

- 1 The following information was extracted from the accounting records of KZN Sports Club for the year ended 31 December 20.8.

Information

Extract from the POST-CLOSING TRIAL BALANCE ON 31 DECEMBER 20.7

	R
Accumulated fund (Capital fund)	71 340
Inventory of tracksuits	12 000
Accrued income (Membership fees)	450
Income received in advance (Membership fees)	1 200
Debtors (for tracksuit sales)	2 160
Accrued expenses (honoraria)	540
Creditors for tracksuits	4 160

Extract from THE STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 DECEMBER 20.8

RECEIPTS

	R
Membership fees	
20.7	300
20.8	7 050
20.9	750
Entrance fees	8 000
Sale of tracksuits	33 600
Debtors (for tracksuit sales)	3 400
Donations	8 000

PAYMENTS

Membership fees refunded	75
Purchase of 30 new tracksuits	15 000
Creditors for tracksuits	6 300
Honorarium	300

Note: The sale of tracksuits include tracksuits sold to captains at a discounted price as mentioned in adjustment 3.

Additional information

1 Entrance fees

New members must pay an entrance fee of R800. All the new members paid this as well as their membership fees for 20.8. 40% of the entrance fees must be used to cover current expenses while the remainder is to be capitalised.

2 Membership fees

- Membership fees are R150 per member per year. On 1 January 20.8 the club had registered members.
- Two members who had paid their fees for 6 months were transferred during the year. One member claimed a refund of his half-year's membership fees. The other member donated his half-year's membership fee to the club. The committee decided to enter this as a donation.
- Any membership fees outstanding from the previous year are to be written off and the names of these members are to be removed from the register.
- The secretary requested that part of the honorarium due to him from 20.7, be retained by the club as his membership fee for 20.8.
- At year end some members still owed membership fees for 20.8.

3 Tracksuits

- Tracksuits are sold to members at cost plus 50%. The cost price has remained the same over the past two years.
- Tracksuits are also purchased on credit. At the end of the year R3 860 was owing to the creditors for tracksuits.
- During the year two tracksuits were given to captains of visiting teams as gifts.
- Nine tracksuits were sold on credit to members.
- The committee decided that the captains of the various teams would be able to buy tracksuits for cash at a discount price of R600. Six captains took up this offer during the year.
- At the end of the year there were tracksuits on hand.

4 Other information

- The cash donations received are to be capitalised.
- The surplus as calculated in the Statement of Income and Expenditure for the year ended 31 December 20.8 amounted to R12 755.

Required

- 1 Prepare the following ledger accounts for the period 1 January 20.8 to 31 December 20.8. Close off the accounts.

ACCUMULATED FUND (CAPITAL FUND)

MEMBERSHIP FEES

ENTRANCE FEES

TRACKSUITS

- 2 The constitution of the NW Aquatics Club contains the following stipulations:

- New members must pay an entrance fee of R1 000. A quarter of this must be treated as current income and three quarters must be capitalised.
- Membership fees amount to R500 per member per annum.
- Membership fees due for a specific year must be paid before 31 October of the following year. If this is not adhered to, the amount due for membership fees must be written off and the name of the member concerned must be removed from the register of members.
- Depreciation on equipment must be calculated at 20% per annum on the cost price.
- The club sells badges at cost plus 20%.

Summary of transactions for the year ended 31 December 20.8

- 50 new members joined the club and all of them paid their entrance fees and membership fees in full.
- Membership fees:
 - » members whose membership fees were due on 1 January 20.8 paid the amount. Membership fees for the current year were received from 300 members (including the 50 new members.)
 - » 60 members paid their membership fees for 20.9
 - » members had not paid their membership fees for 20.8
 - » member had moved to another club. His membership fees were refunded in full.
- Stationery
 - » purchased by cheque, R900
 - » purchased on credit, R800
 - » on hand on 31 December 20.8, R240
- Refreshments
 - » purchased and paid for by cheque, R80 490
 - » sold for cash, R123 975
 - » on hand were donated to the children's home.
- Wages paid for the year amounted to R20 800. The wages owing for 20.7 was paid in January 20.8
- Affiliation fees paid: 20.8, R1 000 and 20.9, R500

- Equipment purchased on 1 May 20.8 and paid by cheque, R34 500. Provide for depreciation on equipment.
- Rates paid for the period 1 January 20.8 to 30 June 20.9, R27 600.
- A swimming gala was held on 1 May 20.8.
 - » Cash received, R165 430.
 - » Expenses paid by cheque, R72 390.
 - » Expenses still due, R1 450.
- On 1 October R20 000 was invested at 8% per annum on fixed deposit at Save Bank. Interest is payable quarterly. R10 000 of this amount was withdrawn from the savings account. Interest was capitalised in December 20.8
- Creditors paid by cheque, R25 600.
- Interest earned on savings account, R540.
- Water and electricity paid, R14 400 and still due, R1 320.
- Club badges purchased by cheque, R22 500 (150 club badges). Club badges donated to the secretary of the club as part of his honorarium. 148 badges were sold for cash.
- A honorarium of R800 to the secretary has been approved but not yet paid.

