

# KARTING

NEW SOUTH WALES

EST 1987

## 2020

# ANNUAL REPORT



**"MORE PEOPLE KARTING  
MORE OFTEN"**



# KARTING

NEW SOUTH WALES

EST 1987

Karting (New South Wales) Inc  
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kns\_w\_inc

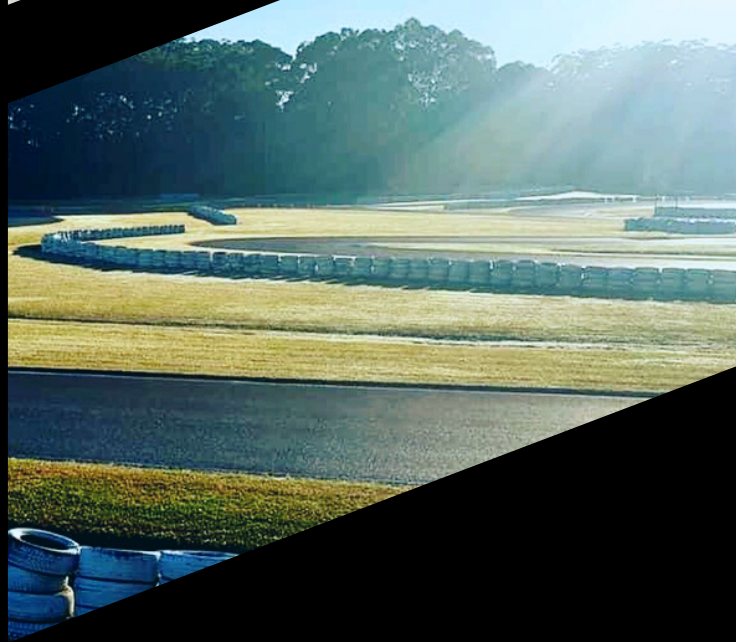


@kartingnsw

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# ABOUT KARTING (NSW) INC.

**Karting (New South Wales) Inc (KNSW) is the State Sporting Organisation (SSO) for karting recognised by the New South Wales Government through the Office of Sport.**

KNSW is a not-for-profit member-based community sport organisation focused on developing and promoting the sport of karting for the benefit of all.

The organisation was incorporated in 1987.

## MISSION

To develop and promote karting throughout Australia for the benefit of all.

## VISION

More people karting more often.

## VALUES

- Leadership
- Transparency
- Accountability
- Cooperation
- Inclusion

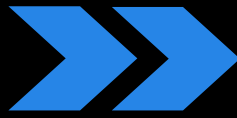
KNSW currently has over 1,845 licence holders, 23 Affiliated Clubs and over 180 Active Officials supporting the sport of karting in Australia - primarily located in New South Wales.

The organisation is currently re-building the sport and focused on membership growth across Australia.





# FROM THE CHAIR



It has certainly been an extraordinary year, not only in karting, but for humankind.

I accepted the position of Chair on 06 March 2020 and certainly did not anticipate the enormous task ahead of us in managing the sport through bushfires, droughts and a global pandemic.

Prior to Covid-19 lockdowns at the end of March, KNSW hosted the 2020 Gala Weekend, the inaugural KNSW International Women's Day Lunch and celebrated the opening of the track extension of the Canberra Kart Racing Club. Canberra hosted its first 'fully booked' race weekend with over 120 participants attending in a restricted Covid-19 racing environment.

On 25 March 2020, due to government directions on Covid-19 - all KNSW Sanctioned Events ceased. KNSW placed all licences "On Hold" until karters were permitted to practice or race again. In addition, KNSW launched its "KNSW Clubs - Information Hub" to assist KNSW Club Committees on running their clubs and with information about Covid-19.

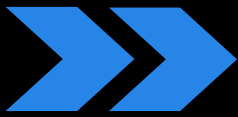
In April, KNSW shared its "Return to Karting Plan", worked tirelessly with government stakeholders, KNSW Clubs and announced its intention to return to racing from 30 May 2020. We released easy to follow Guidelines for our Clubs to comply with NSW and ACT Public Health Orders and successfully returned the sport back to the track on 31 May 2020 in Lismore and Orange with an additional 10 of our other clubs re-commencing practice. KNSW also released its inaugural edition of its MyKarting Newsletter.

KNSW partnered with additional sponsors and launched its brand new website, hosting additional functionality, including an easy to use Calendar and direct link to online entries. KNSW led the way with the development and introduction of its 'Play By the Rules' Award recognised QR Code Technology to be utilised at KNSW Sanctioned Events from 01 July 2020 when full Covid-Safe racing resumed.

