

- 1 The Cardio Health Club operates a fitness centre and a shop and has the following assets and liabilities.

	1 June 2012 \$	31 May 2013 \$
Premises	100 000	100 000
Sports equipment (at cost)	30 000	115 000
Sports equipment – depreciation provision	5 000	14 400
Shop inventory	8 500	4 800
Cash	250	250
Bank (current account)	10 000	?
Bank (deposit account)	2 000	?
Subscriptions outstanding	4 200	5 600
Subscriptions paid in advance	4 000	3 500
Shop staff wages accrued	1 000	3 000
Insurance paid in advance		1 000
Loan from sports association		40 000

The receipts and payments in the bank current account for the year ended 31 May 2013 were:

Receipts	\$
Shop revenue	120 000
Subscriptions	44 000
Loan from sports association	40 000
Donations	450

Payments	\$
Wages of fitness coaches	16 000
Sports equipment	85 000
Printing and stationery	5 500
Transfer to deposit account	300
Sundry expenses	800
Insurance	12 000
Heating and lighting	20 000
Wages of shop staff	27 000
Shop purchases for resale	32 500

Additional information

- 1 The wages of shop staff are treated as a direct cost.
- 2 Insurance and heating and lighting are apportioned 80:20 between the fitness club and the shop.
- 3 The loan from the sports association was received on 1 December 2012. Interest is payable at 6% per year.
- 4 Donations are treated as revenue.
- 5 During the year interest amounting to \$90 had been credited to the bank deposit account.

REQUIRED

(a) Prepare the shop income statement for the year ended 31 May 2013.

[8]

[14]

