

The general rule is that expenditure cannot be deducted in calculating trading profits unless it is incurred wholly, exclusively and necessarily for the purposes of the trade. This means that expenses are only allowable if they are business related.

The following is a more specific guide to certain allowable expense items and how to submit any expense claims:

### TRAVEL

A definition of 'qualifying traveling expenses' can be found in HMRC's useful booklet 490.

Two types of business journey qualify:

- journeys which employees have to make in the performance of their duties
- journeys which employees make to or from a place they have to attend in the performance of their duties, but not journeys which are ordinary commuting or private travel

Travel to non-site business locations, e.g. to conferences, exhibitions, interviews, bank, agency etc., are all therefore allowable.

Journeys to and from home and temporary work place are allowable if:

- the contract is expected to be for less than two years
- the contract is for more than two years but you spend less than 40% of your time at the site

### Tube and Train

To claim public transport expenses, you must have an **original** receipt for the travel.

#### **Please note:**

*A travel card does not constitute a receipt and that a receipt should be requested from the cashier.*

### Bus

As per HMRC's stipulation, the ONLY exception where a ticket will be accepted as proof of purchase is in the case of Bus travel, as buses do not provide receipts for ticket purchases.

### Oyster card

When topping up your Oyster card, you are able to print off a receipt for this transaction just before you swipe your Oyster card to update at the end.

Alternatively, if your Oyster card is registered you can scan and upload or post us a copy of your Oyster card statement with your work travel purchases clearly highlighted.

### Taxi

Using a taxi for business purposes is allowable provided you obtain a valid, dated, and signed receipt from the driver.

### Business Mileage

The tax free mileage rates that can be used for cars are (2013-2014):

First 10,000 miles per annum	45p per mile
Over 10,000 miles per annum	25p per mile
Passenger miles	5p per mile
<i>(available for each passenger other than driver)</i>	
Motor Cycles	24p per mile
Pedal Cycles	20p per mile

### Hiring a Car

The cost of hiring a car for business purposes is also allowable. Ensure that you retain a valid tax invoice to support this expense.



### Hiring a Bicycle

If you have to hire a bicycle through “Barclays Cycle Hire” (London) for business purposes, you are able to claim the cost of the “Access Fee”, and the “Usage Cost” incurred.

Ensure that you obtain a valid receipt or obtain a print out from your online records from Transport For London. Please post us the receipts, together with an Expense Claim Form. (If you are claiming the rental, you cannot claim for the individual miles cycled)

**Please Note:**

*You are not able to claim for the Annual Access Fee, Late, Damage or Non-return charges incurred.*

### **SUBSISTENCE ALLOWANCE**

**HMRC accepts that ‘qualifying traveling expenses’ (defined above) will include subsistence attributable to the journey, i.e. the cost of meals and accommodation.**

If the location counts as business travel, but meals are not provided by the client, flat rate meals may be paid tax free based on HMRC benchmark scale rates:

- One meal (away from home for 5 – 10 hours)  
£5.00
- Two meal (away from home for more than 10 hours)  
£10.00
- Late evening meal (irregular late finishers only)  
£15.00

**Please Note:**

*There is no need to scan and upload or post us your food and beverage receipts, as we do not require them to process your Subsistence Allowance. You are, however, legally required to retain **original** receipts for subsistence purchases for a period of 6 years should these be requested by HMRC*

### One Meal Rate (£5/day)

You are not required to do anything to claim your one meal rate daily subsistence allowance. Tony Orphanou & Associates automatically claims this for you on your behalf based on how many days you have worked for each particular week.

### Two Meal Rate (£10/day)

To claim your two meal rate daily subsistence allowance, you have two options:

**Option One:** If your contract regularly means you are away from your home at a temporary workplace for more than ten hours per day you are able to select a daily subsistence allowance of £10 per day. You can do this online by logging in to your personal account and clicking on the ‘Submit Expenses’ menu option on the left.

**Option Two:** If you are generally away from home for less than 10 hours due to work, however there are occasions where you are away from your home at a temporary workplace for more than ten hours on a particular day you are still able to claim the additional £5. You can do this online by logging in to your personal account and clicking on the ‘Additional Expenses’ menu option on the left. Here you are able to claim any dates that you are away from home at a temporary workplace for more than 10 hours due to work. This is to be claimed retrospectively, and will be reimbursed with your next payment.

*If you require further advice or a consultation at no extra cost, don’t hesitate to call us on.*

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