

Company Number 587316

**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2007

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**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2007

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**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2007

COMPANY INFORMATION

Registered Office.	P O Box 1 10 Toft Green YORK YO1 7NJ
Registered Number:	587316
Charity Registered Number:	226745 - SCO38023
Auditors:	Clive Owen & Co LLP Chartered Accountants and Registered Auditors Oak Tree House Harwood Road Northminster Business Park Upper Poppleton YORK YO26 6QU
Main Bankers:	Lloyds TSB Plc 2 Pavement YORK YO1 9LB HSBC Plc 13 Parliament Street YORK YO1 8XS
Solicitors:	Harrowell Shaftoe Solicitors Moorgate House Clifton Moorgate YORK YO3 4WY
Investment managers:	Lloyds TSB PO Box HK 100 Acclaim House Central Park New Lane LEEDS LS11 5UE

**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

THE 12 TRADITIONS OF A A.

- 1 - Our common welfare should come first, personal recovery depends upon A A unity
- 2 - For our group purpose there is but one ultimate authority - a loving God as He may express Himself in our group conscience Our leaders are but trusted servants, they do not govern
- 3 - The only requirement for A A membership is a desire to stop drinking
- 4 - Each group should be autonomous except in matters affecting other groups or A A as a whole
- 5 - Each group has but one primary purpose - to carry its message to the alcoholic who still suffers
- 6 - An A A group ought never endorse, finance, or lend the A A name to any related facility or outside enterprise, lest problems of money, property and prestige divert us from our primary purpose
- 7 - Every A A group ought to be fully self supporting, declining outside contributions
- 8 - Alcoholics Anonymous should remain forever non-professional, but our service centers may employ special workers
- 9 - A A , as such, ought never be organized, but we may create service boards or committees directly responsible to those they serve
- 10 - Alcoholics Anonymous has no opinion on outside issues, hence the A A name ought never be drawn into public controversy
- 11 - Our public relations policy is based on attraction rather than promotion, we need always maintain personal anonymity at the level of press, radio and films
- 12 - Anonymity is the spiritual foundation of all our traditions, ever reminding us to place principles before personalities

**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 30 September 2007. The directors have adopted the provisions of 'Accounting and Reporting by Charities: Statement of Recommended Practice' (revised 2005) in preparing the report and statements.

Reference and Administrative Details of the Charitable Company, its Trustees and Advisers

The company is a company limited by guarantee and not having a share capital. The company number is 587316. It is a registered charity. The registration number is 226745/SCO38023. The registered office is at PO Box 1, 10 Toft Green, York, YO1 7NJ.

The directors who served during the year were -

R Arundel	Chairman
R Booth	Vice Chairman
A Slocombe	Treasurer
M Black	appointed 22 April 2007
D Carroll	
E Chilvers	
A Cudden	
D Davies	appointed 22 April 2007
I Doig	
H Donaldson	
M Francis	
L Foxcroft	
A Galbraith	resigned 8 January 2007
J Lappin	resigned 22 April 2007
A McDade	appointed 22 April 2007
P Maund Powell	
D Morgan	
D Munchin	resigned 21 May 2007
V Overton	
J Smith	
C Titley	
J Tominey	
G Verrall	
C Watson	

**THE GENERAL SERVICE BOARD OF
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DIRECTORS' REPORT (CONTINUED)

Statement of Structure, Governance and Management

Governance - the Relationships Between the Board and its Supporters and Consultation Mechanisms

The Board is a limited company regulated by its Memorandum and Articles of Association as laid down in the Companies Acts. This instrument is a legal document which has bearing only on the General Service Board of Alcoholics Anonymous (Great Britain) Limited.

The Board is the servant of the Fellowship of Alcoholics Anonymous in Great Britain and, in common with all other groups of Trusted Servants, depends upon the Twelve Traditions of Alcoholics Anonymous, Twelve Concepts for Service and the Charter of the General Service Conference to guide its policies. Because the Board is a charitable company registered in England and Scotland these instruments must be appropriate to their application in Great Britain and written in language which makes it clear that the Board recognises its responsibilities under English and Scottish law.

Governance of Alcoholics Anonymous in Great Britain

Alcoholics Anonymous is a fellowship of men and women who share their experience, strength and hope with each other that they may solve their common problem and help others to recover from alcoholism.