KNSW employs two part-time staff who were able to claim JobKeeper throughout part of the year.

The Board also released its Mission, Vision & Values together with its Strategic Plan.





We welcomed a number of new faces on to the Board of KNSW and our wider KNSW Team. Ben Aylen joined as Administration Director in addition to Shane Glanville as our Director of Financial Services. Holy Holden-Stewart was appointed as a Member Protection Information Officer and Brett Staples as our Development Officer. We farewelled outgoing Chair David Filippetto and Operations Manager Troy Brown in March 2020 and Directors Tom Nipperess and Richard Erdmann in September.

NSW Clubs received government funding as part of the NSW Government's Community Sport Recovery Package in addition to a number of Clubs receiving additional funding for track extensions, facility upgrades and other club improvements. We look forward to future announcements as and when works are completed.

You will note that as at 30 June 2020, despite all racing ceasing during the months of April and May 2020, we delivered a surplus of \$3,065 which is a \$191,476 turnaround from 2019.

KNSW's Initiative - Race Like A Girl in partnership with the NSW Government's *Her Sport Her Way* program, continues to provide opportunities for women and girls to participate in a sport they haven't traditionally participated in. In addition, KNSW launched its support for the Duke of Edinburgh's International Award, a global youth development program empowering young Australians aged between 14-24 to explore their full potential.

The 2020/21 year looks exceptionally promising, with licence numbers and participation already well above last years numbers. In accordance with our Strategic Plan - we continue to engage with our current and new strategic partners and look forward to announcing our 2021 race calendar.

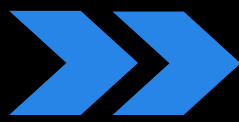
On a personal note, I have thoroughly enjoyed attending many karting events throughout 2020, seeing the hard work of our Clubs and Members first hand. In addition, I would like to thank my fellow directors, for their advice and support and whom have given immensely and freely of their time to help re-build the foundations of our sport.

Finally, I would like to express my gratitude to all KNSW members, officials and volunteers, particularly this year. We all worked together as a karting community, volunteering during a pandemic. We all placed the safety and wellbeing of fellow karters as our number one priority, all whilst navigating through the ongoing viability of our clubs, businesses and karting families. Congratulations - your hard work and tenacity has certainly paid off!

**Ilona Alsters**  
Chair







# 2020 KNSW CLUBS



## **METRO ZONE**

Combined Districts Kart Club  
Sydney Kart Racing Club  
Wollongong Kart Racing Club



## **NORTHERN ZONE**

Coffs Harbour Kart Club  
Gunnedah Kart Club  
Lismore Kart Club  
Manning Valley Kart Club  
Port Macquarie Kart Club  
Tamworth Kart Racing Club



## **SOUTHERN ZONE**

Bathurst Kart Club  
Broken Hill Kart Club  
Canberra Kart Racing Club  
Dubbo Kart Club  
Grenfell Kart Club  
Griffith Kart Club  
Orange Kart Club  
Wagga & District Kart Club



## **4 STROKE**

Four Stroke Karting Association (4SKA)  
Sportsman Enduro Karting NSW (SEK)  
The Endurance Karting Association (TEKA)

## **SPEEDWAY**

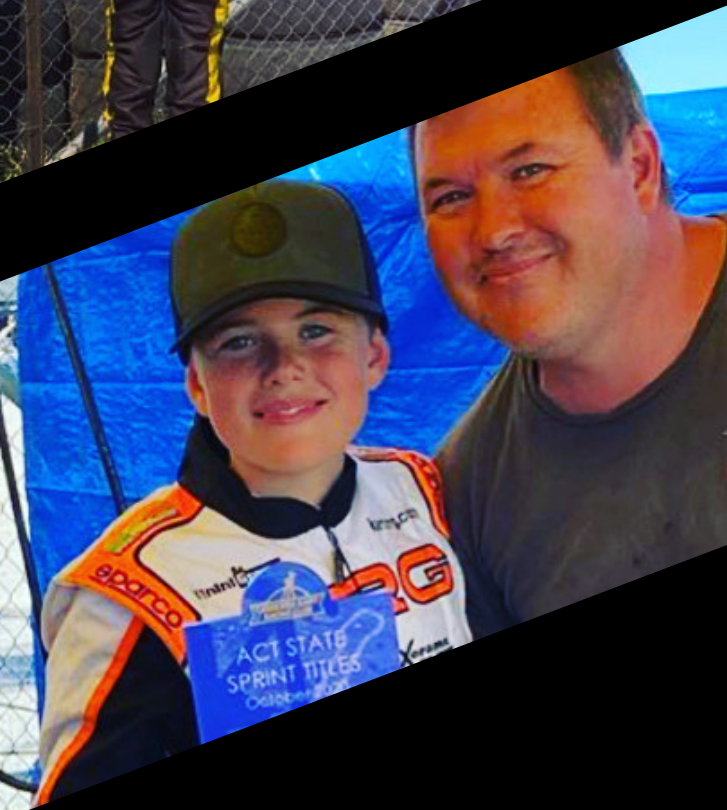
Central Coast Speedway Kart Club  
NSW Speedway Kart Club

