



# The Best Small Business Accounts Book

**For a non-VAT registered Small Business**

There are three Accounts Books in this Series, catering for different types of business. See the back cover for details.

- This **BLUE** book is ideal for: Builders, Consultants, Craftworkers, Designers, Engineers, Freelancers, Hauliers, Internet Traders, Kennels & Catteries, Landscapers, Mail Order, Manufacturers, Motor Mechanics, Photographers, Plant Nurseries, Tradespeople, Trainers and most similar businesses.
- Designed for people new to Book-Keeping
- Simple format. Easy-to-balance Columns
- Suitable for Sole Trader, Partnership or Ltd Co.
- **Highly Recommended (see rear cover)**

**Designed and written by Peter Hingston**



**DO YOUR OWN BOOK-KEEPING.  
INSTRUCTIONS INSIDE.**

**Month**

month & year ..... **March 20**

**WORKED EXAMPLE  
& Guide Notes**

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**SALES RECORD (continued)**

**SALES RECORD**

Date of Invoice	Date Paid	Customer	Invoice Number	Invoice Total	
				£	p
4		John Smith's	026	265	00
5	4/5	B.I.G. Buyers & Co	027	962	43
8	30/3	Brown & Son	028	331	00
12	30/4	A.N. Other Co	029	452	50
16	3/5	ABC Co	030	135	25
17	30/3	Brown & Son - CREDIT NOTE	031	(15)	00
19		B.I.G. Buyers & Co	032	1,035	00
23		D. Jones	033	486	50
23		A. Smith	034	385	15
26		A. Supply Co <small>Cancelled</small>	035	190	00
26		A. Supply Co	036	195	00
31		ABC Co	037	463	26
31	-	Card Sales (total)	-	968	84
<b>Total</b>				<b>5,664</b>	<b>93</b>

When an invoice is paid, you could note the date in the "Date Paid" column. This is optional but useful for spotting any unpaid invoices.

At the end of the month, total up as shown above. If you fill more than one column, then do a sub-total at the bottom of the page.

Your list of Sales Invoices on this page should be in the same order as your filed copies.

**General Note**  
All the data in this Worked Example is fictitious.

Date of Invoice	Date Paid	Customer	Invoice Number	Invoice Total	
				£	p

Sub-total (brought forward from first column)

**Caution**  
Particular care needs to be taken to record your Sales correctly. Whereas the BANK RECORD and PAYMENTS columns' entries can be checked against your Bank Statement, and the PETTY CASH can be counted, there is no such simple check for the SALES RECORD. But its accuracy can be checked by comparing its figures with customers' payments, and your Bankings.

If you need to issue a Credit Note, then this could be recorded (as shown left). The brackets indicate the figure has to be subtracted when totalling up the column.

If you need to cancel an invoice (as shown left), then you need to record it so that the sequence of invoice numbers remains complete.

If you make a lot of small value card sales, you could list them somewhere (eg in a notebook) and then enter a total here at month end.

Only a few sales entries are shown here to illustrate how to complete this page.

**Using a Spreadsheet**  
You can save time by using a spreadsheet in conjunction with this accounts book for those columns with a lot of transactions to add up (eg the SALES or PAYMENTS). Each month print out the completed spreadsheet, file it in a ring binder, and copy just the total figures into this accounts book. Start a new spreadsheet for the next month.

Sub-total (carry forward to next column)

Total Sales for Month

# Month

## BANK RECORD

### WORKED EXAMPLE & Guide Notes

## PETTY CASH

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Balance in Bank at start of Month		£	1,505	64		
<p>This "start of Month" figure is 0 if this is your first month of trading. Otherwise it is the previous month's "Balance at end of Month".</p>						
BANKINGS (& Direct Credits)		Non-Sales		Sales		
Date	Details	Ref	£	p	£	p
4	Feb Cheques	136			220	48
8	From Personal a/c	D/C	1,000	00		
11	ABC Co	D/C			1,382	50
19	B.I.G. Buyers & Co	D/C			1,955	25
26	A.N. Other Co	D/C			126	50
30	Brown & Son (Invs 028/031)	137			316	00
31	Card Sales (total)	D/C			986	60
Total Bankings (ie Total Non-Sales + Sales)			1,000	00	4,987	33

DIRECT DEBITS (& Standing Orders)		Ref	£	p
Date	Details	Ref	£	p
26	Bank Charges	D/D	65	00
	Bank Interest			
01	Card Charges	D/D	145	00
	Other Finance Charges			
Total Debits			260	00

MONTH'S BANK BALANCE		£	391	45
Balance at start of Month + Total Bankings - Total Debits		7,232	97	
Less Total Payments (from overpage)		6,841	52	
Leaves: Balance at end of Month (carry forward to next month)		391	45	
BANK STATEMENT CHECK		£	391	45
Balance as per Bank Statement		391	45	
Add any bankings				
Less any payments				
Leaves: Balance		391	45	

