

**General Service Board of
Alcoholics Anonymous
Australia**

ABN 77 001 417 125

Financial report

For the year ended 30 June 2016

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GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

DIRECTORS' REPORT

The directors present their report together with the financial report of General Service Board of Alcoholics Anonymous Australia for the year ended 30 June 2016 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors names

The names of the directors in office at any time during or since the end of the year are:

Paul Budgen

Rodger Bull Resigned 8 November 2015

Michael Coolahan

Michael Eastaway

Brett Fulloon

Bruce Macaulay

Robyn Newman Appointed 11 July 2015 Resigned 19 June 2016

Kerry Sheahan

Maurice Smith

William Hayes Appointed 1 January 2016

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Company objectives

To serve the Fellowship of Alcoholics Anonymous in its primary purpose of helping alcoholics to achieve sobriety and to act as the legal entity of the spiritual Fellowship.

Full objectives are described in the company's Memorandum of Association contained in the Australian Alcoholics Anonymous Service Manual.

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

DIRECTORS' REPORT

Company performance

Progress reports and Financial Reports are provided to the Annual General Service Conference, which is attended by all Directors of the Company. A monthly Management Group meeting, consisting of all National Office staff members and two General Service Trustees is held. These meetings review the monthly accounts, progress of the current National Convention, and progress of tasks assigned to the Board by Conference.

Information on directors

Paul Bugden

Special responsibilities Eastern Region Trustee

Rodger Bull

Special responsibilities Class A Trustee

Michael Coolahan

Special responsibilities Southern Region Trustee

Michael Eastaway

Special responsibilities General Service Trustee

Brett Fulloon

Special responsibilities North Eastern Region Trustee

Bruce Macaulay

Special responsibilities General Service Trustee

Robyn Newman

Special responsibilities Central Region Trustee

William Hayes

Special responsibilities Northern Region Trustee

Kerry Sheahan

Special responsibilities Western Regional Trustee

Maurice Smith

Special responsibilities Class A Trustee, Deputy Chairperson

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

DIRECTORS' REPORT

Meetings of directors

| Directors | Directors' meetings | |
|------------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Paul Bugden | 3 | 3 |
| Rodger Bull | 2 | 2 |
| Michael Coolahan | 3 | 3 |
| Michael Eastaway | 3 | 3 |
| Brett Fulloon | 3 | 2 |
| Bruce Macaulay | 3 | 2 |
| Robyn Newman | 2 | 2 |
| William Hayes | 1 | 1 |
| Kerry Sheahan | 3 | 3 |
| Maurice Smith | 3 | 3 |

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of \$50 each towards meeting any out standings and obligations of the company. At 30 June 2016 the number of members was 9. The combined total amount that members of the company are liable to contribute if the company is wound up is \$450.

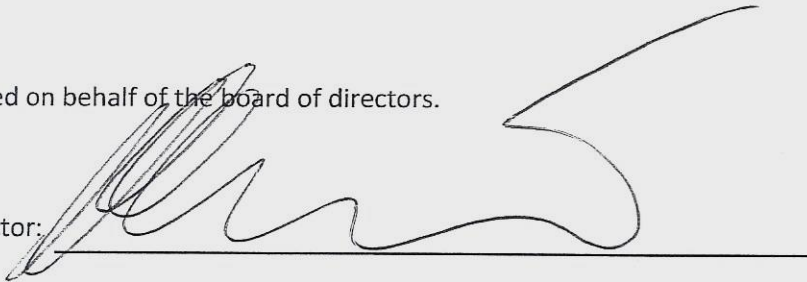
DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit for the financial year is provided with this report.

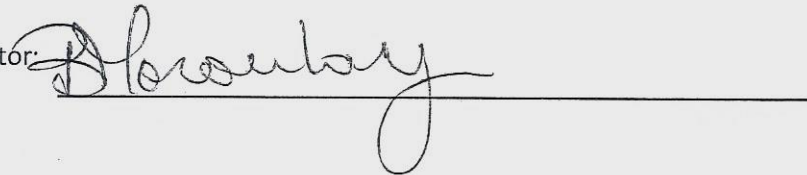
Signed on behalf of the board of directors.

