UK Accounting Software Comparison

Sage, Xero, QuickBooks, and FreeAgent at a glance

Prepared by Smallbizbod | smallbizbod.com | Prices correct as of 25 October 2026, excluding VAT

Choosing the right accounting software depends on how your business is structured, whether you employ staff, and whether you are VAT registered. This guide sets out the current UK plans and monthly prices for four widely used platforms, along with the introductory offers each provider is running for new customers. All prices exclude VAT.

At a Glance

Provider	Regular monthly price	Current new-customer offer	Payroll
Sage	£7 to £59, plus a free Sole Trader plan	90% off for six months, or a 30-day free trial of the Accounting plans instead	Included for 1 employee (Start and Standard) or 5 employees (Plus); £1.85 per extra employee
Xero	£7 to £70	90% off for six months, or your first month free	Included for 1, 5, or 10 people on Grow, Comprehensive, and Ultimate; £1.50 per person on Ignite
QuickBooks	£10 to £123	90% off for six months	Paid add-on from £5 a month, plus a charge per employee
FreeAgent	£10 to £33	50% off for six months (or the first year if billed annually), plus a 30-day free trial	Included on the Sole Trader, Partnership, and Limited Company plans

**Introductory prices apply to new customers only, and every plan reverts to its regular price afterwards.*

Sage

Plan	Summary	Regular price	First six months*
Sole Trader Free	Non-VAT-registered sole traders and landlords; Making Tax Digital for Income Tax ready, one bank account, five sales invoices a month, and a Self Assessment summary	£0	£0
Sole Trader	Everything in Free, plus unlimited sales invoices, CIS, receipt scanning, multiple bank accounts, and 10GB of document storage; not for VAT-registered businesses	£7	£0.70
Accounting Start	VAT-registered sole traders and micro-businesses; unlimited sales invoices, bank reconciliation, VAT submission, Income Tax quarterly updates, cash flow tools, payroll for one employee, and one user	£20	£2
Accounting Standard	Adds supplier management, CIS, accrual accounting, custom reports, quotes and estimates, cash flow forecasting, and three users	£43	£4.30
Accounting Plus	Adds budgeting, multi-currency, stock and inventory management, unlimited users, and payroll for five employees	£59	£5.90

Current offer: 90% off for the first six months on the paid Sole Trader plan and the Accounting plans, or take a 30-day free trial of the Accounting plans instead. The Accounting plans can send Making Tax Digital for Income Tax quarterly updates, with one income source per Sage company. Extra payroll employees cost £1.85 each per month, and approved receipt captures beyond the included allowance (30 on Standard, 100 on Plus) cost £0.20 each.

Xero

Plan	Summary	Regular price	First six months*
Simple	For non-VAT-registered sole traders and landlords; up to 10 invoices and quotes a month, bank reconciliation, receipt capture, and ready for Making Tax Digital for Income Tax	£7	£0.70
Ignite	Entry level for VAT-registered businesses; up to 20 invoices and 10 bills a month, VAT returns, and CIS calculations; payroll is optional	£18	£1.80
Grow	Unlimited invoices and bills, payroll for one person, expense claims for one user, performance dashboards, and a 60-day cash flow forecast	£39	£3.90
Comprehensive	Payroll for five people, expenses for five users, multi-currency, budgeting, financial health scorecards, and a 90-day forecast	£55	£5.50
Ultimate	Payroll for ten people, project tracking, KPI analysis, industry benchmarking, and a 180-day cash flow forecast	£70	£7

Current offer: 90% off for the first six months for new UK customers, or your first month free. Optional extras include company accounts and tax filing at £120 a year, and contractor CIS returns at £5 a month. Small fees apply beyond the included bill and payroll payments.

QuickBooks

Plan	Summary	Regular price	First six months*
Sole Trader Plus	Self-employed people and single-property landlords; Self Assessment support and Making Tax Digital for Income Tax; cannot submit VAT returns	£10	£1
Simple Start	VAT-registered sole traders and small businesses; submits VAT to HMRC with an error checker; one user	£16	£1.60
Essentials	Three users, bill management, multi-currency, and employee time tracking	£38	£3.80
Plus	Five users, inventory management, budgeting, and project profitability tracking	£56	£5.60
Advanced	25 users, custom reporting, role-based permissions, workflow automation, and premium support	£123	£12.30

Current offer: 90% off for the first six months on monthly plans; the offer is not available alongside the free trial. Payroll is not included in any plan; it is an add-on from £5 a month plus a charge per employee.

FreeAgent

FreeAgent is priced by business type rather than by feature tier, and each plan includes the full product.

Plan	Summary	Regular price	First six months*
Landlord	Rental property income and costs per property; Making Tax Digital for Income Tax, Self Assessment, and VAT; no payroll	£10	£5
Sole Trader	Self Assessment filed direct to HMRC, Making Tax Digital for Income Tax and VAT, expenses, invoicing, projects, time tracking, and payroll	£19	£9.50
Partnership	Built for partnerships and LLPs; invoicing, expenses, projects, time tracking, VAT returns, and payroll	£27	£13.50
Limited Company	Invoicing, expenses, VAT, Self Assessment, and payroll, plus year-end accounts and Corporation Tax return filing from within the software	£33	£16.50

Current offer: 50% off for the first six months on monthly billing, or 50% off the first year if you pay annually (for example, £165 for the first year on the Limited Company plan). A 30-day free trial is also available. Receipt capture is limited to 10 files a month unless you add unlimited capture for £5 a month.

The free route: business customers of NatWest, Royal Bank of Scotland, or Ulster Bank can use FreeAgent at no cost for as long as they keep the account. Mettle customers also qualify (except on the Partnership plan), provided they make at least one transaction a month.

Things Worth Knowing Before You Choose

- **Plan for the regular price.** Every introductory offer is for new customers only and ends after six months (or one year for FreeAgent annual billing), so budget for the regular price when comparing.
- **Check Making Tax Digital.** For VAT, you need Sage Accounting Start or above, Xero Ignite or above, or QuickBooks Simple Start or above; QuickBooks Sole Trader Plus cannot submit VAT returns, and Xero Simple and Sage Sole Trader are designed for businesses that are not VAT registered. For Income Tax, sole traders and landlords can use any Sage plan, any Xero or QuickBooks plan, or FreeAgent's Sole Trader and Landlord plans.
- **Think about payroll early.** Sage and FreeAgent build payroll into the subscription (apart from FreeAgent's Landlord plan), Xero includes it from Grow upwards, and QuickBooks charges separately, so the cheapest headline price is not always the cheapest total once you employ someone.
- **Watch for usage-based extras.** Sage charges for receipt captures above its allowance, FreeAgent limits free receipt capture to 10 files a month, and Xero charges small fees for bill and payroll payments beyond the included number.
- **Limited companies should consider year-end.** FreeAgent includes accounts and Corporation Tax filing in its Limited Company plan, while Xero offers company accounts and tax filing as an optional £120 a year add-on.
- **Users matter.** Sage allows one, three, or unlimited users depending on plan, and QuickBooks allows between one and 25, with your accountant given access on top. Xero does not charge per-user licence fees, although extra expense and project users carry small charges.

Need a hand getting started? Smallbizbod can supply Sage and Xero subscriptions directly and help you set them up. Get in touch at smallbizbod.com.

This comparison reflects published UK pricing as of 25 October 2026. Providers change prices, plans, and promotions frequently, so please confirm current rates with the provider before you subscribe.