Money in Petty Cash at start of Month		£	87	p	34
<p>This "start of Month" figure is 0 if this is your first month of trading. Otherwise it is the previous month's "Money in Petty Cash at end of Month".</p>					
MONEY INTRODUCED DURING MONTH					
Date	Source of Money	Ref	£	p	
12	From Business Bank a/c - by card		50	00	
Total Money Introduced			50	00	
PAYMENTS BY PETTY CASH					
Stock or Raw Materials					
Staff Wages		A. Helper (Pt-time)	74	00	
Employee Costs					
Premises Costs		Business Rent/Rates			
		Cleaning			
		Electric/Gas/Heat/Water			
Repairs		Repairs/Maintenance			
		Postage/Parcels	12	48	
General Admin. Expenses		Stationery/Printing	6	75	
		Sundries	2	56	
		Telephone/Fax/Mobile			
Motor Expenses		Fuel			
		Other Expenses	29	99	
Travel & Subsistence					
Ads & Promotion					
Legal & Professional					
Other Expenses					
Drawings					
Total Payments by Petty Cash			125	78	
MONTH'S PETTY CASH BALANCE					
Petty Cash at start of Month + Money Introduced			137	34	
Less Total Payments by Petty Cash (from above)			125	78	
Less any surplus Cash paid into Bank					
Leaves: Money in Petty Cash at end of Month			11	56	

The entries above are listed in the same order (and dates) as they appear in your Bank Statement. This makes this column easier to complete and check.

Any loan, grant, sale of an asset, interest the bank pays, tax refund or personal money you put into the business should be entered in the "Non-Sales" column, and specify the source of funds.

The "Ref" (Reference) column could be the last 3 figures of the Bank pay-in slip or the number of the sales invoice(s) being paid. Here "D/C" means a Direct Credit.

File your Remittance Advice notes and bank pay-in details together in the same order as above.

Record below your finance-related Direct Debits and Standing Orders.

"Bank Interest" is for interest you are charged, eg on an overdraft.

"Other Finance Charges" is for lease and HP payments etc (but note what the payment is for).

For those suppliers you pay by Direct Debit, you could record that here but it is probably better to record those transactions on the following PAYMENTS pages as that permits an analysis of the expenditure (ie what it's for), and it is easier to add to similar expenditure that is made by cheque etc.

This cash is only to top up the Petty Cash Box. Note the entry under "MONEY INTRODUCED..." on the same date.

The "Balance at end of Month" (below) and your business Bank Statement balance should be the same if your entries in the BANK RECORD and PAYMENTS columns are as they appear in your Bank Statement. If you don't have a business bank account, the figures may not balance.

The Balance below should equal the Balance above.

This check is only needed if you date your entries when you do the transaction rather than date them as they appear in your Bank Statement.

If you were to make a petty cash payment with your own cash, you need to record the same amount here, as you have added new money into the "petty cash box".

If you make a lot of small value card sales, you could add them up on your bank statement and enter the total here. The total may not match the SALES figure due to the delay in them appearing in your bank statement.

Allowable Expenses Generally, costs you pay with the sole purpose of earning business profits are allowable expenses. Hence non-business or personal costs are not usually tax deductible.

"Employee Costs" is where you record staff wages (or Directors' salaries) paid in cash. Ideally, use one line for each person.

If there is more than one transaction in any category in the month, just show the total.

"Other Expenses". Avoid overuse of this category and explain any payment you record here.

"Drawings" is where you record wages you take from petty cash as a sole trader or partner.

If you have a discrepancy between the calculation below and the cash as counted, note it here and carry the actual figure forward to the next month.

Month March

# PAYMENTS (by cheque, card or direct banking)

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**WORKED - & Guide**

Date	Paid To	Ref	TOTAL	Books	Drawings	Stock or Raw Material	Employee Costs	Premises Costs Rent/Rates	
2	Auto Repair Co	359	70 05						
2	Self (to personal a/c)	D/B	1,500 00		1,500 00				
3	XYZ Supplies Co	D/B	17 50						
3	ABC Co	356	78 26						
4	The Bookshop	357	50 00	50 00					
9	The Big Phone Co	D/D	189 87						
10	Webdesigns	S/O	50 00						
14	Auto Repair Co	362	139 99						
14	Parcels Office	363	158 27						
18	Computer Supply Co	360	725 00						
29	Landlord & Co	364	500 00					500 00	
30	A. Brown	D/B	62 58						
31	Self (Card reimbursement)	D/B	400 00			125 00			
31	A-Z Van Salesroom	D/B	2,900 00						

The first column heading is blank for your own heading. You might use it for these expenses that occur regularly.

