FORESTRY COMMISSION

ANNUAL REPORT

2025


FORESTRY COMMISSION
HEAD OFFICE

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ABBREVIATIONS AND ACRONYMS

CONEX	Conservation and Extension
CGU	Corporate Governance Unit
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CSI	Client Satisfaction Index
FC	Forestry Commission
GEF	Global Environment Facility
NDS	National Development Strategy
NTPD	National Tree Planting Day
R & T	Research and Training
PECGA	Public Entities Corporate Governance Act
ZANU-PF	Zimbabwe African National Union-Patriotic Front
ZCF	Zimbabwe College of Forestry

LETTER TO THE MINISTER OF ENVIRONMENT, CLIMATE AND WILDLIFE

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

31 December 2025

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

Dear Honorable Ndlovu

RE: ANNUAL REPORT FOR THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 DECEMBER 2025.

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 2025.

Yours sincerely,

Ambassador Mahomed Jassat
Board Chairman

BOARD OF COMMISSIONERS

Ambassador M. Jassat
Board Chairman

Mrs S. Bhebhe
Board Vice Chairman

Mr. George Manyumwa
Director General

Mr. E.S. Samuriwo
Board Member

Mrs. S. Chibaya
Board Member

Dr. N. Matshe
Board Member

Ms. K. Zawanda
Board Member

Ms. S. Sithole
Board Member

Mr. W. Ndlovu
Board Member

Mr. S. Mantula
Board Member

Mr. H. Greaves
Board Member

Mr. F. Hungwe
Board Member

Chief D. C. Mbedzi
Board Member

EXECUTIVE MANAGEMENT

Mr. George Manyumwa
Director General

Mrs. J. Gombe
Deputy Director General,
R & T Division

Mr. S. Zingwena
Deputy Director General,
CONEX Division

SENIOR MANAGEMENT

Finance Manager	Mr. A. W. Chirangande
Operations Manager	Mr. L. Radzire
Human Resources and Administration Manager	Mrs. P Mutsinze
Company Secretary and Legal Manager	Mrs. M.G. Hare
Chief Conservator of Forests	Mr. A. Tembo
Manager, Ngamo Safaris	Ms. S. Ngwenya
Principal, Colleges	Mr. M. Machamacha
Internal Audit Manager	Mr. C. Banga
Monitoring and Evaluation Manager	Mr. A.T Chiodze
Business Development and Marketing Manager	Mr. E Mandura
Procurement Manager	Mr. D Zvirikunzeno
Forest and Wildlife Ecologist	Mr. M. M. Sebele
Nurseries and Depots Manager	Mr. G Mupanhwa
Research Coordinator	Mr. M Tembani

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

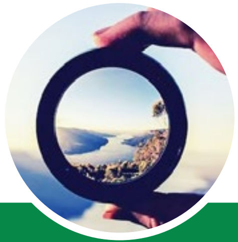
Crown Bank
Africa Unity Square Branch
Corner Nelson Mandela Avenue/Sam Nujoma Street
P O Box 2472
Harare

ATTORNEYS

DUBE, MANIKAI & HWACHA Legal Practitioners
6th Floor Goldbridge, Eastgate Complex
P.O. Box CR 36 Cranborne
Harare

NYAKUDANGA Law Chambers
53 Samora Machel Avenue
10th Floor West Wing
Karigamombe Centre
Harare

VISION, MISSION, AND CORE VALUES



Our Vision

Sustainably manage and utilize forest resources in Zimbabwe by 2030.

Our Mission

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

Our Core Values

Integrity – Forestry Commission (FC) staff shall adhere to high standards of transparency and ensure accountability in the conduct of their business.

Professionalism – decision making and practice will be based on current scientific knowledge and best practices.

Result-oriented – Forestry Commission will pursue timely attainment of targeted results at all levels.

Innovation – Forestry Commission will encourage and reward creativity in work performance.

Teamwork – Forestry Commission will embrace mutual support and respect.


FORESTRY COMMISSION
HEAD OFFICE RECEPTION
(2nd left turn)
FORESTRY RESEARCH CENTRE
HARARE FORESTRY NURSERY AND TIMBER DEPOT
Chapmans
Chartered Accountants
INSTINCT
giz
SLOW

Board Chairman’s Report

> During the year, the FC commissioned two transformative facilities that position the Commission at the forefront of forestry innovation and value addition.

On behalf of the Forestry Commission Board, it gives me great pleasure to present the Forestry Commission’s Annual Report and Audited Financial Statements for the year ended 31 December 2025.

The 2025 financial year was a period of consolidation, innovation, and renewed commercial focus. Guided by the Public Entities Corporate Governance (PECOG) framework, the Board has worked diligently with Management to strengthen governance, enhance operational efficiency, and position the Commission for long-term sustainability in support of National Development Strategy 1 and Vision 2030.

Annual General Meeting (AGM)

The 2023 Annual General Meeting was held successfully in July 2025 in full adherence to all statutory and governance obligations. The AGM met all requirements set out under the PECOG framework. Shareholders considered, deliberated on, and approved all key resolutions tabled, including the adoption of the audited financial statements, approval of the Annual Report, and review of strategic and operational performance for the period under consideration. The AGM served as an open and transparent forum for stakeholder engagement, underscoring our unwavering commitment to accountability, good governance, and full regulatory compliance.

Board Induction Programme

The Board completed a thorough induction programme delivered by the Corporate Governance Unit on 27 and 28 February 2025. The programme addressed fundamental governance principles, covering the roles and responsibilities of the Board, fiduciary obligations, ethical leadership, and strategic oversight.

Board members were taken through the PECOG framework, applicable legislation and regulations, as well as the Commission’s mandate, operational framework, and risk profile. The induction also created space for direct engagement with management and provided deeper insight into our strategic priorities. This process ensured that the Board is properly prepared to discharge its mandate effectively while maintaining the highest standards of corporate governance.

Strategic Direction and Leadership Strengthening

In pursuit of greater value creation and long-term sustainability, the Board undertook a deliberate review and renegotiation of legacy contracts concluded by the previous Board. This exercise sought to unlock value, secure improved commercial terms, and enhance revenue performance, ensuring that all agreements are fully aligned with our strategic goals and deliver optimum returns. The approach was complemented by stringent cost containment measures designed to strengthen our balance sheet.

Recruitment of the Director General

Following the announcement of the 2025 performance evaluation results for the public sector by the Chief Secretary to the President and Cabinet, the Corporate Governance Unit confirmed a Board Chairman rating score of 4.19 out of 6. The Forestry Commission was commended as the most improved parastatal, reflecting the collective effort of the Board, management, and staff.

Performance Recognition

Following the announcement of the 2025 performance evaluation results for the public sector by the Chief Secretary to the President and Cabinet, the Corporate Governance Unit confirmed a Board Chairman rating score of 4.19 out of 6. The Forestry Commission was commended as the most improved parastatal, reflecting the collective effort of the Board, management, and staff.

Investment in Innovation and Value Addition

During the year, the FC commissioned two transformative facilities that position the Commission at the forefront of forestry innovation and value addition. On 5 December 2025, the Tissue Culture Laboratory at the Forest Research Centre was officially opened by the Minister of Environment, Climate and Wildlife, Honourable Dr. Evelyn Ndlovu. Established with support from the GEF 6 Project, this high-efficiency plant propagation facility enables us to multiply output from the conventional 5,000 to 20,000 seedlings to between 50,000 and 500,000 seedlings annually, while improving quality, uniformity, and phytosanitary standards.

On 19 December 2025, we also commissioned a 60m^3 Wood Kiln at Foresthill, Lupane, officiated by the Minister through Chief Director Mr. W. Zhakata. The kiln accelerates timber drying in 14–21 days from the conventional six months or more when air-dried, enhances durability, eliminates wood borers, and adds significant value for furniture and market use. Together, these investments strengthen our research capacity, drive commercial viability, and advance sustainable forest sector development.

Forestry Commission also benefited from the procurement of a DJI Matrice 400 RTK drone to strengthen forest monitoring, with applications in mapping forest cover, monitoring forest health and reforestation projects, and enforcement against illegal logging and charcoal production. This transformative equipment was acquired under the on-going GEF 7 Project.

Digital Transformation and Compliance

The Enterprise Resourse Planning (ERP) system was deployed to 14 stations and 73 users were trained, enabling fiscal invoicing at all points of sale. This drives process standardisation, ZIMRA and PRAZ compliance, improved inventory control, and faster procurement and sales cycles. Integration of Electronic Government Procurement (E-GP) with Acumatica is planned for Q1 2026.

Future Plans

In the future, the Forestry Commission looks forward to:

- Commissioning of an Innovation hub in Mutare which will enhance innovations for the forestry sector.
- Operationalization of an online permit system to improve service delivery
- Implementation of a value addition strategy which entails selling of finished timber products instead of unprocessed logs
- Planning on development of holiday homes using conservation friendly models following the South African model.

Appreciation

In conclusion, I acknowledge the solid support of the Board, Senior Management, and all Forestry Commission staff. My appreciation extends to all stakeholders and partners who implemented and supported forestry activities during 2025. I commend the spirit of commitment, confidence, and cooperation demonstrated throughout the year. Let us sustain this momentum as we work to achieve the targets set out in our Strategic Plan, contributing meaningfully to National Development Strategy 1 and the realisation of Vision 2030.

Ambassador M. Jassat
Forestry Commission Board Chairman

Director General's Report

> The Forestry Commission demonstrated strong performance at outcome level, particularly in the areas of tree planting, forest management and survival rate improvement.

I am pleased to present the Forestry Commission's operational performance report for the year ended 31 December 2025. In 2025, we built on our progress, driving operational excellence and contributing to national development priorities under the National Development Strategy 1 (NDS 1). As we conclude our 2021-2025 strategic cycle, I am proud of the strides we have made in advancing our mandate and supporting Zimbabwe's development agenda. This report highlights our achievements, challenges, and the impact of our work, showcasing the Forestry Commission's commitment to sustainable forest management and national growth.

Operational landscape

Zimbabwe's operational landscape showed signs of recovery and stabilization. Zimbabwe experienced a degree of macroeconomic stability despite lingering policy challenges. The country's economic recovery in 2025 was stronger than anticipated, driven by a rebound in agriculture and solid mining performance, while inflation significantly eased. The International Monetary Fund's (IMF) recognition of Zimbabwe's monetary discipline is a pivotal endorsement, highlighting the country's efforts to manage inflation and stabilize the exchange rate. The IMF's staff-monitored program is contingent on the authorities addressing key policy issues and reinforcing fiscal discipline.

Financial Performance highlights

The year 2025 marked financial stabilization for the Commission. Eight months of salary arrears were fully cleared and a fixed 25th-of-month pay date was established, restoring staff confidence. Closing liquidity strengthened significantly to ZWG 25.7 million (up 306.7%), while operating cash flow more than doubled to ZWG 25.9 million. A central financial dashboard was introduced to improve visibility and accountability across provinces. Despite these operational gains, the Commission recorded a comprehensive deficit of ZWG 73.2 million (2024: surplus of ZWG 19.1 million), driven largely by a ZWG 59.6 million fair value adjustment loss on investment property, with expenditure growth (+54.5%) far outpacing revenue growth (+4.9%). Total assets contracted 3.9% to ZWG 495.2 million. Management's focus for the year ahead is on intensifying cost discipline, revenue diversification, and provincial financial self-sufficiency.

Major achievements

We are pleased to report the following progress in 2025:

Sustainable Forest Management and Tree Planting:	The Forestry Commission demonstrated strong performance at outcome level, particularly in the areas of tree planting, forest management and survival rate improvement. This was as follows: • Total trees planted increased significantly from approximately 19.8 million (2024) to over 27 million (2025). • The annual planted area target of 17,000 hectares was exceeded, with approximately 19,721 hectares achieved. • Average tree survival rate at assessed sites was 71%, reflecting improved post-planting management. • Communal and Presidential Forest management expanded beyond target levels.
Fire Management and Forest Protection:	The Forestry Commission recorded significant improvement in fire management in gazetted forests, with area burnt declining from 28,500 ha to 9,100 ha (68% reduction) compared to the previous season. • This was achieved through 40 fire awareness and capacity-building campaigns and 1,500 Forest Protection Unit patrols targeting illegal activities and poaching. • A total of 3,750 km of strategic fire management breaks were constructed. • These comprised 1,100 km line clearing, 1,200 km mowing, 750 km fireguard grading and 700 km fireguard burning. • Fire management was strengthened through partnerships with safari operators and conservation organisations, providing equipment, fuel and firefighting support. • Collaboration with ZimParks, EMA, Painted Dog Conservation, farmers and other stakeholders in Gwaai and Matetsi enhanced prevention, alerts and coordinated response. • Despite these gains, the national burnt area stood at 985,314.73 ha, against the maximum target of 500,000 ha. • This represents an unfavourable variance of 485,314.73 ha, highlighting the continued national fire-management challenge. • The Forestry Commission is therefore working closely with EMA and all key stakeholders to strengthen an integrated approach to fire prevention, early warning, rapid response and law enforcement.
Revenue Generation and Financial Sustainability:	The organisation transitioned from reliance on fiscal support to self-generated revenue, significantly enhancing financial sustainability. In that regard, the following was done: • Successful renegotiation and signing of strategic partnerships generated over USD 3 million in combined income and savings. • Monthly expenditure reduced from approximately USD 310,000 to USD 110,000, yielding sustained cost savings. • Centralisation of financial controls eliminated historical leakages and strengthened expenditure discipline. • Drive was on increasing revenue and reducing costs.

Strategic Partnerships and Asset Optimisation:	Key commercial partnerships contributed to both revenue generation and cost containment through: • Transfer of selected operational responsibilities to partners. • Absorption of staff by partners, reducing wage liabilities. • Mobilisation of conservation support including vehicles and equipment.
Governance and Compliance:	Governance systems showed marked improvement during the reporting period through: • Clear separation of board oversight and management execution. • Strengthened board reporting aligned to strategic objectives. • Progress toward full statutory compliance, with audit processes nearing completion. • Confirmation of a clean audit outcome, subject to formal certification
Performance Management Systems:	Performance management systems were actively implemented and monitored: • Quarterly performance evaluations of the Director General demonstrated consistent improvement. • Regular staff appraisals linked to deliverables enhanced accountability • Management emphasis on early reporting of risks and challenges improved responsiveness. • The Director-General attained a performance rating of 4.36 out of 6, reflecting a strong level of institutional performance. The Forestry Commission was also recognised as the most improved parastatal, demonstrating the significant progress made during the reporting period. • This achievement reflects the collective commitment and concerted efforts of the Board, Management and staff in driving institutional transformation, strengthening performance and advancing the Commission's mandate.
Leadership Effectiveness:	The evaluation identified strong, visible leadership by both the Chairperson and Director General. Key leadership attributes included: • High field presence and direct engagement with operational units • Lead-by-example discipline in time management, conduct, and professionalism. • Open communication channels across organisational levels. • Decisive action in addressing financial, operational, and human resource challenges.
Organisational Culture Transformation:	A significant culture change was observed, characterised by: • Restoration of staff morale following clearance of salary arrears. • Transition from siloed operations to integrated teamwork. • Increased pride, accountability, and performance consciousness. • Improved customer orientation and stakeholder responsiveness.

Challenges

Despite strong performance, several structural and external challenges persisted which included the following:

- Non-remittance of Afforestation Levy limits scaling-up of planting programmes.
- Outstanding lease payments from Allied Timbers affect revenue certainty.
- Social pressures contributing to illegal forest encroachment.
- Infrastructure constraints including vehicles, energy supply and ICT capacity.

These challenges are largely systemic and require coordinated government-level interventions.

Emerging risk issues

FC faces the following risks in its operations:

- Fire outbreak and natural disasters such as drought. An outbreak of fire at Muguzo Research station in Chimanimani completely destroyed 17ha of pine and eucalyptus planted area.
- Timber and wildlife poaching
- High Staff Turnover due to low remuneration

Corporate Social responsibility programme

- FC assist tree growers with pest and disease identification upon their request when there are outbreaks and proffer solutions. This helps in curbing these infestations.
- FC was also engaged in community centred research, capacity building, knowledge dissemination and promotion of sustainable livelihoods. The Corporate Social responsibility initiatives were anchored around sustainable forest management through community engagements, scientific innovation and climate change interventions.

Outlook for future

FC looks forward to enhanced forest monitoring and development of the REDD+ Strategy for the year 2026.

i. Enhanced forest Monitoring

The Forestry Commission has invested in an Unmanned Aerial Vehicle (UAV) fitted with Light Detection and Ranging (LiDAR) technology to improve forest monitoring. This system allows fast, accurate measurement of key tree attributes such as diameter and height, which are essential for estimating biomass and carbon stocks. It is more efficient, scalable, and cost-effective than traditional labour-intensive field methods. The UAV–LiDAR system is currently being validated through methodology testing and model calibration to ensure results align with established standards. Once operational, it will enable the development of locally adapted allometric biomass models, improving the accuracy of national forest carbon estimates. Long-term, the technology will strengthen the national forest monitoring system by delivering higher quality data, lowering costs, and supporting evidence-based decisions for sustainable forest management and climate reporting.

ii. Development of the REDD+ Strategy

FC, with the Zimbabwe Environmental Law Organisation, secured funding from the Government of Canada to develop Zimbabwe's First National REDD+ Strategy. The process was underway during the reporting period and due for completion by end of May 2026. Once finalised, the Strategy will create a framework for Zimbabwe to access results-based payments through international climate finance, while enhancing sustainable forest management and tackling the main drivers of deforestation and forest degradation.

Mr G. Manyumwa
Forestry Commission Director General

DIRECTOR -FINANCE & ADMINSTRATION REPORT

"The year 2025 was a year of operational turnaround for Forestry Commission, evidenced by a number of positives which include clearance of outstanding salary arrears, timely monthly payroll processing was restored, closing cash liquidity strengthened, and stronger financial controls and discipline were embedded across the organization.

Mr. T Chiriga
Acting Director-Finance & Administration

For the Year Ended 31 December 2025

ZWG 25.7m	ZWG (73.2m)	ZWG 495.2m
Closing Liquidity	Comprehensive Deficit	Total Assets (-3.9%)

1. Executive Summary

The year 2025 was a year of operational turnaround for Forestry Commission, evidenced by a number of positives which include clearance of outstanding salary arrears, timely monthly payroll processing was restored, closing cash liquidity strengthened, and stronger financial controls and discipline were embedded across the organization. The Commission however moved from a comprehensive surplus of ZWG 19.1 million in 2024 to a comprehensive deficit of ZWG 73.2 million in 2025 largely as a result fair value adjustment losses on investment properly that was initially recognized in the Commission's books during the period under review. Expenditure growth (+54.5%) sharply outpaced revenue growth (+4.9%). Total assets also contracted by 3.9% to ZWG 495.2 million, and reserves fell 16.1% as the deficit was absorbed into the accumulated fund.

