Canberra Kart Racing Club Incorporated

ABN: 73 975 059 485

Financial Statements

For the Year Ended 30 June 2026

Canberra Kart Racing Club Incorporated

ABN: 73 975 059 485

Contents

For the Year Ended 30 June 2026

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Canberra Kart Racing Club Incorporated

ABN: 73 975 059 485

Committee's Report

For the Year Ended 30 June 2026

The committee members submit the financial report of the Association for the financial year ended 30 June 2026.

1. General information

Committee members

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

Bob Harnas	President
Tahn Eather	Vice President
Brian Gahan	Secretary
Robin Mules	Treasurer
Paul McCabe	Race Director (Resigned on 06 June 2024)
Bec Love	Race Director (Appointed on 19 March 2025)
Justin Kerslake	Promotions Officer (Resigned on 23 August 2024
Brett Staples	Member Liaison (Resigned on February 2025)
Karla House	Member Liaison (Appointed on 19 March 2025
Tayla Harnas	Social Media

Principal activities

The principal activities of the Association during the financial year were:

- To promote karting in Canberra and Districts.

- To participate in karting competitions.

- To acquire and improve competition tracks and facilities.

Significant changes

No significant change in the nature of these activities occurred during the year.

2. Operating results

The surplus of the Association for the financial year amounted to $ 41,032 (2025: $ 52,303).

Canberra Kart Racing Club Incorporated

ABN: 73 975 059 485

Committee's Report

For the Year Ended 30 June 2026

3. Sign off information

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

Committee member: ..... Robin Mules Digitally signed by Robin Mules Date: 2026.11.05 11:30:56 +11'00'

Committee member: ..... Bob Harnas Digitally signed by Bob Harnas Date: 2026.11.05 11:31:30 +11'00'

Dated this ..... day of November 2026

Canberra Kart Racing Club Incorporated

ABN: 73 975 059 485

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

	Note	2026 $	2025 $
Revenue and other income	3	**237,271**	206,098
Depreciation and amortisation expense			
PPE - Depreciation		**(21,818)**	(21,819)
Accounting fees		**(6,195)**	(2,813)
Bank charges		**(4,196)**	(3,709)
Canteen purchases		**(20,737)**	(19,418)
Electricity and water		**(5,258)**	(3,257)
Other expenses		**(31,574)**	(28,074)
Race expenses		**(60,807)**	(37,249)
Rental expenses		**(13,542)**	(11,508)
Repairs and maintainance		**(32,112)**	(25,948)
Profit before income tax		**41,032**	52,303
Income tax expense	2(b)	**-**	-
Profit from continuing operations		**41,032**	52,303
Profit for the year		**41,032**	52,303
Total comprehensive income for the year		**41,032**	52,303

The accompanying notes form part of these financial statements.

Canberra Kart Racing Club Incorporated

ABN: 73 975 059 485

Statement of Financial Position

As At 30 June 2026

	Note	2026 $	2025 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	**70,270**	47,321
Trade and other receivables		**3,700**	1,163
Other financial assets		**200,000**	155,000
Prepayments	6	**2,374**	5,874
TOTAL CURRENT ASSETS		**276,344**	209,358
NON-CURRENT ASSETS			
Plant and equipment	5	**226,368**	248,186
TOTAL NON-CURRENT ASSETS		**226,368**	248,186
TOTAL ASSETS		**502,712**	457,544
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	**1,985**	-
Accruals	7	**5,500**	3,349
TOTAL CURRENT LIABILITIES		**7,485**	3,349
TOTAL LIABILITIES		**7,485**	3,349
NET ASSETS		**495,227**	454,195
EQUITY			
Retained earnings		**495,227**	454,195
TOTAL EQUITY		**495,227**	454,195

The accompanying notes form part of these financial statements.

Canberra Kart Racing Club Incorporated

ABN: 73 975 059 485

Statement of Changes in Equity
For the Year Ended 30 June 2026

2026

	Retained Earnings	Total
	$	$
Balance at 1 July 2025	**454,195**	**454,195**
Surplus for the year	**41,032**	**41,032**
Balance at 30 June 2026	**495,227**	**495,227**

2025

	Retained Earnings	Total
	$	$
Balance at 1 July 2024	401,892	401,892
Surplus for the year	52,303	52,303
Balance at 30 June 2025	454,195	454,195

The accompanying notes form part of these financial statements.

Canberra Kart Racing Club Incorporated

ABN: 73 975 059 485

Statement of Cash Flows

For the Year Ended 30 June 2026

	Note	2026 $	2025 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**264,498**	208,298
Payments to suppliers		**(196,549)**	(133,316)
Net cash provided by operating activities	10	**67,949**	74,982
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment	5(a)	**-**	(1,375)
Purchase of term deposit		**(45,000)**	(155,000)
Net cash (used in) investing activities		**(45,000)**	(156,375)
Net increase in cash and cash equivalents held		**22,949**	(81,393)
Cash and cash equivalents at beginning of year		**47,321**	128,714
Cash and cash equivalents at end of financial year	4	**70,270**	47,321

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2026

The financial statements cover Canberra Kart Racing Club Incorporated as an individual entity. Canberra Kart Racing Club Incorporated is a not-for-profit Association incorporated in the Australian Capital Territory under the *Associations Incorporation Act (ACT) 1991* ('the Act').

The functional and presentation currency of Canberra Kart Racing Club Incorporated is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements have been prepared on an accruals 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Material Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Association expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Association have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

Other income

Other income is recognised on an accruals basis when the Association is entitled to it.

