

# 2009–10 members' report

## MEMBERSHIP

Over the 2009–10 financial year AANT membership grew by 7.6 per cent and now stands at 18,419 members, with more than 65 per cent of these opting for either the Plus or Premium membership.

## FINANCIAL

This financial year AANT recorded a trading surplus of \$445,186, an increase of \$157,044 over last year's result (\$288,000), with a trading profit (net of \$145,000 investment return) of \$300,000.

The Council has maintained its conservative approach to investing, with its reserves on deposit with the NAB, TIO and the Australian Central Credit Union.

## ROAD SERVICE

AANT contractors completed a total of 19,180 road service call-outs for the year. Of these 58 per cent were directly to our members, 23 per cent to members of interstate constituent clubs as part of reciprocal arrangements, and 18 per cent to other commercial clients.

Direct payments to our contractors for these services totalled \$1.1 million, or one-third of revenue. Additional related costs were for 24-hour call centre and dispatch, contractor training and technical support. Administration, accounting

services etc. cost a further million dollars, equating to approximately two-thirds of revenue going directly to the provision of road service.

## COMMERCIAL ACTIVITIES

Sales generated from our suite of tourism products, which includes commission from Hertz, Great Southern Rail, theme park and attraction tickets and international driving permits, was a significant growth area this financial year, with income increasing by 80 per cent.

Commission on battery sales remained steady for the year and AANT received global recognition for selling more batteries per member than any other club in the world serviced by battery supplier Club Assist.

This financial year 160 vehicle inspections were undertaken within the NT, an increase of 25 per cent from the previous year.

Commission on insurance premiums also increased by 10 per cent compared with last year. However, it is expected that commissions will reduce in 2010–11 as a result of entering into an Affinity Agreement with the Territory Insurance Office (TIO). Effective August 2010, AANT will no longer issue insurance directly, but will instead refer insurance business to TIO. Member benefits have been maintained in the new agreement and our associated staffing costs will be reduced.



## **PUBLIC POLICY MATTERS**

The AANT was active in its advocacy this year, with several submissions to both the NT and federal governments. 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 RAA and AAA to provide technical and back-up support in this area.

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, NT Level Crossing Safety Committee, Road Rules Maintenance Group and the Road Safety Consultative Committee.

## **AUSTRALIAN AUTOMOBILE ASSOCIATION**

During the year I represented AANT on the AAA Board, attending three meetings, including the AGM and Conference in Melbourne. I also represented AANT at the Global Roads Roundtable (GRR), the Australian Best Car Award Ceremony and the NRMA's 90th Birthday celebrations.

## **SPONSORSHIPS**

As a responsible corporate citizen, AANT supported a number of worthwhile causes throughout the year, the biggest recipient being the Brolga Awards.

## **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, David Booth, Graeme Buckley and Doug Phillips, 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 the Councillors for their considerable contribution to the Association, which is in a purely voluntary capacity.

## **STAFF**

Edon Bell, former Broken Hill Branch Manager for RAA, commenced duty on 1 July 2009 as Operations Manager. With his positive, 'can do' attitude staff responsibilities were redefined and appropriate training implemented, which has improved the cohesiveness and productivity of the team.

The staff previously employed by RAA became employees of AANT on 1 July 2009 with all of their entitlements preserved.

I take this opportunity to thank Edon and his team for their efforts and the high standards of member services provided throughout the year.

## **IN CLOSING**

With the robust nature of the NT economy, the continued support of our affiliated interstate clubs and conservative investment strategies, we are in a robust position with memberships, member services and income increasing, while expenses have been controlled.

With all staff now directly employed by AANT and the Outsourcing Agreement with RAA in effect, we look forward to another successful year for the benefit of our members.



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 2010. Please note that the full financial report is available online at [www.aant.com.au](http://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 2010.

## **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 \$445,186 (2009: \$288,142).

## **COMMITTEE'S STATEMENT**

In our opinion:

- (a) the accompanying Statement of Comprehensive Income presents fairly the performance of the Association for the year ended 30 June 2010; and
- (b) the accompanying Balance Sheet presents fairly the financial position of the Association as at 30 June 2010; 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.



