

- 1 The treasurer of the Winners Athletic Club has provided the following information for the year ended 30 June 2015.

Receipts and Payment Account			
	\$		\$
Subscriptions received	8 690	Balance at 1 July 2014	3 690
Receipts from shop sales	6 670	Purchases for shop	2 590
Sales of tickets for events	3 720	Wages for shop	2 780
Sales of old equipment	1 200	Costs of events	2 120
		New equipment	3 600
		Entry fees	2 160
		Secretary's expenses	1 370
		Balance at 30 June 2015	<u>1 970</u>
	<u>20 280</u>		<u>20 280</u>

#### Additional information

	1 July 2014	30 June 2015
	\$	\$
Life membership fund	2500	?
Shop inventory	640	530
Equipment at net book value	6700	?
Trade payables for shop	376	429
Trade receivables for shop	540	690
Subscriptions in advance	675	895
Subscriptions in arrears	485	345
Events tickets in advance	-	275
Entry fees in arrears	-	140

- 1 The treasurer has found out that \$60 of the trade receivables will not be received.
- 2 Bank charges of \$126 have not been entered in the books.
- 3 The subscriptions include seven life memberships of \$300 each. The life membership fund is to be transferred to income and expenditure over a 10-year period.
- 4 Depreciation is charged at 20% on the net book value of assets held at the year end. The equipment sold had cost \$3000 and had been depreciated by \$1540 at the date of sale.

**REQUIRED**

**(a)** Prepare an income statement for the shop for the year ended 30 June 2015.

[illegible]

[11]

[8]

- (d) Explain why no amounts have been entered in the financial statements in respect of the many hours worked during the year by volunteers.

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- (e) Explain why the amounts prepaid and accrued are included in the financial statements of the club.

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