Operational turnaround	Financial statements picture
• Salary arrears (8 months) fully cleared • Fixed pay date established (25th monthly) • Liquidity closed the year at ZWG 25.7 million (USD 1 million) • Central financial dashboard introduced	• Comprehensive deficit of ZWG 73.2m (vs +19.1m in 2024) • Expenditure growth (+54.5%) outpaced revenue growth (+4.9%) • Total assets down 3.9% to ZWG 495.2m; reserves down 16.1%

2. Major Achievements in 2025

The 2025 financial year was a period of significant financial stabilization and institutional reform for the Forestry Commission. Through decisive leadership, enhanced financial discipline and a deliberate focus on sustainability, the Commission made substantial progress in addressing historical financial challenges. Key achievements during the year included:

- **Financial stabilization of the Commission** — a deliberate focus on restoring financial discipline, improving liquidity and strengthening financial controls.
- **Clearance of outstanding salaries and allowance**s — arrears that had accumulated to approximately eight months, a major milestone in restoring employee confidence and morale.
- **Devolution of revenue-generation efforts across province**s — promoting greater financial self-sustainability and accountability at provincial level.
- **Creation of a central financial dashboard** — giving management improved visibility over revenue, expenditure, cash flows and overall financial performance.
- **Implementation of a serious cost-cutting programmes** — with deliberate prioritization and assessment of all financial outflows, operating expenses and employment costs.
- **Setting the right tone at the top** — with leadership demonstrating commitment to financial discipline, accountability, cost consciousness and long-term sustainability.

2.1 Tangible Positive Outcomes

The above interventions translated into a number of tangible improvements that were evident on the ground by the end of the reporting period.

Timely payment of salaries
One of the most significant achievements was the restoration of timely payment of employee salaries. By the end of the reporting period, salaries were being paid on time, a trend which has continued to date. The Commission has now established a fixed salary payment date of the 25th of every month, providing employees with greater certainty and predictability in managing their personal financial commitments.

Improved liquidity position
The Commission recorded a significant improvement in its liquidity position, closing the financial year with ZWG25.7 million (approximately USD 1 million) in liquidity. This represents a major turnaround from the financial pressures experienced at the beginning of the period and provides a stronger foundation from which the Commission can continue to implement its mandate.

Improved employee morale
The resolution of salary and allowance arrears, together with the restoration of predictable salary payments, has contributed significantly to improved employee morale and confidence in the organization — an important enabler of productivity, accountability and effective discharge of the Commission's mandate.

3. Commentary on the Financial Statements

For the year ended 31 December 2025

3.1 Statement of Financial Position

Total assets contracted from ZWG 515,331 thousand to ZWG 495,224 thousand (-3.9%), reversing the growth trend of the prior year. The composition of the balance sheet shifted materially: current liabilities grew far faster than current assets, non-current assets (mainly investment property) declined, and reserves fell as the year's deficit was absorbed into the accumulated fund.

Table 1: Statement of Financial Position

ZWG '000s (inflation-adjusted)	2025	2024	% Change
Non-current assets	380,049	431,549	-11.9%
Property, plant and equipment	111,364	103,276	+7.8%
Investment property	268,685	328,273	-18.1%
Current assets	115,175	83,781	+37.5%
Inventories	18,024	8,839	+103.9%
Trade and other receivables	71,410	68,154	+4.8%
Cash and cash equivalents	25,740	6,330	+306.7%
Total assets	**495,224**	**515,331**	**-3.9%**
Reserves	381,120	454,336	-16.1%
Current liabilities	114,103	60,994	+87.1%
Deferred income	49,941	10,656	+368.6%
Trade and other payables	60,467	46,289	+30.6%
Total reserves and liabilities	**495,224**	**515,331**	**-3.9%**

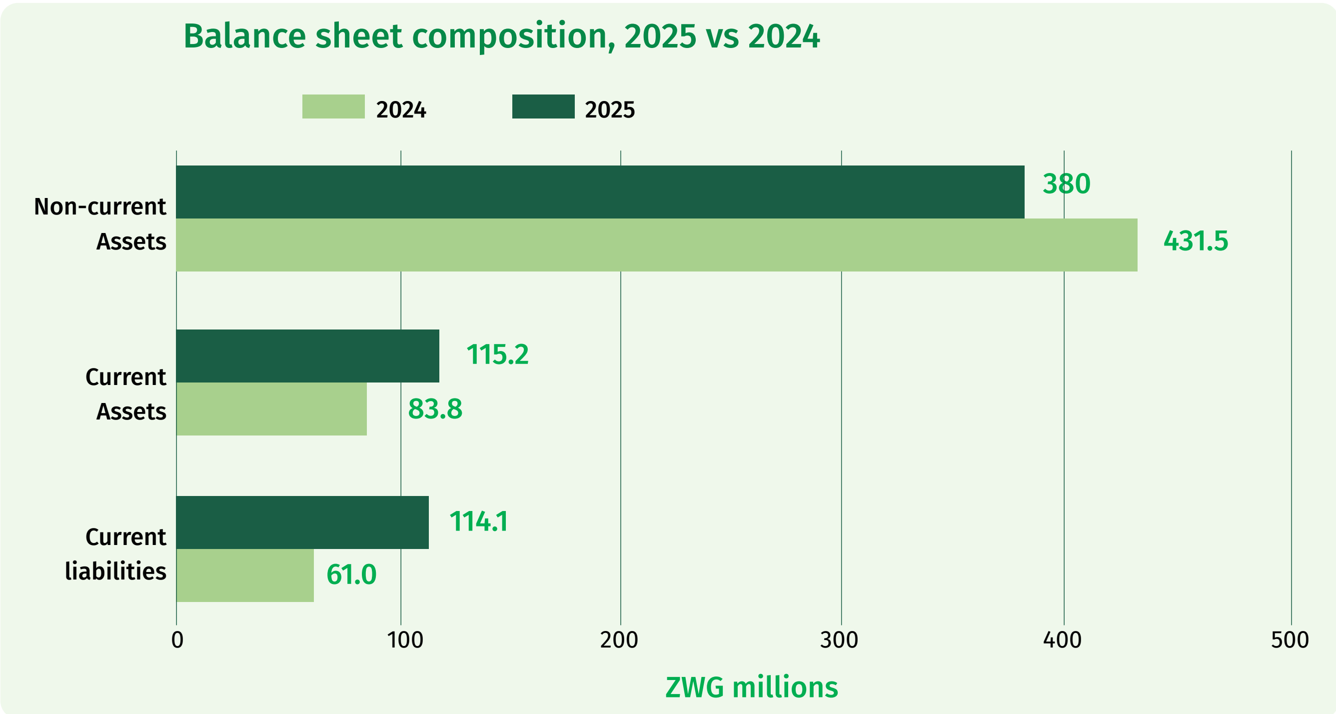


Figure 1: *Balance sheet composition, 2025 vs 2024 (ZWG millions)*

- Total assets fell 3.9% to ZWG 495.2 million, driven mainly by an 18.1% decline in the carrying value of investment property, which more than offset a 7.8% increase in property, plant and equipment and a 37.5% increase in current assets.
- Reserves declined 16.1% to ZWG 381.1 million as the current year's comprehensive deficit flowed through the accumulated fund, which swung from a positive ZWG 42.0 million in 2024 to a negative ZWG (31.2) million in 2025. Reserves now back 77.0% of total assets, down from 88.2% a year earlier.
- Current liabilities rose sharply (+87.1%), led by deferred income (+368.6%, reflecting lease income funding received but not yet recognized as earned) and trade and other payables (+30.6%). Current assets grew more slowly (+37.5%), so the current ratio narrowed to 1:1 from 1.37:1 in year 2024.

- Cash and cash equivalents grew 306.7% to ZWG 25.7 million, the strongest closing cash position in recent periods. This improvement is a genuine liquidity gain, but it sits against a much larger current liabilities base, so cash alone still covers only 23% of current liabilities.

Key ratios

Table 2: Liquidity and solvency ratios

Liquidity and solvency ratio	2025	2024
Current ratio	1.01:1	1.37:1
Quick ratio	0.85:1	1.22:1
Cash ratio	23%	10%
Reserves to total assets	77.0%	88.2%
Total liabilities to total assets	**23.0%**	**11.8%**

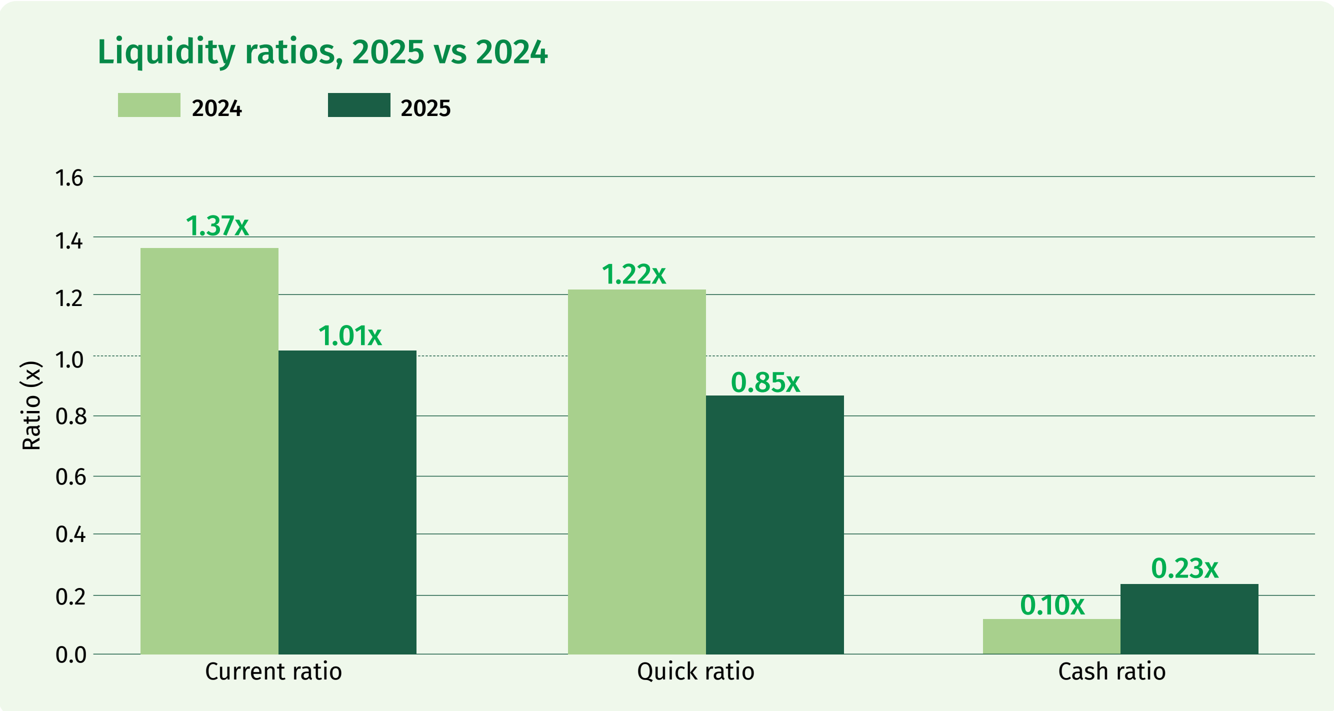


Figure 2: *Liquidity ratios, 2025 vs 2024*

- The current ratio fell to 1.01:1, meaning current assets now only just cover current liabilities, down from a comfortable 1.37:1 a year earlier; the quick ratio shows the same pattern, falling below 1.0 to 0.85:1, indicating a reduced liquidity buffer once inventories are excluded.
- The cash ratio improved to 23% from 10%, so the cash component of liquidity is stronger even though overall liquidity cover has narrowed
- Reserves cover of total assets fell to 77.0% (2024: 88.2%) and liabilities as a share of total assets rose to 23.0% (2024: 11.8%), showing a modest but clear increase in balance sheet leverage during the year.

3.2 Statement of Profit or Loss and Other Comprehensive Income

The Commission's operating result deteriorated significantly during the year, moving from a surplus to a deficit position on both the inflation-adjusted and historical cost mainly as a result of remeasurement losses on investment property.

Table 3: Profit or Loss and other Comprehensive Income

ZWG '000s (inflation-adjusted)	2025	2024	% Change
Revenue	204,877	195,355	+4.9%
Revenue from contracts with customers	190,146	179,163	+6.1%
Government grant	14,731	16,193	-9.0%
Expenditure	(277,080)	(179,384)	+54.5%
Administrative expenses	(163,551)	(94,425)	+73.2%
Employment costs	(113,528)	(84,959)	+33.6%
Total comprehensive surplus/(deficit)	**(73,216)**	**19,129**	**—**

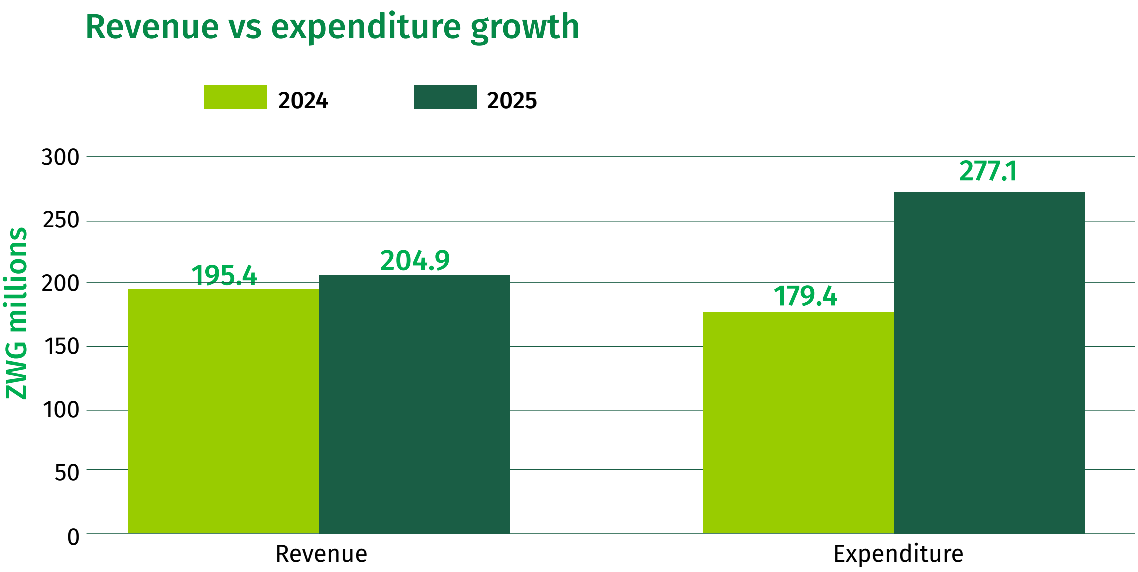


Figure 3: *Revenue vs expenditure growth, 2025 vs 2024 (ZWG millions)*

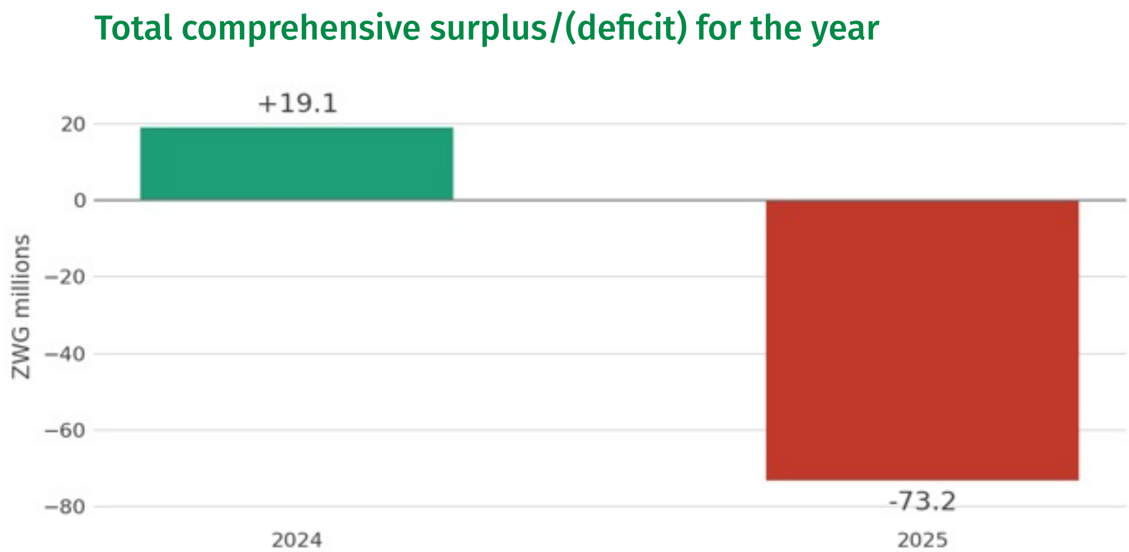


Figure 4: *Total comprehensive surplus/(deficit) for the year (ZWG millions)*

- Revenue growth of 4.9% was heavily outpaced by expenditure growth of 54.5%, turning a ZWG 16.0 million operating surplus in 2024 into a ZWG 72.2 million operating deficit in 2025, which fed through into a total comprehensive deficit of ZWG 73.2 million (2024: surplus of ZWG 19.1 million).
- Administrative expenses were the main driver of the cost increase, up 73.2% year on year, ahead of employment costs (+33.6%). Cost growth is therefore broad-based but skewed toward administrative expenses.
- Government grant income fell 9.0% year on year, adding to revenue-side pressure at a time when cost growth was already elevated; revenue from contracts with customers grew a more modest 6.1%, in line with overall revenue growth of 4.9%.

Key ratios

Table 4: Profit and efficiency ratios

Profitability and efficiency ratio	2025	2024
Operating margin	-35.2%	+8.2%
Cost-to-income ratio	135.2%	91.8%
Employment costs to revenue	55.4%	43.5%
Administrative expenses to revenue	79.8%	48.3%
Return on assets	-14.8%	+3.7%

- The Commission moved from an 8.2% operating margin in 2024 to a negative 35.2% margin in 2025.

3.3 Statement of Cash Flows

Cash generation strengthened during the year even as the comprehensive result moved into deficit, because a large part of the 2025 loss relates to non-cash items (notably remeasurement and credit-loss allowance charges) that are added back in arriving at operating cash flow.

