

R/FS/AR 41D

Disclosure Requirements

For the Accounts of Working Men's Clubs

This note relates to Clubs registered under the Friendly Societies Acts

Disclosure Requirements for the Accounts of Working Men's Clubs

Registered under the Friendly Societies Act 1974

1. Introduction

- 1.1. The Chief Registrar in these notes sets out the particulars to be disclosed in the annual accounts submitted with the annual returns of Working Men's Clubs ("Clubs") registered under Section 7(1)(d) of the Friendly Societies Act 1974 ("the Act"). This note sets out the disclosure requirements for the accounts which form part of the Annual Returns prescribed under Section 43(6) of the Act for these Clubs and should be retained for future reference.
- 1.2. If the accounts do not meet these disclosure requirements there will not have been a sufficient Annual Return and the Club will be required to complete supplementary returns form R/FS/AR/42 and that form, annual return form R/FS/AR 41, attached accounts and auditor's report will form the annual return required under the act.

2. General

- 2.1. The balance sheet and revenue accounts with each additions and adaptations as may be necessary in order to show a true and fair view of the state of affairs of the Club as at the end of the financial year and the income and expenditure for the financial year shall contain the relevant items set out in Schedules 1 and 2 attached to these notes and the particulars specified in notes 2.2 and 4.8 below. Items considered immaterial need not be shown separately.
- 2.2. The formats shown in Schedules 1 and 2 need not be used and additional information considered appropriate for the understanding of the Club's affairs should be included.
- 2.3. The principles set out in Statements of Standard Accounting Practice (SSAP's) are generally relevant to Clubs and will be indicative of good practice in producing accounts intended to give a true and fair view of the state of affairs and of the income and expenditure of a Club.
- 2.4. Accounting policies for dealing with items in the accounts which are judged material or critical in determining surplus or deficit of the Club for the year, and in showing the state of affairs of the Club as at the end of the year, should be disclosed.

3. Balance Sheet

The following particulars shall be stated by way of note on the Balance Sheet if not otherwise shown

- 3.1. the method of arriving at the value of Fixed Assets e.g. "cost" or "cost and valuation".

3.2. in respect of tangible assets, how much consist of

- a) Land and Buildings, distinguishing between freeholds, long leaseholds and short leaseholds (short leaseholds are defined as those with less than 50 years to run),
- b) Plant, machinery, motor vehicles, fixtures and fittings,
- c) Payments on account and assets in course of construction.

3.3. For each class of tangible fixed assets shown in paragraph 3.2 above disclose the gross amount and accumulate depreciation, including the amount of aggregate additions, disposals, revaluations and transfers in the year.

3.4. In respect of Land and Building and any other fixed assets which have been revalued disclose comparable amounts determined according to the historic costs convention or the difference between revaluation and cost ("comparable amounts" covers aggregate cost and aggregate depreciation.) Disclose the amount released to general reserves during the year of any revaluation reserve relating to assets which have been sold, or, in the case of depreciation assets, that proportion which as been depreciated.

3.5. In respect of investments, how much consists of

- a) Listed investments,
- b) Unlisted investments

3.6. the aggregate market value of listed investments,

3.7. in respect of stocks, how much consists of

- a) Refreshment and other bar stocks,
- b) Other stocks

Such other classifications as may be appropriate to the activities of the Club may be substituted for (a) and (b) above.

3.8. in respect of Creditors (amounts falling due after more than one year), how much consists of

- a) Mortgages,
- b) Bank overdrafts,
- c) Other creditors and accruals

3.9. in respect of Creditors and Loans (amounts falling due after more than one year), how much consists of

- a) Mortgages,
 - b) Bank loans,
 - c) Other loans, creditors and accruals
- 3.10. for each item included under creditors and loans, show the aggregate amount of secured liabilities and give an indication of the nature of the security.
- 3.11. in respect of Provisions for liabilities and charges, how much consist of
- a) Pensions and similar obligations
 - b) Taxation, including deferred taxation,
 - c) Other provisions
- 3.12. where Land and Buildings or any other fixed assets of a club have been revalued, the amount of any surplus and deficit arising from the revaluation shall be separately disclosed under the heading revaluation reserve. The treatment for taxation purposes of amounts credited or debited to the revaluation reserve shall be disclosed in a note to the accounts.
- 3.13. where in respect of general and other reserves and provisions any amount is transferred
- a) to or from reserves; or
 - b) to any provisions for liabilities and charges; or
 - c) from any provisions for liabilities and charges otherwise than for the purpose for which the provision was established.
- and the reserves and provisions are shown as separate items in the club's balance sheet, show
- a) the amount of reserves or provisions as at the date of the beginning of the financial year and as at the balance sheet date respectively.
 - b) any amounts transferred to or from reserves or provisions during that year; and
 - c) the source and application respectively of any amounts transferred.
- 3.14. in respect of capital commitments, where practicable show
- a) the aggregate amount or estimated amount of contracts for capital expenditure, so far not provided for; and
 - b) the aggregate amount or estimated amount of capital expenditure authorised by the committee of management which has not been contracted for

- 3.15. in respect of contingent liabilities not provided for, show
- a) the amount or estimated amount of the liability
 - b) the legal nature of the liability; and
 - c) whether any valuable security has been provided by the club in connection with that liability and if so, what.

4. Revenue Account(s)

The following particulars shall be stated by way of note on the Revenue Account(s) if not otherwise shown:

- 4.1. the method by which Turnover stated is arrived at.
- 4.2. the amount of Remuneration (including fees and expenses) paid to members of the Committee of Management.
- 4.3. the amount of staff (including Officers) salaries and wages.
- 4.4. the amount of Auditor's remuneration.
- 4.5. the amount of Depreciation.
- 4.6. the amount of Interest payable or similar charges, showing separately how much consists of
 - a) interest on bank loans, overdrafts, mortgages and other loans wholly repayable within five years,
 - b) interest on each class of members' loans and deposits,
 - c) interest on other loans and mortgages.
- 4.7. the basis on which the charges for Corporation Tax and Income Tax is computed.
- 4.8. in relation to Extraordinary items, extraordinary income, charges, the net of these two items and the tax on the net amount should be shown separately.

Turnover

Cost of Sales

Operating and Administration Costs

Other income

Other charges

Surplus/or (deficit) on ordinary activities after taxation

Extraordinary items

Surplus/or (deficit) for the financial year

Transfer to (or from) reserves

Retained surplus/or (deficit) brought forward

Retained surplus/or (deficit) carried forward

Notes

a) See paragraphs 2.1 to 2.4 and 4.1 to 4.8

b) It may be considered appropriate to prepare separate Revenue Accounts for specific activities e.g. bar, entertainment etc

Fixed Assets

Tangible assets

Investments

Current Assets

Stocks

Debtors

Cash at bank or in hand

LESS current liabilities

Creditors (amounts falling due within one year)

Net current assets

TOTAL Assets LESS current liabilities

Creditors (amounts falling due after more than one year)

Provisions for liabilities and charges

TOTAL

Represented by

Loans

Revaluation reserve

Other reserves

TOTAL

Note See paragraphs 2.1 to 2.4 and 3.1 to 3.15.