

KARTING

NEW SOUTH WALES

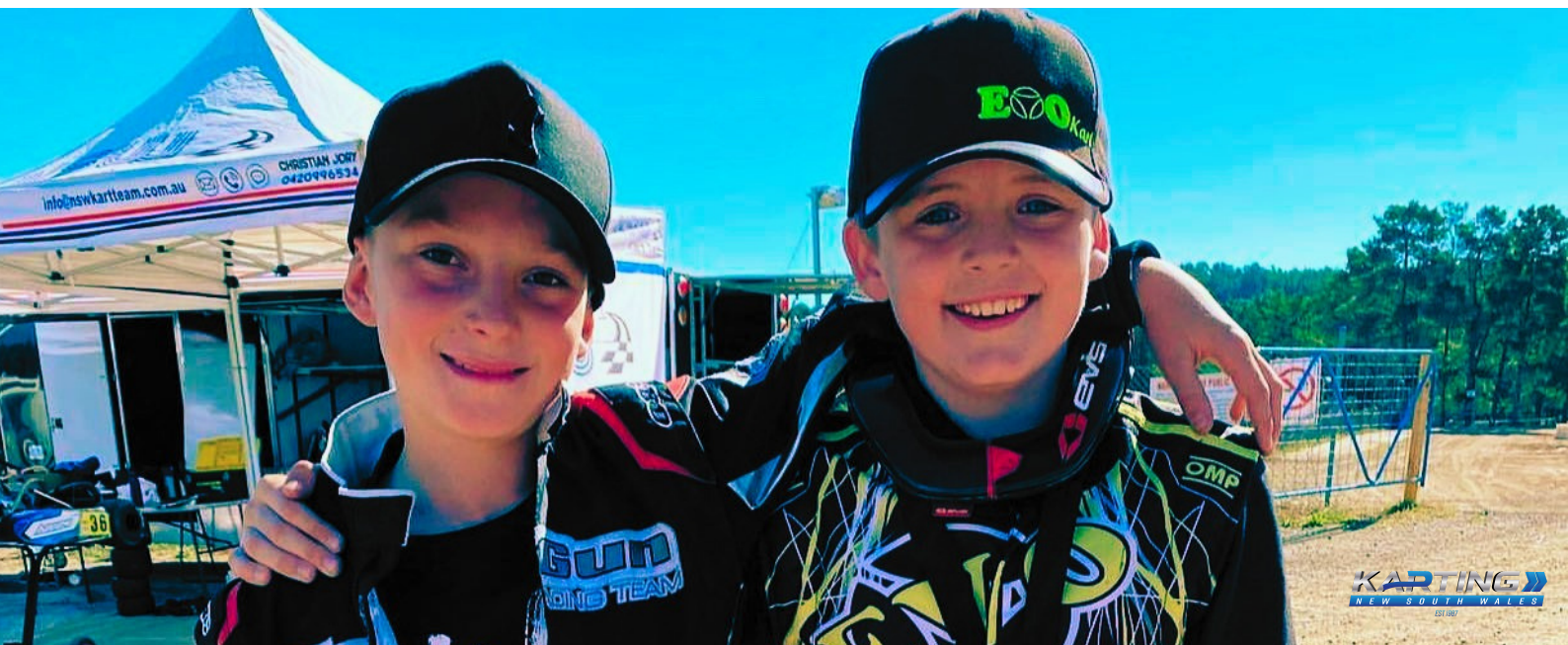
EST 1987

2021

ANNUAL REPORT



"MORE PEOPLE KARTING
MORE OFTEN"



Karting (New South Wales) Inc
ABN 80 078 024 223

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[knsw_inc](https://www.instagram.com/knsw_inc)



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CONTENTS



- 04 About Karting NSW
- 06 Message from the Chair
- 09 Our Clubs
- 10 #TogetherWeRace
- 11 KNSW Ambassadors 2021/22
- 13 Environment, Sustainability & Governance (ESG) Strategy
- 15 A Year of Growth
- 16 Sports NSW - Distinguished Long Service Award 2021
- 17 Launch of KNSW MyKarting™ Portal
- 19 Financial Highlights
- 20 Board of Directors
- 21 Appointed Officials & Co-Ordinators
- 22 Corporate Partners
- 23 Audited Financial Report

ABOUT KARTING NSW



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

Karting NSW 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

Karting NSW currently has over 2,200 licence holders, 23 Affiliated Clubs and has over 5000 karters participating in events each year located primarily in New South Wales and the ACT. We are focused on promoting the sport, growing participation and membership as the recognised State Sporting Organisation for karting in New South Wales.



FROM THE CHAIR



This year has been yet another interrupted race year, due to the delta strain of Covid-19 heavily impacting both our sport and our lives across New South Wales and the ACT.

However, we successfully implemented a number of initiatives this year in accordance with our strategic plan and objective of having "More People Karting More Often".

Savings for Karters in 2021

This year Karting NSW approved the use of non-genuine parts for the IAME Reedjet & Vortex Mini Rok engines from 01 January 2021. The rule change provided no performance advantage, but is intended to save the karter a significant amount of money. The rule change complimented our previous rule change of October 2020, which also allowed the use of hard-chromed cranks in the Mini Rok engines.

