

President's Report

2008 marks the end of the seventh year of the Automobile Association of the Northern Territory and the Royal Automobile Association of South Australia Inc. strategic alliance and my first as President.

On behalf of the AANT Council I acknowledge with thanks the continued support of the Board and staff of the RAA. The standard and extent of services provided to members of the AANT and our financial position continues to improve, which is, in no small part, due to the efforts of our own very fine staff and the excellent support offered to them by the staff of the RAA.

I specifically acknowledge the support and counsel of RAA's President Leon Holmes, Chief Executive Ian Stone, General Manager Business Development Peter Hurcombe as well as AANT General Manager Linda Deans, past AANT President David Booth, AANT Vice-President Helen Galton and fellow Councilors.

The AANT aims to:

- provide members with road service Australia-wide;
- represent the interests of members on motoring issues; and
- provide products and advice for motorists.

Governance

In December 2007, after seven years as AANT President, David Booth stood

aside and I was appointed as his successor with Helen Galton becoming Vice-President. Fortunately, David has remained on the Council where his experience and knowledge of the organisation is of such great value. I am pleased to report that Council, which comprises of Helen Galton, Douglas Phillips, David Booth, Brian Measey, Daryl Manzie, Barry Thomas, Mark Sweet, John Mitchell, Graeme Buckley and myself, was at full strength for the entire year and that all Councilors due for election have nominated for re-appointment. I also extend a warm welcome to Graeme Buckley, who joined the Council in July 2007.

Membership

AANT personal membership grew by a solid five per cent, while the penetration rate of Plus and Premium increased by four per cent to constitute 60 per cent of total membership, a level far higher than any of our affiliated motoring clubs.

Financial

The AANT recorded a financial surplus of \$245,000, which is an excellent result and up eight per cent on last financial year.

While the AANT's formal subsidy from our affiliated clubs has ceased, it is acknowledged that through our alliance agreement the RAA still provides its services to us at a very competitive rate and that technical and policy support from the other clubs is always available.



Members can be assured that all of the Association's financial resources are with the NAB or TIO and should remain safe.

Road Service

For our 16,737 members we performed 10,100 road side call outs, whilst road service contractors attended a total of 18,343 jobs as at 30 June 2008.

TIO

The AANT/TIO Insurance book continues to build in volume and commission with written policies up 16 per cent and commission up nine per cent for the year.

We are conducting in-depth discussions with TIO aiming to further develop this relationship to leverage off each other's strengths as Territory icons.

Other Commercial Activities

The AANT Battery Service was re-launched to service a greater spread of members with batteries of the highest quality.

A vehicle inspection service was also launched in Alice Springs and we hope members will avail themselves of this initiative so it becomes as popular as the Darwin service.

Travel Shop sales and commissions on attraction ticket sales, rental cars, Great Southern Rail tickets and International Driving Permits all exceeded budget.

Public Policy Matters

With limited local resources available we acknowledge the invaluable support of the RAA and the AAA with developing public policies.

General Manager, Linda Deans, represented the AANT on the:

- Local Black Spot Consultative Panel;
- Local National Motor Vehicle Theft Reduction Council;
- Judging panel for the NT Tourism Brolga Awards;
- NT Tourism Accreditation Panel; and
- Business Agenda NT.

I represented the AANT on the:

- Road Safety Coordination Group;
- Business Agenda NT;
- NT Climate Change Forum;
- Road to Greener Motoring Forum; and
- The Senate Committee on FuelWatch.

The AANT submitted detailed responses to the NT Government on its Climate Change Policy and the Commonwealth Government on FuelWatch.

A 'wish list' of motoring matters was also submitted to the major political parties prior to the Northern Territory elections.

AAA

I represented the AANT on the Board of AAA – attending two meetings, including the AGM and Conference in Perth in the company of (then) President David Booth.

In August, out of the reporting period, the AANT hosted the AAA Board meeting in Alice Springs.

Staff

The year had its difficulties with sourcing and retaining staff – but, thanks to the core of longer serving staff and the continued efforts of the General Manager, the Association had a very successful year.

Of special note, congratulations to Linda Deans who was inducted as a Fellow of the Australian Institute of Management.