Director:



A handwritten signature in black ink, appearing to be 'P. ...', written over a horizontal line.

Director:



A handwritten signature in black ink, appearing to be 'D. ...', written over a horizontal line.

Dated this Seventh day of November 2016



PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

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GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA

In relation to the independent audit for the year ended 30 June 2016, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012; and
- (ii) no contraventions of any applicable code of professional conduct.

Mark Godlewski

Partner

PITCHER PARTNERS
SYDNEY

Date: 10 November 2016

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

| | Note | 2016 \$ | 2015 \$ |
|---|------|------------------|------------------|
| Revenue and other income | | | |
| Sales revenue | 2 | 287,643 | 276,405 |
| Other revenue | 2 | <u>309,539</u> | <u>380,177</u> |
| | 2 | <u>597,182</u> | <u>656,582</u> |
| Less: expenses | | | |
| Changes in inventories of finished goods and work in progress | 3 | 8,475 | 18,430 |
| Cost of Goods Sold | 3 | (143,219) | (143,083) |
| Depreciation and amortisation expense | 3 | (1,500) | (6,261) |
| Employee benefits expense | | (249,462) | (250,815) |
| Rent expenses | | (32,575) | (30,672) |
| Advertising expense | | (4,800) | - |
| Insurance expenses | | (16,332) | (17,222) |
| Telephone expenses | | (5,970) | (7,660) |
| Postage | | (3,663) | (5,588) |
| Public information expenses | | (15,278) | (31,120) |
| Conference/ Seminar costs | | (58,197) | (57,950) |
| Travelling expenses | | (125,861) | (112,308) |
| World service levy | | - | (12,195) |
| Other Expenses | | <u>(75,637)</u> | <u>(50,555)</u> |
| | | <u>(724,019)</u> | <u>(706,999)</u> |
| Surplus / (deficit) | | (126,837) | (50,417) |
| Other comprehensive income for the year | | <u>-</u> | <u>-</u> |
| Total comprehensive income | | <u>(126,837)</u> | <u>(50,417)</u> |

The accompanying notes form part of these financial statements.

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

| | Note | 2016 \$ | 2015 \$ |
|--------------------------------------|------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 5 | 89,222 | 210,518 |
| Receivables | 6 | 46,785 | 27,527 |
| Inventories | 7 | 145,181 | 136,706 |
| Other financial assets | 8 | 270,133 | 261,047 |
| Other assets | 11 | <u>10,290</u> | <u>38,290</u> |
| Total current assets | | <u>561,611</u> | <u>674,088</u> |
| Non-current assets | | | |
| Receivables | 6 | 34,708 | 24,708 |
| Property, plant and equipment | 9 | <u>4,176</u> | <u>10,476</u> |
| Total non-current assets | | <u>38,884</u> | <u>35,184</u> |
| Total assets | | <u>600,495</u> | <u>709,272</u> |
| Current liabilities | | | |
| Payables | 12 | 41,076 | 21,523 |
| Provisions | 13 | <u>11,981</u> | <u>13,474</u> |
| Total current liabilities | | <u>53,057</u> | <u>34,997</u> |
| Non-current liabilities | | | |
| Provisions | 13 | <u>42,368</u> | <u>42,368</u> |
| Total non-current liabilities | | <u>42,368</u> | <u>42,368</u> |
| Total liabilities | | <u>95,425</u> | <u>77,365</u> |
| Net assets | | <u>505,070</u> | <u>631,907</u> |
| Equity | | | |
| Retained surplus | 14 | <u>505,070</u> | <u>631,907</u> |
| Total equity | | <u>505,070</u> | <u>631,907</u> |

The accompanying notes form part of these financial statements.

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|----------------------------------|------------------|-----------------|
| | \$ | \$ |
| Total equity | | |
| Balance at beginning of the year | 631,907 | 682,324 |
| Movements in equity from: | | |
| Surplus / (deficit) for the year | <u>(126,837)</u> | <u>(50,417)</u> |
| Balance at the end of the year | <u>505,070</u> | <u>631,907</u> |

The accompanying notes form part of these financial statements.