In addition, Karting NSW also approved the use of any commercially available racing tyre that is currently sanctioned for a comparable class for unofficial practice. This decision is to assist with increasing the number of club memberships, increase participation and reduce costs for competitors.

Licences on Hold

Our events were suspended with lockdowns across Greater Sydney and then into regional NSW progressively from June 2021. Karting NSW placed all licences registered in MyKarting™ Portal, "ON HOLD" from 28th July 2021 for a period of 8 weeks.

RaceMax Rotax Pro Tour 2021

This year Karting NSW kicked off its partnership with RaceMax and sanctioned Round 1 of the RaceMax Rotax Pro Tour which was held in Queensland at Warwick Kart Club. Unfortunately, the series was severely impacted by Covid-19, but we were able to schedule a stand alone Rotax NSW State Championship to be held at Coffs Harbour Kart Club on 12-14 November 2021.

Karting NSW MyKarting™ Portal

We made use of the downtime in racing and released the new Karting NSW MyKarting™ Portal. This was a huge job, which we are immensely proud, with further details set out in this report. A big thank you to Ben Aylen on leading this project for Karting NSW.

#TogetherWeRace and Karting NSW Ambassadors

We expanded our 'Race Like A Girl' Initiative into #TogetherWeRace, where we felt we could better address and include other organisational aspirations of driving wider diversity, inclusion and cultural change. Our new #TOGETHERWERACE Initiative celebrates all diversity, promotes inclusion and makes karters feel like they belong.

As part of the initiative, we were also pleased to announce Karting NSW Ambassadors for 2021/22 - Imogen Radburn and Luke Angilley. Further details of their roles and appointments are outlined in this report.

Sports Environment Alliance

In 2021, Karting NSW was the first karting organisation within Australia to join the Sports Environment Alliance (SEA). We are proud to be leading this initiative, with further details outlined in this report.

AKA Track Development Fund Litigation

Karting NSW acknowledged the findings of Justice Adamson in the NSW Supreme Court decision handed down on 25 August 2021.

Australian Karting Association Limited (Karting Australia) commenced proceedings against KNSW for monies said to be outstanding in relation to three (3) loan agreements. The loan agreements were for track development works conducted at Tamworth Kart Club, Coffs Harbour Kart Club and Combined Districts Kart Club.

In response and by cross-claim, KNSW sought the return of driver levies in the Track Development Fund, which amounted to unpaid distributions under a Trust created in 2005. Karting Australia was unsuccessful in its claim and KNSW was successful in its cross-claim.

Although KNSW were delighted with the Supreme Court's findings, we are disappointed that the dispute between two not-for-profit sporting associations had got to this point.

Karting NSW has now received its distributions from the AKA Track Development Fund and has invested these monies. Meanwhile, Karting NSW has issued a draft Club Development Fund Policy to its clubs for consultation and feedback, and anticipates it will be accepted at the upcoming General Meeting of Members in November 2021.

Board Changes

This year we welcomed *Carolyn Hume - Financial Services*, *Phil Middleton - Member Training & Education* and *Matt Hill - Group Welfare Director - Southern Zone, Speedway & Endurance* on to the Board of Directors. All of our Board positions are voluntary and directors are not paid for their time or services.

This year, we also say thank you and good bye to *Craig Sargent - Group Welfare Director - Metro* who has been a member of the board since 2014. Craig has seen many changes and developments in karting, and we wish him well with his future racing-dad endeavours.

We also bid farewell to long-time administration officer Donna Foster. November 2021 will mark Donna's 13 year anniversary with Karting NSW. During this time, Donna has built an excellent rapport with member clubs and licence holders. She has been part of significant change in our sport, provided front line support, co-ordinated the administration of hundreds, if not thousands of events, and has been a long-term loyal supporter of Karting NSW. We wish Donna the very best of luck in her next adventure.

On a personal note, this year marks my fourth year on the Board, where we have seen difficult times and much change, particularly as a result of the Covid-19 pandemic.

Karting NSW has undergone immense challenges and change, yet we continue to prosper. Change can be difficult, and the challenges over the past few years have not been easy. Yet, we have an outstanding dedicated team of volunteers - at board, officials, co-ordinators and at administration levels. Industry have also supported us and our clubs and karting community have all enjoyed the benefits of our collective hard work. We all have one thing in common - and that is our passion for our sport and the passion for it to succeed.

Thank you to the whole Karting NSW Team for the success of 2021.



Ilona Meyer
Chair - Karting NSW





OUR CLUBS



Metro Zone

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

Northern Zone

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

Southern Zone

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

Four 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

#TOGETHERWERACE



"Diversity in sport isn't just about gender. It is a term that is evolving and encompasses all aspects of the human experience, including geography, income, gender, age, race, culture, skills and life experience".

Karting NSW launched its #TOGETHERWERACE Initiative - 2021.

The #TOGETHERWERACE Initiative brings together Karting NSW's 'Race Like a Girl' initiative with its other organisational aspirations of driving diversity, inclusion and cultural change throughout the sport of karting.

Our new #TOGETHERWERACE Initiative celebrates all diversity, promotes inclusion and makes karters feel like they belong. This is not about excluding people - its about actively 'including' them.

