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**Deloitte
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TAX BULLETIN

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As part of Deloitte & Touche's policy for regular communication with clients, we would like to inform you of some important changes to the Income Tax Law which came into effect on 1 January 2003.

PRIVATE MOTOR VEHICLE EXPENSES (SALOON)

Private motor vehicle expenses of any kind, (e.g. petrol expenses, repairs and maintenance expenses, road taxes and motor vehicle insurances) are not deductible from taxable income, irrespective of whether the motor vehicles are used in the business or are owned by the business.

ENTERTAINMENT EXPENSES

Client entertaining expenses, including hospitality expenses, of any kind which are incurred for the purpose of the business are not deductible from taxable income, except where the aggregate amount of business entertainment expenses incurred in a tax year does not exceed 1% of the gross income of the business or £10,000, whichever is the lower.

Therefore, as a result of the above, we would like to advise all our clients, to account for private motor vehicle and entertainment expenses separately in their books and records with effect from 1 January 2003.

Deloitte & Touche