



2021 ANNUAL REPORT

Year ending 31 December 2021

AUSTRALIAN KARTING ASSOCIATION LTD.
T/AS KARTING AUSTRALIA



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MONARTO KARTING COMPLEX



OUR VALUED PARTNERS





Karting is a sport that can be enjoyed by people of all ages, both boys and girls.

Drivers can start on track at the age of 6 with the oldest Karting Australia licence holder well into their nineties.

It truly is Racing for all Ages.



About Karting Australia

The Australian Karting Association Ltd, trading as Karting Australia, is the governing body for the sport of Karting in Australia.

Formed in 1966 the AKA has produced some of Australia's finest motor racing talents.

Karting Australia is the sole body in Australia recognised by the Federation Internationale de l'Automobile (FIA) and Motorsport Australia to organise and control the sport of Karting in Australia.

FIA is a member of Global Association of International Sports Federations and is recognised as the world-wide organisation for the control, regulation and supervision of motor sport including the division of motor sport known as Karting.

International Karting is controlled by the FIA Commission Internationale de Karting (FIA Karting). Karting Australia holds Australia's seat on the International Karting Commission.

In accordance with Article 4 of its Statutes, the FIA has appointed Motorsport Australia as the National Sporting Authority (ASN) and the sole body to control motor sport in Australia. Motorsport Australia is an NSO recognised by Sport Australia.

The power and authority to organise and control Karting within Australia has been formally delegated to Karting Australia by the General Assembly of the FIA through Motorsport Australia.

In accordance with Article 5 of the FIA Statutes, at the request of Motorsport Australia, the General Assembly of the FIA have delegated the Sporting Power for Karting in Australia to Karting Australia.

Karting Australia is the body that is solely responsible for the international licencing of Australian Drivers who wish to race in overseas karting events. We work closely with Motorsport Australia and hold a formal delegation of authority agreement with them.

Karting Australia is also a founding member of motorsport's national advocacy group the Australian Motorsport Council that was formed and launched in late 2020.

Message from the Chairman

IN MY SECOND YEAR AS CHAIRMAN, I AM PLEASED TO REPORT THAT THE SPORT CONTINUES TO BE IN GREAT SHAPE AND DESPITE BEING HEAVILY AFFECTED BY THE COVID-19 PANDEMIC OVER THE PAST TWO YEARS IS CONTINUING TO FLOURISH.

THE COMPANY, AUSTRALIAN KARTING ASSOCIATION LTD (AKA LTD), IS IN AN EXCELLENT FINANCIAL POSITION AND CONTINUES TO BE WELL MANAGED FROM BOTH THE BUSINESS AND SPORTING PERSPECTIVES. OUR BALANCE SHEET IS EXTREMELY HEALTHY AND THE SPORT IS FIRING ON ALL CYLINDERS.

We are reporting the company achieved a surplus in 2021 of \$250,446 after depreciation and amortisation. Much of which has been achieved, not only by increased revenue over the first year of the pandemic, but continuing cost reduction activities as well. In the current climate, this is a real credit to the management group that we have in place. Total company funds at the end of the financial year sit just in excess of \$2.175 million. We are well equipped to meet any and all of our financial obligations as and when they fall due and to run the sport well into the future.

The surplus enables us to add just over \$175,000 to our Future Fund in accordance with Company By Laws.

Board and Management

I would like to thank my fellow Directors and our staff for their work and efforts throughout the year.

For a national sporting organisation, we operate with a small but extremely dedicated staff that is very well led by our CEO Kelvin O'Reilly. Their work throughout the past two years, while faced with the massive challenges created by Covid has been extraordinary. On behalf of the Board, I would like to thank them for their dedication and achievements over the past year.

During 2021 the company continued to expand the strength of the Board. The existing Directors were joined by Nathan Murray and Samantha Reid.

Nathan is Managing Director of Morris Ltd (1998 – present), one of Australia's largest privately owned finance companies.



Nathan's training in marketing and love of sports is a driving factor behind many of the beneficial relationships he has forged over the years. Nathan is a member of Go Kart Club of Victoria, holds a KA driver's licence and his son is a regular competitor.

Samantha is Senior Manager Vehicle Operations for Mazda Australia and has long been at the forefront of advocating for and driving the push for the increased involvement of women in motor sport. Formerly Chair of Women of Australian Motor Sport (WAMS) and Australian delegate on the FIA Women in Motorsport Commission. Sam began her love of motorsport through initially racing karts before graduating to circuit racing in Formula Ford with Kelly racing. Recently completing her MBA, an FIA and Motorsport Australia Trainer and Wheels Car of the Year judge, Sam brings leadership, a breadth of experience and passion to the Board.

As we look to the future, I am confident that our Board will continue to add value to our business and the sport of karting.

2021 - The year in review

We entered 2021 with a positive outlook on what the year would look like and how we could continue to bounce back from the testing time we all faced in the year prior. Just as we looked to put the COVID-19 battles behind us, restrictions continued to significantly affect the way in which we ran our sport.

In addition to the focus on running the day-to-day

operations, the focus for our staff was once again shifted to leading our State Associations and our Affiliated Clubs through the continued impact of the pandemic.

As was the case in 2020, the work of our Clubs and Member States has been outstanding. They continued to adapt and implement the recovery plans and through their efforts succeeded in maintaining the health of their clubs and the sport. As a result, the numbers started to return and the sport continued to flourish.

There is still a lot to do and to build on but we are certainly heading on the right trajectory for continued success as we emerge from COVID.

Throughout the last year we have been encouraged by the number of entries received at Club, Zonal and State Competitions across the country along with the support for the SP Tools Australian Kart Championship presented by Castrol EDGE.

Programs that we were forced to put on hold due to Covid, like Junior Sprockets, were also able to be held in some areas of the country and we look forward to resuming a full schedule of events throughout 2022.

Reflections

After having devoted a great many years to our sport as a competitor, a karting dad (in the best sense of the term), Club President, State President, Karting Australia Director and Chair, I have made the decision to retire from the Board. The 2022 Annual General Meeting will be my last meeting.

It has been a privilege to compete in, guide and be of service to our sport over so many years. Nationally karting is in good shape and the rebound from COVID has been phenomenal. The Board is stronger now than ever before with an appetite to carry karting forward to new heights.

I would like to wish the Board well and thank my fellow Directors for their support and comradery over the past five years. To our management team, unless you are part of it and at the administration coal face, it is easy to underestimate just what it is that Kelvin, Lee and their small team do for our sport. Their work ethic and drive for karting to 'punch above its weight' as a sport – which it frequently does, is, I think almost unparalleled for a sport of our size.

As I reflect on the many great initiatives and achievements of our sport, I unfortunately remain disappointed with the state of karting in NSW. The breakaway of a number of clubs in 2018 has done nothing to further the sport. Indeed,

participation rates in NSW are the lowest of any State and the State has not rebounded from Covid as the others have. The few competitors who race within the breakaway do so on the same tracks as they always have, under ostensibly the same rules with the same karts but simply pay more than they ever have to do so and race in smaller fields. Whatever the objectives may have been by the small group who led the breakaway, it is hard to imagine they have been achieved.

In an attempt to resolve the split and reunite the State, I have reached out to past Chairs only to be told that there was no interest in a resolution – the greatest disappointment during my term as a Director.

Both entities continue to expend resources on legal disputes when these resources could be put to much better use growing and nurturing our sport. As I retire from the Board, my final request would be that both parties draw a line in the sand, determine what future actions are in the best interest of karters and look to reunite NSW so that it once again can grow and flourish. I remain committed to assist the sport in any way I can in this resolution.

Thanks

In conclusion, I would like to thank the Karting Australia staff and Board, our Member States and our Clubs, their tireless committees and volunteers. To our volunteer Officials, we acknowledge that there would be no sport of karting without you. Our drivers, parents, participants, teams, members of the karting industry, we all collectively do what we do for you but without you there would be no purpose and no sport. Thank you all.

I'd also like to thank Karting Australia's partners. Firstly, our premier (non-industry) sponsors – SP Tools, Castrol EDGE and Rosche Paper. Thank you sincerely for what you do for the sport.

Thank you also to our industry partners throughout 2021 – Austech Industries – Torini Engines, Patricorse - Vortex engines, and Bridgestone tyres, DPE Kart Technology – MG Tyres, ALM Sales – Dunlop tyres, International Karting Distributors - Vega tyres and Remo Racing – IAME engines.

Special thanks to our promotional partners Australian Grand Prix Corporation and Supercars for the ongoing support.

Regards

Glen Egan - Chairman

CEO's report

AS 2020 ENDED AND 2021 BEGAN THERE WAS A FEELING OF HOPE AMONGST MANY THAT WE WERE ALMOST THROUGH THE PANDEMIC.

A number of Club Presidents told me that same thing – “COVID’s over. We can go back to ‘normal’. We don’t need to sign-in any more...” Those of us who had watched the relentless government media conferences every day were not so sure. To us, it looked like it might be a little easier but there was a very high probability that it was going to be even more of a challenge than the one that we confronted in 2020.

Certainly, the government financial assistance would be much lower than the Federal Government provided nationally in 2020 – if there was any at all. To get through the year in good shape, we would need to be vigilant and strategic as an administration while we encouraged our Member States and Affiliated Clubs to always do the right thing when it came to use of their racing facilities and to never lose hope.

Our plan remained the same from day one of the pandemic – to get our Clubs going again, in compliance with the laws of their respective jurisdictions as soon as they were able to do so.

The amazing thing was that the thirst and hunger of top-level karting competition was very much alive and well.

With a bit of clever scheduling and by starting the Championship year early, we managed to run three Australian Kart Championship events before the end of April – but then we hit the wall and wouldn’t be able to run another one until December. All Member States except for Northern Territory managed to run their State Championships. The challenges to do so though were significant.

For our Victorian and New South Wales members, the challenges proved to be enormous as they were forced to endure months of lockdowns. The other Member States, Clubs and our Licence Holders fared much better.

The role of social karting and building flexibility into each State’s Competition Calendars of events were crucial in keeping the sport running in what was 2021 NEW NORMAL. They are clearly lessons for the long term for all levels of the sport.

Despite the challenges, participation rates at all levels of competition, but very strongly at Club and smaller regional competitions, rebounded strongly in 2021 and continue to do so in 2022. Across the nation, we far outshone 2020 when it came to getting back to racing – a real tribute to everyone in

the karting fraternity but particularly the Club committees who persevered and who are seeing the benefits of their endeavours to keep their clubs going.

