

YEAR ENDING DECEMBER 31, 2023

ANNUAL REPORT 2023

AUSTRALIAN KARTING ASSOCIATION LTD.
T/AS KARTING AUSTRALIA





SUMMARY

Karting Australia has experienced another year of significant progress in 2023, marked by growth across various dimensions of the sport. One of the most notable changes was the introduction of the new Karting Operations and Management Portal (KOMP). This modern platform replaced the aging CM:S System and has significantly overhauled administrative processes and reporting while and improved overall efficiency in managing karting operations nationwide.

The sport witnessed an impressive 16% increase in participation across the board. This surge reflects the growing interest in karting as a competitive and recreational activity, driven by successful grassroots initiatives and enhanced accessibility. Complementing this, the number of karting licences issued grew by 7%, indicating a strong influx of new and returning participants.

A significant innovation in the KA3 Junior category was the introduction of a new restrictor, which has led to a noticeable increase in participation. This change has made the category more appealing and competitive, attracting more young racers and contributing to the overall growth in junior karting. Additionally, the 4-Stroke Sprint (4SS) category continued to be the fastest-growing segment in karting across the country.

At the highest level of the sport, the Australian Kart Championship saw significant growth and success. The championship attracted top talent and showcased thrilling competitions, further cementing its status as the premier karting event in Australia. The continued development and popularity of the championship highlight Karting Australia's commitment to fostering high-level competition and nurturing future champions.

In conclusion, 2023 has been another landmark year for Karting Australia substantial growth in participation and enhanced competition. The organisation's efforts to improve operational efficiency through KOMP, along with targeted initiatives in various areas.



OUR VALUED PARTNERS



MESSAGE FROM THE CHAIR

KEVIN DAVIS

It is my honour to present the Karting Australia Annual Report for the year ending 31 December 2023, marking my second year as Chair. Reflecting on this past year, I am immensely proud of the strides we have made and the growth we have witnessed across all levels of our sport.

The sport of karting has continued to grow, with impressive participation figures and a notable increase in the number of licences. This growth is a testament to the hard work and dedication of our members, clubs, and state associations who are the backbone of our community. Their unwavering passion for the sport has been instrumental in driving karting forward and attracting new licence holders, members and officials.

One of the cornerstone achievements of 2023 was the finalisation and launch of our strategic plan for 2023-2030. This journey began early in the year and culminated in the official introduction to the karting community. This strategic plan provides a clear roadmap for our future, focusing on key areas such as growth, sustainability, and enhancing the overall karting experience for all participants.



The Australian Kart Championship continued to be a fantastic spectacle, showcasing the pinnacle of our sport. The championship attracted top talent and delivered thrilling competitions, solidifying its status as the premier karting event in Australia. It remains a highlight of the karting calendar, drawing in fans and competitors alike.

After being put on hold due to the Covid-19 pandemic, we successfully hosted the third Building Better Kart Clubs Conference. This event saw more than 100 representatives from clubs and state associations come together to share insights, strategies, and foster a stronger karting community. The conference's success underscores our commitment to supporting and enhancing the capabilities of our clubs.

I would like to commend the exceptional leadership displayed by our CEO, Kelvin O'Reilly, Chief Operating Officer, Lee Hanatschek, and our small yet dedicated team of staff. Their tireless efforts and unwavering commitment to the sport have been instrumental in our achievements. They continually go above and beyond to ensure the success and growth of karting in Australia.



We continue to face tough insurance challenges, but thanks to the improved safety and risk programs implemented, we are positioning ourselves for a more secure future. These programs are critical in limiting our risk and exposure, ensuring we maintain solid insurance coverage and opportunities with our insurers, even in a hardening market.

It is with great pleasure that we have welcomed back several clubs that had been outside the Karting Australia structure for some time. We look forward to welcoming even more clubs and members into our organisation in the future, fostering a stronger and more inclusive karting community. Additionally, we are thrilled to have Rotax back in the Karting Australia family, further enriching our sport.

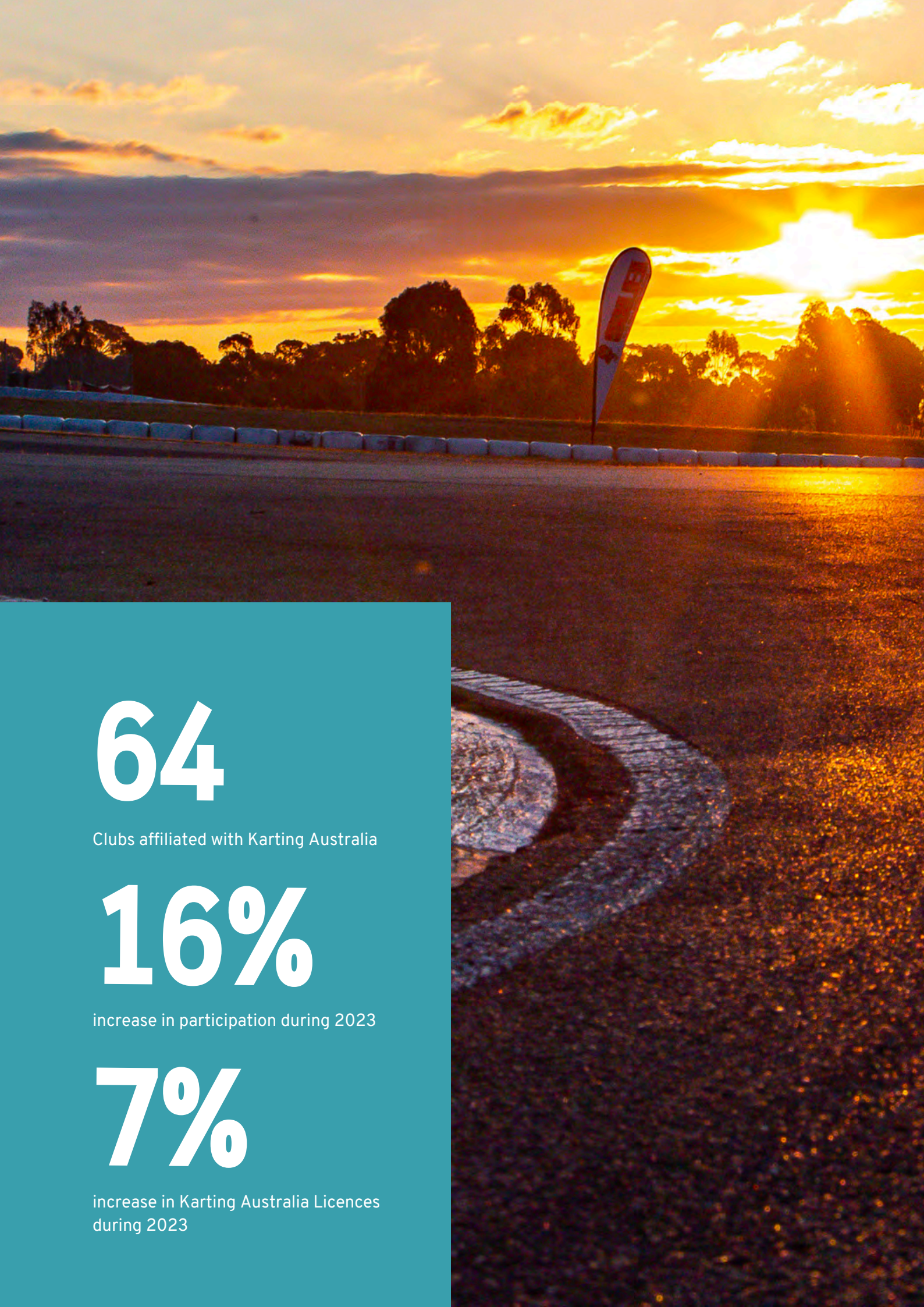
I'd like to take this opportunity to thank Rob Crawford who after 10 years serving as a Director, is required to stand down from the Board at the Annual General Meeting in accordance with the Constitution.

I extend my thanks to our sponsors and partners – SP Tools, Castrol EDGE, LeCont, Maxxis, IAME, PRD, Rotax, and Vortex. Their continued support and collaboration are vital in advancing the sport of karting in Australia.

In conclusion, 2023 has been another year of achievements and growth for Karting Australia. I am honoured to serve as your Chair and am excited about the journey ahead. Together, we will continue to build on our successes and drive the sport of karting to new heights.

