

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Christchurch Bridge Club Incorporated.

We have audited the financial statements of Christchurch Bridge Club Incorporated. on pages 2 to 15, which comprise the balance sheet as at 31 December 2011, and the income statement, statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### ***Committee's Responsibility for the Financial Statements***

The Committee is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Christchurch Bridge Club Incorporated.

### ***Basis for Adverse Opinion on the Statement of Financial Position***

Consistent with prior years and as explained in the fixed asset accounting policy, the club revalue land and buildings every three years based on Government Valuations. Under generally accepted accounting practice this is not accepted as an appropriate basis for valuation. We are unable to quantify the financial effect on the statement of financial position as this would require an independent valuation to be undertaken.

There is no movement in the land value for the year ending 31 December 2011 due to there being no government valuations issued in this financial year.

### ***Adverse Opinion on the Statement of Financial Position***


In our opinion, except for any adjustments found to be necessary that would affect the statement of financial position on page 8 (balances affected Fixed Assets and Revaluation Reserve) from the matter described in the Basis of Adverse Opinion paragraph, the financial statements on pages 2 to 15 present fairly the financial position of the Christchurch Bridge Club Incorporated as at 31 December 2011.

### **Opinion on the Statement of Financial Performance**

In our opinion, the financial statements on pages 2 to 15 present fairly, in all material respects, the statement of financial performance of Christchurch Bridge Club Incorporated for the year then ended in accordance with generally accepted accounting practice in New Zealand.

### **Emphasis of Matter**

We draw attention to Note 10 to the financial statements, which describes the uncertainty related to fixed assets and possible future write offs as a result of the earthquake on 22 February 2011. No adjustment has been made in these financial statements to reflect any write off of fixed assets or expected insurance recovery as the situation has not yet been finalised. Our opinion is not qualified in respect of this matter.

  
9 February 2012  
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