



This report covers the financial year ended 31 March 2024 for the Botanical Society of South Africa (BotSoc) and its various branches.

As expected, membership renewals plummeted during the financial year due to the South African National Biodiversity Institute's (SANBI) withdrawal of the BotSoc members' access benefit to national botanical gardens and its stated intention to roll out its own garden access program. At the end of March 2023, active adult BotSoc members stood at 15 321 (including 540 life members). During this financial year, 1 465 of those adult members renewed their memberships resulting in a total of 2 005 active members at 31 March 2024 (including life members). The substantial drop in membership renewals coupled with a more than 50% reduction in the pricing of adult memberships translated into a drop in membership revenue from R6 228 471 during 2022/23 to R235 940 in 2023/24.

Due to the fact that membership subscription fees are now no longer a meaningful source of revenue, as is the case in many peer organisations, BotSoc has embarked on an intensive fundraising drive to secure grant and project funding as well as unrestricted donations and bequests. To this end, BotSoc has secured the services of a full-time contracted fundraiser together with other ad hoc fundraising expertise to assist with replacing the lost membership subscriptions revenue.

The past 18 months has held BotSoc back from properly rolling out its transformation strategy. The first professional fundraiser appointed in April 2023 sadly only lasted three months before resigning due to personal reasons. However, the somewhat toxic environment that was created by a small group of BotSoc members who were bitterly disappointed about SANBI's withdrawal of the National Botanical Garden access benefits has damaged BotSoc reputation which is not conducive for fundraising. This unfortunate situation included the use of insulting and taunting language, mockery and even threats of legal action. This behavior, coupled with the negative publicity that resulted from ill-informed members positioning themselves as BotSoc spokespeople in the media, is creating an unattractive platform from which to launch a fundraising campaign.

It took until the beginning of the current financial year to attract a replacement fundraiser. Thankfully the successful candidate came from a BotSoc branch who knows our organization, is familiar with our members, and exemplifies our legacy. Applicants researching the position were no doubt put off by the fact that some of BotSoc's own members were bad mouthing the BotSoc Council and staff. BotSoc really needed its members to get behind it last year and Council believes that the organisation would have made more progress in implementing its fundraising strategy if certain members had chosen to be supportive of the challenges BotSoc was facing instead of pointlessly and publicly stirring up emotions that in the end achieved nothing more than reputational damage along with endless meetings and debates on legal and other responses on the matter. The cost of this divisive action has been significant, at an

organizational level and on the individuals who have volunteered for Council and our dedicated staff.

BotSoc has a very important role to play in South African flora protection and promotion. After SANBI's cancellation of free garden access, it was clear that BotSoc had two options. One, wind the operations right down to become a volunteer based organisation or two, continue on its critically important current path that would have to include a much boosted fund raising strategy and team which would require a few years to gather necessary traction and momentum. Because BotSoc is in an almost unique position of having substantial general reserves, during the 2022/23 financial year, following the Branch Pathfinder Convention, Council approved the use of some of BotSoc's general reserves to cover the budgeted funding shortfalls for both the 2023/24 & 2024/25 financial years. As can be seen from the annual financial statements, BotSoc utilised R2 447 470 of general reserves to cover its non-specific conservation & operating activities during the 2023/24 financial year. Council has further approved the use of R1 086,928 of general reserves for the 2024/25 financial year. Council seeks approval from members as part of the Sustainability Planning for an extension of the short-term Growth Approach to include the 2025/26 financial year which will necessitate the use of a further R1 143 617 in general reserves as set out in Council Resolution 5 which will result in BotSoc left with approximately R6 500 000 in General reserves by the end of March 2026. This aims to ensure that operational momentum is maintained to enhance the fundraising and plant conservation work which is already strengthening the organisation's profile and credibility. This request is made with Councils' commitment to facilitate six monthly reviews on progress on fundraising and conservation output.

