

# **Financial Statements**

Canberra Kart Racing Club Incorporated

ABN 73 975 059 485

For the year ended 30 June 2021

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# Committee's Report

## Canberra Kart Racing Club Incorporated For the year ended 30 June 2021

### Committee's Report

We the undersigned, being two members of the committee of the association, state on behalf of the committee:

### Committee Members

The names of committee members throughout the year and at the date of this report are:

Committee Member	Position
Bob Harnas	President
Tahn Eather	Vice President
Samara Thompson	Secretary
Peter Sorrell	Treasurer
Paul McCabe	Race Director

### Principal Activities

The principal activities of the Association during the year have been those of a kart racing club.

### Significant Changes

There has been no significant change in the activities of the Association during the year.

### Operating Result

The surplus/(loss) of the Association for the financial year amounted to \$38,654.

Signed in accordance with a resolution of the Members of the Committee:



Bob Harnas (President)

Date 11/12/21.



Peter Sorrell (Treasurer)

Date 11/12/21

# Income Statement

## Canberra Kart Racing Club Incorporated For the year ended 30 June 2021

	2021	2020
<b>Income</b>		
Christmas Function	-	605
Donations Received	668	-
Kiosk sales	26,892	12,288
Memberships/licenses/pit pads	112,981	29,090
Race & Gate Entries	59,117	47,683
Sponsorship	3,227	2,909
Sundry Income	2,412	645
Track Hire	18,500	3,182
<b>Total Income</b>	<b>223,796</b>	<b>96,401</b>
<b>Cost of Sales</b>		
Purchases	15,603	7,221
<b>Total Cost of Sales</b>	<b>15,603</b>	<b>7,221</b>
<b>Gross Surplus</b>	<b>208,193</b>	<b>89,180</b>
<b>Expenditure</b>		
Depreciation	35,344	20,749
Accommodation	9,105	3,735
Accounting Fees	3,550	950
Ambulance Services	8,255	5,146
Announcer	1,961	750
Bad Debts Written Off	-	1,682
Bank Fees	618	509
Cleaning & Waste Removal	4,453	800
Computer Expenses	1,931	-
Dues & Subscriptions	1,497	691
Electricity	2,253	970
Functions/Presentations	1,888	1,041
Insurance	2,199	2,079
Kiosk Overheads	1,251	349
Land Rent	9,231	8,901
Legal expenses	-	2,000
License/Renewal Fees	4,890	536
Minor Equipment <\$1,000	2,790	2,166
Office Stationary	59	2,087
Permit fees AKA/IKD	30,346	13,836
Postage, Freight & Courier	236	-
Race Officials Reimbursement	9,197	3,776
Rent	-	657
Repairs & Maintenance	26,137	22,709
Security Premises	578	578

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Income Statement

	2021	2020
Staff Amenities	74	-
Sundry Expenses	527	617
Telephone & Internet	191	73
Trophies & Prizes	8,668	5,094
Water	2,308	518
<b>Total Expenditure</b>	<b>169,539</b>	<b>103,000</b>
<b>Current Year Surplus/ (Deficit)</b>	<b>38,654</b>	<b>(13,820)</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

# Balance Sheet

## Canberra Kart Racing Club Incorporated As at 30 June 2021

	NOTES	30 JUN 2021	30 JUN 2020
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents		116,759	51,859
Inventories		500	500
<b>Total Current Assets</b>		<b>117,259</b>	<b>52,359</b>
<b>Non-Current Assets</b>			
Land and Buildings	3	182,022	193,595
Plant and Equipment	4	36,272	40,826
<b>Total Non-Current Assets</b>		<b>218,294</b>	<b>234,421</b>
<b>Total Assets</b>		<b>335,553</b>	<b>286,780</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	5	7,009	1,934
GST Payable		4,569	-
<b>Total Current Liabilities</b>		<b>11,578</b>	<b>1,934</b>
<b>Other Current Liabilities</b>			
Gate Deposits Held		4,320	3,845
<b>Total Other Current Liabilities</b>		<b>4,320</b>	<b>3,845</b>
<b>Total Liabilities</b>		<b>15,898</b>	<b>5,779</b>
<b>Net Assets</b>		<b>319,655</b>	<b>281,001</b>
<b>Member's Funds</b>			
Accumulated Funds		119,655	81,001
Capital Grant Received		200,000	200,000
<b>Total Member's Funds</b>		<b>319,655</b>	<b>281,001</b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

# Statement of Cash Flows

Canberra Kart Racing Club Incorporated  
For the year ended 30 June 2021

	2021
<b>Operating Activities</b>	
Receipts	246,100
Payments to suppliers	(161,982)
<b>Net Cash Flows from Operating Activities</b>	<b>84,118</b>
<b>Investing Activities</b>	
Proceeds from sale of property, plant and equipment	-
Payment for property, plant and equipment	(19,218)
<b>Net Cash Flows from Investing Activities</b>	<b>(19,218)</b>
<b>Financing Activities</b>	
Other cash items from financing activities	(1)
<b>Net Cash Flows from Financing Activities</b>	<b>(1)</b>
<b>Net Cash Flows</b>	<b>64,899</b>
<b>Cash and Cash Equivalents</b>	
Cash and cash equivalents at beginning of period	51,859
Net change in cash for period	64,899
Cash and cash equivalents at end of period	116,759

# Notes to the Financial Statements

## Canberra Kart Racing Club Incorporated

### For the year ended 30 June 2021

#### 1. Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act 1991 (ACT)*. The committee has determined that the association is not a reporting entity.

