

2008-09 MEMBERS' REPORT

Membership

Over the 2008-09 financial year AANT membership grew by 5.3 per cent and now stands at 17,629 members, with over 60 per cent of these opting for either Plus or Premium membership.

Financial

This financial year the AANT recorded a trading surplus of \$288,000, which was 17.5 per cent higher than last year.

It should be noted that the AANT has a very conservative approach to investing, with its reserves on deposit with the NAB, TIO or Australian Central Credit Union, which has reduced the impact of the global financial crisis.

Strategic Intent

From October until April, the Royal Automobile Club of Victoria (RACV) made their Manager Corporate Planning, Aaron Flavell, available to conduct a strategic review of the Association.

Under his guidance the AANT Council redefined the Association's vision going forward to:

- be more self sufficient and autonomous but leverage the capabilities and scale of other AAA clubs, as appropriate.
- better identify members' needs, deliver a compelling membership proposition and exceed their expectations.
- ensure staff are appropriately trained and focused on activities that add member value or potentially grow the organisation.
- provide core services as efficiently as possible.
- optimise existing products and services in terms of distribution, volume and member returns.
- be a leading NT organisation that is turned to for advice on motoring issues.
- influence policy decisions affecting NT motorists.

We are now currently working with management to achieve this vision.

Road Service

AANT contractors delivered a total of 19,343 road service call outs across the year. Of these, 51 per cent were directly for our members, with the remainder for members of interstate constituent clubs as part of reciprocal arrangements or other commercial clients.

Commercial Activities

In August, the AANT extended the vehicle inspection service to incorporate Alice Springs, which has since proved quite popular with members from central Australia.

With a new product range and an expanded distribution system the battery service has been a significant growth area for AANT this financial year. Sales generated from our suite of tourism products, which includes Hertz, Great Southern Rail, theme park passes and attraction tickets, also increased considerably.

The Territory Insurance Office (TIO) arrangement has also proved advantageous with commissions increasing by 44 per cent.

Public Policy Matters

The AANT was active in its advocacy this year with several submissions made to both State and Federal Government. In addition, a number of media releases were disseminated and radio interviews conducted. The Council regards this as one of our priority areas and utilises the expertise of the RAA and the AAA in providing such back-up support.

This year the AANT also had representation on the local Black Spot Consultative Panel, the local National Motor Vehicle Theft Reduction Council, the NT Technical Advisory Committee, Drivesafe NT and the Road Safety Consultative Committee.

Australian Automobile Association (AAA)

Throughout the year I represented the AANT on the AAA Board, attending three meetings, including the AGM and Conference in Adelaide. AANT Vice-President, Helen Galton, was also present at the Adelaide AGM. In August 2008, the AANT Council hosted one of the Board meetings in Alice Springs.

Sponsorships

Committed to being a sound corporate citizen, the AANT supported a number of worthwhile causes throughout the year. The biggest recipients were the Brolga Awards and Alice Springs TAFE – who received a Ford F350 vehicle for apprentice mechanic training.

Governance

At present the Council comprises Helen Galton, Douglas Phillips, David Booth, Brian Measey, Daryl Manzie, Barry Thomas, Mark Sweet, John Mitchell, Graeme Buckley and myself.

All three retiring Councillors, Mark Sweet, Barry Thomas and Daryl Manzie, offered themselves for re-election, which means there were no changes to the Council this year. On behalf of the members, I extend thanks to all of the Councillors for their considerable contributions to the Association.

Staff

The Association's long-term General Manager, Linda Deans, retired in December 2008 which prompted a reorganisation of responsibilities. As a result, Edon Bell was appointed as Operations Manager, commencing 1 July 2009. In the interim, the RAA arranged for Business Transformation Manager, Rita Excell, to undertake executive duties and support the Association during the recruitment process.

I take this opportunity to again thank Linda for her hard work and dedication to the Association and wish her a long and enjoyable retirement.

In Closing

Given the robust nature of the Northern Territory economy, the continued support of our affiliated interstate clubs and conservative investment strategies, we have weathered the recent economic upheavals extremely well. It was pleasing to see that during this time memberships, member services and income all increased, while expenses have been controlled.

I gratefully acknowledge the continued support of the RAA Board and staff. In particular I thank President, Leon Holmes; Managing Director, Ian Stone; and General Manager Business Development, Peter Hurcombe for their counsel.

With all staff now directly employed by the AANT, management is working closely with the RAA to make an orderly transfer of some operational tasks to now fall under the control of the AANT. In addition, negotiations are underway to replace the RAA alliance agreement with an outsourcing arrangement commencing from the start of the 2010-11 financial year, making these exciting times for the AANT.



Robert Bradley
AANT PRESIDENT



AANT FINANCIALS

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 2009. 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 2009.

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. There is no change in the principal activity since last financial year.

Operating Result

The surplus for the year was \$288,142 (2008: \$245,217).

