01 / WHOSE CONTRACT IS IT?

Phones, broadband and laptops.

Decide who is buying, who owns the item and how it will be used before you pay.

Your company provides a mobile phone

One mobile phone or SIM per employee/director can normally be provided without personal tax or NI when the contract is between the company and the supplier. Private use is permitted under this exemption.

Keep the handset company-owned and the contract in the company's name. Giving the phone away permanently is a separate issue. A tablet or smartwatch does not automatically get the same phone exemption.

EXISTING PERSONAL CONTRACT?

Your own £30 monthly tariff is not automatically a tax-free company reimbursement, even if you make work calls.

A separately charged £4 business call outside the tariff can normally be reimbursed tax-free. Do not invent a percentage of an unlimited bundle.

Sole trader: claim the business share

A sole trader can claim a reasonable business proportion of phone/internet costs. For example, £40 a month with evidenced 60% business use gives **£24 a month**, or £288 over 12 months. This is a profit deduction, not a cash refund.

Broadband needs a separate check

A connection provided solely to enable work, with no significant private use, can qualify for exemption. The company can provide it or, from 6 April 2026, reimburse qualifying costs incurred on its behalf.

An existing shared family broadband bill does not become wholly business just because you work at home. For company reimbursements, check the arrangement and any genuinely additional costs; do not copy the sole-trader percentage method.

Situation	Starting point
New work-only connection, private use insignificant	May qualify; keep the work purpose and arrangement.
Existing family broadband, used by everyone	Not automatically tax-free if paid by the company.
Sole trader with business and family use	Use a fair, supported business share.

VAT is another test. HMRC does not normally allow the company to reclaim VAT on a phone/broadband service contracted by the employee personally. Company contracts and significant private use also need the correct VAT treatment.

For UK sole traders and company directors/employees. No salary-sacrifice arrangements are assumed. Exempt from personal tax does not automatically mean full VAT recovery.

CHECK THE RULES Company-provided mobile phones · Personal phone contracts · Home broadband arrangements · Actual household costs · VAT invoices and business expenses

02 / BUYING EQUIPMENT

A business laptop is not a free laptop.

The business gets the right tax relief; the remaining cost still belongs to the business.

Company equipment: business first

A laptop, monitor or desk provided to enable your work can normally be used without a personal tax charge where private use is **not significant**. A family gaming computer is not the same arrangement.

NEW FOR 2026/27

Qualifying equipment bought by an employee on the employer's behalf can also be reimbursed without personal tax or NI. Agree the business purchase first, retain the invoice and record ownership and use. This is not blanket relief for old personal purchases.

An older personally owned laptop transferred to the company needs a separate value and ownership record. Do not reimburse its original shop price automatically or claim the cost twice.

Sole trader: business share only

For a £1,200 laptop with 75% business use, a sole trader who is **not VAT registered** and uses cash-basis accounting can normally deduct **£900** when paid. Under traditional accounting, equipment normally uses capital allowances instead.

Software subscriptions used for business normally qualify. Tell SBX about mixed private use, large one-off licences and purchases made before the business started.

Example: a company buys a £1,200 laptop

Assume £1,000 plus correctly charged UK VAT of £200, full business use, normal VAT accounting, full VAT recovery and immediate capital-allowance relief at 19%.

What happens	Amount
Company pays the supplier	£1,200
VAT reclaimed	£200
Cost eligible for Corporation Tax relief	£1,000
Corporation Tax saved at 19%	£190
Company cost after both reliefs	**£810**

The £1,200 leaves the bank first. Tax relief may come later. Do not claim a £1,200 profit deduction as well as recovering £200 VAT. Different tax rates or VAT restrictions change the result.

Overseas software: an invoice with no VAT can still require a reverse-charge entry. Foreign VAT is not UK VAT. Send the full bill and your business/VAT details to the supplier.

Employees/directors: work-required eye tests and screen-specific glasses can qualify under the 2026 employer rules. Ordinary glasses are not automatically covered. Sole traders do not use this employee exemption. Ask before transferring company equipment permanently to yourself.

CHECK THE RULES Work equipment and private use · 2026 equipment reimbursement rules · Sole-trader equipment and software · Annual Investment Allowance · Eye tests and screen-specific glasses · Overseas services and VAT

03 / BEFORE YOU BUY AND WHEN YOU CLAIM

Your equipment and contract checklist.

Keep the bill, the business purpose and the payment trail in one place. Edit this page or print it.

Business / company: [enter] **Person using the item:** [enter] **Purchase / contract date:** [enter]

Check before committing	Your answer
What will the business use it for?	[enter]
Who will contract with the supplier and own the item?	[company / individual; explain]
Will the employee buy on the company's behalf?	[yes / no; approval and date]
What private use is expected, including by family?	[enter; explain any business percentage]
Who will pay, and has anyone already claimed the cost?	[company / personally; details]
Is VAT shown, and is it UK VAT correctly charged?	[enter / ask SBX]

Equipment and subscription record

Item / service and date	Owner / contract holder	Cost incl. VAT	Business use / purpose	Receipt / paid by	Return, sale or change of use

Before sending: attach the invoice, explain private use and identify personal payments. Do not claim again when the bank payment is matched.

SBX review / agreed treatment: [enter] **Approved reimbursement, if applicable:** £[enter]

Contact our office or your account manager. info@sbxaccountants.com | 020 7046 1730

CHECK THE RULES Company-provided mobile phones · Home broadband arrangements · 2026 equipment reimbursement rules · Sole-trader equipment and software · VAT invoices and business expenses