



FOHT ANNUAL REPORT 2022

[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

After a couple of challenging years during the peak of pandemic disruption, The Friends has emerged stronger and more adaptable; with many members caring for the trail, entering the fold of volunteering and walking. This means that The Friends is well-placed to refresh, renew and continue our efforts to give back to the Heysen Trail. I'm pleased to present this report outlining our achievements from 2022 and feel confident as I handover to a new President that the organisation is healthy and hopeful about its future.

Strategic Highlights

- FOHT Constitution Amendments approved.
- Heysen Trail Partners Meetings reinstated.
- Heysen Trail Review completed.
- Wild South Coast Way completed and open.

FOHT Constitution Amendments

The 2022 Annual General Meeting endorsed proposed changes to update core objectives of The Friends, revise membership and clarify management and financial oversight of the Association. To help promote renewal of The Friends, Office Bearers, Council Members and Standing Committee Chairs are each now elected for defined terms of 2 years with a maximum of 3 terms and a total of 12 consecutive years on Council. Committees essential to the operation of The Friends have been formally recognised as Standing Committees with specific responsibilities and a new Finance and Audit Standing Committee created to advise Council on financial and other risks.



Volunteers: the lifeblood of The Friends and Heysen Trail

Each year we need to recognise the incredible value our volunteers contribute to the Friends and Heysen Trail. Importantly we mark specific developments that help improve access, amenity and awareness about the Trail. Below is an estimate of volunteer hours and value. This is a useful but necessarily limited summation; as it's often a bit onerous for our 'vollies' to record all the time they put into planning, coordinating and chasing up issues. Following that, is a list of project highlights and Standing Committee achievements.

Value of Volunteer Time: 7975 hours

*****estimated in 2022 @ \$46.62ph***

(nb est ABS value 2021) = \$371,794.50

***underestimate* not all volunteers record time on activities/meetings and many don't record hours on planning & organising*

ACTIVITY	
Trail Development & Maintenance	<i>Shed 1175 + On Trail 2430 3605</i>
Office: Trail inquiries, map sales, etc	<i>2420</i>
Planning & Coordination	<i>1000 +</i>
Finance & Audit	<i>650</i>
Promotion	<i>300</i>
Walk Program	<i>unable to estimate</i>

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.

Biosecurity raised its head as a key issue in 2022 and for which The Friends was able to provide a rapid response, liaising with DEW and landholders as well as educate our members and wider walking community. 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.



2022 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.

❖ ROSSITERS HUT

- ✓ Responsible Wood Grant - contractor rebuild.
- ✓ Partnered with ForestrySA.

❖ BOWMANS HUT

- ✓ Engaged a contractor to repair verandah.
- ✓ Volunteers painted and tidied up.

❖ HUPPATZ HUT

- ✓ Volunteers refreshed & painted.

❖ BLACK JACKS HUT

- ✓ A newer stronger toilet frame.

❖ BUNDALEER/BADERLOO WEIR

- ✓ Reinstated bridge, installed posts and markers.

❖ WATER TANKS

- ✓ Installed at Hawks Nest & White Park.

❖ TANK MONITORING

- ✓ Installed on 5 tanks.

❖ NORTHERN TRAILHEAD

- ✓ Installed 2 new stiles.
- ✓ Replaced 80 marker posts.
- ✓ Oiled stile & benches.
- ✓ Weed removal at trailhead & campsite.

❖ BENCHES ADDED

- ✓ Calabrinda;
- ✓ Worlds End;
- ✓ Whistling Trig;
- ✓ Buckaringa North;
- ✓ White Park;
- ✓ Hawks Nest.

- ❖ **RE-ROUTES:** Kyeema from Woodgate Hill Rd; Caroon Creek along Newikie Creek; & Kuitpo Forest.



Walking – Chair Adam Matthews

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.

2022 was a big year with 7 x E2E and 4 other extended walks.

