

Here to help you build a better business

Allowable home office expenses for sole traders

- Utilities - claim the % you use or use the flat home office allowance
- Office furniture - desks, chairs etc.
- Phone bills - only the % used for work
- Work laptop/computer
- Software and tech
- Marketing Advertising costs
- Stationery
- Learning

You must keep complete and accurate accounting records for any allowable property expenses, including copies of receipts/invoices.



For items you'd normally use for less than 2 years, claim them as allowable expenses, for example stationery, rent and insurance.

For equipment you keep to use in your business, for example computers or printers, claim:

- Allowable expenses if you use cash basis accounting
- Capital allowances if you use traditional accounting

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Home office expenses you cannot claim

You cannot claim for things that you use for both private and business use.

- **Family Expenses:** Expenses related to family members are not deductible, even if they share the same home office space.
- **Capital Expenses:** Costs for significant home improvements or renovations that enhance the overall value of your home, rather than just your home office space, are not fully deductible. Only the portion attributed to your business space is claimable.
- **Mortgage Principal Payments:** While mortgage interest is partially deductible for the portion of your home used for business, the principal repayment portion is not deductible.
- **Non-Business Subscriptions:** Subscriptions to services or memberships that are not directly related to your business activities, such as streaming services for personal entertainment, cannot be claimed.
- **Entertainment Expenses:** Costs for entertaining guests or clients within your home office space are generally not deductible. There are exceptions for genuine business-related entertainment that meets specific HMRC criteria.
- **Personal Finance Charges:** Expenses related to personal finance, such as credit card interest or late fees, are not deductible, even if the charges may have been incurred while conducting business activities.
- **Non-Business Travel Expenses:** Travel expenses for non-business trips, vacations, or personal leisure cannot be claimed, even if planned or booked from your home office.
- **Non-Business Insurance Premiums:** Insurance premiums for personal coverage, such as life insurance or non-business-related policies, are not deductible.