The National programs that necessitated the Karting Australia team crossing almost any state border have largely been on hiatus throughout 2021 but are now all coming back.

The January Junior Sprockets roadshow throughout Victoria and into New South Wales was a great way to start the year. It is our intention to run the Building Better Kart Clubs conference again, starting in probably the first half of 2023 after having to forego the conference in the last two years. In the second half of 2022 we will pave the way towards BBKC2023 with a series of Webinars dealing with the most significant issues confronting our sport.

While the sport has rebounded strongly out of COVID, like almost all sports across Australia we are facing a critical shortage of Officials to enable us to run racing. It is the singular greatest challenge to confront karting at all levels right now. While our Official’s Academy has well over 2000 enrollees in it, the difficulty is in converting those people who have been trained as Level 4 (and higher) officials, to step up and support their clubs by officiating at the occasional race meeting. I would encourage everyone who has undergone the basic instruction to pitch in and HELP YOUR CLUB by officiating occasionally.

Our Officials and club volunteers carry the real load in our sport. It is them that make our sport happen right across the country. On behalf of all of our Licence Holders, the Karting Australia Board and our Member States, I would like to thank you sincerely for your commitment and untiring work to make karting happen – thank you!

To our Member States. Thank you for your work and tremendous support across the year. The work that each State Executive and your administrators put into the sport in your areas is simply fantastic. Now more than ever as we look at the challenges of planning to secure the future and overcoming the shortfall of trained Officials in our sport, we must collaborate strongly and be prepared to try some new strategies to rebuild our ‘Volunteer Army’ in the post COVID world so that our competitions never miss a beat.

Our Clubs are the pulse of the sport. Right across the country from east to west and from North to South. Without tireless work of the Club Committees across all States and the Northern Territory, there simply would be no sport. They are the places where our members meet. The places where the race happens. All too often too few do too much to make the sport happen. If you are a Club Member, and if you are reading this, it is likely that you are, and if you haven’t pitched in to lend a hand occasionally, please try and spare a few hours occasionally so that many hands can make light work of preparing for and running the races that you all enjoy.

To our sponsors – led by SP Tools and Castrol Edge. Thank you sincerely for your long-term support. We simply would not be able to do some of the things that we do as a sporting business were it not for your support. Our major suppliers – IAME Engines and Remo Racing, Vortex Engines and Patrizicorse, PRD Galaxy and St George Karts, Bridgestone Tyres and Patrizicorse, MG Tires and DPE Kart Technology, Goodyear Dunlop Tyres Australia, and ALMS – thank you all for your support and contribution to the sport.

I would like to take this opportunity to thank everyone who is a part of our sport, from those mentioned above to

the individual licence holders, industry members, mechanics and general club members.

Over the last 18 months the Directors have made the decision to actively seek to strengthen our Board. During 2021, two new Directors joined the Board – Samantha Reid and Nathan Murray. They join Kevin Davis, Andrew Westacott, John Reynolds and Rob Crawford as continuing Directors into 2022. They will now be joined by Garth Tander after he recently accepted the invitation to Join the Board following Troy Bundy’s retirement to take on the supremo role managing Porsche motorsport in the USA.

At the Annual General Meeting, Chair Glen Egan will be stepping down from the Board. Glen has been involved in our sport for decades as a Karter, a Club President, a State President, a Karting Australia Director and most recently as our Chair. Glen’s commitment to our sport on so many fronts has been outstanding.

I particularly want to acknowledge his commitment to karting in New South Wales. When the upheaval happened in 2018, Glen stood taller than almost anyone. He worked tirelessly to try and save the sport in NSW believing that a split was never in the best interests of karting, the Clubs and the Drivers. He was right in what he said and did. Personally I want to thank him for what he did then

and has continued to do for karting, and in particular for NSW karting.

My staff. Small in number but giants in their commitment to our sport. We constantly ‘punch above our weight’ with the output and results that we achieve. As a business our processes produce first class results. Karting Australia has an extremely sound financial base that allows us to take on infrastructure projects and programs that benefit the whole sport.

I say it every year, but our Chief Operating Officer Lee Hanatschek continues to work tirelessly for our sport. Rarely have I encountered an employee with such a work ethic as Lee’s. To simply say thankyou is not really enough to recognise his outstanding contribution to our sport.

There is always a new challenge, a new obstacle to pass, a new goal to be met. Together as a sport, we will achieve together. Thankyou all for the support of your club, your State Association and our sport as a whole.

Personally, I look forward to working closely with our ‘new’ Board. The future is brighter now than at any time in recent years and I am excited to lead our company into the future.



Kelvin O'Reilly
Karting Australia - Chief Executive Officer



EVENTS, programs & participation

While remaining to be affected by Covid-19 restrictions across the country, Karting Australia events began to return to normal across the country during the later half of 2021.

At the top end of the scale, the Australian Kart Championship was able to be contested across four rounds in Ipswich, Melbourne, Adelaide and Murray Bridge. At a Club level, numbers surged with a return to racing for Clubs across the country in the closing months following another tumultuous year in 2021.

Also returning after missing for 2020 was the SP Tools Junior Sprockets program to introduce new youngsters to the sport.

Australian Kart Championship

The SP Tools Australian Kart Championship presented by Castrol EDGE continues to cement itself as the preeminent karting championship in the Southern Hemisphere. Despite border restrictions being enforced for various parts of the country throughout the year, there was still an average of 265 Competitors in actions across the eight Classes at the four rounds hosted by the Ipswich Kart Club, Go-Kart Club of Victoria, Southern Go-Kart Club and Go-Kart Club of SA.

Licencing and Participation rate

While participation in 2021 was once again heavily influenced by the effects of Covid-19, it was pleasing to see licencing and participation numbers returning to pre-pandemic numbers across the country.

Such is the interest in the sport, licence numbers are the strongest for many years with the majority of states experiencing total licence numbers not seen for more than five years. Of particular note is Western Australia, which has returned to figures seen during the mining boom and Tasmania which has achieved a 34% increase in licences over the past five years. South Australia has also experienced significant growth with a 20% increase since 2019. Victoria, Queensland and the Northern Territory have remained steady despite the COVID challenges, as does New South Wales.

Participation rates have also bounced back from 2020 with the 4SS continuing to provide a significant increase of participation at the local level.

Junior Sprockets

Despite the difficulties faced during 2021, a limited schedule of Junior Sprockets events were held throughout Queensland with more than 100 youngsters getting the opportunity to be introduced to the sport through the program.



2021 CHAMPIONS

IN A YEAR THAT WAS ONCE AGAIN HEAVILY AFFECTED BY COVID RESTRICTIONS, THE 2021 SP TOOLS AUSTRALIAN KART CHAMPIONSHIP WAS CONTESTED ACROSS FOUR ROUNDS WITH AN AVERAGE OF 265 ENTRIES. THE CHAMPIONS WERE CROWNED IN EARLY DECEMBER AT THE MONARTO KARTING COMPLEX IN SOUTH AUSTRALIA.



Troy LOESKOW - KZ2



Brad JENNER - X30



Leon CORDATO - KA2



Brendan NELSON - TaG 125



Alex NINOVIC - KA4 Junior



Jace MATTHEWS - KA3 Senior



Lewis FRANCIS - Cadet 12



Sebastian ESKANDRI-MORANDI - Cadet 9



Aiva ANAGNOSTIADIS - Ladies Trophy



The honour of becoming the Champion of a State is always a prestigious one. There were also a number of 'blue plates' secured in the classes that are specific to the Australian Kart Championship won throughout the year.



NEW SOUTH WALES

Cadet 9 - Liam Carr
 Cadet 12 - Riley Blaxell
 KA4 Junior Light - Aidan Williams
 KA4 Junior Heavy - James Brett
 KA3 Junior - Nathan McCarthy-Cox
 KA3 Senior Light - Bailey Sweeny
 TaG 125 Rest. Light - Christian Oom
 TaG 125 Rest Med - Blair Van Ree
 TaG 125 Rest Heavy - Ryan Van Ree
 TaG 125 Rest Masters Medium - Herman Van Ree
 TaG 125 Rest Masters Light - Stewart Walker
 Tag 125 Light - Jackson Souslin-Harlow
 TaG 125 Heavy - Nicholas Caruso
 X30 Light - Beau Pronesti
 KA2 - Leon Cordato
 KZ2 - Reece Cohen

QUEENSLAND

Cadet 9-Sebastian Ekandari-Marandi
 Cadet 12 - Jaxson Burns
 KA4 Junior Light - Ryan MacMillan
 KA4 Jnr Heavy - Max Acquasanta
 KA4 Junior - Alex Ninovic
 KA3 Junior - Max Walton
 KA3 Senior Light - Declan Matthews
 KA3 Snr Medium - Brendan Nelson
 KA3 Senior - Joel Jamieson
 TaG Rest 125 Light - Brent Reading
 TaG Rest 125 Med - Jacob Calwell
 Tag 125 Light - Harrison Hoey
 Tag 125 Heavy - Brendan Nelson
 TaG 125 - Hamish Fitzsimmons
 DD2 - Troy Bretherton
 X30 - Jace Matthews
 KA2 - Carter Mobbs
 KZ2 - Troy Loeskow

SOUTH AUSTRALIA

Cadet 9 - Dominic Mercuri
 Cadet 12 - Noah Enright
 KA4 Junior Light - Darcy Heyne
 KA4 Junior - William Newell
 KA3 Junior - Ben Holliday
 KA3 Senior Light - Nikki Watson
 KA3 Senior - Kurtis Tennant
 TaG 125 Rest Light - Antoni Ormsby
 TaG 125 Rest Med - Paul Pittam
 TaG 125 Light - Jacob Dowson
 TaG 125 - Zachary Heard
 X30 - Beau Pronesti
 KA2 - Carter Mobbs
 KZ2 - Troy Loeskow

TASMANIA

Cadet 9 - Connor Meyer
 Cadet 12 - Ky Burke
 KA4 Junior Light - Isaac McNeill
 KA4 Junior Heavy - Ben Holliday
 KA3 Senior Light - Calvin Broad
 KA3 Senior Medium - Kip Foster
 KA4 Masters - Malcolm Watson
 TaG 125 Rest Light - Renee Hinds
 TaG 125 Rest Med - Jackson Callow
 TaG 125 Rest Heavy - Jackson Callow

VICTORIA

Cadet 9 - James Flynn
 Cadet 12 - Jenson Burns
 KA4 Junior Light - Toby Dvorak
 KA4 Junior Heavy - Harrison Sellars
 KA4 Junior - Alex Ninovic
 KA3 Junior - Peter Bouzinelous
 KA3 Senior Light - James Sera
 KA3 Senior Medium - Taine Venables
 KA3 Senior - James Sera
 Victorian Combined Masters - Phil Smith
 TaG 125 Heavy - Matthew Wall
 TaG 125 - Reuben Goodall
 X30 Light - Jack Bell
 X30 - Bradley Jenner
 KA2 - Jordan Shalala
 KZ2 - Troy Loeskow

WESTERN AUSTRALIA

Cadet 9 - Connor Meyer
 Cadet 12 - Chace Webb
 KA4 Junior Light - Dylan Guest
 KA3 Junior - Dylan Quest
 KA3 Senior Light - Thomas Loughton
 KA3 Senior Medium - Brandon Duncombe
 KA3 Senior Heavy - Nathan King
 TaG 125 Rest Mast - Adam Gandossi
 Tag 125 Rest Medium - Thomas Bowsher
 TaG 125 Heavy - Lewis Reid
 WA Open Perf - Blake Preston
 KZ2 - Sam Dicker

*NT Kart Championship cancelled due to COVID-19

Karting a sport that can be enjoyed at a variety of levels, from Club and Zonal Events to State Series, Trophy and Cup events right through to the State and National Championship as outlined in the previous pages. State Series, Trophy and Cup events are designed to provide a high level of competition in a low cost and effective manner for the competitor. Victory in these events and Series' are significant achievements, Karting Australia congratulates the following Drivers on their success in 2021 - along with all of the Club Champions across the country.

