

Christchurch Bridge Club Inc

Annual Report for the Year Ended 31 December 2011

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Christchurch Bridge Club Inc
Society Directory
As at 31st December 2011

Officers

President - John Shipper

Vice-President - Craig Shannahan

Peter O'Boyle - Treasurer

Bankers

ASB

Auditors

Ashton Wheelans

Date of Formation

25 April 1952

Nature of Business

Contract Bridge Club

This statement is to be read in conjunction with the notes to the financial statements and the attached auditor's report.

**Christchurch Bridge Club Inc
Tournament Report
For the Year ended 31st December 2011**

	<i>2011</i>	<i>2010</i>
	\$	\$
TOURNAMENT REVENUE		
Tournament Income	10,915	28,949
Raffle /Sponsorship Income	<u>2,874</u>	<u>4,153</u>
Total Sales	13,789	33,102
DIRECT COSTS		
Cleaning	340	1,084
Master Points	564	1,331
Raffle Expenses	-	384
Power	783	1,487
Catering	4,881	12,465
Directors	2,293	4,271
Hire Expenses/ Donations	365	-
Prizes	3,189	7,882
Staff	<u>685</u>	<u>1,077</u>
Total	13,100	29,981
GROSS SURPLUS FROM TOURNAMENT	<u><u>\$689</u></u>	<u><u>\$3,121</u></u>

This statement is to be read in conjunction with the notes to the financial statements and the attached auditor's report.

Christchurch Bridge Club Inc
Bar Trading Account
For the Year ended 31st December 2011

	<i>2011</i>	<i>2010</i>
	\$	\$
BAR REVENUE		
Tuesday Bar Income	8,499	13,218
Thursday Bar Income	9,722	13,327
Monday Bar Income	2,415	4,354
Wednesday Bar Income	4,869	6,923
Monday Bar Income	119	-
Friday Bar Income	195	66
Special Function Bar Income	-	2,624
Tournament Bar Income	1,533	5,041
Saturday Night Bar Income	788	1,618
Total Sales	28,140	47,171
LESS COST OF SALES		
Opening Stock	4,061	4,866
Bar Supplies	15,105	25,773
Closing Stock	(1,317)	(4,061)
Total	17,849	26,578
DIRECT COSTS		
Bar Wages	7,048	8,976
Bar Electricity	39	375
Bar Repairs & Maintenance	115	1,398
Bar Licence Fees	-	600
Total	7,202	11,349
GROSS SURPLUS FROM BAR	\$3,089	\$9,244

NOTE: These accounts have been audited, please refer to audit report.

Christchurch Bridge Club Inc
Trading Account
For the Year ended 31st December 2011

	<i>2011</i>	<i>2010</i>
	\$	\$
TRADING REVENUE		
Product Sales	651	262
LESS COST OF SALES		
Opening Stock	400	290
Purchases	723	373
Closing Stock	<u>(652)</u>	<u>(400)</u>
Total	471	263
GROSS SURPLUS FROM TRADING	<u>\$180</u>	<u>(\$1)</u>

NOTE: These accounts have been audited, please refer to audit report.

Christchurch Bridge Club Inc
Statement of Financial Performance
For the Year ended 31st December 2011

	<i>2011</i>	<i>2010</i>
	\$	\$
Surplus from Bar	3,089	9,244
Surplus from Tournaments	689	3,121
Surplus from Trading	180	(1)
INCOME		
Subscriptions	28,450	28,651
Levies N Z Bridge	13,428	12,923
Table Fees	165,093	200,498
Hall Hire	1,312	9,595
Tutorial Income	3,793	6,776
Cellphone Tower Lease Income	8,500	8,500
Entry Fees	-	9
Table Cloth Sales	406	94
Sundry Sales	64	225
Board Dealing Sales	21	74
Coffee Machine Income	-	221
HOC Web Income	-	711
Sale Bidding Pads	185	57
Art Commission	-	188
Sponsorship	5,520	2,559
Insurance Proceeds Earthquake (see Note 10)	72,041	-
Fundraising Raffle	5,132	-
Interest Received	132	28
Zone 7 Compensation	-	173
Youth Weekend	-	526
Sale Biscuits	153	251
Total Income	308,188	284,423
Less Expenses		
Accident Compensation Levy	707	757
Accountancy Fees	1,410	1,400
Advertising	1,970	2,486
Audit Fees	2,000	2,000
Bank Charges	506	1,018
Cards	876	1,072
Catering	200	256
Cleaning Materials & Laundry	1,799	5,106
Cleaning Wages	9,700	12,285
Computer Consumables	1,297	1,376
Computer Support Expenses	4,573	2,954
Directors Wages	35,176	40,758
Directors Expenses	-	641
Christmas Parties	1,565	1,768
ECARDS Expenses	-	482
Engraving	479	1,263
Donations & Gifts	149	385
Top Team Travel	217	765
General Expenses	627	1,431
Valuation Expenses	-	260

