**Illustration**

Using a sales returns day book example, **two** ledgers are updated:

1. General ledger is updated using double entry bookkeeping

2. Receivables ledger is updated using the **total** credit note values **only**.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date | Credit note number | Customer code | Customer name | Credit note total £ | VAT £ | Net £ |
| 3 July | CN89 | ABC01 | ABC Ltd | 48 | 8 | 40 |
| 5 July | CN90 | DEF01 | DEF Ltd | 6 | 1 | 5 |
|  |  |  | **Total** | **54** | **9** | **45** |

**RECEIVABLES LEDGER GENERAL LEDGER**

CREDIT ABC Ltd £48 DEBIT Sales returns £45

CREDIT DEF Ltd £6 DEBIT VAT control account £9

£54 CREDIT Receivables ledger control account £54

**Remember that the entries in the receivables ledger are not part of the double entry system and will NOT affect the amounts that appear in the final accounts. The receivables ledger is for business use only, to chase outstanding debts and create statements of account for each customer.**