QUEENSLAND STATE CUP

Cadet 9-Sebastian Eskandari-Marandi
Cadet 12 - Basilio Micale
KA4 Junior - Isaac McNeill
KA3 Junior - Jack Wells
KA3 Senior - Ryan Uhlmann
TaG 125 Restricted Light - Brent Reading
TaG 125 Restricted Medium - Kobe Barton
TaG 125 Restricted Masters - Andrew Torti
TaG 125 Light - Hamish Fitzsimmons
TaG 125 Heavy - Jarad Neinert

QLD 4SS STATE TROPHY

4SS Cadet – Zac Butler
4SS Junior – Jordan Briggs
4SS Senior Light – Alice Litzow
4SS Senior Medium – Scott Pearce
4SS Senior Heavy – Jason Ramsay
4SS Supermaxx Medium – Jack Munro
4SS Supermaxx Heavy – Andrew Wagner

NQ SERIES

Cadet 9 - Hooper Urqhart
Cadet 12 - Dayne Ross
KA4 Junior - Michael Janusz
KA3 Junior - Matthew Boylett
KA3 Senior Light - Lara Hadlow
TaG 125 Restricted Light - Jason Brown
TaG 125 Restricted Medium - Jordain Fegatilli
TaG 125 Light - Max Erwin
TaG 125 Heavy - Jordain Fegatilli

FESTIVAL STATE CUP

Cadet 9 – Dominic Mercuri
Cadet 12 – Noah Enright
KA4 Junior Light – Ben Holliday
KA3 Junior – Joshua Elliston
4SS Light – Brock Harrison
4SS Medium – Joseph Barone
4SS Heavy – Daniel Bowden
4SS Supermaxx Heavy – Tim Murphy
TaG 125 Restricted Light – Trent Ashman
TaG 125 Restricted Medium – Jedd Stanton
KA3 Senior – Christian Cowie
TaG 125 Light – Jacob Dowson

SA 4SS STATE TROPHY

4SS Junior – Keo Fechner
4SS Senior Light – Callan Belmonte
4SS Senior Medium – William Rowe
4SS Senior Heavy – Paul Pittam
4SS Supermaxx Heavy – Tim Murphy

TASMANIAN NORTH WEST SUPER SERIES

Cadet 9 - Ayrton Myers
Cadet 12 - Harry Bresnehan
KA4 Junior Light - Denzil Sargent
KA4 Junior Heavy - Patrick Johnston
KA4 Masters - Malcolm Watson
KA3 Senior Light - Gemma Wyllie
KA3 Senior Medium - Daniel Hinds
TaG 125 Restricted Light - Nigel Hildyard
TaG 125 Restricted Medium - Shane Stonehouse
TaG 125 Restricted Heavy - Jordan Jones

VICTORIAN GOLDEN POWER SERIES

Cadet 9 – Jai George
Cadet 12 – Alexander Yoannidis
KA3 Junior – Kristian Janev
KA4 Junior Light – Angus Hall
KA4 Junior Heavy – Zach Findlay
KA3 Senior Light – Bodhi Bright
KA3 Senior Medium – Taine Venables
TaG 125 Light – Liam Ford
TaG 125 Heavy – Thomas Hughes
TaG 125 Restricted Light – Gerry Westerveld
TaG 125 Restricted Medium – Jackson Rice
TaG 125 Restricted Heavy – Brett Jenkin
Vic Combined Masters – Simon Phillips

VICTORIAN METRO SERIES

Cadet 9 – James Flynn
Cadet 12 – Harrison Strik
KA4 Junior Light – Hunter Salvatore
KA4 Junior Heavy – Zach Findlay
KA3 Junior – Matthew Domaschenz
KA3 Senior Light – Joshua Hocking
KA3 Senior Medium – Samuel Gibson
Vic Combined Light – Eden Foik
Vic Combined Medium – Nicholas Flodstrom
Vic Combined Masters – Ian Branson

WA GOLDSTAR SERIES

Cadet 9 -Connor Meyer
Cadet 12 - Connor Radford
KA4 Junior - Nicholas Stati
KA3 Junior - Noah Lisle
KA2 - Noah Lisle
KA3 Senior Light - Codey Luewen
TaG 125 Restricted Lgt - Thomas Bowsher
TaG 125 Restricted Masters-Shane Ratcliffe
TaG 125 Restricted Med. - Carlos Del Toro
TaG 125 Light - Jake Sawyer
TaG 125 Heavy - Bradley Nock
WA Open Performance - Charlotte Campbell

WA NORTHERN ZONE SERIES

Pro-Cadets - William Campbell
KA3 Junior - Riley Watkins
WA Combined Light - Aiden Passmore
WA Combined Medium - Riley Smith
WA Combined Heavy - Glenn McDougall
TaG 125 Combined - Aiden Passmore

WA SOUTH EASTERN ZONE SERIES

Cadet 9 - Connor Meyer
Cadet 12 - Cody Colmer
KA4 Junior Light - Ayden Tempany
KA3 Junior - Seth Collins
KA3 Senior Light - Joel Wheeler
TaG 125 Restricted Med. - Tim Gorman
KA3 Senior Heavy - Rodney Jamieson
WA Open Perf - Nicholas Wright



WOMEN in karting

In August 2021, Karting Australia announced the formation of a Women in Karting Commission, a Working Committee which aims to create a culture across the whole sport that encourages and facilitates the development and participation of women and girls in all aspects of Australian karting.

Karting is a sport that is open, welcoming and respectful to all people regardless of age, gender, ability and backgrounds. Australian karting has welcomed many women and girls to our sport over many decades but despite that all forms of motorsport are still considered by too many, to be mainly for men and boys.

The Women in Karting Commission has been established to assist the Karting Australia Board to increase the awareness that karting is a sport that values and encourages the participation of women and girls both on and off the track as drivers, officials, administrators, volunteers and team members.

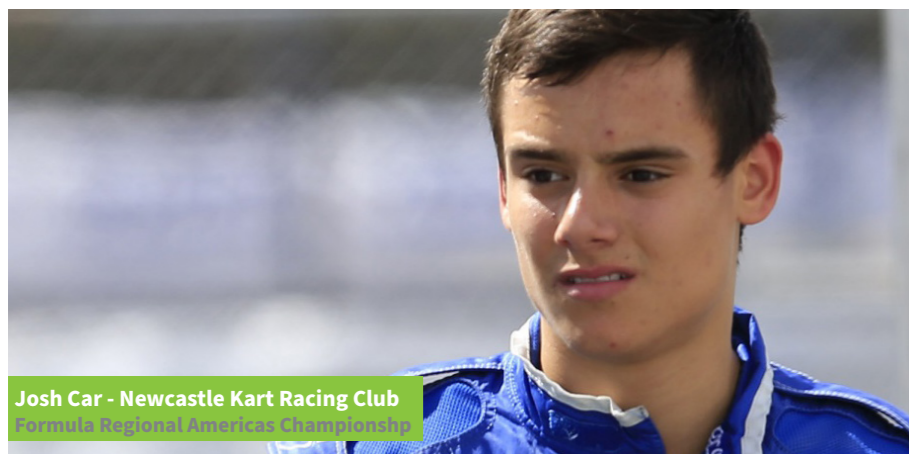
Victorian Sam Sera was appointed as the Head of the Commission. Joining Sera on the inaugural eight-person Commission is Karting Queensland President Michelle Rowe, 2019 Ladies Trophy Winner Beck Connell, 4SS Racer April Vaughan, South Australian Club Administrator Beckie Jones, former racer and current New South Wales industry member Lorraine Farley, Karting WA Secretary Michelle Lino and long-time Motorsport Sponsorship Manager Sue Dilger.



Karting Australia Alumni

Kart racing is both a destination sport that can be enjoyed by people and families of all ages and backgrounds. It is also a sport that provides a great platform for young drivers to learn their craft before launching themselves towards a career in motorsport - either here in Australia or other parts of the world.

We take the opportunity to recognise some of the achievements in 2021 of the young drivers who over the recent years have graduated from Australian karting and are now making their mark in other forms of motorsport.



Josh Car - Newcastle Kart Racing Club
Formula Regional Americas Championship



Hugh Barter - Go-Kart Club of Victoria
FFSA Academy



Jack Doohan - Ipswich Kart Club
FIA Formula 2 Championship



Hunter McElrea - Ipswich Kart Club
Indy Pro 2000 Championship



Christian Mansell - Newcastle Kart Racing Club
GB3 Championship/Euroformula Open



Oscar Piastri - Oakleigh Go-Kart Racing Club
2021 FIA Formula 2 Champion

Karting Australia Alumni ctd.



