



NEWS UPDATE

Are your employees insured for business use of their private cars?

In a recent survey, 6 out of 10 employees said that they often drive their personal car for work purposes (not including the journey to and from the workplace), but 1 out of those 6 admitted that they have never told their insurance companies that they use their own car for this purpose.

Companies face a legal responsibility to ensure employees are safe behind the wheel: if there is an accident during a work trip and an employee or his or her vehicle is at fault, the company could face massive fines and even prosecution for corporate manslaughter. The driver could also face criminal prosecution for not having the correct insurance cover.

Something taxing

As we mentioned in our 10th January issue, original invoices will be needed to support mileage allowance claims if VAT registered traders wish to reclaim the input VAT element (usually 2p per mile).

An example may help you. Suppose a claimant purchases fuel in a month as follows: £32.31, £35.76, £37.50, and £34.29. The claimant travels 326 miles on business and is reimbursed 40p per mile = £130.40. The 40p is deemed to include 12p for fuel. Accordingly the amount of fuel re-imbursed is £39.12 (326 @ 12p) and fuel receipts totaling this amount should be attached to the claim. In our example any two of the four receipts will be sufficient.

Budget day this year is on Wednesday March 22nd. If the last 7 years are anything to go by, we wouldn't expect many people to be glued to their radios this year. A better alternative would be a good game of golf or go and have a chat over a coffee with one of your customers – you never know you might come away with some extra work!

And last, but not least, an amusing anecdote...

On the first day God created the dog and said; "*Sit all day by the door of your house and bark at anyone who walks by, for this I will give you a life span of 20 years*". The dog said "*That's a long time to be barking, how about only 10 years & I'll give you back the other 10?*" So God agreed.

On the second day God created the monkey and said "*Entertain people, do tricks & make them laugh & for this I will give you a life span of 20 years*". The monkey said "*Monkey tricks for 20 years? How about I give you back 10 like the dog did?*" And God agreed.

On the third day God created the cow and said, "*You must go into the field all day and suffer under the sun, have calves and give milk to support the farmer's family; for this I will give you a life span of 60 years.*" The cow said "*That's a tough life, how about 20 years & I'll give you back the other 40?*" And God again agreed.

On the fourth day God created man and said, "*Eat, sleep, play, marry & enjoy life. For this I will give you 20 years*". But man said "*Only 20 years? Couldn't you give me my 20, the 40 the cow gave back, the 10 the monkey gave back, & the 10 the dog gave back, that makes 80, ok?*" "*Alright*" said God, "*if you are sure*".

So that's why for the first 20 years we eat, sleep & enjoy ourselves, for the next 40 we slave in the sun to support our family, for the next 10 we do monkey tricks to entertain the grandchildren, and for the last 10 we sit on the front porch and bark at everyone...

(with grateful thanks to Nigel Allen, Thruxton Sportscars, for providing us with this)

Newsflash: we still have a couple of places left on our 'Making Your Business Really Fly' workshop on Tuesday 21st March (10.00am – 1.30pm). If you're interested in coming, please give us a ring.

Peter

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