

Chart of Accounts

ZZ ledger 028 All accounts as at 5 June 2018

Code	Account Name	Type	Tax
200	Sales Income from any normal business activity	Revenue	20% (VAT on Income)
260	Other Revenue Any other income that does not relate to normal business activity and is not recurring	Revenue	20% (VAT on Income)
270	Interest Income Gross interest income	Revenue	No VAT
310	Cost of Goods Sold Cost of goods sold by the business	Direct Cost	20% (VAT on Expenses)
320	Direct Wages Payment of wages/salary to an employee whose work can be directly linked to the product or service	Direct Cost	No VAT
325	Direct Expenses Expenses incurred that relate directly to earning revenue	Direct Cost	20% (VAT on Expenses)
400	Advertising & Marketing Expenses incurred for advertising and marketing	Overhead	20% (VAT on Expenses)
401	Audit & Accountancy fees Expenses incurred relating to accounting and audit fees	Overhead	20% (VAT on Expenses)
404	Bank Fees Fees charged by your bank for transactions regarding your bank account(s)	Overhead	No VAT
408	Cleaning Expenses incurred for cleaning business property	Overhead	20% (VAT on Expenses)
412	Consulting Payments made to consultants	Overhead	20% (VAT on Expenses)
416	Depreciation Expense The amount of the asset's cost (based on the useful life) that was consumed during the period	Overhead	No VAT
418	Charitable and Political Donations Payments made to charities or political organisations or events	Overhead	No VAT
420	Entertainment-100% business Expenses incurred on entertainment by the business that for income tax purposes are fully deductible	Overhead	20% (VAT on Expenses)
424	Entertainment - 0% Expenses incurred on entertainment by the business that for income tax purposes are not fully deductible	Overhead	No VAT
425	Postage, Freight & Courier Expenses incurred by the entity on postage, freight & courier costs	Overhead	Exempt Expenses
429	General Expenses Expenses incurred that relate to the general running of the business	Overhead	20% (VAT on Expenses)
433	Insurance Expenses incurred for insuring the business' assets	Overhead	Exempt Expenses
437	Interest Paid Interest paid on a business bank account or credit card account	Overhead	No VAT
441	Legal Expenses Expenses incurred on any legal matters	Overhead	20% (VAT on Expenses)
445	Light, Power, Heating	Overhead	5% (VAT on Expenses)

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	Expenses incurred for lighting, power or heating the business premises		
449	Motor Vehicle Expenses	Overhead	20% (VAT on Expenses)
	Expenses incurred on the running of business motor vehicles		
457	Operating Lease Payments	Overhead	20% (VAT on Expenses)
	Expenses incurred on operating expenses such as office rental and vehicle leases (excludes hire purchase agreements)		
461	Printing & Stationery	Overhead	20% (VAT on Expenses)
	Expenses incurred on printing and stationery		
463	IT Software and Consumables	Overhead	20% (VAT on Expenses)
	Expenses incurred on software or computer consumables		
465	Rates	Overhead	20% (VAT on Expenses)
	Payments made to local council for rates		
469	Rent	Overhead	20% (VAT on Expenses)
	Payments made to lease a building or area		
473	Repairs & Maintenance	Overhead	20% (VAT on Expenses)
	Expenses incurred on a damaged or run down asset that will bring the asset back to its original condition		
477	Salaries	Overhead	No VAT
	Payment to employees in exchange for their resources		
478	Directors' Remuneration	Overhead	No VAT
	Payments to company directors in exchange for their resources		
479	Employers National Insurance	Overhead	No VAT
	Payment made for National Insurance contributions - business contribution only		
480	Staff Training	Overhead	20% (VAT on Expenses)
	Expenses incurred in relation to training staff		
482	Pensions Costs	Overhead	No VAT
	Payments made to pension schemes		
483	Medical Insurance	Overhead	Exempt Expenses
	Payments made to medical insurance schemes		
485	Subscriptions	Overhead	Exempt Expenses
	Expenses incurred by the business in relation to subscriptions, such as magazines and professional bodies		
489	Telephone & Internet	Overhead	20% (VAT on Expenses)
	Expenses incurred from any business-related phone calls, phone lines, or internet connections		
493	Travel - National	Overhead	20% (VAT on Expenses)
	Expenses incurred from any domestic business travel		
494	Travel - International	Overhead	No VAT
	Expenses incurred from any international business travel		
497	Bank Revaluations	Expense	No VAT
	Bank account revaluations due for foreign exchange rate changes		
498	Unrealised Currency Gains	Expense	No VAT
	Unrealised currency gains on outstanding items		
499	Realised Currency Gains	Expense	No VAT
	Gains or losses made due to currency exchange rate changes		
500	Corporation Tax	Overhead	No VAT
	Tax payable on business profits		
610	Accounts Receivable	Current Asset	No VAT
	Invoices the business has issued but has not yet collected payment on		
611	Less Provision for Doubtful Debts	Current Asset	No VAT