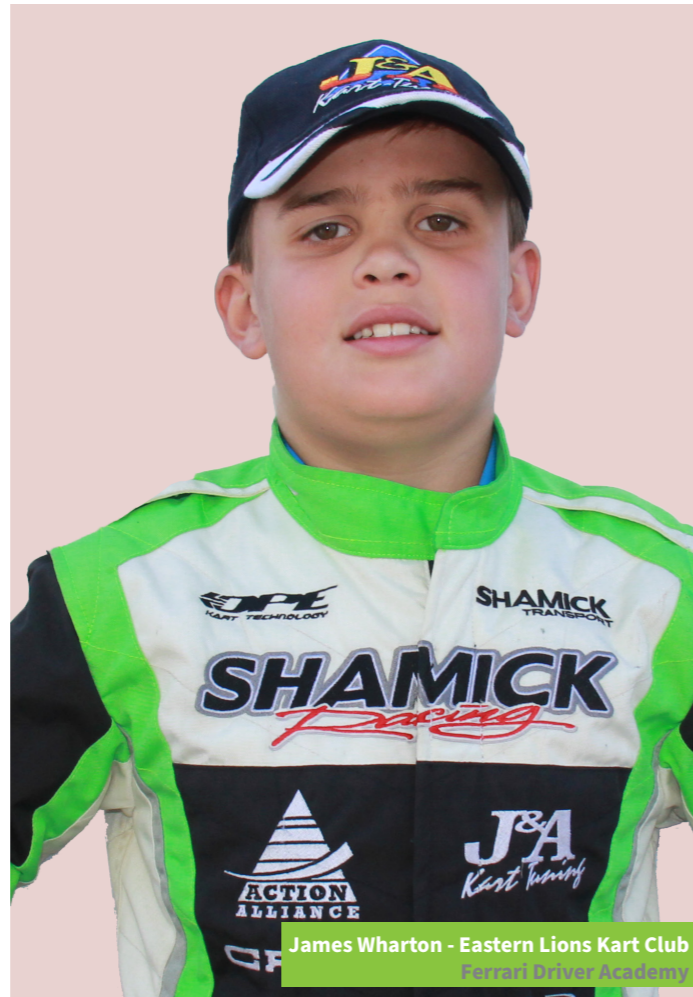
Matt McLean - Eastern Lions Kart Club
Super 2 Series Rookie of the Year



Marcos Flack - Ipswich Kart Club
Ferrari Driver Academy



Tommy Smith - Go-Kart Club of Victoria
Formula Regional European



James Wharton - Eastern Lions Kart Club
Ferrari Driver Academy



Broc Feeney - Ipswich Kart Club
2021 Super 2 Series Champion

Governance Statement

AUSTRALIAN KARTING ASSOCIATION LIMITED “AKA” IS A COMPANY LIMITED BY GUARANTEE, INCORPORATED UNDER THE CORPORATIONS ACT 2001. ULTIMATE RESPONSIBILITY FOR THE GOVERNANCE OF THE COMPANY RESTS WITH THE BOARD OF DIRECTORS. THIS STATEMENT OUTLINES HOW THE BOARD MEETS THAT RESPONSIBILITY.

AKA's Mission and Guiding Principles

AKA's Mission is to lead, govern, promote and grow the sport of karting at all levels in Australia.

The Board must ensure that this mission is achieved in the most efficient manner possible while preserving the organisation's reputation and objectives identified in our Constitution, mission and guiding principles.

Our guiding principles are:

- We will provide leadership, governance and guidance to the national karting community;
- We will provide a family oriented, fun, fair, well organised, safe, and value for money experience for all participants of all ages;
- We will promote excellence and integrity in the sport;
- We will establish and grow partnerships with all key stakeholders to improve the business and the sport of karting in Australia;
- We will strive to achieve diversity and in particular female participation within the sport;
- We will provide a sporting framework that ensures that our Clubs are welcoming and inclusive;
- We will deliver on the strategic goals of the organization.

Board Responsibilities

The primary function of the Board of the Company, in accordance with its Constitution, is to oversee the management of AKA and to ensure the effective promotion, administration and control of Karting in Australia.

The Board of AKA is responsible for providing corporate and strategic governance to the organisation. The organisation is essentially one which must service the needs of its members and other stakeholders and concurrently promote and regulate karting activity across a spectrum ranging from recreational, club and amateur competition to elite Karting activity.

The Directors are required to understand the needs of the organisation and their legal responsibilities as Directors. Directors are expected to contribute their skills and experience to the Board and the organisation as best they can.

In addition to this are the general key functions of all Boards, which are to set and promote the strategic direction and culture of the organisation, monitor the performance of the management of the organisation and adopt an annual budget, ensure that appropriate internal control systems are in place, and monitor the progress and results associated with these functions.

The role of a Board and its Directors is to give leadership and direction to the organisation and to accept initial responsibility for its management. It is not the Directors' role to take part in the day-to-day management of the organisation.

Relationship Between Board and Management

The responsibility for management of the Company is formally delegated by the Board to the Chief Executive Officer. However, the Board has put in place policies, procedures and structures so that it is able to discharge its role of bearing ultimate responsibility for AKA.

The Board sets the framework within which the Company operates and, to an appropriate degree, oversees and supervises its operations.

As well as having the ultimate responsibility for the operations of the Company, the Board must be aware of and have due respect for the obligations of the Company as a matter of general law or as a result of particular obligations imposed under relevant legislation including the Corporations Act and relating to work health and safety.

Subject to the oversight of the Board, it is for the Chief Executive Officer, acting within his delegated authority, to determine how to conduct the management of the Company.

Board Oversight

The Board oversees and monitors management's performance by:

- Meeting at least 6 times a year (in 2021 the AKA Board met 7 times);
- Receiving detailed reports from management at these Board meetings;
- Receiving additional input from management when necessary.

Board Members

The process of Board renewal continued during 2021 with the appointment of Samantha Reid (Zanotto) in September 2021 and into the new year with the appointment of Garth Tander in April 2022. Troy Bundy resigned from the Board in October 2021 to take up a new executive appointment managing Porsche Motorsport in North America.

At the 2021 AGM Rob Crawford having served his three-year term retired as a Director and, being eligible, was reappointed. Nathan Murray who was appointed a Director in April 2021 to fill a casual vacancy retired at the 2021 AGM in accordance with clause 13.8 of the constitution and was also reappointed.

All Board members are non-executive Directors and receive no remuneration for their services. Directors are not permitted to be AKA employees or office holders.

They may be reimbursed for reasonable costs and expenses incurred in connection with Board activities.

Deeds of indemnity and access have been executed for the Directors and officers of the Company. Appropriate director's and officer's liability insurance has also been put in place.

The full Board oversees the nomination and induction process for new Directors and is responsible for ensuring the right mix of Board skills experience and expertise is available to AKA through appropriate succession planning. An external independent panel reviews each Board nomination and makes a recommendation to the Board. Elected Directors

are subject to re-election by ordinary members at an annual general meeting.

Details of the current Board members are published in this report and can be viewed on the Company's website at www.karting.net.au

The Chairman

Glen Egan was appointed as Chairman of AKA following the resignation of Mick Doohan in December 2020.

The role of Chairman is an honorary role and is subject to re-election each year following the AGM.

An effective Chair creates the conditions for the Board and individual Directors to carry out their duties and functions effectively. The role of the Chair is to:

- provide coherent leadership of the Board to engender a cohesive and effective team;
- promote effective relationships and open communication, both internal and external to the Boardroom between Directors, management and the Ordinary Members,
- address the development needs of the Board as a whole with a view to enhancing its overall effectiveness including identifying and meeting the development needs of individual Directors;
- promote a high standard of governance and be reasonably satisfied that Directors take proper account, and adhere to, statutory and other compliance and probity requirements;
- provide a clear structure for the effective running of Board meetings and conduct meetings of the Board so as to facilitate the full participation of Directors;
- represent the Board to external parties as an official spokesperson for the Board and AKA;

Constitution

During 2019, the Member States of AKA voted to adopt a new Constitution for the Company.

The AKA Constitution is based on the Sport Australia's Template Constitution for sporting organisations – operating as a company limited by guarantee. The AKA Constitution has been customised in consultation with the Member States to recognise and meet the specific needs of our sport.

Risk Management

The Board oversees the establishment, implementation and annual review of AKA's risk management system, which is designed to protect AKA's reputation and mitigate or manage those risks that might preclude it from achieving its goals.

Management is responsible for establishing and implementing the risk management system that manages key business risks.

Covid continued to represent the biggest risk and challenge to the sport in 2021. Management has put in place a range of policies and action plans to deal with the pandemic to safeguard the clubs, members and volunteers. They took the best advice on the health issues from the State and Federal Government Health Departments and Dr Brent May KA's Chief Medical Officer and developed and applied KA's "Reignition Plan" to assist the sport on its road to recovery. Despite the challenges presented by Covid KA has managed to perform strongly throughout the pandemic and is well placed to grow the sport further as Australia continues to recover from the pandemic.

Independent Advice

The Board and its members have access to independent professional advice in furtherance of their duties to the Company. The Company will meet the reasonable costs of such advice provided that:

- the Chair of the Board has given prior approval to the obtaining of the advice; or
- if the Chair was unavailable or refused to give such approval, the Board gave prior approval to the obtaining of the advice.

The advice must be made available to all Directors.

Code of Conduct

Directors, management and staff and all club members, clubs and Member States and their Committee members, staff and volunteers are expected to comply with relevant laws and the AKA Code of Conduct set out in the Member Protection Policy published on the AKA website. The Karting Australia Directors consider there are certain fundamental ethical values that underpin their role as Directors of the Company and as members of its Board and its Committees. Directors will therefore:

- act with integrity and good faith and fairness in all dealings with each other and third parties;
- treat each other with professionalism, courtesy and respect allowing reasonable opportunity for others to put forward their views;
- not improperly influence other Board members or management;
- avoid or manage conflicts of interests and declare to the Chair and the Board material interests including any material conflicts of interest, both actual, and potential and perceived;
- work co-operatively among themselves and with management in the best interests of the Company;

Responsibility to act appropriately does not stop with the Board. AKA requires every Member State, Club, Individual Member (Licence Holders) Life Member, Affiliate Member and stakeholder to comply with its Constitution, By-Laws, Rules, and Policies including but not limited to, the National Club Affiliation Requirements, the Member Protection Policy and the Code of Conduct to:

- be ethical, fair and honest in all their dealings with other people and AKA;
- treat all persons with respect and courtesy and have proper regard for their dignity, rights and obligations;

- always place the safety and welfare of Children above other considerations;
- operate within the rules and spirit of the sport;
- comply with all relevant Australian laws (Federal and State), particularly anti-discrimination and Child protection laws;
- be responsible and accountable for their conduct.

In 2019 AKA endorsed the rollout of the 'Respect Karting' program which was designed to address and prevent unacceptable conduct in karting and promote a more positive culture amongst karting competitors, spectators and other stakeholders. The program continues to be an important tool to build and maintain a positive culture within the sport of karting.