Best Regards,

Kevin Davis
Chair, Karting Australia



64

Clubs affiliated with Karting Australia

16%

increase in participation during 2023

7%

increase in Karting Australia Licences during 2023

CEO'S REPORT

Members and Stakeholders,

Reflecting on the year just passed, a number of highlights come to mind. In no particular order, they include:

- Competition entries across all levels of racing returning to pre-pandemic levels and being 16% up on 2022 levels across all Competition Classes and all States.
- Total Licence numbers were 7% up on previous with all classes of Licence increasing on 2022.
- AKC setting yet another record number for entries (1932) 27% more than the previous record number of entries in our five (5) round Championship that was set in 2022.
- The amazing level of competition and presentation of the Championship, and the incredible skill with which our Drivers race.
- Development and ratification of our new Strategic Plan – “Australian Karting Towards 2030”.
- Former Karting Australia licence holder and AKC Alumni Oscar Piastrri making his debut in Formula 1, scoring his first F1 Championship Points and winning his first F1 Sprint Race.
- The post pandemic return of the Building Better Kart Clubs Conference where we brought Club and Member State ‘heavy weights’ together for collective learnings on how to continue to build and make our Clubs and karting generally, better for our members.
- The return of Lismore, Coffs Harbour, Port Macquarie and Toowoomba Kart Clubs to full affiliation with Karting Australia.
- The return of BRP Rotax to the Karting Australia family.
- The constant work behind the scenes and, in Race-Officials roles of our volunteer administrators and Officials.
- Upgrading our technology (KOMP) with an eye to the future.
- Being able to deliver a magnificent financial legacy to those Clubs that have hosted any of our national Events in 2023.
- To witness one of our early Junior Sprocketeers – Corey Carson win his first national Championship and Lana Flack to record her first AKC Round victory and to win her second AKC Ladies Trophy.





General Overview

2023 has been a transformative year for Karting Australia, marked by significant milestones and achievements that reflect our resilience and adaptability. We have navigated the complexities of a post-pandemic environment with determination and a forward-thinking mindset, ensuring that our sport not only survives but thrives. Our commitment to excellence, innovation, and community engagement has driven these successes, and we are poised for even greater accomplishments in the coming years. Our strategic approach has been rooted in fostering a culture of continuous improvement and adaptability. The rapid recovery of competition entries and licence numbers underscores the effectiveness of our initiatives and the dedication of our community. We have witnessed a remarkable resurgence in participation, which speaks volumes about the unwavering passion for karting in Australia. This passion is the bedrock upon which we build our future.

Resilience and Adaptability

The past few years have tested our resilience and adaptability, and I am proud to say that Karting Australia has emerged stronger than ever. Our ability to bounce back from the pandemic is evident in the resurgence of competition entries and licence numbers. Our community's unwavering spirit and dedication have been instrumental in this recovery and are clear indicators of the robust health of our sport.

The resilience demonstrated by our members, clubs, and volunteers has been nothing short of inspiring.

Growth and Innovation

Our new Strategic Plan, "Australian Karting Towards 2030", is a testament to our commitment to growth and innovation. This plan, supported by six key pillars—Community, Race and Recreation, Discovery, Innovation, Growth, and Excellence - sets the stage for a prosperous future. The recent transformation of our Vision into a Mission Statement and the

new Vision statement, "More people driving karts more often", emphasises our goal to expand the sport's scope beyond traditional racing and into the social aspects of the sport where simply having fun is the key metric of success.

Innovation has been at the forefront of our strategy over many years. We have embraced cutting-edge technology to enhance the karting experience, from the introduction of advanced timing systems several years ago to, in 2023 the development of KOMP to ensure that our operations are streamlined, future-proof, more efficient, and always available 'in your pocket' through the Karting Australia App. These innovations have streamlined operations, reduced administrative burdens, and long term will provided a seamless experience for our participants and Race Officials while also setting the foundation for long-term growth and sustainability

Karting Community Engagement

Our community is the backbone of karting. From coast to coast, the tireless efforts of club committees, officials, and volunteers ensure the existence and growth of our sport. The return of the Building Better Kart Clubs Conference in 2023 was a significant success, fostering collaboration and sharing strategies to enhance our clubs and the overall karting experience. The 2023 conference highlighted the importance of collective learning and unity in overcoming challenges and driving progress and recently the 2024 Conference took the success of the 2023 conference to a whole new level under the theme "It's What You Do Next That Matters".

Our greatest challenges as a sport currently lie in the areas of volunteering and the cost and availability of insurance to protect our activities.

The shortage of volunteers needed to administer our affiliated Clubs and Member States and to officiate at our events as Race Officials is a significant issue at the moment. As a karting community, we all need to address this matter urgently. At the 2024 Building Better Kart Clubs Conference, we launched our Volunteer Management Framework, along with a Volunteer Action Plan and accompanying support documents, to assist our Clubs and States in meeting this challenge.

The shortage of trained officials who are prepared to regularly officiate at events remains a pressing issue. Our Officials' Academy, with over 2,000 enrollees, is a step in the right direction, but we need continued support from our community members to step up and take on these essential roles. Simply put, without Officials to run race meetings, there can be no race meetings.

Several years ago, there were four major insurance underwriters providing coverage for motorsport on a global scale. Today, there is only one major underwriter willing to accept the risks of motorsport, and they do so at significantly increased premiums. Without insurance, our sport would be severely compromised.

As a community, we need to do everything we can to recognise and mitigate the risks present at our Clubs, on our Tracks, and in our Competitions. You will undoubtedly have noticed the strengthening of health and safety rules in our 2024 National Competition Rules. These enhancements also extend to our Policies and Bylaws. These Rules, Policies and Bylaws are in place for two main reasons: to protect all participants in our sport and to make our facilities safer than ever before, and secondly, to protect our insurance coverage. It is essential that our safety measures are always fully implemented. It is not just the role of Karting Australia, our Member States, our Club administrators, and our Officials to be vigilant on this front—everyone has a role to play in keeping each other safe.

Sustainability

Sustainability remains a core focus for us. Our strategic initiatives aim to ensure the long-term viability of karting in Australia. By embracing new technologies and promoting social karting, we are paving the way for a more sustainable future for our sport. Our environmental initiatives are designed to minimise the ecological impact of our events, ensuring that karting remains an eco-friendly sport.

We are encouraging our Clubs to implement several green initiatives, such as recycling programs at events, the use of environmentally friendly materials, and efforts to reduce our carbon footprint. These measures not only help protect our planet but also align with the growing expectations of our participants and supporters who are increasingly conscious of environmental issues.

Our commitment to sustainability extends beyond environmental considerations. We are also focused on ensuring the financial and operational sustainability of our clubs and events. By providing training and resources to club administrators and fostering best practices, we are equipping our community with the tools they need to thrive in the long term.

Financial Performance

Karting Australia continues to enjoy a solid financial foundation. Our efficient processes and strategic initiatives have yielded outstanding outcomes, allowing us to undertake infrastructure projects and programs that benefit the entire sport. We are committed to maintaining this financial health to support our growth and innovation plans. The financial legacies delivered to clubs hosting national events in 2023 are a testament to our robust fiscal management and commitment to reinvesting in our community.

Moreover, our financial success has allowed us to invest in training programs, conferences and activities aimed at raising the profile of karting and attracting new participants. These programs have leveraged various media platforms, including social media, and streaming services to reach a broader audience and showcase the excitement and accessibility of our sport.

Looking Ahead

As we look to the future, we are excited about the opportunities and challenges that lie ahead. Our focus will remain on expanding participation and diversity – with particular emphasis on encouraging more Women and girls to race too, enhancing the karting experience, and ensuring the sport's sustainability. Despite the challenges that we must continually meet, the future of karting is bright, and we are dedicated to leading our community towards new heights. We anticipate further growth in competition entries and licence numbers, driven by our strategic initiatives and the unwavering passion of our community.

We are particularly excited about the potential for growth in social karting. By promoting karting as a recreational activity that can be enjoyed by people of all ages and skill levels, we are opening up new avenues for participation. Social karting events, family days, and corporate team-building activities are just a few examples of how we plan to engage a wider audience.