Corporate Responsibility

The AANT prides itself on being a good corporate citizen and has sponsored:

- The Brolga Awards;
- Shannon's Motor Show;

- The Variety Bash; and
- a Ford F350 training vehicle for Alice Springs TAFE.

With the growing concern for the environment the AANT decided to offset our road service contractor's carbon footprint by purchasing 100 Emission Reduction Units and AANT staff are also championing the environmental cause by re-cycling, purchasing 100 per cent recycled paper and switching off power when it's not in use.

In Closing

The Association has had some considerable successes this year – not the least of which has been the excellent growth in membership reflected in considerable growth in turnover.

With, according to all predictions, the NT set to ride out the current economic upheaval, the Council is continuing to explore ways in which AANT can provide more and better services for our members.



Robert Bradley
PRESIDENT

The following is an extract from the Annual Financial Report of The Automobile Association of the Northern Territory Incorporated for the year ended 30 June 2008. Please note that the full financial report is available online at www.aant.com.au

Council's Report

Your council members submit the financial statements of The Automobile Association of the Northern Territory Incorporated for the financial year ended 30 June 2008.

Principal Activities

The principal activity of the Association during the financial year was the provision of roadside assistance services and other motoring/touring related services to members of the Association.

Operating Result

The surplus for the year was \$245,217 (2007: \$226,456).

Committee's Statement

In our opinion:

- (a) the accompanying Income statement presents fairly the performance of the Association for the year ended 30 June 2008; and
- (b) the accompanying Balance Sheet presents fairly the financial position of the Association as at 30 June 2008; and
- (c) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- (d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Council Members.

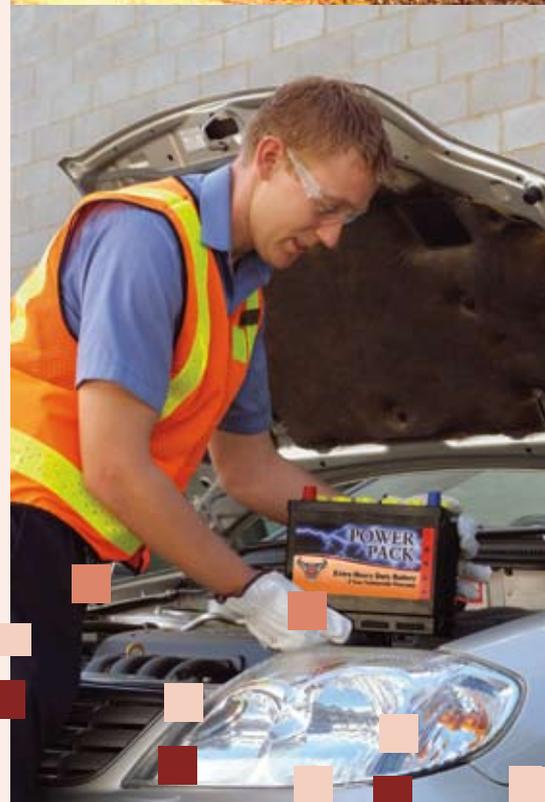
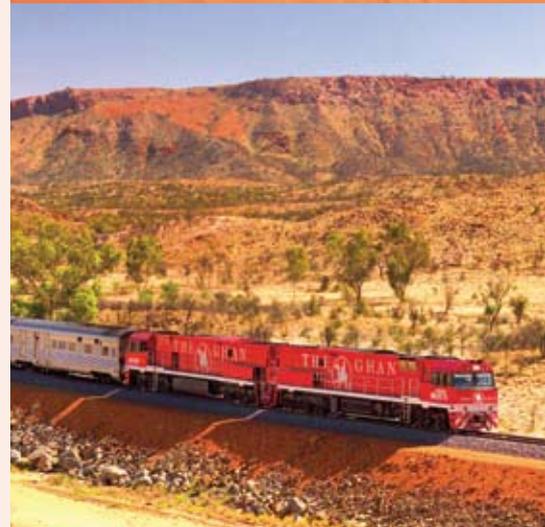
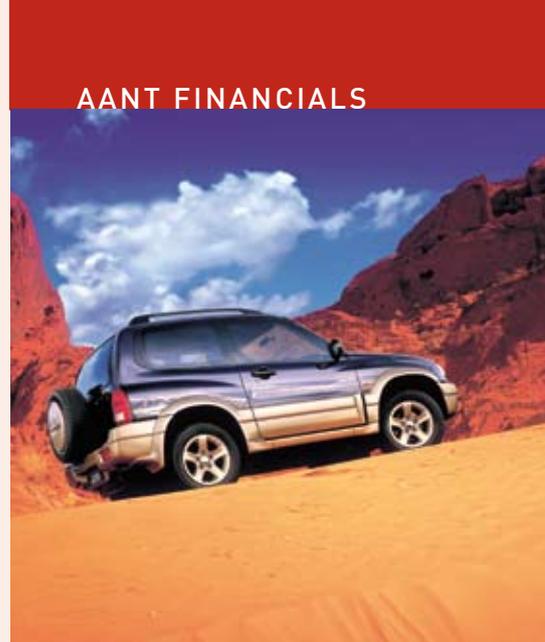


