

Club Accounts 2004

6. Club Accounts

Included among the assets and liabilities of the Green Glen Golf Club on 1/1/2003 were the following: Clubhouse & course €740,000, Bar stock €3,800, Equipment (at cost) €28,600, Life membership €36,000, Bar debtors €155, Bar creditors €2,450, Subscriptions received in advance €1,800, 6% Government investments €40,000, Investment income due €150, Levy reserve fund €60,000 and Wages due €2,400.

The Club Treasurer has supplied the following account of the Club's activities during the year ended 31/12/2003:

Receipts	€	Payments	€
Bank Current Account	4,440	Bar purchases	80,500
Investment income	1,450	Sundry expenses	185,600
Entrance fees	17,000	Catering costs	4,460
Catering receipts	6,650	Equipment	44,500
Annual sponsorship	33,000	Coaching lessons	4,650
Subscriptions	254,200	Repayment of €30,000 loan on 31/12/2003 together with 1¼ years' interest	34,500
Bar receipts	112,660	Transfer to Building Society 31/12/2003	70,000
		Balance	5,190
	<u>€429,400</u>		<u>€429,400</u>

You are given the following additional information and instructions:

1. Bar stock on 31/12/2003 was €4,300.
2. Equipment owned on 31/12/2003 is to be depreciated at the rate of 20% of cost.
3. Clubhouse and course to be depreciated by 2% of cost.
4. Bar debtors and bar creditors on 31/12/2003 were €110 and €2,770 respectively.
5. Subscriptions include:
 - 2 life memberships of €6,000 each.
 - Subscriptions for 2004 amounting to €2,400.
 - Levy for 2003 of €200 on 300 members.
 - Levy of €200 on 8 members for 2002.
6. Life membership was to be written off over a 12 year period commencing in 2003.

You are required to:

- (a) Show the Club's accumulated fund (capital) on 1/1/2003. (30)
- (b) Show the Income and Expenditure Account for the year ended 31/12/2003. (35)
- (c) Show the Club's Balance Sheet on 31/12/2003. (20)
- (d) Indicate the points you, as treasurer, might make if the members at the AGM of the club proposed to reduce the annual subscription by 20%. (15)

(100 marks)

