



Sole Trader Expenses guide

What am I entitled to claim as a business expenses?

Sole traders are entitled to claim for a whole variety of expenses, if they are deemed wholly and exclusively necessary for the course of your business activities.

Allowable expenses would include:

- Cost of sales
- Use of home
- Travel costs
- Motor Expenses
- Accommodation
- Training courses
- Professional subscriptions
- Financial Costs
- Mobile costs
- Charitable donations
- Protective or branded clothing
- Pension contributions
- Stationery and postage
- Commercial Insurance
- Business Equipment
- Advertising

Cost of sales

Things you buy to sell on, or raw materials.

Use of home

Especially in these last couple of years, we have used our homes more and more and as office. You can claim a % of your home costs as an expense.

Travel costs

Train tickets, taxi fares, bus tickets and parking.

Motor Expenses

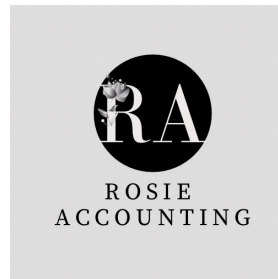
Mileage, fuel whichever one suits you best.

The mileage allowance currently is: 45p up to 10,000 miles and 25p thereafter. 24p for motorcycles and 4p for fully electric cars.

You cannot claim mileage for your commute to and from work, however travelling to visit and client or job is allowed.

Accommodation

If you need to stay away from home for work, then this is a business expense.



Professional Subscriptions

If your job depends on your having a professional subscription, then this is an allowable expense. Subscription to a trade or professional journal is also acceptable.

Financial Costs

Yes! The fee you pay me is a business expense 😊 along with Bank charges/interest or any business-related legal fees.

Mobile costs

If you use your mobile phone for business as well as personal, then the percentage you use it for business is an expense.

Charitable donations

All donations to a registered charity can be claimed.

Protective or branded clothing

Ordinary clothes purchased for work are not a business expense, however if they are branded or protective then claim away.

Pension Contributions

Contributions to a HMRC approved pension scheme are tax deductible within limits.

Stationery and Postage

This one is pretty self-explanatory.

Commercial Insurance

Professional indemnity or public indemnity commercial insurance, all claimable.

Business Equipment

Now this one is quite wide sweeping. Business equipment can range from Tools, office equipment, desks, laptops the list can go on.

When it come to larger items, so plant and machinery and vehicles this is a whole other form of expense called capital allowances, if you are looking to make a purchase or a larger asset, contact us first and we can always help with the most tax efficient way to purchase.

Advertising

Facebook, Google AdWords, any expenses relating to advertising your business is classes as an expense.

This list is not conclusive, so always ask.