NOTE: These accounts have been audited, please refer to audit report.

Christchurch Bridge Club Inc
Statement of Financial Performance
For the Year ended 31st December 2011

	2011	2010
	\$	\$
Gifts	-	1
Inter-Club Entries	104	-
Insurance	6,196	4,747
Interest - Loans \$185,000	6,726	8,422
Interest - Overdraft	1,342	244
Kitchen Materials	7,056	10,241
Kitchen Wages	13,803	16,382
Kiwisaver Employer Contribution	1,777	1,970
Legal Expenses	350	-
Licences & Registrations	-	44
Light, Power & Heating	4,312	14,053
Levies NZ Bridge Expense	13,203	13,314
Masterpoints	9,650	11,906
Monday Afternoon Biscuits	147	694
Name Badges	17	262
Office Expenses	1,518	2,593
Motor Vehicle Allowance	1,100	700
Photocopying	5,560	5,741
Postage	738	451
Printing & Stationery	6,338	3,413
Session Prizes	149	294
Rates	4,649	1,628
Rent Bowls Papanui	28,748	-
Rent Office	1,600	-
Repairs & Maintenance	2,053	9,380
Refuse Removal	657	806
Earthquake Expenses	4,886	5,053
Security	380	1,059
Staff Training	370	300
Teachers	6,026	8,350
Telephone, Tolls & Internet	2,607	2,529
Thankyou Tickets	83	63
Secretary/Manager Salary	41,708	39,733
Wages Office Staff	10,146	12,953
Total Expenses	<u>247,250</u>	<u>255,789</u>
Net Surplus Before Depreciation	60,938	28,634
Less Depreciation Adjustments		
Depreciation as per Schedule	<u>12,614</u>	<u>23,862</u>
SURPLUS BEFORE GRANTS RECEIVED	48,324	4,772
GRANTS RECEIVED		
Lion Foundation	-	5,000
Pub Charity	5,000	-
Mainland Foundation	370	-
Whangarei BC Donation	1,665	-
East Coast Bays BC Donation	700	-
Whakatane BC Donation	502	-
J & G Tunnell (USA) Donation	40	-
Hutt BC Donation	272	-

NOTE: These accounts have been audited, please refer to audit report.

Christchurch Bridge Club Inc
Statement of Financial Performance
For the Year ended 31st December 2011

	2011	2010
	\$	\$
Taupo BC Donation	212	-
Taireri BC Donation	800	-
Westport BC Donation	600	-
Taradale BC Donation	1,024	-
Rotorua BC Donation	250	-
Ashburton BC Donation	400	-
Hastings BC Donation	1,050	-
Otago BC Donation	1,700	-
Motueka BC Donation	100	-
Oamaru B C Donation	440	-
Alexandra B C Donation	210	-
Sundry Donations	1,359	-
Sundry BC Donations	188	-
Total Grants Received	16,882	5,000
NET SURPLUS/(DEFICIT)	\$65,206	\$9,772

NOTE: These accounts have been audited, please refer to audit report.

