

4. Club Accounts

Included among the assets and liabilities of Greenhills Golf Club on 1/1/2010 were the following:

Clubhouse and course €920,000, Bar stock €12,200, Equipment (at cost) €124,000, Life membership €36,000, Bar debtors €740, Bar creditors €5,400, Subscriptions prepaid €1,200, 6% Government investments €80,000, Investment interest due €800, Levy Reserve fund €32,000, and Wages due €3,200.

The club treasurer has supplied the following account of the Club's activities during the year ended 31/12/2010:

Receipts	€	Payments	€
Bank Current Account	12,600	Bar purchases	82,100
Investment income	3,200	Sundry expenses	126,000
Entrance fees	18,700	Catering costs	29,500
Catering receipts	26,000	Equipment	86,000
Annual sponsorship	46,000	Golf lessons for teams	3,800
Subscriptions	210,000	Repayment of €40,000 loan on 31/12/2010	
Bar receipts	94,200	together with 1¼ years' interest	43,600
		Balance	39,700
	<u>410,700</u>		<u>410,700</u>

You are given the following additional information and instructions:

- (i) Bar stock at 31/12/2010 was €16,300.
- (ii) Equipment owned on 31/12/2010 is to be depreciated at the rate of 15% of cost.
- (iii) Clubhouse and course to be depreciated by 2%.
- (iv) Bar debtors and bar creditors on 31/12/2010 were €830 and €6,100 respectively.
- (v) Subscriptions include:
 1. 6 life memberships bringing total life memberships to 14.
 2. Subscriptions for 2011 amounting to €3,200.
 3. Levy for 2010 of €120 each on 250 members.
 4. Levy of €120 on 8 members for 2009.
- (vi) Life membership was to be written off over a 8-year period commencing in 2010.

You are required to:

- (a) Show the Club's Accumulated Fund (Capital) on 1/1/2010. (25)
- (b) Show the Income and Expenditure Account for the year ended 31/12/2010. (25)
- (c) What points would you as an ordinary member make concerning the proposed 5-year levy scheme to find a €200,000 extension? (10)

(60 marks)