

ACCOUNT CLASSIFICATIONS

ACCOUNT TYPE	CLASSIFICATION
● REVENUE	Revenue = income from normal business operations (excluding abnormal income and interest)
● COST OF SALES	Variable COS = variable costs that increase or decrease closely in proportion to revenue Fixed COS = fixed costs that do not vary directly in proportion to revenue Depreciation = costs for which no cash was paid
● EXPENSES	Variable Expenses = expenses that increase or decrease closely in proportion to revenue Fixed Expenses = expenses that do not vary directly in proportion to revenue Depreciation & Amortisation = expenses for which no cash was paid
● OTHER INCOME	Interest Income = interest from investments Other Income = abnormal income (ie. FX gains, rental income, profit from the sale of fixed assets)
● OTHER EXPENSES	Interest Expenses = payments for borrowings (for short term and long term debt) Tax Expenses = profits paid to the taxation authorities Dividends = profits paid to the shareholders Adjustments = Other adjustments to retained earnings Other Expenses = Miscellaneous expenses
ACCOUNT TYPE	CLASSIFICATION
● CURRENT ASSETS	Cash & Equivalents = cash and liquid investments which can easily be converted into cash Accounts Receivable = amounts due from customers for products and services provided on credit Inventory = raw materials and finished goods Work in Progress = goods and/or services that are works in process Other Current Assets = all other short-term assets (ie. prepayments)
● NON-CURRENT ASSETS	Fixed Assets = the value of fixed assets (ie land, buildings, plant and equip) less accum. depreciation Intangible Assets = assets which do not have a physical presence (ie goodwill, patents, licenses) Investments & Other NCA = all other long-term assets (ie. shares in associated companies)
● CURRENT LIABILITIES	Short Term Debt = includes overdrafts and interest bearing debt which is due within one year Accounts Payable = amounts owed to suppliers for products and services purchased on credit Tax Liability = income tax that must be paid within one year Other Current Liabilities = all other short-term liabilities (including accruals and other tax liabilities)
● NON-CURRENT LIABILITIES	Long Term Debt = interest bearing long-term loans (more than one year) Deferred Taxes = future income taxes Other Non-Current Liabilities = all other long-term liabilities
● EQUITY	Retained Earnings = amounts retained by the company Current Earnings = current year profits retained by the company Other Equity = all other forms of equity (ie share capital, capital reserves, minorities)