The Australian Sports Commission has released data that shows '*people are making decisions on which sport or club they join, based on those who celebrate diversity and promote inclusion, have safe practices and display integrity in all of their actions and decisions.*'

Under the #TOGETHERWERACE Initiative Karting NSW looks forward to continuing to provide opportunities for women and girls to participate in a sport they haven't traditionally participated in, supported by the NSW Government's *Her Sport Her Way* program.

As part of the initiative, and whilst we were all still in lockdown, Karting NSW released its "Why I love karting" Video Series, featuring our karters themselves, sharing what they love (and missed) about karting in lockdown. Check out all of the excitement at <https://www.togetherwerace.net> in addition to the new FaceBook/Instagram/Twitter social media accounts which promotes the initiative and the diversity of our great sport.

#TOGETHERWERACE encompasses at the core, Karting NSW's Vision for the sport and to have for "More People Karting More Often".



knsw_togetherwerace



@knswtwr

OUR 2021 AMBASSADORS



As part of the #TOGETHERWERACE Initiative, Karting NSW appointed Imogen Radburn and Luke Angilley KNSW Ambassadors for 2021/22.

Imogen and Luke will not only represent all things Karting NSW on and off the track, but will also be involved each month directly with the Board of KNSW, providing an 'Update from the Track', ideas and thoughts to improve the sport from and for our next generation of karters.

IMOGEN RADBURN

Imogen has been involved in Karting for the past 2 years and in such a short time, has already made strong connections with young karters, their parents and others in the karting community. She has a very bubbly personality and communicates extremely well with both adults and children. Imogen has had an extremely successful 2020 racing year with KNSW and has won the state titles for NSW and ACT.

Imogen is currently completing Year 10 at Bomaderry High School on the South Coast of NSW. During her time there, Imogen has been chosen as a mentor to the upcoming Year 7 students.

Imogen loves spending time with the younger karting community and encouraging and supporting their goals. She loves sharing their excitement when they succeed and offers a 'shoulder' or an 'ear' when things do not go the way they had planned. She is often seen giving them words of encouragement to come back even stronger in the next race.

Imogen says "I'm thrilled to say that I've learned from so many trained professionals in my field, but I know that I still have so much to learn from others in the industry. I'm a hard worker, a team player and excited to see what projects could benefit from my unique skill set. I can't wait to get started on how I can help other karters in NSW in the future".

LUKE ANGILLEY

Luke has been involved in speedway for a number of years, having won 2 x NSW State Speedway Titles and 1 Australian Title. Luke has recently come across to sprint karting and has been enjoying racing with KNSW.

Luke is currently in Year 8 at Camden High School. He was School Ambassador for Mount Hunter Public School in 2019.

Besides all motorsports, Luke is interested in engineering, building cars, new technology, designing and printing 3D Objects. Luke also has a keen interest in future proofing the sport with a keen interest in electric karts and car engines.

Luke is passionate about making karting accessible and affordable. He believes if more people had access to karting, they would catch the bug and be in for life.

Luke is a very friendly and approachable person, willing to help out others in any situation. He is extremely respectful and gets along with all peers and competitors in any sport in which he competes.

Luke is currently a member at Port Macquarie Kart Club.



ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) STRATEGY



In 2021, Karting NSW was the first karting organisation within Australia to join the Sports Environment Alliance (SEA).

The Sports Environment Alliance is a not-for-profit organisation whose members include local community clubs who care about where their canteen rubbish goes, city councils who manage and encourage healthy public spaces, and national sport associations who believe that all of their states, clubs and facilities should be better equipped to dealing with the changes in their natural environment.

As part of its strategic plan, KNSW aims to progressively introduce tailored initiatives to support environmental sustainability throughout its member clubs. KNSW Chair Ilona Meyer explained that the organisation looks forward to engaging with other like-minded sporting organisations and taking a lead in promoting sustainable initiatives to ensure that karters can enjoy their sport for generations to come.

"Our focus is on 'grass roots' karting and what better way to lead, educate, and inspire our karting communities on sustainability and environmental leadership, than from day one in a kart at a local club," she said.

"It is still early days, but KNSW is excited to join the Sports Environment Alliance, particularly as it allows us to collaborate with like-minded sporting organisations that have already taken steps to safeguard their sport for future generations.

"Our member clubs are largely made up of volunteers that are looking for guidance and assistance on how to improve in this space. For many clubs, these initiatives will be the first of their kind in karting."



SPORTS
ENVIRONMENT
ALLIANCE®





A YEAR OF GROWTH



Nothing says growth more than a series of successful government grants, followed by a flurry of volunteer activity to upgrade tracks, lighting, facilities, drainage, amenities and all things that our karting communities need to run a successful karting event! In 2021, improvements have been made at Dubbo Kart Club, Manning Valley Kart Club, Combined Districts Kart Club, Lismore Kart Club, with major track works being undertaken at Grenfell Kart Club and Wagga Kart Club.

KNSW has supported many successful grant applications for our member clubs and looks forward to making more positive announcements in the coming year!

SPORT NSW - DISTINGUISHED LONG SERVICE AWARD - 2021



Congratulations to Max Laybutt for receiving the Sport NSW - Distinguished Long Service Award 2021 for over 62 years of dedicated service to the sport of karting!

