

Company Number: 587316

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

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2008



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ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2008

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ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2008

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:	HSBC Plc 13 Parliament Street YORK YO1 8XS
Solicitors:	Harrowells LLP Moorgate House Clifton Moorgate YORK YO3 4WY
Investment managers:	Morgan Stanley & Co International Plc 25 Cabot Square Canary Wharf London E14 4QA

**THE GENERAL SERVICE BOARD OF
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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 2008. 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/SC038023. 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	
D. Carroll	
E. Chilvers	
A. Cudden	
D. Davies	
I. Doig	resigned 20 April 2008
H. Donaldson	resigned 16 May 2008
M. Francis	
L. Foxcroft	
P. Allier	appointed 20 April 2008
A. McDade	
P. Maund Powell	
D. Morgan	resigned 20 April 2008
S. Davis	appointed 20 April 2008
V. Overton	
J. Smith	
C. Titley	
J. Tominey	
G. Verrall	resigned 30 June 2008
C. Watson	resigned 20 April 2008
J. Stone	appointed 20 April 2008
L. Raymond	appointed 20 April 2008

**THE GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
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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 A.A., 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 £1,226,491.

(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 provision of service to the Fellowship of Alcoholics Anonymous has continued, with the General Service Board providing a new public information DVD especially for young people and introducing two new pieces of literature aimed at employers and the medical profession. The introduction of an illustrated catalogue for literature has meant that the Fellowship service structure has been able, more readily, to identify the information most suited to their own projects when passing the message of A.A. to professionals and the general public.

A DVD illustrating the history of A.A. in England, Scotland and Wales has met with enthusiasm and this will be introduced at Conference 2009.

Increased activity within the service structure of A.A. has continued with service seminars and regional forums giving members the opportunity to exchange ideas on developing the approach to achieving A.A.'s primary purpose - to pass the message of recovery to those who want help with their drink problem and to those agencies, professionals and the general public that come into contact with alcoholics. The General Service Board has worked steadily towards this goal in the areas of health, prisons, probation, armed services and employment. Development of communication tools has continued, with the formulation of a project to upgrade and expand the alcoholics-anonymous.org.uk website and efforts are continued to open up more avenues of communication on the telephone helpline.

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

Achievements and Performance (continued)

The successful public events of last year at Westminster and the Scottish Parliament were repeated during 2007-8 with the addition of an event at the Welsh Assembly.

Communication continues in A.A.'s spirit of co-operation rather than affiliation, with national bodies including the judiciary and government departments, with trustees maintaining contact on a regular basis.

Media and public information projects this financial year have taken the form of pilot schemes in two geographical areas, involving radio pieces and newspaper announcements. It is the intention of the General Service Board to monitor the results of these in order that future projects can be informed by them.

Sales for two internal subscription magazines have remained steady and communication throughout the Fellowship has again been enhanced by A.A. Service News which is distributed to every group within the structure.

Financial Review

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).

As anticipated The Fellowship finances have been affected by the current economic climate. Whilst as a Fellowship we are fully aware of our responsibilities to be self supporting through our own contributions, income is down, particularly Intergroup contributions, and the gross profit on literature has also decreased. The overall result for the year for total funds is a deficit of £58,336.

Travel and trustee expenses have greatly increased. This is due to a full compliment of Board Trustees, both alcoholic and non alcoholic. From May 2008 three shadow executives who will take up their roles in April 2009 have been attending all executive and financial meetings. Attendance by trustees at the 4 seminars held this year: telephones, Probation, Public Information and Electronic Communication are included in the cost, plus attendance at professional conferences. Trustees have also attended Fellowship Conferences in the United States and Europe.

Investments have decreased substantially. Market value of shares have dropped, and the Fellowship's investment portfolio has been affected. The portfolio was changed from Lloyds TSB to Morgan Stanley during the financial year, who are providing a professional service to us.

Throughout the financial year we have fulfilled our commitment to the monthly Fellowship publications of Share and Roundabout. Quarterly additions of A.A. Service news have been distributed to all registered groups, plus any additional special issue dedicated to the work undertaken by the Fellowship in the field of Prisons and Probation.

The cost of producing the literature has increased, and this has now been reflected in a price increase. Our stock of literature this year has increased, as printing for some publications is now being done in the UK rather than being ordered and shipped from the USA. A large order was received prior to the year end, hence the increase in stock levels.

The deficit for the year, combined with the unrealised loss on investments for the year has reduced our reserves to £1,314,579.

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

Financial Review (continued)

The General Service Board of Alcoholics Anonymous through its Executive Committee and Finance Committee at its board meeting held on 19 and 20 September 2008 commenced tighter budgetary controls that will be implemented to ensure that the charity's primary purpose will be fulfilled during the next financial year to 30 September 2009.