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	A provision anticipating that a portion of accounts receivable will never be collected		
620	Prepayments An expenditure that has been paid for in advance	Current Asset	No VAT
630	Inventory Value of tracked items for resale.	Current Asset	No VAT
710	Office Equipment Office equipment that is owned and controlled by the business	Fixed Asset	20% (VAT on Expenses)
711	Less Accumulated Depreciation on Fixed Asset Office Equipment The total amount of office equipment costs that has been consumed by the business (based on the useful life)		No VAT
720	Computer Equipment Computer equipment that is owned and controlled by the business	Fixed Asset	20% (VAT on Expenses)
721	Less Accumulated Depreciation on Fixed Asset Computer Equipment The total amount of computer equipment costs that has been consumed by the business (based on the useful life)		No VAT
740	Buildings Buildings that are owned and controlled by the business	Fixed Asset	20% (VAT on Expenses)
741	Less Accumulated Depreciation on Fixed Asset Buildings The total amount of buildings costs that have been consumed by the business (based on the useful life)		No VAT
750	Leasehold Improvements The value added to the leased premises via improvements	Fixed Asset	20% (VAT on Expenses)
751	Less Accumulated Depreciation on Fixed Asset Leasehold Improvements The total amount of leasehold improvement costs that has been consumed by the business (based on the useful life)		No VAT
760	Motor Vehicles Motor vehicles that are owned and controlled by the business	Fixed Asset	20% (VAT on Expenses)
761	Less Accumulated Depreciation on Fixed Asset Motor Vehicles The total amount of motor vehicle costs that has been consumed by the business (based on the useful life)		No VAT
764	Plant & Machinery Plant and machinery that are owned and controlled by the business	Fixed Asset	20% (VAT on Expenses)
765	Less Accumulated Depreciation on Fixed Asset Plant and Machinery The total amount of plant and machinery cost that has been consumed by the business (based on the useful life)		No VAT
770	Intangibles Assets with no physical presence e.g. goodwill or patents	Fixed Asset	20% (VAT on Expenses)
771	Less Accumulated Amortisation on Fixed Asset Intangibles The total amount of intangibles that have been consumed by the business		No VAT
800	Accounts Payable Invoices the company has received from suppliers but have not made payment on	Current Liability	No VAT
801	Unpaid Expense Claims	Current Liability	No VAT

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	Expense claims typically made by employees/shareholder employees which the business has not made payment on		
803	Wages Payable Xero automatically updates this account for payroll entries created using Payroll and will store the payroll amount to be paid to the employee for the pay run. This account enables you to maintain separate accounts for employee Wages Payable amounts and Accounts Payable amounts	Current Liability	No VAT
805	Accruals Any services the business has received but have not yet been invoiced for e.g. Accountancy Fees	Current Liability	No VAT
810	Income in Advance Any income the business has received but have not provided the goods or services for	Current Liability	20% (VAT on Income)
811	Credit Card Control Account The amount owing on the company's credit cards	Current Liability	No VAT
814	Wages Payable - Payroll Where this account is set as the nominated Wages Payable account within Payroll Settings, Xero allocates the net wage amount of each pay run created using Payroll to this account	Current Liability	No VAT
820	VAT The balance in this account represents VAT owing to or from the HMRC. At the end of the VAT period, it is this account that should be used to code against either the 'refunds from' or 'payments to' the HMRC that will appear on the bank statement. Xero has been designed to use only one VAT account to track VAT on income and expenses, so there is no need to add any new VAT accounts to Xero	Current Liability	No VAT
825	PAYE Payable The Amount of PAYE tax due to be paid to the HMRC	Current Liability	No VAT
826	NIC Payable The amount of a business' portion of National Insurance Contribution that is due to be paid to the HMRC	Current Liability	No VAT
830	Provision for Corporation Tax Corporation tax payable to the HMRC	Current Liability	No VAT
835	Directors' Loan Account Monies owed to or from company directors	Current Liability	No VAT
840	Historical Adjustment For any accounting and starting balance adjustments	Current Liability	No VAT
850	Suspense A clearing account	Current Liability	No VAT
858	Pensions Payable Payroll pension payable account	Current Liability	No VAT
860	Rounding An adjustment entry to allow for rounding	Current Liability	No VAT
868	Earnings Orders Payable Payroll earnings order account	Current Liability	No VAT
877	Tracking Transfers Transfers between tracking categories	Current Liability	No VAT
900	Loan Any money that has been borrowed from a creditor	Non-current Liability	No VAT
910	Hire Purchase Loan Any goods bought through hire purchase agreements	Non-current Liability	No VAT
920	Deferred Tax	Non-current Liability	No VAT

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947	Used if there is a timing difference between taxable profits and accounting profits Student Loan Deductions Payable Payroll student loan deductions payable account	Current Liability	No VAT
950	Capital - x,xxx Ordinary Shares Paid up capital	Equity	No VAT
960	Retained Earnings Do not Use	Equity	No VAT
970	Owner A Funds Introduced Funds contributed by the owner	Equity	No VAT
980	Owner A Drawings Withdrawals by the owners	Equity	No VAT