

2016–17 members report

Established in 1963, AANT has a strong membership of over 20,000 Territory residents and delivers a diverse and growing range of premium commercial services including: Road Side Service, Battery Sales, Petrol Discounts, Home, Contents and Travel Insurance, Travel Products and Services.

AANT remains the independent advocate for Northern Territory motorists with a focus on improved safety, affordable motoring and better roads.

In addition, AANT has a role to effectively leverage the Australian Automobile Association (AAA) and constituent clubs to pursue public policy areas and ensure that NT residents receive meaningful benefits through national and local partnerships.

The Australian Automobile Association's (AAA) Benchmarking of the National Road Safety Strategy (NRSS), tracks progress against the NRSS target of reducing road deaths by at least 30 per cent by 2020, with all Australian governments committing to this strategy in 2011. It is becoming clear that Australia will fall short of this target, and with an Annual Road Death per 100k population average of 17.96 in the Territory, compared to the national average of 5.89, road safety needs to remain a high priority in the NT with focus on key issues, in particular those with over representation including drink driving, non-wearing of seatbelts and driver distraction.

AANT, has supported the application by the AAA to secure funding through Federation International Automobile (FIA), to undertake a study with focus exclusively on the cohort of learner drivers, and will examine the relationship between mobile phone use and driving. It also intends to establish the degree to which mobile phone use while driving may be attributed to addiction.

Keys2drive is an Australian Government-funded program offering learner drivers and their parents or supervisors a new approach to learning road safety. A milestone of 500k lessons was reached during the year and the AANT Council welcomes the recommitment by the Australian Government to the Keys2Drive programme in 2017, providing young Territorians ongoing access to a valuable road safety initiative.

Now in its third year, AANT's strategic partnership with United Petroleum continues to deliver competitive fuel pricing in the NT, with member savings exceeding \$550,000 annually via the 6cpl discount. Fuel pricing transparency will also become a reality with the launch of the NT Government MYfuel NT website.

A concerted effort over the last year in delivering new products to Market, including a strategic partnership with QBE Insurance to deliver AANT Insurance products and an agreement with Club Assist to secure an improved roadside service delivery model for Territory residents has seen positive revenue and operational efficiencies.

As a result, AANT produced a modest operating profit this year and which is forecast for continued growth as the Insurance book matures. AANT continues to maintain a robust financial position with \$3.02m in total equity.

Councillors this year have remained stable with one resignation tendered, Grant Fenton (Vice President) who returned to Victoria. By rotation, the three retiring councillors, Trevor Cox, Quentin Killian Suzanne Morgan offered themselves for re-election. On behalf of the members, I extend thanks to all members of the council for your considerable contribution to the Association, in a purely voluntary capacity.

The AANT Council has also moved to present members at the 54th AGM of the association a contemporary Constitution which will modernise the current Rules of the Association. The new Constitution will reflect or adopt technological advances, legislative updates, and governance practices of the Association.

In 2017 the AANT council reviewed its Strategic Plan to ensure all activity remains focused on four key pillars: Building the Brand, Improving Member Experience, Being More Sustainable, Being More Connected. The AANT is committed to the ongoing delivery of high level services relevant to Territorians, road safety and revenue growth to deliver increasing value for all members.

Our staff have been outstanding throughout the year embracing the challenges associated with innovation and real-time customer service, their tireless commitment to diversifying their skills and product knowledge and exceeding members' needs and expectations is deeply appreciated. On behalf of the Council, I record our pride and gratitude to the dedicated AANT team and the roadside contractor network for their commitment to maintaining quality services to members.



David Loy
AANT PRESIDENT

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COUNCIL'S REPORT

Your council members submit the financial statements of The Automobile Association of the Northern Territory Incorporated ("the Association") for the financial year ended 30 June 2017.

COUNCIL MEMBERS

The names of council members during the financial year are as follows:

- Mr David Loy (President)
- Mr Grant Fenton (resigned 04/04/2017)
- Mr Douglas Phillips (Acting Vice President – effective April 2017)
- Mr Graeme Buckley
- Ms Suzanne Morgan
- Mr Quentin Kilian
- Mr Trevor Cox
- Mr Mark Olivetta
- Ms Cassandra Emmett

PRINCIPAL ACTIVITY

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 net current year profit was \$19,538 (2016: -\$475,309).