The Board has set up a disciplinary framework to enforce compliance with AKA's Rules, Policies and Code of Conduct.

Performance Reviews

The Board undertakes performance evaluations from time to time that:

- reviews the performance of the Board against the requirements of the Board Charter;
- reviews the performance of the Committees against the requirements of their respective Terms of Reference; and
- reviews the individual performances of the Chair, the Chief Executive Officer and the Directors.

The Chair is responsible for the general management and oversight of this process of review, together with development of appropriate Board member performance assessment measures.

Stakeholder Engagement

The Chair and the CEO are responsible for optimising the strategic engagement with Members and stakeholders with input from other individual Directors as required.

The CEO is responsible for working with stakeholders and managing the relationships, partnerships and networks on a day-to-day basis.

The CEO is accountable for:

- Developing and maintaining contacts in media and government
- Documenting and disseminating information to key decision makers
- Positioning and aligning AKA with other similar bodies
- Developing a good working knowledge of media and government.

- Lobbying and public relations opportunities
- Developing business networks and working to promote the reputation of and add value to AKA to AKA.
- The Chair of the Board is the only board member authorised to communicate directly with the media.
- Communication with internal parties within AKA (e.g. staff) is ordinarily undertaken through the CEO.

Adoption of Sport Australia Sports Governance Principles

AKA has adopted, where appropriate, the sports governance principles published by Sport Australia (formerly the Australian Sports Commission.)

AUSTRALIAN KARTING ASSOCIATION LTD

ABN 97 160 100265

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021



DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 December 2021.

Directors

The names of each person who has been a director during the year and to the date of this report are:

| | | |
|-------------|-----------------|-------------------------------|
| G Egan | AJ Westacott | |
| KJ Reynolds | NI Murray | (appointed 27 May 2021) |
| R Crawford | SM Reid-Zanotto | (appointed 24 September 2021) |
| K Davis | T Bundy | (resigned 27 October 2021) |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The person who has held the position of company secretary during the year and to the date of this report was RE Mallett. The qualifications of Mr Mallett are JD, B. Bus, Dip. Corp Mgt, Grad Dip. (Leg Prac). FCPA, FGIA, FCIS and he brings extensive experience as a company secretary, lawyer and senior executive having worked for a number of large, medium and small listed public companies in the resources, energy and agriculture industries including BHP Billiton Ltd, WMC, Rio Tinto, Elders, Icon Energy Ltd, Murray Irrigation and Murray River Council. Mr Mallett is a chartered secretary, qualified lawyer and accountant and a fellow and former Director and National President of the Governance Institute of Australia.

Meetings of Directors

During the financial year, 7 meetings of directors were held. Attendances by each director were as follows:

| <u>Director</u> | <u>Number attended</u> | <u>Number eligible to attend</u> |
|-----------------|------------------------|----------------------------------|
| G Egan | 7 | 7 |
| KJ Reynolds | 7 | 7 |
| R Crawford | 7 | 7 |
| K Davis | 6 | 7 |
| AJ Westacott | 6 | 7 |
| NI Murray | 4 | 4 |
| SM Reid-Zanotto | 2 | 2 |
| T Bundy | 7 | 7 |

Operating Result

The surplus of the company amounted to \$250,446 (2020 surplus: \$134,477). Revenue of the company, while showing significant improvement over 2020, was still substantial negatively impacted by the COVID-19 pandemic.

The company is exempt from income tax.

Member's Guarantee

The company is incorporated under the *Corporations Act 2001* (Cth) and is a company limited by guarantee. If the company is wound up, the constitution states that each ordinary member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company. At 31 December 2021, the maximum amount that the members of the company are liable to contribute in aggregate if the company is wound up is \$7.

Auditor's Independence Declaration

The Auditor's Independence Declaration for the year ended 31 December 2021 has been received and can be found immediately following the Independent Auditor's Report.

DIRECTORS' REPORT

Guiding Principles

The Australian Karting Association Ltd (AKA) is the governing body for the sport of Karting in Australia.

The Federation Internationale de l'Automobile (FIA) is recognised by the United Nations Organisation and all other relevant bodies as the world-wide organisation for the control, regulation and supervision of motor sport including the division of motor sport known as Karting.

In accordance with Article 5 of the FIA Statutes, at the request of Motorsport Australia, the General Assembly of the FIA authorised Motorsport Australia to delegate the Sporting Power for Karting in Australia to AKA which, for the avoidance of doubt, includes inter alia the control, regulation, supervision, administration and promotion of Karting in Australia.

At all times, the company's primary activities are conducted in accordance with its Constitution and Strategic Plan 2019 - 2023.

To view the Karting Australia Strategic Plan 2019 - 2023 click here:

<https://www.karting.net.au/karting-australia/strategic-plan-2019-2023>

Principal Activities (Our Vision, Purpose, Mission, Values and Goals)

The National Vision For Our Sport Of Karting

For Australian karting to be recognised as a destination sport and the starting point of local, state, national and international motor racing with a community of karting clubs that provide motorsport activities that are enduring, inclusive, well organised, safe, exciting, fun and family friendly for people of all ages.

Our Purpose As A Sport

Through our Karting Community – our Affiliated Clubs, Member States and Karting Australia, and Competitions at all levels, we will inspire and encourage more people to participate in the sport of karting as a competitive sport and as a recreational activity thereby enlivening and growing karting.

The Mission For Our Sport

Our Mission is to lead, govern, promote and grow the sport of karting in Australia.

- The Australian karting community will constantly strive to provide safe, fun, family oriented, well organised, time efficient, value for money motor sport for participants of all ages.
- The Karting Australia Board and Management will strive to provide leadership, governance and guidance to the national karting community.
- The Member State's Management and Executive Committees will strive to provide effective leadership, governance and guidance with 'whole of sport' aligned objectives to their state karting community.
- The Clubs' Management and Executive Committees will strive to provide effective leadership and management with 'whole of sport' aligned objectives to their Club community.
- We commit to always provide karting competition for our members that is conducted with fairness and integrity.
- We commit to provide a sporting framework that ensures that our Clubs are welcoming and inclusive.
- We commit to provide social and recreational karting for our members that is fun and well organised.
- We will strive to achieve increased diversity and in particular female participation in motorsport.
- We will develop the value of our brand and in so doing will establish and grow partnerships with key stakeholders and sponsors to improve the business and the sport of karting in Australia.

Karting's Values

| | | | | |
|-------------|--------------|---------------|----------|---------------|
| Integrity | Leadership | Engagement | Safety | Fun |
| Achievement | Teamwork | Positive | Caring | Collaboration |
| Excellence | Perseverance | Inclusiveness | Fairness | Respect |

DIRECTORS' REPORT

Our Goals for Our Sport

Working collaboratively with Member States, Clubs and stakeholders to create better karting communities that work and play together and specifically to:

- Expand karting's profile
- Enrich our people and culture
- Develop high performance
- Grow driver membership and participation
- Address the issue of volunteer management
- Ensure karting's sustainability.

Information on Directors

| | | |
|------------------------|-----------------|--|
| G Egan | Qualifications: | Chairman from 01 January 2021; Professional Company Manager; Graduate of the Australian Institute of Company Directors; and Committee Member, Australian Organisation for Quality, NSW division. |
| | Experience: | General Manager Operations - Trend Windows and Doors; CEO – Karting NSW 2013/14; Former President and Life Member – Combined District Kart Club, Lithgow; Project Manager Procurement Strategy - Borg Manufacturing; Managing Director - Tradecraft Australia; General Manager - Knebel Kitchens; Operations Manager – Parbury; and Manufacturing Manager - ALSTOM Industrial Products. |
| KJ Reynolds | Qualifications: | Bachelor of Dental Surgery (University of Sydney). |
| | Experience: | Dental Practice owner and manager 34 years; Albury Wodonga Kart Club president - 20 years; Karting official (Steward and clerk of course) - 20 years; National Championship Official; Albury Wodonga Kart Club delegate to VKA; and Karting retail experience - Kartequip. |
| R Crawford | Qualifications: | Mechanical Trade. |
| | Experience: | Manager Crawford Collective; Owner and Director of Waverley Service Centre; Alan Docking Racing UK; Arrow F1 / Race Team / Test Team Manager; Gibson Motor Sport; Holden Young Lions, Kmart Racing / Toll Racing / Team Manager / Bathurst victories in 2003 and 2004 / Championship victories in 2006 and 2007; Holden Racing Team / Team Manager / Bathurst victory in 2009; and Kelly Racing Team / Team Manager / Operations Manager. |
| SM Reid-Zanotto | Qualifications: | Master of Business Administration; Graduate Certificate – Automotive Dealer Management; Certificate IV – Training and Assessment; and Certificate IV – Transport and Logistics. |
| | Experience: | Women in leadership Scholarship recipient; Mazda Australia – Senior Manager Vehicle Operations; Nissan Motor Company - Product Training Senior Consultant; Safer Road Users – Founder, Project Manager and Content Developer; Wheels Car of the Year Judge; Confederation of Australian Motor Sport CAMS – Part time and Contractor; Chair - Women of Australian Motor Sport (WAMS) and Australian delegate on the Federation Internationale De L'Automobile (FIA) Women in Motorsport Commission; and Consultant - Road Safety & Drugs in Sport Ambassador, Event Master of Ceremonies, Grant Procurement and execution, Elite Driver Camp Manager & Trainer plus various FIA projects in Romania, Sri Lanka, China, South Korea and Nepal. |

DIRECTORS' REPORT

Information on Directors (continued)

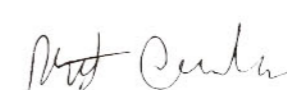
| | | |
|---------------------|-----------------|--|
| K Davis | Qualifications: | Professional Company Director. |
| | Experience: | Founder (in 1987), owner and Managing Director of Austech Industries: Austech Industries is better known by its premium brand names - SP Tools, SP Air and Torini Engines. A hands-on Managing Director whose strengths lie in business strategy, sales and marketing, finance, product development, general management, contract negotiation and team building. |
| AJ Westacott | Qualifications: | Chemical Engineer; Professional Company Manager; and Graduate of the Australian Institute of Company Directors. |
| | Experience: | Chief Executive Officer - Australian Grand Prix Corporation (AGPC) since February 2011; Appointed General Manager - Operations in 2006 before later being appointed Deputy CEO; Melbourne 2006 Commonwealth Games – Group Manager for Venue Delivery and Capital Projects; and MasterFoods Australia New Zealand. and Uncle Ben's of Australia - Senior Manager in logistics, procurement and supply chain management. |
| NI Murray | Qualifications: | Professional Company Director; Associate Member of the Commercial Asset Finance Brokers Association of Australia (CAFBA); Associate Member of the Financial Services Institute of Australia (FSIA); Member of the Australian Equipment Lessors Association (AELA); Member of Australasian Academy of Mentoring and Coaching Training Group (AAMC); Member of the Australian India Business Council (AIBC); and Member of the Victorian Employers Chamber of Commerce and Industry (VECCI). |
| | Experience: | Managing Director – Morris Finance Ltd July 1998 – Current; Managing Director – Morris Services Pty Ltd January 2007 – Current; Managing Director - Human Resources Company December 1994 – May 1998; In-depth knowledge of the finance industry and the many related issues for SMEs across a range of industries including: <ul style="list-style-type: none">• Construction & Mining• Manufacturing & Wholesale• Communication Services• Property & Related Services• Retail• Transport, Warehouse & Storage |
| T Bundy | Qualifications: | Professional Commercial Manager – Professional Sports. |
| | Experience: | Porsche Australia - Motorsport Manager; Mobil 1 HSV Racing – Commercial Director; Supercars Australia – General Manager Sales – 2014-2016; North Melbourne Football Club – General Manager Commercial; Sydney Swans Football Club – General Manager Corporate Partnerships; NRL – Commercial Manager; V8 Supercars – Sponsorship Manager; and News Limited - Key Account Manager. |

The financial report was authorised for issue by the directors on the same date as this report.

