



WORKSHEET 9

School: Ba Sangam College

Year: 1201

Name: _____

Subject: Accounting

Strand	4- Accounting Reports
Sub Strand	Non- Profit Organisation
Content Learning Outcome	Explore Non – Profit Organisations and their financial reporting

Clubs Activity Account

- Clubs may carry out trading activities such as canteen, walkathon etc.
- A separate account for each activity is kept.
- There should be no repeat on entries in any other accounts which appear in the activity account, except for closing stock of the activity which goes to current assets and depreciation which is added to the provision for depreciation of that asset in fixed assets.
- If the activity of the club is very small then there is no need to prepare the activity account.

Format of an Activity Statement

	<u>\$</u>	<u>\$</u>
Sales		xx
Less Cost Of Goods Sold		
Opening stock	xx	
Add purchases	<u>xx</u>	
Goods available for sale	xx	
Less closing stock	<u>xx</u>	
Cost of goods sold		<u>xx</u>
Gross profit		xxx
Less other expenses (directly related to the activity)		
Depreciation on activity furniture/equipment	xx	
Waitress wages	xx	
Replacement of cutlery/glassware/ cookery	xx	<u>xx</u>
Proceeds or loss from activity account		xxx

The profit of the activity account goes under income and loss under expenditure of the Statement of Income and Expenditure.

ACTIVITY QUESTION

The following information has been taken from the accounting records of Spark Social Club for the year ended 30th September, 2019.

Spark Social Club			
Statement of Financial Position as at 30th September, 2018			
Assets	\$	Liabilities	\$
Cash at Bank	23 120	Subscription in advance	100
Inventories - Refreshment	28 280	Loan	4 000
Furniture - Refreshment	11 500	Accumulated Funds	67 600
Refrigerator - Refreshment	6 000		
Computer	2 800		
	<u>\$71 700</u>		<u>\$71 700</u>

The summary of receipts and payments for the year ended 30th September, 2019 are as follows:

Receipts	\$	Payments	\$
Subscriptions	4 800	Purchases of Refreshments	18 470
Sale of Refreshments	44 628	Electricity & telephone bill	2 236
Donations	21 350	Secretary's honorarium	3 458
Entrance fees	1 180	General expenses	6 124
		Repayment of loan	1 600
		Delivery expenses - Refreshments	290

Additional information as at 30th September 2019:

- Inventory on hand for Refreshments \$22 500.
- Subscriptions due \$300.
- Subscriptions received in advance \$200.
- Subscriptions written off \$100.
- Provide depreciation on Furniture for Refreshment \$1 150.
- Provide 10% depreciation on Refrigerator for Refreshment.
- Electricity & telephone bill – 60% for Refreshment and 40% for office use.

Required

- Using the receipts and payments summary, calculate the Cash at Bank balance as at 30th September, 2019. **(1 mark)**
- Prepare a Refreshment Trading Statement of Spark Social Club for the year ended 30th September, 2019. **(5 marks)**

Solution

1. Cash at Bank(Closing Balance) = Opening Balance + Total Receipts – Total Payments

2.

Refreshment Trading Statement of Spark Social Club for the year ended 30th September, 2019		
	\$	\$