The only requirement for membership is a desire to stop drinking. There are no dues or fees for A.A. membership, we are self-supporting through our own contributions. A.A. is not allied with any sect, denomination, politics, organisation or institution, does not wish to engage in any controversy, neither endorses or opposes any causes. Our primary purpose is to stay sober and help other alcoholics to achieve sobriety.

A.A. members meet as Groups which form elected, representative service bodies, Intergroups and Regions, whose purpose is to facilitate the carrying of the A.A. message by the groups to the still-suffering alcoholic. This service structure nominates persons for election to the General Service Board. The General Service Board serves the Fellowship by providing central services of various types and is a registered charity.

The Groups, Intergroups and Regions are recognised by the Charity Commissioners as informal, autonomous "affiliated groups" which have no independent constitution. As such, they are not held to be accountable to the General Service Board nor to the Charity Commission.

The governance of Alcoholics Anonymous in Great Britain is based on the voluntary instruments, The Twelve Traditions of Alcoholics Anonymous, Twelve Concepts for Service and the Charter of the General Service Conference.

Consultation between the main charity, the General Service Board, and its supporters the Groups, Intergroups and Regions of Alcoholics Anonymous in Great Britain takes place on a regular basis through service forums and workshops and an annual General Service Conference comprised of elected delegates from each of the Regions in Alcoholics Anonymous Great Britain and the trustees of the Board.

**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
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DIRECTORS' REPORT (CONTINUED)

Risk Statement

(i) General Policy

The major risks to which the charity is exposed have been identified by the trustees, including financial, the traditions of Alcoholics Anonymous and our reputation. The charity is a non political organisation and dealing with preservation of integrity is covered in the 12 Traditions of AA, detailed on page 1

Formal management control systems and procedures, operating policies and manual processes have been agreed and established as part of ongoing risk assessment, to mitigate risks

Mitigation of financial risk is further addressed by the policy of holding reserves, as detailed below

(ii) Reserves Policy

The Trustees have established a policy whereby free reserves held by the Charity should exceed 1 years expenditure, which equates to approximately £1,000,000. At this level, the Trustees feel that they would be able to continue activities of the charity in the event of a significant drop in funding. At present free reserves amount to £1,373,097

(iii) Investment Policy

The investment aim is to achieve steady growth of the capital over the medium term, by holding a proportion of investment funds in equity or equity-related investments, balanced by a substantial element of lower risk, stable investments of gilts or cash based investments

Objectives and Activities

The company's main objective is to assist alcoholics to overcome their addiction to alcohol and maintain sobriety. It carries out this objective by publishing and distributing books, pamphlets and other literature in relation to alcoholism. In these ways the charity supports independent local groups established to uphold the primary objective of the company. The company's Statement of Governance is set out on page 3

Achievements and Performance

The General Service Board has again achieved the objectives of the charity by providing services to the Fellowship of Alcoholics Anonymous and information to the public and professionals. The relocation of the registered office to larger premises was achieved with the minimum of disruption of services and staff are now afforded adequate space. Business meetings can now be held in the registered office and this has resulted in increased activity between the General Service Board and the service structure of the Fellowship

Visitors to the registered office have increased since the relocation with the enhanced space and the new dedicated Archives Room being especially attractive to the Fellowship. The operation of the Literature Department has been streamlined because of easier access

Trustees have taken a pragmatic approach in many areas of their work, attending events at both Westminster and the Scottish Parliament to present information about Alcoholics Anonymous. Many professional conferences have also seen the presence of our trustees. Communication within the Fellowship has taken an imaginative turn with the General Service Board offering the whole of the service structure the opportunity to exchange ideas and share experience in a series of seminars reviewing the AA telephone service, health and finance. The public were encouraged to become more aware of AA by a series of announcements on public transport, and in several television areas. Response to each along with the website responses was measured and conclusions will be reported to the Fellowship and will inform the trustees of the way forward

**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

DIRECTORS' REPORT (CONTINUED)

Achievements and Performance (continued)

The trustee Board has remained proactive in continuing to co-operate with the judiciary, with health professionals, with the armed services, and with employers, bringing new awareness of AA to those areas of public life and in doing so have ensured that one of the more important objectives of the General Service Board has been fulfilled once again. Alcoholics Anonymous is recognised in several policy documents outside of AA including the Department of Health and the judiciary.

Development of the official AA website has continued both in the services for members of AA and in the provision of a point of contact for those with a drink problem.

