



**Are your business expenses realistic?
Beware of new Revenue interest in GPs**

Those GPs who opted out of providing out-of-hours services when the new GMS contract started should be aware that the Revenue could review their expenses claims for accuracy.

HMRC has undertaken a review of GP earnings and expenses and now has a large amount of statistical data at their fingertips. Amongst other things HMRC will be expecting to see lower mileage claims and possibly a reduction in spouse wages.

We would therefore suggest that GPs review their expenses claims to ensure that any estimates used fairly reflect any changes in working patterns that might have occurred from April 2004. If inaccuracies are found by HMRC this could mean interest charges on unpaid tax and possibly penalties.

If you would like assistance in this matter, please give us a call.

Finally, does your tax adviser offer tax investigation insurance? This is a typically low cost cover which will give you the added peace of mind that, should you be chosen for review, your adviser's fees incurred in justifying your claim will be covered by insurance.

Again, if you would like further information regarding this type of insurance cover, please call me.

**Sue Stephens
Tax Manager**