**Illustration**

**Ledgers**

Using the previous sales day book example, we now update TWO ledgers:

1. General ledger is updated using double entry bookkeeping

2. Receivables ledger is updated using the TOTAL invoice amounts ONLY.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date | Details | Invoice number | Total  £ | VAT  £ | Net  £ |
| 31 Mar | ABC Ltd | 1 | 120 | 20 | 100 |
| 31 Mar | DEF Ltd | 2 | 240 | 40 | 200 |
| 31 Mar | GHI Ltd | 3 | 360 | 60 | 300 |
| 31 Mar | JKL Ltd | 4 | 1,080 | 180 | 900 |
|  | **Totals** |  | **1,800** | **300** | **1,500** |

**RECEIVABLES LEDGER GENERAL LEDGER**

DEBIT ABC Ltd £120 DEBIT Receivables ledger control account £1,800

DEBIT DEF Ltd £240 CREDIT VAT control account £300

DEBIT GHI Ltd £360 CREDIT Sales (income) £1,500

DEBIT JKL Ltd £1,080

£1,800

The entries in the receivables ledger are a detailed breakdown of the TOTAL entry in the RECEIVABLES LEDGER CONTROL ACCOUNT (RLCA).

**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.**