

ICB Level 3 Bridging Exam – Fact Sheet

Everything you need to know about the online test

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Introduction

As part of your ICB Exemptions Application, you'll need to complete an online bridging exam. This is simply our way of checking that your knowledge matches the ICB syllabus, so we can make sure you're joining at the level that's right for you.

Here's what to expect:

- You'll have two mock attempts to practise before you take the real thing.
- You'll then have two exam attempts available.
- Each attempt is three hours long.
- The pass mark is 85%.
- **After your mock/exam:** You'll receive a report to guide your preparation. Mock reports show your incorrect answers with corrections. Exam reports do not give correct answers but highlight syllabus areas where you lost marks, so you can focus your revision before a resit.

Take your time with the mocks to get comfortable, and use them as a chance to see exactly what's expected. Once you feel confident, you'll be ready for the official assessment.

Booking information

To book your test, please call the ICB Member Services team on 0203 405 4000. Once your exam is booked, we'll send you an email with a link to the exam.

Important things to know about the exam

- Your exam will be available for 14 days from your booked date and time.

- This window includes the three hours you'll have to complete it. The clock starts when you click the 'Start' button, and you'll see your remaining time on screen at all times.
- You can skip questions you're unsure about and come back to them later. You can also review any section before you finish.
- Before clicking 'Finish', make sure you've completed every task and are happy with your answers – once you submit, you won't be able to make changes.

Good to know

- The exam is open book, so you can refer to your notes and resources while you work.
- You must complete the assessment on your own – it should be entirely your own work.
- We can't take responsibility for technical issues on your device, so please make sure your internet connection and computer are working well before you start.
- Once you click 'Finish', your result is final.
- Take your time, work through each section carefully, and remember – you've got this!
- The ICB Exemptions Team is on hand to support you, so please reach out with any questions via exemptions@bookkeepers.org.uk or 0203 405 4000.

Topics covered

Below you will find the topics that are covered within the exam:

Underpinning Knowledge
Ltd Companies - Balance Sheet
Ltd Companies - Share Capital
Ltd Companies - Trading Profit & Loss account
Ltd Companies - Appropriation
Ltd Companies - LLP
Not for Profit - Final Accounts
Not for Profit - Fundraising
Not for Profit - Opening Balances
Not for Profit - Disposals
Not for Profit - Subscriptions

Sample questions

Below are a few samples of the type of questions you may come across in the exam.

The business concept that covers the matching of income and expenditure items to trading periods is called:

- ☐ Historical Cost
- ☐ Business entity
- ☐ Consistency
- ☐ Accruals

Which is the VAT scheme that means the business declares VAT only on paid invoices?

- ☐ Second-hand VAT Margin Scheme
- ☐ Cash Accounting Scheme
- ☐ Partial Exemption Scheme
- ☐ Flat rate Scheme

Zuzie's Emporium Ltd has the following trial balance after the preparation of the profit and loss account for the year just ending:

Trial Balance

	£	£
Fixed Assets at cost	170,800	
Accumulated Depreciation on fixed assets:		4,375
Stocks	9,750	
Debtors	620	
Creditors		6,250
Bank	2,565	
Share Capital (£1 each)		6,000
Share Premium		8,000
Retained Earnings		19,700
Profit for year before tax		18,000
Accruals		1,730
Prepayments	1,265	
Mortgage		120,945
	<u>£185,000</u>	<u>£185,000</u>

The following additional information is available that is not reflected in the trial balance:

A dividend payment of £1 per share is paid from the bank to existing shareholders on the last day of the financial year.

It is estimated that corporation tax amounting to £3,600 will be payable during the forthcoming year.

As Zuzie's Emporium Ltd wants to pay off its creditors, it requires more funds to achieve this so, on the last day of the financial year

- 600 new shares are issued and fully paid-up at £5 per share
- A shareholder lends the company £20,000 (to be paid off in two years' time) which is paid into the bank account.

A company was set up with 5 shareholders, each agreeing to buy 100 ordinary shares with a nominal value of £100, paying face value.