Thanks and Gratitude

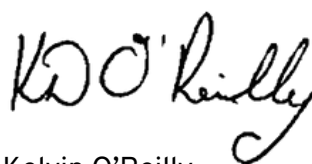
I extend my deepest gratitude to our license holders, clubs, officials, volunteers, sponsors, and all members of the karting community. Your unwavering support and dedication are the driving forces behind our success. Our National Officiating Team continues to impress; when they come together to run the AKC, Ultimate Club Racer, and Summer Series, they are a formidable unit. Supported by local officials, they produce the best karting events ever seen in Australia. Special thanks to our major sponsors - SP Tools, Castrol and GoPro - along with our partners LeCont Tyres, Vortex Engines, Patrizicorse, Maxxis Tyres, PRD Galaxy Engines, St George Karts, IAME Engines, Remo Racing, Torini Engines, Rotax and Austech Industries. Our sponsors and partners have played a crucial role in supporting our events and initiatives. Their contributions have enabled us to enhance the quality of our competitions and provide a superior experience for our participants. We are immensely grateful for their continued partnership and look forward to achieving even greater success together.

I also want to acknowledge the exceptional contributions of our Board of Directors, particularly our Chair Kevin Davis. Our Board's leadership and commitment has been invaluable. The strategic vision and guidance provided by our Board have been instrumental in navigating the challenges of the past year and setting a clear path for the future. Special mention to Sam, Michael, and Lauren, all of whom worked tirelessly as key presenters at our 2024 Building Better Kart Clubs and Officials Workshop conferences.

The dedication and hard work of our staff cannot go unnoticed. Their passion for karting and commitment to excellence have driven our achievements. From organising conference events and the world's best National Karting Championship to managing day-to-day operations and administration, their efforts have been integral to our success. My staff, led by Chief Operating Officer Lee Hanatschek - Mandy, Tiff, Darren, Michelle, Tony, and Taylah - you have exceeded expectations and made coming to work exciting and a pleasure. Thank you all!

Conclusion

In conclusion, 2023 has been a remarkable year for Karting Australia. Together, we have faced our challenges and emerged stronger. Our success is a testament to the collective effort and unwavering spirit of our community. As we move forward, let us continue to work together to ensure a vibrant and thriving future for karting in Australia. Thank you for your support, dedication, and passion. Together, we will continue to lead, inspire, and grow karting in Australia. The road ahead is filled with promise, and I am confident that our shared vision and collaborative efforts will lead us to new heights of success.

Regards

Kelvin O'Reilly
CEO, Karting Australia

TEN YEAR ANNIVERSARY

Operations and Achievements Review (2013-2023)

Introduction

In 2023, Karting Australia (AKA Ltd) completed its first decade of operations since taking control on 1 September 2013. Over these ten years, the organisation has undergone a remarkable transformation, marked by strategic initiatives, modernisation efforts, and a commitment to excellence, stability, and integrity. This brief review delves into some of the significant operations and achievements of AKA Ltd, highlighting our journey from financial instability to becoming a leader in the karting and Australian motorsport communities.

Handover and Early Years

When AKA Ltd assumed control in 2013, it faced substantial challenges. The organisation was financially unstable, having suffered not insignificant losses in the previous two years. Moreover, its capability to make essential operational and racing decisions was severely compromised. These initial years required focused efforts to stabilise and revitalise the organisation.

Modernisation of Competition Rules

A critical aspect of the early transformation involved the modernisation of National Competition Rules and karting equipment. The existing rules were outdated and did not adequately reflect the principles of the International Sporting Code (ISC). AKA Ltd embarked on an extensive review and updating process, continually refining the rules to ensure they adhere to current best practices, international best practice and the ISC.

Financial Sustainability and Board Stability

Achieving financial sustainability and board stability were paramount goals. Through strategic financial management, governance and commercial reforms, AKA Ltd has successfully established a very stable operational financial base and an extremely sound Balance Sheet. This stability has allowed the organisation to plan and execute long-term strategies effectively.



Review and Modernisation Initiatives

In 2014, AKA Ltd conducted a comprehensive review of the sport, leading to several key modernisation initiatives:

- **Competition Structure:** The competition structure and class structures were overhauled to streamline operations and enhance the racing experience.
- **Engine Introduction:** AKA Ltd introduced new world-class engines, including the Vortex Mini Rok and DVS Junior engines and the IAME KA100, an air-cooled engine designed to meet our specific requirements. This engine has since gained popularity in North America and Europe, showcasing the organisation's influence on global karting standards.
- **Safety Standards:** Previously, safety standards were probably best described as being loosely defined recommendations. AKA Ltd implemented stringent circuit safety regulations and guidelines to improve safety at our Affiliated Club Circuits.

Funding – Grants, Loans and AKC Legacy Funds

In the past decade AKA Ltd has provided significant financial support to our Member States and Affiliated Clubs:

- Almost \$1.3 million in interest free infrastructure loans.
- AKC host Clubs have received cumulatively approximately \$2 million – proceeds from hosting rounds of our National Championship.
- Through our Safety Grants and State Assistance Funding programs we have distributed nearly \$500,000 to Member States and clubs across the country, to enable the improvement of Circuit safety and State Championship delivery.

Constitutional Reforms

Recognising the need for robust governance, AKA Ltd adopted a new Constitution in 2019, based on the Australian Sports Commission Template Constitution. Our new constitution enabled the creation of a fully skills-based board, limited to nine directors (seven elected and two appointed). The current board, composed of eight directors, includes prominent business and sporting figures Kevin Davis (Chair), Andrew Westacott, Garth Tander, John Reynolds, Lauren Batchelor, Michael Masi, Robert Crawford, and Samantha Reid. The credentials of our Board are impeccable, and its stability is second to none.



Development of Policies and Bylaws

Upon taking control, AKA Ltd discovered a lack of comprehensive policies governing the sport. The organisation has subsequently developed an extensive suite of Bylaws and Policies covering critical areas including governance, authority and delegation, club affiliation, member discipline, integrity, safety and risk management, circuit standards, homologation, racing, officials, anti-doping, and competition fixing. These policies have established a robust framework for the sport's governance and operations.

Strategic Planning

In May 2023, AKA Ltd adopted the strategic plan "Australian Karting Towards 2030," which outlines the organisation's long-term vision and goals:

- Purpose: To lead, govern, inspire, promote, and grow the sport and recreational activity of karting in Australia.
- Mission: To make karting a fun, welcoming, respectful, and inclusive sport, always prioritising safety and customer satisfaction.
- Vision: More people driving karts more often.
- Values and Culture: Emphasising community, discovery, race & recreation, innovation, growth, and excellence. These values underpin the strategic pillars guiding the organisation.

The highest priorities identified in the strategic plan include addressing the shortage of volunteers and race officials, attracting and retaining club members, and making karting more accessible and appealing.

National Competition Achievements

One of AKA Ltd's standout achievements is the development of the Australian Kart Championship (AKC). Launched in 2015 with a multi-round, 25-race format, the AKC has grown annually, with total entries increasing from just over 1,000 in its first year to an average of 387 entries per round in 2023, totalling 1,932 entries for the championship. The AKC is now recognised by international karting communities as one of (if not) the best national karting championships worldwide.

Embracing Technology

AKA Ltd has been at the forefront of integrating technology into our sport:

- National Timing System: In 2017, AKA Ltd invested hundreds of thousands of dollars in a new national timing system for all affiliated clubs, with free right of use of the hardware and software provided to the clubs. This system is part of MyLaps' karting test and development competitions.
- Event Management Portal: A comprehensive competition and event management portal and app have been developed, again at no cost to clubs or states.
- Track Safety and Race Management: AKA Ltd encouraged clubs to install world-class track safety lights, improved race control technology using full-circuit WiFi and Starlink technology, and introduced remote, zoom, pan, and tilt corner cameras for enhanced video review. A full race management control centre travels to all national championship and series events.



Whole of Sport Improvement Programs

AKA Ltd has implemented multiple initiatives to improve and develop the sport:

- **Junior Sprockets:** Launched in 2016, this primary *Get Started In Karting* program has a high conversion rate, bringing approximately 30% of program participants into karting.
- **Respect Karting:** Initiated in 2019, this program aims to promote good behaviour, sportsmanship, and respectful conduct.
- **Building Better Kart Clubs:** This initiative provides resources and an annual conference (first held in 2018) to support club development, with attendance subsidised by AKA Ltd and Member States.
- **Karting Volunteer Management Framework and Action Plan** addressing the need for volunteers and officials.
- **Girls Race Too Action Plan:** - a comprehensive action plan and mentoring program to encourage female participation in karting.
- **Officials Training and Support:** AKA Ltd offers a comprehensive online Officials Academy with eight separate training programs, including basic training, higher-level training, and specialised courses. Additionally, as run in early 2024, our National Officials training "Acceleration and Masterclass and Workshop" provides advanced training and mentoring, ensuring officials are well-prepared and supported.