Plans for Future Periods

Future plans for significant projects are to be reviewed carefully by the General Service Board in light of the present financial downturn. Two projects to which the Board has a commitment to complete however are the development of the website and the relocation of the Southern Service Office, which is made necessary because of redevelopment of the building and its surrounds.

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 judgements 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
28 November 2008

**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 2008 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 Directors' 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 judgements 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**

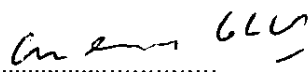
OPINION

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 2008 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
Registered Auditors
Chartered Accountants

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

28 November 2008

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

SUMMARY INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 30 SEPTEMBER 2008

		2008	2007
	Note	£	£
INCOME	2	1,291,632	1,321,295
Publications expenditure		<u>(401,919)</u>	<u>(374,065)</u>
		889,713	947,230
Fellowship services	4	(577,808)	(573,246)
Administrative expenses	5	(407,208)	(436,012)
Surrender of lease	6	<u>(33,814)</u>	<u>(177,080)</u>
OPERATING DEFICIT		(129,117)	(239,108)
Investment income	7	<u>58,951</u>	<u>50,533</u>
DEFICIT FOR THE FINANCIAL YEAR BEFORE APPROPRIATIONS		(70,166)	(188,575)
Realised gain on investment assets		<u>11,830</u>	<u>12,435</u>
REALISED DEFICIT FOR THE FINANCIAL YEAR		<u>£ (58,336)</u>	<u>£ (176,140)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2008	2007
	£	£
Realised deficit for the financial year	(58,336)	(176,140)
Unrealised (loss)/gain on investment assets	<u>(87,333)</u>	<u>12,824</u>
Total gains and losses for the financial year	<u>£ (145,669)</u>	<u>£ (163,316)</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 2008

	2008				2007			
	Unrestricted Funds		Restricted Funds		Unrestricted Funds		Restricted Funds	
	Voluntary	Total	E.S.M.	Total	Voluntary	Total	E.S.M.	Total
	£	£	£	£	£	£	£	£
INCOMING RESOURCES								
Incoming resources from generated funds								
Voluntary income:								
Contributions	671,759	-	671,759	10,428	-	682,187	704,744	10,834
Gift aid and covenants	12,645	-	12,645	-	-	12,645	12,931	-
Conventions	25,264	-	25,264	-	-	29,040	29,040	-
Conference	11,459	-	11,459	-	-	21,187	21,187	-
Activities for generating funds:								
Publications	-	549,138	-	10,941	560,077	-	532,132	-
Investment income:	7	56,858	-	269	58,951	48,579	1,797	157
Incoming resources from charitable activities	-	-	-	-	-	-	-	-
TOTAL INCOMING RESOURCES	2	777,883	549,138	1,327,119	12,254	11,210	1,350,583	816,481
RESOURCES EXPENDED								
Cost of generating funds:								
Fundraising trading: costs of goods (publications)	-	401,919	-	-	401,919	-	374,065	-
Other costs of generating funds	-	-	-	-	-	-	-	-
Investment management fees	5	3,194	-	3,194	6,775	-	6,775	-
Charitable activities:								
Governance costs:								
Management and administration:	4	555,383	22,389	38	577,808	549,544	1,743	21,959
Fellowship services	5	372,860	102	-	372,782	387,912	46	-
Support costs	5	31,252	-	-	31,252	41,279	-	-
Administrative expenses								
Surrender of lease	6	33,814	-	-	33,814	978,735	1,789	21,959
TOTAL RESOURCES EXPENDED		1,398,222	22,491	38	1,420,749	1,536,855	1,789	21,959
NET INCOMING RESOURCES/(RESOURCES EXPENDED) BEFORE REVALUATIONS AND INVESTMENT ASSET DISPOSALS		(71,033)	(10,237)	11,174	(70,166)	(188,042)	10,842	(11,375)
(LOSSES)/GAINS ON REVALUATION AND ON INVESTMENT ASSET DISPOSALS								
Realised		11,830	-	-	11,830	12,435	-	-
Unrealised		(87,333)	-	-	(87,333)	12,824	-	-
NET MOVEMENT IN FUNDS		(146,606)	(10,237)	11,174	(145,669)	(162,783)	10,842	(11,375)
FUNDS BROUGHT FORWARD AT 1 OCTOBER 2007		1,373,097	73,032	14,119	1,460,248	1,535,880	62,190	25,494
FUNDS CARRIED FORWARD AT 30 SEPTEMBER 2008		£ 1,228,491	£ 62,795	£ 25,293	£ 1,314,579	£ 1,373,097	£ 73,032	£ 14,119
STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS FOR CHARITABLE USE FOR THE FINANCIAL YEAR								
Net movement in funds for the year		(146,606)	(10,237)	11,174	(145,669)	(162,783)	10,842	(11,375)
Resources used for net decrease in value of tangible fixed assets		29,835	-	-	29,835	(91,749)	-	-
Resources used for net acquisitions of fixed asset investments		157,401	-	-	157,401	(27,436)	-	-
Net movement in funds available for future activities		£ 40,630	£ (10,237)	£ 11,174	£ 41,547	£ (281,968)	£ 10,842	£ (11,375)

