

7. Club Accounts

Included among the assets and liabilities of East Coast Golf Club on 01/01/2015 were the following: Clubhouse and course €780,000; Equipment (at cost) €65,000; Bar stock €13,700; Bar debtors €650; Bar creditors €7,900; Life membership €40,000; Levy Reserve Fund €45,000; Wages prepaid €800; Subscriptions due €600.

The club treasurer has supplied the following account of the club's activities during the year ended 31/12/2015:

Receipts and Payments Account for year ended 31/12/2015

Receipts	€	Payments	€
Bank current account	4,250	Bar purchases	96,300
Interest from 4% investments	2,800	Sundry expenses	169,200
Bar receipts	192,730	Repayment of €80,000 loan on 31/08/2015 together with 19 months interest	87,600
Catering receipts	11,400	Equipment	25,000
Subscriptions	215,600	Catering costs	14,300
Annual sponsorship	15,000	Prize bonds	3,500
Sale of equipment (cost €5,000)	3,300	Coaching expenses	5,700
		Travel expenses	14,000
		Balance at bank 31/12/2015	29,480
	<u>445,080</u>		<u>445,080</u>

You are given the following additional information and instructions:

- (i) Bar stock on 31/12/2015 was €18,700.
- (ii) Equipment owned on 31/12/2015 is to be depreciated at the rate of 20% of cost.
- (iii) Clubhouse and course is to be depreciated by 2% of cost.
- (iv) Bar debtors and bar creditors on 31/12/2015 were €780 and €5,800 respectively.
- (v) Subscriptions include:
 1. Four life memberships, bringing total life membership to twenty
 2. Subscriptions for 2016 amounting to €2,200
 3. Levy for 2015 of €90 each on 500 members
 4. Levy of €90 each on 10 members for 2014.
- (vi) Investment interest due on 31/12/2015 was €400.
- (vii) Life membership to be written off over a ten year period commencing in 2015.

You are required to:

- (a) Show the Club's Accumulated Fund (Capital) on 01/01/2015. (30)
- (b) Show the Club's Income and Expenditure Account for the year ended 31/12/2015. (35)
- (c) Show the Club's Balance Sheet on 31/12/2015. (20)
- (d) The club is considering course improvements at a cost of €90,000. What advice would you give to the Treasurer of the club? (15)

(100 marks)