Conclusion

The first decade of AKA Ltd's operations has been marked by significant achievements, transforming the organisation and the sport of karting in Australia. Through modernisation efforts, strategic planning, technological integration, and comprehensive development programs, AKA Ltd has established itself as a leader not only in the karting community but the entire Australian Motorsport community. The organisation's commitment to financial sustainability, governance, safety, and inclusivity will continue to drive its success and growth in the years to come.

HONOURS AND AWARDS

Karting Australia proudly hosted its 2024 Honours and Awards Dinner at the Crowne Plaza on the Gold Coast on Saturday May 4.

The evening celebrated the remarkable achievements and enduring dedication of individuals who have left an indelible mark on Australian karting.

Attendees witnessed the presentation of several prestigious awards, including the highest honour of the Lifetime Achievement Award, the Impact on Karting Award and Life Memberships, all of which recognised the exceptional contributions of individuals who have shaped the sport's landscape.

In a historic moment, the event saw the first-ever presentation of the Lifetime Achievement Award to Harold and Pam Arnett, honouring their combined 100-plus years of unwavering dedication to karting. Harold's multifaceted

leadership roles and Pam's longstanding commitment to improvement and administration exemplify their profound impact on the sport.

Additionally, the esteemed Impact on Karting Award was bestowed upon Gary Light in recognition of his remarkable dedication to karting over more than 40 years. Light's proactive advocacy for change and his ability to unite the karting community have earned him widespread respect and admiration.

Among the recipients of Life Memberships were karting stalwarts Les Allen, Mick Doohan AM, Glen Egan, Mark Horsley, John Wishart, and Russell White, each of whom has made significant contributions to karting at various levels. Their unwavering commitment and outstanding leadership have left an enduring legacy, shaping the sport's future for generations to come.





2023 AUSTRALIAN KART CHAMPIONS

- | | |
|------------|---------------|
| KZ2 | Samuel Dicker |
| KA2 | Max Walton |
| X30 | Jace Matthews |
| TaG 125 | Harrison Hoey |
| KA3 Senior | Keegan Fraser |
| KA3 Junior | Pip Casabene |
| Cadet 12 | Corey Carson |
| Cadet 9 | Brock Nolan |



LADIES
TROPHY
WINNER



LANA
FLACK



2023 STATE CHAMPIONS

New South Wales

Cadet 9 - Paige Flack
 Cadet 12 - Lana Flack
 KA3 Junior Light - Liam Carr
 KA3 Junior Heavy - Max Walton
 KA2 - Max Walton
 KA3 Senior - Keegan Fraser
 TaG 125 Rest. Light - Thomas Williams
 TaG 125 Rest. Medium - Gavin Whitmore
 TaG 125 Light - Isaac Demellweek
 TaG 125 Heavy - Brock Plumb
 X30 - Harrison Mitchell

Northern Territory

Cadet 9 - Harlen Bell
 Cadet 12 - Blake Purvis
 KA3 Junior Light - Connor Kroonstuiwer
 KA3 Junior Heavy - Mitchell Kroonstuiwer
 KA3 Senior - Marcos Flack
 TaG 125 Rest. Light - Darcy Cavanagh
 TaG 125 Rest. Med/Heavy - Callan Gear
 TaG 125 Light - Jackson Souslin-Harlow

Queensland

Cadet 9 - Lukas Loeskow
 Cadet 12 - Lana Flack
 KA3 Junior Light - Jye Flynn
 KA3 Junior Heavy - Ari Wedlock
 KA2 - Max Walton
 KA3 Senior Light - Declan Matthews
 TaG 125 Rest. Light - Jack Munro
 TaG 125 Rest. Medium - Gaven Whitmore
 TaG 125 Rest. Masters - Russell Vellacott
 TaG 125 Light - Harrison Hoey
 TaG 125 Heavy - Harrison Hoey

South Australia

Cadet 9 - Harlen Bell
 Cadet 12 - Archie Bristow
 KA3 Junior Light - William Thompson
 KA3 Junior Heavy - Isaac McNiell
 KA3 Senior Light - Jamie Rowe
 TaG 125 Rest. Light - Shane Moreland
 TaG 125 Rest. Medium - Max Lumsden
 TaG 125 Light - Jacob Dowson
 TaG 125 Masters - Brett Fortainier

Tasmania

Cadet 9 - Wil Cairns
 Cadet 12 - Oskar Hennock
 KA3 Junior Light - Bradley Majman
 KA3 Junior Heavy - Samuel March
 KA3 Senior Light - William Thompson
 KA3 Senior Medium - Riley Newick
 KA3 Masters - Shane Stonehouse
 TaG 125 Rest. Medium - Benjamin Walter
 TaG 125 Rest. Heavy - Marcus Howe
 TaG 125 - Bradley Jenner

Victoria

Cadet 9 - Koda Singh
 Cadet 12 - Jackson Brasher
 KA3 Junior Light - Max Walton
 KA3 Junior Heavy - Mathew Basso
 KA2 - Max Walton
 KA3 Senior Light - Jacob Dowson
 KA3 Senior Medium - Matthew Waters
 TaG 125 Light - Zachary Heard
 TaG 125 Heavy - Leigh Nicolaou
 X30 Light - Jace Matthews
 Vic Combined Masters - Anthony Pethebridge

Western Australia

Cadet 9 - Edward Noon
 Cadet 12 - De'argo Stewart
 KA3 Junior Light - Connor Radford
 KA3 Junior Heavy - Bailey Riordan
 KA2 - Sachen Smith Wei
 KA3 Senior Light - Hugh McGuire
 KA3 Senior Heavy - Terrence Flynn-Dowell
 TaG 125 Rest. Medium - Brent Jackson
 TaG 125 Rest. Masters - Raymond Cochrane
 TaG 125 Light - Dylan Guest
 TaG 125 Heavy - Lewis Sutherland
 WA Open Performance - Blake Preston
 KZ2 - Jayden Peirce



ULTIMATE CLUB RACER III

WINNERS

- Cadet 9 – Oliver Armitt
- Cadet 4SS – Maxwell Padiha
- Cadet 12 – Oscar Singh
- KA3 Junior Light – Aiden Schweikert
- KA3 Junior Heavy – Logan Lalas
- Junior 4SS – Levi Ross
- KA3 Senior Light – Jaylen Paragreen
- KA3 Senior Medium – Zach Findlay
- TaG 125 Restricted Light – Madi Bickerton
- TaG 125 Restricted Medium – Jeremy Glover
- TaG 125 Restricted Heavy – Joe Brancati
- Senior 4SS Light – Darcy Briggs
- Senior 4SS Medium – Brayden Slama
- Senior 4SS Heavy – Jacob Holland
- Senior 4SS Supermaxx Heavy – Peter Leonard
- TaG 125 Light – Ben Holliday
- TaG 125 Heavy – Jack Johnson



Australian Karting Association Ltd

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 PURPOSE, MISSION, VISION, AND GUIDING PRINCIPLES

AKA’s Purpose is to lead, govern, inspire, promote, and grow the sport and recreational activity of Karting in Australia.

Our Mission is for karting to be a fun, welcoming, respectful, and inclusive sport that always focuses on safety and customer satisfaction.

Our Vision is to have more people driving karts more often.

The Board must ensure that this purpose is achieved in the most efficient manner possible while preserving the organisation’s reputation and objectives identified in our Constitution Bylaws, Policies and Strategic Plan.

In 2023, the Board approved Karting Australia’s 2023-2030 Strategic Plan.

Titled “Australian Karting Towards 2030”, it sets the strategic direction of the organisation for the period 2023 to 2030. It has been developed in accordance with the following Guiding Principles:

1. Provide clarity of purpose and direction for the Australian Karting Community.
2. Ensure alignment and focus of our Karting Community on the priority issues and risks to the sport that currently confront us.
3. Take advantage of the opportunities of a changing sporting and recreational landscape and chart a path towards future success.
4. Encourage and maximise the growth and retention of active participants in karting as drivers, officials, and administrators.
5. Encourage collaboration between all sectors and levels of our sport for the benefit of the karting Community. Maximise the visibility of karting as the starting point for participation in most current forms of 4-wheel motorsport.
6. Set ambitious targets for our Karting Community to achieve.