Signed in accordance with a resolution of the directors.



G Egan
Director



R Crawford
Director

Dated this 29th day of April 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|----------------|----------------|
| REVENUE & EXPENSES | | | |
| Operations revenue | 3 | 2,073,395 | 1,711,440 |
| Other revenue | 3 | (3,995) | 15,366 |
| Depreciation and amortisation | 4 | (123,508) | (143,022) |
| Employee expenses | 4 | (612,926) | (554,986) |
| Finance costs | 4 | (32,394) | (38,397) |
| Operations expenses | 4 | (1,050,126) | (855,924) |
| Surplus/(Deficit) before income tax expense | | 250,446 | 134,477 |
| Income tax expense | 1e | - | - |
| Total Surplus/(Deficit) for the year | | 250,446 | 134,477 |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that will be reclassified subsequently to profit or loss | | - | - |
| Items that will not be reclassified subsequently to profit or loss | | - | - |
| Total Other Comprehensive Income for the year | | - | - |
| TOTAL COMPREHENSIVE INCOME | | 250,446 | 134,477 |

STATEMENT OF CHANGES IN COMPANY FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|------------------|------------------|
| COMPANY FUNDS | | | |
| RETAINED SURPLUS | | | |
| Balance at the beginning of the financial year | | 1,925,045 | 1,790,568 |
| Surplus/(Deficit) for the year | | 250,446 | 134,477 |
| TOTAL COMPANY FUNDS | | 2,175,491 | 1,925,045 |

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|--------------------------------------|------|------------------|------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | 6 | 1,655,890 | 1,436,114 |
| Trade and Other Receivables | 7 | 401,599 | 413,181 |
| Inventories | 8 | 46,468 | 57,134 |
| Other Assets | 9 | 425,111 | 348,035 |
| Total Current Assets | | 2,529,068 | 2,254,464 |
| NON-CURRENT ASSETS | | | |
| Trade and Other Receivables | 7 | 160,054 | 160,054 |
| Property, Plant and Equipment | 10 | 358,388 | 474,654 |
| Right-of-Use Assets | 11 | 301,688 | 344,787 |
| Intangible Assets | 12 | 73,791 | 3,891 |
| Total Non-Current Assets | | 893,921 | 983,386 |
| TOTAL ASSETS | | 3,422,989 | 3,237,850 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and Other Payables | 13 | 377,104 | 418,577 |
| Borrowings | 15 | 439,557 | 354,355 |
| Lease Liabilities | 16 | 36,865 | 33,567 |
| Total Current Liabilities | | 853,526 | 806,499 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | 14 | 28,312 | 41,823 |
| Borrowings | 15 | 62,186 | 124,144 |
| Lease Liabilities | 16 | 303,474 | 340,339 |
| Total Non-Current Liabilities | | 393,972 | 506,306 |
| TOTAL LIABILITIES | | 1,247,498 | 1,312,805 |
| NET ASSETS | | 2,175,491 | 1,925,045 |
| COMPANY FUNDS | | | |
| Retained Surplus | | 2,175,491 | 1,925,045 |
| TOTAL COMPANY FUNDS | | 2,175,491 | 1,925,045 |

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|---|------|------------------|------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Receipts from members and others | | 2,274,935 | 1,893,485 |
| Interest received | | 11,950 | 15,483 |
| Payments to suppliers and employees | | (1,974,404) | (1,379,851) |
| Finance costs | | (32,394) | (38,397) |
| Net cash generated from (used in) operating activities | 5a | 280,087 | 490,720 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 30,000 | - |
| Payment for property, plant and equipment | | (8,089) | (2,999) |
| Payment for intangible assets | | (71,900) | - |
| Net cash generated from (used in) investing activities | | (49,989) | (2,999) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Receipt from borrowings | | 494,749 | 484,934 |
| Repayment of borrowings | | (505,071) | (502,189) |
| Net cash generated from (used in) financing activities | | (10,322) | (17,255) |
| Net increase (decrease) in cash held | | 219,776 | 470,466 |
| Cash at the beginning of the financial year | | 1,436,114 | 965,648 |
| CASH AT THE END OF THE FINANCIAL YEAR | 6 | 1,655,890 | 1,436,114 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

The financial report is for Australian Karting Association Ltd as an individual entity, incorporated under the *Corporations Act 2001* (Cth) and domiciled in Australia. Australian Karting Association Ltd is a company limited by guarantee.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001* (Cth) and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year. When required, comparative information is reclassified where appropriate to enhance comparability.

b. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key judgments

The directors were not required to make any key judgments on the carrying values disclosed in the financial report at the end of the reporting period.

Key estimates

Employee benefits - For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. The directors expect that employees will use all of their annual leave entitlements in the same year in which they are earned or during the twelve month period that follows where it is practicable to do so. Accordingly, the directors believe that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, are measured at the nominal value of the expected future payments to be made to employees.

The directors were not required to make any other key estimates on the carrying values disclosed in the financial report at the end of the reporting period.

c. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Fair Value of Assets and Liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the company at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the company's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

e. Income Tax

No provision for income tax has been raised as the company has self-assessed that it is exempt from income tax under Section 50-45 of the *Income Tax Assessment Act 1997* (Cth).

f. Revenue

Revenue recognition

The company has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities (AASB 1058).

All revenue is stated net of the amount of goods and services tax.

Revenue from the rendering of a service and/or the sale of goods was recognised in accordance with the above mentioned accounting standards.

Contributed assets, operating grants, donations and bequests

The company did not receive any contributed assets, operating grant revenue, donations or bequests, during the current financial year or in the comparative financial year.

Capital grant

The company did not receive any capital grant revenue during the current financial year or in the comparative financial year.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. Revenue (continued)

Dividend income

The company recognises dividends in profit or loss only when the company's right to receive payment of the dividend is established.

Interest income

Interest income is recognised using the effective interest method.

g. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

h. Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

i. Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated 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 and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1p for details of impairment).

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

Revaluations

There has been no revaluation of plant and equipment since the incorporation of the company.

Depreciation

The depreciable amount of plant and equipment is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

| <u>Class of Fixed Asset</u> | <u>Depreciation Rate Range</u> | <u>Depreciation Methodology</u> |
|-----------------------------|--------------------------------|---------------------------------|
| Plant and equipment | 10.00% - 33.33% | Prime Cost |
| Motor vehicles | 10.00% - 25.00% | Prime Cost |
| Race track equipment | 10.00% - 25.00% | Prime Cost |

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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained surplus.

j. Intangibles

Software is recorded at cost. Software has a finite life and is carried at cost less accumulated amortisation and any impairment losses. It has an estimated useful life of up to five years. It is assessed annually for impairment.

k. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within thirty days of recognition of the liability.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Provisions

Provisions are recognised when the company 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 recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Employee Benefits

Retirement benefit obligations - superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the fixed superannuation guarantee contribution (currently 10.0% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are recognised as a part of current trade and other payables in the Statement of Financial Position.

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and long service leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. The company's obligations for short-term employee benefits are recognised as a part of current trade and other payables in the Statement of Financial Position.

Long-term employee benefits

The company only classifies employees' long service leave entitlements as long-term employee benefits when they are not expected to be settled wholly within twelve months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are recognised as a part of non-current provisions in the Statement of Financial Position, except where the company does not have an unconditional right to defer settlement for at least twelve months after the end of the reporting period, in which case the obligations are recognised as a part of current trade and other payables in the Statement of Financial Position.

n. Leases

The company as lessee

At inception of a contract, the company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the company where the company is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of twelve months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the company uses the incremental borrowing rate.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n. Leases (continued)

Lease payments included in the measurement of the lease liability are as follows:

- > fixed lease payments less any lease incentives;
- > variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- > the amount expected to be payable by the lessee under residual value guarantees;
- > the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- > lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- > payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The company as lessor

The company does not act as a lessor.

o. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Fair value is determined based on current bid prices for all quoted investments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence that impairment as a result of one or more events (a "loss event") has occurred, which has an impact on the estimated future cash flows of the financial asset(s).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

p. Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

q. Trust Liabilities and Right of Indemnity

The company acts as the sole trustee of the AKA Track Development Fund Trust and liabilities have been incurred on behalf of the trust in the company's capacity as corporate trustee.