## **RETRO/ VINTAGE**

Retro Karting Australia  
Vintage & Historic Karts Australia



# 2020 ACT STATE CHAMPIONS



## **NOVICE**

Liam Carr

## **ROOKIE**

Daniel Quimby

## **JUNIOR LIGHT**

Hayden Crossland

## **JUNIOR PERFORMANCE**

Costa Toparis

## **SENIOR PERFORMANCE LIGHT**

Bailey Sweeny

## **SENIOR PERFORMANCE HEAVY**

Matthew Waters

## **TAG RESTRICTED MID**

Cooper Dupond

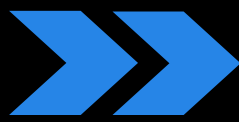
## **TAG LIGHT**

Tyler Howard

## **TAG HEAVY**

Jon McCorkindale





# 2020 NSW STATE CHAMPIONS



## **4SS SENIOR LIGHT**

Timothy Colombrita

## **4SS SENIOR HEAVY**

Aaron Bell

## **4SS SENIOR SUPER HEAVY**

Kurt Woodward

## **TAG RESTRICTED LIGHT**

Chris Bregonje

## **TAG RESTRICTED HEAVY**

Nick Becker

## **TAG RESTRICTED SUPER HEAVY**

Paul Dunstan

## **FOUR STROKE ENDURO**

Seal Kartsport

Daniel Gow

William Seal

Scott Harris

## **NOVICE**

Hamish Campbell

## **ROOKIE**

Ayrton Dalmaso

## **JUNIOR LIGHT**

Darcy Boulding

## **JUNIOR HEAVY**

Imogen Radburn

## **JUNIOR PERFORMANCE**

Henry Mclandsborough

## **SENIOR PERFORMANCE LIGHT**

Riccardo D'Este

## **SENIOR PERFORMANCE HEAVY**

Brett Robinson

## **TAG LIGHT**

Benjamin Ford

## **TAG HEAVY**

Zac Van Leeuwstyn



# 2020 NSW SPEEDWAY STATE CHAMPIONS



## **NOVICE**

Logan Carter

## **ROOKIE**

Bailey Carter

## **JUNIOR MID**

Luke Angilley

## **KT LIGHT**

William Millerd-Stevens

## **KT HEAVY**

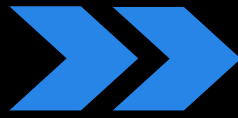
Brayden Shute

## **PRO 125 OPEN**

Nathan Thompson



# RACE LIKE A GIRL



**Race Like a Girl' is an initiative which is aligned to the NSW Government's 'Her Sport Her Way' program.**

In October 2019, Karting (New South Wales) Inc appointed Ashley Chebaia as the organisation's first Ambassador. In this role, Ashley has represented our karting community, help lead our media efforts and as a young role model – further drive the positive culture into our sport.

KNSW actively supports the NSW Government's 'Her Sport Her Way' initiative. It is designed to provide opportunities for women and girls to participate in a sport they haven't traditionally participated in.

The Her Sport Her Way grant program provides up to \$2.6 million over four years to assist our state sporting organisations grow their game for women and girls, reduce barriers to participation, and promote inclusive sport experiences. The grant program provides opportunities to explore new ways of doing things, and to test new ideas.

Ashley has been an advocate not just for the girls and women in our Sport, but our young people generally – the next generation of karters.

As the first person selected into KNSW's Ambassador Portfolio, the appointment of Ashley is designed to break new ground by engaging with our youth on their own terms and is a major step forward for KNSW in promoting and growing karting within NSW.

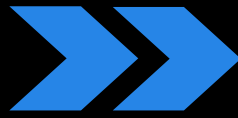
In addition, KNSW celebrated International Women's Day with our inaugural 'Race Like a Girl' networking lunch. With over 15 ladies attending, it was a great way for generations of women karters to share experiences, learnings and opportunities on how to improve participation and parity in our sport.

