributable Reserve	Accumulated Fund	Total
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
Balance as at January 1, 2019	76 758 880	(49 196 645)	27 562 235	8 398 862	(10 981 394)	(2 582 532)
Comprehensive surplus/(deficit) for the year	-	74 987 871	74 987 871	-	16 217 320	16 217 320
Balance as at December 31,2019	**76 758 880**	**25 791 226**	**102 550 106**	**8 398 862**	**5 235 926**	**13 634 788**
Balance as at January 1, 2020	76 758 880	25 791 226	102 550 106	8 398 862	5 235 926	13 634 788
Comprehensive surplus for the year	-	165 016 020	165 016 020	-	147 981 821	147 981 821
Balance as at December 31,2020	**76 758 880**	**190 807 246**	**267 566 126**	**8 398 862**	**153 217 747**	**161 616 609**

FORESTRY COMMIISSION

STATEMENT OF CASH FLOWS

for the year ended December 31, 2020

	Note	Inflation Adjusted		Historical Cost	
		2020 ZWL$	2019 ZWL$	2020 ZWL$	2019 ZWL$
Operating activities					
Cash flows from operating activities		**185 619 571**	**203 720 930**	**135 751 396**	**16 264 974**
Cash flows before changes in working capital					
Operating surplus for the year		165 016 020	215 139 096	147 981 821	16 217 319
Adjustment for :		**58 546 301**	**130 130 793**	**15 457 312**	**2 225 310**
Loss on disposal of property, plant and equipment		-	29 859	-	6 665
Interest earned		-	(5 866 148)	-	(19 199)
Provision		16 433 736	(8 531 831)	13 797 507	1 905 220
Amortisation of capital grant		(8 677)	(38 873)	(8 677)	(8 677)
Monetary gains		36 786 174	142 446 631	-	-
Depreciation charge on property, plant and equipment	4	5 335 068	2 091 155	1 668 482	341 301
Operating loss before working capital changes		**223 562 321**	**345 269 889**	**163 439 132**	**18 442 629**
Changes in Working Capital		**(37 942 750)**	**(141 548 959)**	**(27 687 737)**	**(2 177 655)**
Decrease /(increase) in trade and other receivables		(43 093 619)	(6 465 169)	(65 375 547)	(5 605 163)
Decrease /(increase) in inventories		(3 999 153)	(9 744 236)	(8 387 437)	(1 620 571)
(Decrease) / increase in trade and other payables		9 150 022	(125 339 554)	46 075 247	5 048 079
Cash flows from investing activities		**(11 128 770)**	**(73 437 532)**	**(5 455 280)**	**(6 881 809)**
Acquisition of property, plant and equipment		(11 128 770)	(80 128 784)	(5 455 280)	(6 941 259)
Interest received		-	5 866 148	-	19 199
Proceeds from disposal of non-current assets		-	2 675	-	597
Investments		-	822 429	-	39 654
Net increase in cash and cash equivalents		**174 490 800**	**30 573 641**	**130 296 116**	**9 383 169**
Cash and cash equivalents at the beginning of year		87 833 807	13 661 754	9 873 972	490 803
Effects of inflation		(122 154 519)	(99 709 757)	-	-
Cash and cash equivalents at the end of year	7	**140 170 088**	**44 235 395**	**140 170 088**	**9 873 972**

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

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1. NATURE OF BUSINESS

The Forestry Commission (also hereinafter called the 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), the International Financial Reporting Interpretation Committee (IFRIC) and the Forest Act Chapter (Chapter 19.05). While full compliance has been possible in the previous periods only partial compliance have been achieved for 2020 because it has not been possible to comply with some aspects relating to International Accounting Standard 21 "The effects of Changes in Foreign Exchange Rates" (IAS 21).

The IFRS Conceptual Framework requires that in applying fair presentation to financial statements, entities should go beyond the consideration of the legal form of transactions and any other factors that could have an impact on them. IAS 21 requires an entity to apply certain parameters in determining the functional currency of an entity for use in the preparation of its financial statements. The same standard requires an entity to make certain judgments, where applicable regarding appropriate exchange rates between the currency where exchangeability through a legal and market exchange mechanism is not achievable.

