

- 2 The Netherdale Sports Club's Receipts and Payments Account shows the following transactions for the year ended 30 April 2006.

	\$		\$
RECEIPTS		PAYMENTS	
Balance b/d	20 000	National club fees	3 000
Subscriptions	72 000	Restaurant supplies	51 000
Restaurant takings	108 000	Purchase of clubhouse	50 000
Annual dance	8 900	Loan interest	2 200
Sale of equipment	6 000	Purchase of equipment	14 000
Loan to purchase clubhouse	20 000	Restaurant wages	22 000
		Repairs and maintenance	12 400
		Annual dance	4 950
		Administration of annual dance	320
		Electricity	11 000
		General wages	60 000
		Balance c/d	4 030
	<u>234 900</u>		<u>234 900</u>
Balance b/d	4 030		

When the club's bank statements for the year ended 30 April 2006 were studied, the following were discovered.

- (i) Bank interest of \$100 for the year had been credited in the bank statement but no entry appeared in the receipts and payments account.
- (ii) Electricity was paid by direct debit at \$1000 per month but the entry for January 2006 had been omitted from the receipts and payments account.
- (iii) \$4000 had been banked for restaurant takings on 30 April 2006. This had been entered in the receipts and payments account but did not appear on the bank statement.
- (iv) A cheque for \$2800 for repairs and maintenance, posted on 29 April 2006, was included in the receipts and payments account but had not yet been presented to the bank for payment.

## REQUIRED

- (a) (i) Update the Netherdale Sports Club's Receipts and Payments Account.

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- (ii) Prepare a bank reconciliation statement at 30 April 2006 to reconcile the bank statement with the updated receipts and payments balance.

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- (i) Net book value of the equipment owned on 1 May 2005 was \$56 000 and the equipment sold during the year ended 30 April 2006 had a net book value of \$4000.
- (ii) Depreciation on equipment is provided at 20 % reducing (diminishing) balance, with a full year's depreciation written off in the year of purchase and none in the year of sale.
- (iii) The club's other assets and liabilities were as follows:

There were no purchases or sales of fixtures and fittings during the year.

**(b) (i)** Prepare a Restaurant Trading Account for the year ended 30 April 2006. Depreciation, repairs and maintenance and electricity are **not** to be included in this account.

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