
Claiming Travel & Subsistence Expenses: What You Can and Can't Expense

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When you're travelling for work, it's natural to incur costs whether it's lunch or a coffee on the go, a train ticket, or a hotel overnight. As a limited company contractor, you can usually claim these travel and subsistence expenses as long as they meet HMRC's criteria.

This guide explains what you can and can't claim, how "temporary workplace" rules work, and what HMRC considers to be reasonable.

What Counts as Business Travel?

You can claim travel and subsistence costs when you're travelling to a **temporary workplace**. HMRC defines this as a place you attend to perform your duties of employment **for a limited duration** or **on a temporary basis**.

A workplace stops being temporary when:

- You're **expected to work there for more than 24 months, and**
- You spend **more than 40% of your working time** at that site

If both of these conditions apply, it's classed as a **permanent workplace**, and you can no longer claim travel and subsistence costs for trips there.

Examples:

- Working on a 6-month client project, 5 days a week: **temporary** (it's under 24 months)
- Attending a training course once a month for 3 years: **still temporary** (less than 40% of working time)
- Working at a client site 3+ days per week for 3 years: **not temporary** (both conditions met)

In terms of travel, you can claim public transport costs or mileage if you are driving your own personal car. We have an article on claiming mileage linked [here](#).

What Counts as Subsistence?

Subsistence covers food, drink, and accommodation while you're travelling for work but only when it's considered **necessary and reasonable**.

Allowable subsistence expenses might include:

- A meal while travelling to/from a temporary site
- A sandwich or coffee bought while working away
- An evening meal and hotel stay when you are staying overnight

Not allowable:

- Meals bought while working from home or your normal workplace
- Grocery shopping for your home
- Lavish meals or excessive alcohol

HMRC expects costs to be **proportionate** — think everyday meals, not fine dining.

What Does "Reasonable" Mean?

There's no hard limit, but HMRC applies a "reasonable person" test. A modest lunch and drink? Reasonable. A three-course meal with champagne? Likely to raise eyebrows.

There's no need to keep to a specific budget, but avoid excessive or personal costs.

Keeping Records

Always keep receipts where possible. Digital copies are fine as long as they are clear and legible. You can use Mighty to store these receipts, but if preferred you can store these yourself but we would always advise these are stored somewhere in the cloud (e.g. Google Drive, Dropbox etc.) so you're not at risk of losing your laptop and losing all your receipts. If using Mighty, you can add the receipts to either the expense claim or the transaction within your bookkeeping (depending on whether you paid this personally or through the company). If claiming mileage instead of actual fuel costs, make sure to log these within Mighty's mileage claim section (under expenses).

Frequently Asked Questions

Can I claim food when working from home?

No, HMRC treats this as a personal living cost, not a business expense.

Can I claim alcohol as part of subsistence?

If alcohol is consumed as part of a meal while travelling for business, it's generally accepted as subsistence. However, drinks-only claims or excessive alcohol are not allowable.

What if I'm entertaining a client?

Client entertainment (including meals and drinks) **can be paid for by your company**, but it is **not tax-deductible** for Corporation Tax purposes.

Can I claim meals if I regularly visit the same client site?

Only if it qualifies as a **temporary workplace** - remember the **24-month** and **40% working time** rules. If you're there most of the time over a long period, it's no longer considered temporary.

Is there a flat rate allowance I can claim instead of actual costs?

Yes, HMRC do have benchmark scale rates that you can claim as an alternative to actual costs. We have a guide on this linked [here](#).

Can I expense travel and subsistence incurred for a co-working space?

You can claim the cost of the co-working space itself as a business expense, but travel to and from the space and any food or drink while there are not allowable. This is because HMRC usually treats a co-working space as your permanent workplace if it's your regular working base, even if you can't work from home. Travel to a permanent workplace is considered ordinary commuting, which isn't an allowable expense.

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