ERRINGTON LANGER PINNER
CHARTERED ACCOUNTANTS

Receipts and expenses guide

What you can claim, and what to keep, as a sole trader or landlord

Guide, 2026/27

You can deduct costs that are wholly and exclusively for your business from your income before tax. Every pound of allowable expense you miss is tax you did not need to pay.

Costs you can usually claim

- Stock, materials and goods bought for resale
- Travel for business: fuel, parking, train fares (not travel between home and a regular workplace)
- Premises: rent, business rates, utilities, insurance and repairs
- Marketing: website, advertising and printing
- Office costs: stationery, phone, broadband and software
- Staff costs: wages, employer National Insurance and pension contributions
- Professional fees: accountants, solicitors and professional subscriptions
- Bank charges and interest on business loans

Costs you cannot claim

- Personal or private spending, including the private share of a phone or car
- Fines and penalties
- The cost of buying equipment or vehicles: these are claimed through capital allowances instead
- Client entertaining
- Clothing, unless it is a uniform or protective wear

Simplified expenses (optional flat rates)

What	Flat rate for 2026/27
Cars and vans, first 10,000 business miles	55p per mile
Cars and vans, after 10,000 miles	25p per mile
Motorcycles	24p per mile
Working from home, 25 to 50 hours a month	£10 a month
Working from home, 51 to 100 hours a month	£18 a month
Working from home, 101 hours or more a month	£26 a month

Small side income?

If your total trading income is £1,000 or less in the tax year, the trading allowance means you may not need to declare it. The same applies to the £1,000 property allowance for small rental income. Above that, you can deduct the allowance instead of your actual costs if it gives a better result. The trading allowance rises to £3,000 from 6 April 2027.

Keeping receipts

- [ ] Keep every receipt and invoice, paper or digital
- [ ] Write on it what it was for, if that is not obvious
- [ ] Use an app or a phone photo the same day, before paper receipts fade
- [ ] Keep records for at least 5 years after the 31 January filing deadline

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