



Celebrating 25 years of motoring excellence

Business Car Contracts was formed in 1985 and today, 25 years on, our focus has remained consistent. Our original

mission of providing a cost-effective and tax efficient service remains the same.

There have been a great many changes in the market over the past 25 years: numerous tax changes, innovative new funding solutions, and legislative developments such as Duty of Care. Green fleet management and fuel economy have become priorities for many companies.

We are a 'people' business. We offer you impartial advice and take a consultative approach to provide you with a tailor-made solution. While our traditional values still hold true, we haven't rested on our laurels. To meet the new challenges ... of competition and a constantly shifting market ... we have adopted and embraced new technologies and methodologies.

We measure our success by the level of repeat and referral business we achieve. Our long-standing

'partnership' relationships with our clients endure and go from strength to strength.

However many vehicles you have in your fleet, we're looking forward to providing you with the same excellence of service in the future that we've given you over the past 25 years.

Yours sincerely

Tony Read, Managing Director

Can fuel cards cut fleet driving costs?

The average company fleet's fuel spend is around 25% of its budget. With the volatile price of oil, and additional fuel duty on its way, that cost will continue to rise.

While working remotely, and holding virtual meetings and telephone conferences might reduce some mileage, it won't make a significant difference to the average company's fuel spend.

Fuel cards could offer an effective means of controlling costs. Although sometimes regarded as a way of allowing staff access to free petrol or

diesel, a fuel card could put the fleet manager in control.

Fuel cards can make provision for people using their cars for personal use. The staff member reimburses the company for the cost of the fuel to cover their personal mileage, normally through the Government's Advisory Fuel Rates. While this isn't ideal, and time might have to be spent chasing the employee for money owed, it can be more cost-effective and labour-saving than processing receipts and expenses claims. Julie Jenner, chairman of fleet operator association ACFO said, "A fuel card is the best way to monitor fuel usage and expenditure."

Before committing to a fuel card, it is important to establish what card best meets your needs. There is no interest charged on the card, however there may be a cost for the card itself. This can vary – some fuel cards are free for large fleets, while others can charge between £3 and £12 a year.

The wide range of information from the cards, which is available for analysis, can help control fuel costs. This intelligence can identify not only the date, time and place of refuelling, but the mileage and driver economy levels. It can also be used to help route planning, avoiding unnecessary or duplicate journeys. Limits can be placed on the cards – for example allowing fuel, oil and perhaps a car wash to be purchased, but preventing food and drink being added to the bill.

"... a company that makes you feel valued at every contact..." • "... I have no hesitation in putting your name forward whenever possible..."

Fuel-efficiency promise

With fuel prices reaching new heights, economy is a high priority for many businesses and company fleets. As well as keeping fuel costs down, more economical vehicles can mean lower CO2 emissions, lower vehicle excise duties, Congestion Charge exemption, increased tax relief and lower personal tax liabilities.

With the manufacturers' emphasis on economy and the environment, many of today's eco-models promise fuel consumption of better than 60mpg. This level of economy isn't just confined to the City cars and Superminis. Now even executive cars and MPVs can also deliver a fuel efficiency promise. Business Driver has taken a look at some of the most fuel-efficient models on the market. Please see www.VCAcarfueldata.org.uk for a comprehensive list.

As you might expect, there are several City Cars or Superminis to choose from. For example, the Ford Fiesta can deliver 76.3mpg, with CO2 of 98g/km and zero road tax. The Audi A1 will also give you in excess of 70mpg with CO2 at 105g/km and road tax at £20.

Also up in the 70mpg class are the Fiat 500 and the Mini Hatch. The Fiat delivers 72.4mpg, and with CO2 at 104g/km, you'll pay a road tax fee of only £20. The ever popular Mini comes in at 74.3mpg and zero road tax, with only 99g/km of CO2 emissions.

Not far behind these are the Seat Ibiza, Skoda Fabia and the Toyota Aygo.

The Ibiza promises 60.1mpg, but with CO2 at 123g/km, you'll pay £90 in road tax. Skoda Fabia is a strong contender, while the Toyota Aygo returns an impressive 62.8mpg. CO2 emissions at 109g/

km and 106g/km respectively, put them both in the £20 road tax group.

Top of the saloon fuel efficiency class are the Volkswagen Golf BlueMotion at 74.3mpg and the hybrid Toyota Prius. The Prius combines 72.4mpg economy with just 89g/km of CO2. With low CO2 emissions, there is no road tax to pay on either. The Skoda Octavia, Hyundai i30, and Mazda 3 all come in between 62 and 64mpg with tax at £30. The BMW 3-series gives a respectable 60.1mpg, but with CO2 at 125g/km, the road tax rises to £90.

You don't have to sacrifice economy for class and good looks, with three models coming into the £30 road tax group. The Audi 3 Cabriolet tops the leader board at 65.7mpg, closely followed by the Renault Megane at 64.2mpg and the BMW 1-Series delivering 62.8mpg.

