3 Sports T is a club providing sporting facilities to its members. The club hires all sporting equipment.

The club also runs a small café selling food and refreshments which members and guests can use. All sales from the café are on a cash basis.

The club treasurer has provided the following information for the year ending 31 December 2023:

Receipts throughout the year:

	$
Café sales	27 000
Members' subscriptions	162 000
Bank interest	720

Payments made throughout the year:

	$
Salaries & Wages:	
Sports coaches	58 220
Administration salaries	31 720
Café assistant's wages	14 352
Rent of premises	16 250
Hiring costs – sports equipment	31 900
Rates and insurance	3 200
Purchases of food and drink for resale	8 220
Accountancy fees	2 400

Balances at 1 January 2023:

	$	
Inventory of food & drink	1 290	
Subscriptions owing from previous year	1 520	
Receipts and payments account	3 300	debit

Balances at 31 December 2023:

	$
Inventory of food & drink	1 340
Subscriptions received in advance	2 800
Subscriptions outstanding	1 280

Additional information:

1. The contract for hiring the sports equipment is $34 800 per annum and is paid monthly.

2. Rent of premises is paid for the period from 1 January 2023 up to 31 January 2024.

REQUIRED

(a) Prepare the café income statement for the year ended 31 December 2023.

Sports T club
Café Income Statement for the year ended 31 December 2023

	$	$
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[5]

(b) Prepare the subscriptions account in the books of Sports T club for the year ending 31 December 2023.

Balance the account and bring down the balances on 1 January 2024.

Sports T club
Subscriptions account for the year ended 31 December 2023

Date	Details	$	Date	Details	$
....	....	....	....	....	....
....	....	....	....	....	....
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....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....
....	....	....	....	....	....

[5]

(c) Prepare the income and expenditure account of Sports T club for the year ended 31 December 2023.

Sports T club
Income and expenditure account for the year ended 31 December 2023

	$	$
....	....	....
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[10]

[Total: 20]

Question	Answer	Marks

3(a)	**Sports T**
	Café Income Statement
	for the year ended 31 December 2023
	                      $ $
	Cafe sales 27 000
	<u>Cost of sales</u>
	Opening inventory 1 290 *
	Purchases of food & drink <u>8 220</u>
	                           9 510
	Less Closing inventory <u>1 340</u> ***(1)** <u>8 170</u> **(1)**
	                           18 830 **(1)OF**
	<u>Expenses</u>
	Wages – café assistant <u>14 352</u> **(1)**
	Profit for the year – cafe <u>4 478</u> **(1)OF**
	
	* For both inventory figures
		5

Question	Answer	Marks
3(b)	**Sports T club** **Subscriptions account**	5

Date	Details	$		Date	Details	$	
2023 Jan 1 Dec 31	Balance b/d Income & Expenditure Account Balance c/d	1 520 158 960 <u>2 800</u> <u>163 280</u>	**(1)** **(1)OF**	2023 Dec 31	Bank or Cash Balance c/d	162 000 <u>1 280</u> <u>163 280</u>	**(1)**
2024 Jan 1	Balance b/d	*1 280		2024 Jan 1	Balance b/d	*2 800	**(1)**

(1) for dates
***For both balances b/d**

Question	Answer	Marks
3(c)	**Sports T club** **Income and expenditure account for the year ended 31 December 2023**	10

	$		$	
<u>Income:</u>				
Profit from the cafe	4 478	**(1)OF**		
Subscriptions	158 960	**(1)OF**		
Bank interest	<u>720</u>	**(1)**	164 158	**(1)OF**
<u>Expenditure</u>				
Wages: Sports coaches	58 220	**}**		
Administration salaries	31 720	**}(1)**		
Rent (16 250 – 1250)	15 000	**(1)**		
Sports equipment hire	34 800	**(1)**		
Rates & insurance	3 200	**(1)**		
Accountancy fees	<u>2 400</u>	**(1)**	(145 340)	
Surplus for the year			<u>18 818</u>	**(1)OF**