

6. Club Accounts

(100)

(a) Accumulated Fund of White Head Golf Club as at 1/1/2009	(30)	(b) Income and Expenditure a/c of White Head Golf Club for the year ended 31/12/2009	(35)
€	€	€	€
<u>Assets</u>		<u>Income</u>	
Clubhouse and course	680,000 (1)	Bar Profit (W1)	40,080 (6)
Bar stock	5,400 (1)	Investment income (W2)	4,800 (3)
Equipment	32,000 (1)	Subscription (W3)	95,200 (6)
Bar debtors	440 (1)	Life Membership w/o (W4)	5,250 (3)
8% Government investments	60,000 (2)	Entrance fees	22,400 (1)
Investment interest due	120 (2)	Annual sponsorship	44,000 (1)
Bank	7,110 (3)	Catering profit (W5)	<u>2,050 (2)</u> 213,780
Levies due 1/1/2009	<u>2,700 (3)</u> 787,770		
<u>Liabilities</u>		<u>Expenditure</u>	
Life memberships	42,000 (2)	Sundry expenses (W6)	163,900 (3)
Bar creditors	3,600 (1)	Loan interest (W7)	3,600 (2)
Subscriptions prepaid	1,800 (2)	Depreciation:	
Levy Reserve Fund	38,000 (2)	Equipment (W8)	9,720 (2)
Wages due	2,900 (1)	Clubhouse and course (W8)	13,600 (2)
Loan	40,000 (2)	Coaching lessons	<u>8,900 (1)</u> (199,720)
Loan Interest due	<u>1,200 (3)</u> (129,500)	Excess of Income over Expenditure	<u>*14,060 (3)</u>
Accumulated Fund at 1/1/2009 (1)	<u>*658,270 (2)</u>		

* Accept correct figure only.

(c) Balance Sheet of White Head Golf Club as at 31/12/2009	(20)		
€	€	€	
Cost	Dep.	N.B.V.	
<u>Fixed Assets</u>			
Clubhouse and course	680,000 (1)	13,600 (1)	666,400
Equipment (W9)	<u>64,800 (2)</u>	<u>9,720 (1)</u>	<u>55,080</u>
	<u>744,800</u>	<u>23,320</u>	721,480
<u>Investments</u>			
8% Government investment	60,000 (1)		
Building Society	<u>30,000 (1)</u>	<u>90,000</u>	811,480
<u>Current Assets</u>			
Bar stock	6,100 (1)		
Debtors	520 (1)		
Investment interest due (W2)	1,680 (3)		
Bank	<u>5,600 (1)</u>		
	13,900		
<u>Creditors: amounts falling due within 1 year</u>			
Subscriptions prepaid	3,600 (1)		
Bar creditors	<u>4,200 (1)</u>	<u>(7,800)</u>	
Working Capital		6,100	
Total Net Assets		<u>817,580</u>	
<u>Financed by:</u>			
<u>Creditors: amounts falling due after more than 1 year</u>			
Life Membership (W4)		47,250 (2)	
Levy Reserve Fund (€38,000 + €60,000)		98,000 (2)	
Accumulated Fund			
Balance at 1/1/2009	658,270 (1)		
Add excess of income for year	<u>14,060</u>	<u>672,330</u>	
Capital Employed		<u>817,580</u>	



Workings	€	€	€
W1 Bar Trading a/c			
Sales		124,800	
– Bar debtors 1/1/2009		(440)	
+ Bar debtors 31/12/2009		<u>520</u>	
		<u>124,880 (2)</u>	
<i>Less Cost of Sales</i>			
Bar stock 1/1/2009	5,400 (1)		
Purchasing	84,900		
– Bar creditors 1/1/2009	(3,600)(2)		
+ Bar creditors 31/12/2009	<u>4,200</u>		
	<u>90,900</u>		
– Bar stock 31/12/2009	<u>(6,100)(1)</u>	<u>84,800</u>	
Bar Profit		<u><u>40,080</u></u>	
W2 Investment income			
Payable (8% of €60,000)		4,800	
Income received	3,240		
– Invest. Int. due 1/1/2009	<u>(120)</u>	<u>3,120</u>	
Invest. Int. due 31/12/2009		1,680	
W3 Subscriptions			
Subscriptions received		170,200 (1)	
– Life membership (€3,500 × 3)		(10,500)(1)	
– 2009 Levy (€300 × 200)		(60,000)(1)	
– 2008 Levy due 1/1/2008 (€300 × 9)		(2,700)(1)	
– 2010 Subscriptions		(3,600)(1)	
+ Subscriptions prepaid 1/1/2009		<u>1,800 (1)</u>	
		<u>95,200</u>	
W4 Life membership			
Balance 1/1/2009			42,000
+ New membership			<u>10,500</u>
Total Life membership			52,500
– Life membership w/o (€52,500 ÷ 10)			<u>(5,250)</u>
			<u>47,250</u>
W5 Catering profit			
Catering receipts			7,250 (1)
– Catering costs			<u>(5,200)(1)</u>
			<u>2,050</u>
W6 Sundry expenses			
Bank			166,800 (1)
– Wages due 1/1/2009			<u>(2,900)(2)</u>
			<u>163,900</u>
W7 Loan interest			
Bank			4,800
– 4 months loan interest due 1/1/2009			<u>(1,200)</u>
			<u>3,600</u>
W8 Depreciation			
Equipment (15% of €64,800)			9,720
Clubhouse & course (2% of €680,000)			13,600
W9 Equipment			
Cost 1/1/2009			32,000 (1)
Purchase of new equipment			<u>32,800 (1)</u>
			<u>64,800</u>

(d) Explain, with examples, the difference between a levy on members and subscriptions. (15)

Levy (8)

- money collected for the purchase of a fixed asset (3)
- e.g. buildings (2)
- entered in 'Financed by' section of the Balance Sheet (3)

Subscriptions (7)

- money collected from members for the day to day running of the club (3)
- e.g. grounds man's wages (1)
- entered in the income and expenditure account (3)