Notwithstanding our interrupted racing calendar this year, some of our finest results were delivered by girls and boys, men and women all competing together.

We look forward to continuing to support training & development initiatives to grow participation of our sport.

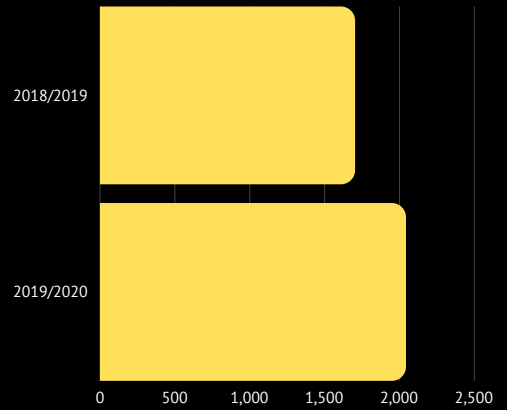


# FINANCIAL HIGHLIGHTS

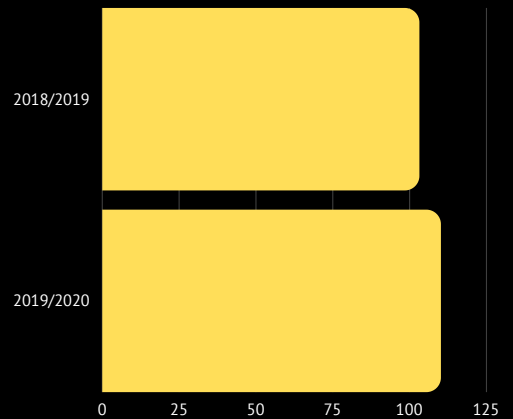


**KNSW Licence Holders Increased by 20% in FY2020**

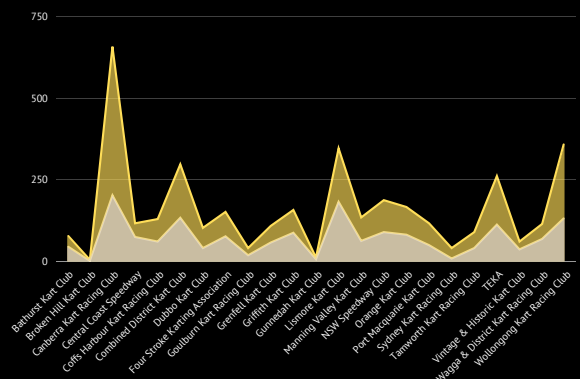
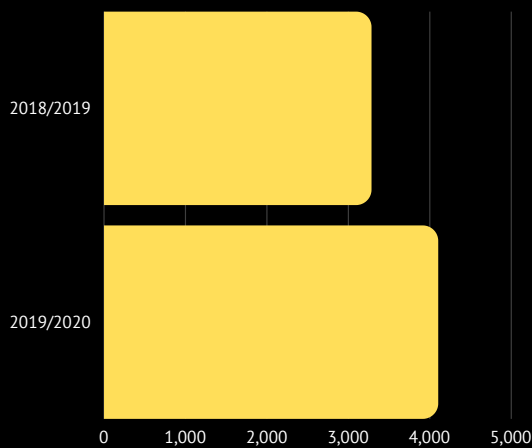
\*Includes ALL KNSW Licences issued



**Female Competition Licences Increased by 6.7% in FY2020**



**Total Club Memberships Increased by 24% in FY2020**





# KNSW BOARD OF DIRECTORS



## **CHAIR:**

**Ms Ilona Alsters** – LLM LLB GradDipLegPrac GIA(Cert) GAICD

Ilona holds a Bachelors degree and Masters in Law, a Graduate Diploma in Legal Practice and holds a Certificate in Corporate Governance. Ilona is also a graduate of the Australian Institute of Company Directors. Ilona also is the recipient of a Pink Plate – 2015 All-Ladies-Day Combined Districts Kart Club. Ilona also is currently Chair and President of Hoxton Industries Limited and a Director of Disability Sports Australia Limited. Ilona first joined the Board in September 2017.

## **DIRECTOR OF ADMINISTRATION:**

**Mr Ben Aylen** – CAPM.

Ben has been an IT professional for over 20 years and currently works as a Senior Project Manager, responsible for the delivery of multi-million dollar projects for the ATO. He has also participated in karting since 1987 and has most recently performed the role as Promotions Director with Canberra Kart Racing Club. Ben has also recently completed the Foundations of Company Directorship Certificate through the AICD. Ben joined the Board in July 2020.

