

Combined Districts Kart Club Inc

A.B.N. 52597884911

Financial Statements

For the Year Ended 31 May 2018

Combined Districts Kart Club Inc

A.B.N. 52597884911

Detailed Profit and Loss Statement For the Year Ended 31 May 2018

	2018	2017
	\$	\$
Income		
Canteen and Bar Sales	19,108	20,542
Caravans/Camping Fees	1,980	2,299
Dinner	1,627	2,553
Memberships	11,258	12,018
Practice Fees	26,620	18,587
Race Entries	77,136	74,977
Track Hire	10,545	7,877
Sponsorship	2,500	5,923
Donations	1,809	10
Interest Received	48	2,510
Other Income	1,388	2,081
Total Income	154,019	149,377
Expenses		
Accountancy and Audit Fees	840	830
Advertising	-	1,284
Australian Karting Association Fees	20,348	17,819
Bank Fees	2,453	2,647
Bar and Canteen Expenses	17,032	18,878
Cleaning and Waste Disposal	5,868	6,078
Club Apparel	190	780
Computer Expenses	270	1,498
Depreciation	28,550	11,612
Donations	-	1,240
Electricity and Water	10,910	9,340
First Aid	3,182	3,300
Insurance	-	1,711
Motor Vehicle Expenses	3,436	4,187
Officials and Caretaker Expenses	9,000	8,100
Printing, Postage and Stationery	312	698
Radio Hire	2,475	2,085
Repairs and Maintenance	16,817	18,176
Trophies	19,635	17,035
Rates	3,836	3,908
Telephone	1,865	2,459
Other Expenses	497	717
Total Expenses	147,516	134,382
Operating Profit	6,503	14,995

Combined Districts Kart Club Inc

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Statement of Financial Position

As At 31 May 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	69,368	40,043
Trade and other receivables	5	-	868
Prepayments		248	102
TOTAL CURRENT ASSETS		69,616	41,013
NON-CURRENT ASSETS			
Land		271,000	67,446
Buildings, plant and equipment		504,664	648,703
		775,664	716,149
TOTAL NON-CURRENT ASSETS		775,664	716,149
TOTAL ASSETS		845,280	757,162
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		2,972	4,847
Other accruals		5,448	23
Loan from Australian Karting Association Limited		10,000	10,000
TOTAL CURRENT LIABILITIES		18,420	14,870
NON-CURRENT LIABILITIES			
Loan from Australian Karting Association Limited		77,500	87,500
TOTAL NON-CURRENT LIABILITIES		77,500	87,500
TOTAL LIABILITIES		95,920	102,370
NET ASSETS		749,360	654,792
MEMBERS' FUNDS			
Asset realisation reserve		203,554	-
Retained profits		545,806	654,792
TOTAL MEMBERS' FUNDS		749,360	654,792

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the Year Ended 31 May 2018

The financial statements cover Combined Districts Kart Club Inc as an individual entity. Combined Districts Kart Club Inc is a not-for-profit Association incorporated in New South Wales under the *Associations Incorporation Act (NSW) 2009 and Associations Incorporation Regulation (NSW) 2010* ('the Act').

The principal activity of the Association for the year ended 31 May 2018 was the delivery of good quality race meetings that cater for all levels of ability as well as actively promoting a family friendly environment.

The functional and presentation currency of Combined Districts Kart Club Inc is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

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

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Other income

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

(c) Goods and services tax (GST)

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

Receivables and payable are stated inclusive of GST.

