

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE
NEW ZEALAND GENERAL SERVICES BOARD
OF ALCOHOLICS ANONYMOUS (INC)**

I have audited the financial statements of the Board. The financial statements provide information about the past financial performance and the financial position of the General Services Board as at 31 December 2015.

The Board's Responsibilities

The Board is responsible for the preparation of a financial report which gives a true and fair view of the financial position of the Board as at 31 December 2015 and the results of the operations for the year ended on that date.

Auditor's Responsibilities

It is my responsibility to express to you an independent opinion of the financial statements presented by the Committee and report my opinion to you.

Basis of Opinion

An audit includes examining on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- The significant estimates and judgements made by the Board in the preparation of the financial statements, and
- Whether the accounting policies are appropriate to the circumstances of the Board applied and adequately disclosed.

I conducted my audit in accordance with International Standards on Auditing (New Zealand). I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of the information in the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

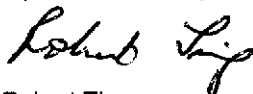
Qualified Opinion

The recording of income and expenditure relating to the National Convention held on 16-18 January 2015 accounted for independently of the records of the General Services Board and therefore I am unable to express an opinion on the veracity of the surplus achieved from that Convention.

In my opinion:

- Proper accounting records have been kept by the Board as far as appears from my examination of those records, and
- The financial statements comply with generally accepted accounting practice in New Zealand; and give a true and fair view of the financial position of the Board as at 31 December 2015 and the results of its operations for the year ended on that date.

My audit was completed on 6 March 2016 and my qualified opinion is expressed on that date.



Robert Ting
Chartered Accountant
Wellington

**THE NEW ZEALAND GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS INCORPORATED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

**THE NEW ZEALAND GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS INCORPORATED**

Statement of Financial Position at 31 December 2015

2014 \$		2015 \$
	CURRENT ASSETS	
28,667	Bank	28,501
60,000	Term Deposits	40,000
8,017	Literature Debtors	13,785
2,226	Mainstay Debtors	1,694
403	Accruals	241
2,640	GST refund receivable	3,127
5,316	Pre paid Expenses	870
1,000	Convention Advance	8,312
<u>29,437</u>	Literature Stocks	<u>30,865</u>
<u>137,706</u>	TOTAL CURRENT ASSETS	<u>127,395</u>
<u>60,000</u>	Prudent Reserve Investments	<u>60,000</u>
<u>2,610</u>	Fixed Assets (Cost less Depreciation)	<u>2,399</u>
<u>200,316</u>	TOTAL ASSETS	<u>189,794</u>
	Less CURRENT LIABILITIES	
4,122	Accounts Payable	7,335
	GST Payable	
3,775	Prepaid Mainstay Subscriptions	2,830
<u>7,897</u>	TOTAL CURRENT LIABILITIES	<u>10,165</u>
<u>192,419</u>	TOTAL NET ASSETS	<u>179,629</u>
	Represented By:	
	ACCUMULATED FUNDS & RESERVES	
<u>60,000</u>	Prudent Reserve	<u>60,000</u>
	Initiatives Fund	
20,393	Opening Balance 1 January 2015	26,543
37,560	Transfer to Initiatives Fund from Accumulated Funds	22,421
-31,410	Expended Current Year (Note 7)	-24,489
<u>26,543</u>	Initiatives Fund Balance	<u>24,475</u>
	Accumulated Funds	
110,563	Opening Balance 1 January 2015	105,877
	(Less Transfer to Prudent Reserve)	
	Plus Transfer from Prudent Reserve	
-37,560	(Less Transfer to Initiatives Fund)	-22,421
<u>32,874</u>	Surplus (Deficit) for Period	<u>11,699</u>
<u>105,877</u>	Closing Balance 31 December 2015	<u>95,154</u>
<u>192,419</u>	ACCUMULATED FUNDS & RESERVES AS AT 31 DEC 2015	<u>179,629</u>

Chairman

Treasurer

The attached notes form part of and are to be read in conjunction with these financial statements.