## **DIRECTOR OF FINANCIAL SERVICES:**

**Mr Shane Glanville** – B. Business CPA JP.

Shane has been an accountant for over 25 years and has held a number of Group Financial Controller and Finance Directors Roles within multi-national and Australian organisations. Shane has also been involved in karting at Wollongong Kart Raceway. Shane is a Certified Practising Account (CPA) and a member of the National Tax & Accountants Association (NTAA) in addition to being a Justice of the Peace. Shane has also completed a Bachelor of Business (with Credit) from the University of Technology in Sydney.

## **DIRECTOR OF COMPETITION:**

**Mr Nicholas Becker** – Studying Bachelor of Commerce.

Nicholas has been involved in Karting for all of his life as a family of 3 generations of Karters and he has been racing since 2009. Nicholas holds the title of the 2019 State Champion in the Senior Performance Heavy class. Nicholas is currently working in the rail industry as a protection officer.

## **DIRECTOR OF PROMOTION, MEDIA & MARKETING:**

**Ms Rachelle Stirling** – MBA. Cert IV Accounting & Marketing. Dip Events. Cert IV Business

Rachelle is a Operations Manager with skills in marketing, event management, training and website development and in managing government. Rachelle competes in super sprints, hill climbs and regularity events. Rachelle is also a Board Member of ARDC and Founder of Women In Motorsport Development Program.

## **DIRECTOR OF GROUP WELFARE AND KARTING OPERATIONS METRO AREA:**

**Mr Craig Sargent**

Craig has over 45 years of karting experience including holding positions as Grade 3 Karting Official & Scrutineer, Chairman of NSW Southern Stars Series since 2014 and Life Member of the Grenfell Kart Club.

## **DIRECTOR OF GROUP WELFARE AND KARTING OPERATIONS NORTHERN AREA:**

**Mr Darren Chick**

Darren has over 14 years of Karting experience including holding the position of President and Delegate for Manning Valley Kart Club. Darren has raced karts for many years, and also has an extensive knowledge of all areas of club administration.

As at 23 November 2020





# APPOINTED OFFICIALS & CO-ORDINATORS



## OFFICIALS CO-ORDINATOR

Steve Fisher

## OFFICIALS COMMITTEE

Steve Fisher  
Graeme Abbott  
Rachel Simpson  
Victor Maastricht  
Judy Preen  
Peter Brien

## STATE TECHNICAL OFFICER

Graeme Abbott

## ASSISTANT STATE TECHNICAL OFFICER

Graeme Armstrong

## STATE TRIBUNAL REGISTRAR

Karen Newton

## STATE PROSECUTOR

Kim Freer

## STATE RULEBOOK COORDINATOR

Victor Maastricht

## STATE TRAINING COORDINATOR

Rachel Simpson

## DEVELOPMENT OFFICER

Brett Staples

## FUEL TESTING OFFICER

Graeme Abbott

## STATE TYRE ANALYST

Graeme Abbott

## STATE TRACK INSPECTOR

Phil Middleton

## HISTORIAN

Russell Grimson

## MEMBER PROTECTION INFORMATION OFFICERS

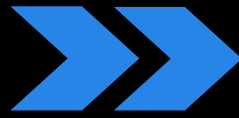
Holly Holden-Stewart  
Donna Foster

Thank you!





# CORPORATE PARTNERS



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JOHNSON  
WINTER &  
SLATTERY

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# AUDITED FINANCIAL REPORTS

**KARTING (NEW SOUTH WALES)  
INCORPORATED**

**SPECIAL PURPOSE  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
30 JUNE 2020**

# KARTING (NEW SOUTH WALES) INCORPORATED

## COMMITTEE'S REPORT

Your committee members submit the financial report of Karting (New South Wales) Incorporated for the year ended 30 June 2020.

### 1. COMMITTEE MEMBERS

The names of the committee members in office at the date of this report are:

Chairman	Iona Alsters appointed 02/03/2020
Financial Services	Shane Glanville appointed 01 July 2020
Administration	Ben Aylen appointed 01 July 2020
Member Training and Education	Richard Erdmann appointed 06/11/2019 and resigned 15 September 2020
Competition	Nick Becker appointed 06/11/2019
Promotion, Marketing and Media	Rachelle Stirling nee Wilson
Group Welfare and Karting Operations (Southern)	Tom Nipperess resigned 15 September 2020
Group Welfare and Karting Operations (Northern) Position vacant	Darren Chick appointed 06/11/2019
Group Welfare and Karting Operations (Metro)	Craig Sargent

### 2. PRINCIPAL ACTIVITIES

The principal activities of the association during the financial year were to promote, co-ordinate and administer all aspects of the sport of karting in NSW for the betterment of the sport and its participants.