In the opinion of directors, the requirement to comply with Statutory Instrument 33 (SI 33) of 2019 created inconsistencies with IAS 21, as well as the principles embedded in the IFRS Conceptual Framework, and the Guidance issued by Public Accountants and Auditors Board on March 21, 2019. This has resulted in the adoption of accounting treatment in the current year's financial statements, which is at variance from that which would have been applied if the Commission had been able to fully comply with IFRS. Specifically, SI 33 has precluded the Commission from applying an independent assessment of functional currency as provided for under IAS 21.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

2.2. Basis of measurement

The annual financial statements of the Commission have been prepared under the inflation adjusted accounting basis in accordance with the provisions of International Standard 29 (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.

The restatement was calculated by means of conversion factors derived from Zimbabwe Consumer Price Index (CPI) issued by the Zimbabwe Central Statistical Office reported on the Reserve Bank of Zimbabwe website.

The CPI is the general price index that reflect change in purchasing power and is the index that is being used in the country. The indices and conversion factors used to restate the accompanying financial statements at 31 December 2020 are as follows:

Dates	Indices	Conversion factor
CPI as at 31 December 2018	88.8	25.1818
CPI as at 31 December 2019	551.60	4.4859
CPI as at 31 December 2020	348.32	1.0000

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.
- 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.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

- 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 Functional and presentation currency

In the previous financial periods up to 2018, the Commission adopted the United States Dollar as both its presentation currency and functional currency. With effect from 2019 financial statements, in order to comply with local laws and regulations, particularly Statutory Instrument 33 of 2019 and taking into account the relevant guidance on the matter by the Public Accountants and Auditors Board issued on 21 March 2019, the Commission adopted the Zimbabwe Dollar (ZWL) as its presentation currency. Statutory Instrument 33 of 2019 has precluded the Commission from applying an independent assessment of functional currency as provided for under International Accounting Standard 21 'The effects of changes in Foreign Exchange Rates'.

2.4 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:

2.4.1 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.

2.5 New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations adopted in 2020.

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2.5.1 New standards, interpretations and amendments adopted effective from 1 January 2019

In the current year, the Commission has applied new and several amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2019.

Amendments to IAS 1 and IAS 8 - Definition of Material-Effective for annual periods beginning on or after 1 January 2020 with earlier application permitted.

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency. The amendments are applied prospectively for annual periods beginning on 1 January 2020, with earlier application permitted. The application of the amendments did not have an impact on the financial statements.

2.5.2 Standards and amendments issued and effective for the period ended 31 December, 2020

i. Amendments to IAS 1 and IAS 8 Definition of Material
The amendments provide new definition of material that states, 'information is material if omitting misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'.

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements.

ii. Amendments to IFRS 16 COVID-19 Related Rent Concessions
On 28 May 2020, the IASB issued a COVID-19 Related Concessions – amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether COVI-19 related concession from a lessor is a lease modification. A lessee that makes this

election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment relate and applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

2.5.3 Standards issued but not yet effective

i. Amendments to IAS 1: Classification of Liabilities as Current or Non – Current
In January 2020 IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify as follows:

a. What is meant by right to defer settlement
b. That a right to defer must exist at the end of the reporting period
c. That classification is unaffected by the likelihood that an entity will exercise its deferral right.
d. That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

i. Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment – Proceeds before intended use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

ii. Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37.

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contact activities. General and administration costs do not relate directly to a contract and are

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excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

iii. IFRS 9 Financial Instruments

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendments to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

3 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

While the Commission's records are maintained in ZWL, some of its transactions are conducted in other major foreign currencies. Transactions in foreign currencies are translated to ZWL at rates of exchange 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 cost 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 carried at cost less any recognized impairment loss. Depreciation of these assets, as with other property assets, commences when the assets are ready for their intended use.