Steady sales continue for the two internal subscription magazines 'Share' and 'Roundabout' and new literature has been produced, 'Message for Professionals' for external distribution and 'Archives' and 'The Pot' which are to support the fellowship's internal activity.

Financial Review

The surplus for the year to be transferred to accumulated funds and restricted funds is set out in the statement of financial activities on page 10.

The business of the Fellowship has been carried out this financial year in accordance with our primary purpose. Budgetary controls and reviews have ensured prudent use of our financial resources. The audited accounts have been prepared under the provisions of 'Accounting and Reporting by Charities: Statement of Recommended Practice' (revised 2005).

The fellowship has continued, as in the last few years, an upward trend in contributions, reaffirming previous Conference recommendations that the fellowship should continue to strive to be fully self-supporting, reaffirming its commitment to Tradition 7, Helping us to fulfill our primary purpose of carrying the message of recovery from alcoholism and to maintain sobriety.

Voluntary contributions are up this year by 29.9%, Gift Aid contributions are also up this year by 32%. Intergroup contributions are slightly down on last year, but continue to dominate the overall income received. Income from publications has risen again this year by 9%. Total income received is up by 2% on last year.

Both Share and Roundabout magazines sales are slightly down by 0.5% on last year. This year has seen an additional Share magazine called Share & Share Alike in celebration of the 60th Anniversary of Alcoholics Anonymous in Great Britain. 3,570 copies have been sold so far. Investment income has fallen this year due to a fall in dividends received and in releasing some of our capital to pay for the office move.

Overall expenditure has increased significantly this year due mainly to the office move to new and larger premises on Toft Green in York. Many expenses have remained in line with last year. The following shows where significant variances have occurred. Surrender of the Lease of Stonebow House has so far cost us £177k, with the move to Toft Green costing us £23k, other costs were incurred but are shown as capital items, which is the reason for the large rise in depreciation costs of 81%, irrecoverable VAT has also risen by 56% due to the extra invoices paid for the office move, other costs including light & heat and insurance have also increased due to the extra space we now occupy.

**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
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DIRECTORS' REPORT (CONTINUED)

Financial Review (continued)

The cost of AA Service News has increased mainly due to the increase in postage costs. We have also increased the number printed, as the number of groups continues to increase. The extra space at Toft Green has enabled us to spend money on improving our Archives with new up to date electronic equipment. Our media projects this year have been £24k spent on TV advertising last Christmas, £22k on the London Underground Tubes and £6k on radio advertising which is still continuing. Half the cost of the new DVD project have also been paid. There has been an increase in our realisation of investments of £12k compared to last years £4k. The overall result for the year is a loss of £176,140.

Plans for Future Periods

The trustees continue the commitment to supporting service through the Fellowship in the form of planned service seminars and Regional forums. Several new pieces of internal literature on the Traditions and Concepts of AA are in the pipeline and a review of all literature, which has already begun, will continue with consideration being given to both content and appearance. A major initiative is underway to create up to date DVDs for public information and also planned is a DVD illustrating the history of AA in England and Wales.

Statement of Directors' Responsibilities

The directors responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the results of the company for that year.

In preparing those financial statements the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

In accordance with S 385 of the Companies Act 1985 a resolution for the reappointment of Clive Owen & Co LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



A. Napier - Company Secretary
23 November 2007

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

We have audited the financial statements of The General Service Board of Alcoholics Anonymous (Great Britain) Limited for the year ended 30 September 2007 which comprise the Income and Expenditure Account, Statement of Financial Activities, Balance Sheet and Notes to the Financial Statements. These financial statements have been prepared under the accounting policies set out on pages 12 and 13.

This report is made solely to the charitable company's members, as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 6 the charitable company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF OPINION

We conducted our audit in accordance with International Auditing Standards (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE) CONTINUED**

OPINION

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs at 30 September 2007 and of its incoming resources and application of resources, including its income and expenditure for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985, and

the information given in the directors' report is consistent with the financial statements

Clive Owen & Co LLP

CLIVE OWEN & CO LLP
Registered Auditors
Chartered Accountants

Oak Tree House
Harwood Road
Northminster Business Park
Upper Poppleton
York
YO26 6QU

