



FOHT ANNUAL REPORT 2023

[FOHT]Friends of the Heysen Trail and Other Walking Trails Inc.

Email: heysentrail@heysentrail.asn.au

Website: heysentrail.asn.au

Telephone: 8212 6299

CONTENTS

PRESIDENT'S REPORT

FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

PRESIDENT'S REPORT

The Friends of the Heysen Trail (The Friends) is a not-for-profit organization established with the purpose of supporting the development, maintenance, and promotion of, the Heysen Trail. Although the operation of The Friends has evolved as it has grown over the years, this remains our primary purpose.

We are key partners, along with the Department of Environment and water (DEW who are the principal managers of the Trail), ForestrySA and SA Water, in this purpose.

This year has seen the initiation of two exciting, major development projects by the Friends.

- A new trailhead for the northern end of the Trail in Parachilna Gorge
- A redevelopment of the Friends' website

In addition, supported by the release of the Statewide Trails Strategy 2023-2033 and as foreshadowed in the Heysen Trail 5 Year management Plan, DEW commenced on a Governance review for the Heysen Trail. This may have effects on the operation of The Friends in the future.

The Friends remains in a strong position to continue its purpose, giving back to the Heysen Trail for the enjoyment of all walkers. I am pleased to present this report of the achievements of the Friends from 2023.

Strategic Highlights

- Northern Trailhead Project
- FoHT website redevelopment
- Governance review

Northern Trailhead project

The current trailhead in Parachilna was looking very tired after 30 years of service, and The Friends initiated this project to rejuvenate the space. The Northern Trailhead is more than just a starting or finishing point; it's a gateway to the magnificent landscapes and the shared experiences that define a walk along the Heysen Trail. Our vision for the Heysen Northern Trailhead goes beyond being solely a functional upgrade; it's about creating a welcoming location that mirrors the beauty and diversity of the Trail itself. As well as enhanced facilities, the design includes sustainable eco-friendly features and a space for hikers and visitors to gather and interact. This project has been supported by DEW, DIT (Department for Infrastructure and Transport), generous donors, and endorsed by local landowners and community organizations, Outback Communities Authority, and local Adnyamathanha representatives.

Website Redevelopment

An internal review of the functionality of the website revealed issues with ease of use, clutter, and redundancy of information. The Friends commissioned a review that reinforced these findings while indicating the need for a redesign of the front-end experience to bring the website in line with today's online user expectations. Phase one of the redevelopment has begun which looks at our branding (logo, language, key search terms). Next stages will occur as we confirm additional funding sources.

Note: While the operation of the Friends remains financially sound, these projects, due for completion in 2024, will impact on our budget (23-24) as we draw from our accumulated reserves to fund them.



Simulated view of the Northern Trailhead looking south.

Governance review

This was a major component of the 5 Year Heysen Trail Management Plan and it is satisfying to see it underway. In November, DEW contracted an independent group to

- Explore options for the future governance of the Heysen trail, and
- Recommend a "best practice" model for future governance of the Heysen Trail, with consideration of the unique factors impacting on this trail.

Although in its early stages, this review could have significant implications for the role of The Friends in the Heysen Trail partnership. To anticipate this, a series of strategic discussions will take place early in 2024 within The Friends to clarify our intentions as we enter into the discussions.

Volunteers: the lifeblood of The Friends and Heysen Trail

The whole business of the FoHT runs on the time donated by our volunteers. It is our greatest asset, and we recognize their incredible contribution to the Friends and Heysen Trail. Below is an estimate of volunteer hours and value. Although a more detailed effort was made to ascertain numbers this year, the data is necessarily a limited summation. In most cases, this is an underestimate as many volunteers donate time without recording the full extent of their involvement in planning, undertaking and following up on office, trail management, walking and other programs undertaken by the Friends.

*Value of Volunteer Time: 13,700 hours
estimated in 2023 @ \$48.01ph
(nb est ABS value 2023) = \$662,538*

ACTIVITY	HOURS
Trail Development & Maintenance	Shed + On Trail 3800
Office: Trail inquiries, map sales, etc	3050
Administration	1000 +
Finance & Audit	650
Promotion	1400
Walk Program	4000+

Following are summaries from the FoHT Standing Committees

STANDING COMMITTEES

Trail Development – Chair Paul Bond

Maintenance and development of the Heysen Trail is a core objective of The Friends. We work in partnership with the Department for Environment & Water (DEW), as the authorised trail manager, along with ForestrySA and SA Water as crown landholders. Inspecting the Trail, planning the annual operational work, building basic infrastructure, recruiting and coordinating our volunteers, all falls within the scope of the Trail Development Committee.

Fire danger season closures need constant signage and reminder to hikers to protect access to the trail and respect private landholders.

