

2 The Welcome Cricket Club has the following assets and liabilities.

	30 April 2011	1 May 2010
	\$	\$
Equipment (at cost)	104 000	40 000
Equipment – depreciation provision	14 400	4 000
Café inventory	4 800	6 500
Cash at bank	?	12 800
Subscriptions outstanding	3 600	2 200
Subscriptions paid in advance	3 500	5 000
Café staff wages accrued	4 000	500
Loan from cricket association	20 000	–
Loan interest	?	–

The receipts and payments for the year ended 30 April 2011 are:

Receipts	\$
Café revenue (sales)	90 000
Subscriptions	34 000
Loan from cricket association	20 000
Donations	450
Ticket sales	14 560

Payments	\$
Equipment	64 000
Rent	21 000
Heating and lighting	18 000
Wages of café staff	28 800
Café purchases for resale	36 000

Additional information:

- 1 Wages are a direct cost of the café and are charged to the trading account.
- 2 The rent and heating and lighting are apportioned 40% to the café and 60% to the rest of the club.
- 3 The loan from the cricket association was received on 1 November 2010. Interest is payable at 10% per year.
- 4 Depreciation is charged to the income and expenditure account.

REQUIRED

- (a)** Prepare the café income statement to show the gross profit and the profit for the year (net profit) made by the café during the year ended 30 April 2011.

[8]

-[14]

