



Claiming expenses as a sole trader'

Whether you are a plumber, hair dresser, sub contractor, physiotherapist or in any other industry you will incur costs as a result of running your business and some of these costs could be claimed as business expenses.

As you may or may not know, you will be taxed on the profits of your business and the profits are simply your income less your expenses after deducted of any personal allowance.

Claiming an expense is straightforward, simply retain your expenses receipts for the year and this can then be included on your self assessment tax return.

All expenses must be wholly and exclusively for the use of the business, in order to be considered tax deductible.

You must retain business records for 7 years.

What is a tax deductible expense?

- Cost of goods bought for resale (stock)
- Equipment costs (incl. hire of equipment)
- Repairs and consumables
- Advertising
- Delivery charges
- Workwear
- Use of your home as an office
- Rent of business premises, light and heat utilities
- Staff or subcontractor costs
- Insurance
- Postage and stationery
- Relevant books and magazines
- Bank charges
- Telephone use
- Travel such as parking, train and bus fares
- Bank charges on business accounts
- Subscriptions and memberships of professional bodies

Motor expenses

Simplified method

Vehicle	Flat rate per mile with simplified expenses
Cars and goods vehicles first 10,000 miles	45p
Cars and goods vehicles after 10,000 miles	25p
Motorcycles	24p

- Actual costs
You can claim the business use element of the actual cost of buying and running your vehicle eg. Insurance, repairs, servicing and fuel if you keep the receipts.
- With either method you should keep a mileage log to record your business miles.

What can't I claim?

Anything not directly related to the running of your business such as:

- Client entertainment
- Parking fines
- Childcare costs
- Gym membership
- Training courses that are not related to your job
- Personal travel costs

Contact us

If you require any further information please contact:

Rachael Ball, Tax Senior Manager
rachael.ball@broomfield.co.uk

www.broomfield.co.uk

Cardiff

02920 549939

Newport

01633 265828

Swansea

01792 790444

Monmouth

01600 712171