Our volunteer Section Leaders are quiet, often unseen, achievers who play an essential role in regular Trail Maintenance: replacing marker posts/arrows, fixing stiles and clearing vegetation. They also play an important role helping to train newer volunteers and sustaining a positive relationship with the many private landholders that support the Trail.



2023 Infrastructure Projects

The Friends keep the trail alive by funding many of these upgrades and as well as to plan, coordinate and carry out most of the work.

❖ **MARSCHALLS HUT**

- ✓ Repointing of internal stonework
- ✓ Repair of verandah

❖ **CURNOWS HUT**

- ✓ Repainting of windows

❖ **WANDALLAH SHELTER**

- ✓ Removal and replacement

❖ **GRANDPAS CAMPSITE**

- ✓ Portaloo installed

❖ **MT ELM CAMPSITE**

- ✓ Toilet replaced

❖ **REMARKING OF TRAILS**

- ✓ Mt Arden to Buckaringa
- ✓ Dutchman's Stern to Quorn Rd
- ✓ Catninga Shed to Hawks Nest

❖ **WATER TANKS**

- ✓ Installed 11 tank telemetry units
- ✓ Replaced batteries in others

❖ **INFRASTRUCTURE MAINTENANCE**

- ✓ Stiles, marker posts
- ✓ Cutting back vegetation.
- ✓ Smoke detectors and fire extinguishers in huts.
- ✓ Wooden steps replaced.

❖ **WORKSHED ACTIVITY**

- ✓ 30 steel styles fabricated
- ✓ 2 toilets fabricated
- ✓ 5 platforms fabricated

❖ **RE-ROUTES/REALIGNMNETS**

- ✓ Aroona; Bundalee; Huppertz Hut; Jupiter Creek; Bluff Lookout.



Walking – Chair Mark Fletcher

End to End (E2E) groups are central to promoting and preserving the Heysen. Our walk program also provides essential revenue that The Friends puts back into maintaining and promoting the Trail. Our E2E volunteer Walk Leaders organise the program and are an initial point of contact for new members. This is often where people are exposed to The Friends for the first time and discover enjoyment along the Heysen Trail. It then becomes an avenue to encourage giving back to the Trail – generating new volunteers in Trail Maintenance, Trailwalker/Trailstarter leaders, and Office/Administrative work - to help keep the Friends and Heysen Trail alive.

2023 was a big year with 7 extended walks and a range of single day walks.

HEYSEN E2E	Average Walkers	Days Walked	Other Walks	Average Walkers	Days Walked
E2E17	63	6	Willunga	18	6
E2E16	59	6	Summer Walks	14	17
E2E15	44	10	Trail Starter	14	33
E2E14	40	12	Trail walker	12	20
E2E13	41	11			
E2E12	55	18			
E2E-2	32	31			

E2E CERTIFICATES

While we appreciate that not every finisher registers for a certificate, it provides useful information about growing trail usage to share with DEW and other Heysen Partners.

E2E certificates issued	2020	2021	2022	2023
FoHT E2E group walkers	N/A	29	36	54
Independent Hikers & other FOHT members	53	45	75	35
Total	53	74	101	91
SO FAR 1099				

Finance & Audit – Chair Basia Samcewicz

In its second year as a Standing Committee, the Finance and Audit Committee, focused on areas to minimise risk and improve financial performance. These included:

- establishing a term deposit portfolio to maximise interest revenue but at the same time maintain flexibility for unforeseen projects,
- reviewing the insurance cover to ensure that the Association and its volunteers are adequately covered,
- introducing a budget contingency each Standing Committee to cover necessary but unforeseen expenses that exceed the allocated, annual budget line limit,
- streamlining the purchasing and payment process for Trail Development by setting up additional debit cards, and
- approaching accounting firms to provide pro bono audit services.

These tasks could not have been performed without the detailed weekly work of the volunteer bookkeeping team to ensure that the flow of funds was coordinated effectively.

Promotion: Membership & Marketing (PM&M) – Chair Barbara Deed

This year, a Social Media policy was developed and endorsed to complement our regular use of Facebook and Instagram.

Trailwalker production and social media promotion form an important element of The Friends outreach that is currently coordinated effectively through two sub-groups. The Friends funds cover distribution of Trailwalker and the Heysen Calendar to supporters as a sign of goodwill and another arm to promoting the Heysen Trail.

- Trailwalker magazine; 3 issues of 1500 print run
- Calendar; 400 print run – 271 sold and remainder as promotional material

The following membership data indicates a slight drop. However, this was anticipated as we moved on from the COVID years and more people take up interstate and overseas travel again.

	TOTAL	NEW
2023	1218	250
2022	1291	289 [765 renewed]
2021	1336	N/A
2020 [covid no walks]	1209	196
2019	1230	222

New town signage was installed along the Trail at several towns to promote the Trail. An Acknowledgement of Country was included on each sign.