Liabilities incurred on behalf of the trust are not recognised in these financial statements if it is not probable that the company will have to meet any of the trusts liabilities from its own resources. If the company becomes obligated to meet trust liabilities, the trustee has a right to be indemnified from the trusts assets. If it is probable that there will be a deficiency in trust assets, a liability is recognised by the company to the extent of that deficiency. Details of the trust liabilities, the offsetting right of indemnity and any deficiency in the right of indemnity are disclosed by way of notes to the financial statements or in the separately audited financial statements of the trust.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|---|------|------------------|------------------|
| NOTE 2: PROGRAMS AND EVENTS | | | |
| These amounts describe the significant activities undertaken by the company to develop the sport of Karting and to assist in the development of state branches, clubs and their tracks. | | | |
| Program and Event Income | | | |
| Australian Kart Championship | | 456,913 | 174,488 |
| Junior Sprockets | | 85,088 | 18,737 |
| Non program or event income | | 1,527,399 | 1,533,581 |
| Total revenue | 3 | 2,069,400 | 1,726,806 |
| Program and Event Expense | | | |
| Australian Kart Championship - Direct expenses | | 203,647 | 111,282 |
| Australian Kart Championship - Host club distribution | | 148,205 | 47,618 |
| Building Better Kart Clubs | | - | 14,879 |
| Junior Sprockets | | 54,070 | 16,371 |
| Non program or event expenses | | 1,413,032 | 1,402,179 |
| Total expenses | 4 | 1,818,954 | 1,592,329 |
| NOTE 3: REVENUE | | | |
| Operations revenue | | | |
| Events | | 304,537 | 122,591 |
| Government assistance (Covid-19 programs) | | 10,000 | 211,600 |
| Levies and fees | | 16,727 | 7,757 |
| Licence fees | | 754,323 | 660,927 |
| Programs | | 50,286 | 7,265 |
| Royalties | | 654,629 | 497,504 |
| Sales | | 91,494 | 32,020 |
| Sponsorship | | 176,244 | 114,314 |
| Sundry | | 15,155 | 57,462 |
| Total operations revenue | | 2,073,395 | 1,711,440 |
| Other revenue | | | |
| Interest received from other persons | | 11,950 | 15,483 |
| Net gain/(loss) on disposal of property, plant and equipment | | (15,945) | (117) |
| Total other revenue | | (3,995) | 15,366 |
| Total revenue | | 2,069,400 | 1,726,806 |
| NOTE 4: EXPENSES | | | |
| Depreciation and amortisation | | 123,508 | 143,022 |
| Employee expenses | | 612,926 | 554,986 |
| Finance costs | | 32,394 | 38,397 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|------------------|------------------|
| NOTE 4: EXPENSES (continued) | | | |
| Operations expenses | | | |
| Events | | 263,780 | 94,306 |
| Insurance | | 362,093 | 287,878 |
| Programs | | 61,518 | 144,554 |
| Travel and accommodation | | 79,764 | 59,001 |
| Board expenses | | 27,853 | 14,440 |
| CAMS fee and CIK charges | | 28,987 | 27,563 |
| CMS software and program fees | | 825 | 10,838 |
| Computer and information technology expenses | | 34,623 | 25,934 |
| Member dispute costs | | - | 20,718 |
| Minor equipment purchases | | 25,506 | 15,038 |
| Legal costs | | 34,430 | 43,695 |
| Other | | 106,586 | 95,434 |
| Printing and artwork | | 8,030 | 5,005 |
| Telephones | | 16,131 | 11,520 |
| Total operations expenses | | 1,050,126 | 855,924 |
| Total expenses | | 1,818,954 | 1,592,329 |

Karting (New South Wales) Inc (KNSW) Matter

During the year the company continued dealing with disputes and other problems associated with KNSW's expulsion from the company. Litigation seeking unspecified damages to protect the intellectual property of the company including the Karting Australia National Competition Rules is ongoing with a high probability of success.

NOTE 5: CASH FLOW INFORMATION

| | | | |
|---|--|----------------|----------------|
| a. Reconciliation of Cashflow from Operations with Surplus/ (Deficit) after Income Tax | | | |
| Surplus/(Deficit) for the year | | 250,446 | 134,477 |
| Non cash flows | | | |
| Depreciation | | 123,508 | 143,022 |
| Loss on disposal of assets | | 15,945 | 117 |
| Changes in assets and liabilities: | | | |
| (Increase)/Decrease in trade and other receivables | | 11,582 | 29,263 |
| (Increase)/Decrease in inventories | | 10,666 | 943 |
| (Increase)/Decrease in other assets | | (77,076) | (40,649) |
| Increase/(Decrease) in trade and other payables | | (41,473) | 208,757 |
| Increase/(Decrease) in provisions | | (13,511) | 14,790 |
| Net cash generated from (used in) operating activities | | 280,087 | 490,720 |

b. Credit Stand-by Arrangement and Loan Facilities

The company has the following facilities available to it from the Bendigo Bank:

> A credit card facility of \$39,000. The amount available to be called upon as at 31 December 2021 was \$30,582 (2020: \$36,370).

c. Non-Cash Financing and Investing Activities

There was no non-cash financing or investing activities during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|---|------|------------------|------------------|
| NOTE 6: CASH AND CASH EQUIVALENTS | | | |
| Cash at bank | | 1,155,363 | 1,017,664 |
| Term deposit - Future Fund | 6a | 500,527 | 418,450 |
| Total Cash and Cash Equivalents | | 1,655,890 | 1,436,114 |
| a. Analysis of Term deposit - Future Fund | | | |
| Allocation to fund from 2014 to 2020 surpluses | | 753,166 | 685,927 |
| Allocations to fund for current year | | 175,312 | 67,239 |
| Amounts used (MyLaps Timing System) previous financial years | | (316,130) | (316,130) |
| Amount to be (deposited)/withdrawn after adoption of financial report | | (111,821) | (18,586) |
| Term deposit - Future Fund balance at the end of year | | 500,527 | 418,450 |

Based on the company's policy, an amount of \$175,312 is to be allocated to the Future Fund term deposit during 2022. No amount has been expended from the Future Fund during the year ended 31 December 2021. The term deposits can be accessed for operational purposes if required.

NOTE 7: TRADE AND OTHER RECEIVABLES

Current

| | | | |
|--|----|----------------|----------------|
| Trade receivables | | 342,649 | 407,878 |
| Interest receivable | | 4,132 | 1,235 |
| Short-term loan to other entity | 7a | 54,818 | 4,068 |
| Total Current Trade and Other Receivables | | 401,599 | 413,181 |

Non-Current

| | | | |
|--|----|----------------|----------------|
| Loans to related entities | 7b | 160,054 | 160,054 |
| Total Non-Current Trade and Other Receivables | | 160,054 | 160,054 |
| Total Trade and Other Receivables | | 561,653 | 573,235 |

a. The loan receivable is from the Australian Karting Association Inc and is secured by the real property at 12 Macquarie Avenue, Penrith, NSW.

b. The loan receivable is from the AKA KNSW Unit Trust and is secured by the real property at 12 Macquarie Avenue, Penrith, NSW.

NOTE 8: INVENTORIES

| | | | |
|--------------------------|--|---------------|---------------|
| Stock for sale | | 46,468 | 57,134 |
| Total Inventories | | 46,468 | 57,134 |

NOTE 9: OTHER ASSETS

| | | | |
|-----------------------------------|--|----------------|----------------|
| Prepaid insurance | | 419,979 | 337,491 |
| Other prepaid expenses | | 5,132 | 10,544 |
| Total Other Current Assets | | 425,111 | 348,035 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|-----------------------|-----------------------|
| NOTE 10: PROPERTY, PLANT AND EQUIPMENT | | | |
| Plant and equipment | | 46,155 | 45,319 |
| Less accumulated depreciation | | (41,946) | (40,527) |
| | | <u>4,209</u> | <u>4,792</u> |
| Memorabilia | | 10,000 | 10,000 |
| | | <u>10,000</u> | <u>10,000</u> |
| Motor vehicles | | 272,236 | 272,236 |
| Less accumulated depreciation | | (83,907) | (55,721) |
| | | <u>188,329</u> | <u>216,515</u> |
| Race track equipment | | 531,480 | 598,662 |
| Less accumulated depreciation | | (375,630) | (355,315) |
| | | <u>155,850</u> | <u>243,347</u> |
| Total Property, Plant and Equipment | | <u>358,388</u> | <u>474,654</u> |
| Movements in Carrying Amounts | | | |
| For each class of property, plant and equipment between the beginning and the end of the current financial year, are presented as follows: | | | |
| Plant and equipment | | | |
| Balance at the beginning of year | | 4,792 | 8,042 |
| Additions | | 2,391 | 2,999 |
| Disposals cost | | (1,555) | (31,495) |
| Disposals depreciation | | 1,555 | 31,378 |
| Depreciation expense | | (2,974) | (6,132) |
| Carrying amount at the end of year | | <u>4,209</u> | <u>4,792</u> |
| Memorabilia | | | |
| Balance at the beginning of year | | 10,000 | 10,000 |
| Carrying amount at the end of year | | <u>10,000</u> | <u>10,000</u> |
| Motor vehicles | | | |
| Balance at the beginning of year | | 216,515 | 244,701 |
| Depreciation expense | | (28,186) | (28,186) |
| Carrying amount at the end of year | | <u>188,329</u> | <u>216,515</u> |
| Race track equipment | | | |
| Balance at the beginning of year | | 243,347 | 306,952 |
| Additions | | 5,700 | - |
| Disposals cost | | (72,882) | - |
| Disposals depreciation | | 26,936 | - |
| Depreciation expense | | (47,251) | (63,605) |
| Carrying amount at the end of year | | <u>155,850</u> | <u>243,347</u> |
| NOTE 11: RIGHT-OF-USE ASSETS | | | |
| Leased property | | 387,885 | 387,885 |
| Accumulated depreciation | | (86,197) | (43,098) |
| Total Right-of-Use Assets | | <u>301,688</u> | <u>344,787</u> |