23 November 2007

**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

SUMMARY INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30 SEPTEMBER 2007

		2007	2006
	Note	£	£
INCOME	2	1,300,108	1,262,468
Publications expenditure		<u>(374,065)</u>	<u>(335,993)</u>
		926,043	926,475
Fellowship services	4	(552,059)	(534,349)
Administrative expenses	5	(436,012)	(372,156)
Surrender of lease	6	<u>(177,080)</u>	<u>0</u>
OPERATING (DEFICIT)/SURPLUS		(239,108)	19,970
Investment income	7	<u>50,533</u>	<u>63,418</u>
(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR BEFORE APPROPRIATIONS		(188,575)	83,388
Realised gain/(loss) on investment assets		<u>12,435</u>	<u>(3,221)</u>
REALISED (DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		<u>£ (176,140)</u>	<u>£ 80,167</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2007	2006
	£	£
Realised (deficit)/surplus for the financial year	(176,140)	80,167
Unrealised gain on investment assets	<u>12,824</u>	<u>17,155</u>
Total gains and losses for the financial year	<u>£ (163,316)</u>	<u>£ 97,322</u>

The summary income and expenditure account is presented in order to ensure compliance with the Companies Act 1985. The major difference in the figures presented and those in the statement of financial activities are that the unrealised gains and losses on investment assets are not recognised.

The notes on pages 12 to 19 form part of these financial statements.
The statement of retention of reserves is shown in note 15.

**THE GENERAL SERVICE BOARD OF
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STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 30 SEPTEMBER 2007

	2007				2006			
	Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds	
	Voluntary Publications	Total	E S M	Development	Voluntary Publications	Total	E S M	Development
Note	£	£	£	£	£	£	£	£
INCOMING RESOURCES								
Incoming resources from generated funds								
Voluntary Income								
Contributions	704 744	704 744	10 834		715 578	708 693	15 379	
Gift aid and covenants	12 931	12 931	-		12 931	9 804		
Conventions	29 040	29 040	-		29 040	27 744		
Activities for generating funds								
Publications	532 132	532 132	-	10 427	542 559	490 594		
Investment Income	48 579	48 579	1 797	157	50 533	62 719	315	
Incoming resources from charitable activities								
TOTAL INCOMING RESOURCES	795,294	532,132	12,631	10,584	1,350,641	808,960	15,694	10,639
RESOURCES EXPENDED								
Cost of generating funds								
Cost of generating voluntary income								
Fundraising (trading, costs of goods (publications) sold and other costs)	374 065	374 065	-	-	374 065	-	335 993	
Other costs of generating funds								
Investment management fees	6,775	-	6,775	-	6,775	7,016	-	
Charitable activities	6,775	374,065	380,840		380,840	7,016	335,993	343,009
Governance costs								
Management and administration								
Fellowship services	528 357	528 357	1,743	21 959	552 059		515 252	10 063
Support costs	387 912	387 912	46		387 958		317 520	-
Administrative expenses	41,279	41,279			41,279		47,559	-
Surrender of lease	957,548	1,789	21,959	981,296		880,331	9,095	10,063
TOTAL RESOURCES EXPENDED	1,515,468	1,789	21,959	1,539,216		1,223,340	9,095	10,063
NET INCOMING RESOURCES/(RESOURCES EXPENDED) BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS	(188 042)	10 842	(11 375)	(188 575)		76 214	6 599	575
(LOSSES)/GAINS ON REVALUATION AND ON INVESTMENT ASSET DISPOSALS								
Realised	12 435	12 435			12 435		(3 221)	
Unrealised	12,824	12,824			12,824		17,155	
NET MOVEMENT IN FUNDS	(162,783)	10 842	(11 375)	(163 316)		90 148	6 599	575
FUNDS BROUGHT FORWARD AT 1 OCTOBER 2006	1,535,880	62,190	25,494	1,623,564		1,445,732	55,591	24,919
FUNDS CARRIED FORWARD AT 30 SEPTEMBER 2007	£ 1,373,097	73,032	14,119	1,460,248		£ 1,535,880	62,190	25,494
STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITABLE USE FOR THE FINANCIAL YEAR								
	£	£	£	£		£	£	£
Net movement in funds for the year	(162 783)	10 842	(11 375)	(163 316)		90 148	6 599	575
Resources used for net decrease in value of tangible fixed assets	(91 749)			(91 749)		416	-	416
Resources used for net acquisitions of fixed asset investments	(27 436)			(27 436)		(43 463)	-	(43 463)
Net movement in funds available for future activities	£ (281,968)	10,842	(11,375)	(282,501)		£ 47 101	6 599	575

