Keeping weekly business accounts

Keeping records of the **money coming in** and **money going out** is important to make sure you have enough money to cover day-to-day running costs.

Look at the weekly cashbook record for 'Sole trading' - a small business selling trainers online and at car boot sales.

Income = money coming in
- sales
- loans/grants

These may be:
- cash
- cheques and card payments

Expenditure = money going out
- stock
- travel costs
- postage
- rent
- insurance

w/b 04/01	**Cash book**	**Income**		*Expenditure*	
	Details	**£**	**p**	*£*	*p*
	Balance carried forward from previous week	**235**	**74**		
04/01/11	Start-up grant	**50**	**00**		
06/01/11	Sales (online)	**200**	**00**		
07/01/11	Sales (direct)	**180**	**00**		
04/01/11	Rent (weekly)			*100*	*00*
08/01/11	Stock			*149*	*99*
10/01/11	Public liability insurance			*20*	*00*
11/01/11	Mobile broadband connection			*18*	*99*
09/01/11	Diesel			*25*	*98*
	TOTAL	**665**	**74**	*314*	*96*
Balance	**Income minus expenditure**	**350**	**78**		

Note: w/b is an abbreviation. It is short for 'week beginning…'.

Work out the **balance** at the end of the week by subtracting the total expenditure from the **total income**. If you use a calculator, remember to use a **decimal point** to separate the **pounds** and **pence**.

Your business is making a **profit** if you have a **positive balance** (more income than expenditure).

Your business is making a **loss** if you have a **negative balance** (more expenditure than income).