

6. Club Accounts

Included in the assets and liabilities of Glenview Golf Club on 01/01/2017 were the following:

Clubhouse and course €750,000; Equipment (at cost) €23,000; Bar stock €6,000; Bar debtors €455; Bar creditors €4,500; Life membership €50,000; Levy Reserve Fund €60,000; Wages due €2,500; Subscriptions received in advance €1,300; Investment interest due €200.

The club treasurer has supplied the following account of the club's activities during the year ended 31/12/2017:

Receipts and Payments Account for the year ended 31/12/2017

Receipts	€	Payments	€
Subscriptions	103,000	Balance at bank 01/01/2017	6,300
Catering receipts	7,200	Bar purchases	22,500
Interest on 4% investments	3,000	Catering purchases	3,550
Bar receipts	66,200	Equipment	17,000
Entrance fees	8,000	Sundry expenses	116,500
Annual sponsorship	12,600	Competition prizes	13,600
Equipment grant	15,000	Bank loan plus 15 months' interest	
Competition receipts	22,700	at 8% per annum on 31/10/2017	27,500
Sale of equipment (cost €3,600)	2,500	Balance at bank 31/12/2017	33,250
	240,200		240,200

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You are given the following additional information and instructions:

- (i) Stocks on 31/12/2017: Bar stock €17,600; Catering stock €450.
- (ii) Investment interest due on 31/12/2017 was €1,000.
- (iii) Equipment owned on 31/12/2017 is to be depreciated at the rate of 20% of cost.
- (iv) Clubhouse and course are to be depreciated by 2% of cost.
- (v) Bar debtors and bar creditors on 31/12/2017 were €320 and €5,100 respectively.
- (vi) Wages due on 31/12/2017 were €2,850.
- (vii) Subscriptions include:
 - 1. Three life memberships, bringing total life membership to 13.
 - 2. Subscriptions for 2018 amounting to €700.
 - 3. Levy for 2017 of €50 each on all 600 members.
 - 4. Levy for 2016 of €50 each due from 15 members.
- (viii) The closing bank figure does not take into account a dishonoured cheque of €200 received from a member in respect of subscription fees.
- (ix) The club has decided that life membership is to be credited to income over a ten-year period commencing in 2017.

You are required to:

- (a) Show the club's Accumulated Fund (Capital) on 01/01/2017. (30)
- (b) Show the club's Income and Expenditure Account for the year ended 31/12/2017. (35)
- (c) Show the club's Balance Sheet on 31/12/2017. (20)
- (d) (i) Explain what is meant by a Special Purpose Profit and Loss Account and use an example to illustrate your answer.
- (ii) The club is considering course improvements at a cost of €100,000. What advice would you give to the treasurer of the club? (15)

(100 marks)