Christchurch Bridge Club Inc
Statement of Movements in Equity
For the Year Ended 31 December 2011

	<i>2011</i>	<i>2010</i>
	\$	\$
EQUITY AT START OF PERIOD	2,054,563	2,044,791
SURPLUS & REVALUATIONS		
Net Surplus	65,206	9,772
Movements in Realised Capital Gains	-	-
Movements in Revaluation Reserves	-	-
Total recognised revenues & expenses	<u>65,206</u>	<u>9,772</u>
EQUITY AT END OF PERIOD	<u>\$2,119,769</u>	<u>\$2,054,563</u>

This statement is to be read in conjunction with the notes to the financial statements and the attached auditor's report.

Christchurch Bridge Club Inc
Statement of Financial Position
As at 31st December 2011

	2011	2010
	\$	\$
CURRENT ASSETS		
ASB - Cheque Account	44,039	-
Cash on Hand	283	283
Westpac Account	5,604	-
Accounts Receivable	1,570	937
Uncredited Lodgements	-	60
Payments in Advance	3,568	2,418
Stock on Hand	<u>1,969</u>	<u>4,461</u>
Total Current Assets	57,033	8,159
NON-CURRENT ASSETS		
Fixed Assets as per Schedule	<u>2,232,610</u>	<u>2,223,317</u>
TOTAL ASSETS	2,289,643	2,231,476
CURRENT LIABILITIES		
ASB - Cheque Account	-	16,403
ECARD Balance	7,073	4,982
ASB Visa (a/c #7103)	1,220	1,633
ASB Visa (a/c #9109)	1,013	618
Member Loans	20,050	20,050
GST Due for payment	13,366	2,570
Accounts Payable	17,419	12,777
Accrued Expenses	1,653	2,605
PAYE Payable	5,011	4,004
Subs in Advance	12,049	10,080
NZ Bridge Magazine	16	21
Unpresented Cheques	-	100
Lessons in Advance	-	130
Accrued Holiday Pay	4,854	5,017
NZ Bridge Levies in Advance	3,238	4,522
Receipts in advance	-	625
Term Loans - Current Portion	<u>-</u>	<u>10,193</u>
Total Current Liabilities	86,962	96,330
NON-CURRENT LIABILITIES		
ASB 008 Mortgage	<u>82,912</u>	<u>80,583</u>
TOTAL LIABILITIES	<u>169,874</u>	<u>176,913</u>
NET ASSETS	<u>\$2,119,769</u>	<u>\$2,054,563</u>
Represented by;		
EQUITY		
Asset Revaluation Reserves	1,156,181	1,156,181
Retained Earnings	<u>963,588</u>	<u>898,382</u>
TOTAL EQUITY	<u>\$2,119,769</u>	<u>\$2,054,563</u>

This statement is to be read in conjunction with the notes to the financial statements and the attached auditor's report.

**Christchurch Bridge Club Inc
Statement of Financial Position
As at 31st December 2011**

	2011	2010
	\$	\$

Approved for and on behalf of the committee ;

President  Treasurer 
Date 9 February 2012

This statement is to be read in conjunction with the notes to the financial statements and the attached auditor's report.

Christchurch Bridge Club Inc
Schedule of Term Loans
As at 31st December 2011

	<i>2011</i>	<i>2010</i>
	\$	\$
ASB 008 Mortgage - Security 1st Mortgage		
Opening Balance	90,775	119,122
Less Payments	<u>7,863</u>	<u>28,346</u>
Total Outstanding	82,912	90,776
Current Portion due	-	10,193
Non-Current Portion	82,912	80,583
Total Current Portion Due	-	10,193
Total Non-Current Portion	<u>82,912</u>	<u>80,583</u>
Total Term Loans	<u><u>82,912</u></u>	<u><u>90,776</u></u>

Loan Details

ASB 008 Mortgage is a fixed rate mortgage for 5 years @ 7.85% per annum until 3 February 2012. It will be renewed at a lower interest rate in February 2012 it is interest only until November 2012. The expected repayment date of this loan is April 2020.

Christchurch Bridge Club Inc

Notes to the Financial Statements

For the Year ended 31st December 2011

1. STATEMENT OF ACCOUNTING POLICIES

The Financial statements presented here are for the entity CHRISTCHURCH BRIDGE CLUB INC.

Christchurch Bridge Club Inc is an Incorporated Society incorporated under the Incorporated Societies Act 1908. These financial statements are general purpose reports which have been prepared in accordance with generally accepted accounting practice except for the revaluation of land and buildings.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception that land and buildings have been revalued.