RELIABILITY: THE ONES TO WATCH

The BMW 3 Series is the most reliable company car in the UK according to a survey of the country's 50 largest leasing companies carried out by Fleet News for the annual FN50 report.

Between them, these companies manage some 1.5 million cars and vans, making this the biggest vehicle reliability survey in the country.

The survey also found Honda to have the best reliability record as a car manufacturer.

The Honda Accord takes second place behind the BMW 3 Series, followed by the Audi A4.

German and Japanese brands dominate the top 10 cars, although three of the Japanese brand cars that feature are built in the UK.

The Nissan Qashqai, produced in Sunderland, is the highest placed British-built car in fourth, while the Burnaston-built Toyota Avensis is in eighth place, followed by Swindon's Honda Civic in ninth.

The survey also named the Ford Transit as the most reliable commercial vehicle, with Ford as manufacturer of the most reliable vans.

There are also British success stories in the commercial vehicles' top 10 with Southampton's Ford Transit at the top of the table, followed by the Mercedes-Benz Sprinter in second place and the Ford Transit Connect in third.

The Luton-manufactured Vauxhall Vivaro is eighth in the commercial vehicles table.

As well as manufacturing the highest ranked British-built car, Nissan also produces the UK's most reliable pick-up truck. The Navara takes seventh place in the Commercial vehicle table - the only pick-up in the top ten.

FN50 most reliable cars

- 1 BMW 3 Series
- 2 Honda Accord
- 3 Audi A4
- 4 Nissan Qashqai
- 5 BMW 1 Series
- 6 Ford Fiesta
- 7 Mercedes-Benz C-Class
- 8 Toyota Avensis
- 9 Honda Civic
- 10 Volkswagen Golf

FN50 most reliable car manufacturers

- 1 Honda
- 2 Volkswagen
- 3 BMW

FN50 most reliable commercial vehicles

- 1 Ford Transit
- 2 Mercedes-Benz Sprinter
- 3 Ford Transit Connect
- 4 Citroen Berlingo
- 5 Citroen Relay
- 6 Vauxhall Combo
- 7 Nissan Navara
- 8 Vauxhall Vivaro
- 9 Volkswagen Caddy
- 10 Volkswagen Transporter

FN50 most reliable commercial vehicle manufacturers

- 1 Ford
- 2 Volkswagen
- 3 Mercedes-Benz

Volkswagen has introduced a new generation of the top-selling Caddy, a compact van with a practical rear sliding door system that has been enhanced in every area.

The new van carries the same design line seen on the new Amarok and current T5 generation (Transporter; Multivan) as well as an upgraded interior with a removable second row of seats, plus further reduced maintenance costs.

The new Caddy promises a cargo capacity of up to 3,030 litres while the Caddy Maxi offers an impressive 3,880 litres. Under the hood, the new car offers a choice of six new high-tech engines, all complying with the Euro 5 emission limits. We find four diesel engines delivering 55 kW / 75 PS, 75 kW / 102 PS, 81 kW / 110 PS and 103 kW / 140 PS respectively.

The 102 PS TDI can be ordered as an option with a 7-speed DSG while the 81 kW TDI is exclusively available as a 4MOTION model with four-wheel drive. For those who want a petrol engine, they can choose the 1.2-litre developing 63 kW / 86 PS or 77 kW / 105 PS. Another frugal and extremely efficient petrol engine for the Caddy and Caddy Maxi is the natural gas version carried over from the previous generation, the 2.0 EcoFuel (CNG), which delivers 80 kW / 109 PS.

The new Caddy offers three new models lines: the Startline, Trendline and Comfortline. The Trendline version replaces the Caddy Life and the top Comfortline version supercedes the successful special 'Style' model. New features, standard on all versions: new daytime running lights. Optional extras on the new range include adaptive cornering lights (integrated into the front fog lights), roof rack (standard on the Comfortline) and the newly designed RNS 315 radio/navigation system.



NEW CARS FOR 2011 MONTH BY MONTH

2011 is looking to be a good year for the car industry, seeing new cars to suit every budget.

Aston Martin come in at the top with their new £1.2 million One-77, Ford introducing their new mid range Focus and at the end of the year, Renault launch the tiny electric "Twizzy". So there truly is something for everyone and every budget this year!



Nissan Micra

Aston Martin One-77, the new models of Nissan Micra and VW Passat.

Citroen DS4, Kia Optima and hybrid Porsche Panamera.



Citroen DS4



Vauxhall Antara

VW Eos, New Vauxhall Antara and Honda Jazz hybrid

MINI Coupe, Renault electric Kangoo and the Chevy Cruze hatchback.



Mini Coupe



Ford Focus

New Ford Focus, the Nissan Leaf, BMW 6-Series and McLaren MP4-12C.

Range Rover Evoque, VW Up! and Hyundai i40



Hyundai i40



Audi A6

Audi A6 and RS3, Peugeot 508

Vauxhall Zafira, Chevrolet Aveo, VW Beetle and Suzuki Swift Sport.



