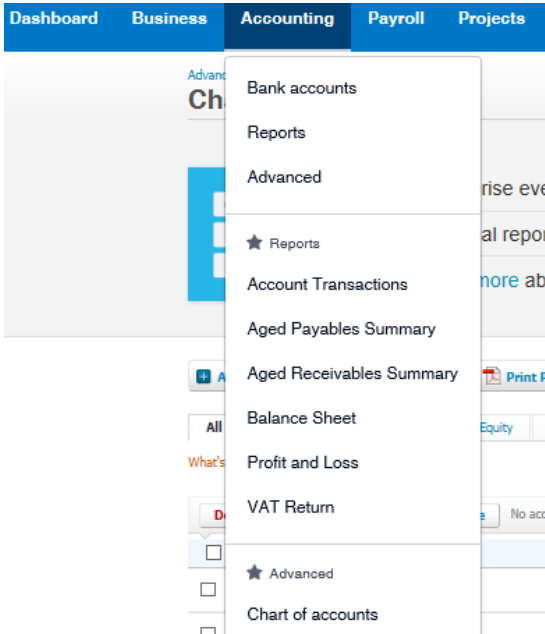


## Xero

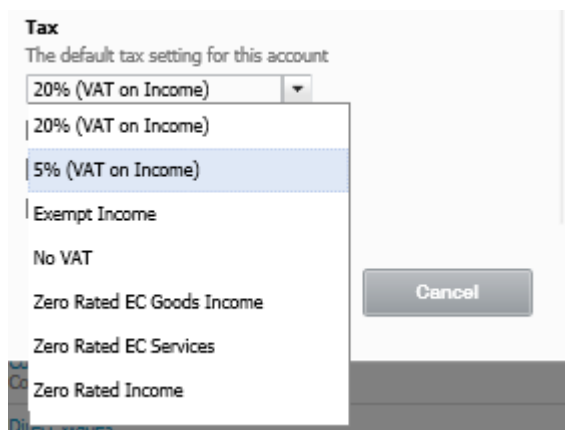
Go to Accounting > Chart of Accounts:



Click on the sales code or other relevant income code to edit:

<input type="checkbox"/>	200	Sales Income from any normal business activity	Revenue	20% (VAT on Income)	23,146.29
--------------------------	-----	---	---------	---------------------	-----------

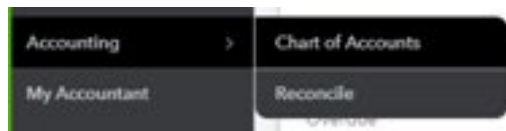
Then change the default VAT setting to 5%:



Click save and repeat this process for any other codes, including expense / supplier codes that need to be updated.

## Quickbooks

Go to Accounting on the left hand panel > chart of accounts:



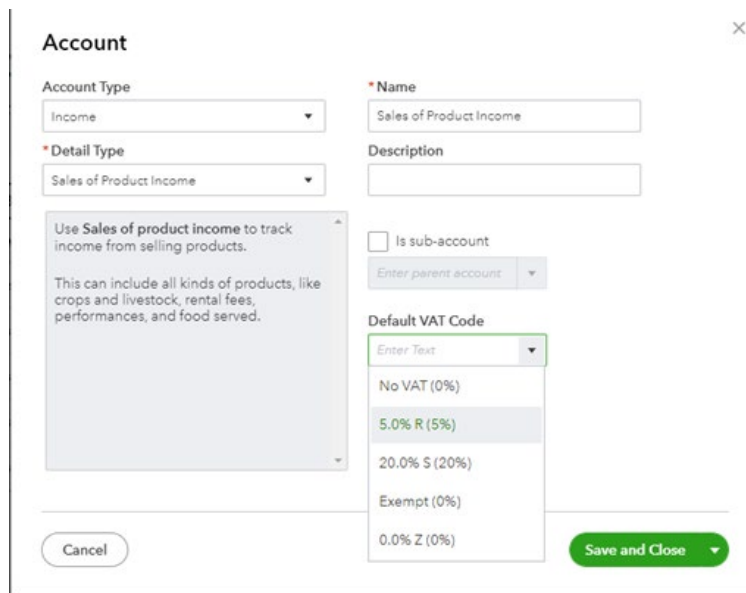
Use the search bar to find your sales code then use the drop down box to edit:



The screenshot shows the 'Chart of Accounts' table in QuickBooks. A search bar at the top contains the text 'sales'. A dropdown menu is open under the 'Run report' button for the 'Sales' account, showing options: 'Edit', 'Make inactive', and 'Run report'. Blue arrows point from the text above to the search bar and the dropdown menu.

NAME	TYPE	DETAIL TYPE	VAT RATE	QUICKBOOKS BALANCE	BANK BALANCE	ACTION
Sales	Income	Sales of Product Inc...				Run report
Sales of Product Income	Income	Sales of Product Inc...				Edit Make inactive Run report
Cost of sales	Cost of sales	Supplies and materi...				