Three years down the line the company is doing really well, and the original shareholders decide to raise further funds by selling additional shares.

40 new shareholders agree to buy 50 ordinary shares each for £250 per share. If all share income is fully paid up, after the posting of the transactions:

What is the balance of the ordinary share capital account?

What is the balance of the share premium account?

State whether the following statements about the share premium account true or false:

	True	False
The share premium account forms part of the company's capital reserves	<input type="radio"/>	<input type="radio"/>
The balance in the share premium account can be distributed as dividends to ordinary shareholders	<input type="radio"/>	<input type="radio"/>

At the end of the current year of trading, the pre-tax profits for Corpraxil Ltd, were £350,000 and at the end of the previous year the balance of retained profits amounted to £85,000

After the AGM the company secretary instructs you to make the appropriation journal entries into the accounts for the following:

Appropriation (a) – a transfer for a provision for corporation tax of £70,000

	Dr	Cr
<input type="text" value=""/>	70,000	
<input type="text" value=""/>		70,000

The Friends of Wyfield Hospice run fundraising events across the year with the following summary information:

- Income from donations £6,000
- Income from 100 club raffle where 100 people each purchase a ticket costing £5 per month
- Each month three prizes are drawn for the 100 Club – one for £35, one for £15 and one for £10. At Christmas the prizes are doubled
- Income from fete stalls £2,500 with costs of £650 to be paid out

If income and expenditure are to be shown gross in the accounts what will be the amounts from fundraising that should be reported?

Income

Expenditure

As the hospice is registered as a charity it may reclaim tax on gift aided donations. Three quarters of the donations are eligible. In this scheme HMRC allow the charity to claim an additional 25p per eligible pound donated. How much tax could they therefore reclaim?

If all the tax is reclaimed what will be the final surplus on fundraising for the year?

Below is the template for the opening trial balance for the Cupcakes Cookery Club at 1 September 2019. Two of the balances have been entered for you, and the following information is available:

Subscriptions outstanding at 31/08/2019	£50
Subscriptions prepaid at 31/08/2019	£350
Prepayment	£1,500

Enter the remaining balances into the appropriate column as per the headings, calculate and enter the value of the accumulated fund and total the columns.

As at 1 September 2019

	Dr	Cr
Assets at net book value	24,500	
Cash at bank	6,800	
Subscriptions outstanding at 31/08/2019	<input type="text"/>	<input type="text"/>
Subscriptions prepaid at 31/08/2019	<input type="text"/>	<input type="text"/>
Prepayment	<input type="text"/>	<input type="text"/>
Accumulated fund	<input type="text"/>	<input type="text"/>

The St Martin's Golf Society showed the following balances in its balance sheet at the end of December 2018:

Outstanding subscriptions £350; Prepaid Subscriptions £3,500

During the year to December 2019, the society showed £28,000 being paid into its bank account for subscriptions.

On 31 December the club secretary reported that 2 members had not paid their subscriptions for the year just finished whilst five members had prepaid for the coming year. Each member should pay £350 per year.

Using the templates below, and assuming that all relevant journal transfers and bank receipts have been entered, show how the information would appear in the subscriptions account for the year ended 31 December 2019. Note: where applicable choose the appropriate account from the drop down menu and enter figures into the associated debit or credit column.

Date	Account	Dr	Cr
Jan 1	<input type="text" value=""/>	<input type="text" value=""/>	
	<input type="text" value=""/>		<input type="text" value=""/>
Dec 31	Bank receipt	<input type="text" value=""/>	<input type="text" value=""/>
	<input type="text" value=""/>	<input type="text" value=""/>	
	<input type="text" value=""/>		<input type="text" value=""/>

What will be the amount that appears in the income and expenditure account for the year?

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Once you have answered all the questions and clicked 'Finish' you will be taken to a screen which shows a summary of the sections of the exam.

You may click on any section to go back to check your answers. It is your responsibility to check that you have completed all the tasks and that you are happy with your answers before you click 'Finish' from the final screen, at which point your answers will be submitted and you will no longer be able to gain access to this paper.