(b) Income tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows

Notes to the Financial Statements
For the Year Ended 30 June 2026

2 Summary of Material Accounting Policies

(c) Goods and services tax (GST)
arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Plant and equipment

Each class of Plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Depreciation

Plant and equipment, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Land Improvements	5% ~ 20%
Plant and Equipment	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Financial instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its

2 Summary of Material Accounting Policies

(e) Financial instruments

Financial assets
business model for managing financial assets.

Amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

*Fair value through other comprehensive income - Equity instrument*s

The Association does not hold any investments in listed and unlisted entities.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

The Association does not hold any assets that fall into this category.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or

- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

2 Summary of Material Accounting Policies

(e) Financial instruments

Financial assets

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Notes to the Financial Statements
For the Year Ended 30 June 2026

3 Revenue and other income

	2026	2025
	$	$
Revenue and other Income		
- Canteen income	**18,362**	17,938
- Member subscriptions	**54,199**	54,348
- Race & Gate entries	**136,171**	100,026
- Sponsorship income	**8,591**	2,100
- Track hire	**11,250**	20,992
- Interest income	**5,786**	4,419
- Track bond	**-**	1,275
- Other revenue	**2,912**	5,000
Total Revenue and other income	**237,271**	206,098

4 Cash and Cash Equivalents

		2026	2025
		$	$
Cash at bank and in hand	8	**70,270**	47,321
		70,270	47,321

Notes to the Financial Statements
For the Year Ended 30 June 2026

5 Plant and Equipment

	2026 $	2025 $
Buildings		
At cost	**9,616**	9,616
Accumulated depreciation	**(9,616)**	(9,616)
Total buildings	**-**	-
Plant and equipment		
At cost	**265,456**	265,456
Accumulated depreciation		
Accumulated depreciation	**(258,243)**	(255,496)
Accumulated depreciation	**(258,243)**	(255,496)
Total plant and equipment	**7,213**	9,960
Land Improvements		
At cost	**340,130**	340,130
Accumulated depreciation	**(120,975)**	(101,904)
Total land improvements	**219,155**	238,226
Total Plant and equipment	**226,368**	248,186

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment $	Land Improvements $	Total $
Year ended 30 June 2026			
Balance at the beginning of year	**9,960**	**238,226**	**248,186**
Depreciation expense	**(2,747)**	**(19,071)**	**(21,818)**
Balance at the end of the year	**7,213**	**219,155**	**226,368**

6 Other Assets

	2026 $	2025 $
CURRENT		
Prepayments	**2,374**	5,874
	2,374	5,874

Notes to the Financial Statements
For the Year Ended 30 June 2026

7 Trade and Other Payables

	Note	2026 $	2025 $
CURRENT			
GST payable		**1,985**	-
Accrued expenses	8	**5,500**	3,349
		7,485	3,349

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

8 Financial Risk Management

The Association is exposed to a variety of financial risks through its use of financial instruments.

The Association's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Association is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Association are:

- Cash at bank
- Trade and other payables

		2026 $	2025 $
Financial assets			
Held at amortised cost			
Cash and cash equivalents	4	**70,270**	47,321
Trade and other receivables		**3,700**	1,163
Total financial assets		**73,970**	48,484
Financial liabilities			
Trade and other payables	7	**7,485**	3,349
Total financial liabilities		**7,485**	3,349

Notes to the Financial Statements
For the Year Ended 30 June 2026

9 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2026 (30 June 2025:None).

10 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2026	2025
	$	$
Surplus for the year	**41,032**	52,303
Non-cash flows in profit:		
- Depreciation	**21,818**	21,819
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(2,537)**	2,200
- Decrease/(increase) in prepayments	**3,500**	(2,089)
- increase in trade and other payables	**4,136**	749
Cashflows from operations	**67,949**	74,982

11 Non-cash exchange arrangement

CKRC has agreed to permit D Group to deposit clean fill at the Club's grounds in exchange for constructing stage 2 of the track extenstion and concrete slabs for the in-grid, out-grid and clubhouse areas. The fill will be used to backfill the site and establish a noise barrier.

The parties have agreed that the construction works represent consideration for the use of the fill site, with no cash consideration payable under arrangements**.**

12 Events After the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

13 Statutory Information

The registered office and principal place of business of the association is:

Canberra Kart Racing Club Incorporated
705 Pialligo Avenue
Majura ACT 2609

Canberra Kart Racing Club Incorporated

ABN: 73 975 059 485

Statement by Members of the Committee

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 3 to 14:

1. Presents fairly the financial position of Canberra Kart Racing Club Incorporated as at 30 June 2026 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of that Australian Accounting Standards Board.

2. At the date of this statement, there are reasonable grounds to believe that Canberra Kart Racing Club Incorporated will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Robin Mules Digitally signed by Robin Mules Date: 2026.11.05 11:32:36 +11'00'

.....

Committee member

Bob Harnas Digitally signed by Bob Harnas Date: 2026.11.05 11:33:05 +11'00'

.....

Committee member

Dated this ..... day of November 2026

Canberra Kart Racing Club Incorporated

Independent Audit Report to the members of Canberra Kart Racing Club Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Canberra Kart Racing Club Incorporated (the Association), which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the statement by members of the committee.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

(i) giving a true and fair view of the Association's financial position as at 30 June 2026 and of its financial performance and its cash flows for the year ended; and

(ii) complying with the Associations Incorporation Act (ACT) 1991.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act (ACT) 1991, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Canberra Kart Racing Club Incorporated

Independent Audit Report to the members of Canberra Kart Racing Club Incorporated

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 judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.

- Conclude on the appropriateness of the responsible entities' 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 cas significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

Chartered Accountants

Hardwickes
Chartered Accountants

Jim Gouskos CA CPA
Partner

Canberra Kart Racing Club Incorporated

Independent Audit Report to the members of Canberra Kart Racing Club Incorporated

Canberra
Dated this .....day of November 2026