Linda Deans
PUBLIC OFFICER



Robert Bradley
PRESIDENT

Date: 7 October 2008
Darwin



Independent auditor's report to the members of the Automobile Association of the Northern Territory Incorporated

We have audited the accompanying financial report of the Automobile Association of the Northern Territory Incorporated (the Association), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee's declaration.

The Committee's Responsibility for the Financial Report.

The Association's committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and with the Associations Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1(a), the Association's committee also state that the financial report, comprising the financial statements and notes, complies with International

Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the Australian professional accounting bodies. In addition to our audit of the financial report, we were engaged to undertake non-audit services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

- (1) the financial report presents fairly, in all material respects, the financial position of the Automobile Association of the Northern Territory Incorporated as of 30 June 2008, and of its financial performance and cash flows for the year then ended in accordance with the Associations Act and Australian Accounting Standards (including the Australian Accounting Interpretations); and
- (2) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.



Aminul Islam
MERIT PARTNERS

Date: 15 October 2008
Darwin

Income Statement for the year ended 30 June 2008

	2008 \$	2007 \$
Revenue	2,784,570	2,503,849
Depreciation expense	(2,513)	(4,158)
Member Services expenses	(2,416,916)	(2,113,167)
Other expenses	(110,464)	(151,278)
Auditors Remuneration	(9,459)	(8,790)
Profit before income tax	245,217	226,456
Income tax expense	-	-
Profit from operations	245,217	226,456

Balance Sheet as at 30 June 2008

	2008 \$	2007 \$
Assets		
Current Assets		
Cash and cash equivalents	1,091,629	1,668,345
Trade and other receivables	95,543	162,613
Investments	1,100,000	-
Inventories	20,255	20,415
Total Current Assets	2,307,427	1,851,373
Non-Current Assets		
Plant and equipment	3,335	5,848
Total Non-Current Assets	3,335	5,848
Total Assets	2,310,762	1,857,221
Liabilities		
Current Liabilities		
Subscriptions and income in advance	937,234	846,068
Trade and other payables	529,196	412,038
Petty cash advance	1,000	1,000
Total Current Liabilities	1,467,430	1,259,106
Total Liabilities	1,467,430	1,259,106
Net Assets	843,332	598,115
Equity		
Retained earnings	843,332	598,115
Total Equity	843,332	598,115

Statement of Changes in Equity for the year ended 30 June 2008

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 1 July 2006	371,659	0	371,659
Profit attributable to members	226,456	0	226,456
Balance at 30 June 2007	598,115	0	598,115
Profit attributable to members	245,217	0	245,217
Balance at 30 June 2008	843,332	0	843,332

Cash Flow Statement for the year ended 30 June 2008

	2008	2007
	\$	\$
Cash Flows from Operating Activities		
Receipts from members and customers	2,584,554	2,250,735
Payments to suppliers and employees	(2,328,356)	(2,179,124)
Interest received	134,701	93,366
Commissions received	132,385	100,052
Net Cash Flows from Operating Activities	523,284	265,028
Cash Flows from Investing Activities		
Term Deposit Investment	(1,100,000)	-
Net Cash Flows used in Investing Activities	(1,100,000)	-
Net increase/(decrease) in cash and cash equivalents	(576,716)	265,028
Cash and cash equivalents at beginning of financial year	1,668,345	1,403,317
Cash and cash equivalents at end of financial year	1,091,629	1,668,345