Max started karting in 1959 in rural Condobolin and quickly became an official and public officer of the Club. In 2003 Max was appointed as the Treasurer of Karting NSW and in 2004 was appointed National Treasurer. Max is passionate about assisting with the training of new officials and drivers to the sport. Karting NSW has been lucky to have Max in his various roles over his 62 years in the sport.





LAUNCH OF MYKARTING™ PORTAL



KNSW LAUNCHES - NEW MYKARTING™ PORTAL

Karting NSW is proud to have launched an all new MyKarting™ Portal on 20 October 2021 to manage Memberships, Licences, and Events.

The launch of the system enabled Karting NSW to end the Omni Sports Management service agreement, and shift focus to improving our own purpose-built software that meets the unique needs of Karting NSW. This means we are no longer 'renting' software we had little control over. We are now owners of an asset that has already had interest from a number of other external karting organisations.

"This has been an amazing collaboration between a small number of passionate karters and our external software developers" said Karting NSW Chair, Ilona Meyer. The project was led by KNSW Administration Director, Ben Ayles, and kicked off in February 2021.

"(Ben) led a small but passionate team of karting volunteers and software developers in delivering the project on time, within budget and with added functionality!" "This project is one the whole KNSW team is extremely proud of – and yet another example of KNSW leading the sport with the power and passion of its volunteers!"

Key Stats

We migrated:

- 5,600 member accounts and 3,200 profile photos,
- 2,350 active Club Memberships,
- 2,238 active Licences as well as the licence history of 5,100 people
- 340 penalties, and
- 15,787 competition event entries since 1-1-2019

In the first 7 days of launching the all new MyKarting™ Portal, Karting NSW received 180 competition event entries through the new system for two events that took place without a hitch 10 days after go-live.

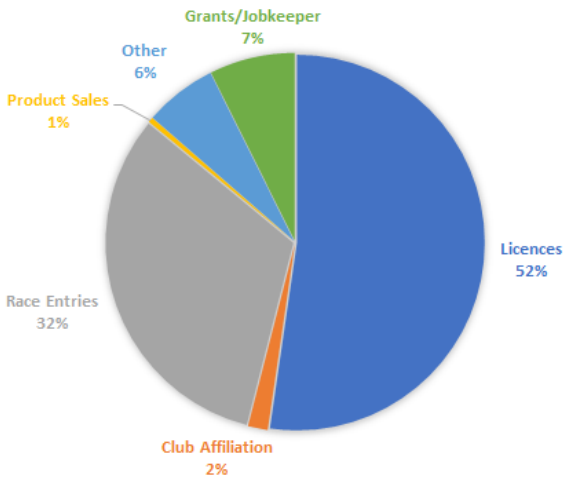
Karting NSW very much looks forward to fine tuning the software and rolling out additional functionality over the coming months for the benefit of members, clubs, and officials.