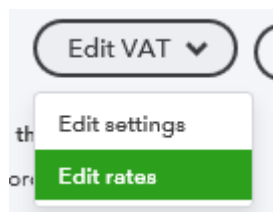
Select the default VAT code to be 5%:



The screenshot shows the 'Account' edit form in QuickBooks. The 'Account Type' is 'Income' and the 'Detail Type' is 'Sales of Product Income'. The 'Default VAT Code' dropdown menu is open, showing options: 'No VAT (0%)', '5.0% R (5%)', '20.0% S (20%)', 'Exempt (0%)', and '0.0% Z (0%)'. The '5.0% R (5%)' option is selected. There are 'Cancel' and 'Save and Close' buttons at the bottom.

Click save and close and repeat this process for any other codes, including expense / supplier codes that need to be updated.

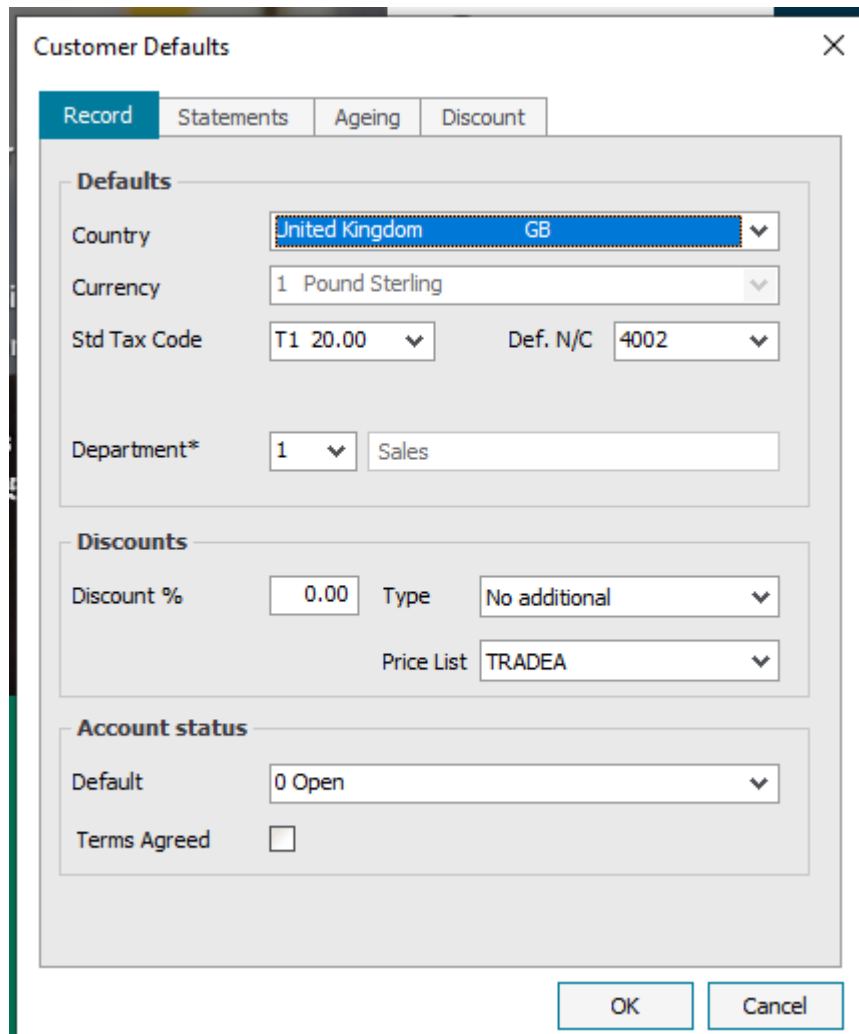
If for any reason the 5% code is not showing you will need to go to Taxes on the left hand panel > edit VAT > Edit Rates:



Click 'Add tax rate' on the next page and fill in the details with 5%. We can help if there are any points on this that you are unsure of.

## Sage (desktop)

Settings > Customer defaults / Supplier defaults:



The screenshot shows the 'Customer Defaults' dialog box with the 'Record' tab selected. The dialog is divided into three sections: 'Defaults', 'Discounts', and 'Account status'. In the 'Defaults' section, 'Country' is set to 'United Kingdom GB', 'Currency' is '1 Pound Sterling', 'Std Tax Code' is 'T1 20.00', 'Def. N/C' is '4002', and 'Department\*' is '1 Sales'. The 'Discounts' section shows 'Discount %' as '0.00', 'Type' as 'No additional', and 'Price List' as 'TRADEA'. The 'Account status' section shows 'Default' as '0 Open' and 'Terms Agreed' as an unchecked checkbox. 'OK' and 'Cancel' buttons are at the bottom right.

Next to the 'Std Tax Code' select T5. Alternatively, you can just select T5 each time you enter a sales or supplier invoice where applicable.

## Freeagent

Freeagent does not allow a default VAT setting for sales to be set, this can only be done for expenses under Settings > Accounting categories > select the category > edit > auto VAT rate.

You will need to ensure the correct 5% VAT rate is selecting for any sales invoices or receipts as they are entered onto the software.