We will achieve our Purpose by ensuring our member states, clubs and stakeholders understand our plan, prioritise their alignment with our “Purpose” and “Vision and recognise what success looks like.

The Karting Australia Board and Management will strive to provide leadership, governance, and guidance to all parts of our Australian Karting Community.

With the development of “Australian Karting Towards 2030”, we are taking a long-term approach in planning for Karting’s future. Planning to the next decade enables us to focus on Karting as it is today and the issues that it presents, while also looking well into the future and creating a vision of what we want Karting to look like, as we steer our sport towards the second third of the century.

Board Responsibilities

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

The Board of AKA is accountable for providing corporate and strategic governance to the organisation. The organisation's core objective is to cater to the needs of its members and stakeholders while simultaneously promoting and regulating karting activities across a wide spectrum, including recreational, club, amateur, and elite Karting.

Directors are expected to understand the organisation's requirements and their legal obligations as Directors. They are encouraged to contribute their skills and expertise to the Board and the organization to the best of their abilities.

Additionally, the Board has general key functions that are typical of all Boards. These include establishing and promoting the strategic direction and culture of the organization, monitoring management's performance, adopting an annual budget, ensuring the implementation of appropriate internal control systems, and monitoring the progress and outcomes associated with these functions.

The role of the Board and its Directors is to provide leadership and guidance to the organisation, accepting ultimate accountability for its management. However, it is not within the Directors' purview to engage in the day-to-day rations of the organisation.

Relationship Between Board and Management

The Board formally delegates the responsibility for managing the Company to the Chief Executive Officer. However, the Board establishes policies, procedures, and structures to fulfill its role of ultimate accountability for AKA.

The Board establishes the framework within which the Company operates and provides appropriate oversight and supervision of its operations.

In addition to being ultimately responsible for the Company's operations, the Board must acknowledge and comply with the Company's obligations under general law and relevant legislation, including the Corporations Act and work health and safety regulations.

Within the oversight of the Board, the Chief Executive Officer, acting within his delegated authority, has the authority to determine how to manage the Company's operations.

Board Oversight

The Board oversees and monitors management's performance by:

- Convening physical or electronic Board Meetings during the year;
- Receiving detailed reports from management at these Board meetings;
- Receiving additional input from management when necessary.

BOARD MEMBERS

Board Responsibilities

The process of Board renewal continued during 2023 with Melissa Holzberger a former Director and Deputy Chairman being appointed to fill a casual vacancy in January 2023. Michael Masi was also appointed as an Appointed Director under clause 13.9 of the constitution in January 2023. Ms Holzberger resigned from the Board in June 2023.

All members of the Board are non-executive Directors and do not receive any remuneration for their services. They are not permitted to hold employment or official positions within AKA, a Member State or a Club.

However, Directors may be reimbursed for reasonable costs and expenses incurred in relation to their Board activities.

To ensure the Directors' protection, Deeds of Indemnity and Access have been executed. Additionally, appropriate Director's and Officer's liability insurance has been obtained.

The entire Board is responsible for overseeing the process of nominating and inducting new Directors. They also ensure that AKA has the appropriate mix of skills, experience, and expertise through effective succession planning. An external independent panel reviews each Board nomination and provides recommendations to the Board. Elected Directors are subject to re-election by Member States during the annual general meeting.

For detailed information about the current Board members, please refer to this report or visit the Company's website at www.karting.net.au.



The Chairman

Kevin Davis was appointed as Chairman of AKA in May 2022 and was re-appointed in 2023 and 2024.

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

The Chair plays a crucial role in creating an environment where the Board and individual Directors can effectively fulfill their duties and functions. The responsibilities of the Chair include:

- Providing coherent leadership to the Board, fostering a cohesive and effective team.
- Promoting effective relationships and open communication among Directors, management, and Ordinary Members, both within and outside the Boardroom.
- Addressing the developmental needs of the entire Board to enhance its overall effectiveness, including identifying and meeting the individual development needs of Directors.
- Upholding a high standard of governance and ensuring that Directors duly consider and adhere to statutory, compliance, and probity requirements.
- Establishing a clear structure for the efficient conduct of Board meetings and facilitating the full participation of Directors during these meetings.
- Acting as the official representative and spokesperson for the Board and AKA when engaging with external parties.

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.

Constitution

During 2019, the Member States of AKA voted to adopt a new Constitution for the Company. The AKA Constitution is based on the Australian Sports Commission'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.

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 Holder) 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 roll out 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 and can also refer matters to the National Sports Tribunal for arbitration, mediation or appeal.

In 2022 the Board introduced a new AKA Integrity Framework (KIF) and integrity-related Policies based on Sports Integrity Australia National Integrity Framework adapted for use by AKA.

The following integrity-related policies have been adopted under the KIF:

- Child Safeguarding Policy;
- Member Protection Policy;
- Improper Use of Drugs and Medicine Policy;
- Code of Conduct Policy;
- Social Media and Acceptable Use of Social Media Policy;
- Competition Manipulation and Sports Wagering Policy;
- Complaints and Discipline of Members By-law (By-law 7); and
- KA Tribunals (By-law 8).

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
- review 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 the 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 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.

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 the Australian Sports Commission.



PO Box 1297 OXFENFORD QLD 4210 | 07 5655 4340 | www.karting.net.au

**AUSTRALIAN KARTING
ASSOCIATION LTD**

ABN 97 160 100 265

**FINANCIAL REPORT
FOR THE YEAR ENDED
31 DECEMBER 2023**

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
DIRECTORS' REPORT

Your directors present this report on the company for the financial year ended 31 December 2023.

Directors

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

K Davis	(Chairman)	GD Tander	
KJ Reynolds		FM Masi	(appointed 01 January 2023)
R Crawford		LS Batchelor	(appointed 30 May 2023)
AJ Westacott		MK Holzberger	(resigned 29 June 2023)
SM Reid-Zanotto			

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 including BHP Billiton Ltd, WMC, Rio Tinto and Elders. 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, eight (8) 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>
K Davis	8	8
KJ Reynolds	8	8
R Crawford	7	8
AJ Westacott	7	8
SM Reid-Zanotto	8	8
GD Tander	5	8
FM Masi	7	8
LS Batchelor	4	4
MK Holzberger	5	5

Operating Result

The surplus of the company amounted to \$81,737 (2022 surplus: \$1,180,758). In the 2022 financial year, revenue includes a one-off amount gifted from the AKA Track Development Fund Trust of \$1,194,281.

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 2023, 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 2023 has been received and can be found immediately following the Independent Auditor's Report.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
DIRECTORS' REPORT

Guiding Principles

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

The power and authority to organise, control and regulate Karting within Australia has been formally delegated to Karting Australia in accordance with Article 5 of the FIA Statutes by the General Assembly of the Federation Internationale de 'l Automobile (FIA) through Motorsport Australia. The sporting power delegated to Karting Australia includes inter alia the control, regulation, supervision, administration and promotion of Karting in Australia.

Karting Australia is a member based, not-for-profit organisation. It has operated as a Company Limited by Guarantee with an independent Board and professional management since 1 September 2013. Karting is conducted in a federated structure, which means that our member states and clubs across the country have specific responsibilities for organising and conducting our sport.

The member state associations and their direct members, the affiliated karting clubs are legally distinct entities.

At all times, Karting Australia's primary activities are conducted in accordance with its Constitution and Strategic Plan. The Karting Australia Strategic Plan 2023 - 2030 is available at:

<https://www.karting.net.au>

Our Purpose

To lead, govern, inspire, promote, and grow the sport and recreational activity of Karting in Australia.

Our Vision

For Karting to be a fun, welcoming, respectful, and inclusive sport that always focuses on safety and customer satisfaction.

Our Values and Culture

These are the values, attitudes, and beliefs that bind us together, creating a sense of unity and purpose. A sport's culture will always be the driving force behind its success. It sets the tone for how effectively the strategy is implemented.

Our values and culture are reflected in our Strategic Pillars. Our Strategic Pillars define us as a sport and guide us in how we manage karting within our federated structure.

From Karting Australia to our member states, affiliated clubs, and participants, we strive to ensure everyone involved in karting has a positive experience.