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

| | Note | 2016 \$ | 2015 \$ |
|--|-------|----------------------|-----------------------|
| Cash flow from operating activities | | | |
| Receipts from customers | | 565,527 | 636,596 |
| Payments to suppliers and employees | | (687,264) | (724,943) |
| Interest received | | <u>9,527</u> | <u>7,299</u> |
| Net cash provided by / (used in) operating activities | | <u>(112,210)</u> | <u>(81,048)</u> |
| Cash flow from investing activities | | | |
| Payment for investments | | <u>(9,086)</u> | <u>(7,090)</u> |
| Net cash provided by / (used in) investing activities | | <u>(9,086)</u> | <u>(7,090)</u> |
| Reconciliation of cash | | | |
| Cash at beginning of the financial year | | 210,518 | 298,656 |
| Net increase / (decrease) in cash held | | <u>(121,296)</u> | <u>(88,138)</u> |
| Cash at end of financial year | 15(a) | <u><u>89,222</u></u> | <u><u>210,518</u></u> |

The accompanying notes form part of these financial statements.

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity General Service Board of Alcoholics Anonymous Australia as an individual entity. General Service Board of Alcoholics Anonymous Australia is a company limited by guarantee, incorporated and domiciled in Australia. General Service Board of Alcoholics Anonymous Australia is a not-for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Revenue

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Interest revenue is recognised when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Donations and other revenue are recognised when the right to receive the revenue has been established.

All revenue is measured net of the amount of goods and services tax (GST).

(c) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

(e) Financial instruments

Classification

The company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the nature of the item and the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and the company intends to hold the investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

| Class of fixed asset | Depreciation rates | Depreciation basis |
|--|---------------------------|---------------------------|
| Leasehold improvements at cost | 20% | Straight line |
| Furniture, fixtures and fittings at cost | 8-25% | Straight line |

(g) Intangibles

Website costs

Website costs are initially recorded at the purchase price and then amortised on a straight line basis over the period of 3 years. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

Other intangible assets other than those acquired in a business combination are initially recorded at cost. Other intangible assets are amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and amounts are written off to the extent the realisable future benefits are considered to be no longer probable.

(h) Impairment of non-financial assets

Assets are assessed for impairment whenever events or circumstances arise that indicate the asset may be impaired. An impairment loss is recognised when the carrying amount of an asset exceeds the asset's recoverable amount. Impairment losses in respect of individual assets are recognised immediately in profit or loss unless the asset is carried at a revalued amount such as property, plant and equipment, in which case the impairment loss is treated as a revaluation decrease in accordance with the applicable Standard.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(k) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the annual reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Employee benefits (Continued)

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(l) Borrowing costs

Borrowing costs including interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred.

(m) Goods and Services Tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|---|----------------|----------------|
| | \$ | \$ |
| NOTE 2: REVENUE AND OTHER INCOME | | |
| Sales revenue | | |
| Sale of goods | 287,643 | 276,405 |
| Other revenue | | |
| Convention surplus | - | 62,466 |
| Interest income | 9,527 | 7,299 |
| Donations and grants | 222,309 | 266,403 |
| Other Revenue | <u>77,702</u> | <u>44,009</u> |
| | <u>309,538</u> | <u>380,177</u> |
| | <u>597,181</u> | <u>656,582</u> |

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|--|----------------|----------------|
| | \$ | \$ |
| NOTE 3: OPERATING SURPLUS | | |
| Surplus / (deficit) before income tax has been determined after: | | |
| Cost of sales | 134,744 | 124,653 |
| Depreciation | 1,500 | 6,261 |
| Bad and doubtful debts | <u>(3,470)</u> | <u>16,964</u> |
| NOTE 4: KEY MANAGEMENT PERSONNEL COMPENSATION | | |
| Compensation received by key management personnel of the company | | |
| - short-term employee benefits | 88,787 | 86,875 |
| - post-employment benefits | <u>7,482</u> | <u>7,367</u> |
| | <u>96,269</u> | <u>94,242</u> |
| NOTE 5: CASH AND CASH EQUIVALENTS | | |
| Cash at bank | <u>89,222</u> | <u>210,518</u> |
| | <u>89,222</u> | <u>210,518</u> |

