

## INDEPENDENT AUDITOR'S REPORT

*To the Members of Palmerston North Bridge Club Incorporated*

### Qualified Opinion

We have audited the financial statements of the Palmerston North Bridge Club Incorporated on pages 1 to 6, which comprises the balance sheet as at 31 December 2016 and the statement of profit and loss, statement of movements in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements on pages 1 to 6 have been prepared, in all material respects, in accordance with the accounting policies of the society, disclosed on pages 5 to 6.

### Basis for Qualified Opinion

Palmerston North Bridge Club Incorporated has Inventory (bar stock) on hand in the balance sheet and Cost of Sales included in the statement of profit and loss. We were unable to obtain sufficient appropriate audit evidence for the carrying amount of Inventory because we did not attend the physical stock count at year-end. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Control over income, other than Grants, Subscriptions Received and Interest Income, prior to being recorded is also limited and there are no practical audit procedures to determine the effect of this limited control. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described below in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Palmerston North Bridge Club Incorporated in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 of the financial statements, which describes the basis of accounting. These financial statements are prepared in accordance with the accounting policies of the Palmerston North Bridge Club Incorporated, for the benefit of its members. As a result, the financial statements may not be suitable for another purpose.

### Restriction on Responsibility

This report is made solely to the Members as a body. Our audit work has been undertaken so that we might state to the Members those matters we are required to state to them in an auditor's 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

### Committees' Responsibility for the Financial Statements

The Committee is responsible for the preparation of the financial statements in accordance with the accounting policies of the society and for such internal control as the Committee determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the XRB's website at:

[https://xrb.govt.nz/Site/Auditing\\_Assurance\\_Standards/Current\\_Standards/Page8.aspx](https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page8.aspx)



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