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

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

#### Property, Plant and Equipment (PPE)

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

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

#### Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been 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 in the income and expenditure statement.

#### Provisions

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

#### Cash on Hand

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

#### Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

#### Revenue and Other Income

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These notes should be read in conjunction with the attached compilation report.



Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

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

## Leases

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

## 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 assets and liabilities statement.

## Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2021	2020
<b>2. Cash on Hand</b>		
Business Transaction Account	10,642	50,202
Canteen - Society Cheque Account	2,628	1,207
Cash Drawer	450	450
Maintenance - SCA	3,039	-

These notes should be read in conjunction with the attached compilation report.

Saver - Society Cheque Account	100,000	-
<b>Total Cash on Hand</b>	<b>116,759</b>	<b>51,859</b>
	2021	2020

**3. Land and Buildings**

<b>Land</b>		
Land & Improvements at Cost	223,197	211,338
Less Accumulated Depreciation on Land & Improvements	(41,175)	(17,743)
<b>Total Land</b>	<b>182,022</b>	<b>193,595</b>
<b>Buildings</b>		
Buildings at Cost	9,616	9,616
Accumulated Depreciation of Buildings	(9,616)	(9,616)
<b>Total Buildings</b>	<b>-</b>	<b>-</b>
<b>Total Land and Buildings</b>	<b>182,022</b>	<b>193,595</b>
	2021	2020

**4. Plant and Equipment**

<b>Plant and Equipment at Cost</b>		
Plant & Equipment	240,904	233,546
Less Accumulated Depreciation on Plant & Equipment	(205,175)	(193,398)
Lawn Mower	9,908	9,908
Less Accumulated Depreciation on Lawn Mower	(9,366)	(9,230)
<b>Total Plant and Equipment at Cost</b>	<b>36,272</b>	<b>40,826</b>
<b>Total Plant and Equipment</b>	<b>36,272</b>	<b>40,826</b>
	2021	2020

**5. Trade and Other Payables**

<b>Trade Payables</b>		
Accounts Payable	7,009	1,934
<b>Total Trade Payables</b>	<b>7,009</b>	<b>1,934</b>
<b>Total Trade and Other Payables</b>	<b>7,009</b>	<b>1,934</b>

These notes should be read in conjunction with the attached compilation report.

# Committee Certificate

**Canberra Kart Racing Club Incorporated  
For the year ended 30 June 2021**

**Annual Statements Give True and Fair View of Financial Position and Performance of the Association**

We, the undersigned, being members of the committee of Canberra Kart Racing Club Incorporated, certify that -

The statements attached to this certificate give a true and fair view of the financial position and performance of Canberra Kart Racing Club Incorporated during and at the end of the financial year of the association ending on 30 June 2021.

Signed:



A. SPARROWS

Dated: 11/12/21

Signed:



Dated: 11/12/21

# Reviewer's Report

## Canberra Kart Racing Club Incorporated For the year ended 30 June 2021

### Report on the financial report

I have reviewed the accompanying financial report of Canberra Kart Racing Club Inc. (the Association) which comprises of the balance sheet as at 30 June 2021, the income statement, and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, committee's report, and committee certificate.

### Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act 1991*. The committee determines that the internal control 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.

### Reviewer's Responsibility

Our responsibility is to express a conclusion on the financial report based on my review.

I have conducted my review in order to state whether, based on the procedures described, anything has come to my attention that causes me to believe that the financial report is not presented fairly, in all material respects, in accordance with the *Associations Incorporation Act 1991*.

A review of a financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### Independence

In conducting our review, we have complied with the independence requirements of the Australian professional ethical pronouncements.

### Qualification

The Association, in common with many other organisations of similar size and nature derives a portion of its income from trading activities and the effective control over such transactions is not established until their initial entry into accounting records. Therefore, my review in relation to income was limited to the amounts recorded in the Associations records. However, I have not found any indication that the accounts are incorrect.

### Basis for qualified conclusion

Based on my review, which is not an audit, except for the matter described in the preceding paragraph, I have not become aware of any matter that makes me believe that the financial report of the association is not in accordance with the Associations Incorporations Act 1991 including:

- a) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards as referred to in Note 1 to the financial statements.

### Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Canberra Kart Racing Club Inc. to meet the requirements of the Associations Incorporation Act 1991. As a result, the report may not be suitable for another purpose.



Thomas Gamble, CA

Arcus Advisory Pty Ltd

Unit 3/51 Vulcan Street

Moruya NSW 2537

Dated: 8/12/2021