

6. Club Accounts

Included among the assets and liabilities of White Head Golf Club on 1/1/2009 were the following:

Clubhouse and course €680,000, Bar stock €5,400, Equipment (at cost) €32,000, Life membership €42,000, Bar debtors €440, Bar creditors €3,600, Levy Reserve Fund €38,000, 8% Government investments €60,000, Investment interest due €120, Subscriptions received in advance €1,800, Wages due €2,900.

The club treasurer has supplied the following account of the Club's activities during the year ended 31/12/2009:

Receipts	€	Payments	€
Bank Current Account	7,110	Bar purchases	84,900
Investment income	3,240	Sundry expenses	166,800
Entrance fees	22,400	Catering costs	5,200
Catering receipts	7,250	Equipment	32,800
Annual sponsorship	44,000	Coaching lessons	8,900
Subscriptions	170,200	Repayment of €40,000 loan on 31/12/2009 together with 1½ years' interest	44,800
Bar receipts	124,800	Transfer to Building Society 31/12/2009	30,000
		Balance	5,600
	<u>379,000</u>		<u>379,000</u>

You are given the following additional information and instructions:

- (i) Bar stock at 31/12/2009 was €6,100.
- (ii) Equipment owned on 31/12/2009 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 31/12/2009 were €520 and €4,200 respectively.
- (v) Subscriptions include:
 1. 3 life memberships of €3,500 each.
 2. Subscriptions for 2010 amounting to €3,600.
 3. Levy for 2009 of €300 each on 200 members.
 4. Levy of €300 on 9 members for 2008.
- (vi) Life membership was to be written off over a 10 year period commencing in 2009.

You are required to:

- (a) Show the Club's Accumulated Fund (Capital) on 1/1/2009. (30)
- (b) Show the Income and Expenditure Account for the year ended 31/12/2009. (35)
- (c) Show the Club's Balance Sheet on 31/12/2009. (20)
- (d) Explain, with examples, the difference between a levy on members and subscriptions. (15)

(100 marks)