PM&M also coordinated FoHT involvement in the annual Hiking Expo to promote the start of the walking season in SA, as well as the End of Year Bash for members to celebrate their achievements.

Office & Administration – Chair Dom Henschke

In 2023, the office team continued the theme “Eliminate, Shift, Simplify” aimed at spreading the administrative load and broadening experience and knowledge across the volunteer team.

Members and hikers rely on our welcoming office volunteers for guidance with everything from sorting out website log-in and walk registrations to buying maps or obtaining information about hiking the Heysen. The Office team also manages the on-line shop and stocktake, as well as coordinate distribution of hard copy Trailwalker Magazine and Calendars.

2023 Friends Office and Website Sales summary

MAPS		OTHER	
Heysen Trail	1045	Heysen Highlights	197
Walk the Yorke	214	Calendars	400(incl gifts)
Lavender Trail	102		
Heysen Wall Chart	35		

LOOKING TO THE FUTURE?

- Northern Trailhead: this should be completed in time for E2E 13 to celebrate their finish of the Trail.
- Union Bridge (and other locations): DEW and FOHT have installed data collectors to better understand movement along the Trail. This will help with establishing priorities for safer pedestrian movement in busy areas as well as a better understanding of overall use of the Trail.
- Website Review: We have committed to initiating this review with phase 1 and will continue as we achieve additional funding to supplement our contribution.
- Heysen Trail Governance: the timeline for this review should see it completed in the first half of 2024. It will include a recommended timeframe for implementation. The Friends will participate as key members of the Partnership.
- Strategic Planning Review of The Friends purpose, priorities, and operation. This will inform the Governance review as well as provide guidance for our operations over the medium to longer-term (2-4 years).

Neil Hendry
President

**FRIENDS OF THE HEYSEN TRAIL &
OTHER WALKING TRAILS INC.**

**FINANCIAL REPORT
FOR THE YEAR ENDED
31ST DECEMBER 2023**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	2023 \$	2022 \$
Revenue			
Membership subscriptions		27,100	32,150
Sale of goods		26,212	36,856
Walking revenue		130,704	148,184
Advertising revenue		4,558	4,293
Grants & awards		18,586	28,056
Donations		6,837	12,535
Interest received		4,684	634
Sundry revenue		223	330
Total gross revenue		\$218,904	\$263,038
less discounts		(883)	(1,599)
Total net revenue		\$218,021	\$261,439
Cost of activities			
Cost of sales		16,012	17,779
Walking costs		78,418	98,705
Promotional activity costs		-	199
Total cost of activities		\$94,430	\$116,683
Gross profit		\$123,591	\$144,756
Less expenditure			
Administrative expenses		35,621	34,973
Office expenses		19,804	17,023
Bank charges		3,139	4,362
Promotion, membership & marketing expenses		27,641	12,331
Trail development expenses	2	64,616	56,978
Total expenditure		\$150,821	\$125,667
Operating surplus/(deficit)		<u>(\$27,230)</u>	<u>\$19,089</u>

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2023

	2023	2022
	\$	\$
Current assets		
Cash at bank	252,867	267,644
Cash on hand	300	200
Trade debtors	321	1,430
Payments in advance	5,454	3,746
Inventories	12,354	13,187
Total current assets	\$271,296	\$286,207
Non-current assets		
Plant & equipment	5,947	9,975
Epworth building bond	828	828
Beyond bank share	2	2
Total non-current assets	\$6,777	\$10,805
TOTAL ASSETS	\$278,073	\$297,012
Current liabilities		
Trade creditors	2,003	5,455
Other creditors & accruals	4,582	2,150
Deferred income	18,479	11,824
Net GST payable/(receivable)	(864)	(3,520)
Total current liabilities	\$24,200	\$15,909
TOTAL LIABILITIES	\$24,200	\$15,909
NET ASSETS	<u>\$253,873</u>	<u>\$281,103</u>
MEMBERS FUNDS		
Opening balance	281,103	262,014
Add operating surplus/(deficit)	(27,230)	19,089
TOTAL MEMBERS FUNDS	<u>\$253,873</u>	<u>\$281,103</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities	1(c)		
Receipts from donations		6,739	14,415
Grant receipts		23,080	31,182
Interest received		4,684	634
Member and customer receipts		212,718	245,719
Payments to suppliers		(261,898)	(267,376)
Net cash flows from operating activities		(\$14,677)	\$24,574
Cash flows from investing activities			
Plant & equipment purchases		-	(4,802)
Disposal of plant & equipment		-	-
Net cash flows from investing activities		-	(\$4,802)
Net increase/(decrease) in cash for the period		(14,677)	19,772
Cash at the beginning of the period		267,844	248,072
Cash at the end of the period		<u>\$253,167</u>	<u>\$267,844</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the needs of the members and the financial reporting requirements of the constitution and the Associations Incorporation Act 1985. The Council has determined that the Association is not a reporting entity as the users of the financial statements are able to obtain additional information to meet their needs.