Specific Accounting Policies

(a) **Inventory**

Inventory is valued at the lower of cost and net realisable value, on a first in first out basis.

(b) **Fixed Assets**

Fixed assets are initially recorded at cost, with land and building subsequently revalued every three years using the Christchurch City Council rating valuations.

All assets, except for the building revaluation component are depreciated at rates which reflect the useful life of the related asset. Assets are only depreciated once fully operational.

The following rates have been applied:

Buildings	1% CP
Land Improvements	2 - 7.5% CP
Furniture and fittings	7.5% CP
Office Equipment	7.5 - 25% CP
Plant and Equipment	7.5 - 25% CP

Revaluation of Land & Buildings is done using the Rating Valuation provided by the Christchurch City Council every three years. The valuation due in 2010 is delayed because of the earthquake. Please refer to note on Christchurch earthquake.

(c) **Income Tax**

The Christchurch Bridge Club Inc is exempt from income tax due to its status as an amateur sporting body, it is registered with the Charities Commission.

(d) **Subscription Income**

Subscriptions are recorded as income in the year to which they relate. Subscriptions received in advance are recorded as such in the Statement of Financial Position.

(e) **Grants Received**

Grants from charitable entities are recorded as income in the same financial year as the related expenditure. Any grants unspent at balance date are deferred and matched against the related expenditure in the subsequent period. Any grants unspent as a result of expenditure being less than the related grant received are refunded to the charitable organisation in accordance with their rules and conditions.

Christchurch Bridge Club Inc
Notes to the Financial Statements
For the Year ended 31st December 2011

(f) **Goods & Services Tax**

These financial statements have been prepared exclusive of GST with the exception of account receivables and payables in the Statement of Financial Position.

(g) **Differential Reporting**

Christchurch Bridge Club Inc qualifies for differential reporting because it is not publicly accountable and is not large as defined in the Framework for Differential Reporting. All Differential Reporting exemptions have been applied.

Changes in Accounting Policies

There have been no changes in accounting policies, they have been applied on bases consistent with those used in previous year.

2. **CONTINGENT LIABILITIES**

At balance date there are no known contingent liabilities (2010:\$0). Christchurch Bridge Club Inc has not granted any securities in respect of liabilities payable by any other party whatsoever.

3. **FIXED ASSETS**

	<i>Dec 2011</i>	<i>Dec 2010</i>
	\$	\$
Land & Improvements		
At cost	682,686	682,686
Less Accumulated Depreciation	<u>5,610</u>	<u>2,917</u>
	<u>677,076</u>	<u>679,769</u>
Buildings		
At cost	394,866	394,866
Less Accumulated Depreciation	<u>98,486</u>	<u>98,486</u>
	<u>296,380</u>	<u>296,380</u>
Current Value Adjustment Land & Buildings		
At cost	<u>1,156,181</u>	<u>1,156,181</u>
	<u>1,156,181</u>	<u>1,156,181</u>
Furniture & Fittings		
At cost	126,035	126,035
Less Accumulated Depreciation	<u>76,991</u>	<u>72,788</u>
	<u>49,044</u>	<u>53,247</u>
Office Equipment		
At cost	18,039	22,846
Less Accumulated Depreciation	<u>14,395</u>	<u>18,573</u>
	<u>3,644</u>	<u>4,273</u>
Plant & Equipment		
At cost	108,323	86,416
Less Accumulated Depreciation	<u>58,038</u>	<u>52,949</u>
	<u>50,285</u>	<u>33,467</u>
Total Fixed Assets	<u>\$2,232,611</u>	<u>\$2,223,317</u>

4. **CAPITAL COMMITMENTS**

The committee has made the commitment to rebuild the clubrooms. please refer to Christchurch earthquake note. (2010:NIL)

Christchurch Bridge Club Inc
Notes to the Financial Statements
For the Year ended 31st December 2011

5. SECURITIES AND GUARANTEES

The bank overdraft is secured by a registered mortgage, over the land and buildings up to a maximum of \$50,000. The interest rate at balance date was 5.75% p.a.. The Mortgages with the ASB are also covered by mortgage security over land and buildings.