COUNCIL'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 2017;
- (b) the accompanying Statement of Financial Position presents fairly the financial position of the Association as at 30 June 2017.
- (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.



David Loy
President



Douglas Phillips
Vice President

Date: 3 October 2017
Darwin

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INDEPENDENT AUDITOR'S REPORT

To members of the Automobile Association of the Northern Territory Incorporated.

We have audited the accompanying financial report of Automotive Association of the Northern Territory Incorporated, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and council members' declaration.

COUNCIL MEMBERS' RESPONSIBILITY FOR THE FINANCIAL REPORT

Council members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Northern Territory of Australia Associations Act, and for such internal control as the council members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 the auditor's 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, the

auditor considers 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by council members, 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.

AUDITOR'S OPINION

In our opinion, the financial report presents fairly, in all material respects, the financial position of Automobile Association of the Northern Territory Incorporated as at 30 June 2017, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Northern Territory of Australia Associations Act.



BDO Audit (NT) **C J Sciacca**

Audit Partner
Darwin: 1 October 2017

Profit or loss and other comprehensive income for the year ended 30 June 2017

	2017	2016
	\$	\$
Revenue	4,894,695	4,398,532
Member services expenses	(2,819,879)	(2,675,078)
Administration fees	(287,177)	(616,289)
Employee benefits	(983,992)	(893,898)
Other expenses	(918,281)	(813,229)
Operating profit/(loss) before income tax	33,816	(476,880)
Income tax expense	(14,278)	1,571
Total comprehensive income/(loss) for the year	15,686	(468,647)

Financial position statement as at 30 June 2016

	2017	2016
	\$	\$
Current assets		
Cash and cash equivalents	2,423,741	3,320,432
Trade and other receivables	192,802	113,526
Financial assets	1,952,909	998,074
Inventories	49,663	67,291
Total current assets	4,619,115	4,499,323
Non-current assets		
Plant and equipment	246,989	361,130
Intangibles	593,718	594,977
Deferred tax asset	16,487	16,876
Total non-current assets	857,194	972,983
Total assets	5,476,309	5,472,306
Current liabilities		
Subscriptions and income in advance	1,344,798	1,303,566
Trade and other payables	614,553	507,764
Provisions	103,984	115,946
Loans and borrowings	158,400	158,400
Total current liabilities	2,221,735	2,085,676
Non-current liabilities		
Provisions	11,952	13,393
Deferred tax liability	21,284	9,184
Loans and borrowings	198,000	356,400
Total non-current liabilities	231,236	378,977
Total liabilities	2,452,971	2,464,653
Net assets	3,023,338	3,007,653
Equity		
Retained earnings	3,020,529	3,000,991
Reserves	2,809	6,662
Total equity	3,023,338	3,007,653

Changes in equity statement for the year ended 30 June 2017

	Retained earnings	Total
	\$	\$
Balance at 1 July 2015	3,476,300	3,476,300
Loss for the period	(475,309)	(475,309)
Other comprehensive income / (loss)	-	6,662
Total comprehensive income for the year	(475,309)	3,007,653
Balance at 30 June 2016	3,000,991	3,007,653
Balance at 1 July 2016	3,000,991	3,007,653
Profit for the period	19,538	19,538
Other comprehensive income / (loss)	-	(3,853)
Total comprehensive income / (loss) for the year	19,538	15,686
Balance at 30 June 2017	3,020,529	3,023,338

Cash flow statement for the year ended 30 June 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Receipts from members and customers	4,588,418	4,293,244
Payments to suppliers and employees	(4,883,746)	(5,211,136)
Interest received	146,191	122,120
Commissions received	229,261	154,708
Net cash provided by / (used in) investing activities	80,124	(641,064)
Cash flows from investing activities		
Movement in term deposit investments	-	3,860,487
Proceeds from sale of financial assets	1,222,948	-
Payments for purchase of financial assets	(2,183,424)	(988,557)
Purchase of fixed assets and intangibles	(16,339)	(71,096)
Net cash flows used in investing activities	(976,815)	2,800,834
Net increase/(decrease) in cash and cash equivalents	(896,691)	2,159,769
Cash and cash equivalents at beginning of financial year	3,320,432	1,160,663
Cash and cash equivalents at end of financial year	2,423,741	3,320,432