E2E	Average Walkers	Days Walked	Extended Walks	Average Walkers	Days Walked
E2E16	64	5	Lavender	28	6
E2E15	64	6	Willunga	13	6
E2E14	49	8	Walk the Yorke	27	14
E2E13	40	14	Wild South Coast	15	5
E2E12	41	13			
E2E11	56	17			
E2E-2	30	27			

E2E CERTIFICATES

In December 2022, we issued E2E Certificate 1000!

Issuing E2E No 1000 was a great marker, generating a bubble of excitement in the Office when it was presented. It signals a terrific achievement for The Friends since the Certificate was launched in Trailwalker Autumn 2006. In a great sign of support, Exurbia donated a goody bag of gifts for the 1000th Heysen Hiker.

Social media outreach seems to be encouraging more independent hikers to register their achievement. 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.

	2021	2022		2021	2022		2021	2022
FOHT E2E11	29	36	Independent Hikers & other FOHT members	45	75	TOTAL	74	101

Finance & Audit – Chair Basia Samcewicz

The Constitution created a new Standing Committee to offer strategic guidance for Council about our financial management and risk, which is increasingly important as the organisation grows. This complements the detailed weekly work carried out by the volunteer bookkeeping team to ensure the flow of funds is coordinated effectively. Early changes include developing simpler practices that save time for our Office volunteers and protocols to ensure The Friends has clear expenditure approval processes through Standing Committee Chairs.

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

In 2022 PM&M focused on a review to streamline its core activities as volunteer members changed and new ideas were generated. Trailwalker production and social media promotion form an important element of The Friends outreach that is currently coordinated effectively through two sub-groups. Evaluating membership numbers has been time-consuming as PM&M dug deep into analysis of new, renewed and archived lists to clarify our data.

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

Of interest is the new “Supporter” category established in the Constitution. It comprises 265 landholders, service providers and Regional Visitor Centres. 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.



PM&M coordinates promotion at events like the annual Hiking Expo

Office & Administration – Chair Dom Henschke

In 2022, the office team adopted 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.

2022 Friends Office and Website Sales summary

MAPS		OTHER	
Heysen Trail	1323	Heysen Highlights	167
Sea to Summit	270	Calendars	365(incl gifts)
Lavender Trail	91		
Heysen Wall Chart	63		

LOOKING TO THE FUTURE? Ambitious Projects for 2023

- Heysen Trail Governance: FOHT will continue to collaborate with DEW to improve the overall management and coordination of Heysen Trail development.
- Northern Trailhead: FOHT has engaged landscape architects to provide design advice aimed at enhancing the sense of “destination” at the northern end where walkers start or finish the trail.
- Union Bridge: DEW and FOHT are examining options to improve walker safety on this well-trodden section of the Heysen.
- Tunkalilla Beach/Balqhuidder “steep hill: collaboration with DEW to improve trail sustainability and safety.
- Remote Tank Monitoring: volunteers will continue to extend our ability to monitor and report on water tank levels in remote areas to assist through-hikers with planning.
- Marschalls Hut: generous donation and offer of volunteers from E2E11 will team up with a Volunteer Activity Leaders to renovate this delightful old hut in the mid-north.
- Website Review: Council has engaged a volunteer, experienced with consultation around similar projects, to lead an internal process gathering issues and ideas across Committees and Members aimed at enhancing and improving website access.
- Walking: Review of Walk Leader Guide & Training to improve clarity of role, group safety and entrench mentoring program.

Melanie Sjoberg
President (outgoing)

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	2022 \$	2021 \$
Revenue			
Membership subscriptions		32,150	37,405
Sale of goods		36,856	43,754
Walking revenue		148,184	183,412
Advertising revenue		4,293	5,425
Grants & awards		28,056	21,714
Donations		12,535	8,989
Interest received		634	1,170
Sundry revenue		330	5,739
Total gross revenue		\$263,038	\$307,608
less discounts		(1,599)	(864)
Total net revenue		\$261,439	\$306,744
Cost of activities			
Purchases of goods		17,779	33,736
Walking costs		98,705	112,819
Promotional activity costs		199	5,739
Total cost of activities		\$116,683	\$152,294
Gross margin		\$144,756	\$154,450
Less expenditure			
Administrative expenses		34,973	31,142
Office expenses		17,023	18,187
Bank charges		4,362	6,094
Promotion, membership & marketing expenses		12,331	14,842
Trail development expenses	2	56,978	46,640
Total expenditure		\$125,667	\$116,905
Operating surplus/(deficit)		\$19,089	\$37,545

