

4. Club Accounts (60)

(a) Accumulated Fund of Greenhills Golf Club as at 1/1/2010	€	€	(25)	(b) Income and Expenditure a/c of Greenhills Golf Club for the year ended 31/12/2010	€	€	(25)
<u>Assets</u>				<u>Income</u>			
Clubhouse and course	920,000		(1)	Bar Profit (W1)	15,590		(4)
Bar stock	12,200		(1)	Investment income (W2)	4,800		(2)
Equipment	124,000		(1)	Subscription (W3)	150,040		(5)
Bar debtors	740		(1)	Life Membership w/o (W4)	7,875		(2)
6% Government investments	80,000		(2)	Sponsorship	46,000		(1)
Investment interest due	800		(2)	Entrance fees	<u>18,700</u>	243,005	
Bank	12,600		(2)				
Levies due 1/1/2010	<u>960</u>	1,151,300		<u>Expenditure</u>			
	(2)			Sundry expenses (W5)	122,800		(2)
<u>Liabilities</u>				Golf lessons	3,800		(1)
Life memberships	36,000		(2)	Depreciation:			
Bar creditors	5,400		(1)	Equipment	31,500		(1)
Levy Reserve Fund	32,000		(2)	Clubhouse and course	18,400		(1)
Wages due	3,200		(1)	Loan interest (W6)	2,880		(2)
Loan	40,000		(1)	Catering Loss (26,000 – 29,500)	<u>3,500</u>	(182,880)	
Loan interest due	720		(2)	Excess of Income over Expenditure		<u>*60,125</u>	(2)
Subscriptions prepaid	<u>1,200</u>	(118,520)					
Accumulated Fund at 01/01/2010		<u>*1,032,780</u>	(2)				

* Accept correct figure only.

Workings	€	€	€
W1 Bar Trading a/c			
Sales		94,200	
– Bar debtors 01/01/2010		(740)	
+ Bar debtors 31/12/2010		<u>830</u>	
		94,290	(1)
<u>Less Cost of Sales</u>			
Bar stock 01/01/2010	12,200		(1)
Purchasing	82,100		
– Bar creditors 01/01/2010	(5,400)		(1)
+ Bar creditors 31/12/2010	6,100		
	<u>95,000</u>		
– Bar stock 31/12/2010	(16,300)	(1)	
Bar Profit		<u>78,700</u>	
		<u>15,590</u>	
W2 Investment income			
Payable (6% of €80,000)		4,800	(2)
W3 Subscriptions			
Subscriptions received	210,000		
– Life membership (€4,500 × 6)	(27,000)		(1)
– 2010 Levy (€120 × 250)	(30,000)		(1)
– 2009 Levy due 1/1/2010 (€120 × 8)	(960)		(1)
– 2011 Subscriptions	(3,200)		(1)
+ Subscriptions prepaid 01/01/2010	<u>1,200</u>		(1)
	150,040		
W4 Life membership			
Balance 01/01/2010		36,000	
+ Bank		27,000	
– Life membership w/o (€63,000 ÷ 8)		<u>(7,875)</u>	
		55,125	
W5 Sundry expenses			
Bank		126,000	(1)
– Wages due 01/01/2010		<u>(3,200)</u>	(1)
		122,800	
W6 Loan interest			
Bank		3,600	
– 3 mths. loan interest due 01/01/2010		<u>(720)</u>	
		2,880	

(c) What points would you as an ordinary member make concerning the proposed 5-year levy scheme to find a €200,000 extension? (10)

- there is no longer a need for the levy (2)
- the surplus of income over expenditure for the year is €60,125 which is twice the levy for the year (4)
- the Club has a total of €119,700 available for the extension, made up of cash €39,700 and investments €80,000 (4)