All of the above results are derived from continuing activities
The recognised gains and losses for the financial year are set out in note 15
The Statement of retention of reserves is shown in note 15
The notes on pages 12 to 19 form part of these financial statements

**THE GENERAL SERVICE BOARD OF
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BALANCE SHEET

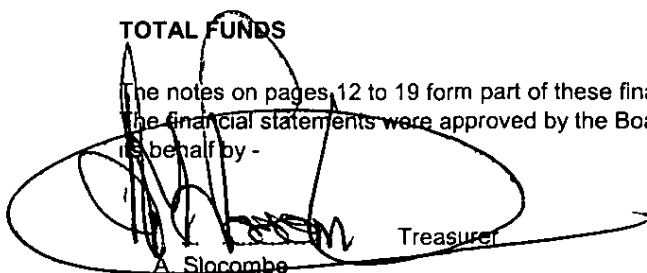
AS AT 30 SEPTEMBER 2007

		2007		2006	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		98,150		6,401
Investments	10		<u>673,754</u>		<u>646,318</u>
			771,904		652,719
CURRENT ASSETS					
Stocks	11	72,520		75,777	
Debtors	12	35,044		55,566	
Investments	13	539,248		742,575	
Cash at bank and in hand		<u>166,638</u>		<u>164,150</u>	
		813,450		1,038,068	
CREDITORS Amounts falling due within one year	14	<u>(125,106)</u>		<u>(67,223)</u>	
NET CURRENT ASSETS			<u>688,344</u>		<u>970,845</u>
NET ASSETS		£	<u><u>1,460,248</u></u>	£	<u><u>1,623,564</u></u>
FUNDS					
Unrestricted funds	15		1,373,097		1,535,880
Restricted funds					
Development fund			14,119		25,494
European Service Meeting			<u>73,032</u>		<u>62,190</u>
TOTAL FUNDS		£	<u><u>1,460,248</u></u>	£	<u><u>1,623,564</u></u>

The notes on pages 12 to 19 form part of these financial statements

The financial statements were approved by the Board on 23 November 2007 and signed on

its behalf by -

 Treasurer
A. Slacombe

**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements are prepared under the historical cost convention, as modified by the revaluation of listed investments to market value, and applicable Accounting Standards and and comply with the provisions of 'Accounting and Reporting by Charities Statement of Recommended Practice' (revised 2005)

The charitable company has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of its activities

(b) Tangible Fixed Assets

Depreciation is calculated so as to write off the cost of the tangible fixed assets over their their estimated useful economic lives as follows -

Fixtures and fittings	25% straight line
Computer equipment	33% straight line

(c) Investments

Listed investments are stated at market value in order to comply with the provisions of 'Accounting and Reporting by Charities Statement of Recommended Practice (revised 2005)

Investment income is brought into account when received

(d) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct expenditure, together with the appropriate overheads in bringing stocks to their present location and condition

(e) Operating Leases

Rentals payable under operating leases are charged against the profit and loss account

(f) Foreign Currency

Foreign currency transactions are converted at the exchange rate ruling at the date of the transaction. Foreign currency assets and liabilities are translated at the exchange rate ruling at the balance sheet date with any profit or loss on exchange being included in the profit and loss account

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NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (continued)

(g) Pension Costs

The pension contributions charged represent contributions payable by the company to employees' personal pension plans in the accounting year

(h) Cash Flow Statement

The company qualifies as a small company under the provisions of the Companies Act 1985, based on its level of income and assets. The company has therefore taken advantage of the exemption contained within Financial Reporting Standard No. 1 in not presenting a cash flow statement

(i) Unrestricted Funds

In accordance with the Memorandum and Articles of Association, the trustees have invested surplus funds in order to ensure that the charity can meet its consistent ongoing obligations in providing a high level of central services to the beneficiaries and to accommodate future fluctuations in income levels and service development. With reference to future plans and ongoing service requirements, the trustees have determined that the appropriate level of reserve funds should be based on an amount equal to one year of the charity's future running costs

(j) Restricted Funds

(i) Development Fund

Income for the Development Fund is derived as a percentage of the turnover received from the sale of certain items of literature. The Development Fund is designated for use in furthering the Alcoholics Anonymous message abroad

(ii) European Service Meeting Fund

The company holds funds on behalf of the European Service Meeting. These funds are designated for use only on matters which relate to the European Service Meeting and associated A.A. service activities in Europe. Income is recognised in full as receivable