Table 5: Cash Flows

ZWG '000s (inflation-adjusted)	2025	2024	% Change
Cash flows from operating activities	25,929	11,837	+119.1%
Cash flows from investing activities	(7,490)	(2,784)	+169.1%
Net increase in cash and cash equivalents	18,439	9,054	+103.7%
Cash and cash equivalents at beginning of year	6,330	15,635	-59.5%
Cash and cash equivalents at end of year	25,740	6,330	+306.7%

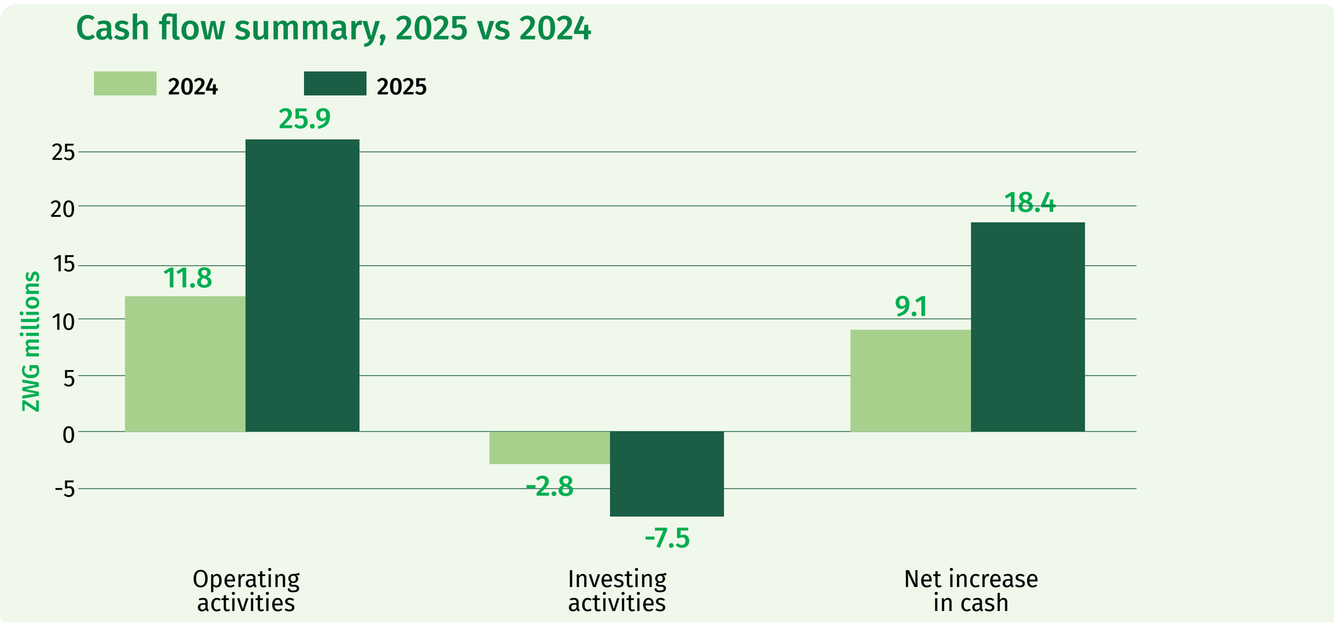


Figure 5: *Cash flow summary, 2025 vs 2024 (ZWG millions)*

- Net cash generated from operating activities more than doubled to ZWG 25.9 million (2024: ZWG 11.8 million)
- Cash used in investing activities rose to ZWG (7.5) million (2024: ZWG (2.8) million) as the Commission increased capital expenditure on property, plant and equipment, consistent with the 7.8% growth assets.
- The net result was an increase in cash of ZWG 18.4 million for the year (2024: ZWG 9.1 million), taking the closing cash balance to ZWG 25.7 million.

Key ratios

Table 6: Cash flow ratio

Cash flow ratio	2025	2024
Operating cash flow ratio (operating cash flow / current liabilities)	22.7%	19.4%
Cash flow margin (operating cash flow / revenue)	12.7%	6.1%

- Operating cash flow covered 22.7% of current liabilities at year end (2024: 19.4%) and 12.7% of revenue converted into operating cash (2024: 6.1%) — both ratios improved, showing that underlying cash conversion strengthened even as the current ratio and profitability ratio weakened.

4. Future Outlook

Looking ahead, the Commission is well positioned to consolidate the gains made during 2025 and build a stronger, more resilient and financially sustainable institution. With vibrant and forward-looking leadership, the Commission can achieve a stable and financially self-sustaining organization anchored on predictable revenue inflows, strategic partnerships and innovative revenue-generation initiatives.

The future direction will focus on:

- Strengthening financial sustainability and maintaining prudent financial management.
- Enforcing all contracts to guarantee predictable and sustainable revenue streams.
- Ensuring the efficient discharge of the Commission's mandate to sustainably manage and conserve Zimbabwe's forest resources.
- Diversifying revenue sources to reduce dependence on traditional income streams.
- Strengthening provincial financial self-sufficiency, with each province and Strategic Business Unit (SBU) progressively contributing towards meeting its own funding requirements.
- Maintaining a strong culture of cost consciousness, ensuring available resources are directed towards priority activities with the greatest organizational and national impact.
- Strengthening financial monitoring and accountability through the continued use and enhancement of the central financial dashboard.

Mr. T. Chiriga
Acting Director-Finance & Administration

COMPLIANCE REPORT

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

Mrs. M.G. Hare
Company Secretary and Legal Manager

The Forestry Commission remains committed to the principles of:

- **Accountability**
- **Transparency**
- **Responsibility**
- **Integrity**
- **Efficiency and effectiveness in the use of public resources**

Governance structure

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

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

(a) a chairperson;

(b) a deputy chairperson who shall be of the opposite gender to the chairperson;

(c) a person holding a recognized qualification or demonstrable knowledge in forestry;

(d) persons recognized for their qualification, ability or experience in the following—

(i) environmental planning and management;

(ii) finance;

(iii) business and administration;

(iv) ecology;

(v) human resources;

(e) a legal practitioner registered in terms of the Legal Practitioners Act [Chapter 27:07];

(f) a representative from the Ministry responsible for environment;

(g) a Chief nominated by the National Council of Chiefs.

Compliance highlights

i. The Board operated within its approved mandate and Charter

ii. Members declared interests in line with conflict of interests under PECGA.

iii. The Board provided strategic direction and oversight over Management.

iv. The Board attendance registers were signed for each meeting.

v. The Board is chaired by an independent Non -executive Director

vi. The offices of the Board Chairman and Director General are distinct from each other

vii. The Commission submits Board Resolutions to both the Corporate Governance Unit (CGU) and the line -Ministry.

viii. FC adheres to the Board Remuneration and benefits issued by CGU.

Board committees

In line with section 15 of Statutory Instrument 168 of 2018 [(Public Entities Corporate Governance (Regulations 2018)], the Board exercises control over the Commission through Committees which deal with specific issues according to their terms of reference. The Committees meet quarterly and report to the Board. The following Committees were in place during the first and the second quarters of the year under review:

Finance Committee

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

Committee Members

Mrs. S. Bhebhe
Ms. S. Sithole
Ambassador M. Jassat

Audit Committee

The Audit Committee primarily focuses on ensuring that the Commission's accounting policies, internal controls and financial reporting practices are in accordance with best practice.

Committee Members

Mr. H. Greaves
Ms. K. Zawanda
Mr. W. Ndlovu
Mr. F. Hungwe

Business and Conservation Committee

The Committee identifies, evaluates and drives strategic initiatives and partnerships that promote revenue growth, investment opportunities, and fosters information and communication technologies to enhance operational efficiency. It also guides, oversees and supports sustainable forest conservation initiatives and promotes scientific research.

Committee Members

Mrs. N. Matshe
Ms. K. Zawanda
Mrs. S. Bhebhe
Mr. E.S. Samuriwo
Mr. F. Hungwe
Mr. H. Greaves
Chief D.C. Mbedzi

Human Resources and Remuneration Committee

The committee monitors the Commission's human resources strategy, formulates, reviews human resources policies and conditions of service.

Committee Members

Mr. F. Hungwe
Ms. S. Sithole
Chief D. Mbedzi

Integrity and Legal committee

The Integrity and Legal Committee focuses on good corporate governance and provide mechanisms for preventing, exposing and reporting corruption within Forestry Commission in accordance with the National Anti-Corruption Strategy and the provision of the Constitution of Zimbabwe, it also considers and reviews contracts, identifies legal risk, gives guidance on ongoing litigations and is Board's legal advisor on all matters.

Committee Members

Mr. S. M. Mantula
Ms. S. Chibaya
Mr. W. Ndlovu

Risk Committee

The Risk Committee focuses on identifying and addressing risk issues within Forestry Commission.

Committee Members

Mr. S. M. Mantula
Ms. S. Chibaya
Mr. W. Ndlovu

2025 Scheduled Board Meetings

In terms of Section 26 (2) of the Forest Act [Chapter 19:05], the Board is required to meet at least once every quarter. In this regard the Board held the following meetings:

Board Meetings

Date	Meeting	Attendees
13 May 2025	595th Board Meeting	Ambassador Jassat Mr. W.Ndlovu Mrs. S. Bhebhe Dr. N. Matshe Ms. S.Sithole Mr. S.Mantula Mr. F.Hungwe Mr. K.Zawanda Ms. S. Chibaya Mr. E.S. Samuriwo Mr. H. Greaves
5 August 2025	596th Board Meeting	Ambassador Jassat Mr. W. Ndlovu Mrs. S. Bhebhe Dr. N. Matshe Ms. S. Sithole Mr. S. Mantula Mr. F. Hungwe Mr. K. Zawanda Ms. S. Chibaya Mr. E.S. Samuriwo Mr. H. Greaves

30 October 2025	597th Board Meeting	Ambassador M. Jassat Mr. W. Ndlovu Mr. F. Hungwe Mr. H. Greaves Chief D. Mbedzi Mrs. S. Bhebhe
4 March 2026	598th Board Meeting	Ambassador M.Jassat Mr. W. Ndlovu Mrs. S. Bhebhe Dr. N. Matshe Ms. S. Sithole Mr. S. Mantula Mr. F. Hungwe Mr. K. Zawanda Ms. S. Chibaya Mr. E.S. Samuriwo Mr. H. Greaves

Committee	Number of Meetings
Business and Conservation Committee	4 Ordinary Committee Meetings
Audit Committee	4 Ordinary Committee Meetings
Finance Committee	4 Ordinary Committee Meetings
Human Resources and Remuneration Committee	4 Ordinary Committee Meetings and 3 Special Meetings
Integrity and Legal Committee	4 Ordinary Committee Meetings
Risk Committee	4 Ordinary Committee Meetings

Our Corporate Strategy

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

Performance Management and Strategic Alignment

In compliance with PECG performance management provisions:

i. The Commission operated under an approved Corporate Plan aligned with national development goals.
ii. Performance contracts for Board, senior executives and management were implemented and monitored.

Ethical conduct and conflict of interest management

Forestry Commission enforced ethical standards in line with PECGA provisions on integrity and responsible conduct.

Measures implemented include:

i. Annual declaration of assets and interests by Board members and senior Management
ii. Procedures for recusal where conflicts of interest arise.
iii. Enforcement of code of conduct.
iv. Approval of an Ethics and Integrity Charter

Senior management

i. The Board duly appointed a substantive Director General in line with the provisions of the PECGA [Chapter 10:31].
ii. All Executive Managers, are in substantive positions.

The Human Resources and the Procurement Managers were appointed in the 4th quarter of 2025.

Data Protection

FC is a duly licensed Data Controller in line with the provisions of the Cyber and Data Protection Act [Chapter 12:07]. The Corporate Secretary is the Commission's Data Protection Officer.

FORESTRY COMMISSION PROGRAMME STRUCTURE AND MANDATE

The Forestry Commission delivers its national mandate through three core programmes, each driving critical functions in governance, conservation, research and training:

Programme 1: Governance and Administration

Provides strategic oversight and institutional support through five subprogrammes:

1. Legal Services
2. Finance
3. Internal Audit
4. Human Resources and Administration
5. Monitoring and Evaluation, Procurement, Information and Communications, and Information and Communications Technology

Programme 2: Conservation of Forest Resources for Sustainable Development

Leads field implementation of sustainable forest management via two subprogrammes:

1. Field Forestry Extension Department
2. Gazetted Forest Management Department

Programme 3: Forest Research & Training

Advances knowledge and skills development through two subprogrammes:

1. Research and Development Department
2. Forestry & Wood Technology Training Wing

Core Mandate

Collectively, these programmes execute the Forestry Commission's statutory responsibilities, which include:

a) The consideration of all questions and matters arising out of or relating to general forest policy and the making of reports and recommendations thereon to the Minister;
b) the control, management, conservation and exploitation of State forests, plantations and forest nurseries belonging to the State and such other land as may be acquired by the State for forestry purposes;
c) the establishment, maintenance, improvement, renewal and exploitation of plantations and forest nurseries;
   1. the exploration of all forms of forest produce, including—
   i. the manufacture of articles from forest produce and the sale and exportation of such articles; and
   ii. the production, sale and exportation of seed; and
   iii. the conduct of hunting or photographic safaris;
d) the survey of the forest resources of Zimbabwe;
e) advice and propaganda on all forestry matters;
f) conducting research and investigations into all matters pertaining to forestry and forest products;
g) the determination of whether the President should exercise any of his powers in terms of section thirty-five and to make a recommendation thereon to the President;
h) the investigation of any matter relating to the use or occupation of the Forest Estate and the making of recommendations thereon to the President where it considers such use or occupation is inconsistent with this Act;
i) the serving of orders on any persons requiring such persons to undertake or adopt such measures as are specified in the orders to protect the forest.
j) carrying out such activities as the Minister may specify as a service to the public on behalf of the State; and with such other duties relating to forestry as the Minister may from time to time direct.

This report details the key activities undertaken by Programmes 1, 2, and 3 during the reporting period. The Audited Financial Statements are appended to the report.

1.0 Programme 1: Governance and Administration

1.1 Client Satisfaction Survey (CSS)

The Client Satisfaction Index (CSI) gauges the satisfaction levels in percentage of clients interacting with the Forestry Commission, focusing on services provided by Forestry Commission.

An external consultant was engaged to conduct the survey and the approach measured a set of interrelated dimensions and their impact on customer service quality, customer satisfaction and ultimately customer acquisition and retention. The dimensions were derived from the RATER and SERVQUAL Model and considered reliability, assurance, tangibles, empathy and responsiveness. The following were the findings of a comprehensive analysis of the Client Satisfaction Survey. The results are summarised in the figure 6 below:

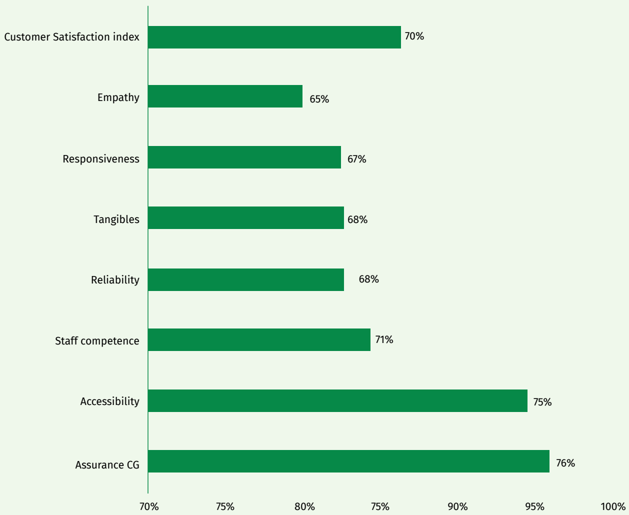


***Figure 6:** Overall results on all CSS dimensions*

The following findings were made:

- The survey findings from the figure above shows that the strengths of Forestry Commission are on, Assurance, Accessibility and Staff Competency.
- The weaknesses from the survey were from responsiveness, empathy and tangibles.
- The overall Client Satisfaction Score was 70%. This implies that clients of Forestry Commission are generally satisfied.

1.2 Employee Satisfaction Survey

An Employee Satisfaction survey was conducted by an independent external consultant in the final quarter of 2025 and the report indicated a 74% Employee Satisfaction Index. The survey revealed that FC is strong in strategic goals, self-management and employee commitment while more effort is required towards performance management for junior staff, innovations, compensation & benefits, and career & talent management. This achievement of a high employee morale could be attributed to the following initiatives taken by management through bold strategies and guidance of the Director General who joined the organization mid-year:

- Clearing of outstanding salaries, wages and allowances which had accumulated over previous years. At the beginning of 2025, FC owed employees a total of ZWG 5,171,162.64 in Salaries & Wages and US$877,610.00 Cushioning Allowances. All the backlog was cleared by the end of December 2025.
- FC established a Medical Aid Scheme for all staff. This was a significant achievement to alleviate challenges by staff in accessing medical support.
- Through the Director General's engagements with lease operators, a total of 300 units of the security and Forest Protection Unit combat gear were secured. This was significant in raising confidence and morale of the security and regulation wing.
- During the period January-December 2025, FC entered into agreements with Lease Operators in the Matabeleland North region resulting in a total saving ZWG 502,754.35 and US$29,050.00 in employment costs for the period under review.

The industrial climate in the organization was positive with employees registering appreciation over payments of Salaries, Wages and USD Allowances.

1.2.1 Length of service breakdown

The organization has a total establishment of 468 people and enjoys a diversity of experience and demonstrates its value as an employer through a range of lengths of service. It reflects a balanced organization with a staff with different levels of experiences that blends well for the transformation process. Below is a breakdown of staff length of service by period:

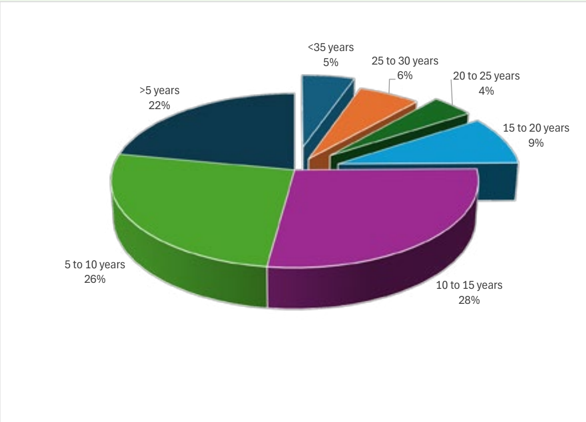


Figure 7: *Staff length of Service in FC*

1.3 Establishment of Enterprise Resource Planning (ERP)

ERP was rolled out to 14 stations as planned which are Harare, Bulawayo, Colleges, Midlands, Manicaland, Mashonaland East, Matabeleland South, Ganda Lodge and Forest Research Centre and this included the targeted Head Office Accounts; Bulawayo and Colleges. A total of seventy-three users were trained. All point of sales now has access to fiscal invoices. With these trainings, the Forestry Commission want to standardize processes, improve data processes and compliancy with Zimbabwe Revenue Authority (ZIMRA) and Procurement Regulatory Authority of Zimbabwe (PRAZ).

Due to its efficiency, ERP will assist FC in improving inventory visibility and control that is enabling better stock management and procurement planning and streamline sales and purchasing processes leading to faster order fulfilment and vendor coordination. The plan is to integrate Electronic Government Procurement (E-GP) with Acumatica in the first quarter of 2026.