FINANCIAL HIGHLIGHTS

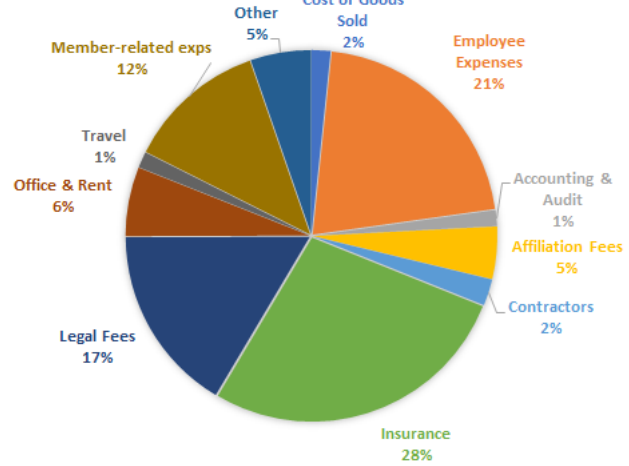


THIS YEAR KARTING NSW RECORDED A PROFIT DUE TO INCREASED PARTICIPATION & LICENCE ENTRIES

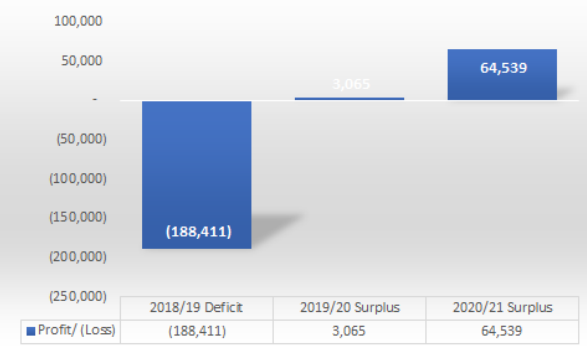
KNSW REVENUE 2020/2021 - \$700K



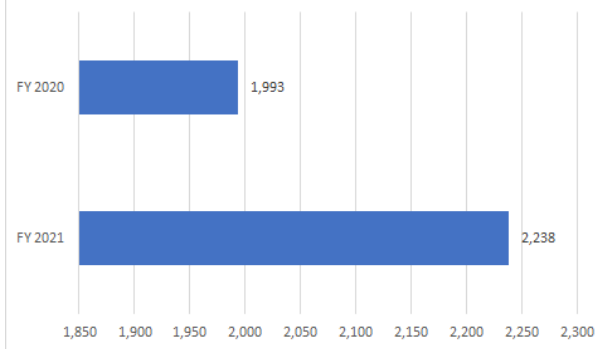
KNSW EXPENSES 2020/2021 - \$636K



KNSW Net Results



KNSW Licence Holders - 12% increase on FY19/20



2020-2021 was a great year for Karting NSW with our profit increasing by 95% from \$3,065 in FY19/20 to \$64,539 in FY20/21. An increase in Licence revenue of \$128,638 and Race Entries of \$105,019 were the main driving factors which bodes well for our future and aligns with our Vision to have "More People Karting More Often".

Offsetting this was reduced receipts from the government in the form of grants and job keeper payments of \$126,700. Overall our revenue increased 18% in FY 20/21. In FY 20/21 our expenses only increased 8% on FY19/20, which is a great result. Member related expenses were the main expense driving this increase. Full detail are outlined in the attached Audited Financial Statements.

BOARD OF DIRECTORS

CHAIR:

Ms Ilona Meyer – 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, Director and Chair of the Governance Committee of Disability Sports Australia Limited. Ilona first joined the Board in September 2017.



DIRECTOR OF ADMINISTRATION:

Mr Ben Aylen – CAPM. MAICD

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 Federal Government. He has also participated in karting for a number of years from 1987 and performed the role as Promotions Director with Canberra Kart Racing Club prior to joining the Board of Karting NSW in July 2020. Ben has also recently completed the Foundations of Company Directorship Certificate through the Australian Institute of Company Directors.



DIRECTOR OF FINANCIAL SERVICES:

Ms Carolyn Hume – B. Business (Accounting) CPA JP.

Carolyn has over 25 years of experience in senior financial roles and has held various senior executive positions with likes of Wesfarmers, News Limited and Gloria Jeans Coffee. Carolyn is a Certified Practising Accountant (CPA) and has completed a Bachelor of Business (Accounting) from the University of Western Sydney.



DIRECTOR OF COMPETITION:

Mr Nicholas Becker – B.Comm.

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:

Mr Jesse Landry

Born in Canada, Jesse has international business experience working in Australia, Canada, and the UK. He brings over a decade of media experience including traditional print media, digital, marketing & advertising, and PR & communications in B2B and government. Jesse's focus is to work with our board to explore and identify corporate business opportunities, and advise and manage sponsorship activities.



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.



DIRECTOR OF GROUP WELFARE AND KARTING OPERATIONS SOUTHERN AREA (+SPEEDWAY & ENDURANCE):

Mr Matt Hill

Matt is an endurance karting specialist and brings with him extensive karting experience. Matt has been heavily involved with The Endurance Karting Association (TEKA) for many years and has enjoyed contributing to the clubs growth and success. Matt is also a member of the Engine Review Committee and has a wealth of knowledge in regard to both 2 stroke and 4 stroke karting. Matt's role as the Director of Group Welfare and Karting Operations Southern Area has been extended to also include Speedway and Endurance Karting.



DIRECTOR OF MEMBER TRAINING & EDUCATION:

Mr Phil Middleton

Phil is an experienced Workplace Trainer and a true Subject Matter Expert in this field. Additionally Phil has been a Track Inspector for Karting NSW for several years and will continue to perform this role, as well as the perform th role of Director of Member Training and Education volunteering in both capacities.



APPOINTED OFFICIALS & CO-ORDINATORS



We are incredibly grateful for the efforts, time & dedication of our Appointed Officials & Co-Ordinators.

Officials Co-Ordinator
Steve Fisher

State Rulebook Coordinator
Victor Maastricht

Officials Committee
Steve Fisher
Graeme Abbott
Victor Maastricht
Peter Brien

State Training Coordinator
VACANT

Development Officer
VACANT

State Technical Officer
Graeme Abbott

Fuel Testing Officer
Graeme Abbott

Assistant State Technical
Officer
Graeme Armstrong

State Tyre Analyst
Graeme Abbott

State Tribunal Registrar
Karen Newton

State Track Inspectors
Phil Middleton & Kim Freer

State Prosecutor
Kim Freer

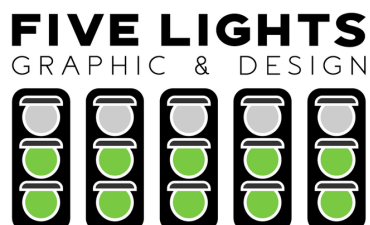
Historian
VACANT

Member Protection
Information Officers
Holly Holden-Stewart
Donna Foster

CORPORATE PARTNERS



JOHNSON
WINTER &
SLATTERY



AUDITED FINANCIAL REPORT - 2021

Karting (New South Wales) Incorporated

ABN 80 078 024 223

Financial Statements
For the Year Ended 30 June 2021

Karting (New South Wales) Incorporated
Board's Report
For the Financial Year Ended 30 June 2021

Your Board submits the financial report of Karting (New South Wales) Incorporated for the financial year ended 30 June 2021.