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|--|-----------------|-----------------|
| | \$ | \$ |
| NOTE 6: RECEIVABLES | | |
| CURRENT | | |
| Trade debtors | 57,132 | 42,703 |
| Impairment loss | <u>(19,353)</u> | <u>(23,345)</u> |
| | 37,779 | 19,358 |
| Other debtors and deposits | 6,606 | 5,769 |
| Loans to regions | 2,400 | 2,400 |
| Impairment loss | <u>-</u> | <u>-</u> |
| | <u>46,785</u> | <u>27,527</u> |
| NON CURRENT | | |
| Amounts receivable from: | | |
| - director related parties | 14,708 | 14,708 |
| - other related body corporates | <u>20,000</u> | <u>10,000</u> |
| | <u>34,708</u> | <u>24,708</u> |
| | <u>34,708</u> | <u>24,708</u> |
| NOTE 7: INVENTORIES | | |
| CURRENT | | |
| <i>At cost</i> | | |
| Finished goods - at cost | 154,460 | 145,985 |
| Provision for impairment | <u>(9,279)</u> | <u>(9,279)</u> |
| | <u>145,181</u> | <u>136,706</u> |
| | <u>145,181</u> | <u>136,706</u> |
| NOTE 8: OTHER FINANCIAL ASSETS | | |
| CURRENT | | |
| <i>Held to maturity financial assets</i> | | |
| Term Deposit | <u>270,133</u> | <u>261,047</u> |
| | <u>270,133</u> | <u>261,047</u> |

The term deposit has an interest rate of 2.20% p.a. and a maturity date of the 12 September 2016.

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|--|----------------------|----------------------|
| | \$ | \$ |
| NOTE 9: PROPERTY, PLANT AND EQUIPMENT | | |
| Leasehold improvements | | |
| At cost | 23,026 | 23,026 |
| Accumulated depreciation | <u>(20,243)</u> | <u>(15,443)</u> |
| | <u>2,783</u> | <u>7,583</u> |
| Plant and equipment | | |
| Furniture, fixtures and fittings at cost | 12,553 | 12,553 |
| Less accumulated depreciation | <u>(11,160)</u> | <u>(9,660)</u> |
| | <u>1,393</u> | <u>2,893</u> |
| Total property, plant and equipment | <u><u>4,176</u></u> | <u><u>10,476</u></u> |
| (a) Reconciliations | | |
| <i>Leasehold improvements</i> | | |
| Opening carrying amount | 7,583 | 12,188 |
| Amortisation expense | <u>(4,800)</u> | <u>(4,605)</u> |
| Closing carrying amount | <u><u>2,783</u></u> | <u><u>7,583</u></u> |
| <i>Furniture, fixtures and fittings</i> | | |
| Opening carrying amount | 2,893 | 4,595 |
| Disposals | - | (46) |
| Depreciation expense | <u>(1,500)</u> | <u>(1,656)</u> |
| Closing carrying amount | <u><u>1,393</u></u> | <u><u>2,893</u></u> |
| NOTE 10: INTANGIBLE ASSETS | | |
| Website costs - at cost | 28,019 | 28,019 |
| Less accumulated amortisation | <u>(28,019)</u> | <u>(28,019)</u> |
| | <u><u>-</u></u> | <u><u>-</u></u> |
| NOTE 11: OTHER ASSETS | | |
| CURRENT | | |
| Prepayments | 4,103 | 15,103 |
| Other current assets | <u>6,187</u> | <u>23,187</u> |
| | <u><u>10,290</u></u> | <u><u>38,290</u></u> |

