

### 3. Tabular Statement

The financial position of Watt Ltd, a grocer, on 01/01/2014 is shown in the following balance sheet:

| Balance sheet as at 01/01/2014                          |                |                |                |                |
|---|----------------|----------------|----------------|----------------|
|   | Cost           | Dep to date    | Net            | Total          |
|   | €              | €              | €              | €              |
| <b>Fixed Assets</b>                                     |                |                |                |                |
| Goodwill (cost €5,000)                                  |                |                |                | 45,000         |
| Land & buildings  | 690,000        | 55,100         | 634,900        |                |
| Equipment   | 30,000         | 2,500          | 27,500         |                |
| Delivery vans   | <u>86,000</u>  | <u>32,000</u>  | <u>54,000</u>  |                |
|   | <u>806,000</u> | <u>89,600</u>  | <u>716,400</u> | <u>716,400</u> |
|   |                |                |                | 761,400        |
| <b>Current Assets</b>                                   |                |                |                |                |
| Stock   |                | 73,600         |                |                |
| Insurance prepaid                                       |                | 1,000          |                |                |
| Debtors   |                | <u>52,900</u>  | 127,500        |                |
| <b>Less Creditors: amount falling due within 1 year</b> |                |                |                |                |
| Creditors   |                | 82,300         |                |                |
| Bank  |                | 11,900         |                |                |
| Expenses due  |                | <u>3,700</u>   | <u>97,900</u>  | <u>29,600</u>  |
|   |                |                |                | <u>791,000</u> |
| <b>Financed by</b>                                      |                |                |                |                |
| <b>Capital and Reserves</b>                             |                |                |                |                |
| Authorised - 750,000 ordinary shares @ €1 each          |                |                |                |                |
| Issued - 480,000 ordinary shares @ €1 each              |                | 480,000        |                |                |
| Share premium   |                | 75,000         |                |                |
| Profit and loss balance                                 |                | <u>236,000</u> |                | <u>791,000</u> |
|   |                |                |                | <u>791,000</u> |

The following transactions took place during 2014:

- Jan Watt Ltd bought an adjoining business on 01/01/2014 which included buildings €240,000, delivery vans €2,000 and creditors €54,000. The purchase price was discharged by granting the seller 220,000 shares in Watt Ltd at a premium 20c per share.
- Feb A creditor who was owed €2,500 by Watt Ltd accepted a fridge freezer, the book value of which was €2,200, in full settlement of the debt. This fridge freezer had cost €4,000.
- April Watt Ltd decided to re-value the land and buildings on 01/04/2014 at €990,000. The land element of the new value is €170,000.
- May Received a bank statement at the end of May showing a direct debit of €3,600 to cover fire insurance for year ended 31/03/2015 and a credit transfer received of €8,600 to cover 10 month's rent receivable in advance from May 1.
- July A delivery van, which cost €15,000 and had a net book value of €3,000, was traded-in against a new van costing €24,000 on 01/07/2014. An allowance of €4,500 was made for the old van.
- Nov A payment of €1,260 was received from T McDonagh, a debtor, whose debt had been previously written off and who now wishes to trade with Watt Ltd again. This represents 90% of the original debt and the debtor had undertaken to pay the remainder of the debt in January 2015. On the same day goods to the value of €720 were sold on credit to McDonagh. This is a mark-up of 20%.
- Dec The depreciation charge on buildings for the year is to be of 2% of value at 01/04/2014. Depreciate delivery vans at 20% of cost per annum from date of purchase to date of sale.

#### Required:

Record on a tabular statement the effect each of the above transactions had on the relevant asset and liability and ascertain the total assets and liabilities on 31/12/2014.

(60 marks)