

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
	€	€	€	€
Fixed Assets				
Goodwill (cost €55,000)				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
Current Assets				
Stock		73,600		
Insurance prepaid		1,000		
Debtors		<u>52,900</u>	127,500	
Less Creditors: amount falling due within 1 year				
Creditors		82,300		
Bank		11,900		
Expenses due		<u>3,700</u>	<u>97,900</u>	<u>29,600</u>
				<u>791,000</u>
Financed by				
Capital and Reserves				
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 €42,000 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)