Statement of Compliance

The financial report has been prepared in accordance with the accounting policies detailed below, the financial reporting requirements of the constitution and the Associations Incorporation Act 1985 and the basis of accounting specified by all Australian Accounting Standards (other than detailed below).

The Association has concluded that the requirements set out in AASB 10 and AASB 128 are not applicable because it does not have any subsidiaries, associates or joint ventures. Hence, the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs. They do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

a) Income

Income type	Recognised in profit or loss
Membership subscriptions	Immediately
Sale of goods	Immediately
Walking revenue	When the walk to which the revenue relates takes place
Advertising revenue	When the publication in which the advertising appears is distributed
Grants	When the specific performance obligations in the funding agreement is satisfied
Donations – received for a special project	When the costs of the special project are incurred. This is an exception to AASB 1058
Donations – other	Immediately
Interest received	Recorded on a cash basis only

b) Income tax

The Association is exempt from income tax under the provisions of Section 50-40 of the Income Tax Assessment Act 1997.

c) Goods and Services Tax (GST)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

NOTE 2: TRAIL DEVELOPMENT

A summary of the funding to support the development of the Heysen Trail.

	2023 (\$)	2022 (\$)
Funded by Friends	43,412	22,931
Funded by DEW for maintenance	12,283	14,710
Funded by RWCG	-	6,518
Funded by DEW for materials	6,303	6,829
Funded by special purpose donation	2,618	5,990
Total trail development	\$64,616	\$56,978

NOTE 3: INVENTORIES

Inventories is comprised of the following stock:

	2023 (\$)	2022 (\$)
Heysen Highlights	6,312	7,035
Books	838	205
Maps	4,405	4,972
Clothing & badges	799	975
Total inventories	\$12,354	\$13,187

NOTE 4: PLANT & EQUIPMENT

Purchased assets are recorded at cost and are depreciated once installed using the prime cost method.

	2023 (\$)	2022 (\$)
Computers & printers @ cost	7,239	7,782
Less accumulated depreciation	5,306	3,122
	1,933	4,660
Equipment @ cost	5,038	5,628
Less accumulated depreciation	1,024	313
	4,014	5,315
Total plant & equipment	\$5,947	\$9,975

NOTE 5: FUTURE COMMITMENTS

The Association has committed to the following projects in 2024:

a) Northern Trailhead Rejuvenation Project

Expected expenditure	\$131,400
Less funding from DEW	\$ 30,000
Less funding from Warren Bonython Foundation	\$ 17,000
Net expenditure funded by Friends	\$ 84,400

b) Website redevelopment expenditure \$20,000

**FRIENDS OF THE HEYSEN TRAIL & OTHER WALKING TRAILS INC
COUNCIL STATEMENT**

The attached financial report present fairly the results of the operation of the Association for the financial year ending 31st December 2023 and the state of affairs of the Association as at the end of the financial year.

The Council has reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The statement is made in accordance with a resolution of the Council and is signed for and on behalf of the Council.

Dated this 7th day of March 2024

Signed by Neil Hendry
Position held on Committee: President

Signed by Basia Samcewicz
Position held on Committee: Treasurer

FRIENDS OF THE HEYSEN TRAIL & OTHER WALKING TRAILS INC.
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FRIENDS OF THE HEYSEN TRAIL & OTHER WALKING TRAILS INC.

Opinion

We have audited the financial report of Friends of the Heysen Trail & Other Walking Trails Inc. (the Association), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income and the statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information and the Council Statement.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of Friends of the Heysen Trail & Other Walking Trails Inc. as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the financial reporting requirements of the Associations Incorporation Act 1985.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist the Association to satisfy the needs of the members and meet the financial reporting requirements of the Constitution and the Associations Incorporation Act 1985. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Council for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies described in Note 1 to the financial statements and the financial reporting requirements of the Associations Incorporation Act 1985 and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards 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 this financial report.

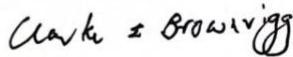
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 our 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.

FRIENDS OF THE HEYSEN TRAIL & OTHER WALKING TRAILS INC.
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FRIENDS OF THE HEYSEN TRAIL & OTHER WALKING TRAILS INC.**

- Conclude on the appropriateness of the Council's 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



CLARKE AND BROWNRIGG
Chartered Accountants
8 March 2024



CR CLARKE
Partner and registered auditor number 5024
8 Angas Street, Kent Town SA 5067