Vauxhall Zafira



Aston Cygnet

Kia's Picanto and Aston Cygnet superminis and Infiniti's M35 hybrid

Hyundai Scirocco and Bentley Conti GT



Hyundai Scirocco



Merc SLK

BMW 1 Series M, Merc SLK and C-Class Coupe.

Renault's electric Twizzy and Lambo supercar



Renault Twizzy



Tax Issues

Capital allowances

The capital allowance treatment of company cars was reformed to favour those with low CO2 emissions with effect from 1 April 2009 for corporation tax and 6 April 2009 for income tax.

Under the new rules, new company cars with CO2 emissions of 111g/km to 160g/km inclusive attract a 20% write-down allowance (WDA), while those with emissions above 160g/km attract only a 10% WDA. From April 2012, these allowances will be cut to 18% and 8% respectively.

As with the previous system, a 100% first-year allowance applies to cars with emissions of 110g/km or less, with this allowance applicable until March 31, 2013.

Zero-emission electric vans are eligible for a 100% first-year capital allowance from April 2010, joining electric cars which have qualified for the allowance since 2002.

From April 2012, main rate capital allowances will be cut from 20% to 18%, with the special rate cut from 10% to 8%, ensuring both allowances remain broadly in line with economic depreciation rates.

Calculating company car tax in 2010/11

The method of calculating your company car tax liability in 2010/11 depends on your car's P11D price and CO2 emissions, and whether or not it is a diesel.

Business mileage in a private car: reimbursement rates in 2010/11

The 2010/11 Tax and National Insurance-exempted amounts claimable under the HM Revenue & Customs Authorised Mileage Allowance Payments (AMAPs) rates for business mileage in a private car are shown below.

If your employer reimburses you at a lower rate than the AMAP rates, you are entitled to claim tax relief on the difference. Conversely, reimbursements made at a higher level than the AMAPs will incur tax.

Authorised Mileage Allowance Payments (AMAP) rates 2010/11

	Up to 10,000 miles	Over 10,000 miles
All cars	40p	25p

Vehicle Excise Duty Bands

VED Band	CO2 emissions	2011/11 First Year	2010/11 Standard	2010/11
A	Up to 100	0	0	0
B	101-110	0	20	10
C	111-120	0	30	20
D	121-130	0	90	80
E	131-140	110	110	100
F	141-150	125	125	115
G	151-165	155	155	145
H	166-175	250	180	170
I	176-185	300	200	190
J	186-200	425	235	225
K	201-225	550	245	235
L	226-255	750	425	415
M	Over 255	950	435	425

K: Includes cars emitting over 225g/km registered between March 1, 2001 and March 23, 2006.

Lease rental restriction

New cars with CO2 emissions of 160g/km or less are eligible for 100% of their lease payments to be offset against corporation tax.

For new cars with emissions above this threshold, businesses can offset only 85%, usually resulting in the lower emissions cars being less expensive to lease.

Fuel allowances

The Government multiplier for calculating the tax due on employer-provided 'free' fuel for private use in a company car remains at £18,000 in 2010/11. To calculate the tax liability, you need to know:

- The car's CO2 rating
- The driver's marginal tax rate

Company Car Tax in 2010/11

For 2010/11, the threshold for the minimum percentage charge rate for calculating company car tax reduces to 130g/km. It reduces further to 125g/km in 2011/12.

From April 2012 the 10% rate of BIK tax will apply to cars with CO2 emissions of 99g/km or less. The lowest appropriate percentage will still be 10%, but will apply to cars with CO2 emissions of up to 99g/km. The rate for cars with emissions of 100g/km will be 11%, increasing by 1% for every 5g/km to the current maximum of 35%.

From April 2010, BIK tax has been charged at 5% of taxable value for five years for drivers of company cars with CO2 emissions of 1-75g/km.

The chart below shows taxable percentages of P11D price for 2010/11 and beyond.

Taxable percentages of P11D value

CO2 EMISSIONS IN GRAMS PER KILOMETRE			PERCENTAGE OF CAR'S PRICE TAXED	
April 2010-2011	April 2011-2012	April 2012-2013	Petrol	Diesel
0	0	0	0	0
1-75	1-75	1-75	5	8
76-120	76-120	76-99	10	13
n/a	n/a	105	11	14
n/a	n/a	110	12	15
n/a	n/a	115	13	16
n/a	n/a	120	14	17
130	125	125	15	18
135	130	130	16	19
140	135	135	17	20
145	140	140	18	21
150	145	145	19	22
155	150	150	20	23
160	155	155	21	24
165	160	160	22	25
170	165	165	23	26
175	170	170	24	27
180	175	175	25	28
185	180	180	26	29
190	185	185	27	30
195	190	190	28	31
200	195	195	29	32
205	200	200	30	33
210	205	205	31	34
215	210	210	32	35
220	215	215	33	35
225	220	220	34	35
230	225	225	35	35

* Add 3% for diesel. ** Add 2% for diesel. *** Add 1% for diesel. **** Maximum charge, so no supplement.