Committee's Statement

In our opinion:

- (a) the accompanying Income Statement presents fairly the performance of the Association for the year ended 30 June 2009; and
- (b) the accompanying Balance Sheet presents fairly the financial position of the Association as at 30 June 2009.
- (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



Edon Bell
OPERATIONS MANAGER
Date: 6 October 2009
Darwin



Robert Bradley
PRESIDENT

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 2009, 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:

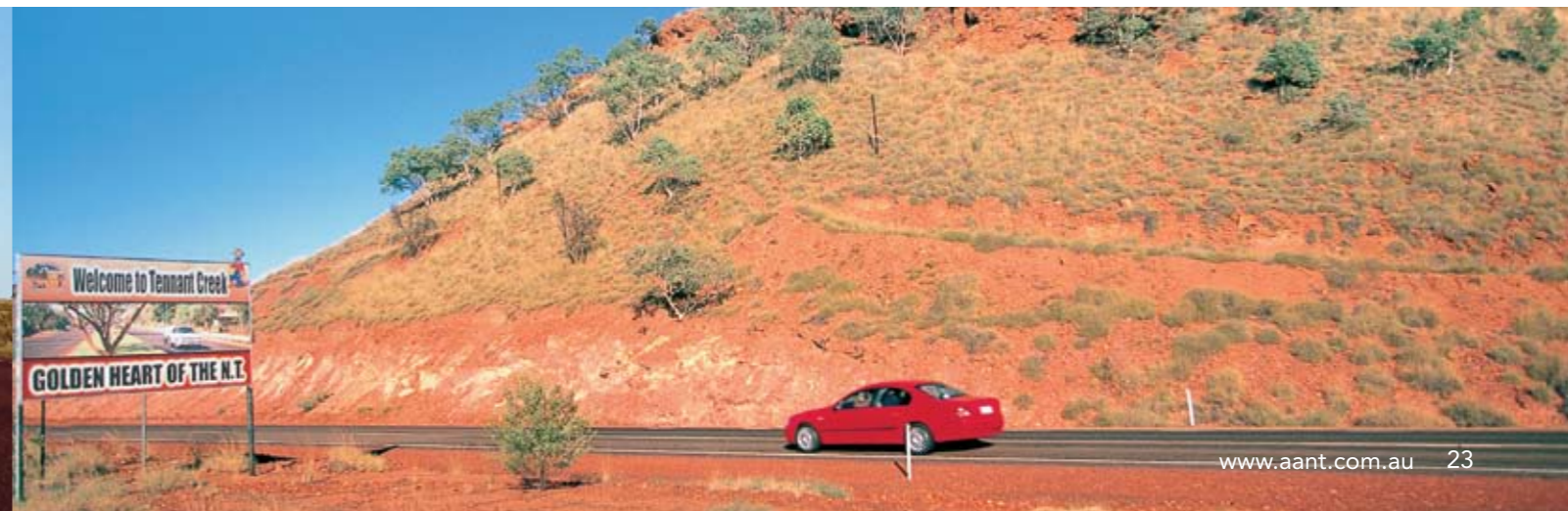
- (1) the financial report presents fairly, in all material respects, the financial position of The Automobile Association of the Northern Territory Incorporated as of 30 June 2009, and of its financial performance and cash flows for the year then ended in accordance with the Associations Act and Australian 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: 6 October 2009
Darwin

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Income Statement for the year ended 30 June 2009

	2009 \$	2008 \$
Revenue	3,031,222	2,784,570
Depreciation expense	(849)	(2,513)
Member Services expenses	(2,544,532)	(2,416,916)
Other expenses	(186,074)	(110,464)
Auditors remuneration	(11,624)	(9,459)
Profit before income tax	288,142	245,217
Income tax expense	-	-
Profit from operations	288,142	245,217

Statement of Changes in Equity for the year ended 30 June 2009

	Retained Earnings \$	Reserves \$	Total \$
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
Profit attributable to members	288,142	0	288,142
Balance at 30 June 2009	1,131,474	0	1,131,474

Balance Sheet as at 30 June 2009

	2009 \$	2008 \$
Assets		
Current assets		
Cash and cash equivalents	1,560,959	1,091,629
Trade and other receivables	160,590	95,543
Investments	1,165,405	1,100,000
Inventories	21,309	20,255
Total current assets	2,908,263	2,307,427
Non-current assets		
Plant and equipment	2,486	3,335
Total non-current assets	2,486	3,335
Total assets	2,910,749	2,310,762
Liabilities		
Current liabilities		
Subscriptions and income in advance	1,033,596	937,234
Trade and other payables	744,679	529,196
Petty cash advance	1,000	1,000
Total current liabilities	1,779,276	1,467,430
Total liabilities	1,779,276	1,467,430
Net assets	1,131,474	843,332
Equity		
Retained earnings	1,131,474	843,332
Total equity	1,131,474	843,332

Cash Flow Statement for the year ended 30 June 2009

	2009 \$	2008 \$
Cash flows from operating activities		
Receipts from members and customers	2,590,604	2,584,554
Payments to suppliers and employees	(2,431,439)	(2,328,356)
Interest received	153,892	134,701
Commissions received	156,275	132,385
Net cash flows from operating activities	469,330	523,284
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	469,330	(576,716)
Cash and cash equivalents at beginning of financial year	1,091,629	1,668,345
Cash and cash equivalents at end of financial year	1,560,959	1,091,629