**THE NEW ZEALAND GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS INCORPORATED**

Statement of Financial Performance for the year ended 31 December 2015

2014 \$	INCOME	Note:	2015 \$
21,985	Literature Trading	1	13,735
102,158	Donations	2	96,724
11,008	Other Income	3	12,532
31,410	Initiatives Fund Allocation	7	24,489
<hr/> 166,561	TOTAL INCOME		<hr/> 147,480
	LESS EXPENSES		
47,703	Administration & Staff Expenses	4	48,714
27,939	Premises & Rental Costs	5	26,643
(1,918)	Membership Services	6	901
31,410	Initiatives Fund Expenditure	7	24,489
6,015	Conference & Board Meetings	8	8,463
16,119	Public Information	9	17,201
6,419	World Service	10	9,371
<hr/> 133,688	TOTAL EXPENSES		<hr/> 135,781
<hr/> 32,874	SURPLUS (DEFICIT) FOR PERIOD		<hr/> 11,699

The attached notes form part of and are to be read in conjunction with these financial statements.

**THE NEW ZEALAND GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS INCORPORATED**

Notes to the Financial Statements

2014		2015
\$	Note 1: Literature Account for the year ended 31 December 2015	\$
85,363	Sales	73,983
660	Freight Received	888
<u>86,022</u>	Literature Proceeds	<u>74,871</u>
	Less Literature Costs:	
41,751	Purchases Literature	38,271
4,353	Freight Paid	5,075
358	Purchases Literature	(352)
17,575	Stock Take Adjustments	18,142
<u>64,037</u>	Wages Literature	<u>61,136</u>
	Total Cost of Sales	
<u>21,985</u>	Surplus on Literature Sales	<u>13,735</u>
 Note 2: Donations for the year ended 31 December 2015		
28,689	7th Tradition Northern Area	29,712
12,474	7th Tradition Central Area	13,722
41,786	7th Tradition Southern Area	38,461
12,677	Gratitude Fund	6,207
6,532	Gratitude Week	8,620
<u>102,158</u>	Total Donations	<u>96,724</u>
 Note 3: Other Income for the year ended 31 December 2015		
5,836	Convention Excess	7,531
5,172	Interest Received	5,001
<u>11,008</u>	Total Other Income	<u>12,532</u>
 Note 4: Administration & Staff Expenses for the year ended 31 December 2015		
1,050	Audit Fees	1,050
258	Accident Compensation Levy	463
17	Bad Debts	
1,334	Bank Fees	1,388
3,214	Carpark Rental	3,147
234	Computer Expenses	1,004
1,287	Depreciation	841
44	General Expenses	56
3,011	Insurance	2,843
	Office Equipment	120
1,649	Printing Postage Stationery	318
2,540	Professional Services	3,005
29,294	Salaries and Wages Admin	30,237
1,758	KiwiSaver Employer Contbns	1,815
2,011	Telephones and Tolls	2,426
<u>47,703</u>	Total Administration and Staff NZGSO	<u>48,714</u>

The attached notes form part of and are to be read in conjunction with these financial statements.

**THE NEW ZEALAND GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS INCORPORATED**

2014		2015
\$	Note 5: Premises & Rental Costs for the year ended 31 December 2015	\$
2,790	Other Premises Expenses	2,756
20,599	Rent	20,599
4,550	Archives Expenses	3,288
<u>27,939</u>	Total NZGSO	<u>26,643</u>

Note 6: Membership Services Expenses for the year ended 31 December 2015

3	Complimentary Literature	
	Literature for GSO	30
3	Total Newsletter/Literature	30
	Mainstay	
2,929	Mainstay Wages	3,024
2,072	Mainstay Postage	1,463
3,199	Mainstay Printing	3,191
(9,631)	(Mainstay Subs)	(6,535)
(491)	(Mainstay Donations)	(272)
<u>(1,921)</u>	Total Mainstay	<u>871</u>
<u>(1,918)</u>	Total Membership Services	<u>901</u>