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for the year ended December 31, 2020

3.2.2 Depreciation

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	Rate (%)
Buildings	5
Office furniture and equipment	10
Roads and communication equipment	10
Plant and machinery	10
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 Leases

Leases that transfer substantially all the risks and rewards or ownership are classified as finance leases. All other leases are classified as operating. Assets leased in terms of finance lease agreements are capitalized at amounts equal at the inception of the lease to the fair value of the leased property, or, if lower, at the present value of the minimum lease payments. Capitalized lease assets are depreciated in accordance with the accounting policy applicable to property, plant and equipment. The corresponding rental obligations, net of finance charges, are included in long term borrowings. Lease finance charges are amortized to profit or loss (unless they are directly attributable to qualifying assets) over the duration of the leases so as to achieve a constant rate of interest on the remaining balance of the liability. Obligations incurred under operating leases are charged to profit or loss in equal installments over the period of the lease, except when an alternative method is more representative of time pattern from which benefits are derived.

3.4 Inventory

Inventories comprise timber, seedlings, consumables, spares and fuel and they are valued at the lower of cost and net realizable value. Cost comprises direct materials and where applicable, directs labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

3.5 Revenue

Revenue is recognized when services are rendered or goods are delivered. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the assets' carrying amount.

3.6 Financial instruments

Financial assets and financial liabilities are recognized on the Commission's Statement of financial position when the Commission 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 and amounts owing to and from related parties. These instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below:

The Commission classifies its investments into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available for sale financial assets.

The classification depends on the purpose for which the investments were acquired.

3.6.1 Financial assets held-at-amortised cost

Financial assets held at amortised cost are non-derivative financial assets with fixed or determinable payments and fixed maturities, other than those that meet the definition of loans and receivables, which the Company's management has the positive intention and ability to hold to maturity. These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, held-at-amortised cost investments are measured at amortised cost using the effective interest rate and the interest is recognised in the statement of profit or loss.

3.6.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than those that the Commission intends to sell in the short term or it has designated as at fair value through profit or loss.

3.6.2.1 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 of loss.

Allowance for expected credit losses

The major impact of the application of IFRS 9 is on trade and other receivables. IFRS 9 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 (para 5.1.15)

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 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.

3.6.3 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.

3.6.4 Impairment of assets

3.6.4.1 Financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognized in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset, recognized previously in equity, is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

3.7 Financial Liabilities

3.7.1 Liabilities and provisions

3.7. 1.1 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.

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3.8 Defined contribution plan

A defined contribution plan is 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 retirement benefits applicable to the National Social Security Commission are determined by the systematic recognition of legislated contributions.

3.9 Subsequent events

The Government of Zimbabwe declared a national lockdown with effect from 30 March 2020 in response to the World Health Organization (WHO) declaration of the COVID-19 as a pandemic.

Many Governments the world over followed WHO guidelines on awareness, hygiene, social distancing and other measures to combat the spread of COVID-19 virus. This involved curtailing business and social activities to the detriment of the economy in general and the tourism/travel sector in particular. Forestry Commission was affected by the negative impact of the lockdown restrictions but implemented survival strategies which enabled the entity to remain as a going concern.

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for the year ended December 31, 2020

HISTORICAL

4 PROPERTY PLANT AND EQUIPMENT

	Buildings ZWL$	Roads and communication ZWL$	Plant and machinery ZWL$	Motor vehicles ZWL$	Furniture and equipment ZWL$	Computer equipment ZWL$	Work in progress ZWL$	Total Dec-2020 ZWL$	Total Dec-2019 ZWL$
Opening carrying amount	**2 432 118**	**10 853**	**197 695**	**93 631**	**62 574**	**198 506**	**6 491 339**	**9 486 716**	**2 894 021**
Gross carrying amount	5 221 887	141 597	2 497 620	839 699	211 254	396 950	6 491 339	15 800 346	9 229 062
Accumulated depreciation	(2 789 769)	(130 744)	(2 299 925)	(746 068)	(148 680)	(198 444)	-	(6 313 630)	(6 335 041)
Additions at cost	2 623 969	51 424	92 685	6 954 653	26 194	476 400	(4 770 045)	5 455 280	6 941 259
Disposals	-	-	-	-	-	-	-	-	(7 262)
Cost	-	-	-	-	-	-	-	-	(369 974)
Accummulated Depreciation	-	-	-	-	-	-	-	-	362 712
Depreciation charge for the year	(361 443)	(2 311)	(32 302)	(1 166 263)	(18 449)	(87 715)	-	(1 668 482)	(341 301)
Closing carrying amount	**4 694 644**	**59 966**	**258 078**	**5 882 021**	**70 319**	**587 191**	**6 491 339**	**18 043 558**	**9 486 716**
Gross carrying amount	7 845 856	193 021	2 590 305	7 794 352	237 448	873 350	6 491 339	21 255 625	15 800 346
Accumulated depreciation	(3 151 212)	(133 055)	(2 332 227)	(1 912 331)	(167 129)	(286 159)	-	(7 982 112)	(6 313 630)

