

Business Expenses Checklist

What you can (and can't) claim as a business owner

Understanding your allowable expenses is one of the easiest ways to reduce your tax bill legally. Yet many business owners either miss deductions or accidentally claim things they shouldn't.

This simple checklist will help you understand what is usually allowable, what needs to be apportioned, and what HMRC will not allow

✓ Allowable Business Expenses

These are expenses that are wholly and exclusively for business use.

If you incur them purely for running your business, they can normally be deducted.

Office supplies

- Printer paper
- Pens and stationery
- Notebooks
- Printer ink

Software & subscriptions

- Accounting software
- Design tools
- CRM systems
- Cloud storage
- Website hosting

Business travel (not commuting)

- Train or bus fares to meet clients
- Flights for business trips
- Taxis to business meetings
- Parking fees while working

Tools & equipment

- Laptops
- Specialist tools
- Cameras or equipment required for your business

Training related to your business

- Courses that improve your current skills
- Professional development
- Industry training (Training for a completely new career is not allowable.)

Advertising & marketing

- Website design
- Social media ads
- Printed flyers
- Branding and graphic design

Professional fees

- Accountant fees
- Legal advice
- Payroll services
- Professional memberships

Protective clothing

- Safety boots
- High-vis jackets
- Protective equipment required for your work (Normal clothing does not count.)

Phone & internet (business portion)

- Business phone contract
- Internet used for work
- Business calls

✓ Semi-Allowable Expenses

(These need to be split between personal and business use)

Some costs are used both personally and for business, so you can only claim the business portion.

Home office costs

You may claim a portion of:

- Rent or mortgage interest
- Council tax
- Electricity & heating
- Internet

This can be done using HMRC's flat rate or a reasonable calculation.

Vehicle costs

If you use your car for business you can claim either:

- Mileage allowance (simplest option)

or

- Actual costs such as fuel, insurance and maintenance — but only the business portion.

Mobile phones

If your phone is used partly for business, only the business percentage can be claimed.

Utilities when working from home

Heating, electricity, and broadband may be partially claimable depending on your setup.

✗ Expenses That Are NOT Allowable

These are common things business owners try to claim but HMRC will not allow.

Personal clothing

Even if you wear it for work.
Example: suits, dresses, everyday clothes.

Customer entertainment

Taking clients out for meals, drinks or events cannot be claimed for tax purposes.

Food & drink

Your normal lunch or coffee is not a business expense.

Personal purchases

Anything bought for personal use cannot be claimed, even if purchased using your business account.

Food is only allowable when:

- Travelling for business
- Staying overnight for work

✓ Important Record-Keeping Reminders

Keep your receipts

- Paper or digital copies are fine
- Take photos using bookkeeping apps

Track your mileage

Record:

- Date
- Destination
- Purpose of trip
- Miles travelled

Use a separate business bank account

This keeps business and personal spending clearly separated.

Use bookkeeping software if possible

Software can:

- Track expenses automatically
- Store receipts
- Help you prepare for tax returns

Quick Tip

If you're ever unsure about whether something counts as a business expense, ask yourself:

“Was this cost incurred wholly and exclusively for my business?”

If the answer is no, it probably can't be claimed.

What to Do Next

- Use this checklist to get organised
- Take the Financial Fit Business Quiz
- Book a discovery call for personalised support
- Let's make your finances feel simple – together

