

Expenses

This factsheet is designed to explain the general travel expenses that can be claimed through your company, the advice given assumes that you are not caught by the 24 month rule (this is covered in a separate factsheet).

Accommodation expenses are covered by a separate factsheet.

Travel (excluding mileage)

The main forms of travel for business purposes are public transport i.e. buses and trains, air transport, ferries, taxis etc. and are all allowable methods of transportation. Although the use of taxis should not be excessive and limited to times when public transport etc. is unavailable or where it would be unreasonable to expect you to use it (because it is very late perhaps).

Remember to obtain a receipt for all business travel to support your expense claim as this will be needed in the event of a HMRC investigation. The receipt will also be needed if you are reclaiming VAT, although VAT is rarely charged on transport.

Mileage

You can claim mileage when you use a personal vehicle for a business journey, the rate at which you can claim mileage depends on the type of vehicle and the number of miles you have already done in the tax year (car claims only) as shown in the table below:

	First 10,000 miles (per tax year)	Miles over 10,000
Cars	45 pence per mile	25 pence per mile
Motorbike	24 pence per mile	24 pence per mile
Cycle	20 pence per mile	20 pence per mile

These rates are VAT inclusive so no VAT should be added on (unless invoicing a client for the expense, see our Expense Invoicing Factsheet for further details on this). If you are on the standard VAT scheme then VAT can be reclaimed, this is at a fluctuating rate but it is between 1p and 3.5p per mile dependant on the advisory fuel rates in place at the time the VAT is reclaimed.

You must also keep a log of all journeys that you are claiming for and also fuel receipts where a VAT reclaim is to be made (the VAT on the receipts must at least cover the VAT being reclaimed).

If your employer provides you with a company car then you cannot claim the mileage rates as above, you may, however, be able to claim a reduced rate (as per the HMRC advisory rates) if fuel is not provided by the company. Again, logs would need to be kept of all journeys made and receipts kept for VAT reclaim purposes.



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