"Premises Costs" also includes Cleaning and Property Insurance. Use the next blank column if necessary.

"Employee Costs" is where you record employees' wages & PAYE (also Directors' salaries). For sole traders and partners, record your wages under "Drawings".

The "Utilities" column is for Premises Costs that relate to any Electric, Gas, Heating or Water bills.

The entries above are listed in the same order (and dates) as they appear in your Bank Statement, and in the same order as the invoices are filed. This makes this page easier to complete & check.

**VAT**  
If there is any VAT in an invoice, don't separate it out. Record the full invoice value, including the VAT, in both the TOTAL column and the appropriate expenses column (as you are not VAT-registered).

**"Ref" (Reference)**  
This column could show the last 3 figures of the cheque number, or "D/B" for a Direct Banking, "D/D" for a Direct Debit, or "S/O" for a Standing Order.

**PROCEDURE FOR PERSONAL CARDS**  
If you use a personal card for some business purchases, then reimburse yourself from your business account every month or so, and at that time enter the details in that month's PAYMENTS (as shown on the 31st above).

**PROCEDURE FOR CHEQUES**  
For each cheque: record the date (as it appears in the Bank Statement), the payee, the last 3 figures of the cheque number (as a Reference) and the total paid. Then "analyse" the payment by entering the figure again in the correct expenses column (or columns, where relevant).

**PROCEDURE FOR DIRECT BANKING**  
This includes online and telephone banking, and where you are paying your suppliers by Direct Debit or by Standing Order. Record the date (as it appears in the Bank Statement), the payee, the reference and the total paid. Then "analyse" the payment by entering the figure again in the correct expenses column (or columns, where relevant).

**PROCEDURE FOR BUSINESS CARDS**  
For a debit card on your business account, for each transaction: record the date (as it appears in the Bank Statement), the payee, the word "Card" (as a Reference) and the total paid. Then "analyse" the payment by entering the figure again in the correct expenses column (or columns, where relevant).

**General Note**  
All the data in this Worked Example is fictitious.

Only a few entries are shown here to illustrate how to complete this double page.

**Overflow Pages**  
If in any month you need more lines, then please note there are overflow pages after Month 12 in this book.

At the end of the month, total up each column. The overall TOTAL (£6,841.52 in this worked example) is then entered in the MONTH'S BANK BALANCE on the previous page.

Total Payments for Month			6,841 52	50 00	1,500 00	125 00		500 00	
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(Note: There are overflow pages after Month 12)

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EXAMPLE Notes	General Administrative Expenses				Website	Motor Expenses		Refunds	Others			
	Post/Parcels	Stationery etc	Sundries	Tel/Fax/Mobile								
						70	05					
3			17	50								
4		78	26									
5					189	87						
6					50	00						
7							139	99				
8		158	27									
9												
10									New Computer	725 00		
11												
12								62	58			
13		88	00			187	00					
14									Van (2nd hand)	2,900 00		
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50	158	27	166	26	17	50	189	87	50	00	3,625	00

"General Administrative Expenses" can also include: Business Insurances, Subscriptions and Website costs. If necessary, use the blank columns on either side.

This blank column could be used for "Repairs and Renewals" (of business premises or machinery, but not motor vehicles). Alternatively you could use the "Others" column on the far right, leaving this column for more "Premises Costs" or more "General Admin Expenses".

The four blank columns could be used for "Travel & Subsistence", "Advertising & Promotion", "Legal & Professional" and "Capital Expenditure" - or to suit your needs. In one month you might need a column for travel expenses, but not the following month when the same column could then be used for another type of expense.

It may be useful to title the last column as "Others" and to use it for any one-off or infrequent payments. These can then be annotated as shown below.

**General Note**  
For every payment, the total is entered not only in the "TOTAL" column, but also in the appropriate expenses column.

**Headings**  
Try to be consistent and put similar expenses under the same headings every month so that adding up your annual totals will be easier.

If you often have to give customers a refund, then you could annotate any one of these blank columns as "Refunds" (as shown in this example). Otherwise, use the "Others" column.

**Useful Feature**  
Every 5th horizontal line is darker to make it easier to read across the page.

**Allowable Expenses**  
Generally, costs you pay with the sole purpose of earning business profits are allowable expenses. Hence non-business or personal costs are not usually tax deductible.

**No Business Bank Account?**  
On your personal account's Bank Statement mark all the business transactions. Also, for simplicity, you might consider using one card solely for your business expenses.

**Good Practice**  
When you complete a month, it's good practice to transfer the figures to the "At Year End" Annual Summaries located near the end of this book. Tip: Use spreadsheets for this data to save you time.

**CHECKING YOUR FIGURES**  
The column totals (below), when added together horizontally, should equal the first column "TOTAL" added vertically (ie the totals in this worked example should both equal £6,841.52). This is a most useful check!