

TYPICAL BUSINESS EXPENSES

This is a memory aid and is not intended to be complete.

Motor Expenses for Cars

Either claim actual expenses, or claim mileage at 45p per mile for the first 10,000 miles, and 25p per mile thereafter. We can e-mail you a mileage sheet to keep a record.

A Van

Give your accountant both the invoice and any HP agreement.

A Computer, other Computer Equipment

Telephone

A business phone is allowable. Some of a private phone might also be allowable.

Mobile Phone

Use of Home as Office

Often a scale charge of £10 per month.

Tools of Trade, Plant and Machinery

Professional Subscriptions

Licences

Public Liability Insurance

Professional Indemnity Insurance

Product Liability Insurance

Travel

Rail tickets, hotel bills, food while travelling on business.

Entertaining

Generally not allowable, even when unavoidable, but companies should tell their accountant anyway.

Wages and Salaries of Employees

Directors are considered to be employees of their company.

Protective Clothing and Uniforms

Purchases

are things you buy in order to resell. You are taxed on the profit.

Subscriptions

A Website and other Advertising

Bank Charges, Loan Interest, Hire Purchase Interest

Fees of Accountants, Lawyers, Surveyors etc ...

If in doubt, claim !

We might say it is not allowable. If you don't claim, it definitely isn't allowable !

Companies should claim everything even if you know for sure that it isn't allowable, because it can still be an extraction of profit. Company formation expenses and entertaining are in this category.

You are taxed on your profits, and the word "profits" has its ordinary meaning of business income less expenses. More expenses claimed means lower profits and lower taxes.

Sometimes you might claim for a van at actual cost and also a car at mileage. Don't overlook this sort of thing. Have a good think !