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

| | 2016 | 2015 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| NOTE 12: PAYABLES | | |
| CURRENT | | |
| <i>Unsecured liabilities</i> | | |
| Trade creditors | 30,129 | 7,098 |
| Sundry creditors and accruals | <u>10,947</u> | <u>14,425</u> |
| | <u><u>41,076</u></u> | <u><u>21,523</u></u> |
| NOTE 13: PROVISIONS | | |
| CURRENT | | |
| Employee benefits | (a) <u>11,981</u> | <u>13,474</u> |
| | <u><u>11,981</u></u> | <u><u>13,474</u></u> |
| NON CURRENT | | |
| Employee benefits | (a) <u>42,368</u> | <u>42,368</u> |
| | <u><u>42,368</u></u> | <u><u>42,368</u></u> |
| (a) Aggregate employee benefits liability | 54,349 | 55,842 |
| NOTE 14: RETAINED SURPLUS | | |
| Retained surplus at beginning of year | 631,907 | 682,324 |
| Surplus / (deficit) | <u>(126,837)</u> | <u>(50,417)</u> |
| | <u><u>505,070</u></u> | <u><u>631,907</u></u> |

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

| | 2016 | 2015 |
|--|------|------|
| | \$ | \$ |

NOTE 15: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:

| | | |
|--------------|--------|---------|
| Cash at bank | 89,222 | 210,518 |
| | 89,222 | 210,518 |

NOTE 16: RELATED PARTY TRANSACTIONS

(a) Apart from the loans to regions there were no related party transactions during the year.

(b) No directors received remuneration during the year.

NOTE 17: CAPITAL AND LEASING COMMITMENTS

(a) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

| | | |
|---|--------|--------|
| Payable | | |
| - not later than one year | 39,693 | 37,798 |
| - later than one year and not later than five years | 6,966 | 44,537 |
| | 46,659 | 82,335 |

Operating leases are for office rental and a photocopier with lease periods of five years. The office rental is reviewed each year in accordance with the relevant lease agreement. Balances exclude GST and amounts are payable monthly in advance.

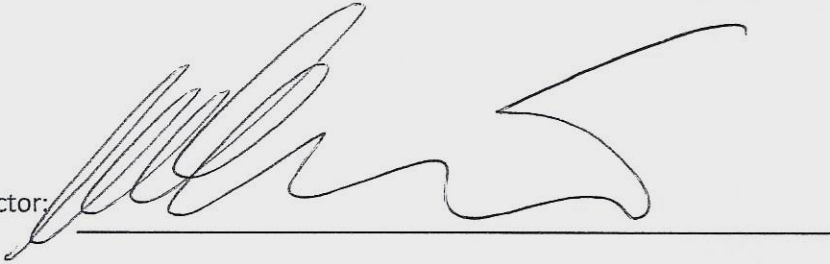
DIRECTORS' DECLARATION

The directors of the company declare that:

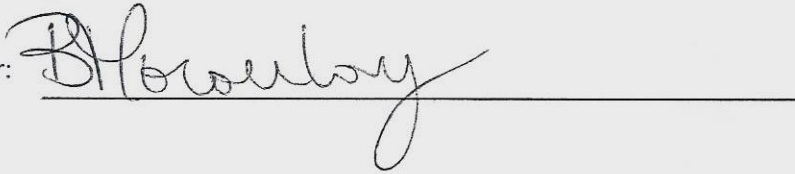
1. The financial statements and notes, as set out on pages 6 - 20, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*: and
 - (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*; and
 - (b) give a true and fair view of the financial position as at 30 June 2016 and performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:



Director:



Dated this seventh day of November 2016



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GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA

We have audited the accompanying financial report of General Service Board of Alcoholics Anonymous Australia, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of a 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 the directors, 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

Opinion


In our opinion, the financial report of General Service Board of Alcoholics Anonymous Australia is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards-Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act 2012*.



Mark Godlewski

Partner



PITCHER PARTNERS

SYDNEY

Date: 10 November 2016.



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DISCLAIMER TO GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA

We have compiled the accompanying additional information of General Service Board of Alcoholics Anonymous Australia for the financial year ended 30 June 2016, as presented on pages 26 - 27. The additional information has been prepared to satisfy the information needs of the directors of General Service Board of Alcoholics Anonymous Australia in accordance with the accounting policies adopted in the preparation of the annual financial statements of General Service Board of Alcoholics Anonymous Australia for the financial year ended 30 June 2016, as described in Note 1 to those financial statements.

