

A close-up photograph of a silver stethoscope resting on a white tablet computer. The background is a blurred blue-toned image of a desk with papers and a stethoscope. A yellow square is positioned in the top left corner of the page.

M+A

Partners

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GPs Personal Expenses

M+A Partners is an independent firm of business advisers, wealth managers and chartered accountants with the experience, technical expertise and vision to help you make the most of your assets.



Personal Expenses - What can you claim?

Generally speaking your expenses claim should include only actual costs you have incurred, and round sum "allowances" are not permitted. There are some exceptions to this and these are explained below.

The expenses claim has to be prepared in relation to your practice's accounting year end, not for the tax year (unless your practice year end is 31 March or 5 April). Your practice year end is shown on the enclosed expenses questionnaire.

The following notes about the most common types of expenditure will help you to complete the questionnaire.



Motor Expenses

There are two ways to claim your motor expenses.

You can record your actual business mileage for the year and claim a rate of 45p per mile for the first 10,000 miles and 25p per mile for any excess over 10,000 miles.

OR

If you record all your motor expenses including fuel costs and also record your total mileage and your business mileage for the year we can calculate a percentage of your actual motor costs and claim that amount.

The second method requires more record keeping but may well result in a higher claim. It may be easier to keep track of fuel costs if you use a separate credit-card just for filling-up.

You have the chance to change your claiming method whenever you change your vehicle but you can't chop and change each year with the same car.

Please tell us if you change your car.

Business mileage includes patient visits, travel to clinics and update courses and travel between branch surgeries. You can't claim the mileage for getting from home to your usual surgery or from home to any regular workplace. Ideally you should maintain a mileage log for the whole year but if you haven't done that, a log for a typical period of at least four weeks should be enough for us to calculate a reasonable claim. You should be aware, however, that the better and more complete your records, the less vulnerable you are in the event of enquiry by HMRC.



Telephone costs

It can be difficult to judge how much you use your home phone for business purposes. If you have itemised bills and can show the costs of the business calls you have made, we can claim for the calls and a proportion of the line rental. If you have a line which is for business use only this would make your claim straightforward. In other circumstances we would expect the claim to be a nominal amount.

Likewise, business use of your broadband and general computer use can be difficult to assess and we would recommend that you take a realistic approach to this.

A mobile phone is considered essential for a GP and as long as the private use is insignificant, then the whole cost can be allowed.



Locum Cover

If you pay for locum cover when you are on holiday or maternity leave you can claim the cost as an expense unless it has been included and claimed in the practice accounts.

If you pay insurance premiums which are specifically for locum cover when you are sick or otherwise absent you can claim the cost of those premiums. You should be aware that if you make a claim on the policy the benefits paid to you will be taxable income. You cannot claim the cost of permanent health insurance which is designed to give you an income rather than covering locum costs. It is therefore important that you check what sort of policy you have.



Subscriptions

The cost of your membership of professional bodies is tax deductible provided that your membership is wholly and exclusively for business. Only include subscriptions that you have paid personally - if they have been paid on your behalf by the Practice they will already be reflected in your share of profits.



Training and Courses

You can claim for the cost of attending courses and seminars which build on your existing knowledge and skills. The circumstances under which you can claim the cost of obtaining new qualifications are very specific indeed and you should provide full details.



Equipment

You can make a claim for capital allowances which cover the depreciation of equipment that you buy for work. If there is any private use of the item, such as you may expect with computers or cameras, you will need to let us know the percentage of business use.



Working at home

If you spend a significant amount of time working at home, perhaps making notes, CPD training or online research and you have a room set-aside for that purpose, you can make a claim for the additional costs you incur. To make a detailed claim you will need to record the total costs of running the home; mortgage interest, council tax, insurance, alarm maintenance, heating and lighting, the water supply. You then need to tell us the number of rooms in your house, the number of hours you work there each week and whether the room is used exclusively as an office, or used by you and your family at other times. This will enable us to calculate a percentage of total costs to claim as a business expense.