2.0 Programme 2:

CONSERVATION OF FOREST RESOURCES FOR SUSTAINABLE DEVELOPMENT

2.1 Planted Area

The tree planting target was exceeded, with 19,720.85 hectares of area planted achieved against a target of 17,000 hectares. Significant tree planting efforts by tobacco merchants in Mashonaland Central, Mashonaland West, Mashonaland East, and Manicaland provinces drove this over-achievement, with Commercial Timber Plantations contributing approximately 40%. Favorable rainfall patterns supported this success. A total of 27,113,186 trees were planted, primarily in tobacco-growing regions through the Tobacco Wood Energy Programme (TWEP) woodlots and Eastern Highlands commercial timber plantations, demonstrating a strong commitment to environmental conservation and sustainable forestry practices.

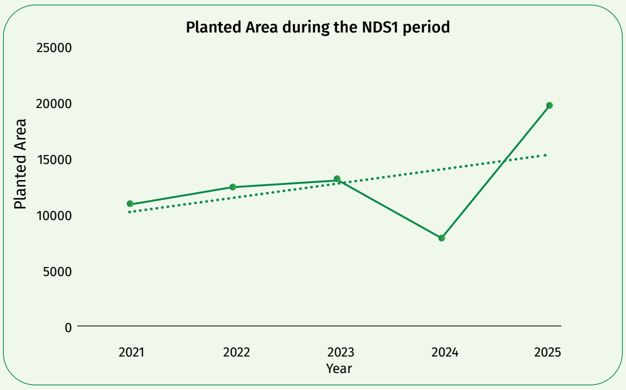


***Figure 8**: Planted area during the NDS 1 period*

The area planted increased steadily from 2021 to 2023, dropped significantly by 40% in 2024, and then surged by

151%

in 2025.

The significant drop in 2024 could be attributed to factors inclusive of poor rainfall regime in the tree planting season covering year 2024, as well under-capturing of statistics for tree planting achievements. As indicated in the graph, the NDS1 target was exceeded.

2.1.1 National Tree Planting Day (NTPD) commemorations for the 2025/26 season

The 2025 NTPD was commemorated under the theme "Trees and Forests for Ecosystem Restoration and Improved Livelihoods", which has guided efforts since 2021. Kigelia africana (Mubvee/Umvebe), the sausage tree, was declared "Tree of the Year". The Head of State, H.E. Dr. E.D. Mnangagwa, officially launched the tree planting season on 18 October 2025, in Mutare, Manicaland Province. A devolution approach was adopted, with the Ministers of State for Provincial Affairs and Devolution leading Provincial commemorations on 6 December 2025, across all 10 provinces. Key highlights included the Mashonaland West event, attended by the Algerian Ambassador, H.E. Mohamed Seoudi, representing the Dean of African Ambassadors, and 14 other African Ambassadors. Notable achievements included planting 223,695 trees against a target of 183,474 on the official commemoration day, demonstrating a strong commitment to environmental conservation and sustainable forestry practices.

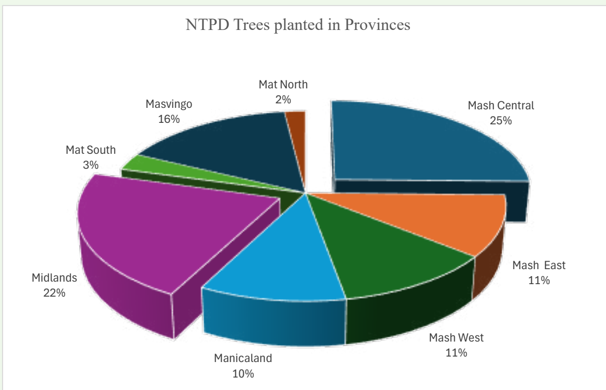


***Figure 9**: Number of trees planted in Provinces for NTPD*

A total of 223,695 trees were planted across the 8 provinces during the 2024/25 NTPD commemoration, exceeding the target of 183,474 trees.

Mashonaland Central province recorded the highest achievement with 56,610 trees planted, followed by Midlands with 48,530 trees. All provinces met or exceeded their targets, with notable performances in Mashonaland Central, Masvingo and Midlands.

Plate 1: *His Excellency, President Dr. E.D. Mnangagwa (holding tree) being assisted to remove the plant container by the Hon Minister Dr. E. Ndlovu (right in yellow decorated dress) and the FC Director General, Mr. G. Manyumwa (left in Khakhi regalia).*

2.2 Seedling production

A total of 33 440 034 seedlings were produced across the Provinces, surpassing the annual target by 30 000 000. The highest number of seedlings were produced in Mashonaland east Province with 15 253018 seedlings, followed by Manicaland Province with 10 687 880. All other Provinces exceeded targets, except for Masvingo, and the two Matabeleland Provinces.

Figure 10: *Seedling production in Zimbabwe*

2.3 Establishment of agroforestry projects

A total of 34 projects were established against a set target of 20. These were established during the reporting period where trees were incorporated in gardens and field crops for fodder and improving soil fertility and maximum utilization of the land. Most of projects were established during the NTPD commemorations.

2.4 Establishment of Presidential forests

Identification of the period target of 168 110ha for Presidential forests was achieved and implementation of activities were at various stages of management during the reporting period. Presidential forests are forests identified in communities and systematically managed under the Presidential legacy forests framework. Zimbabwe's Presidential Forests Programme (PFP) represents a bold national commitment to reversing the degradation of Miombo and other woodlands while operationalizing the country's obligations under the

Maputo Declaration on Sustainable Management of Miombo Woodlands (2022). With Presidential leadership and high-level political commitment, the programme addresses the urgent challenge of forest degradation estimated at 3.74% per annum, threatening the livelihoods of millions who depend on these critical ecosystems. This goes against the spirit of both sustainable forest management (SFM) and the Global Forest Goal 3 on forests, namely, Increase significantly the area of protected forests worldwide and other areas of sustainably managed forests, as well as the proportion of forest products from sustainably managed forests. By putting more forests under community management, we are setting stage for their protection in positive response to Global Forest Goal 3. A comprehensive Action Plan on Presidential Forests was produced and submitted to Ministry in the 4th Quarter of 2025, and incorporated a US$3.6 million Budget and a Communication Strategy. However, the $3.6 million budget allocation for the 2025 year was not released by Treasury and implementation of other planned activities remained largely outstanding. Distribution for the 168 110ha of presidential forests identified is shown in figure 11 below:

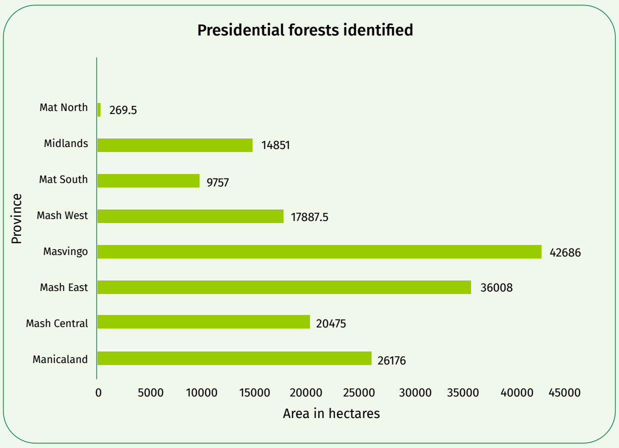


Figure 11: *Distribution of the Presidential forests across Provinces*

Plate 2: *His Excellency Muhammed Seoudi (far right), Ambassador of Algeria planting a tree over the Kutama tree planting event in Mashonaland West Province.*

Plate 3: *Honourable Minister of Environment, Climate and Wildlife, Dr. E. Ndlovu (holding a watering can in white coat), planting a tree at Kutama College, Zvimba district, Mashonaland West Province.*

2.5 Capacity Building sessions conducted

A total 1 135 sessions were conducted on various forestry disciplines to communities with a more focus on forestry regulations, woodland and woodlot management, agroforestry, nursery management covering control of pests and disease control and transboundary issues along the bordering district, beekeeping and Non-Timber Forests Produce. Distribution of various capacity building sessions across Provinces is shown in table 7:

Table 7: Capacity building sessions conducted across Provinces.

Province	Number of Capacity Building Sessions Conducted
Mash Central	157
Mash West	188
Mash East	138
Manicaland	136
Midlands	132
Masvingo	268
Mat South	116
Total	**1 135**

2.6 Enforcement of Forest Regulations

There has been a continuous surveillance that targeted hot spots across the country. The Law Enforcement Team has increased presence on the ground targeting hot spots and highway patrols and resultantly an achievement of 2 310 patrols were conducted against the targeted 1 808. This was due to the prevalence of illegal forestry-related activities, as well as opportunity to generate compliance enforcement revenue. The other driver for increased achievement is the enhanced mobility of the Regulatory fleet. Forestry Commission now have two additional new Land Cruiser trucks to make them three, whereas in the past, there used to be just one vehicle.

2.7 Strengthening Financial Sustainability Through Strategic Partnerships

During the reporting year, the Forestry Commission delivered exceptional results in commercial partnership development, lease portfolio optimisation, conservation resource mobilisation, and cost containment. Strategic interventions strengthened revenue streams, improved asset productivity, reduced direct expenditure, and reinforced capacity for sustainable forest and wildlife management.

Key achievements included:

- Secured high-value hunting concession agreements with Classic African Hunting, Richard Cooke Safaris, and Great Plains Game. These contracts significantly enhanced revenue inflows while embedding sustainable wildlife utilisation principles across Forestry Commission forests.
- Advanced the strategic review of the Imvelo Safaris Lease Agreement, prioritising regulatory compliance, long-term commercial viability, and alignment with conservation and community benefit objectives.
- Expanded institutional lease arrangements at Forestry Commission colleges through new agreements with Light Academy and Anafri Investment, driving improved utilisation of training assets and diversifying institutional income streams.
- Renegotiated the Classic African Hunting contract to strengthen commercial terms and conservation safeguards.
- Mobilised substantial conservation support, securing partner and stakeholder commitments for 30 vehicles and 2 tractors to bolster field operations.
- Facilitated delivery of 6 vehicles within the reporting period, with structured follow-up mechanisms established to ensure delivery of the remaining units.
- Implemented targeted cost-containment measures through partnership models that enabled sharing of operational costs with private sector partners.
- Transferred employment and related operational costs to partners under these arrangements, achieving a material reduction in the Forestry Commission's direct expenditure while safeguarding service delivery and operational effectiveness.

These measures delivered improved financial efficiency, enhanced asset utilisation, and enabled the strategic reallocation of limited resources toward priority conservation and operational mandates.

2.8 Major activities at Ngamo Safaris

Ngamo Safaris is a Strategic Business Unit (SBU) of the Forestry Commission which sustainably utilizes the organization's gazetted forests in Matabeleland North through consumptive hunting safaris and non-consumptive photographic safaris. There is an improvement in wildlife populations including Elephants. Most plains game have young ones. There is need to step up anti-poaching activities in our forests.

2.8.1 Hunting and Photographic Safari Lodges

A total of 378 guests were hosted at Ganda Lodge in 2025 giving a total of 746 bed nights while a total of 15 hunts were conducted in the four Ngamo Safaris Hunting areas. Below is a table which shows the revenue generated by Ngamo Safaris in 2025:

Table 8: Revenue Generation at Ngamo Safaris SBU

Revenue stream	Target for 2025		Actual for 2025	
	USD Jan-Dec	ZWG Dec	USD Jan-Dec	ZWG Jan- Dec
Hunting Safaris	1.2 mil	Nil	1,148,283	Nil
Photographic Safaris	220,740	Nil	74,097	37,160
Total	**1,420,740**	**Nil**	**1,222,380**	**37,160**

3.0 Programme 3: RESEARCH AND TRAINING

3.1 Seed Collection

The annual seed collection target was exceeded, with 1,363 kg of seed collected from diverse species against a target of 1,300 kg. This achievement marked a notable increase from the previous year, building on a steady upward trend:

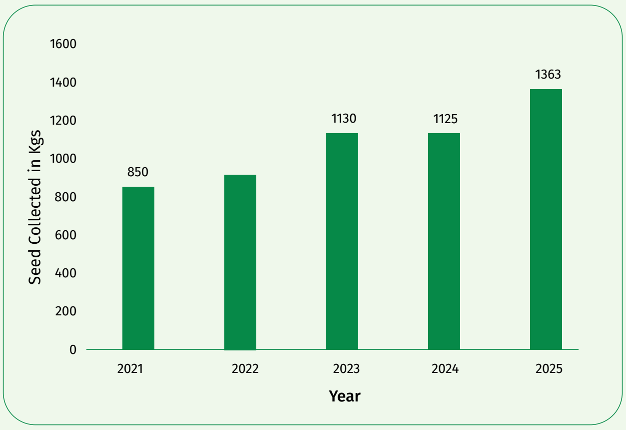


Figure 12: *Seed collected for the period 2021 to 2025*

Despite this success, operational challenges, particularly vehicle availability constraints, threatened sustained collection efforts. Addressing these challenges is crucial to maintaining momentum. The increase in seed collection achievement over the years reflect a commitment to provide adequate seed to the forest industry for planting programmes.

3.2 Project proposals

A total of 6 project proposals secured significant funding and partnerships. The proposals are as follows:

- ECO TERRA project valued at €900,000 which aims to empower communities and restore rural economies, and is nearing launch.
- The Miombo Transboundary Project
- REDD+ Strategy Project developed in partnership with Zimbabwe Environmental Lawyers Association.
- Harnessing Natural Capital - Unlocking Zimbabwe's Biodiversity Potential in the Sebungwe Region: A GEF 8 project valued at $6,179,535, currently under further processing.
- Strengthening capacities of national institutions for forest monitoring system in Botswana, Malawi and Zimbabwe. $100,000.00 was approved for project implementation.
- Submission of a Project Idea Note on a jurisdictional carbon project covering Matabeleland North and Midlands province following Forestry Commission's registration as a carbon project developer with Zimbabwe Carbon Markets Authority (ZiCMA).

Developing forestry project proposals secures funding, addresses key challenges, and promotes sustainable forest management, ultimately benefiting communities and the environment. It drives impactful projects and stakeholder engagement.

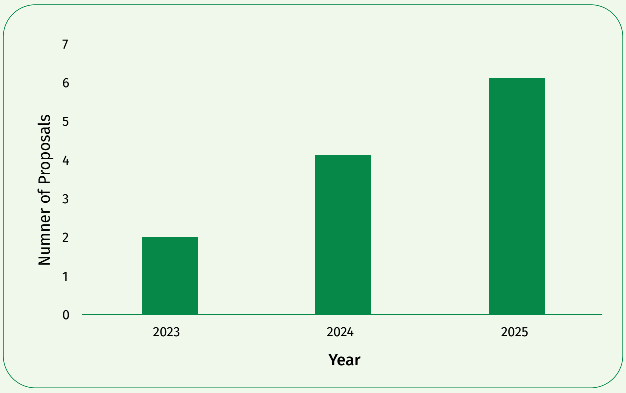


Figure 13: *Project proposals secured for the periods 2023 to 2025.*

Operational activity increased overall as we transitioned away from the reduced field operations necessitated by the COVID-19 pandemic. This growth was primarily driven by the relaxation of movement restrictions that had previously limited staff mobility and stakeholder engagement. With the easing of lockdown measures and travel bans, teams were able to resume site visits, conduct in-person meetings, and carry out essential fieldwork. This return to regular operations enabled a significant boost in project development activities, including proposal writing, data collection, and community consultations, ultimately leading to the increased number of proposals developed in 2024 and 2025.

Plate 4: *Beneficiary roll out at Muhlekwani, ward 12, Chiredzi District.*

3.3 Scientific publications

Forestry scientific publications play a vital role in advancing sustainable forest management by disseminating cutting-edge research, innovative practices and expert insights. These publications inform policy formulation, drive evidence-based decision-making, and promote conservation efforts, ultimately contributing to the nation's environmental and economic well-being.

During the period under review, we achieved our target of producing five high-impact publications. These publications cover critical areas, including:

- **Forestry Plantation Statistics for 2024:** A comprehensive technical report providing insights into our forestry sector's performance.
- **Sustainable Tobacco Curing and Afforestation Strategy:** A cabinet paper outlining strategies for sustainable tobacco production and afforestation.
- **Phenotypic variation of Lantana camara in Zaka District:** Research shedding light on invasive species management in our landscapes.
- **Addressing Illegal Charcoal Production in the Lower Zambezi Landscape:** A position paper highlighting efforts to combat unsustainable charcoal production.
- **Enhancing Forest Monitoring for Sustainable Management:** A policy brief recommending improved forest monitoring frameworks.

Plate 5: *Workshop participants attend a session on the National Forest Monitoring system at FRC.*

3.5 Forest Inventories

A total of 5 forest inventories were conducted against a target of 4 during the reporting period. These included the following:

- Biomass assessment inventory of Chirinda forest under the Miombo Transboundary project.
- Re-measurements and assessments of forest monitoring plots in Matabeleland North

- Advisory inventories on potential leases
- Inventories collecting data to validate tree allometric models for miombo and mopane woodlands under the Global Environment Facility (GEF) 6 & 7 projects
- Quantification of commercial timber in Lake Alice Forest land.

Forest inventories provide critical data on forest resources, informing sustainable management decisions and ensuring timber harvesting balances with conservation needs. They also track ecosystem health, biodiversity, and carbon sequestration potential, supporting climate change mitigation efforts.

Plate 6: *A forest Inventory underway in Chirinda Rain Forest*

3.6 Research Trials Establishment

There was an improvement in the research trials established as 11 research trials were established in 2025 compared to the 7 that were established in 2024. The trials were established across various locations, driving innovation in forestry management and species development. The trials that were established were as follows:

- 3 Progeny Trials for Pines and Eucalyptus each at John Meikle (Mutare), Mguzo (Chimanimani), and Forest Research Centre (Harare).
- P. tecunumannii BSO at Ngungunyana Forest (though a road accident prevented additional establishment, lessons were learned)
- Seed ball evaluation trial at Mtao
- Lantana camara biochar assessment trial in Zaka under GEF 7
- Micro-propagation assessments and protocol development trials in the Tissue Culture Laboratory (2 Eucalyptus, 2 Pines, 1 Avocado)

The challenges that were involved in trial establishment included a road accident that lost seedlings meant for Ngungunyana and fire outbreaks at Mguzo damaging trials. These highlight the need for risk planning. Opportunities exist to boost trial success through decentralized seedling production and better risk management.

Plate 7: *A forest compartment that was destroyed by fire including several research trials at Muguzo Forest Research Station.*

3.7 Land Cover map produced

Significant work was completed collecting and analyzing data using Collect Earth which is a sample-based approach of land representation. A draft 2024 land cover map was produced, however still awaiting ground validation in the first quarter of 2026.

- Complete ground validation in the first quarter of 2026.
- Institutionalise land cover mapping as a routine monitoring tool.
- Strengthen collaboration with other national agencies for data sharing.