There have been no significant changes to these operations during the year.

KARTING (NEW SOUTH WALES) INCORPORATED

COMMITTEE'S REPORT (continued)

3. OPERATING RESULTS

The surplus for the year ended 30 June 2020 was \$3,065 (2019: \$188,411 deficit).

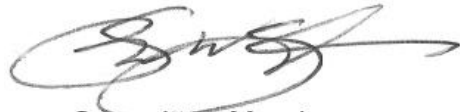
4. CHANGE IN STATE OF AFFAIRS

The Australian Karting Association Ltd (AKA Ltd) purported to hold a Special General Meeting on 21 January 2019 wherein the Ordinary Members of AKA Ltd voted to expel Karting (New South Wales) Inc (KNSW Inc) as an Ordinary member of AKA Ltd. Although the motion was purported to have been passed, the meeting was at all times held by KNSW to be invalid and currently is the subject of legal proceedings, in which AKA Ltd claims the expulsion affected a number of default provisions in a number of commercial agreements.

On behalf of the committee



Chairman



Committee Member

1 December 2020



# berger piepers

## CHARTERED ACCOUNTANTS

Partners  
P A Berger B Com FCA  
W J Piepers FCA  
T D Millard B Com CA  
Associate  
T Costa B Bus CA

### INDEPENDENT AUDIT REPORT TO THE MEMBERS OF KARTING (NEW SOUTH WALES) INCORPORATED

#### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Karting (New South Wales) Incorporated (the association), which comprises the assets and liabilities statement as at 30 June 2020, the income and expenditure statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certification by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the association.

In our opinion, the accompanying financial report presents fairly, in all material respects [or *gives a true and fair view of* the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010, the financial position of the association as at 30 June 2020 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the requirements of the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010.

#### 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* (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 report, which describes the basis of accounting. The financial report has been prepared to assist the association to meet the requirements of the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



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## **Responsibilities of the Committee for the Financial Report**

The committee is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010 and for such internal control as the committee 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 committee 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 committee 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 the 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 the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee'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 company'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 company to cease to continue as a going concern.

### **Auditor's Responsibilities for the Audit of the Financial Report (continued)**

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the committee 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.

**berger piepers**  
Chartered Accountants



PA Berger B Com FCA  
Partner

1 December 2020  
Penrith, NSW

KARTING (NEW SOUTH WALES) INCORPORATED

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In accordance with a resolution of the committee of Karting (New South Wales) Incorporated, we state that:


In the opinion of the committee:

- (a) The financial report presents a true and fair view of the financial position of Karting (New South Wales) Incorporated as at 30 June 2020 and of its performance for the year ended on that date in accordance with the accounting policies outlined in Note 1 to the financial statements; and
- (b) At the date of this statement, there are reasonable grounds to believe that Karting (New South Wales) Incorporated will be able to pay its debts as and when they become due and payable.

On behalf of the committee



Chairman



Committee Member

1 December 2020

## KARTING (NEW SOUTH WALES) INCORPORATED

ASSETS AND LIABILITIES STATEMENT  
AS AT 30 JUNE 2020

	NOT E	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	194,027	100,971
Trade and other receivables	3	182,775	232,796
Inventories	4	4,615	4,131
<b>TOTAL CURRENT ASSETS</b>		<u>381,417</u>	<u>337,898</u>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	3	163,671	163,671
Plant and equipment	5	22,115	30,877
Investments - unlisted	6	1	1
<b>TOTAL NON-CURRENT ASSETS</b>		<u>185,787</u>	<u>194,549</u>
<b>TOTAL ASSETS</b>		<u>567,204</u>	<u>532,447</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	300,477	264,117
Provisions	8	20,553	26,958
<b>TOTAL CURRENT LIABILITIES</b>		<u>321,030</u>	<u>291,075</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	8	19,566	17,829
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>19,566</u>	<u>17,829</u>
<b>TOTAL LIABILITIES</b>		<u>340,596</u>	<u>308,904</u>
<b>NET ASSETS</b>		<u>226,608</u>	<u>223,543</u>
<b>EQUITY</b>			
Accumulated surplus		<u>226,608</u>	<u>223,543</u>
<b>TOTAL EQUITY</b>		<u>226,608</u>	<u>223,543</u>

The accompanying notes form an integral part of these financial statements.