INFLATION ADJUSTED

4 PROPERTY PLANT AND EQUIPMENT

	Buildings ZWL$	Roads and communication ZWL$	Plant and machinery ZWL$	Motor vehicles ZWL$	Furniture and equipment ZWL$	Computer equipment ZWL$	Work in progress ZWL$	Total Dec-2020 ZWL$	Total Dec-2019 ZWL$
Opening carrying amount	**23 358 407**	**(423 362)**	**(7 347 595)**	**(1 949 215)**	257 976	2 036 948	**95 552 510**	**111 485 670**	12 965 214
Gross carrying amount	76 866 177	2 084 308	36 764 966	12 360 369	3 109 659	5 843 104	95 552 510	232 581 093	41 346 198
Accumulated depreciation	(53 507 769)	(2 507 670)	(44 112 562)	(14 309 584)	(2 851 682)	(3 806 156)	-	(121 095 423)	(28 380 979)
Additions at cost	5 352 897	104 905	189 077	14 187 492	53 435	971 855	(9 730 891)	**11 128 770**	**31 096 840**
Disposals	-	-	-	-	-	-	-	-	(32 534)
Gross carrying amount	-	-	-	-	-	-	-	-	(1 657 484)
Accumulated depreciation	-	-	-	-	-	-	-	-	1 624 950
Depreciation charge for the year	(3 866 886)	(15 195)	(264 690)	(825 333)	(70 709)	(292 257)	-	**(5 335 068)**	**(1 529 028)**
Closing carrying amount	**24 844 418**	**(333 652)**	**(7 423 207)**	**11 412 944**	**240 703**	**2 716 547**	**85 821 619**	**117 279 372**	**42 500 492**
Gross carrying amount	82 219 073	2 189 213	36 954 044	26 547 861	3 163 094	6 814 959	85 821 619	243 709 864	70 785 550
Accumulated depreciation	(57 374 655)	(2 522 865)	(44 377 251)	(15 134 917)	(2 922 391)	(4 098 413)	-	(126 430 492)	(28 285 058)

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

	Inflation Adjusted		Historical Cost	
	2020 ZWL$	2019 ZWL$	2020 ZWL$	2019 ZWL$
5 Inventories				
Consumables	2 742 737	2 489 532	886 799	555 699
Timber	9 407 883	5 661 936	9 320 162	1 263 825
	12 150 620	**8 151 468**	**10 206 961**	**1 819 524**
6 Trade and other receivables				
Trade Receivables	69 004 879	29 379 253	69 004 879	6 557 869
Allowances for credit losses	(2 023 267)	(8 823 503)	(2 023 267)	(1 969 532)
Other receivables	4 796 788	8 129 032	4 796 788	1 814 516
Total trade and other receivables	**71 778 400**	**28 684 781**	**71 778 400**	**6 402 853**
7 Cash and cash equivalents				
Bank balances	139 802 727	43 715 410	139 802 727	116 068
Cash on hand	367 361	519 985	367 361	9 757 904
	140 170 088	**44 235 395**	**140 170 088**	**9 873 972**
8 DEFERRED INCOME				
Opening balance of the capital grant	30 584	175 889	30 584	39 261
Amortised during the year	(8 677)	(38 873)	(8 677)	(8 677)
	21 907	**137 016**	**21 907**	**30 584**

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for the year ended December 31, 2020

