



| CHARTERED CERTIFIED ACCOUNTANTS |



Limited Company Expenses

Typical limited company expenses - In principle, your company can deduct from turnover any type of expenses which aren't specifically disallowed by HMRC, or capital expenditures.



Main Expenses Claimable

- Salaries.
- Executive pension contributions (via an approved scheme).
- Employers' national insurance contributions (NICs) payable on salaries paid to company employees.
- The cost of subsistence while away from your workplace (no claims after 24 months for subsistence the same 'temporary workplace').
- Accommodation costs when away from normal place of business (although must not exceed 24 months at a 'temporary workplace').
- Travel and parking costs, mileage allowance if using own vehicle of 45p/mile for the first 10,000 miles, and 25p/mile thereafter. 20p/mile rate for bicycles.
- Training course fees as long as the skills are relevant to the business.
- Stationery, postage, and printing costs.
- Business insurance, such a professional indemnity insurance.
- Company formation and ongoing costs (e.g. Annual Return fee), although the company formation fee is a 'capital cost', and cannot be set off against Corporation Tax.
- Telephone and broadband packages (if the contract is in the company name).
- Mobile and Smartphones (if the contract is in the company name).
- The cost of business calls can be reclaimed on a residential phone bill.
- Home office costs (a flat £4/week without receipts is allowed by HMRC, or work out a proportion of the household bills).
- Computer equipment and software.
- Costs of advertising and marketing your business.
- Business gifts up to £50 per individual are allowable (see trivial benefits guide – <https://www.gov.uk/expenses-and-benefits-trivial-benefits>) Incidental overnight expenses of £5/night (£10/night if overseas) can be claimed as a flat rate if you are working away from home.
- Authorised bank charges, e.g. standing charges each quarter.
- Christmas party exemption for directors and employees of £150 per person per year (you can include your partner or spouse).
- Professional fees, such as accountant or solicitor.
- A limited number of professional subscriptions, if allowed by HMRC.
- Capital allowances (depreciation of assets).
- Business magazines and books.
- An eye test for employees who use computer equipment.
- An annual private health check for employees.
- Hire purchase agreements (in the company name).
- Company car expenses (benefit in kind charge for private use).



PROFESSIONAL



PRO-ACTIVE



SUPPORT