## KARTING (NEW SOUTH WALES) INCORPORATED

INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
<b>INCOME</b>		
Product sales	21,325	4,195
Licences	235,147	262,570
Permits	121,512	144,445
Manual sales	-	10,981
Affiliation fees	10,518	10,316
Grants received	134,716	31,331
Interest	40	2,825
Jobkeeper subsidy	18,000	-
Other government funding	25,000	-
National track trust fund	405	12,009
Other income	27,181	39,531
	<u>593,844</u>	<u>518,203</u>
<b>EXPENDITURE</b>		
Accounting and audit	13,959	15,548
Affiliation and licence fees	5,308	102,171
Cost of goods sold	13,318	2,654
Depreciation	6,307	8,380
Doubtful debts	2,025	1,818
Employee benefits	114,593	192,523
Insurance	168,443	127,754
Interest paid	10,264	7,669
Legal fees	83,330	32,557
Manuals	-	9,268
National track trust fund	-	12,009
Rental-office and equipment	40,185	37,200
Travel/accommodation/meetings	12,498	30,177
Other expenses	120,549	126,886
	<u>590,779</u>	<u>706,614</u>
Surplus/(deficit) before income tax	3,065	(188,411)
Income tax expense	-	-
Surplus/(deficit) after income tax	3,065	(188,411)
Accumulated surplus at the beginning of the financial year	<u>223,543</u>	<u>411,954</u>
<b>ACCUMULATED SURPLUS AT THE END OF THE FINANCIAL YEAR</b>	<u><u>226,608</u></u>	<u><u>223,543</u></u>

The accompanying notes form an integral part of these financial statements.

## KARTING (NEW SOUTH WALES) INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2020

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a special purpose financial report prepared for the members of Karting (New South Wales) Incorporated in order to satisfy the reporting requirements of the Associations Incorporation Act 2009 and Associations Incorporation Regulation 2010. The committee has determined that the association is not a reporting entity and any person other than those for whom the special purpose financial report was prepared should not act on this financial report.

The principal accounting policies adopted by Karting (New South Wales) Incorporated are stated to assist in a general understanding of the financial statements. The following significant accounting policies, which are consistent with the previous period unless otherwise indicated, have been adopted in the preparation of this financial report.

## (a) Basis of accounting

The financial report has been prepared on an accruals basis and is based on historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets.

The financial report has been prepared on a going concern basis. The association incurred a surplus for the period of \$3,065. At that date the entity had cash balances of \$194,027 and net current assets of \$60,387. Prima facie the entity is in a position to continue operating as a going concern, however, this may depend upon:

- Generating sufficient cash flow to pay debts as and when they become due and payable; and for
- The collection of receivables outstanding which have been included in the current asset position.

In addition, an unfavorable outcome to any of the contingent liabilities highlighted in Note 9 "Commitments and Contingencies" may impact upon the entity's ability to continue to operate as a going concern.

If the entity is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not disclose this fact and does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that may be necessary should the entity not continue as a going concern.

## (b) Inventories

Inventories consist of merchandise, manuals, technical equipment and Club stationery which are measured at the lower of cost and net realisable value.

## (c) Plant and equipment

Plant and equipment and office equipment are carried at cost less, where applicable, any accumulated depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

## KARTING (NEW SOUTH WALES) INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2020

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## (d) Impairment of assets

At the end of each reporting period, the entity reviews the carrying value of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income and expenditure statement.

## (e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

## (f) Employee benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the present value of the amounts expected to be paid when the liability is settled.

## (g) Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## (h) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any discounts and rebates allowed. All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue is recognised using the effective interest rate method which, for floating rate financial assets, is the rate inherent in the instrument.

## (i) Income tax

The association is exempt from the provisions of the Income Tax Assessment Act and hence no provision for taxation liabilities has been made.

## (j) Goods and Services Tax (GST)

Revenues, expenses and plant and equipment are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the assets and liabilities statement are shown inclusive of GST.

## KARTING (NEW SOUTH WALES) INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2020

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## (k) Principles of consolidation

The association holds 50% of the units in AKA KNSW Unit Trust at 30 June 2020. The association does not include in its financial report its share of the assets, liabilities and result of AKA KNSW Unit Trust, but rather records as income any distributions from the trust if and when received.

## (l) Comparative figures

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current year.

