



Week 11

School: Ba Sangam College
Subject: Accounting

Year: 1201

Name _____

| | |
|---------------------------------|--|
| Strand | 4- Accounting Reports |
| Sub Strand | 4.3 Non- Profit Organisation |
| Content Learning Outcome | 4.3.1 Explore Non – Profit Organisations and their financial reporting |

NON TRADING ORGANISATIONS

Income and Expenditure Statement

- ♣ It records the income and expenditure of a club relating to the current accounting period.
- ♣ Excess of Income over Expenditure is known as Surplus.
- ♣ Excess of Expenditure over Income is known as Deficit.

Differences between Receipts and Payments and Income and Expenditure Statement

| <u>Receipts and Payments</u> | <u>Income and Expenditure</u> |
|---|---|
| 1. Records cash transaction irrespective of the year to which it belongs to. | 1. Records cash and credit transaction relating to the current year only. |
| 2. Includes both capital and revenue expenditure or receipts. | 2. Includes only revenue expenditure. |
| 3. Shows opening and closing cash at bank balance. | 3. Has no opening balance but the closing represents surplus or deficit. |
| 4. Does not include any balance day Adjustments. 5. It follows cash basis accounting. | 4. Includes balance day adjustments. |
| | 5. It follows accrual basis accounting |

Expenses Due/Accrued

| | | | | | | |
|------------------------------------|---|-------------------------------|---|--|---|---|
| Expenses paid during the year 20X1 | - | Last year's expenses due 20X0 | + | This year's expenses due 20X1 (balance sheet item) | = | Income and Expenditure (Expenditure column) |
|------------------------------------|---|-------------------------------|---|--|---|---|

Prepayments/Expenses Prepaid

| | | | | | | |
|------------------------------------|---|-----------------------------------|---|--|---|---|
| Expenses paid during the year 20X1 | + | Last year's expenses prepaid 20X0 | - | This year's expenses prepaid 20X1 (balance sheet item) | = | Income and Expenditure (Expenditure column) |
|------------------------------------|---|-----------------------------------|---|--|---|---|

Income Accrued/Due

| | | | | | | |
|--------------------------------------|---|-----------------------------|---|--|---|--|
| Income received during the year 20X1 | - | Last year's income due 20X0 | + | This year's income due 20X1 (balance sheet item) | = | Income and Expenditure (Income column) |
|--------------------------------------|---|-----------------------------|---|--|---|--|

Revenue Received in Advance

| | | | | | | |
|---------------------------------------|---|--|---|---|---|--|
| Revenue received during the year 20X1 | + | Last year's revenue received in advance 20X0 | - | This year's revenue received in advance 20X1 (balance sheet item) | = | Income and Expenditure (Income column) |
|---------------------------------------|---|--|---|---|---|--|



Statement of Receipts and Payments

Current years Statement of Financial Position

Income and Expenditure Statement

(Students are requested to refer to page 123-128 for example activities)

Accounting for Clubs and Societies

(8 marks)

The following information is supplied by the treasurer of Young Star Club as at 31st August 2018.

| Account Balance on 1st September 2017 | \$ |
|--|-----------|
| Balance at Bank | 1 680 |
| Equipment | 3 500 |
| Loan from bank | 2 300 |
| Subscriptions Received in Advance | 80 |
| Stationery on hand | 30 |
| Accumulated Funds | 2 830 |

Receipts and payments transactions recorded for the year ending 31st August 2018 were as follows:

| Receipts | \$ | Payments | \$ | Additional Information as at 31st August 2018 |
|--|-----------|----------------------|-----------|---|
| Balance | 854 | Electricity | 115 | |
| Social Function | 570 | Stationery | 72 | |
| Subscriptions | 1 050 | New Equipment | 1 300 | |
| Entrance fees | 300 | Repairs to Equipment | 335 | |
| Sale of old Equipment (Book Value \$185) | 290 | Audit fees | 140 | |
| Donations | 480 | Interest on loan | 153 | |
| | | Government Bond | 400 | |
| | | Social expenses | 510 | |
| | | Rent | 240 | |
| | | | | |

Required

(a) Prepare a fully classified Income and Expenditure Statement of Young Stars Club for the year ended 31st August 2018.

(6 marks)

| Income and Expenditure Statement of Young Stars Club for the year ended 31 st August 2018 | | | |
|--|-----------|-----------|-----------|
| | \$ | \$ | \$ |
| | | | |
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