Significant strides in land cover mapping were done using Collect Earth's sample-based approach, completing data collection and analysis. A draft 2024 land cover map was produced, pending ground validation in the first quarter of 2026. Key next steps include:

- Institutionalizing land cover mapping as a routine monitoring tool
- Strengthening collaboration with national agencies for data sharing, enhancing our land management capabilities.

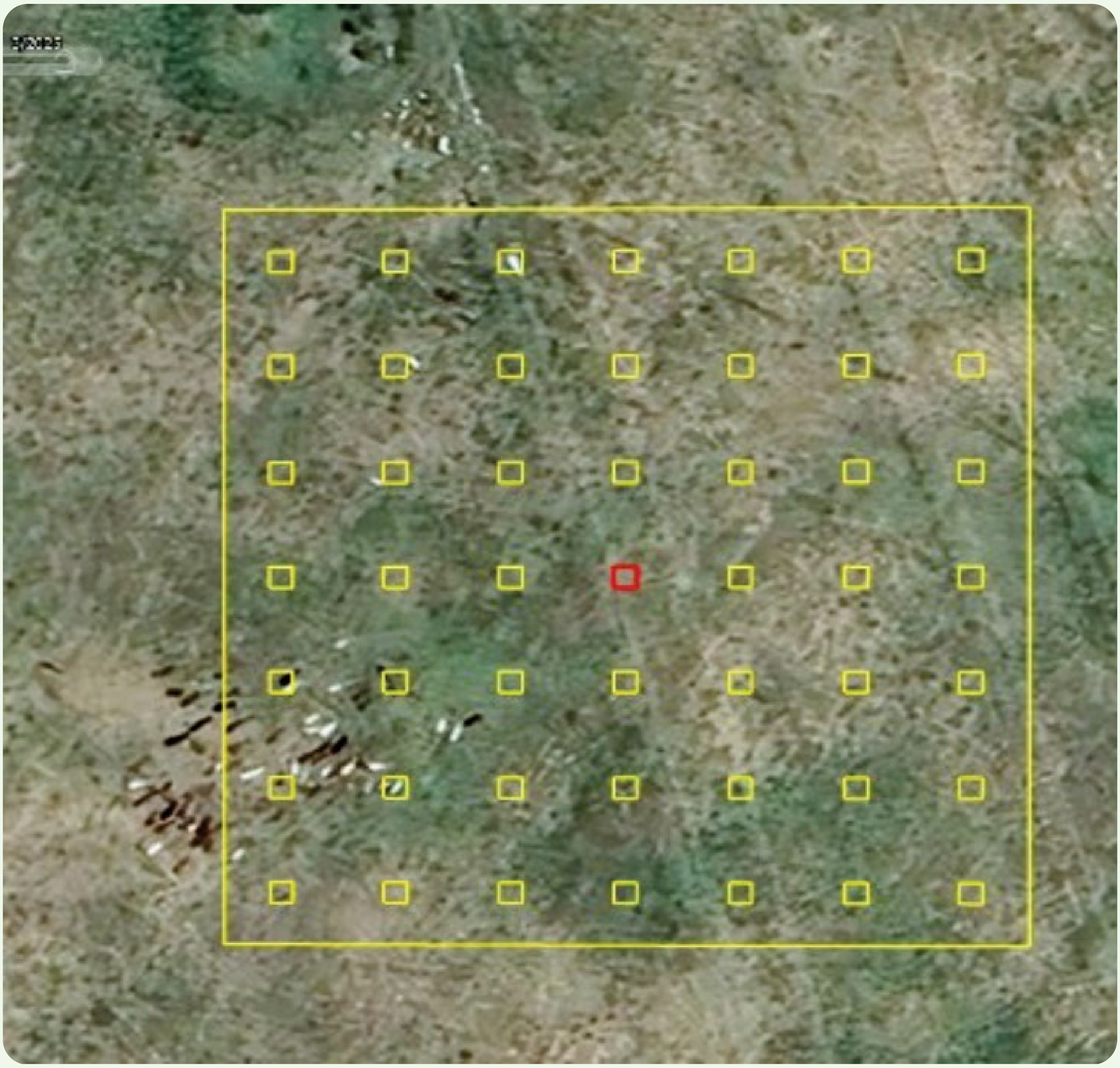


Plate 8: *Data collection using Collect Earth for the production of the 2024 land cover map.*

3.8 Student Enrolment and Graduation in 2025

3.8.1 Student Enrolment at ZCF

ZCF had a total enrolment of 122 students during the reporting period. More students were enrolled in the Diploma in Forestry course as compared to the Diploma in Wood Technology with 103 students under Forestry and 19 under Wood Technology. It is also important to note that the College enrolled 66 males and 56 males which indicates considerations on gender mainstreaming and inclusivity. Figure 14 shows the total enrolment during the reporting period:

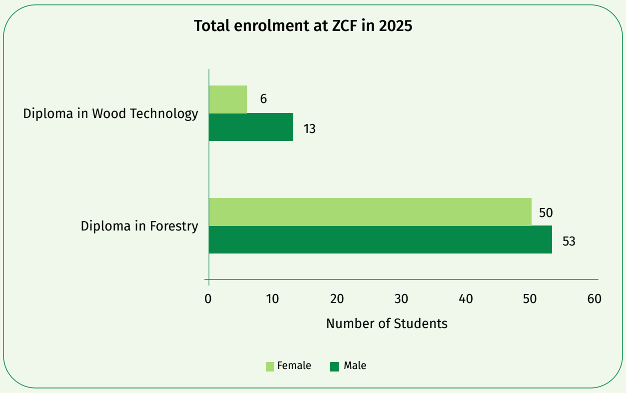


Figure 14: *Total enrolment during the reporting period*

3.8.2 Student graduation at ZCF

A total of 33 students successfully completed diploma programmes at ZCF. Among the graduates, 15 were female (45%) and 18 were male (55%). The gender distribution indicates a relatively balanced participation, with a slight male predominance, suggesting opportunities to further encourage female enrollment and graduation in future cohorts. Academic performance remained high, with a pass rate of 94.5%.

Plate 9: *Guests and graduates at the ZCF 2025 Graduation Ceremony following the planting of an Albizia gummifera tree by the Guest of Honour.*

4.0 Programme 4: PROJECTS COMMISSIONED IN 2025

A total of 2 projects were Commissioned namely; the Tissue Culture Laboratory and the Wood Kiln and are as follows:

4.1 Tissue Culture Laboratory

A significant milestone was achieved with the establishment of the Tissue Culture Laboratory at the Forest Research Centre (FRC), made possible through support from the GEF 6 project. During the reporting period, key equipment was procured and essential personnel were recruited, paving the way for advanced research and development. The laboratory was officially commissioned on the 5th of December 2025, in a ceremony graced by the Minister of Environment, Climate and Wildlife, Honorable Evelyn Ndlovu. This state-of-the-art facility is set to enhance our forestry research capabilities and drive innovation in the sector.

A tissue culture laboratory is a high-efficiency plant propagation system that can increase plant production several-fold while improving quality, uniformity, and phytosanitary standards. Conventional propagation methods such as cuttings and grafting typically produce 5–20 plants per mother plant per year, resulting in about 5,000–20,000 seedlings annually. In contrast, tissue culture can multiply a single explant into 500 to over 10,000 plants per year, enabling production of 50,000–500,000 plantlets annually. Thus, if current output is 10,000 seedlings per year, a modest tissue culture laboratory could increase production to 50,000–200,000 plantlets or more, representing a 5–20 fold increase, with improved uniformity and quality.

The Forestry Commission will therefore continue staff training and protocol development for priority species, develop a business and operational model to ensure sustainability of the laboratory and expand partnerships with private sector plantation companies

Plate 10: *Micropropagation of E.grandis in the tissue culture laboratory at Forest Research Centre.*

4.2 Wood kiln

On 19 December 2025, a Wood Kiln was officially opened at Foresthill in Lupane district, Matabeleland North Province. The ceremony was graced by the Minister of Environment, Climate and Wildlife, Dr. E. Ndlovu (MP), represented by Chief Director, Mr. W. Zhakata. The Wood Kiln is a specialized, enclosed chamber designed to speed up the lumber seasoning process. It artificially controls temperature, humidity and airflow to remove moisture from the lumber to a predetermined level, adding value to the timber.

This process enhances durability when the timber is processed into household furniture and other products or sold on the market. The high temperature kills wood borers and prevents re-infestation. The kiln has a capacity of 60 m3 per load, which can be dried in 14-21 days, depending on the sectional cut. This translates to 1-2 loads (60-120 m3) processed monthly, contingent on feed availability.

Plate 11: *Plaque for the Commissioning of the Wood drying kiln*

Plate 12: *Photos at the Wood Kiln commissioning ceremony*

5.0 Programme 5:
MULTILATERAL ENVIRONMENTAL AGREEMENTS (MEAS)

While much of the work unfolded in the country's local forest landscapes, the last quarter of reporting period ushered global insights and international perspective through a number of MEAs which Forestry Commission participated in directly and indirectly.

United Nations Environment Assembly (UNEA)- 7

At the Seventh UNEA-7 meeting in Nairobi, Zimbabwe participated at the highest political and technical levels. The resolutions were on wildfire management, MEA synergies and chemicals and waste. These issues carry direct relevance for forestry operations for Forestry Commission and the forest sector at large.

UNEA-7 did more than shape policy text. It strengthened partnerships, opened doors to technical support, and reinforced Zimbabwe's credibility as a constructive, technically grounded actor in multilateral environmental governance.

Climate Change Conference (COP 30)

The 30th United Nations COP 30 took place in Belém, Brazil, from 10–21 November 2025, and marked a decisive shift from ambition-setting to delivery. Hosted in the Amazon region, the conference carried strong symbolic and practical weight, placing forests, land use, and nature-based solutions at the centre of climate action. Discussions focused on accelerating implementation of the Paris Agreement, scaling up climate finance for developing countries, and closing the persistent gap between emissions targets and real-world reductions.

For Zimbabwe, COP 30 reinforced the strategic importance of credible forest data and implementation-ready solutions. Agreements reached to increase support for vulnerable countries, alongside renewed momentum on global carbon market integration championed by Brazil, align directly with the research and training work on forest inventories, land cover mapping and emerging jurisdictional carbon initiatives. While progress on phasing out fossil fuels remained contested, the conference underscored a clear message that countries that arrive with evidence, systems, and practical pathways are best positioned to benefit from climate finance and cooperative mechanisms. In this context, Zimbabwe's investment in forest science remains central to its global partnership strategy.

Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

Equally significant is Zimbabwe's continued engagement under CITES. Forest research plays a quiet but decisive role in this space, generating the data needed to inform non-detriment findings, species assessments, and compliance decisions. In 2025, strengthened monitoring and inventory work enhanced national readiness to engage on CITES-listed timber and non-timber forest products. This science-based approach reinforces Zimbabwe's position that conservation and sustainable use are not opposing goals, but mutually reinforcing pillars of responsible forest governance.

6.0 Programme 6:

FUNDED PROJECTS IMPLEMENTED IN THE YEAR 2025

FC implemented a total of 3 funded projects during the reporting period namely; GEF 6, GEF 7 and the Miombo Transboundary projects.

6.1 GEF 7 Dryland Sustainable Landscape – Impact Program (DSL – IP)

Under the GEF 7 project, the following activities were conducted during the reporting period:

- 2,937 people were trained in 74 sessions covering nursery establishment, woodland management, agroforestry and Assisted Natural Regeneration (ANR). On average, 58% of people trained were women, exceeding the project target of 52%. This brought the cumulative total trained to 6,710 against a project target of 4,000 since the inception of the project. The overachievement is attributed to the continuous nature of training, which remains integral to adaptive implementation. Additionally, complementary sessions organised by other Implementing Partners (IPs) and stakeholders operating within the project landscape significantly boosted outreach and participation.

- A total of 16,798 trees were planted across 201.89 hectares under sustainable woodlot establishment, achieving an average density of 83 trees per hectare that reflects the natural structure of miombo woodlands. This represents 40.4% of the overall project target of 500 hectares, a substantial milestone toward achievement of the target. Masvingo, Chivi, Zaka and Shurugwi districts contributed 128.03 hectares across 26 sites, with Shurugwi leading at 73.3 hectares, while the Save catchment added 73.86 hectares across 39 sites, with Chipinge and Buhera as major contributors.

- A total of 21 Community-Based Forest Management Committees (CBFMCs) were established and trained across Buhera, Chipinge, Chimanimani, and Bikita districts, covering 42,877 hectares and bringing the total area under woodland management to 155,985 hectares by 55 CBFMCs. The project target of 130,000 ha was surpassed.
- The project distributed 28 bicycles and visibility regalia (hats & t-shirts) to seven Community-Based Forest Management Committees: Sakuinje (Chipinge), Muringi (Buhera), Muni (Chivi), Mahambe (Bikita), Zvehuru (Masvingo), Mudokopi (Zaka), and Zamazama (Shurugwi). These resources have enhanced patrol efficiency, strengthened committee identity, and promoted stakeholder cooperation, with plans underway to equip all 60 CBFMCs, including five under ANR.

- During the reporting period, 26 earth augers were procured and distributed to districts, with all Forestry Extension Officers trained in their use and maintenance. A DJI Matrice 400 RTK drone was procured to strengthen forest monitoring, with applications in mapping forest cover, monitoring forest health and reforestation projects, and enforcement against illegal logging and charcoal production. Phased training of drone pilots was underway at the time of compiling this Report. The project procured 10 tablets, 12 printers, and 4 laptops for Officers and Managers to improve data collection, reporting, communication, and overall oversight in implementation. Fire management and land preparation equipment was procured, including 2 tractors, 2 x 18-disc harrows, 2 grass mowers, 2 hay rakes, 2 trailers, 2 hay bailers and 2 water browsers.

- The establishment of five community tree nurseries had been initiated in Buhera (Murambinda), Bikita (Madzivire Primary), Chivi (Marula Zimbabwe), Masvingo (FC), and Shurugwi (Zamazama), with two additional satellite nurseries planned in Chimanimani (Nenhowe) and Shurugwi (Poshayi). All nurseries were at various stages of development, and are intended to improve the availability of tree seedlings in the Project Landscape. The project target is to establish 5 community nurseries and so far none has been fully completed and will be completed in 2025 as soon as funds are availed from the Food and Agricultural Organisation (FAO).

- A phenotypic assessment of *Lantana camara* in Zaka District (April 2025) revealed significant morphological variation across sites, with differences in traits such as corolla size, fruit production, flower colour, and leaf shape. These variations, particularly pronounced in Ward 5, highlight the influence of local ecological conditions and underscore the need for site specific management strategies and further genetic research to effectively control this invasive species.

Plate 13: *A DJI Matrice 400 RTK drone procured under the project*

Plate 14: *Two tractors with grass mowers at FC Head Office procured under GEF 7*

Part of the consignment of the administered budget procured equipment of 2 Tractors, 2-disc harrows, 2 grass mowers, 2 hay balers, 2 x 4-wheel tractor-drawn trailers, 2 water bowsers and 1 hay rake. All these have been shared equally between the Save and Runde Catchments for fire management and woodlot establishment & management activities in the landscapes.

6.2 GEF 6 Zambezi Valley Biodiversity Project (ZVBP)

Under the GEF 6 project, the following activities were conducted during the reporting period:

- A total of 396,334 seedlings were produced against a target of 200,000, representing 198% achievement of the planned output. Production was distributed across the three project nurseries as follows:

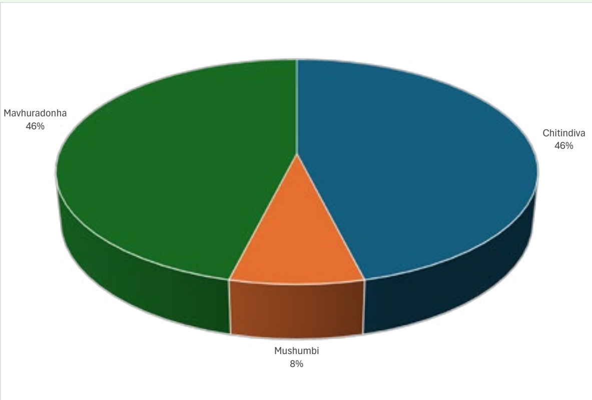


Figure 15: *Seedling production at GEF 6 sites*

- The Mushumbi office was successfully relocated to a new site with key infrastructure upgrades, including a concrete platform for the container office and installation of sanitation facilities. Pillastone Corporation Africa successfully constructed a prefabricated nursery office at Chitindiva providing a modern, functional, and sustainable workspace for nursery operations. Plumbing works for Mavhuradonha nursery was done to upgrade existing ablution facilities for the nursery. Steel pole fencing for perimeter and nursery shade structures was completed at Mushumbi and Chitindiva, replacing termite-damaged wooden poles.
- The FC assessed permanent forest monitoring plots in Hurungwe, Muzarabani, and Mbire, collecting mopane samples to validate allometric models for carbon stock estimation. This exercise will improve the accuracy of biomass and carbon quantification, thereby strengthen the credibility of carbon sequestration claims and enhance biodiversity management under the Zambezi Valley Biodiversity Project.
- The Mushumbi nursery's water challenge was resolved through connection to a nearby borehole of another United Nations Development Programme (UNDP) project, installation of a 10,000-litre tank with taps for nursery and office use, while retaining the existing saline system for continued community access.

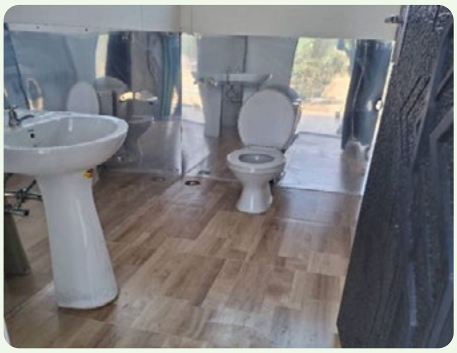


Plate 15: *Chitindiva nursery office in Hurungwe side and back view*

6.3 Transboundary Integrated Sustainable Management of Miombo Woodlands

The Forestry Commission made significant strides in 2025 with the formal inception and baseline establishment of the Transboundary Integrated Sustainable Management of Miombo Woodlands project, a collaborative initiative between Zimbabwe and Mozambique funded by the Italian Agency for Development Cooperation (AICS) through the Food and Agriculture Organization of the United Nations (FAO).