(k) Incoming Resources and Resources Expended

Publications income represents amounts invoiced by the charitable company in respect of goods sold and services rendered during the year, excluding value added tax. Income received in advance for subscriptions publications is deferred and allocated over the life of the subscription term. Voluntary income represents amounts received in respect of contributions, covenants and conventions

No grants are made and costs are allocated under the headings prescribed by 'Accounting and Reporting by Charities' Statement of Recommended Practice (revised 2005) as appropriate to the objectives set out in the Statement of Governance

**THE GENERAL SERVICE BOARD OF
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(LIMITED BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS

2 INCOMING RESOURCES

The analyses of turnover by activity and geographical area are as follows -

	2007 £	2006 £
Voluntary income and publications	1,300,108	1,262,468
Investment income	<u>50,533</u>	<u>63,418</u>
	£ <u>1,350,641</u>	£ <u>1,325,886</u>
United Kingdom	£ <u>1,350,641</u>	£ <u>1,325,886</u>

3 STAFF NUMBERS AND COSTS

The average number of persons employed by the company (excluding directors) during the year was as follows -

	2007	2006
Full - time equivalent staff	<u>19</u>	<u>18</u>

Each member of staff has a contract which requires them to deal with fellowship services, support services and administration tasks. The directors estimate that the time spent is in proportion to the costs allocated.

The aggregate payroll costs of these persons were as follows -

	2007 £	2006 £
Wages and salaries	351,513	328,440
Social security costs	32,101	29,228
Other pension costs	<u>28,249</u>	<u>27,348</u>
	£ <u>411,863</u>	£ <u>385,016</u>

The number of directors and employees whose emoluments amounted to over £50,000 in the year was nil (2006 nil)

4 FELLOWSHIP SERVICES

	2007 £	2006 £
Staff costs	214,169	200,208
Premises	59,676	58,513
Communications	91,025	93,205
Media	52,312	75,762
General expenses	<u>134,877</u>	<u>106,661</u>
	£ <u>552,059</u>	£ <u>534,349</u>

**THE GENERAL SERVICE BOARD OF
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NOTES TO THE FINANCIAL STATEMENTS

5 ADMINISTRATIVE EXPENSES

	2007	2006
	£	£
Support costs		
Staff costs	156,508	146,306
Premises	46,163	40,420
Communications	11,926	20,681
General expenses	85,136	76,461
Financial expenses	88,224	33,713
Video	-	-
	<u>£ 387,958</u>	<u>£ 317,581</u>
Administrative costs		
Legal and professional charges	<u>£ 41,279</u>	<u>£ 47,559</u>
Investment management fees	<u>£ 6,775</u>	<u>£ 7,016</u>
	<u>£ 436,012</u>	<u>372,156</u>

6 SURRENDER OF LEASE

During the year the company paid £177,080 in relation to the surrender of the lease at the previous premises, Stonebow House

7 INVESTMENT INCOME

	2007	2006
	£	£
Bank deposit interest	28,051	26,619
Bank deposit interest		
- Development fund	157	384
Bank deposit interest		
- European Service Meeting	1,797	315
Interest from listed fixed asset investments	<u>20,528</u>	<u>36,100</u>
	<u>£ 50,533</u>	<u>£ 63,418</u>

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NOTES TO THE FINANCIAL STATEMENTS

8 SURPLUS OF INCOMING RESOURCES

The surplus of incoming resources for the financial year is stated after charging the following

	2007	2006
	£	£
Directors' remuneration	-	-
Rentals payable on properties	109,181	84,589
Surrender of lease	177,080	-
Expenses reimbursed to trustees		
- unrestricted funds	35,478	46,454
- restricted funds	3,996	-
Depreciation	36,375	7,170
Operating lease rentals	11,969	9,257
Audit fee	6,750	7,000
Amounts paid to auditors other than audit fee	<u>450</u>	<u>420</u>

The charitable company provides an appropriate level of indemnity insurance

The number of trustees paid expenses during the year was 25 (2006 25) The expenses relate mainly to travel and accommodation

