



Sole Trader Allowable Expenses Checklist

Everything you can claim against your profit, what you can't, and the records HMRC expects you to keep.

Costs You Can Claim

Items marked ★ are the ones sole traders most often miss.

RUNNING THE BUSINESS

- ☐ Stock, materials and goods for resale
- ☐ Tools and small equipment
- ☐ Business and liability insurance
- ☐ ★ Professional and trade subscriptions
- ☐ Accountancy, bookkeeping and legal fees
- ☐ ★ Business bank charges and loan interest

GETTING WORK IN

- ☐ Advertising and marketing
- ☐ Website hosting, domains and design
- ☐ Printing, business cards and signage

PREMISES & ADMIN

- ☐ Rent, rates, heat and light on premises
- ☐ ★ Phone and broadband, business share
- ☐ ★ Software subscriptions
- ☐ Stationery and postage

PEOPLE & SKILLS

- ☐ Staff wages, employer's NI and pension
- ☐ Subcontractor costs
- ☐ Training that updates your existing skills

Claimable: Home, Travel & Kit

WORKING FROM HOME

- ☐ ★ Flat rate by hours, or a share of actual costs

HOURS A MONTH	FLAT RATE
25 to 50	£10 a month
51 to 100	£18 a month
101 or more	£26 a month

Capped at £312 a year. Phone and internet are claimed separately.

VEHICLES & TRAVEL

- ☐ ★ Car or van at 55p/mile (first 10,000, then 25p)
- ☐ Motorcycle 24p, bicycle 20p a mile
- ☐ Train fares, parking and congestion charge
- ☐ Accommodation and meals on business trips

EQUIPMENT

- ☐ Laptops, machinery, tools and furniture

Usually 100% relief in the year you buy, via the Annual Investment Allowance.

Records to Keep

Keep for five years after the 31 January filing deadline. For 2026/27, that means until 31 January 2033.

- ☐ Sales invoices and records of all income
- ☐ Receipts and invoices for every expense
- ☐ Bank and credit card statements
- ☐ Mileage log
- ☐ Home-working hours or apportionment
- ☐ Stock and work in progress records

Bank statements aren't enough. HMRC wants to see what the money was actually spent on.

What You Can't Claim

- ☐ Client entertaining - meals, drinks, hospitality
- ☐ Ordinary clothing, even if only worn for work
- ☐ Your own wages or drawings
- ☐ Everyday meals near your usual workplace
- ☐ Fines and penalties, including parking
- ☐ The personal share of mixed-use costs

Uniforms are fine. Branded workwear and protective gear are claimable - it's ordinary clothing that isn't.

Two Quick Decisions

Trading allowance or actual expenses? You can deduct a flat £1,000 or your real costs - never both. Pick whichever is higher.

Which vehicle method? Once you claim simplified mileage on a vehicle, you're committed to it for as long as you own that vehicle. Choose deliberately.

One Thing on the Horizon

Making Tax Digital requires **digital** records and quarterly updates for qualifying income over:

- April 2026 £50,000
- April 2027 £30,000
- April 2028 £20,000

Not sure whether something qualifies?

We help sole traders across Crawley and West Sussex claim everything they're entitled to, without straying into territory HMRC will question.

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