Following the project kick-off meeting held on 28 January 2025, Forestry Commission deployed multidisciplinary teams across three target districts namely; Rushinga, Mudzi, and Chipinge, to conduct a comprehensive baseline survey encompassing 470 household interviews and 17 key informant engagements between March and May 2025. The survey established critical reference indicators for the project landscape, which spans the ecologically significant Nyatana Woodland (over 48,000 hectares across Rushinga and Mudzi) and the tropical evergreen Chirinda Forest (approximately 950 hectares in Chipinge). Findings revealed that 76% of households in the project wards depend on Non-Timber Forest Products (NTFPs) for their livelihoods, yet only 29% had received any form of sustainable forest management training, while 93% expressed a strong willingness to participate in NTFP value chain capacity-building programmes. The baseline further confirmed firewood collection, agricultural expansion, and illegal logging as the primary drivers of forest degradation across all three districts. With baseline data now established, the project is positioned to advance its three strategic pillars in subsequent phases: strengthening cross-border cooperation and knowledge management between Zimbabwe and Mozambique; promoting sustainable NTFP value chains, ecotourism, and alternative livelihoods to incentivise forest conservation; and empowering community-based natural resource management structures to enhance governance and long-term ecosystem resilience.

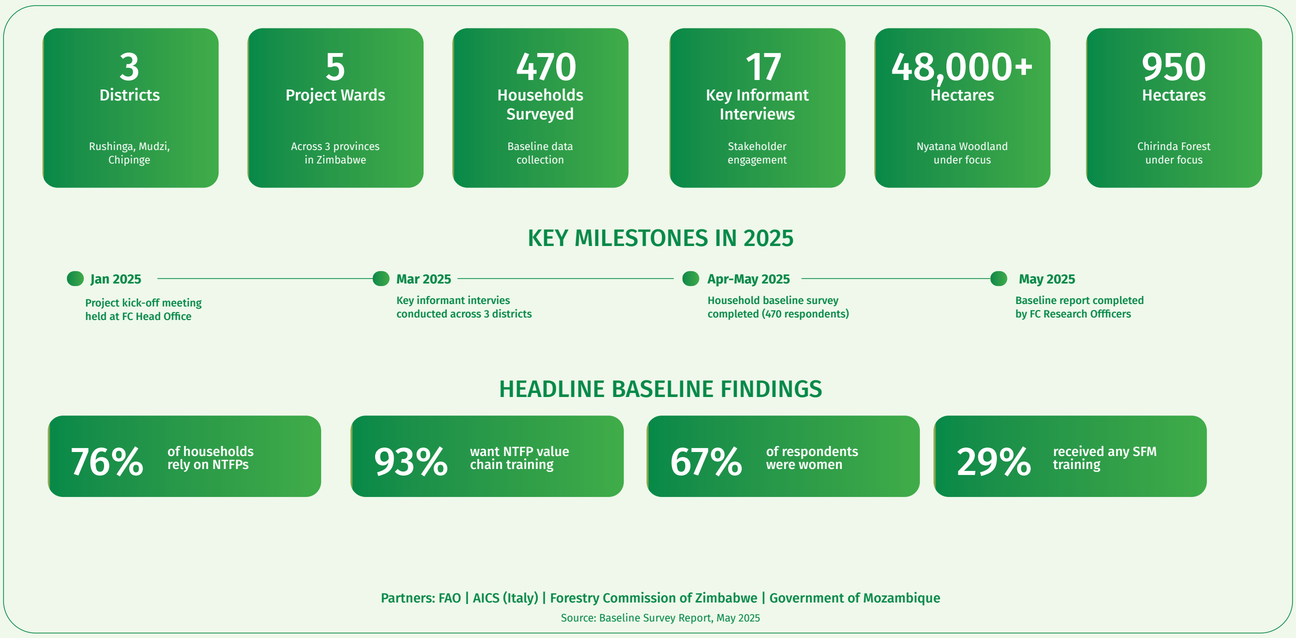
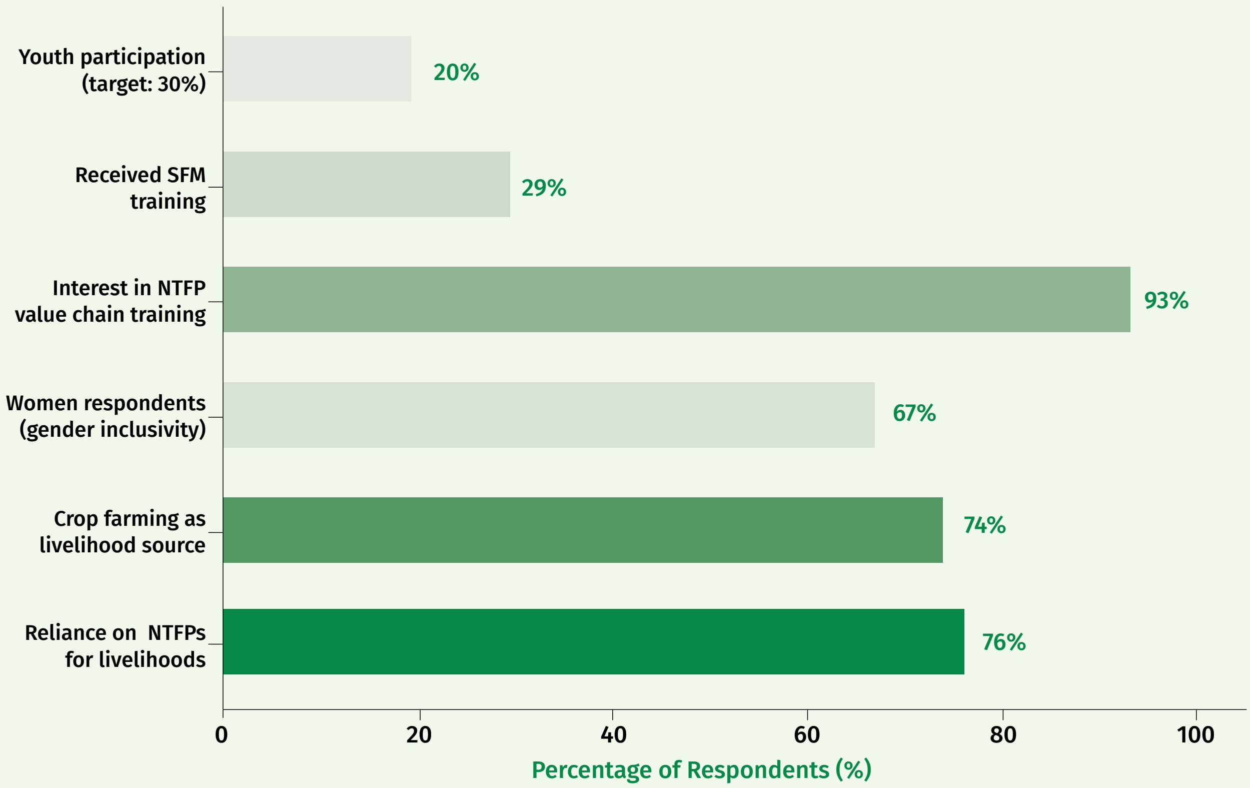


Figure 16: Miombo Transboundary Project — 2025 At a Glance



Source: Baseline Survey Report, May 2025 (n=470 households, 17 KIIs)

Figure 17: Key Baseline Survey Findings (Percentage of Respondents)

7.0 Conclusion

The year 2025 demonstrated the Forestry Commission's resilience and capacity for transformation. Through decisive governance, strategic partnerships, and investment in technology, the Commission strengthened its foundation for commercial viability while advancing its core conservation mandate. The successful commissioning of the Tissue Culture Laboratory and Wood Kiln signals a deliberate shift towards science-led innovation and value addition. The rollout of the ERP system, clearance of salary arrears, and establishment of a medical aid scheme restored staff confidence and operational discipline. Renegotiated commercial partnerships and cost containment measures have set the Commission on a path to financial self-sufficiency, reducing reliance on fiscal support. We enter 2026 with clear priorities: operationalising the UAV–LiDAR system to enhance national forest monitoring, finalising the REDD+ Strategy to access climate finance, and embedding a culture of performance and accountability across all levels. Challenges remain, particularly around resource mobilisation and enforcement, but the improvements recognised in our 2025 performance evaluation affirm that our strategic direction is sound.

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: oagzimbabwe263@gmail.com
Website: www.auditorgeneral.gov.zw

OAG ZIMBABWE
Office of the Auditor-General

OFFICE OF THE AUDITOR-GENERAL
5th Floor, Pax House,
89 Kwame Nkrumah Avenue,
P.O. Box 981
Harare

Ref: **SB73**

REPORT OF THE AUDITOR GENERAL

TO

THE MINISTER OF ENVIRONMENT, CLIMATE AND WILDLIFE

AND

THE BOARD OF COMMISSIONERS

IN RESPECT OF THE FINANCIAL STATEMENTS OF THE

FORESTRY COMMISSION

FOR THE YEAR ENDED DECEMBER 31, 2025

Report on the Audit of the Financial Statements

Qualified Opinion

I have audited the accompanying financial statements of Forestry Commission set out on pages 59 to 86, which comprise the statement of financial position as at December 31, 2025, the statement of profit or loss and other comprehensive income, statement of changes in reserves and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Forestry Commission as at December 31, 2025, 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 IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

Basis for Qualified Opinion

i. Non - compliance with International Accounting Standard (IAS) 16 – "Property, Plant and Equipment" and International Accounting Standard (IAS) 36 – "Impairment of Assets"

The Commission did not review the useful lives and residual values of its property, plant and equipment as at December 31, 2025 as required by IAS 16 - "Property, Plant and Equipment" paragraph 51 which requires residual values and the useful life of each asset to be reviewed at each financial year-end. The Commission did not also provide evidence of impairment assessment contrary to IAS 36 - "Impairment of Assets" paragraph 9 which requires impairment assessment of assets to be carried out at each reporting period. Had the Commission reviewed the useful lives of its items of property, plant and equipment and carried out an assessment of impairment, the carrying amount of property, plant and equipment and retained earnings would have been materially different.

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 ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Material Uncertainty Related to Going Concern

I draw your attention to note 18 to financial statements which indicates that, the Commission has incurred a loss of ZWG73.2 million for the year ended December 31, 2025. This condition indicates the existence of material uncertainty that may cast significant doubt on the Commission's ability to continue as a going concern. My opinion was not modified in respect of this matter.

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, 2025. These matters were addressed in the context of my audit of the financial statements, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matter described below to be the key audit matter to be communicated in my report.

FORESTRY COMMISSION

AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

Key Audit Matter	How my audit addressed the Key Audit Matter
Valuation of Trade and other receivables and determination of Allowance for credit losses. Refer to Note 7 of the financial statements Management estimated the recoverable amount of trade receivables for the Commission to be ZWG71.4 million as at December 31, 2025 after deducting an allowance for credit losses of ZWG46.6million. In determining the allowance for credit loss management makes estimates and judgements about the recoverable amounts. The level of judgement and assumptions made by management in determining the allowance for credit losses increases the risk that the allowance may be inappropriately disclosed. Therefore, the valuation of trade and other receivables was significant to my audit and was therefore considered a key audit matter.	My audit procedures performed to address the risk of misstatement with regard of trade and other receivables included the following: • An assessment of the recoverability of long outstanding receivables by making comparison of the rate of collection in the prior, and current years. • Analysed the receivables age analysis and assessed the reasonability of the expected credit loss. • Assessed the design and implementation of controls around the determination of the expected credit losses. Compared the impairment model for trade receivables developed by management to that required by IFRS 9 and reviewed the reasonableness of the methodology. Based on the audit evidence gathered, I did not find exceptions on valuation of trade and other receivables.

Other Information

Those Charged with Governance are responsible for the other Information. The other Information comprises all the information in the Forestry Commission's 2025 annual report other than the financial statements and my auditor's report thereon ("the Other Information").

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

In connection with my audit of the Commission's financial statements, my responsibility is to read the other Information and, in doing so consider whether the other information is materially inconsistent with the Commission's financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of the other Information, I am required to report that fact. I have nothing to report in this regard.

FORESTRY COMMISSION

AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

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

The Commission's management and Those Charged with Governance are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Forestry Act [*Chapter 19.05*] and Public Finance Management Act [*Chapter 22:19*] , and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

FORESTRY COMMISSION

AUDIT REPORT IN RESPECT OF THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

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.

Report on Other Legal and Regulatory Requirements

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

09 September, **2026.**

R. KUJINGA,
ACTING AUDITOR – GENERAL.

FORESTRY COMMISSION

STATEMENT OF FINANCIAL POSITION

as at December 31, 2025

	Note	Inflation adjusted 31-Dec-25 ZWG	Inflation adjusted 31-Dec-24 Restated ZWG	Inflation adjusted 1-Jan-24 ZWG	Historical cost 31-Dec-25 ZWG	Historical cost 31-Dec-24 Restated ZWG	Historical cost 1-Jan-24 ZWG
Non-current assets		**380 049 057**	**431 549 477**	**151 143 387**	**361 968 367**	**375 129 934**	**89 439 249**
Property, plant and equipment	4	111 363 652	103 276 318	151 143 387	93 282 962	89 774 267	89 439 249
Investment property	5	268 685 405	328 273 159	-	268 685 405	285 355 667	-
Current assets		**115 174 556**	**83 781 131**	**47 280 118**	**114 892 122**	**72 827 827**	**27 978 057**
Inventories	6	18 024 141	8 839 156	7 073 414	17 741 707	7 683 550	4 185 700
Trade and other receivables	7	71 410 181	68 154 204	26 486 100	71 410 181	59 243 920	15 673 176
Prepayments	8	-	458 102	1 670 451	-	398 211	988 491
Cash and cash equivalents	9	25 740 234	6 329 669	12 050 153	25 740 234	5 502 146	7 130 690
TOTAL ASSETS		**495 223 613**	**515 330 608**	**198 423 505**	**476 860 490**	**447 957 761**	**117 417 306**
RESERVES AND LIABILITIES							
Reserves		**381 120 466**	**454 336 421**	**157 017 930**	**362 820 831**	**392 284 431**	**92 915 516**
Non distributable reserve		331 430 807	331 430 807	4 638 481	288 100 493	288 100 492	2 744 826
Revaluation reserve		80 902 282	80 902 282	134 496 500	79 588 437	79 588 437	79 588 437
Accumulated fund		(31 212 623)	42 003 332	17 882 949	(4 868 099)	24 595 502	10 582 253
Current liabilities		**114 103 146**	**60 994 186**	**41 405 575**	**114 039 659**	**55 673 330**	**24 501 790**
Deferred income	10.2	49 941 201	10 656 256	-	49 877 714	9 263 088	-
Trade and other payables	11	60 466 607	46 288 998	39 403 728	60 466 607	42 890 656	23 317 195
Provisions	12	3 695 338	4 048 932	2 001 847	3 695 338	3 519 586	1 184 595
TOTAL RESERVES AND LIABILITIES		**495 223 613**	**515 330 608**	**198 423 505**	**476 860 490**	**447 957 761**	**117 417 306**

09 SEPTEMRER ,2026.

T CHIRIGA, (B comm ACC, MSc ACC,MSc AEBM),
(ACTING FINANCE MANAGER).

09 SEPTEMBER ,2026.

G. MANYUMWA,
(DIRECTOR GENERAL).

09 SEPTEMBER ,2026.

AMBASSADOR M. JASSAT,
(BOARD CHAIRPERSON).

FORESTRY COMMISSION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended December 31, 2025

		Inflation adjusted		Historical cost	
	Note	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
Revenue		**204 876 586**	**195 355 152**	**201 361 304**	**147 452 418**
Deferred income	10.1	1 012 900	-	997 028	-
Revenue from contracts with customers	13.1	190 145 758	179 162 544	185 864 276	133 376 785
Government grant	13.2	14 730 828	16 192 608	14 500 000	14 075 633
Expenditure		**(277 079 716)**	**(179 384 056)**	**(230 824 905)**	**(133 439 170)**
Administrative expenses	14	(163 551 270)	(94 425 145)	(119 075 422)	(59 587 543)
Employment costs	15	(113 528 446)	(84 958 911)	(111 749 484)	(73 851 627)
Operating surplus/ (deficit) for the year		**(72 203 129)**	**15 971 096**	**(29 463 601)**	**14 013 248**
Net monetary loss/gain		**(1 012 825)**	**3 157 648**	-	-
Other comprehensive income		-	-	-	-
Total comprehensive (deficit)/surplus for the year		**(73 215 954)**	**19 128 744**	**(29 463 601)**	**14 013 248**

FORESTRY COMMISSION

STATEMENT OF CHANGES IN RESERVES

for the year ended December 31, 2025

Inflation adjusted

	Non-Distributable Reserve	Revaluation Reserve	Accumulated Fund	Total
	ZWG	ZWG	ZWG	ZWG
Balance as at January 1, 2024	3 157 648	80 902 282	22 874 588	**106 934 518**
Surplus for the year	-	-	19 128 744	**19 128 744**
Initial recognition of investment property	328 273 159	-	-	**328 273 159**
Balance as at December 31,2024	**331 430 807**	**80 902 282**	**42 003 332**	**454 336 421**
Balance as at January 1, 2025	331 430 807	80 902 282	42 003 332	**454 336 421**
Deficit for the year	-	-	(73 215 954)	**(73 215 954)**
Balance as at December 31,2025	**331 430 807**	**80 902 282**	**(31 212 623)**	**381 120 466**

Historical cost	Non-Distributable Reserve	Revaluation Reserve	Accumulated Fund	Total
	ZWG	ZWG	ZWG	ZWG
Balance as at January 1, 2024	2 744 826	79 588 437	10 582 253	**92 915 516**
Surplus for the year	-	-	14 013 248	**14 013 248**
Initial recognition of investment property	285 355 667	-	-	**285 355 667**
Balance as at December 31,2024	**288 100 493**	**79 588 437**	**24 595 502**	**392 284 431**
Balance as at January 1, 2025	288 100 493	79 588 437	24 595 502	**392 284 432**
Deficit for the year	-	-	(29 463 601)	**(29 463 601)**
Balance as at December 31,2025	**288 100 493**	**79 588 437**	**(4 868 099)**	**362 820 831**

FORESTRY COMMIISSION

STATEMENT OF CASH FLOWS

for the year ended December 31, 2025

	Note	Inflation adjusted 2025 ZWG	Inflation adjusted 2024 ZWG	Historical cost 2025 ZWG	Historical cost 2024 ZWG
Cash flows from operating activities		**25 928 745**	**11 837 287**	**27 611 063**	**7 267 149**
Operating surplus before working capital changes		**5 822 127**	**35 419 834**	**12 143 217**	**27 766 582**
Operating surplus / (deficit) for the year		(72 203 129)	15 971 096	(29 463 601)	14 013 248
Adjustments for non cash items		**78 025 257**	**19 448 738**	**41 606 818**	**13 753 334**
Allowance for credit losses	6.1	21 558 531	25 875 635	21 220 714	22 492 729
Leave pay provision	11	178 550	647 789	175 752	563 099
Amortisation of conservation support		(1 012 900)	-	(997 028)	-
Depreciation charge on property, plant and equipment	4	1 800 998	2 398 128	1 779 677	2 084 604
Remeasurement loss	5.2	59 587 754	-	16 670 262	-
Unrealised foreign exchange gains		(5 100 501)	(6 315 167)	(3 718 632)	(5 489 540)
Net monetary loss/gain		1 012 825	(3 157 648)	6 476 073	(5 897 558)
Changes in working capital		**20 106 617**	**(23 582 548)**	**15 467 845**	**(20 499 433)**
Increase in trade and other receivables	6	(3 255 977)	(50 123 784)	(12 166 262)	(43 570 744)
Decrease in inventories	5	9 184 985	4 023 927	10 058 157	3 497 850
Increase in trade and other payables	10	14 177 609	22 517 310	17 575 951	19 573 461
Cash flows from investing activities		**(7 490 205)**	**(2 783 533)**	**(7 372 974)**	**(2 419 622)**
Acquisition of property, plant and equipment	4	(7 490 205)	(2 783 533)	(7 372 974)	(2 419 622)
Net increase in cash and cash equivalents		**18 438 540**	**9 053 753**	**20 238 088**	**4 847 526**
Cash and cash equivalents at the beginning of year	8	6 329 669	15 635 345	5 502 146	7 130 691
Effects of inflation		972 025	(18 359 429)	-	-
Cash and cash equivalents at the end of year	8	**25 740 234**	**6 329 669**	**25 740 234**	**5 502 146**

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

1. NATURE OF BUSINESS

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

The Commission's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretation Committee (IFRIC), the Forest Act Chapter [*Chapter 19.05*] section 25(1) as well as section 32 of Public Finance Management Act [*Chapter 22:19*].