As an alternative, if you work at home at least 25 hours per month HMRC will allow you to use a simplified method, as follows:

No. of hours worked	Amount to be claimed
25 - 50 per month	£10 per month
51 - 100 per month	£18 per month
100+ per month	£26 per month

Who paid?

You will see on the enclosed questionnaire a tick-box that you need to complete if your practice paid the expenses that you are telling us about. We can then see if that cost has been treated as part of your drawings in the practice accounts. If it has then you have effectively met that cost yourself and we can include it in your claim, provided it is tax deductible.



Why does it matter?

You may have heard people say they just estimate their expenses and the tax man is quite happy with that. This probably means that HMRC have not looked closely at the claim and it in no way implies acceptance of the figures. If they find that someone has been inaccurate with their claims they are entitled to go back at least four years and charge interest on unpaid tax and penalties. Whatever the outcome, an HMRC enquiry often causes anxiety and can be time-consuming and costly to bring to conclusion.

Because each partner's expenses are reflected in the Partnership tax return, an enquiry in to one partner can easily expand to others.

If you have incurred any expenses that are not included on the questionnaire please tell us about them anyway and give details in the notes space so that we can see if a claim is possible.

If you have any queries and would like to discuss your claim please contact **Tessa Morgan** or **Linda Willis** on **01603 227600**.



Tessa Morgan
Senior Tax Manager

☎ 01603 227600

✉ tessa.morgan@mapartners.co.uk



Linda Willis
Tax Adviser

☎ 01603 227600

✉ linda.willis@mapartners.co.uk

MA Partners LLP

7 The Close Norwich Norfolk NR1 4DJ

☎ 01603 227600

Also based at: Attleborough,
Cromer, Swaffham and Watton

✉ enquiries@mapartners.co.uk
www.mapartners.co.uk



Partners

Personal Expenses Claim Year Ended:

Practice name:

GP name:



	Main vehicle	2nd vehicle	Paid by practice Please tick
Motor Expenses			
Vehicle registration no:			
Fuel			
Insurance			
Breakdown cover			
Servicing and repairs			
Road fund licence			
HP or loan interest (enclose copy of agreement)			
Other expenses (please describe)			
<i>Total</i> motor expenses	_____	_____	
<i>Total</i> miles travelled in this year/period			
Business miles travelled in this year/period			
If you changed your vehicle in this year/period		£	
Sale proceeds or part exchange			
Cost of new vehicle			
Emissions level of new vehicle (gm/km)			
Please enclose purchase documents			
Telephone		£	
Mobile		_____	
Estimated % of business use			
Home phone		_____	
Estimated % of business use			
Computer costs		£	
Broadband/internet			
Computer equipment purchased			
Sundry computer expenses (Please specify)			
<i>Total</i> computer costs		_____	
Estimated % of business use			
Professional subscriptions		£	
BMA			
GMC			
MDU			

MPS			
RCGP			
Other (please specify)			
<i>Total</i> subscriptions			
Locum cover		£	
Payments made to locums			
Locum insurance premiums paid (not PHI)			
Update Courses		£	
Cost of courses			
Travel costs for courses			
<i>Total</i> course expenses			
Working at home		£	
Do you wish to claim a flat rate?			
If so, state number of hours worked at home per month			
OR			
Actual expenses basis		£	
<i>Fixed costs:</i>			
Insurance			
Council Tax			
Mortgage interest/rent			
Repairs and maintenance			
Alarm maintenance			
<i>Running costs:</i>			
Cleaning			
Electricity			
Gas/oil			
<i>Total</i>			
Number of rooms in the home			
Number of hours worked at home per week			
Number of hours home office is used for other purposes per week			
Sundry expenses		£	
Postage and stationery			
Equipment purchased (please specify)			

Please describe any other business expenses you have incurred personally and provide any notes and calculations which may help to explain your figures (over the page)