9 TANGIBLE FIXED ASSETS

	Fixtures and Fittings	Computer Equipment	Total
	£	£	£
COST			
At 1 October 2006	70,833	57,963	128,796
Additions	122,075	6,050	128,125
Disposals	-	-	-
At 30 September 2007	<u>192,908</u>	<u>64,013</u>	<u>256,921</u>
DEPRECIATION			
At 1 October 2006	69,489	52,906	122,395
Charge in year	31,463	4,913	36,376
Disposals	-	-	-
At 30 September 2007	<u>100,952</u>	<u>57,819</u>	<u>158,771</u>
NET BOOK VALUE			
At 30 September 2007	<u>£ 91,956</u>	<u>6,194</u>	<u>98,150</u>
At 30 September 2006	<u>£ 1,344</u>	<u>5,057</u>	<u>6,401</u>

All tangible fixed assets are held for the charity's own use

**THE GENERAL SERVICE BOARD OF
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NOTES TO THE FINANCIAL STATEMENTS

10 FIXED ASSET INVESTMENTS

	2007	2006
	£	£
VALUATION		
At 1 October 2006	646,319	602,855
Additions	66,657	281,981
Revaluation	12,824	9,650
Disposals	<u>(52,046)</u>	<u>(248,168)</u>
At 30 September 2007	<u>673,754</u>	<u>646,318</u>
PROVISIONS FOR DIMINUTION		
At 1 October 2006	-	-
Provision for the year	<u>-</u>	<u>-</u>
At 30 September 2007	<u>-</u>	<u>-</u>
NET BOOK VALUE	£ <u>673,754</u>	£ <u>646,318</u>
HISTORICAL COST	£ <u>605,756</u>	£ <u>605,756</u>

All of the above investments are UK listed investments

The following investment represents more than 5% of the total investments - Treasury 6 25% Stock 2010 (market value £30,197), Treasury 4 75% Stock 2015 (market value £82,034), Treasury 2 5% Stock Index-Linked 2011 (market value £65,199), Treasury 2 5% Stock Index-Linked 2013 (market value £64,989), and Treasury 5% Stock 2014 (market value £25,072)

11 STOCKS

	2007	2006
	£	£
Goods for resale	<u>72,520</u>	<u>75,777</u>

12 DEBTORS

Amounts falling due within one year -

	2007	2006
	£	£
Trade debtors	5,675	6,956
Other debtors	14,949	14,883
Prepayments and accrued income	<u>14,420</u>	<u>33,727</u>
	£ <u>35,044</u>	£ <u>55,566</u>

13 CURRENT ASSET INVESTMENTS

	2007	2006
	£	£
Bank deposits	<u>539,248</u>	<u>742,575</u>

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NOTES TO THE FINANCIAL STATEMENTS

14 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	42,065	31,124
Taxation and social security	8,978	-
Accruals	24,929	8,085
Deferred income	46,625	25,520
Other creditors	2,510	2,493
	<u>£ 125,106</u>	<u>£ 67,222</u>

15 UNRESTRICTED FUNDS

	2007	2006
	£	£
At 1 October 2006	1,535,880	1,445,732
Movements in year		
Net decrease in tangible fixed assets	91,749	(416)
Net increase in value of fixed asset investments	27,436	43,463
Resources retained for future use	<u>(281,968)</u>	<u>47,101</u>
	<u>(162,783)</u>	<u>90,148</u>
At 30 September 2007	<u>£ 1,373,097</u>	<u>£ 1,535,880</u>

The reserves of the company are not distributable, but are available for use in the furtherance of the objects of the charity

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds Development	E S M	Total Funds
	£	£	£	£
Tangible assets	98,150	-	-	98,150
Investments	673,754	-	-	673,754
Current assets	725,678	14,151	73,621	813,450
Creditors amounts falling due within one year	<u>(124,485)</u>	<u>(32)</u>	<u>(589)</u>	<u>(125,106)</u>
	<u>£ 1,373,097</u>	<u>14,119</u>	<u>73,032</u>	<u>1,460,248</u>

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NOTES TO THE FINANCIAL STATEMENTS

17 COMMITMENTS

Capital commitments at 30 September 2007 were as follows -

	2007	2006
Contracted	£Nil	£Nil

At 30 September 2007 the company had annual commitments under non-cancellable operating leases as follows

	Land and Property 2007 £	Other 2007 £	Land and Property 2006 £	Other 2006 £
Expiry date -				
Within 1 year	-	-	-	-
Between two and five years	156,967	11,656	94,000	10,238
	<u>156,967</u>	<u>11,656</u>	<u>94,000</u>	<u>10,238</u>

18 GUARANTEE

The company is limited by guarantee of its 25 members to contribute to the assets of the company in the event of winding up in an amount not to exceed £1 per member