Our Strategic Pillars

COMMUNITY

Welcoming
Family Friendly
Fun
Resilience
ESG Focus

RACE & RECREATION

Safety 1st
Fairness and Integrity
Respect and Caring
Sportsmanship

DISCOVERY

Awareness
Profile Building
Beyond the Horizon
Providing Support

EXCELLENCE

Development
Achievement
Pathways
High Performance
Exceed Expectations

GROWTH

Inclusiveness
Increased Diversity
Women and Girls Racing
Collaboration
Business Development

INNOVATION

Continual Improvement
Leadership
Evolution
Engagement

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
DIRECTORS' REPORT

Information on Directors

K Davis

Qualifications: Chairman from 26 May 2022; and
Professional Company Director.

Experience: Founder (in 1987), owner and Executive Chairman of Austech Industries: Austech Industries is better known by its premium brand names - SP Tools, SP Air and Torini Engines.
A hands-on Executive Chairman whose strengths lie in business strategy, sales and marketing, finance, product development, general management, contract negotiation and team building.

KJ Reynolds

Qualifications: Bachelor of Dental Surgery (University of Sydney).

Experience: Dental Practice owner and manager for over 30 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.

AJ Westacott

Qualifications: Chemical Engineer;
Professional Company Manager; and
Graduate of the Australian Institute of Company Directors.

Experience: Executive Chairman of Bangarra Group
Former Chief Executive Officer - Australian Grand Prix Corporation (AGPC);
Appointed General Manager - Operations in 2006 before later being appointed Deputy CEO;
Melbourne 2006 Commonwealth Games – Group Manager for Venue Delivery & Capital Projects; and
MasterFoods Australia New Zealand and Uncle Ben's of Australia - Senior Manager in logistics, procurement and supply chain management.

SM Reid-Zanotto

Qualifications: Master of Business Administration;
Australian Institute of Company Directors - Foundations for Directors;
Graduate Certificate – Automotive Dealer Management;
Certificate IV – Training and Assessment; and
Certificate IV – Transport and Logistics.

Experience: Custom Fleet - Director Novated Leasing
Mazda Australia – Senior Manager Vehicle Operations;
Motorsport Australia - Non-Executive Director;
Nissan Motor Company - Product Training Senior Consultant;
Safer Road Users – Founder, Project Manager and Content Developer;
Wheels Car of the Year Judge;
Chair - Women of Australian Motor Sport (WAMS) and Australian delegate on the Federation Internationale De L'Automobile (FIA) Women in Motorsport Commission; and
Consultant - Automotive and Road Safety.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
DIRECTORS' REPORT

Information on Directors (*continued*)

GD Tander

Qualifications: Professional Racing Driver; and
Company Director.

Experience: Full time Supercar Driver 1998 – 2018;
Part time Supercar Driver (Endurance Specialist) 2019 – present;
Part time GT Driver 2019 to present;
Motorsport Analyst 2019 to present;
Supercar Television Analyst – 2019 to present;
Bathurst 1000 Champion – 2000, 2009, 2011, 2019, 2020, 2022;
Supercars Champion - 2007; and
Australian GT Champion - 2021.

FM Masi

Qualifications: Company Director;
Motorsport Consultant; and
Professional Motorsport Administrator.

Experience: Fédération Internationale de l'Automobile (FIA)
- Single Seater Sporting Director (November 2020 – June 2022)
- Formula 1 Race Director and Safety Delegate (March 2019 – February 2022)
- Single Seater Head of Sporting (January 2020 – November 2020)
- Formula 1 Deputy Race Director (March 2018 – March 2019)
MME Pty Ltd
- Managing Director
- Strategy, Events, Management and Motor Sport Consulting
Skaife Racing Pty Ltd
- General Manager
Motorsport Australia
- Senior Manager Motor Sport Development
- Project Director – Formula 1 Korean Grand Prix & Russian Grand Prix
- Project Consultant – inaugural Formula 1 Singapore Grand Prix
- FIA Global Training Expert
- Project Director International Programs
- Motor Sport Projects
- Executive Officer, Australian Institute for Motor Sport Safety
Supercars
- Chair Supercars Commission
- Race Director, Supercars Development Series
- Deputy Race Director, International Supercars Championship
Karting Australia
- Sporting Operations Manager
Rally Australia Pty Ltd (Promoter and Organiser of the Australian World Rally Championship Round)
- Chief Executive Officer

LS Batchelor

Qualifications: Bachelor Arts (Honours) International Marketing with French Bournemouth University UK

Experience: Marketing Partnerships Manager - Tennis Australia
Formerly General Manager Grove Racing and held other senior roles (formerly Kelly Racing) from
2014-2022
Project Manager - DHL Inside Track
Marketing Project Coordinator - Andros UK
Marketing Project Coordinator - Nomen France

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
DIRECTORS' REPORT

Information on Directors (*continued*)

MK Holzberger

Qualifications: Master of Laws in Resources Law & Policy (Distinction) University of Dundee, Scotland;
Diploma in International Nuclear Law (Honours) University of Montpellier, France;
Leading Sustainable Corporations, University of Oxford, United Kingdom;
Bachelor of Laws, University of Adelaide;
Bachelor of Arts, University of Adelaide;
Graduate Diploma in Legal Practice, Law Society of SA; and
Company Directors Course Diploma, AICD.

Experience: Non-Executive Director and Commercial, Energy and Resources Lawyer with over 20 years' of
experience covering the ASX200-listed, corporate, government and not-for-profit sectors.
Current roles include:
Non-Executive Director - Paladin Energy Ltd (ASX: PDN)
Non-Executive Director - Andromeda Metals Ltd ASX: ADN)
Australian Radiation Protection and Nuclear Safety Agency - Radiation Health and Safety Advisory
Council.
Previous roles include:
Director and Deputy Chair – Karting Australia Ltd.

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.



K Davis
Director



FM Masi
Director

Dated this 30th day of April 2024

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
REVENUE & EXPENSES			
Operations revenue	3	3,084,439	2,856,918
Other revenue	3	69,465	1,345,215
Depreciation and amortisation	4	(173,267)	(107,593)
Employee expenses	4	(917,592)	(754,045)
Finance costs	4	(42,050)	(31,935)
Operations expenses	4	(1,939,258)	(2,127,802)
Surplus/(Deficit) before income tax expense		81,737	1,180,758
Income tax expense	1a	-	-
Total Surplus/(Deficit) for the year		81,737	1,180,758
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		81,737	1,180,758

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
STATEMENT OF CHANGES IN COMPANY FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
COMPANY FUNDS			
RETAINED SURPLUS			
Balance at the beginning of the financial year		3,356,249	2,175,491
Surplus/(Deficit) for the year		81,737	1,180,758
TOTAL COMPANY FUNDS		3,437,986	3,356,249

The notes to the accounts are an integral part of these financial statements.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 \$	2022 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	6	2,427,935	1,662,383
Trade and Other Receivables	7	446,266	710,134
Inventories	8	33,871	42,479
Other Assets	9	551,961	435,215
Total Current Assets		3,460,033	2,850,211
NON-CURRENT ASSETS			
Trade and Other Receivables	7	823,659	651,358
Property, Plant and Equipment	10	598,968	528,220
Right-of-Use Assets	11	215,492	258,590
Intangible Assets	12	145,534	134,253
Total Non-Current Assets		1,783,653	1,572,421
TOTAL ASSETS		5,243,686	4,422,632
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	13	958,797	350,176
Borrowings	15	461,116	285,581
Lease Liabilities	16	44,123	40,380
Total Current Liabilities		1,464,036	676,137
NON-CURRENT LIABILITIES			
Provisions	14	2,756	34,908
Borrowings	15	119,937	92,244
Lease Liabilities	16	218,971	263,094
Total Non-Current Liabilities		341,664	390,246
TOTAL LIABILITIES		1,805,700	1,066,383
NET ASSETS		3,437,986	3,356,249
COMPANY FUNDS			
Retained Surplus		3,437,986	3,356,249
TOTAL COMPANY FUNDS		3,437,986	3,356,249

The notes to the accounts are an integral part of these financial statements.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from members and others		3,478,553	3,555,061
Interest received		75,421	55,128
Payments to suppliers and employees		(2,691,065)	(3,116,189)
Finance costs		(42,050)	(31,935)
Net cash generated from (used in) operating activities	5a	820,859	462,065
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		13,276	134,194
Payment for property, plant and equipment		(184,558)	(366,630)
Payment for intangible assets		(46,872)	(62,353)
Net cash generated from (used in) investing activities		(218,154)	(294,789)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt from borrowings		908,033	630,973
Repayment of borrowings		(745,186)	(791,756)
Net cash generated from (used in) financing activities		162,847	(160,783)
Net increase (decrease) in cash held		765,552	6,493
Cash at the beginning of the financial year		1,662,383	1,655,890
CASH AT THE END OF THE FINANCIAL YEAR	6	2,427,935	1,662,383

The notes to the accounts are an integral part of these financial statements.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* (Cth). The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. 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).