**Edon Bell**  
Manager



**Robert Bradley**  
President

Date: 16 September 2010  
Darwin

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUTOMOBILE ASSOCIATION OF THE NORTHERN TERRITORY INCORPORATED**

We have audited the financial report of The Automobile Association of the Northern Territory Incorporated (the Association), which comprises the balance sheet as at 30 June 2010, 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 states 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 control 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 of the Automobile Association of the Northern Territory incorporated is in accordance with:
  - (a) the *Associations Act*, including:
    - (i) giving a true and fair view of the financial position of the Automobile Association of the Northern Territory Incorporated at 30 June 2010 and of its performance for the year ended on that date; and
    - (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations); and
  - (b) other mandatory financial reporting requirements in Australia.
2. The financial report also complies with the International Financial Reporting standards as Issued by the International Accounting Standards Board.



**Aminul Islam**  
Merit Partners

Date: 16 September 2010  
Darwin

### Income Statement for the year ended 30 June 2010

	2010	2009
	\$	\$
Revenue	3,380,717	3,031,222
Depreciation expense	(2,486)	(849)
Member services expenses	(2,187,23)	(2,544,533)
Employee benefits	(424,996)	
Other expenses	(310,580)	(186,074)
Auditor's remuneration	(10,239)	(11,624)
Profit before income tax	445,186	288,142
Income tax expense	–	–
<b>Profit from operations</b>	<b>445,186</b>	<b>288,142</b>

### Balance sheet as at 30 June 2010

	2010	2009
	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,560,756	1,560,959
Trade and other receivables	259,935	160,590
Investments	1,735,011	1,165,405
Inventories	24,158	21,309
<b>Total current assets</b>	<b>3,579,860</b>	<b>2,908,263</b>
<b>Non-current assets</b>		
Plant and equipment	–	2,486
<b>Total non-current assets</b>	<b>–</b>	<b>2,486</b>
<b>Total assets</b>	<b>3,579,860</b>	<b>2,910,749</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Subscriptions and income in advance	1,190,217	1,033,596
Trade and other payables	775,175	744,679
Provisions	29,996	–
Petty cash advance	–	1,000
<b>Total current liabilities</b>	<b>1,995,388</b>	<b>1,779,276</b>
<b>Non current liabilities</b>		
Employee provisions	7,812	–
<b>Total non-current liabilities</b>	<b>7,812</b>	<b>–</b>
<b>Total liabilities</b>	<b>2,003,200</b>	<b>1,779,276</b>
<b>Net assets</b>	<b>1,576,660</b>	<b>1,131,474</b>
<b>Equity</b>		
Retained earnings	1,576,660	1,131,474
<b>Total equity</b>	<b>1,576,660</b>	<b>1,131,474</b>

## Statement of changes in equity for the year ended 30 June 2010

	Retained Earnings	Reserves	Total
	\$	\$	\$
<b>Balance at 1 July 2008</b>	<b>843,332</b>	<b>0</b>	<b>843,332</b>
Profit attributable to members	288,142	0	288,142
<b>Balance at 30 June 2009</b>	<b>1,131,474</b>	<b>0</b>	<b>1,131,474</b>
Profit attributable to members	445,186	0	445,186
<b>Balance at 30 June 2010</b>	<b>1,576,660</b>	<b>0</b>	<b>1,576,660</b>

## Cash flow statement for the year ended 30 June 2010

	2010	2009
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from members and customers	2,959,490	2,590,604
Payments to suppliers and employees	(2,652,911)	(2,431,439)
Interest received	86,026	153,892
Commissions received	176,797	156,275
<b>Net cash flows from operating activities</b>	<b>569,402</b>	<b>469,330</b>
<b>Cash flows from investing activities</b>		
Term deposit investment	(569,605)	-
<b>Net cash flows used in investing activities</b>	<b>(569,605)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(203)</b>	<b>469,330</b>
<b>Cash and cash equivalents at beginning of financial year</b>	<b>1,560,959</b>	<b>1,091,629</b>
<b>Cash and cash equivalents at end of financial year</b>	<b>1,560,756</b>	<b>1,560,959</b>