The Responsibility of the Directors

The directors of General Service Board of Alcoholics Anonymous Australia are solely responsible for the form and content of the additional information, the reliability, accuracy and completeness of the information used to compile it and for the determination that the basis of accounting used for its preparation is appropriate to meet their needs and appropriate for the purpose that the additional information was prepared.

Our Responsibility

On the basis of information provided to us by management we have compiled the accompanying additional information in accordance with the basis of accounting described above and APES 315 *Compilation of Financial Information*.

We have applied our professional expertise in accounting and financial reporting to compile the additional information in accordance with the basis of accounting described above. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile the additional information or the appropriateness of the basis of accounting used for its preparation. Accordingly, we do not express an audit opinion or a review conclusion on the additional information.

The additional information was compiled exclusively for the benefit of the management and the directors of General Service Board of Alcoholics Anonymous Australia. The additional information may not be suitable for other purposes. We do not accept responsibility for the contents of the additional information.


Mark Godlewski
Partner


PITCHER PARTNERS
SYDNEY

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2016 FINANCIAL STATEMENTS

| | 2016 | 2015 |
|-------------------------------------|----------------|----------------|
| | \$ | \$ |
| Income | | |
| Sale of goods | 287,643 | 276,405 |
| Less cost of goods sold | | |
| Opening Inventory | 136,707 | 118,277 |
| Purchases/Materials used | <u>143,219</u> | <u>143,082</u> |
| | 279,926 | 261,359 |
| Less closing inventory | <u>145,181</u> | <u>136,707</u> |
| Total cost of goods sold | <u>134,745</u> | <u>124,652</u> |
| Gross profit | <u>152,898</u> | <u>151,753</u> |
| Other operating income | | |
| Interest income | 9,527 | 7,299 |
| Convention surplus | - | 62,466 |
| Conference levies | 45,945 | 44,009 |
| Fiji Convention | 43,497 | 1,231 |
| Donations | <u>210,570</u> | <u>265,173</u> |
| Total other operating income | <u>309,539</u> | <u>380,148</u> |
| Contribution margin | <u>462,437</u> | <u>531,930</u> |
| Less expenses | | |
| Audit fees | 9,046 | 9,118 |
| Bad debts | (3,470) | 16,964 |
| Bank charges | 499 | 498 |
| Computer expenses | 911 | 652 |
| Conference/Seminar Costs | 58,197 | 57,950 |
| Depreciation and amortisation | 6,100 | 6,261 |
| Electricity | 3,499 | 3,219 |
| Gas | 328 | 286 |
| General expenses | 4,305 | 174 |
| Hire of plant and equipment | - | 5,440 |
| Holiday pay | (1,493) | 1,832 |
| Insurance | 16,332 | 17,222 |
| Legal costs | 2,200 | - |
| Long service leave | - | 4,217 |

This statement should be read in conjunction with the attached disclaimer.

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS AUSTRALIA
ABN 77 001 417 125

ADDITIONAL INFORMATION
FOR THE YEAR ENDED 30 JUNE 2016

PRIVATE INFORMATION FOR THE DIRECTORS
ON THE 2016 FINANCIAL STATEMENTS

| | 2016 | 2015 |
|-----------------------------|------------------|-----------------|
| | \$ | \$ |
| Office supplies | 10,890 | 9,964 |
| Postage | 3,663 | 5,588 |
| Production costs | 4,555 | 3,767 |
| Public information expenses | 15,278 | 31,120 |
| Rent | 32,575 | 30,672 |
| Repairs and maintenance | 502 | 473 |
| Salaries and wages | 231,786 | 225,608 |
| Subscriptions | 301 | - |
| Convention expenses | 41,810 | 3,986 |
| Superannuation | 19,622 | 19,158 |
| Telephone | 5,970 | 7,660 |
| Travelling expenses | 125,867 | 108,321 |
| World Service Levy | - | 12,195 |
| Total expenses | <u>589,273</u> | <u>582,345</u> |
| Surplus / (deficit) | <u>(126,837)</u> | <u>(50,415)</u> |

This statement should be read in conjunction with the attached disclaimer.