Board Members

The names of Board Members in office at the date of this report are:

Position	Board Member
Chair	Ilona Meyer
Financial Services	Carolyn Hume
Administration	Ben Aylen
Member Training and Education	Phil Middleton
Competition	Nicholas Becker
Promotion, Marketing and Media	Jesse Landry
Group, Welfare and Karting Operations (Southern)	Matt Hill
Group, Welfare and Karting Operations (Northern)	Darren Chick
Group, Welfare and Karting Operations (Metro)	Craig Sargent

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.

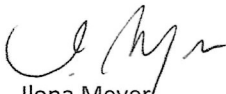
Operating Results

The surplus for the financial year amounted to \$64,539 (2020: \$3,065).

Significant Changes

No major changes in the nature of the business occurred during the year.

On behalf of the Board



Ilona Meyer

Chair

19th October 2021



Carolyn Hume

Board Member

19th October 2021

Karting (New South Wales) Incorporated
Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue			
Revenue	4	667,414	538,327
Other income	4	32,762	55,517
Total revenue		700,176	593,844
Expenses			
Cost of goods sold		(10,554)	(13,319)
Administration		(375,210)	(389,181)
Advertising and marketing		(10,000)	-
Depreciation		(15,749)	(6,307)
Employee benefits		(134,172)	(114,593)
Expected loss on trade receivables		(2,650)	(2,025)
Interest expense		(6,871)	(10,264)
Lease payments for short-term/low value leases		(2,500)	(27,900)
Member-related expenses		(77,931)	(27,190)
Total expenses		(635,637)	(590,779)
Net surplus before tax		64,539	3,065
Income tax expense		-	-
Net surplus for the year		64,539	3,065
Other comprehensive income		-	-
Total comprehensive income		64,539	3,065

The accompanying notes form part of these financial statements.

Karting (New South Wales) Incorporated
Statement of Financial Position
As at 30 June 2021

	Notes	2021 \$	2020 \$
Assets			
Current			
Cash and cash equivalents	5	217,779	194,027
Trade and other receivables	6	211,385	300,162
Inventories	7	4,763	4,615
Other assets	9	45,314	43,953
Current assets		479,241	542,757
Non-current			
Trade and other receivables	6	39,118	-
Other financial assets	8	1	1
Property, plant and equipment	10	12,462	24,447
Intangible assets	11	20,000	-
Non-current assets		71,581	24,448
Total assets		550,822	567,205
Liabilities			
Current			
Trade and other payables	12	175,092	270,853
Provisions	13	43,225	40,119
Other liabilities	14	2,240	29,625
Current liabilities		220,557	340,597
Non-current			
Trade and other payables	12	39,118	-
Non-current liabilities		39,118	-
Total liabilities		259,675	340,597
Net assets		291,147	226,608
Equity			
Accumulated funds		291,147	226,608
Total equity		291,147	226,608

The accompanying notes form part of these financial statements.

Karting (New South Wales) Incorporated
Statement of Changes in Equity
For the Financial Year Ended 30 June 2021

	Accumulated Funds \$	Total Equity \$
Balance at 1 July 2019	223,543	223,543
Surplus for the year	3,065	3,065
Other comprehensive income	-	-
Total comprehensive income	<u>3,065</u>	<u>3,065</u>
Balance at 30 June 2020	<u>226,608</u>	<u>226,608</u>
Balance at 1 July 2020	226,608	226,608
Surplus for the year	64,539	64,539
Other comprehensive income	-	-
Total comprehensive income	<u>64,539</u>	<u>64,539</u>
Balance at 30 June 2021	<u>291,147</u>	<u>291,147</u>

The accompanying notes form part of these financial statements.

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

1. General information

The Board has prepared the financial statements on the basis that the association is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report.

Karting (New South Wales) Incorporated is an association incorporated and domiciled in Australia. The financial statements are presented in Australian Dollars.

Principal place of business is Sports House, Level 2, 8 Parkview Drive, Sydney Olympic Park NSW 2127.

The financial report was authorised for issue by the Board on 19 October 2021.

2. Changes in accounting policies

New and revised standards that are effective for these financial statements

A number of revised standards became effective for the first time to annual periods beginning on or after 1 January 2020. The adoption of these revised accounting standards has not had a material impact on the entity's financial statements.

Accounting Standards issued but not yet effective and not been adopted early by the entity

A number of new and revised standards have been issued but are not yet effective and have not been adopted early by the entity. The Board is currently assessing the impact such standards will have on the entity.

3. Summary of significant accounting policies

Financial reporting framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act 2009*. The Board has determined that the association is not a reporting entity.

Statement of compliance

Unless otherwise stated, these financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

Karting (New South Wales) Incorporated is a not-for-profit entity for the purpose of preparing financial statements under Australian Accounting Standards.

Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Other revenue

For any revenue streams that are not defined as contracts with customers, then the revenue is recognised when the entity gains control, economic benefits are probable and the amount of the revenue can be measured reliably.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Short-term leases and leases of low-value assets

The entity's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Income tax

No provision for income tax has been raised as the entity has self-assessed as exempt from income tax as a not-for-profit entity.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected losses. Trade receivables are generally due for settlement within 30 days.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Property, plant and equipment

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and any impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount recognised either in profit or loss.