Notes to the Financial Statements

For the Year Ended 31 May 2018

2 Summary of Significant Accounting Policies

(d) Property, plant and equipment

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

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

(e) Cash and cash equivalents

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

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of property, plant and equipment

The Association assesses impairment at the end of each reporting period by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key estimates - property held at fair value

An independent valuation of property (land and buildings) carried at fair value was obtained on 01 July 2016. The directors have reviewed this valuation and updated it based on valuation indexes for the area in which the property is located. The valuation is an estimation which would only be realised if the property is sold.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Combined Districts Kart Club Inc

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Notes to the Financial Statements For the Year Ended 31 May 2018

4 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash at bank and in hand	69,368	40,043
	<u>69,368</u>	<u>40,043</u>

5 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	-	868
	<u>-</u>	<u>868</u>
Total current trade and other receivables	<u>-</u>	<u>868</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

6 Property, plant and equipment

	2018	2017
	\$	\$
LAND		
Freehold land		
At fair value	271,000	67,446
Total Land	<u>271,000</u>	<u>67,446</u>
Total land	<u>271,000</u>	<u>67,446</u>
BUILDINGS, PLANT AND EQUIPMENT		
Plant and equipment		
At cost	72,972	72,972
Accumulated depreciation	(72,243)	(69,248)
Total plant and equipment	<u>729</u>	<u>3,724</u>
Motor vehicles		
At cost	7,955	7,955
Accumulated depreciation	(3,379)	-
Total motor vehicles	<u>4,576</u>	<u>7,955</u>

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Notes to the Financial Statements For the Year Ended 31 May 2018

6 Property, plant and equipment

Clubhouse Improvements		
At cost	218,468	218,468
Accumulated amortisation	(120,951)	-
Total leasehold improvements	97,517	218,468
Track resurface		
At cost	418,557	418,557
Accumulated depreciation	(16,714)	-
Total buildings, plant and equipment	504,665	648,704
Total property, plant and equipment	775,665	716,150

7 Borrowings

On 1 June 2016, Combined Districts Kart Club Incorporated entered into a loan agreement with Australian Karting Association Limited for track development. The amount loaned was \$100,000, with the loan to be repaid in equal monthly instalments over ten years. The loan has been secured over the assets of the association.

As at 31 May 2018, the amount owing is \$87,500 (2017: \$97,500).

8 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 31 May 2018 (31 May 2017: None).

9 Events after the end of the Reporting Period

The financial report was authorised for issue on 06 August 2018 by the Committee of Management.

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

10 Statutory Information

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

Combined Districts Kart Club Inc
Oakley Forest Road
Marrangaroo NSW

Combined Districts Kart Club Inc

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Statement by Members of the Committee

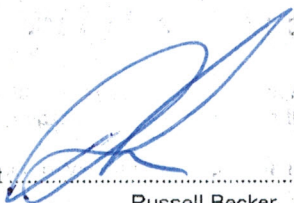
The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 6:

1. Presents fairly the financial position of Combined Districts Kart Club Inc as at 31 May 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Combined Districts Kart Club Inc will be able to pay its debts as and when they fall due.

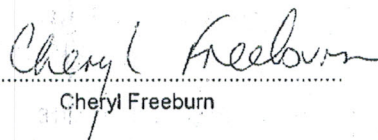
This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President



Russell Becker

Treasurer



Cheryl Freeburn

Dated

6.6.18

Report on the Audit of the Financial Report

To the Members of Combined Districts Kart Club Inc.

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Combined Districts Kart Club Incorporated (the Entity), which comprises the statement of financial position as at 31 May 2018, the statement of comprehensive income, and notes to the financial statements, including a summary of significant accounting policies, and management's assertion statement.

In our opinion, the accompanying financial report of the Entity for the year ended 31 May 2018 is prepared, in all material respects, in accordance with the *Associations Incorporation Act (NSW) 2009*.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Entity in meeting the requirements of the *Associations Incorporation Act (NSW) 2009*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Entity and should not be distributed to or used by parties other than the Entity. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Associations Incorporation Act (NSW) 2009* and for such internal control as the management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

GPP Audit Pty Limited

GPP Audit Pty Limited
Chartered Accountants

Ben Jenkins

Benjamin Jenkins
Director

Chartered Accountant	# 337144
Registered Company Auditor	# 383482

Dated this 6th day of August 2018