**Illustration**

**Statements of account**

This is the receivables ledger account of Rooms Limited.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ROOMS LIMITED | | | ACCOUNT CODE: RO758 | | |
| Date | Ledger account | Amount £ | Date | Ledger account | Amount £ |
| 1/1  3/1  25/1  26/1 | Balance b/d  Invoice B325  Invoice B730  Invoice B734 | 2,450  4,980  5,925  1,240 | 5/1  27/1  28/1  31/1 | Credit note CN12  Bank  Credit note CN53  Balance c/d | 625  1,825  680  11,465 |
|  | **TOTAL** | **14,595** |  | **TOTAL** | **14,595** |
| 1/2 | Balance b/d | 11,465 |  |  |  |

This shows the amount outstanding from Rooms Limited at 31 January.

The information from the receivables ledger account is then transferred into a statement of account.

**STATEMENT OF ACCOUNT**

To: Rooms Limited Customer account code: RO758

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Transaction date** | **Transaction detail** | **Transaction amount** | **Outstanding balance** |  |
| 3 January | Invoice B325 | £4,980 | £4,980 | The outstanding balance is the cumulative total |
| 25 January | Invoice B730 | £5,925 | £10,905 |
| 26 January | Invoice B734 | £1,240 | £12,145 |
| 28 January | Credit note CN53 | (£680) | **£11,465** | The credit note REDUCES the amount outstanding |
|  |  | **The total amount outstanding agrees to the closing receivables ledger balance** | |  |

The bank receipt on 27 January of £1,825 is the full settlement of the opening balance of £2,450 and the credit note CN12 of £625 (£2,450 - £625 = £1,825). These transactions do **not** need to appear on the statement of account.

A statement of account created by a digital bookkeeping system is shown below:

A picture containing table

Description automatically generated