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	10% - 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of profit or loss and other comprehensive income.

Intangible assets

Intangible assets acquired separately are initially recognised at cost.

Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment.

Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life.

The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment of assets

At the end of each reporting period the entity determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets

Contract assets and receivables

A contract asset is recognised when the entity's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the entity's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The entity's financial assets at amortised cost includes trade and other receivables, and investment in AKA KNSW Unit Trust.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The entity's financial liabilities include trade and other payables.

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Financial liabilities at amortised cost

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to the short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are not usually paid within 30 days of recognition.

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Provision for employee benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the grant conditions are fulfilled. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the entity performs under the contract (i.e. fulfils conditions of the grant).

The conditions are usually fulfilled within twelve (12) months of receipt of the grant. Where the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current.

Comparative figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. With the exception of minor reclassifications between certain financial statement line items, comparatives are consistent with prior years, unless otherwise stated.

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An allowance for expected losses is included, where applicable, based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The allowance for expected losses is based on the best information at the reporting date.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units, based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

	2021	2020
	\$	\$
4. Revenue		
Permits and licences	590,057	356,659
Grants	25,500	134,716
Royalties	36,895	15,109
Sale of goods	3,069	21,325
Affiliation fees	11,893	10,518
	667,414	538,327
Other income		
JobKeeper	21,000	18,000
Cash Flow Boost	5,000	25,000
Interest income	6	40
Other income	6,756	12,477
	32,762	55,517
5. Cash and cash equivalents		
Cash on hand	-	250
Cash at bank	217,779	193,777
	217,779	194,027
6. Trade and other receivables		
Current		
Trade receivables	45,323	40,190
Allowance for expected losses	(4,000)	(1,350)
Other debtors	-	11,818
Loans to various NSW Karting Clubs	10,008	85,833
Loan to AKA KNSW Unit Trust	(a) 160,054	163,671
	211,385	300,162
Non-current		
Loans to various NSW Karting Clubs	(a) 39,118	-
	39,118	-

(a) The Australian Karting Association Ltd as trustee for the AKA Track Development Fund makes funds available from time to time for AKA affiliated go kart clubs for the purposes of track development.

As at 30 June 2021, the only existing Deed of Loan agreement involves Australian Karting Association Ltd as the lender and the entity and Combined Districts Kart Club Inc as co-borrowers. As security, Australian Karting Association Ltd has a floating charge over Revolving Assets and a fixed charge over all other Collateral of the co-borrowers.

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

	2021 \$	2020 \$
7. Inventories		
Current		
Inventory on hand at cost	4,763	4,615
	<u>4,763</u>	<u>4,615</u>
8. Other financial assets		
Non-current		
Financial assets at amortised cost - investment in AKA KNSW Unit Trust	1	1
	<u>1</u>	<u>1</u>
9. Other assets		
Current		
Prepayments	45,314	43,953
	<u>45,314</u>	<u>43,953</u>
10. Property, plant and equipment		
Plant and equipment at cost	55,191	53,759
Plant and equipment accumulated depreciation	(42,729)	(29,312)
	<u>12,462</u>	<u>24,447</u>
	Plant & Equipment	Total
	\$	\$
Net carrying amount 1 July 2020	24,447	24,447
Additions	3,764	3,764
Disposals	-	-
Depreciation	(15,749)	(15,749)
Net carrying amount 30 June 2021	<u>12,462</u>	<u>12,462</u>
	2021	2020
	\$	\$
11. Intangible assets		
Software	20,000	-
	<u>20,000</u>	<u>-</u>

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

	2021	2020
	\$	\$
12. Trade and other payables		
Current		
Trade payables	53,865	93,395
Accrued expenses	22,011	10,826
Net GST payable	10,849	3,030
Other creditors	78,359	57,769
Loans from Board Members	-	20,000
Loan from Australian Karting Association Ltd	(a) 10,008	85,833
	175,092	270,853
Non-current		
Loan from Australian Karting Association Ltd	(a) 39,118	-
	39,118	-

(a) The Australian Karting Association Ltd as trustee for the AKA Track Development Fund makes funds available from time to time for AKA affiliated go kart clubs for the purposes of track development.

As at 30 June 2021, the only existing Deed of Loan agreement involves Australian Karting Association Ltd as the lender and the entity and Combined Districts Kart Club Inc as co-borrowers. As security, Australian Karting Association Ltd has a floating charge over Revolving Assets and a fixed charge over all other Collateral of the co-borrowers.

	2021	2020
	\$	\$
13. Provisions		
Current		
Provision for employee benefits	43,225	40,119
	43,225	40,119
14. Other liabilities		
Current		
Contract liabilities - grants in advance	2,240	29,625
	2,240	29,625

15. Commitments

The entity had no material commitments held as at 30 June 2021 (2020: None).

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

16. Related parties

The entity's related parties include its key management personnel and related entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties.