The overdrawn balance as at 31st December 2011 was \$44,039, (2010, (\$16,403))

6. RELATED PARTY DISCLOSURES

There are no material related party transactions. An interests register is maintained by the committee and updated at each meeting. This register is held in the office of the club.

	<i>Dec 2011</i>	<i>Dec 2010</i>
	\$	\$
7. TOTAL OPERATING REVENUES		
Subscriptions Received	28,450	28,651
Tournament Revenue	13,789	33,102
Bar Revenue	28,140	47,171
Trading Revenue	651	262
Table Fee Revenue	165,093	200,498
Grants Received	16,882	5,000
Other Income	<u>110,687</u>	<u>42,910</u>
TOTAL OPERATING REVENUES	<u>363,692</u>	<u>357,594</u>
	<i>Dec 2011</i>	<i>Dec 2010</i>
	\$	\$
8. ASSET REVALUATION RESERVE		
Opening Balance	<u>1,156,181</u>	<u>1,156,181</u>
Closing Balance	<u>1,156,181</u>	<u>1,156,181</u>

9. LEASED ASSETS

The club leases a photocopier from Konica Minolta for four years from 23rd December 2011 @ \$384 excl. GST per month. The liability in the 2011 year is \$18,432, the remaining liability will be \$13,824.

The club leases use of the Bowls Papanui clubrooms for \$696 excl GST per week. The club has a committment for four weeks notice, \$2,784 excl. GST.

10. CHRISTCHURCH EARTHQUAKE

The earthquake in Christchurch on 22 February 2011 impacted upon the Club's operations. The club relocated its entire operations from the Nova place premises (which the club owns) to leased premises in Papanui, Christchurch.

This natural disaster and forced relocation has given rise to an insurance claim covering damaged stock, relocation costs, loss of profits and related expenses, damage to plant and equipment as well as damage to the premises themselves.

At Balance date the insurance claim had not been finalised. We have received a provisional payment for business interruption of \$72,041. It is the committee's opinion that the insurance claim for the damaged stock, expenses for the relocation of the business, loss of profits and damaged plant and equipment is adequately covered by the insurance policies in place up until February 22, 2012 when cover will cease. This will impose a significant financial constraint on the operation of the club. The club has raised subscriptions for the 2012 year to offset some of this deficit and will need to cut operating expenses.

Christchurch Bridge Club Inc
Notes to the Financial Statements
For the Year ended 31st December 2011

With respect to the buildings located at Nova Place owned by the club, there is full replacement insurance in place for these premises up to \$1.8 million. At the time of finalising this annual report the remedial action to be taken on these buildings had not been determined. No final decision had been made by the insurers, engineers or the committee as to whether the premises would be deconstructed and re-established or remediated to their original condition. Ultimately this will be an economic decision involving the insurers, engineers and the committee. It is the committee's opinion that whatever course of action is ultimately taken, the insurance policy in place will provide most of the cost of rebuilding up to \$1.8m, at this stage a final cost is not known. It is expected that the building will be replaced. Had the building been written off this would have created a loss on disposal of \$296,379 and a reduction in the revaluation reserve of \$141,774. Had the building been replaced at the insurance cap then the assets would have been increased by \$1.8m giving a net asset gain of \$1.36m.

Several other assets remain in the building and are yet to be recovered. It is not known whether these will be salvaged in the future or subject to a further insurance claim.

Assets not in use because of the earthquake have not been depreciated. This reduces the depreciation expense by \$14,679.

It is the committee's opinion that following the events of 22 February 2011 the land and buildings located at Nova Place in Christchurch have been impaired by the earthquake. The extent of this impairment in value is unknown and no valuation for the 2011 year is considered practical.

The committee have reviewed the relative values (31 December 2010 valuation as determined by CCC Rating Valuation of 2007) of these land and buildings and considered that there was insufficient information available to make an informed and useful adjustment of values.

11. SUBSEQUENT EVENTS

Subsequent to balance date the Club has received \$25,000 from insurance to pay ongoing expenses with regard to the building at Nova place.