Required

Draw up the Statement of Receipts and Payments for the year ended 31 December 20.8.

- 3** The following information was taken from the books of Steadfast Sports Club.

LIST OF BALANCES OF STEADFAST SPORTS CLUB ON 31 DECEMBER 20.7

	R
Capital fund	420 000
Land and buildings	890 000
Equipment	121 400
Accumulated depreciation: equipment	59 000
Fixed Deposit: Save Bank (8% p.a.)	43 200
Savings account	15 000
Current bank account (dr.)	33 440
Prepaid expenses (Affiliation fees)	6 000
Accrued expenses (Wages)	400
Income received in advance (Membership fees)	8 000
Accrued income (Membership fees)	3 000
Stock: Club badges at cost price	900

- Membership fees amount to R180 per member per annum.
- On 31 December 20.7 the following balances appeared in the Balance Sheet:
 - » Accrued income (Membership fees) R720
 - » Income received in advance (Membership fees) R540

Cash received from members during 20.8

	R
20.7	360
20.8	4 500
20.9	900

Outstanding membership fees for 20.7 must be written off.

Membership fees owing for 20.8 amount to R1 080.

One member moved to another club. His membership fees were refunded.

Required

Complete the MEMBERSHIP FEES account in the General Ledger for the year ended 31 December 20.8.

- 4 The following accounts appear in the General Ledger of Quickstep Club for the period 1 November 20.7 to 31 October 20.8.

GENERAL LEDGER QUICKSTEP CLUB

Dr				ENTRANCE FEES				Cr	
20.8	31	Amount capitalised	GJ	24 200	20.6	31	Bank	CRJ	44 000
Oct		Amount used as	GJ	19 800					
		current income		44 000					44 000

Note: Entrance fees are R800 for new members, payable on joining the club.

Dr				CLUB BADGES				Cr	
20.7					20.8				
Nov	1	Inventory: Badges	GJ	600	Oct	31	Bank (sales)	CRJ	5 580
20.8							Donation	GJ	?
Oct	31	Bank (purchases)	CPJ	3 600			Inventory: Badges	GJ	?
		Creditors for badges	GJ	1 200					
		Profit on sale of badges	GJ	?					

Note:

- Club badges are bought at R30 each. This price remained unchanged during the year.
- Club badges are sold at cost price plus 20%.
- Six badges were donated to visitors during the year.

Required

Study the ledger accounts and answer the following questions.

- How many new members joined the club during the year?
- What percentage of the entrance fees was capitalised?
- Name the correct contra-accounts for the following amounts: R24 200 and R19 800.
- What is the value of the club badges donated to visitors?
- Calculate the profit made on the sale of Club badges.

- 5 The treasurer of Soccer City Club disappeared with the Cash Book and the Statement of Receipts and Payments that were prepared for the year ended 20.9.

Information

The following INCOME AND EXPENDITURE account and Post-closing Trial Balance were prepared from the information available:

GENERAL LEDGER OF SOCCER CITY CLUB

Dr				INCOME AND EXPENDITURE				Cr	
20.9				20.9					
Dec	31	Membership fees written off	150	Dec	31	Membership fees		12 000	
		Depreciation on equipment	700			Donations		12 900	
		Repairs	3 900			Entrance fees		4 000	
		Insurance	4 500						
		Wages	7 800						
		Sundry expenses	1 650						
		Soccer balls	1 400						
		Telephone	2 100						
		Accumulated fund	6 700						
			28 900						28 900

POST-CLOSING TRIAL BALANCE OF SOCCER CITY CLUB ON 31 DECEMBER

	20.9		20.8	
	Debit R	Credit R	Debit R	Credit R
Accumulated funds		108 620		101 920
Land and buildings	90 000		80 000	
Equipment at carrying value	5 200		3 900	
Inventory of soccer balls	400		500	
Accrued income (Membership fees)	425		450	
Prepaid expenses (Insurance)	200		170	
Bank	13 975		18 500	
Accrued expenses (Repairs)		980		700
Income received in advance (Membership fees)		600		900
	110 200	110 200	103 520	103 520

Additional information

- 1 All the tangible assets bought, were paid for by cheque.
- 2 No tangible assets were sold.

Required

Prepare the Statement of Receipts and Payments for the year ended 31 December 20.9.