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2022

	Note	2022 \$	2021 \$
Current assets			
Cash at bank		267,644	247,908
Cash on hand		200	164
Trade debtors		1,430	8,981
Other debtors		-	2,509
Payments in advance		3,746	2,924
Inventories	3	13,187	11,125
Total current assets		\$286,207	\$273,611
Non-current assets			
Plant & equipment	4	9,975	7,844
Epworth building bond		828	828
Beyond bank share		2	2
Total non-current assets		\$10,805	\$8,674
TOTAL ASSETS		\$297,012	\$282,285
Current liabilities			
Trade creditors		5,455	-
Other creditors & accruals		2,150	3,913
Deferred income		11,824	15,710
Net GST payable/(receivable)		(3,520)	648
Total current liabilities		\$15,909	\$20,271
TOTAL LIABILITIES		\$15,909	\$20,271
NET ASSETS		\$281,103	\$262,014
MEMBERS FUNDS			
Opening balance		262,014	224,469
Add operating surplus/(deficit)		19,089	37,545
TOTAL MEMBERS FUNDS		\$281,103	\$262,014

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities	1(c)		
Receipts from donations		14,415	9,174
Grant receipts		31,182	30,983
Interest received		634	1,170
Member and customer receipts		245,719	299,169
Payments to suppliers		(267,376)	(295,433)
Net cash flows from operating activities		\$24,574	\$45,063
Cash flows from investing activities			
Plant & equipment purchases		(4,802)	(8,608)
Disposal of plant & equipment		-	-
Net cash flows from investing activities		(\$4,802)	(\$8,608)
Net increase/(decrease) in cash for the period		19,772	36,455
Cash at the beginning of the period		248,072	211,617
Cash at the end of the period		<u>\$267,844</u>	<u>\$248,072</u>

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2022

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 during the current financial year. This is a change in accounting policy from the previous year where cash flows were reported on a net basis. The comparative figures in the statement of cash flows have been restated accordingly to include GST.

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.

	2022 (\$)	2021 (\$)
Funded by Friends	22,931	26,926
Funded by DEW for maintenance	14,710	16,714
Funded by ORSR	-	3,000
Funded by RWCG	6,518	-
Funded by DEW for materials	6,829	-
Funded by special purpose donation	5,990	-
Total trail development	\$56,978	\$46,640

NOTE 3: INVENTORIES

Stock on hand of Heysen Highlights were revalued during the year resulting in a favourable increase in the stock value.

	2022 (\$)	2021 (\$)
Heysen Highlights	7,035	5,279
Books	205	-
Maps	4,972	4,495
Clothing & badges	975	1,351
Total inventories	\$13,187	\$11,125

NOTE 4: PLANT & EQUIPMENT

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

	2022 (\$)	2021 (\$)
Computers & printers @ cost	7,782	6,533
Less accumulated depreciation	3,122	728
	4,660	5,805
Equipment @ cost	5,628	2,075
Less accumulated depreciation	313	36
	5,315	2,039
Total plant & equipment	\$9,975	\$7,844

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 2022 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 9th day of April 2023

Signed by 

Position held on Committee..... PRESIDENT

Signed by 

Position held on Committee..... TREASURER

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 Heyesen Trail & Other Walking Trails Inc. (the Association), which comprises the statement of financial position as at 31 December 2022, 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 Heyesen Trail & Other Walking Trails Inc. as at 31 December 2022 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.

Other Matter

The financial report of the Association for the year ended 31 December 2021 was audited by another auditor who expressed an unmodified opinion on that financial report on 28 January 2022.

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:

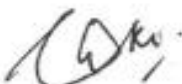
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.

- 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
15 March 2023



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

