

Question 6

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(a)

Accumulated Fund at 1/1/2010

| | | | |
|-----------------------------------|--------------|-----|--------------------|
| Assets | | | |
| Clubhouse and Grounds | 250,000 | [1] | |
| Equipment | 75,000 | [1] | |
| Bar stock | 15,000 | [2] | |
| Bar debtors | 1,280 | [2] | |
| Wages prepaid | 400 | [2] | |
| Subscriptions due | 500 | [2] | |
| Bank | 1,140 | [2] | |
| 4% Government investments | 50,000 | [3] | |
| Levies due | <u>800</u> | [2] | 394,120 |
| Less Liabilities | | | |
| Bar creditors | 8,400 | [2] | |
| Life membership | 24,000 | [2] | |
| Levy Reserve | 20,000 | [2] | |
| Loan | 30,000 | [2] | |
| Loan Interest due | <u>1,584</u> | [3] | (83,984) |
| Accumulated Fund/Capital 1/1/2010 | | | <u>310,136</u> [2] |

(b)

Income and Expenditure Account for the Year ending 31/12/2010

| | | | |
|------------------------------------|-----|--------------|-------------------|
| | | € | € |
| Income | | | |
| Bar profit | W 1 | 32,620 | [6] |
| Interest from investments | | 2,000 | [3] |
| Subscriptions | W 2 | 56,400 | [6] |
| Annual sponsorship | | 7,500 | [1] |
| Life membership written off | W 3 | <u>6,000</u> | [2] |
| | | | 104,520 |
| Expenditure | | | |
| Catering Loss | W 4 | 3,100 | [2] |
| Loss on sale of equipment | | 1,500 | [2] |
| Sundry expenses | W 5 | 24,400 | [2] |
| Coaching lessons | | 3,500 | [1] |
| Travel expenses | | 10,000 | [1] |
| Loan Interest | | 2,376 | [2] |
| Depreciation Equipment | | 19,750 | [2] |
| Depreciation Clubhouse and grounds | | <u>5,000</u> | [2] |
| | | | (69,626) |
| Surplus of income | | | <u>34,894</u> [3] |

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(c)

Balance Sheet as at 31/12/2010

| | € | € | € |
|--|-------------------|-------------------|-------------------|
| Fixed Assets | | | |
| Clubhouse and Courts | 250,000 [1] | 5,000 [1] | 245,000 |
| Equipment | <u>79,000 [2]</u> | <u>19,750 [1]</u> | <u>59,250</u> |
| | <u>329,000</u> | <u>24,750</u> | 304,250 |
| Investments | | | |
| 4% Government Investments | | | <u>50,000 [1]</u> |
| | | | 354,250 |
| Current Assets | | | |
| Closing Stock | 13,300 [1] | | |
| Debtors | 300 [1] | | |
| Bank | 45,180 [2] | | |
| Investment Interest due | 500 [2] | | |
| Prize Bonds | <u>4,400 [1]</u> | 63,680 | |
| Less Creditors: amounts falling due within 1 year | | | |
| Creditors | 8,600 [1] | | |
| Subscriptions prepaid | <u>300 [1]</u> | <u>(8,900)</u> | <u>54,780</u> |
| Total Net Assets | | | <u>409,030</u> |
| Financed by | | | |
| Creditors: amounts falling due after more than 1 year | | | |
| Life membership | | | 24,000 [1] |
| Accumulated Fund | | | |
| Balance at 1 January 2010 | | 310,136 [1] | |
| Add surplus of income | | <u>34,894 [1]</u> | 345,030 |
| Levy Reserve | | | <u>40,000 [2]</u> |
| Capital Employed | | | <u>409,030</u> |

(d) (i)

Limitations of a Receipts and Payments Account. [6]

- does not show whether the club is raising enough funds to cover its running costs
- amounts due but unpaid at the end of the accounting period are not included
- only shows an increase or decrease in cash although there could be outstanding bills
- does not take into account losses such as depreciation
- does not show whether the club bar or restaurant are profitable
- does not distinguish between receipts for the current year and other years