BotSoc also utilised R1 928 510 of Designated reserves during the 2023/24 financial year. Designated reserves include considerable conservation funding received from historical grants, donations and bequests. This funding was bequeathed and donated to BotSoc for the purpose of encouraging the organisation to continue growing its conservation footprint. Designated reserves have built up substantially over the years, partly due to the fact that BotSoc's conservation activities were somewhat limited to smaller projects prior to 2021.

Council believes, after consulting with seasoned international fundraisers, that there is little chance of attracting donor or grant funding if BotSoc is not actively involved in credible, demonstrable conservation activities. BotSoc cannot engage in conservation projects without staff with the requisite skills which, experience has shown, cannot be achieved with retired volunteers alone. Council is of the opinion that BotSoc needs to maintain the current team of full-time staff, contractors & service providers for at least another financial year (until March 2026) to give the organisation enough time to attract alternative sources of both restricted and unrestricted funding. BotSoc has retrenched a number of full-time staff over the past two years and there are now only 2 full-time permanent staff remaining. All other staff are on fixed term or month to month contracts.

This strategy will require the further use of Designated reserves totaling R2 798 048 and R1 603 666 for the 2024/25 and 2025/26 financial years respectively. Council has tabled this for approval by members in Resolution 5 for the 2024 AGM.

Below are the essentials of our financial statements. The Botanical Society's activities are carried out by a combination of committed members at branches, fixed-term independent

contractors and enthusiastic volunteers, all supported by only two permanent National BotSoc members of staff. Your donations and the bequests of deceased members wishing to leave a living legacy through our plant conservation work, make a valuable contribution towards enabling the Society’s activities to take place.

Notwithstanding the current and future short-term use of BotSoc’s reserves, I am able to report that the Society remains in a sound financial position. We have adequate financial resources to continue as a going concern for the medium term providing enough of a runway for the fundraising strategy to mature. BotSoc has reduced the membership fees in order to attract as many people as possible who are truly passionate about the conservation of our precious flora. Backed by a strong fundraising team, we are hoping that these massive changes will leave BotSoc in a better position to drive plant conservation strategy and much larger and more impactful projects.

Income and Expenditure

The Society received revenue to support its activities from membership subscriptions, donations, bequests, events, fundraising, and from the sale of books, as well as from interest and dividend income earned on its investments. This income totalled R6.7 million for 2024 and represents a 36% decrease on the R10.5 million for 2023 due to the collapse of membership subscription revenue for the year.

	2024	2023	2022	2021	2020
Revenue	Rm	Rm	Rm	Rm	Rm
Donations & Bequests	1.9	1.5	1.6	1.1	1.8
Events & Fundraising	0.3	0.6	0.4	0.0	0.8
Membership Fees	0.2	5.6	4.6	4.1	4.6
Sale of Goods	4.8	3.8	2.5	1.2	3.6
Cost of Sales	(3.0)	(2.4)	(1.4)	(0.5)	(2.0)
Gross Surplus	5.3	9.1	7.7	5.9	8.8
Investment Revenue	1.3	1.2	1.0	0.7	1.4
Sundry Income	1.2	0.2	0.2	0.5	0.1
Total Revenue	6.8	10.5	8.9	7.1	10.3

(Note: Membership fees are shown net of R623,847 [10%] paid to SANBI for 2023)

Sales of Goods include the book and souvenir shops run by the Kogelberg Branch at the Harold Porter NBG and the Kirstenbosch shop. Both shops showed revenue growth for the year but have yet to make sufficient profits to make a meaningful contribution to their cash flows (the Kogelberg Branch has accepted a loan from a BotSoc member to fund the stock holding of its shop).

Interest and Dividend receipts increased modestly in spite of the use of some of the investment reserves. Investment Income remains an important source of annuity income to fund both operations and the conservation programme’s projects but it needs to be noted that the further use of investment reserves to cover the budget deficit resulting from the loss of membership subscription revenue will obviously result in a reduction in the investment income for the future.

