An example of a receipts and payments account is shown below:

Receipts **N ’000**  Payments **N’000**

Bank balance 1/6/2001 118,000 Printing & stationary 228,000 Sponsored walk 23,000 Management expenses 109,000 Subscription 580,000 Caterer for president ball 113,250 Sundry income 57,000 Electricity and water 7 8,500 Sale of club’s manual 230,000 Bar creditors 278,500 Sale of equipment 254,000 Bank balance 31/5/2002 454,750

**1 ,262,000**  **1,262,000**

Illustration on income and expenditure account

The treasurer of the Long Lane Football Club has prepared a receipts and payments account, but members have complained about the inadequacy of such an account. She therefore asks an accountant to prepare a trading account for the bar, and an income and expenditure account and a balance sheet. The treasurer gives the accountant a copy of the receipts and payments account together with information on assets and liabilities at the beginning and end of the year:

**Long Lane Football Club**

**Receipts and Payments Account for the year ended 31 December 2016**

*Receipts* N *Payments* N

Bank balance at 1.1.2016 524 Payment for bar supplies 38,620

Subscriptions received for Wages:

2015 (arrears) 1,400 Groundsman and assistant 19,939

2016 14,350 Barman 8,624

2017 (in advance) 1,200 Bar expenses 234

Bar sales 61,280 Repairs to stands 740

Donations received 800 Ground upkeep 1,829

Secretary’s expenses 938

Transport costs 2,420

Bank balance at 31.12.2016 6,210

**79,554**  **79,554**

*Additional information:*

*1.*

***31.12.2015 31.12.2016***

N N

Stocks in the bar – at cost 4,496 5,558

Owing for bar supplies 3,294 4,340

Bar expenses owing 225 336

Transport costs – 265

2 The land and football stands were valued at 31 December 2015 at: land N 40,000; football stands N 20,000; the stands are to be depreciated by 10 per cent per annum.

3 The equipment at 31 December 2015 was valued at N 2,500, and is to be depreciated at 20 per cent per annum.

4 Subscriptions owing by members amounted to N 1,400 on 31 December 2015, and N 1,750 on

31 December 2016.