	2021	2020
	\$	\$
<u>Trade and other receivables</u>		
Loans to various NSW Karting Clubs	49,126	85,833
Loan to AKA KNSW Unit Trust	160,054	163,671
 <u>Trade and other payables</u>		
Loan from Australian Karting Association Ltd	49,126	85,833
Loans from Board Members	-	20,000

17. Contingent liabilities

AKA KNSW Unit Trust

The entity is the joint trustee and 50% unitholder of AKA KNSW Unit Trust.

Given the audited accounts of AKA KNSW Unit Trust have not been made available to the entity for a number of years and the entity cannot reliably measure its share of any undistributed accumulated surplus/deficit of AKA KNSW Unit Trust, the entity has not recognised any such amount as at 30 June 2021.

As joint trustee for AKA KNSW Unit Trust, the entity is also party to a loan agreement, which contains a first registered mortgage over non residential real property located at 12 Macquarie Street, Penrith NSW 2751. The entity may be required to assist AKA KNSW Unit Trust in servicing such a loan. No provision has been recognised in relation to this matter as at 30 June 2021.

AKA Track Development Fund Trust

The entity is a beneficiary of AKA Track Development Fund Trust.

On 25 August 2021, the Supreme Court of New South Wales ruled in favour of the entity in relation to a number of matters that were disputed by Australian Karting Association Ltd, including a beneficiary accumulation amount owing to the entity and an order to pay the entity's costs of the proceedings. On 21 September 2021, Australian Karting Association Ltd paid the judgment debt of \$700,899.77 to the entity and also filed a Notice of Intention to Appeal. The entity is currently taking steps to recover its costs of the proceedings. Subject to the timing, nature and outcome of any appeal, all such amounts, as well as any related amounts, will be recognised by the entity during the financial year ending 30 June 2022.

Karting (New South Wales) Incorporated
Notes to the Financial Statements
For the Financial Year Ended 30 June 2021

17. Contingent liabilities (continued)

Other Matters

Australian Karting Association Ltd commenced legal proceedings against the entity on 1 July 2019 in relation to an alleged breach of trademark and copyright violations. The entity is vigorously defending these claims. No provision has been recognised in relation to this matter as at 30 June 2021.

18. Subsequent events

Subsequent to year end, a court decision was made in favour of the entity. Refer to Note 17 for further details.

While the Board notes the ongoing health and economic impacts relating to COVID-19, an estimate of the financial effect of this subsequent event cannot be made at the time of this financial report.

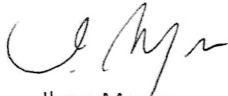
No other adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these accounts.

**Karting (New South Wales) Incorporated
Board's Declaration
For the Financial Year Ended 30 June 2021**

The Board declares that:

- a) the financial statements and notes are in accordance with the *Associations Incorporation Act 2009*, including:
 - i) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - ii) complying with applicable Australian Accounting Standards to the extent described in the notes to the financial report and the *Associations Incorporation Regulation 2016*; and
- b) there are reasonable grounds to believe that the entity is able to pay all of its debts, as and when they become due and payable.

Signed in accordance with a resolution of the Board:



Ilona Meyer
Chair

19th October 2021



Carolyn Hume
Board Member

19th October 2021

Karting (New South Wales) Incorporated
Independent Auditor's Report to the Members of Karting (New South Wales) Incorporated
For the Financial Year Ended 30 June 2021

Qualified Opinion

We have audited the financial report of Karting (New South Wales) Incorporated (the entity), which comprises the statement of financial position as at 30 June 2021, statement of profit or loss and other comprehensive income and the statement of changes in equity for the year then ended, the notes to the financial statements, including a summary of significant accounting policies, and the Board's declaration.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the financial report of Karting (New South Wales) Incorporated has been prepared in accordance with the *Associations Incorporation Act 2009*, including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) complying with applicable Australian Accounting Standards to the extent described in the notes to the financial report and the *Associations Incorporation Regulation 2016*.

Basis for Qualified Opinion

We were appointed as auditor of the entity on 11 May 2021 and were unable to obtain sufficient and appropriate audit evidence in relation to opening balances for the financial year ended 30 June 2021. Since opening balances enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of comprehensive income and the net cash flows from operating activities reported in the statement of cash flows. As such, our opinion is qualified with respect to opening balances for the financial year ended 30 June 2021 and the statement of comprehensive income and statement of cash flows for the financial year ended 30 June 2021.

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 entity 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 the notes to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the entity's financial reporting responsibilities under the *Associations Incorporation Act 2009*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified further in respect of this matter.

Karting (New South Wales) Incorporated
Independent Auditor's Report to the Members of Karting (New South Wales) Incorporated
For the Financial Year Ended 30 June 2021

Emphasis of Matter – Subsequent Event

We draw attention to Note 18 which highlights a subsequent event relating to COVID-19. The potential financial effect of this subsequent event cannot be made at the time of this financial report. Our opinion is not modified further with respect to this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The Board is responsible for the other information. The other information is the Board's report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in the notes to the financial report is appropriate to meet the needs of the members. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The Board is responsible for overseeing the entity's financial reporting process.

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 the financial report.

Karting (New South Wales) Incorporated
Independent Auditor's Report to the Members of Karting (New South Wales) Incorporated
For the Financial Year Ended 30 June 2021

A further description of our responsibilities for audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



SDJA



Simon Joyce

Director

19 October 2021

Sydney, New South Wales