2.2 Basis of measurement

The financial statements are prepared from statutory records that are maintained under historical cost convention and adjusted for effects of inflation in accordance with International Accounting Standard (IAS) 29- "Financial Reporting in Hyperinflationary Economies". The Commission made use of readily available inflation data, which data was obtained from the Reserve Bank of Zimbabwe website. The following general price indices and conversion factors were used;

Date	Indices	Conversion factor
31 December 2023	113.21	1.6899
31 December 2024	166.30	1.1504
31 December 2025	191.31	1

The indices have been applied to the historical costs of transactions and balances as follows:

- All comparative figures as of and for the periods ended December 31, 2024, have been restated by applying the change in the index to December 31, 2024.
- Transactions have been restated by applying the change in the index from the approximate date of the transactions to December 31, 2025.
- Gains and losses arising from the monetary assets or liability positions have been included in the income statement.
- Non-monetary assets and liabilities have been restated by applying the change in the index from the date of the transaction to December 31, 2025;
- Property, plant and equipment and accumulated depreciation have been restated by applying the change in the index from the date of their purchase or revaluation to December 31, 2025.
- The net impact of applying the procedures above is shown in the statement of comprehensive income as the net monetary position gain or loss.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

2.3 Functional currency and presentation currency

The Commission's functional currency is ZWG. Following the promulgation of Statutory Instrument (SI) 218 of 2023 in which the multicurrency system was extended to 2030, the monetary policy statement pronounced on the 15th of April introduced a change from the previous ZWL to ZWG. This was put into law with the promulgation of Statutory Instrument (SI) 60 of 2024. The Commission has assessed its functional currency guided by the International Accounting Standard (IAS) 21 – "The effects of changes in foreign exchange rate". The following factors were considered:

Primary Indicators:

- The currency that mainly influences the pricing and settlement of goods and services sold.
- The currency that most significantly affects the costs of labour, materials, and other inputs.

Secondary Indicators:

- The currency in which financing activities are primarily denominated and settled.
- The currency in which operating cash flows are predominantly retained.

After these considerations the Commission concluded that its functional currency remains ZWG and translate any other currencies into ZWG in accordance with IAS 21. The financial statements are also presented in ZWG as permitted by IAS 21.

2.3.1 Foreign currency transactions and balances

In preparing the financial statements of the Commission, transactions in currencies other than the ZWG are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

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.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

The estimates and assumptions that have risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below;

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.

2.4.2 Impairment

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

2.4.3 Allowance for credit losses

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

The Commission adopts the simplified approach as this is the approach specifically designated for trade receivables or contract assets that arise from transactions that are within the scope of IFRS 15 In calculating the expected losses for trade receivables, default rates were determined according to the aging of receivables. Customers that are in default are those who have not paid their accounts for at least a period of 12 months. Adjustments are made to the default rates in order to take into account reasonability and supportable forecasts affecting collectability. The default rates adjusted in line with forward looking information are then applied on the total value of receivables for the particular aging group to come up with the expected credit losses.

2.4.4 Going concern

Management assessed the ability of the Commission to continue operating in the foreseeable future. At the reporting date management consider the status by comparing the current assets against current liabilities, financial performance and future projections as well as treasury budget support. Where its positive management prepare financial statements on a going concern basis. For the year 2025, the Commission received recurrent funding support of ZWG14.5 million from Treasury.

2.4.5 Determination of fair value on financial and non-financial assets

A number of assets and liabilities included in the Commission financial statements require measurement and/or disclosure at fair value. The fair value measurement of the Commission's financial and non-financial assets and liabilities utilizes market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorized into different levels

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

based on how observable the inputs used in the valuation technique. The following are utilized in the fair value hierarchy

Level1: Quoted prices in active markets for identical items

Level 2: Observable direct or indirect inputs other than level 1 inputs

Level 3: Unobservable inputs (i.e not derived from the market data)

The classification of an item into the above levels is based on the lowest level of the inputs used that has significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur. The Commission measures the following items at fair value:

- Revalued property, plant and equipment
- Investment property.

2.4.6 Functional currency assessment

Management performed an assessment of the Commission's functional currency for the year ended December 31, 2025.The functional currency is the currency of the primary economic environment in which an entity operates and is determined by considering the currency that principally influences revenue generation, operating expenditure, financing activities and the retention of operating cash flows.

The Commission operates in a dual-currency environment in which transactions may be settled in either Zimbabwe Gold (ZWG) or foreign currency, mainly United States Dollars. In assessing its functional currency for the year ended December 31, 2025, management considered both the primary and secondary indicators prescribed by International Accounting Standard (IAS) - 21. During the year, approximately 58% of the Commission's revenue collections were received in Zimbabwe Gold (ZWG). Whilst certain revenue streams, namely lease fees for gazetted forests and hunting fees, are collected in foreign currency as provided in the lease contracts.

Management also considered the currency influencing the Commission's expenditure profile. Employee costs, statutory obligations and a significant proportion of administrative and operational expenditures were denominated and settled in Zimbabwe Gold (ZWG). In addition, the Commission's remuneration framework is governed by Government policy directives, which influence the currency composition of employment costs. Having considered all relevant indicators, management concluded that Zimbabwe Gold (ZWG) remained the currency that most faithfully reflects the economic substance of the Commission underlying transactions, events and conditions for the year ended December 31, 2025.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

2.5 New and revised standards and interpretations

2.5.1 Applicable new and revised standards, interpretations and amendments effective for annual periods beginning on or after January 1, 2025

In the current year the Commission has applied new and several amendments to IFRSs issued by the International Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after January 1, 2025. The following are the new standards applicable to the Commission.

2.5.1.1 Amendments to International Accounting Standard (IAS) 21- "The effects of changes in exchange rates" – Lack of exchangeability.

The amendments to IAS 21 require entities to assess if a currency is exchangeable, and if not, how to estimate a spot rate and provide disclosures. The main objectives of the amendments are;

- Specify when a currency is exchangeable into another currency and when it is not — a currency is exchangeable when an entity is able to exchange that currency for the other currency through markets or exchange mechanisms that create enforceable rights and obligations without undue delay at the measurement date and for a specified purpose; a currency is not exchangeable into the other currency if an entity can only obtain an insignificant amount of the other currency.
- Specify how an entity determines the exchange rate to apply when a currency is not exchangeable — when a currency is not exchangeable at the measurement date, an entity estimates the spot exchange rate as the rate that would have applied to an orderly transaction between market participants at the measurement date and that would faithfully reflect the economic conditions prevailing.
- Require the disclosure of additional information when a currency is not exchangeable — when a currency is not exchangeable an entity discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows.

2.5.2 New standards, interpretations and amendments not yet effective.

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

2.5.2.1 IFRS 18- "Presentation and Disclosure in Financial Statements"

In response to investors' concerns about the comparability and transparency of entities' performance reporting. IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027, including for interim financial statements. The key new concepts introduced in IFRS 18 relate to the structure of the statement of profit or loss, the required disclosures in the financial statements for management-defined performance measures, and enhanced principles on aggregation and disaggregation. This standard is effective from January, 01, 2027.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

2.5.2.2 Amendments to IFRS 9- "Financial Instruments" and IFRS 7- "Financial Instrument Disclosures": Classification and measurement of financial Instruments

Derecognition of a financial liability settled through electronic transfer: The amendments to the application guidance of IFRS 9 permit an entity to deem a financial liability (or part of it) that will be settled in cash using an electronic payment system to be discharged before the settlement date if specified criteria are met. An entity that elects to apply the derecognition option would be required to apply it to all settlements made through the same electronic payment system.

Classification of financial assets: guidance on Contractual terms that are consistent with a basic lending arrangement, Assets with non-recourse features and contractually linked instruments.

The amendments also give guidance on disclosures to Investments in equity instruments designated at fair value through other comprehensive income and Contractual terms that could change the timing or amount of contractual cash flows. These amendments are effective from January 01, 2026 and earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Items of property, plant and equipment are resources controlled by the Commission arising from past events from which future economic benefits are expected to accrue to the Commission. Item of property, plant and equipment are initially recognised at cost and subsequently at cost or revaluation model. Property, plant and equipment is stated at revalued amounts, less accumulated depreciation and impairment losses. Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are again carried at revalued amounts less any recognized impairment loss. Depreciation of these assets, as with other property assets, commences when the assets are ready for their intended use.

3.1.2 Subsequent to initial recognition

Class of property, plant and equipment

All property, plant and equipment (buildings, roads and communication, computer equipment, office equipment, furniture and fittings, motor vehicles and library books) are stated at revalued amounts less accumulated depreciation and accumulated impairment losses (revaluation model). The last revaluation was done by management on December 31, 2023.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

Valuation techniques

The fair value of assets is determined using the cost approach, which considers the fair value would not exceed what it could cost a market participant to acquire or construct a substitute asset of comparable utility, adjusted for obsolescence and reflects that amount that would be required currently to replace the service capacity of an asset (current replacement cost). The Commission revalue its property, plant and equipment after every 3 years.

The assumptions applied in the valuation process include the prevailing market conditions at the date of valuation; the economic factors including the exchange rates, asset condition and depreciation rates prescribed in the accounting policy.

Recognition and measurement

Any revaluation increase arising on the revaluation of property, plant and equipment is recognized in other comprehensive income, except to the extent that it reverses a revaluation decease for the same asset previously recognized in profit and loss, in which case the increase is credited to profit and loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such property, plant and equipment is recognized in profit and loss to the extent that it exceeds the balance, if any, held in asset revaluation reserve relating to previous revaluation of the asset. Depreciation on revalued assets is recognized in profit and loss.

The revaluation surplus on land and buildings is directly transferred to retained earnings in so far as it is realized through use. While the surplus on other items of property, plant and equipment is realized when the related asset is either sold or withdrawn from use. Any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Changes in property, plant and equipment fair value are recognized in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognized in profit or loss.

Hierarchy level

Property, plant and equipment is revalued using level 1 inputs that is quoted prices in active markets for identical items.

3.1.3 Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate the cost (or revalued amount) to its residual value over the estimated useful life of the asset. The estimated useful lives are as follows:

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

Residual values, useful lives, and depreciation methods are reviewed at each reporting date and adjusted prospectively if appropriate.

3.1.4 Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition (calculated as the difference between net disposal proceeds and carrying amount) is recognised in profit or loss.

Asset class	Annual Rate (%)
Buildings	5
Library books	10
Office furniture and equipment	10
Roads and communication equipment	10
Plant and machinery	10
Vehicles and equipment	20
Computers	20

3.1.5 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.

3.1.6 Impairment

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

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

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

3.2 Investment property

The Commission investment property is revalued annually to its remaining value in use, with changes in the carrying amount recognised in the statement of comprehensive income. Lease fees receivable

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

is recognised as an annuity over the period of the lease. The cost is determined by discounting the future cash flows for the lease fees from future periods to the current date.

3.2.1 Initial recognition and measurement

The Commission recognised all of its investment property (gazetted land) held by lessees as right of use assets in accordance with IFRS 16. All leases were classified as finance leases as all the risks and rewards incidental to the ownership of the underlying assets were transferred to the lessees. The Commission used the Reserve Bank of Zimbabwe interest rate to discount the cumulative lease payments in order to determine the net investment at recognition date

3.2.2 Derecognition

The finance lease receivable is derecognized as cash payments are collected over the lease term. The net investment is also subjected to the derecognition and impairment requirements under IFRS 9. If the Commission negotiates for a total early termination the remaining carrying amount of the net investment receivable is derecognized against the consideration received and any resulting gain or loss is recognised in the statement of profit or loss.

3.3 Leases

A lease is contract or part of a contract that conveys the right to use an asset for a specified period. The Commission leases out additional space at its premises to third parties. The leases are recognised as operating leases where rental income from the lessees is recognised on a systematic basis and credited to the Statement of Profit or Loss and other Comprehensive Income. The Commission also receives lease fees from Allied Timbers (5% of the audited annual turnover) bi-annually with the first installment due on or before the 30 September of the accounting period based on half year unaudited financial statements and the second instalment due to the commission on or before April 30, of the following year based on Allied Timbers audited annual turnover.

3.3.1 Commission as lessor

When the Commission acts as a lessor, it classifies each lease as either a finance lease or an operating lease based on whether substantially all the risks and rewards of ownership are transferred to the lessee.

- **Finance leases** – A finance lease receivable is recognised at an amount equal to the net investment in the lease. Interest income is recognised over the lease term using the effective interest method.

- **Operating leases** – Lease income is recognised on a straight-line basis over the lease term. The underlying asset remains in property, plant and equipment and is depreciated over its useful life.

FORESTRY COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2025

3.3.2 Commission as lessee

a. Right-of-use assets and lease liabilities

At the commencement date of a lease (other than short-term leases and leases of low-value assets), the Commission recognises:

- A right-of-use asset at cost, which comprises the initial measurement of the lease liability, any lease payments made before commencement, initial direct costs, and an estimate of costs to dismantle or restore the asset.

- A lease liability measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Commission's incremental borrowing rate.

b. Subsequent measurement

- The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term. The asset is also assessed for impairment in accordance with the impairment policy

- The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the lease term, a change in lease payments, or a modification to the lease.

3.3.3 Short-term leases and low-value assets

The Commission elected not to recognise right-of-use assets and lease liabilities for short-term leases (lease term of 12 months or less) and for leases of low-value assets (e.g., certain office equipment). Lease payments for these leases are recognised as an expense on a straight-line basis over the lease term.

3.4 Inventory

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

3.4.1 Valuation of timber

Timber constitutes a significant portion of the Commission's inventory. The commission takes into account felling costs, hauling costs, sawmill processing costs and transportation costs as total timber

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for the year ended December 31, 2025

production costs. Total production costs incurred are divided by the number of cubes of timber produced to get total production cost per cubic metre. Total production cost is summed up with the cost per cubic metre of raw timber using the price per cubic metre paid by the concessionaires with timber harvesting contracts with the Commission to get the total cost per cubic metre. Average cost per cubic metre is then applied to the number of cubes of timber in stock at the reporting date to get the total value of timber that is reported in the Commission's books.

3.5 Revenue

The Commission recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. Revenue represents the amounts receivable in the ordinary course of the Commission's business. Revenue is made up of the fair value of sale of goods and services. Revenue is measured based on the amount the Commission expects to be entitled in a contract with its customers and excludes amounts collected on behalf of third parties. The Commission's main revenue lines comprise of lease fees, accommodation bookings and meals, regulation fees, sale of timber, sales of seedling and fees from students.

3.5.1 Performance obligations and timing of revenue recognition

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

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

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

3.5.2 Determining the transaction price

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

- Accommodation contracts provide customers with a limited right cancellation. These relate predominantly, but not exclusively, to online booking sales direct to consumers. Historical experience enables the Commission to estimate reliably the value of goods that will be returned

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for the year ended December 31, 2025

and restrict the amount of revenue that is recognized such that it is highly probable that there will not be a reversal of previously recognized revenue when goods are returned.

- For other customers, the Commission accepts orders and is paid up in advance of providing the service/delivering the products. The Commission measures the amount of revenue to recognize on delivery of the goods/provision of services by calculating a financing component at the interest rate that would have applied had the Commission borrowed the funds from its customer.
- Variable consideration relating to volume rebates has been constrained in estimating contract revenue in order that it is highly probable that there will not be a future reversal in the amount of revenue recognized when the amount of volume rebates has been determined.

3.5.3 Allocating amounts to performance obligations

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

3.5.4 Revenue recognition

3.5.4.1 Government grant - recurrent

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

3.5.4.2 Daily rates- hunting

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

3.5.4.3 Daily rates photographic, accommodation and meals

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

3.5.4.4 Sale of timber logs, seeds, seedlings and honey

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

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3.5.4.5 Regulation fees

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

3.5.4.6 Fees from students

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

3.5.4.7 Hiring of Forestry Commission facilities

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

3.6 Financial instruments

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

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

3.6.1 Recognition

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

3.6.2 Financial assets

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

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

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.	Loans extended to staff members are in this category

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Financial assets at FVOCI	These assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling of the financial asset.	Trade receivables are in this category

3.6.2.1 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 allowance for credit losses in the profit of loss. Staff loans and receivables arising from ordinary course of business constitute trade and other receivables.

3.6.2.2 Allowance for expected credit losses

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

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

3.6.2.3 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.

3.6.3 Financial liabilities

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

3.6.3.1 Measurement

Financial liabilities measured at amortised cost include customer deposits, trade and other payables, and short-term and long-term borrowings. These are initially recognised at fair value (proceeds received) less directly attributable transaction costs, and subsequently measured at amortised cost

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using the effective interest method.

3.6.3.2 Trade and other payables

Trade and other payables are recognised when the Commission incurs a legal or constructive obligation to pay. These include amounts due to suppliers, accrued expenses, and other short-term payables.

3.7 Provisions

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

3.8 Employee costs

3.8.1 Short-term employee benefits

Short-term employee benefit obligations (including salaries, leave pay, and bonuses) are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Commission has a present legal or constructive obligation to pay this amount as a result of past service and the obligation can be estimated reliably.

3.8.2 Terminal benefits

Termination benefits are recognised as an expense when the Commission is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised if the Commission has made an offer, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

3.8.3 Pension obligations-defined contribution plan

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

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

The Commission uses a defined contribution plan which is defined by International Accounting Standard (IAS) 19 as a post-employment benefit plan under which an entity pays fixed contributions

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into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. The Commission retirement benefits applicable to the National Social Security Authority and Public Service pension are determined by the systematic recognition of legislated contributions.