We are grateful for the support the Society receives through donations small and large, especially for the substantial support received from various Trusts and bequests. It should also be noted that the bulk of donations and bequests received during the year were a handful of bequests totalling R1 641 726 of which R1 276 328 donated via the Kirstenbosch Branch is ring fenced (restricted) for use in SANBI's Kirstenbosch National Botanical Garden. Such earmarked funds would be allocated to specific projects with the Branch and the SANBI/BotSoc Partnership Fund Committee endorsement.

As summarised in the table below, the Society spent R10.4m during the 2024 financial year (compared to R12.2m in the previous year). This was due to the continuing austerity measures across functional areas. R7.4m was spent on operational expenses to maintain necessary capacity to carry out programmatic work, organisational administration and strategic leadership. (slightly down on the 7.8m spent in 2023).

	2024	2023	2022	2021	2020
Operating Expenses	Rm	Rm	Rm	Rm	Rm
Employee Costs	4.0	4.0	4.1	4.3	5.3
Conservation Commitments	3.0	4.4	4.1	3.0	1.8
Accounting & Consulting Fees	0.5	0.5	0.6	0.6	0.3
Veld & Flora	0.5	0.8	1.3	1.5	1.8
Auditors Remuneration	0.1	0.1	0.2	0.2	0.2
Webtickets Expenses	0.4	0.7	0.3	0.6	-
Other (combined)	1.9	1.7	1.7	1.1	3.1
Total Expenses	10.4	12.2	12.3	11.3	12.5
Income less Expenses	(3.7)	(1.7)	(3.3)	(4.2)	(1.8)
Investments Fair Value Adjust	(0.7)	0.5	2.2	4.7	(3.4)
Surplus/deficit for the year	(4.4)	(1.2)	(1.1)	0.5	(5.2)

(Note: Expenses exclude amounts paid to SANBI in all years prior to 2024 [10% of membership fees]. This amount was deducted from membership fee revenue in the income section)

An Important element of this expenditure is the R3.0m in conservation commitments, including SANBI collaborative projects supported by the Botanical Society such as CREW, the Youth Garden Maintenance and Development Project and the Response to Succulent Plant Poaching Project. Conservation-linked project expenditures and direct support of conservation personnel in 2024 was 32% lower than the record levels of 2023. Due to the revenue uncertainties as a result of the changes to the BotSoc/SANBI Collaboration Agreement, the expenditure for conservation commitments is limited to projects to which BotSoc had already committed or to new projects for which funding has been secured. The Conservation programme and the associated projects will continue to be a high priority for fundraising as well as for the personnel and expertise to drive this as core to BotSoc's mandate. BotSoc is in the fortunate position that it still has significant reserves designated to conservation so these costs will not impact the operational costs for the medium term.

Other material costs incurred include full-time and contract staff remuneration of R4.0m, and the cost of preparing, printing, and distributing the *Veld & Flora* magazine to members which was reduced by a further 38% in 2024 to R0.5m for the year. This was achieved through the

further reductions in the number of copies printed and the approval by members at the 2023 AGM to have only one printed copy per year. The new Veld & Flora Hub is now produced electronically for the other three quarterly issues.

Overall, due to the drop in revenue, the Botanical Society spent more than it received during the 2024 financial year, incurring an operating deficit of R3.7 million. Our investments depreciated in market value to the extent of R0.7 million, effectively increasing the overall deficit to R4.4 million. The SANBI/BotSoc Partnership Fund Committee approved transfers from the Partnership Fund reserves totalling R0.5 million to cover various SANBI National Botanical Gardens' projects across the country. A further 1.4 million was transferred from other designated reserves (mainly Conservation Project reserves to meet conservation commitments). These combined transfers from reserves effectively reduced the operating deficit for the year by 1.9 million and resulted in a net decrease in General Reserves of R2.4 million for the year.

Assets and Liabilities

BotSoc's Balance Sheet, or Statement of Financial Position as at 31 March 2024, set out on Page 6 of the annual financial statements is summarised below.