Note 7: Initiatives Fund for the year ended 31 December 2015

(31,410)	Initiatives Fund Allocation	(24,489)
7,870	Public Information Week	8,678
66	PI Courier Costs for stands	
896	PI Posters	
6,000	PI Week TV on Demand	5,000
1,818	Maori Pamphlets	
	New PI Initiatives	4,050
86	Dr's Packs	196
3,113	CPC Pull Up Screens	318
1,878	Cutting Edge Literature	1,576
1,496	Cutting Edge Regn/Travel	1,090
1,005	Police Initiative	
2,910	Police Init Phase 2	
	Police Init Phase 3	148
670	Prison Literature	
	TC&F Prison Booklet	38
2,103	WS Annual Donation	1,897
1,000	WS Lit Fund	1,000
500	AOSM Biennial Donation	500
<u>31,410</u>	Initiatives Fund Expenditure	<u>24,489</u>
<u>0</u>	Net Initiatives Fund	<u>(0)</u>

Note 8: Conference/Board Meeting Expenses for year ended 31 December 2015

7,889	April	8,297
8,281	October	10,093
	Other Conference Expenses	113
1,347	Board Meeting Expenses	1,459
	(Equalisation)	
(3,801)	(Northern Equalisation)	(3,800)
(3,800)	(Central Equalisation)	(3,800)
(3,900)	(Southern Equalisation)	(3,900)

The attached notes form part of and are to be read in conjunction with these financial statements.

**THE NEW ZEALAND GENERAL SERVICE BOARD OF
ALCOHOLICS ANONYMOUS INCORPORATED**

(11,501)	Total (Equalisation)	(11,500)
<u>6,015</u>	Total Conference/Board Meetings	<u>8,463</u>

2014	Note 9: Public Information Expenses for the year ended 31 December 2015	2015
\$		\$
870	Standing Committee Funding	221
4,799	0800 Ph Number	5,262
1,663	Website costs	2,647
8,787	Wages Website	9,071
<u>16,119</u>	Total Public Information	<u>17,201</u>

Note 10: World Service Expenses for the year ended 31 December 2015

6,419	Asia Oceania	9,371
<u>6,419</u>	World Service Meeting	
	Total World Service	<u>9,371</u>

Note 11: Annual Leave

At 31 December 2015, Annual Leave liability was \$1551 (2014: \$7110)

GENERAL SERVICE BOARD OF ALCOHOLICS ANONYMOUS

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2015

The General Service Board of Alcoholics Anonymous is incorporated under the Incorporated Societies Act 1908. It is a registered charity with the Charities Commission, and provides services to Alcoholics Anonymous groups throughout New Zealand.

1. BASIS OF REPORTING

The financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 1993. The general accounting policies recognised as appropriate for the measurement of earnings, and financial position under the historical cost method have been followed in the preparation of these financial statements. The principles of accrual accounting have been adopted and are reported on a GST exclusive basis.

2 DIFFERENTIAL REPORTING

The Board is a qualifying entity for differential reporting purposes. The grounds upon which the Board qualifies are:

- The Board is not publicly accountable as defined in the Framework for Differential Reporting: and
- The Board is not large as, in the last two reporting periods, the total revenue has not exceeded \$5.0 million and the total assets have not exceeded \$2.5 million in carrying value.

The financial statements have been prepared taking advantage of all available differential reporting concessions except that GST exclusive accounting has been adopted and IRD specified depreciation rates have not been adopted.

3 ACCOUNTING POLICIES

The following accounting policies have been used in the preparation of the financial statements.

Cash at Bank

Cash is those sums held on current accounts or in notes and coins for use in the day to day management of the Board.

Investments

Investments are sums held on deposit at a Registered Bank. Deposit accounts are carried at face value together with accrued interest.

Debtors

Debtors are carried at their estimated realisable value.

Stock on hand

Literature stocks are valued on an average cost basis after adjustment for obsolete items.

Fixed Assets and Depreciation

Fixed assets are stated at historic cost less accumulated depreciation.

Fixed Assets are depreciated on a reducing balance basis as follows:

Furniture and fittings	15%
Office Equipment	33%
Computer Equipment and Software	40%
Convention Banners	33%

Taxation

As the Board is a not for profit charitable organisation no income tax is payable or has been provided for.

4 CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies in the current year.