3.9 Financial risk management

The main risks arising from the Company's financial instruments include credit risk and liquidity risk. The company does not use derivative financial instruments for speculative purposes. The company's risk management policies are reviewed by management on a regular basis for adequacy in being able to manage any changes in risks arising from changes in the operating environment.

3.9.1 Exposure to credit risk

Credit risk is the risk that the counter-party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. Potential concentration of credit risk consists principally of short-term cash and cash equivalent investments and trade debtors. The volatile economic environment increased exposure to credit risk; however, adequate provision was made against trade receivables considered doubtful. The company's exposure to credit risk on government debtors is reduced by the Government Treasury's commitment to pay all outstanding government debts.

3.9.2 Liquidity risk

The entity manages liquidity risk by continuously monitoring forecast and actual cash flows. The ability of the entity to settle its foreign creditors remained challenge, however although set-off arrangements with local partners for payment of foreign creditors improved the Company's foreign liability position during the financial period.

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for the year ended December 31, 2025

4 Property Plant and Equipment
Inflation adjusted

	Land	Buildings	Roads and communication	Plant and machinery	Motor vehicles	Furniture and equipment	Computer equipment	Work in progress	Library books	Total 2025	Total 2024
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Opening carrying amount	**2 753 092**	**81 422 614**	**982 297**	**5 268 366**	**3 692 851**	**2 472 138**	**4 275 878**	**2 323 293**	**85 789**	**103 276 318**	**102 890 910**
Gross carrying amount	2 753 092	83 095 765	999 454	5 600 130	3 804 261	2 517 440	4 487 318	2 323 293	93 692	105 674 445	102 890 912
Accumulated depreciation	-	(1 673 151)	(17 157)	(331 764)	(111 410)	(45 302)	(211 440)	-	(7 903)	(2 398 127)	-
Additions at cost	-	-	-	556 396	5 064 403	97 860	1 771 546	-	-	7 490 205	2 783 533
Disposals	-	-	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-	-	-	-	-
Accummulated Depreciation	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(1 036 948)	(35 411)	(366 147)	(148 995)	(61 312)	(152 185)	-	(6 976)	(1 800 998)	(2 390 225)
Closing carrying amount	**2 753 092**	**80 581 284**	**948 891**	**5 497 404**	**8 621 284**	**2 513 983**	**5 919 959**	**2 323 293**	**79 737**	**111 363 652**	**103 276 318**
Gross carrying amount	2 753 092	83 095 765	999 454	6 156 526	8 868 664	2 615 300	6 258 864	2 323 293	93 692	113 164 650	105 674 445
Accumulated depreciation	-	(2 514 481)	(50 562)	(659 122)	(247 380)	(101 317)	(338 905)	-	(13 955)	(1 800 998)	(2 398 127)

Historical cost

	Land	Buildings	Roads and communication	Plant and machinery	Motor vehicles	Furniture and equipment	Computer equipment	Work in progress	Library books	Total 2025	Total 2024
	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG	ZWG
Opening carrying amount	**2 393 161**	**70 777 655**	**853 874**	**4 450 175**	**3 210 058**	**2 148 938**	**3 716 862**	**2 019 552**	**81 443**	**89 774 267**	**89 439 249**
Gross carrying amount	2 393 161	72 232 063	868 788	4 867 985	3 306 903	2 188 317	3 900 659	2 019 552	81 443	**91 858 871**	89 439 249
Accumulated depreciation	-	(1 454 408)	(14 914)	(288 390)	(96 845)	(39 379)	(183 797)	-	(6 870)	**(2 084 604)**	-
Additions at cost	-	-	-	547 688	4 985 139	96 329	1 743 819	-	-	**7 372 974**	**2 419 622**
Disposals	-	-	-	-	-	-	-	-	-	-	-
Gross carrying amount	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	(1 020 718)	(34 857)	(360 416)	(146 663)	(60 352)	(149 804)	-	(6 866)	**(1 779 677)**	**(2 077 734)**
Closing carrying amount	**2 393 161**	**68 302 529**	**804 103**	**4 349 057**	**7 951 689**	**2 145 535**	**5 127 080**	**2 019 552**	**67 707**	**93 282 962**	**89 774 267**
Gross carrying amount	2 393 161	70 777 655	853 874	4 997 863	8 195 197	2 245 267	5 460 681	2 019 552	81 443	97 147 242	91 358 871
Accumulated depreciation	-	(2 475 126)	(49 771)	(648 806)	(243 508)	(99 731)	(333 601)	-	(13 736)	(3 864 280)	(2 084 604)

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for the year ended December 31, 2025

		Inflation adjusted		Historical cost	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
5	**Investment property**				
5.1	**Leased property**				
	Fuller forest 1	13 371 561	13 371 561	11 623 401	11 623 401
	Fuller forest 2	21 241 900	21 241 900	18 464 795	18 464 795
	Kavira forest	9 604 512	9 604 512	8 348 846	8 348 846
	Pandamasue forest 1	7 650 452	7 650 452	6 650 254	6 650 254
	Pandamasue forest 2	51 050 087	51 050 087	44 375 945	44 375 945
	Ngamo forest 1	42 816 696	42 816 696	37 218 964	37 218 964
	Sikumi Forest 1	16 336 739	16 336 739	14 200 921	14 200 921
	Gwamba and Lack Alice forest	4 544 590	4 544 590	3 950 443	3 950 443
	Gwaai forest 1	6 453 519	6 453 519	5 609 805	5 609 805
	Gwaai forest 2	13 841 762	13 841 762	12 032 130	12 032 130
	Sikumi forest 2	42 336 841	42 336 841	36 801 843	36 801 843
	Ngamo forest 2	18 889 221	18 889 221	16 419 698	16 419 698
	Kazuma forest	26 444 928	26 444 928	22 987 593	22 987 593
	Zimbabwe College of Forestry 1	2 854 622	2 854 622	2 481 417	2 481 417
	Zimbabwe College of Forestry 2	4 940 310	4 940 310	4 294 428	4 294 428
		328 273 159	**328 273 159**	**285 355 667**	**285 355 667**
5.2	**Reconciliation of investment property**				
	Opening carrying amount	328 273 159	328 273 159	285 355 667	285 355 667
	Additions	-	-	-	-
	Remeasurement losses	(59 587 754)	-	(16 670 262)	-
	Closing carrying amount	**268 685 405**	**328 273 159**	**268 685 405**	285 355 667

Investment property was initially recognised at the reporting date by discounting the remaining annual lease fees for the remainder of each contract using present value factor of an annuity applying the cost of capital of 9.35%. The cost of capital was derived from Reserve Bank of Zimbabwe (RBZ) weighted average lending rate (WALR) as at the reporting date. The impact of the restatement on the financial statements is summarised below

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for the year ended December 31, 2025

			Inflation adjusted		Historical cost	
			2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
6	**Inventory**					
	Consumables		9 291 049	1 687 409	9 145 461	1 466 802
	Timber		8 733 092	7 151 747	8 596 246	6 216 748
			18 024 141	**8 839 156**	**17 741 707**	**7 683 550**
7	**Trade and other receivables**					
	Trade receivables		117 556 197	96 828 272	117 556 197	84 169 221
	Other receivables		522 827	601 460	522 827	522 827
	Allowances for credit losses	**7.1**	(46 668 844)	(29 275 528)	(46 668 844)	(25 448 129)
	Total trade and other receivables		**71 410 181**	**68 154 204**	**71 410 181**	**59 243 920**

7.1 Allowance for expected credit loss

As at December 31, 2025, the lifetime expected credit loss provision on trade and other receivables is as follows:

2025	Less than 90 days past	More than 90 days past due	More than 120 days past due	Total
Expected credit loss	5%	6%	45%	
Carrying amount (ZWG)	13 472 983	2 159 621	101 923 594	117 556 197
Credit loss allowance	673 649	129 577	45 865 617	46 668 844

2024	Less than 90 days past	More than 90 days past due	More than 120 days past due	Total
Expected credit loss	5%	6%	45%	
Carrying amount (ZWG)	19 605 143	11 758 880	52 805 198	84 169 221
Credit loss allowance	980 257	705 533	23 762 339	25 448 129

		Inflation adjusted		Historical cost	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
8	**Prepayments**				
	Utilities	-	458 102	-	398 211
		-	**458 102**	**-**	**398 211**
9	**Cash and cash equivalents**				
	Bank balances	25 671 890	5 712 219	25 671 890	4 965 420
	Cash on hand	68 344	617 450	68 344	536 726
		25 740 234	**6 329 669**	**25 740 234**	**5 502 146**
10	**Deferred income**				
10.1	Conservation support vehicles	5 064 499	-	4 985 140	-
	Ammortised during the year	(1 012 900)	-	(997 028)	-
		4 051 599	-	**3 988 112**	-
10.2	Hunting deposits and Lease prepayments	**45 889 602**	**10 656 256**	**45 889 602**	**9 263 088**
	Total	**49 941 201**	**10 656 256**	**49 877 714**	**9 263 088**

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		Inflation adjusted		Historical cost	
		2025	2024	2025	2024
11	**Trade and other payables**	ZWG	ZWG	ZWG	ZWG
	Trade payables	10 274 442	11 706 061	10 274 442	10 175 644
	Other payables	50 192 165	34 582 937	50 192 165	32 715 012
		60 466 607	**46 288 998**	**60 466 607**	**42 890 656**
12	**Provisions**				
	Leave pay	**3 695 338**	**4 048 932**	**3 695 338**	**3 519 586**
13	**Revenue**				
13.1	**Revenue from contracts with customers**				
	Allied Timbers land lease fees	32 056 792	21 440 052	31 554 470	18 637 041
	Daily rates for hunters	831 540	9 839 140	818 510	8 552 799
	Daily rates for observers	3 010	257 653	2 963	223 968
	Trophy fees	1 771 969	16 244 920	1 744 202	14 121 106
	Meat sales	68 360	281 793	67 289	244 952
	Accommodation	25 715 537	422 825	25 312 581	367 546
	Breakfast	672 932	230 672	662 387	200 515
	Lunch	1 150 906	213 075	1 132 872	185 218
	Dinner	-	258 750	-	224 922
	Game drives	323 223	176 680	318 158	153 581
	Bar sales	40 447	-	39 813	-
	Timber royalties	5 777 463	4 035 923	5 686 932	3 508 278
	Sale of timber and logs	4 454 234	3 887 439	4 384 437	3 379 206
	Camp lease fees	30 078 358	12 777 791	29 607 038	11 107 259
	Animal sales other	73 044	-	71 899	-
	Gwaai sawmill net	3 423 408	3 791 634	3 369 764	3 295 927
	Retail outlets sales	8 830 335	3 129 545	8 691 966	2 720 397
	Regulation fees	34 735 203	19 401 840	34 190 911	16 865 299
	Sale of seed and seedlings	10 751 103	3 434 653	10 582 636	2 985 616
	Sale of vegris products maps etc	319 253	-	314 251	-
	Fees from students colleges	2 520 828	1 112 074	2 481 327	966 685
	Hiring facilities and accommodation	2 451 895	3 501 305	2 413 474	3 043 554
	Canteen sales colleges	1 140 411	118 853	1 122 541	103 315
	Property rentals and base	6 751 148	6 024 161	6 645 359	5 236 579
	Firewood sales	2 782 338	2 114 007	2 738 740	1 837 628
	Miscellaneous revenue	1 742 353	1 013 023	1 715 050	880 583
	Exchange gain -realised	6 579 167	59 139 569	6 476 073	29 045 270
	Exchange gain - unrealised	5 100 501	6 315 167	3 718 632	5 489 540
		190 145 758	**179 162 544**	**185 864 276**	**133 376 785**
13.2	**Government grant**				
	Government grant	14 730 828	16 192 608	14 500 000	14 075 633
		14 730 828	**16 192 608**	**14 500 000**	**14 075 633**

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		Inflation adjusted		Historical cost	
		2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
14	**Administration expenses**				
	Advertising and publicity	2 324 801	1 841 904	2 288 372	1 601 099
	Audit fees	1 290 217	2 671 538	1 270 000	2 322 269
	Bank charges	6 138 767	3 677 837	6 042 574	3 197 007
	Board expenses	1 004 808	666 116	989 063	579 030
	Staff canteen expenses	1 698 110	1 948 674	1 671 501	1 693 910
	Computer expenses	1 359 501	665 242	1 338 198	578 270
	Depreciation	1 800 998	2 398 128	1 779 677	2 084 604
	Electricity, rates and water	7 950 379	11 963 487	7 825 798	10 399 415
	Depots expenses	4 403 673	6 504 838	4 334 669	5 654 414
	Field operations	2 599 699	3 300 278	2 558 963	2 868 809
	Food and groceries for students and clients	1 470 677	1 992 752	1 447 632	1 732 226
	Graduation expenses for colleges	113 536	212 623	111 757	184 826
	House keeping-colleges	294 557	198 294	289 942	172 369
	Insurance costs	3 372 782	955 308	3 319 931	830 413
	Legal and professional fees	61 305	541 885	60 344	471 040
	Maintenance of plant and machinery	4 198 166	4 016 997	4 132 382	3 491 826
	Allowance for credit losses	21 558 531	25 875 635	21 220 714	22 492 729
	Office expenses	255 980	305 656	251 968	265 695
	Other overheads	712 586	1 534 252	701 420	1 333 668
	Safari expenses	124 027	205 437	122 084	178 579
	Postage and carriage	134 388	332 256	132 282	288 818
	Printing and stationery	544 901	1 407 995	536 363	1 223 918
	Protective clothing	875 447	446 514	861 729	388 138
	Regulatory and compliance costs	1 141 560	1 199 926	1 123 672	1 043 051
	Seminars and conferences	718 462	810 325	707 204	704 385
	Subscriptions	220 137	817 732	216 688	710 824
	Subsistence and travel	5 746 483	5 221 995	5 656 437	4 539 287
	Telephone	1 221 073	1 279 887	1 201 939	1 112 558
	Vehicle and equipment expenses	10 883 706	9 706 231	10 713 161	8 437 266
	Personal Protective Equipment	20 825	23 582	20 499	20 499
	Tobacco Wood Energy Programme (TWEP) expenditure	340 823	-	335 482	-
	Exchange loss	19 382 611	1 701 819	19 142 717	1 479 328
	Fair value adjustements loss	59 587 754	-	16 670 262	-
		163 551 270	**94 425 145**	**119 075 422**	**59 587 543**
15	**Employment costs**				
	Salaries and wages	111 792 865	83 285 658	110 041 098	72 397 130
	Educational training expenses	-	142 772	-	124 106
	Staff training	48 823	733 659	48 058	637 742
	Leave pay provision	178 550	647 789	175 752	563 099
	Staff transport and welfare	1 508 209	149 033	1 484 575	129 549
		113 528 446	**84 958 911**	**111 749 484**	**73 851 627**

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NOTES TO THE FINANCIAL STATEMENTS

for the year end December 31, 2025

16 Related parties

16.1 The Commission's related party relationship emanates from the circumstances that the identified stakeholders has significant influence on the operations of the Commission through their day to day management activities.Key management staff and board members were identified as related parties and their remuneration .

16.2 Key management staff

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

	Inflation adjusted		Historical cost	
	2025	2024	2025	2024
	ZWG	ZWG	ZWG	ZWG
Director General	221 466	192 910	217 996	167 689
Deputy Director General for Conex	121 491	105 825	119 587	91 990
Deputy Director General for Research and Training	109 381	95 277	107 667	82 821
Finance Manager	114 204	99 478	112 414	86 473
Human Resources Manager	119 435	104 035	117 564	90 434
Principal Colleges	110 364	96 133	108 634	83 565
Chief Conservator of Forests	104 289	90 841	102 655	78 965
Manager Ngamo Safaris	118 908	103 575	117 044	90 034
Totals	**1 019 537**	**888 074**	**1 003 561**	**771 970**

16.3 Non Executive Directors

Board Chairperson:				
Board fees	154 067	102 497	151 652	89 097
Other benefits	31 801	21 156	31 302	18 390
Vice Board Chairperson:				
Board fees	93 129	61 957	91 670	53 857
Other benefits	11 551	7 685	11 370	6 680
Commissioners:				
Board fees	625 480	416 117	615 679	361 715
Other benefits	88 780	59 063	87 389	51 342
Total	**1 004 808**	**668 475**	**989 063**	**581 080**

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		Inflation adjusted		Historical cost	
		2025	2024	2025	2024
17	**Pension arrangements**	ZWG	ZWG	ZWG	ZWG
17.1	Public Service Pension Fund	10 329 811	6 476 424	10 167 945	5 629 715
		10 329 811	**6 476 424**	**10 167 945**	**5 629 715**

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

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.

17.2 National Social Security Authority (NSSA)

The National Social Security Authority was introduced on October 1, 1994 and with effect from that date all employees are members of the scheme.

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

18 Going concern

The Commission had a net deficit of ZWG 73.2 million for the year ended December 31, 2025 (2024 surplus: ZWG19.1 million)and current assets exceeded current liabilities by ZWG1.1 million (2024: current assets exceeding current liabilities by ZWG22.8 million). In addition,the Commission has devolved operational decisions to provinces, where each province and stations are now profit centers expected to generate sufficient revenues for both employment and operational expenditure requirements.The Commission has also made significant progress in addressing mobility challenges across its province through procurement of vehicles a key driver in revenue generation and has established a fully fledged commercial unit to spearhead the turnaround of FC into a profitable entity going forward. The initiative has already started paying dividends as the Commission has now stabilized and is now up do date with payment of salaries, a perennial problem in the past.

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NOTES TO THE FINANCIAL STATEMENTS

for the year end December 31, 2025

19 Prior period error note

The Commission errorneously excluded investment property (leased forests to partners) in its prior year reporting periods

The financial statements for the year 2024 have been restated to correct this error. Investment property was initially recognised at the reporting date by discounting the remaining annual lease fees for the remainder of each contract using present value factor of an annuity applying the cost of capital of 9.35%. The cost of capital was derived from Reserve Bank of Zimbabwe (RBZ) weighted average lending rate (WALR) as at the reporting date. The impact of the restatement on the financial statements is summarised below;

	Inflation adjusted	Historical cost
	2024	2024
	ZWG	ZWG
Impact on the statement of financial position		
Initial recognition of investment property	285 335 667	285 335 667
Increase in total assets	**285 335 667**	**285 335 667**
Impact on the statement of changes in reserves		
Increase in non distributable reserve	285 335 667	285 335 667
Increase in equity	**285 335 667**	**285 335 667**

20 Events after the reporting date

After the reporting date there were no events occurred that provided evidence of conditions that existed at the end of the reporting period and reportable events that are indicative of conditions that arose after the reporting period.

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CONTACT DETAILS

(0242)-498436
+263782719-997/999