Statement of Financial Position	2024	2023	2022	2021	2020
	Rm	Rm	Rm	Rm	Rm
Non-Current Assets					
Property, Plant & Equipment	0.34	0.37	0.41	0.50	0.50
Investments	23.29	27.04	29.12	29.50	28.70
	23.63	27.41	29.53	30.00	29.20
Current Assets					
Inventories	1.21	1.11	1.04	0.80	0.70
Trade & Other Receivables	0.02	0.80	0.09	0.30	0.60
Cash & Cash Equivalents	0.54	1.00	0.63	1.20	1.50
	1.77	2.91	1.76	2.30	2.90
Total Assets	25.40	30.32	31.29	32.320	32.10

Statement of Financial Position	2024	2023	2022	2021	2020
	Rm	Rm	Rm	Rm	Rm
Equities & Liabilities					
Equity					
Designated Reserves	11.07	13.00	14.36	15.50	15.30
Accumulated Surplus	13.54	15.99	15.83	15.90	15.60
	24.61	28.99	30.19	31.40	30.90
Liabilities					
Current Liabilities					
Trade & Other Payables	0.79	1.33	1.10	0.90	1.20
Total Equity & Liabilities	25.40	30.32	31.29	32.30	32.10

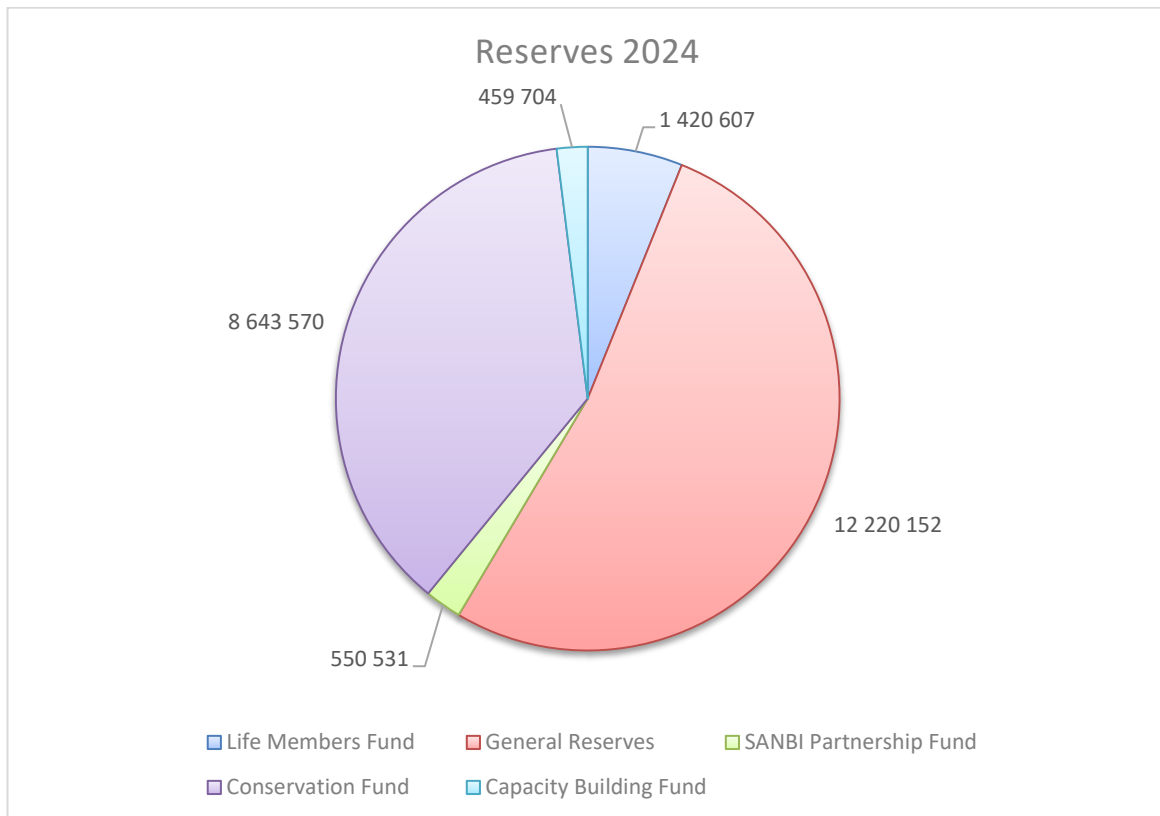
There are a few items to highlight:

1. In addition to operational assets and liabilities, the Botanical Society holds investment sums and cash balances together valued at some R23.8 million at year end, down from the R28 million held at the beginning of the year (as a result of the transfers from the reserves). These funds & investments include a portfolio of listed shares providing dividend income along with R7 million invested in a diversified income fund as a hedge against the volatility of the stock market providing stability, interest income, and liquidity to facilitate our spending on projects. BotSoc will have to continue to manage these investments carefully in the coming years as it will need to provide the bridge funding required for the growth approach while sufficient donor and grant funding is sourced to replace the substantial drop in membership income as a result of the changes to the BotSoc/SANBI Collaboration Agreement that came into effect at 01 April 2023.
2. It must also be pointed out that the bulk of the designated reserves comprise historical donations and bequests that were geared for plant and biodiversity conservation projects as well as for use in SANBI's National Botanical Gardens. The generous donors bequeathed those funds to enable BotSoc to expand on its plant conservation work. Since the 2021 financial year, BotSoc has been more actively involved in conservation activities than previous years as this has always been the Society's main purpose but due to a lack of capacity was not always achieved. Council believes members would rather see the important conservation work continue at this time while addressing the funding uncertainty through the fundraising strategy in these difficult times. In addition, it is very difficult to attract conservation grant funding (or donor funding for that matter) if the organisation is not already involved in credible conservation and biodiversity protection projects. Hence, Council believes that taking an approach that supports growth in BotSoc's conservation footprint, while aggressively pursuing funding opportunities as it grows a positive narrative, is key to its success.
3. The Society also owns a diverse array of necessary operational assets comprising furniture, computers, other office equipment, and some chainsaws, currently valued at R344 640 which it utilises to pursue the functions and objectives of the Society.
4. The two shops and the national BotSoc office hold a stock of souvenirs, gifts and books including wildflower guides with a minimum net realisable value of around R1.21m.
5. The Society owes various organisations and individuals' sums of money for services rendered and expects to receive certain sums from others. These aggregate to a net liability (amount owing) of R230 845 made up mainly of expenses incurred in the last weeks of the 2024 financial year that were only paid after the year had closed.

This means that at 31 March 2024, after offsetting the amounts BotSoc owes against the assets it owns, and taking account of all the various sources of income received and expenditure incurred, the Society's aggregate reserves, or Equity, stood at R24.6 million. Of this total, R11.1 million is held in reserves designated for specific purposes and R13.5 million is held as a general reserve.

Designated Reserves

The Reserves of the Society, are set out on Pages 14 and 15 of the financial statements and are summarised graphically below.



Conclusions:

In closing, your Society remains in a sound financial position but will need to show resilience, perseverance and creativity to navigate the challenges that lie in the years ahead due to the loss of membership revenue as a result of many members choosing not to renew their memberships. BotSoc remains committed to supporting biodiversity and plant conservation as well as botanical gardens throughout South Africa as well as its mission to provide material support for the conservation, cultivation, study, enjoyment and wise use of the indigenous flora and vegetation of Southern Africa.

I would like to thank our Finance Committee, Antonia de Barros and Simone van Rooyen, and for me specifically, especially Bradley Bergh who provides excellent financial information making my life much easier. My thanks also to Annelie Lucas, our independent auditor for her professional service and valuable institutional memory.

I recommend the 2024 annual financial statements of the Botanical Society of South Africa to you for approval.

Murray Barnetson