	2020 \$	2019 \$
<b>2. CASH AND CASH EQUIVALENTS</b>		
Cash on hand	250	250
Cash at bank	<u>193,777</u>	<u>100,721</u>
	<u>194,027</u>	<u>100,971</u>
<b>3. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade debtors	40,190	42,708
Less provision for bad debts	<u>(1,350)</u>	<u>-</u>
	38,840	42,708
Membership guarantees	-	20
Prepayments	43,952	42,901
Other debtors	11,818	8,004
Other assets	2,332	-
Loans to kart clubs - secured	<u>85,833</u>	<u>139,163</u>
	<u>182,775</u>	<u>232,796</u>
<b>NON-CURRENT</b>		
Loan - AKA KNSW Unit Trust	<u>163,671</u>	<u>163,671</u>
<b>4. INVENTORIES</b>		
Inventory on hand - at cost	<u>4,615</u>	<u>4,131</u>
<b>5. PLANT AND EQUIPMENT</b>		
Plant and office equipment - at cost	51,427	53,882
Less accumulated depreciation	<u>(29,312)</u>	<u>(23,005)</u>
	<u>22,115</u>	<u>30,877</u>



## KARTING (NEW SOUTH WALES) INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2020

	2019 \$	2019 \$
<b>6. INVESTMENTS - UNLISTED</b>		
Investment in AKA KNSW Unit Trust (50%)	<u>1</u>	<u>1</u>
<b>7. TRADE AND OTHER PAYABLES</b>		
Trade creditors	93,395	914
Other creditors	57,769	96,937
GST payable	3,030	5,603
Superannuation payable	2,826	2,972
Accrued expenses	8,000	7,475
Loans from committee members	20,000	-
Grants in advance	29,625	11,053
Track fund loan instalments	<u>85,833</u>	<u>139,163</u>
	<u>300,477</u>	<u>264,117</u>
<b>8. PROVISIONS</b>		
<b>CURRENT</b>		
Annual leave	<u>20,553</u>	<u>26,958</u>
<b>NON-CURRENT</b>		
Long service leave	<u>19,566</u>	<u>17,829</u>

## KARTING (NEW SOUTH WALES) INCORPORATED

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2020

## 9. COMMITMENTS AND CONTINGENCIES

**Contingent liability – AKA KNSW Unit Trust**

The entity has a 50% interest in AKA KNSW Unit Trust (the Trust), with a carrying value of \$1 as at 30 June 2020. In addition, the entity has a loan receivable from the Trust of \$163,671 as at 30 June 2020 as shown in Note 3 to the financial statements.

As at 31 December 2018 the Trust's audited financial report indicated undistributed accumulated deficits. The 2018 report is the most recent report made available to Karting (New South Wales) Inc. Any undistributed accumulated deficits may need to be accounted for by Karting (New South Wales) Inc at some point in a future period.

Prima facie, the entity may be required to record a liability for its 50% share of the Trust's undistributed accumulated deficit at 30 June 2020. Alternatively, the entity may be required to record an impairment against the loan receivable from the Trust of the same amount.

As at 30 June 2020 the entity has not recorded a liability for its share of the Trust's undistributed accumulated deficit nor has it recorded an impairment against the loan receivable from the Trust. The directors are of the belief that the trust will derive sufficient future surpluses to offset the current accumulated deficit and that the entity will not be required to meet any shortfall incurred by the Trust.

At some point in the future the entity may recognise 50% of the proceeds from the sale of the assets held by the AKA KNSW Unit Trust which are significantly higher in value than the investment carrying value of \$1.

**Contingent liability – Track fund loan instalments**

The entity's affiliation with Australian Karting Association Ltd has purported to have been terminated, however, this is subject to legal proceedings.

The entity has a loan payable to Australian Karting Association Ltd of \$85,833 relating to balances that have been loaned to various NSW karting clubs. There is a corresponding loan balance receivable of \$85,833 from those NSW karting clubs. In the event that a NSW karting club defaults on its loan it may be required to write off the loan balance receivable but still incur the loan repayment back to Australian Karting Association Ltd. Australian Karting Association Ltd has commenced legal proceedings to recover the balance of the Track fund loan instalment balance plus interest from Karting (New South Wales) Inc. as detailed in their 31 December 2018 financial report. Karting (New South Wales) Inc is defending these claims.

**Contingent asset – AKA Track Development Fund Trust**

As at 31 December 2018 the AKA Track Development Fund Trust had a beneficiary accumulation for income distributed to Karting New South Wales of \$616,065. Karting (New South Wales) Inc. is attempting to recover this amount from the AKA Track Development Fund Trust.

The Committee are of the opinion that the recovery of this amount will depend upon on the outcome of current legal proceedings. Accordingly, this amount has not been recorded as income and will be recorded only when the amount has been determined to be receivable.