	Inflation Adjusted		Historical Cost	
	2020	2019	2020	2019
10 TRADE AND OTHER PAYABLES	ZWL$	ZWL$	ZWL$	ZWL$
Trade payables	16 065 662	11 069 937	16 065 662	2 470 968
Hunting deposits-Ngamo & CONEX	6 353 409	20 259 232	6 353 409	4 522 150
Other payables	34 937 640	16 877 521	34 937 640	4 288 346
	57 356 711	**48 206 690**	**57 356 711**	**11 281 464**
11 PROVISIONS				
Leave pay	16 433 736	11 810 306	16 433 736	2 636 229
	16 433 736	**11 810 306**	**16 433 736**	**2 636 229**
12 INCOME				
Income for the year generated from the following divisions:				
Head Office	50 952 509	3 549 359	44 509 653	792 268
Ngamo safaris	19 746 726	42 950 938	16 199 580	9 587 263
Protection and management of indigenous forests	89 383 358	58 732 334	64 690 277	13 109 896
Research and development	24 607 791	13 594 202	15 070 343	3 034 420
Rural afforestation	64 797 291	19 717 255	36 084 539	4 401 173
Training colleges	51 891 328	15 587 407	18 473 795	3 479 332
	301 379 003	**154 131 495**	**195 028 187**	**34 404 352**
12.1 GOVERNMENT GRANT				
Government grant	179 441 500	73 919 866	151 400 000	16 499 970
	179 441 500	**73 919 866**	**151 400 000**	**16 499 970**

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2020

		Inflation Adjusted		Historical Cost	
		2020 ZWL$	2019 ZWL$	2020 ZWL$	2019 ZWL$
13	**Administration expenses**				
	Advertising and publicity	3 571 402	1 434 380	1 315 602	320 174
	Audit fees	3 101 615	822 170	3 101 615	183 520
	Bank charges	7 380 221	4 537 886	3 974 720	1 012 921
	Board expenses	1 587 693	1 773 211	1 054 952	395 806
	Staff canteen expenses	2 463 347	1 174 425	1 138 018	262 149
	Computer expenses	3 123 274	1 031 972	1 418 889	230 351
	Contract hunters pay	211 238	3 553 657	63 575	793 227
	Depreciation	5 335 068	1 529 028	1 668 482	341 301
	Donations	645 118	30 321	238 992	6 768
	Electricity, rates and water	9 975 068	5 515 772	7 325 798	1 231 199
	Depots expenses	9 846 768	3 893 926	5 547 541	869 180
	Field operations	13 350 448	6 907 148	7 174 023	1 541 774
	Food and groceries for clients	4 213 122	3 448 305	2 067 666	769 711
	Graduation expenses - Colleges	-	883	-	197
	House keeping-Colleges	490 903	214 041	250 731	47 777
	Insurance costs	983 455	232 794	772 965	51 963
	Legal and professional fees	14 751	168 211	12 700	37 547
	Liquor and minerals Ngamo Safaris	143 816	452 440	141 994	100 991
	Maintenance of plant and machinery	5 722 743	3 796 830	3 893 212	847 507
	Bad debts written off	1 800 699	-	1 800 699	-
	Bad debts provision	-	5 637 722	-	1 258 420
	Office expenses	191 657	84 990	51 049	18 971
	Other overheads	2 703 050	2 109 301	1 450 222	470 826
	Safari expenses	341 768	1 039 306	302 653	231 988
	Postage and carriage	335 272	150 904	270 853	33 684
	Printing and stationery	1 946 109	617 456	968 127	137 825
	Protective clothing	1 609 570	1 286 602	830 501	287 188
	Regulatory and compliance costs	106 597	534 876	24 530	119 392
	Seminars and conferences	2 919 684	1 009 259	1 965 319	225 281
	Subscriptions	433 734	106 499	372 204	23 772
	Subsistence and travel	8 073 363	8 347 781	4 289 481	1 863 344
	Telephone	5 345 750	1 148 802	3 025 092	256 429
	Vehicle and equipment expenses	35 627 035	13 779 627	18 446 895	3 075 810
	COVID-19 PPE	1 141 928	-	302 104	-
	Loss on asset disposals	-	29 860	-	6 665
	HSBC expenditure	-	472 179	-	105 397
	TWEP expenditure	23 271 216	6 789 610	22 027 216	1 515 538
	Exchange loss	12 342 806	15 106 748	7 800 227	3 372 042
		170 350 290	**98 768 921**	**105 088 646**	**22 046 634**