All of the above results are derived from continuing activities.
The recognised gains and losses for the unrestricted funds 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
ALCOHOLICS ANONYMOUS (GREAT BRITAIN) LIMITED
(LIMITED BY GUARANTEE)**

BALANCE SHEET

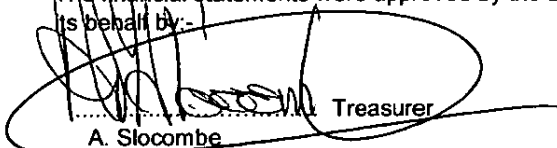
AS AT 30 SEPTEMBER 2008

		2008		2007	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	9		68,315		98,150
Investments	10		<u>516,353</u>		<u>673,754</u>
			584,668		771,904
CURRENT ASSETS					
Stocks	11	98,390		72,520	
Debtors	12	72,929		35,044	
Investments	13	558,184		539,248	
Cash at bank and in hand		<u>149,976</u>		<u>166,638</u>	
		879,479		813,450	
CREDITORS: Amounts falling due within one year	14	<u>(149,568)</u>		<u>(125,106)</u>	
NET CURRENT ASSETS			<u>729,911</u>		<u>688,344</u>
NET ASSETS			<u>£ 1,314,579</u>		<u>£ 1,460,248</u>
FUNDS					
Unrestricted funds:	15		1,226,491		1,373,097
Restricted funds:					
Development fund			25,293		14,119
European Service Meeting			<u>62,795</u>		<u>73,032</u>
TOTAL FUNDS			<u>£ 1,314,579</u>		<u>£ 1,460,248</u>

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

The financial statements were approved by the Board on 28 November 2008 and signed on

its behalf by:-

 Treasurer
A. Slocombe

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

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.

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

NOTES TO THE FINANCIAL STATEMENTS

2. INCOMING RESOURCES

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

	2008 £	2007 £
Voluntary income and publications	1,291,632	1,321,295
Investment income	<u>58,951</u>	<u>50,533</u>
	£ <u>1,350,583</u>	£ <u>1,371,828</u>
United Kingdom	£ <u>1,350,583</u>	£ <u>1,371,828</u>

3. STAFF NUMBERS AND COSTS

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

	2008	2007
Full - time equivalent staff	<u>19</u>	<u>19</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:-

	2008 £	2007 £
Wages and salaries	356,576	351,513
Social security costs	34,039	32,101
Other pension costs	<u>35,079</u>	<u>28,249</u>
	£ <u>425,694</u>	£ <u>411,863</u>

The number of directors and employees whose emoluments amounted to over £50,000 in the year was nil (2007: nil)

4. FELLOWSHIP SERVICES

	2008 £	2007 £
Staff costs	221,361	214,169
Premises	65,298	59,676
Communications	118,030	112,212
Media	29,433	52,312
General expenses	<u>143,686</u>	<u>134,877</u>
	£ <u>577,808</u>	£ <u>573,246</u>

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

5. ADMINISTRATIVE EXPENSES

	2008	2007
	£	£
Support costs:		
Staff costs	161,764	156,509
Premises	49,902	46,163
Communications	11,779	11,926
General expenses	99,633	85,136
Financial expenses	49,684	88,224
	<u>£ 372,762</u>	<u>£ 387,958</u>
Administrative costs:		
Legal and professional charges	<u>£ 31,252</u>	<u>£ 41,279</u>
Investment management fees	<u>£ 3,194</u>	<u>£ 6,775</u>
	<u>£ 407,208</u>	<u>436,012</u>

6. SURRENDER OF LEASE

During the year ended 30 September 2008 the company paid £33,814 (2007: £177,080) in relation to the surrender of the lease at the previous premises, Stonebow House.

7. INVESTMENT INCOME

	2008	2007
	£	£
Bank deposit interest	25,729	28,051
Bank deposit interest - Development fund	269	157
Bank deposit interest - European Service Meeting	1,826	1,797
Interest from listed fixed asset investments	<u>31,127</u>	<u>20,528</u>
	<u>£ 58,951</u>	<u>£ 50,533</u>

**THE GENERAL SERVICE BOARD OF
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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:

	2008	2007
	£	£
Directors' remuneration	-	-
Rentals payable on properties	125,542	109,181
Surrender of lease	33,814	177,080
Expenses reimbursed to trustees		
- unrestricted funds	47,701	35,478
- restricted funds	-	3,996
Depreciation	37,800	36,375
Operating lease rentals	11,528	11,969
Audit fee	7,000	6,750
Amounts paid to auditors other than audit fee	<u>1,140</u>	<u>450</u>

The charitable company provides an appropriate level of indemnity insurance.