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. 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.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. 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.

e. 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.

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.

Capital grant

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

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. Revenue (continued)

Contributed assets, operating grants, donations and bequests

In the 2022 financial year, the company received a gift (a contributed asset) from a trust following a decision by all of the beneficiaries. The gift is to be applied to the National Infrastructure Development Fund (NIDF) operated by the company. The NIDF has specific operating procedures and is to be used to provide the member states and the affiliated karting clubs access to funds to develop their infrastructure.

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

Dividend income

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

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 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% - 50.00%	Prime Cost
Motor vehicles	10.00% - 15.00%	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.

AUSTRALIAN KARTING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

l. 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 11.0% of the employee's ordinary times earnings) 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 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.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n. Leases (continued)

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.

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.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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, refer to Note 22.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
		\$	\$

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.

During the year, three (3) clubs were approved to receive funds from the National Infrastructure Development Fund (NIDF) totalling \$340,000, refer to Note 7.

Program and Event Income

Australian Kart Championship		695,085	569,029
Junior Sprockets		70,632	97,364
National Cup		10,432	
Our Pathway		480	-
Summer Series		84,381	-
Ultimate Club Racer		42,147	30,154
Non program and non event income		2,250,747	3,505,586
Total revenue	3	<u>3,153,904</u>	<u>4,202,133</u>

Program and Event Expense

Australian Kart Championship - Direct expenses		395,363	352,713
Australian Kart Championship - Host club distribution		205,827	210,423
Building Better Kart Clubs		51,736	4,787
Junior Sprockets		71,935	97,634
National Cup		18,899	-
Our Pathway		13,955	-
Summer Series		99,412	-
Ultimate Club Racer		48,101	44,128
Non program and non event expenses		2,166,939	2,311,690
Total expenses	4	<u>3,072,167</u>	<u>3,021,375</u>

NOTE 3: REVENUE

Operations revenue

Driver levies		85,020	73,938
Events		690,347	413,120
Levies and fees		20,164	14,841
Licence fees		991,118	845,777
Programs		65,477	63,348
Royalties		821,097	945,562
Sales		112,102	140,507
Sponsorship		293,591	284,319
Sundry		5,523	75,506
Total operations revenue		<u>3,084,439</u>	<u>2,856,918</u>

Other revenue

Gifted funds from AKA Track Development Fund Trust		-	1,194,281
Interest received from other persons		75,421	55,128
Net gain/(loss) on disposal of property, plant and equipment		(5,956)	95,806
Total other revenue		<u>69,465</u>	<u>1,345,215</u>

Total revenue		<u>3,153,904</u>	<u>4,202,133</u>
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NOTE 4: EXPENSES

Depreciation and amortisation		173,267	107,593
Employee expenses		917,592	754,045
Finance costs		42,050	31,935

AUSTRALIAN KARTING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
NOTE 4: EXPENSES (continued)			
Operations expenses			
Cost of sales		24,569	16,758
Events		598,328	442,741
Insurance		453,749	426,890
Marketing		15,244	10,081
Programs		151,474	117,499
Travel and accommodation		258,389	177,060
Board expenses		-	4,859
CAMS fee and CIK charges		33,160	33,150
Computer and information technology expenses		34,224	33,761
Legal costs		18,155	695,480
Minor equipment purchases		17,377	16,024
Motor vehicle expenses		44,725	15,407
Other		99,356	78,784
Software and program fees		128,600	21,575
Printing and artwork		16,417	13,131
Telephones		7,980	12,516
Uniforms and clothing		37,511	12,086
Total operations expenses		1,939,258	2,127,802
Total expenses		3,072,167	3,021,375

NOTE 5: CASH FLOW INFORMATION

a. Reconciliation of Cashflow from Operations with Surplus/ (Deficit) after Income Tax

Surplus/(Deficit) for the year		81,737	1,180,758
Non cash flows			
Depreciation		173,267	107,593
Loss on disposal of assets		5,956	-
Changes in assets and liabilities:			
(Increase)/Decrease in trade and other receivables		91,567	(799,839)
(Increase)/Decrease in inventories		8,608	3,989
(Increase)/Decrease in other assets		(116,746)	(10,104)
Increase/(Decrease) in trade and other payables		608,621	(26,928)
Increase/(Decrease) in provisions		(32,152)	6,596
Net cash generated from (used in) operating activities		820,858	462,065

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 2023 was \$22,870 (2022: \$25,223).

c. Non-Cash Financing and Investing Activities

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

AUSTRALIAN KARTING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
NOTE 6: CASH AND CASH EQUIVALENTS			
Cash at bank		742,576	380,668
Term deposits		1,685,359	1,281,715
Total Cash and Cash Equivalents		2,427,935	1,662,383
a. Future Fund Summary			
Balance of Future Fund at the beginning of year		478,095	612,348
Allocations to fund for current year		24,521	-
Amounts used (KOMP Software and Tyre Scanner Software)		(46,873)	(134,253)
Future Fund balance at the end of year		455,743	478,095
Based on the company's policy, and after deducting the gift and driver levies, an amount of \$24,521 is to be allocated to the Future Fund. The Future Fund amount is supported by the term deposits disclosed in Note 6.			
b. National Infrastructure Development Fund (NIDF) Summary			
Balance of NIDF at the beginning of year		1,274,111	-
Gifted funds from AKA Track Development Fund Trust		-	1,194,281
Driver levies		85,020	73,938
Interest applied		37,569	5,892
NIDF balance at the end of year		1,396,700	1,274,111
The NIDF balance at the end of year is supported by the cash at bank and the term deposits disclosed in Note 6, and the 'Loans to clubs from NIDF & AKA TDF Trust' disclosed in Note 7.			
NOTE 7: TRADE AND OTHER RECEIVABLES			
Current			
Trade receivables		354,474	326,586
Interest receivable		641	-
Loans to clubs from NIDF & AKA TDF Trust	6b	91,151	383,548
Total Current Trade and Other Receivables		446,266	710,134
Non-Current			
Loans to clubs from NIDF & AKA TDF Trust	6b	497,008	378,667
Loan to Australian Karting Association Inc	7a	166,597	112,637
Loan to AKA KNSW Unit Trust	7b	160,054	160,054
Total Non-Current Trade and Other Receivables		823,659	651,358
Total Trade and Other Receivables		1,269,925	1,361,492
a. The loan receivable is from the Australian Karting Association Inc and is secured by its interest in the AKA KNSW Unit Trust which holds a significant asset being the 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		33,871	42,479
Total Inventories		33,871	42,479
NOTE 9: OTHER ASSETS			
Prepaid insurance		394,454	311,498
Other prepaid expenses		157,507	123,717
Total Other Assets		551,961	435,215

AUSTRALIAN KARTING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment		106,878	135,807
Less accumulated depreciation		(59,588)	(50,630)
		47,290	85,177
Memorabilia		10,000	10,000
		10,000	10,000
Motor vehicles		516,909	59,475
Less accumulated depreciation		(76,998)	(30,532)
		439,911	28,943
Race track equipment		340,710	462,495
Less accumulated depreciation		(238,943)	(334,379)
		101,767	128,116
Work-in-progress		-	275,984
		-	275,984
Total Property, Plant and Equipment		598,968	528,220
Movements in Carrying Amounts			
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		85,177	4,209
Additions		3,108	90,646
Disposals cost		(32,037)	(994)
Disposals depreciation		12,805	994
Depreciation expense		(21,763)	(9,678)
Carrying amount at the end of year		47,290	85,177
Memorabilia			
Balance at the beginning of year		10,000	10,000
Carrying amount at the end of year		10,000	10,000
Motor vehicles			
Balance at the beginning of year		28,943	188,329
Additions		181,450	-
Transfers from/(to) other asset classes		275,984	-
Disposals cost		-	(212,761)
Disposals depreciation		-	78,566
Depreciation expense		(46,466)	(25,191)
Carrying amount at the end of year		439,911	28,943
Race track equipment			
Balance at the beginning of year		128,116	155,850
Disposals cost		(121,785)	(68,985)
Disposals depreciation		121,785	68,985
Depreciation expense		(26,349)	(27,734)
Carrying amount at the end of year		101,767	128,116
Work-in-progress			
Balance at the beginning of year		275,984	-
Additions		-	275,984
Transfers from/(to) other asset classes		(275,984)	-
Carrying amount at the end of year		-	275,984

AUSTRALIAN KARTING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
NOTE 11: RIGHT-OF-USE ASSETS			
Leased property		387,885	387,885
Accumulated depreciation		(172,393)	(129,295)
Total Right-of-Use Assets		215,492	258,590

Lease Details and Options to Extend or Terminate

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.