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for the year end December 31, 2020

	Inflation Adjusted		Historical Cost	
	2020 ZWL$	2019 ZWL$	2020 ZWL$	2019 ZWL$
14 EMPLOYMENT COSTS				
Salaries and wages	178 966 893	49 722 055	91 624 765	11 098 673
Bonus	605 809	5 070 312	504 901	1 131 766
Educational training expenses	512 390	146 196	265 891	32 633
Staff training	101 111	-	36 398	-
Staff transport and welfare	2 062 841	1 690 286	934 442	377 296
	182 249 044	**56 628 849**	**93 366 397**	**12 640 369**

15 Related Party Transactions

The following board fees and remuneration for key management staff were paid during the year as follows:

15.1 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.

General Manager	5 138 305	682 340	916 156	152 308
Deputy General Manager - Conex	4 068 114	471 986	737 478	105 354
Deputy General Manager - Research and Training	3 677 977	445 415	695 961	99 423
Finance Manager	2 564 943	327 770	512 141	73 163
Corporate Planning Manager	2 165 865	311 472	486 675	69 525
Human Resources Manager	1 613 160	323 062	504 784	72 112
Principal Colleges	1 194 321	289 498	452 340	64 620
Chief Conservator of Forests	993 273	284 274	444 178	63 454
Manager Ngamo Safaris	944 282	318 143	497 098	71 014
Totals	**22 360 240**	**3 453 960**	**5 246 811**	**770 973**

15.2 Non Executive Directors

Allowances for non executive directors for the year ended December 31, 2020 were as follows:

	Board fees	Other Benefits	Board fees	Other Benefits
Board Chairperson	163 293	511 935	56 100	160 186
Vice Board Chairperson	96 342	426 481	34 400	133 488
Commissioners	664 600	2 915 220	209 993	934 416
Totals	**924 236**	**3 853 637**	**300 493**	**1 228 090**

Allowances for non executive directors for the year ended December 31, 2019 were as follows:

	Board fees	Other Benefits	Board fees	Other Benefits
Board Chairperson	18 749	119 607	4 185	26 698
Vice Board Chairperson	41 888	99 671	9 350	22 248
Commissioners	156 796	697 697	34 999	155 736
Totals	**217 431**	**916 976**	**48 534**	**204 682**

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for the year end December 31, 2020

		Inflation Adjusted		Historic	
		2020 ZWL$	2019 ZWL$	2020 ZWL$	2019 ZWL$
16	**PENSION ARRANGEMENTS**				
	Amounts charged through the statement of profit or loss and other comprehensive income during the period under review amounted to the following:				
	Public Service Pension Fund	15 825 058	1 725 279	5 861 483	385 107
	Old Mutual Pension Fund				
		15 825 058	**1 725 279**	**5 861 483**	**385 107**

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.

16.1 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, to which both the company and its employees contribute as follows:

Employees: 3.5% of pensionable emoluments.

Employer: 3.5% of pensionable emoluments.

Amount charged through the statement of profit or loss and other comprehensive income during the period under review amounted to ZWL1 732 068 (2019: ZWL198 139).

17 Contingent Liabilities

There are no contingent liabilities to report on.

18 Going concern

The Commission had a surplus of ZWL$147 981 821 for the year ended December 31, 2020 (2019: ZWL$16 217 321) due to recurrent grant received from the Government. The Directors have assessed the ability of the Commission to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate.

19 SUBSEQUENT EVENTS

The World Health Organisation declared COVID-19 a pandemic in January 2020. Since then, governments across the world responded by restricting human and economic activity as part of the measures to combat the virus. The Zimbabwe government implemented lockdown regulations towards the end of the financial year. These measures had significant negative impact on the economy and the Commission's business activities. The impact of the lockdown to the Commission's operations in the long term will depend on certain developments including the duration and spread of the outbreak, government interventions, impact on our customers, suppliers and employees, all of which cannot be estimated with reasonable certainty. However, management implemented measures which were adopted as appropriate to sustain the viability of the Commission's operations

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