The number of trustees paid expenses during the year was 25 (2007: 25). The expenses relate mainly to travel and accommodation.

9. TANGIBLE FIXED ASSETS

	Fixtures and Fittings	Computer Equipment	Total
	£	£	£
COST			
At 1 October 2007	192,908	64,013	256,921
Additions	1,643	6,322	7,965
Disposals	-	(49,625)	(49,625)
At 30 September 2008	<u>194,551</u>	<u>20,710</u>	<u>215,261</u>
DEPRECIATION			
At 1 October 2007	100,952	57,819	158,771
Charge in year	31,266	6,534	37,800
Disposals	-	(49,625)	(49,625)
At 30 September 2008	<u>132,218</u>	<u>14,728</u>	<u>146,946</u>
NET BOOK VALUE			
At 30 September 2008	<u>£ 62,333</u>	<u>5,982</u>	<u>68,315</u>
At 30 September 2007	<u>£ 91,956</u>	<u>6,194</u>	<u>98,150</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

	2008	2007
	£	£
VALUATION		
At 1 October 2007	673,754	646,319
Additions	849,173	66,657
Revaluation	(87,333)	12,824
Disposals	<u>(919,241)</u>	<u>(52,046)</u>
At 30 September 2008	<u>516,353</u>	<u>673,754</u>
PROVISIONS FOR DIMINUTION		
At 1 October 2007	-	-
Provision for the year	<u>-</u>	<u>-</u>
At 30 September 2008	<u>-</u>	<u>-</u>
NET BOOK VALUE	£ <u>516,353</u>	£ <u>673,754</u>
HISTORICAL COST	£ <u>545,459</u>	£ <u>605,756</u>

The following investment represents more than 5% of the total investments - Morgan Stanley Hedge Funds (market value £97,760), DB-X Trackers RN index (market value £143,512), Corporate Notes: Rabobank Nederland 4.75% 30/09/09 (market value £49,320), Bank of Scotland 4.375% 30/12/09 (market value £46,835), BP Capital Markets Plc 5.75% 26/02/10 (market value £50,155), and GE Capital UK Funding 5.875% 20/04/10 (market value £46,630).

11. STOCKS

	2008	2007
	£	£
Goods for resale	<u>98,390</u>	<u>72,520</u>

12. DEBTORS

Amounts falling due within one year:-

	2008	2007
	£	£
Trade debtors	12,229	5,675
Other debtors	9,930	14,949
Prepayments and accrued income	<u>50,770</u>	<u>14,420</u>
	£ <u>72,929</u>	£ <u>35,044</u>

13. CURRENT ASSET INVESTMENTS

	2008	2007
	£	£
Bank deposits	<u>558,184</u>	<u>539,248</u>

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade creditors	37,805	42,065
Taxation and social security	8,815	8,978
Accruals	59,821	24,929
Deferred income	43,127	46,625
Other creditors	-	2,509
	<u>£ 149,568</u>	<u>£ 125,106</u>

15. UNRESTRICTED FUNDS

	2008	2007
	£	£
At 1 October 2007	1,373,097	1,535,880
Movements in year:		
Net (decrease)/increase in tangible fixed assets	(29,835)	91,749
Net (decrease)/ increase in value of fixed asset investments	(157,401)	27,436
Resources retained for future use	<u>40,630</u>	<u>(281,968)</u>
	(146,606)	(162,783)
At 30 September 2008	<u>£ 1,226,491</u>	<u>£ 1,373,097</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	68,315	-	-	68,315
Investments	516,353	-	-	516,353
Current assets	791,392	25,292	62,795	879,479
Creditors: amounts falling due within one year	<u>(149,568)</u>	-	-	<u>(149,568)</u>
	<u>£ 1,226,492</u>	<u>25,292</u>	<u>62,795</u>	<u>1,314,579</u>

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

17. COMMITMENTS

Capital commitments at 30 September 2008 were as follows:-

	2008	2007
Contracted	£Nil	£Nil

At 30 September 2008 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Property 2008 £	Other 2008 £	Land and Property 2007 £	Other 2007 £
Expiry date:-				
Within 1 year	26,411	-	-	-
Between two and five years	127,890	11,656	156,967	11,656
	<u>154,301</u>	<u>11,656</u>	<u>156,967</u>	<u>11,656</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.