The option to extend or terminate are contained in the lease. The clauses provide the company an opportunity to manage the lease in order to align with its strategies. The options are exercisable by the company. The options which were probable to be exercised have been included in the calculation of the right-of-use asset.

Movements in Carrying Amounts

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		258,590	301,688
Depreciation expense		(43,098)	(43,098)
Carrying amount at the end of year		215,492	258,590
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		16,180	16,180
Short-term and low-value lease payments		1,032	-
Total future lease payments at the end of the reporting period			
No later than 1 year		57,823	54,636
Between 1 to 5 years		247,659	235,436
Greater than 5 years		-	63,338
Total future lease payments		305,482	353,410

NOTE 12: INTANGIBLE ASSETS

Website and software		187,125	140,253
Less accumulated amortisation		(41,591)	(6,000)
Total Intangible Assets		145,534	134,253

Movements in Carrying Amounts

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		134,253	73,791
Additions		46,872	62,353
Amortisation expense		(35,591)	(1,891)
Carrying amount at the end of year		145,534	134,253

AUSTRALIAN KARTING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
NOTE 13: TRADE AND OTHER PAYABLES			
Trade payables		32,073	75,897
Other payables		11,718	10,000
Accrued expenses		8,400	8,400
BAS payable		79,684	20,411
Entry fees received in advance		529,476	10,859
Employee benefits	1m	239,696	177,807
Employee on-costs		57,750	46,802
Total Trade and Other Payables		958,797	350,176
a. Financial Liabilities within Trade and Other Payables			
Trade and other payables		958,797	350,176
Less payables that are non interest bearing		(826,922)	(235,468)
Financial liabilities as trade and other payables		131,875	114,708
NOTE 14: PROVISIONS			
Employee benefits (long service leave)	14a	2,464	30,615
Employee on-costs		292	4,293
Total Provisions		2,756	34,908
Movements in Carrying Amounts			
Balance at the beginning of year		34,908	28,312
Provisions used, cancelled or transferred to current liability		(32,152)	6,596
Carrying amount at the end of year		2,756	34,908
Number of employees (full-time, part-time or casual) at year end		7	6
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		16,130	9,777
Insurance premium funding loan		387,434	238,315
Hire Purchase/Chattel Mortgage/Equipment Loan agreements		57,552	37,489
Total Current Borrowings		461,116	285,581
Non-Current			
Hire Purchase/Chattel Mortgage/Equipment Loan agreements		119,937	92,244
Total Non-Current Borrowings		119,937	92,244
Total current and non-current borrowings:			
Credit cards	5b	16,130	9,777
Insurance premium funding loan		387,434	238,315
Hire Purchase/Chattel Mortgage/Equipment Loan agreements		177,489	129,733
Total Borrowings		581,053	377,825

AUSTRALIAN KARTING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 \$	2022 \$
NOTE 16: LEASE LIABILITIES			
Current			
Lease agreements		44,123	40,380
Total Current Lease Liabilities		44,123	40,380
Non Current			
Lease agreements		218,971	263,094
Total Non Current Lease Liabilities		218,971	263,094
Total of Current and Non Current Lease Liabilities			
Lease agreements		263,094	303,474
Total Lease Liabilities		263,094	303,474

a. The leases liabilities are the commitments relating to the 'right-of-use' assets recognised in Note 11.

NOTE 17: EVENTS AFTER THE BALANCE DATE

The company entered into an agreement for phase 2 of the KOMP software for an amount of \$67,600 excluding GST, refer to the capital commitment disclosed in Note 20.

No other events have occurred subsequent to balance date which require disclosure in this report.

NOTE 18: AUDITOR'S REMUNERATION

Remuneration of the auditor of the company for:

Audit and/or review of financial reports	8,400	8,400
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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 committed to the following capital purchase:

> KOMP software phase 2 \$67,600.

The company has not entered into any other capital expenditure commitments at the date of this report.

Hire Purchase/Chattel Mortgage/Equipment Loan Commitments

Payable:

Not later than 12 months	68,922	78,232
Later than 12 months but not later than 5 years	128,562	197,484
Minimum hire purchase payments	197,484	275,716
Less future finance charges	(19,995)	(35,532)
Total Hire Purchase Liability	177,489	240,184

The amount being to finance the purchase of motor vehicles with repayments being made over 48 months from the date of commencement of each agreement.

AUSTRALIAN KARTING ASSOCIATION LTD
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NOTES TO THE FINANCIAL STATEMENTS
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	Note	2023	2022
		\$	\$

NOTE 21: CONTINGENT LIABILITIES AND ASSETS

Insurance Risk

The company operates an aggregate deductible program to minimise the cost of personal accident 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.

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.

NOTE 22: CORPORATE TRUSTEE

The Australian Karting Association Ltd continues to act as a corporate trustee of the AKA Track Development Fund Trust which previously provided infrastructure development funding to clubs affiliated with the company. The Trust no longer provides this service. When it was operational, liabilities were incurred on behalf of the trust in the company's capacity as trustee. To the extent that the trust is unable to meet any future obligations, the trustee may be held liable.

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.

If it becomes 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 its 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 were sufficient to discharge all of the trust's liabilities as at 31 December 2023.

NOTE 23: 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	2,427,935	1,662,383
Total trade and other receivables	7	1,269,925	1,361,492
Total Financial Assets		3,697,860	3,023,875

Financial Liabilities

Within trade and other payables	13	131,875	114,708
Total borrowings	15	581,053	377,825
Total lease liabilities	16	263,094	303,474
Total Financial Liabilities		976,022	796,007

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.

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Note	2023	2022
	\$	\$

NOTE 24: 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 contracts of the CEO and COO. KMP's 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 25: 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.

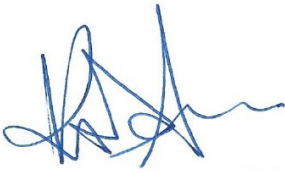
Transactions between KMP and related parties are on normal commercial terms and conditions no more favourable than those available to other persons or employees unless otherwise stated.

The company made payments to related parties of KMP's for goods and/or services during the year to the amount of \$2,036 (2022: 1,293).

AUSTRALIAN KARTING ASSOCIATION LTD
ABN 97 160 100 265
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, satisfy the requirements of the *Corporations Act 2001* (Cth) and:
 - a. comply with Australian Accounting Standards – Simplified Disclosures applicable to the company; and
 - b. give a true and fair view of the financial position of the company as at 31 December 2023 and of its performance for the year ended on that date.
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.



K Davis
Director



Director

Dated this 30th day of April 2024

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CAAAS
ABN 41 109 663 489

**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 2023 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, and notes to the financial statements, including a summary of significant accounting policies 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 2023 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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 2023, 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 – AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* 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

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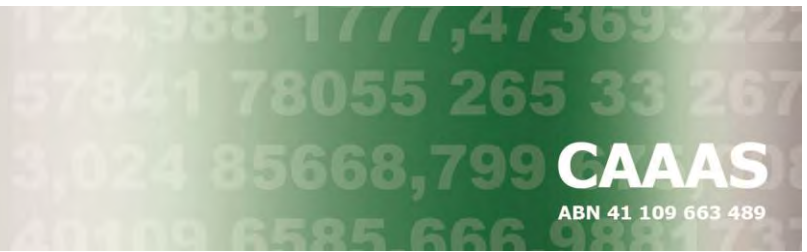
**IAN W BARFOOT
REGISTERED COMPANY AUDITOR**

**Dated this 30th day of April 2024
Ashmore, Queensland**

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PO BOX 43 NOBBY BEACH QLD 4218



**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 2023, 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 30th day of April 2024
Ashmore, Queensland**