The company's lease is over the property at Unit 6, 27 Ford Road, Coomera Queensland. The lease has a term of three years with two three year options. The lease commenced on 01 January 2020.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|-----------------------|-----------------------|
| NOTE 11: RIGHT-OF-USE ASSETS (continued) | | | |
| Movements in Carrying Amounts | | | |
| For each class of right-of-use asset between the beginning and the end of the current financial year, are presented as follows: | | | |
| Leased property | | | |
| Balance at the beginning of year | | 344,787 | 387,885 |
| Depreciation expense | | (43,099) | (43,098) |
| Carrying amount at the end of year | | <u>301,688</u> | <u>344,787</u> |
| AASB 16 related amounts recognised in the statement of profit or loss | | | |
| Depreciation charge related to right-of-use assets | | 43,098 | 43,098 |
| Interest expense on lease liabilities | | 17,933 | 19,355 |
| Options to Extend or Terminate | | | |
| The option to extend or terminate are contained in the company's lease. The clauses provide the company an opportunity to manage the lease in order to align with its strategies. The extension options are exercisable by the company. The extension options which were probable to be exercised have been included in the calculation of the right-of-use asset. | | | |
| NOTE 12: INTANGIBLE ASSETS | | | |
| Website and software | | 77,900 | 6,000 |
| Less accumulated amortisation | | (4,109) | (2,109) |
| Total Intangible Assets | | <u>73,791</u> | <u>3,891</u> |
| Movements in Carrying Amounts | | | |
| For each class of intangible assets between the beginning and the end of the current financial year, are presented as follows: | | | |
| Website and software | | | |
| Balance at the beginning of year | | 3,891 | 5,890 |
| Additions | | 71,900 | - |
| Amortisation expense | | (2,000) | (1,999) |
| Carrying amount at the end of year | | <u>73,791</u> | <u>3,891</u> |
| NOTE 13: TRADE AND OTHER PAYABLES | | | |
| Trade payables | | 141,546 | 52,472 |
| Other payables | | 14,137 | 1,523 |
| Accrued expenses | | 8,000 | 10,000 |
| BAS payable | | 19,676 | 39,475 |
| Entry fees received in advance | | - | 161,409 |
| Employee benefits | 1m | 154,004 | 120,217 |
| Employee on-costs | | 39,741 | 33,481 |
| Total Trade and Other Payables | | <u>377,104</u> | <u>418,577</u> |
| a. Financial Liabilities within Trade and Other Payables | | | |
| Trade and other payables | | 377,104 | 418,577 |
| Less payables that are non interest bearing | | (193,745) | (315,107) |
| Financial liabilities as trade and other payables | | <u>183,359</u> | <u>103,470</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|--|------|----------------|----------------|
| NOTE 14: PROVISIONS | | | |
| Employee benefits (long service leave) | 14a | 24,976 | 37,494 |
| Employee on-costs | | 3,336 | 4,329 |
| Total Provisions | | 28,312 | 41,823 |
| Movements in Provisions: | | | |
| Balance at the beginning of year | | 41,823 | 27,033 |
| Provisions used, cancelled or transferred to current liability | | (13,511) | 14,790 |
| Carrying amount at the end of year | | 28,312 | 41,823 |
| Number of employees (full-time, part-time or casual) at year end | | 4 | 4 |
| a. A provision has been recognised for employee entitlements relating to long service leave. The measurement and recognition criteria relating to employee benefits have been included in Note 1m. | | | |
| NOTE 15: BORROWINGS | | | |
| Current | | | |
| Credit cards | | 8,418 | 2,630 |
| Insurance premium funding loan | | 369,181 | 296,243 |
| Hire Purchase/Chattel Mortgage/Equipment Loan agreements | | 61,958 | 55,482 |
| Total Current Borrowings | | 439,557 | 354,355 |
| Non-Current | | | |
| Hire Purchase/Chattel Mortgage/Equipment Loan agreements | | 62,186 | 124,144 |
| Total Non-Current Borrowings | | 62,186 | 124,144 |
| Total current and non-current borrowings: | | | |
| Credit cards | 5b | 8,418 | 2,630 |
| Insurance premium funding loan | | 369,181 | 296,243 |
| Hire Purchase/Chattel Mortgage/Equipment Loan agreements | 20 | 124,144 | 179,626 |
| Total Borrowings | | 501,743 | 478,499 |
| NOTE 16: LEASE LIABILITIES | | | |
| Current | | | |
| Lease agreements | | 36,865 | 33,567 |
| Total Current Lease Liabilities | | 36,865 | 33,567 |
| Non Current | | | |
| Lease agreements | | 303,474 | 340,339 |
| Total Non Current Lease Liabilities | | 303,474 | 340,339 |
| Total of Current and Non Current Lease Liabilities | | | |
| Lease agreements | | 340,339 | 373,906 |
| Total Lease Liabilities | | 340,339 | 373,906 |
| a. The leases liabilities are the commitments relating to the 'right-of-use' assets recognised in Note 11. | | | |
| NOTE 17: AUDITOR'S REMUNERATION | | | |
| Remuneration of the auditor of the company for: | | | |
| Audit and/or review of financial reports | | 8,000 | 10,000 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

| | Note | 2021 \$ | 2020 \$ |
|---|------|------------------|------------------|
| NOTE 18: EVENTS AFTER THE BALANCE DATE | | | |
| No events have occurred subsequent to balance date which require disclosure in this report. | | | |
| NOTE 19: COMPANY DETAILS | | | |
| The principal place of business and registered office of the company is: Australian Karting Association Ltd Unit 6, 27 Ford Road Coomera QLD 4209 | | | |
| NOTE 20: CAPITAL COMMITMENTS | | | |
| Capital Expenditure Commitments | | | |
| The company has commenced the recreation of the CMS Software paying a 50% deposit. The remaining amount to be paid is \$71,900. | | | |
| Hire Purchase/Chattel Mortgage/Equipment Loan Commitments | | | |
| Payable: | | | |
| Not later than 12 months | | 63,537 | 63,537 |
| Later than 12 months but not later than 5 years | | 67,481 | 131,017 |
| Minimum hire purchase payments | | 131,018 | 194,554 |
| Less future finance charges | | (6,874) | (14,928) |
| Total Hire Purchase Liability | | 124,144 | 179,626 |
| The amount being to finance the purchase of motor vehicles with repayments being made over 4 and 5 year terms. | | | |
| NOTE 21: FINANCIAL RISK MANAGEMENT | | | |
| The company's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans payable. | | | |
| The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows: | | | |
| Financial Assets | | | |
| Cash and cash equivalents | 6 | 1,655,890 | 1,436,114 |
| Total trade and other receivables | 7 | 561,653 | 573,235 |
| Total Financial Assets | | 2,217,543 | 2,009,349 |
| Financial Liabilities | | | |
| Within trade and other payables | 13 | 183,359 | 103,470 |
| Total borrowings | 15 | 501,743 | 478,499 |
| Total lease liabilities | 16 | 340,339 | 373,906 |
| Total Financial Liabilities | | 1,025,441 | 955,875 |
| Net Fair Values | | | |
| For listed available-for-sale financial assets and financial assets at fair value through profit or loss the fair values have been based on closing quoted bid prices at the end of the reporting period. | | | |

| Note | 2021 | 2020 |
|------|------|------|
| | \$ | \$ |

NOTE 22: KEY MANAGEMENT PERSONNEL COMPENSATION

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director (whether executive or otherwise) of the company is considered key management personnel (KMP). No remuneration has been paid to KMP's who are directors during the year.

The remuneration paid to KMP's who are employees during the year has not been disclosed as it is considered commercial-in-confidence. To disclose the remuneration would be to disclose the total of the salaries paid to the CEO and COO as no other employees are considered a KMP.

No KMP has entered into a material contract with the company since the end of the previous financial year other than the employment contract of the CEO. KMP's may obtain membership and may also obtain other services and benefits from the company on terms and conditions no more favourable than those available to other members and, if so, were immaterial in nature.

NOTE 23: OTHER RELATED PARTY TRANSACTIONS

Other related parties include close family members of KMP and entities that are controlled or jointly controlled by those KMP individually or collectively with their close family members.

Transactions between KMP and related parties are on normal commercial terms and conditions no more favourable than those available to other persons or employees unless otherwise stated.

The company made payments to related parties of KMP's for goods and/or services during the year to the amount of \$10,044 (2020: \$19,516).

NOTE 24: CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities or assets that may become payable or receivable by the Australian Karting Association Ltd requiring disclosure in the financial report.

Insurance Risk

The company minimises the cost of insurance by accepting the first \$50,000 of personal accident claims, if any, and when this amount is exceeded the insurer accepts the risk.

As at reporting date the personal accident claims did not exceed \$50,000 and as there are unfinalised registered claims, and possibly further claims, the company may be liable for an amount of \$20,000.

Trust Liabilities and Right of Indemnity - AKA Track Development Fund Trust

A contingent liability exists relative to any future claims which may be made against the company arising from dealings on behalf of the trust.

The company acts as trustee of the AKA Track Development Fund Trust and liabilities have been incurred on behalf of the trust in the company's capacity as trustee. To the extent that the trust is unable to meet any obligations, the trustee may be held liable.

| Note | 2021 | 2020 |
|------|------|------|
| | \$ | \$ |

NOTE 24: CONTINGENT LIABILITIES AND ASSETS (continued)

Liabilities incurred on behalf of the trust are therefore not recognised in the financial statements when it is not probable that the company will have to meet any of those trust liabilities from its own resources.

When it is probable that the company will have to meet some trust liabilities, a provision for trust liabilities will be brought to account. In addition, the company in their capacity as a trustee has a right to be indemnified out of trust assets for any obligation not met by the trust.

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. The assets of the trust were sufficient to discharge all of the trust's liabilities as at 31 December 2021.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Australian Karting Association Ltd, the directors of the company declare that:

1. the financial statements and notes, comprising of Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Company Funds, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements, are in accordance with the *Corporations Act 2001* (Cth) and:

- a. comply with Australian Accounting Standards; and
- b. give a true and fair view of the financial position as at 31 December 2021 and of the performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay all of its debts as and when they become due and payable.



G Egan
Director



R Crawford
Director

Dated this 29th day of April 2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN KARTING ASSOCIATION LTD ABN 97 160 100 265

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Australian Karting Association Ltd (the Company), which comprises the Statement of Financial Position as at 31 December 2021 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Company Funds and Statement of Cash Flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In our opinion, the accompanying financial report of Australian Karting Association Ltd is in accordance with the *Corporations Act 2001* (Cth), including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2021 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001* (Cth).

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 Company in accordance with the auditor independence requirements of the *Corporations Act 2001* (Cth) and 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.

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

The Directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2021, but does not include the financial report and our auditor's report thereon. 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
(continued)**

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* (Cth) and for such internal control as the Directors determine is necessary to enable the preparation of the 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 Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Conclude on the appropriateness of the Directors' 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
(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.

We communicate with the Directors 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

CORPORATE AUDIT AND ASSURANCE SERVICES



**IAN W BARFOOT
REGISTERED COMPANY AUDITOR**

**Dated this 27th day of April 2022
Ashmore, Queensland**

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**THE DIRECTORS
AUSTRALIAN KARTING ASSOCIATION LTD
PO Box 1297
OXENFORD QLD 4210**

Dear Directors

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the *Corporations Act 2001* (Cth), I am pleased to provide the following declaration of independence to the directors of Australian Karting Association Ltd.

As the auditor of the financial report of Australian Karting Association Ltd for the year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* (Cth) in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

CORPORATE AUDIT AND ASSURANCE SERVICES

A handwritten signature in black ink, appearing to be 'IAN W BARFOOT', written over a light blue horizontal line.

**IAN W BARFOOT
REGISTERED COMPANY AUDITOR**

**Dated this 27th day of April 2022
Ashmore, Queensland**



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