

24 April 2023

Business News

Welcome to our round up of the latest business news for our clients. Please contact us if you want to talk about how these updates affect your business. We are here to support you!

Building business resilience

Millions of businesses and households are struggling with their energy costs, alongside increases in general taxation, the cost of council tax, water bills and other utilities.

Is it all doom and gloom or can you plan forward and make adjustments in, and to, your business to factor in these changes?



Our experience tells us that business owners are a resilient bunch and those that are the most successful are also flexible in their planning. Here are some of our recommended actions, based on what we have seen other clients doing recently to firm up their resilience to these tough times:

- Review your budgets and set realistic and achievable targets for the remainder of 2023. Know your cash flow forecast inside out.

- Review your debtors list and chase up overdue invoices (if appropriate). If applicable, offer existing debtors extended payment terms and/or discounts.
- Make sure your terms of business contain explicit payment terms.
- Assign responsibility to one individual for invoicing and collections.
- Put extra effort into making sure your relationships with your better customers are solid.
- Review your list of products and services and eliminate those that are unprofitable or not core products/services.
- If appropriate, review banking facilities and discuss future needs.
- Know what you are spending and on what. Look at your detailed expense list in your profit and loss account and assess if there is room for negotiation in any of your fixed expenses and/or whether there are alternative suppliers.
- Review and flowchart the main processes in your business (e.g. sales processing, order fulfilment, shipping etc.) and challenge the need for each step.
- Encourage team members to suggest ways to streamline and simplify processes.
- Review efficiency of business processes and consider alternatives such as outsourcing certain activities locally or overseas.
- Establish your key performance indicators (KPI's) and measure them on a weekly basis.
- Pull everyone together to explain the business strategy and get their buy-in.

The British Business Bank's Guide to building business resilience contains impartial, practical, and actionable information and support to help smaller businesses manage their costs, boost their long-term profitability, and increase their resilience.



There is guidance on everything from energy efficiency to investing in technology, included to help make your business more innovative and resilient.

Other topics covered in the guide include:

- Foundations for growth,
- Managing business costs,

- Securing funds and controlling debt,
- Focusing on customers,
- Optimising your supply chain, and
- Controlling staff overheads.

See: [Guide to building business resilience - British Business Bank \(british-business-bank.co.uk\)](https://www.british-business-bank.co.uk)

Please talk to us about planning ahead because we have considerable experience with helping our clients with their strategy and sustainability in turbulent times.

Giving Shares to Employees

Where companies give shares to employees in the company or group that they work for they will generally be taxed on the difference between the market value of those shares and the amount paid, if any. The transaction also needs to be reported to HMRC by 7 July following the end of the tax year. HMRC provide a template to enable employers to report the transaction online:

See: [Other ERS schemes and arrangements: end of year return template, technical note and guidance notes - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

Considerations around whether employers need to operate PAYE and whether national insurance contributions are payable depends upon whether the shares are 'readily convertible assets'. Broadly, this would be where there are trading arrangements in place to quickly sell the shares.

It is generally more tax efficient for the employee if the company awards them shares under a tax-advantaged share incentive scheme such as under the Enterprise Management Incentive (EMI) scheme or a Share Incentive Plan (SIP).

Contact us if you would like more information about these schemes.

Corporation Tax relief for Employee Share Acquisitions

Provided certain conditions are satisfied, the employing company will obtain a corporation tax deduction when employees acquire shares in the company or group that they work for, whether they acquire the shares directly or under a share option agreement. The amount of the deduction is the difference between the market value of the shares and the amount paid by the employee and will often mirror the amount taxed on the employee. This is a statutory deduction and will be available irrespective of whether there is a deduction for the transaction in the company's profit and loss account.

Awarding shares to employees is a complex area so please contact us before you consider such arrangements.

Working Capital Finance explained

Working capital finance solutions offer businesses the opportunity to improve cash flow. The world of commercial finance and asset-based lending (ABL) is complex and expansive with products, terminology, and contractual interpretation varying from lender-to-lender.

The benefits of arranging working capital are:

- Up to 90% of outstanding invoice value can be advanced within 24 hours;
- Flexible lending – funding increases in line with your growth (UK and Export);
- Confidentiality – lenders can offer a completely confidential service – your customers need not know you have a facility in place;
- Lenders allow you to manage your funding at all times;
- Sector-specific finance is often available;
- Structured ABL – funding for management buy-outs/management buy-ins; and
- Trade finance & supply chain finance solutions.

Specialists in this area can advise on:

- Invoice Finance - an effective way of quickly accessing a proportion of the value (up to 90%) of your invoices. Effectively a business 'sells' its invoices to the lender in return for accessing cash at the point products and services are sold. Specific sector-based offerings are available, as is the ability to arrange finance for selected invoices only;
- Structured ABL - generate a higher level of funding by unlocking the maximum value tied up in the combined assets within your business, including Debtors, Inventory, Plant & Machinery, and Property. Additional forms of funding can be structured in addition to this, such as top up loans to drive growth; and
- Trade Finance - supply chain finance with various options, enabling the purchasing of goods from overseas where you are otherwise unable to obtain credit from suppliers.

Typically, you will need to ensure your management accounts are up to date, you make available current detailed lists of debtors and creditors, and you might need up to date projections before an expert will consider your application.

Please talk to us about finance; our working capital finance experts have many years of experience and success in advising business across a wide range of sectors in obtaining working capital finance solutions.

Pub is the Hub Community Services Fund

Isolation and loneliness are very prevalent in rural areas where transport and amenities are scarce, so Pub is The Hub is making funding available to pubs prepared to support their local residents.

If you would like to consider ways in which your pub could diversify and support your local community then please read on!

- Would you like more information on developing your pub into a hub for your community?
- Would access to experts in the licensing trade be something you would value before making any decisions on diversifying?
- Would you like this support to be free of charge?
- Would you welcome a grant of up to £3,000, subject to meeting guidelines, to support any project you had identified?
- Would you welcome PR and Media coverage free of charge?

See: [Community Services Fund - Pub is The Hub](#)

Manufacturing Awards 2023

The Make UK Manufacturing Awards 2023 is recognising and awarding manufacturers and their apprentices who have done exceptional work in the sector.

Share your stories of resilience and transformation and shine a light on the incredible efforts of your people and business. Whether you've implemented a new export strategy; developed a new product; or have taken great leaps in your journey towards net zero – you are all manufacturing heroes. With 5 apprentice categories and 7 business categories, there is an award for you and your business. It's free to enter, and you can apply to multiple categories. Application is quick and simple via an online form

See: [Make UK](#)

SE100 Social Business Awards 2023

Equality and Climate share centre stage for this year's NatWest SE100 Index and Social Business Awards. Don't miss your chance to be named among the UK's top impact enterprises – enter by 7 May 2023.

The awards recognise social ventures and mission-driven businesses that are leading by example in their quest to generate revenue to deliver a social or environmental mission.

This year's categories are:

- Equality Award,
- Trailblazing Newcomer,
- Social Business Champion,
- Impact Management Champion,
- Leader of the Year,
- Social Investment Award, and
- Climate Champion.

See: [UK social enterprise 'top 100' 2023 edition opens for nominations | The Social Enterprise Magazine - Pioneers Post](#)

Businesses can sign the Armed Forces Covenant

The armed forces covenant is a pledge that together we acknowledge and understand that those who serve or who have served in the armed forces, and their families, should be treated with fairness and respect in the communities, economy, and society they serve with their lives.

The covenant focusses on helping members of the armed forces community have the same access to government and commercial services and products as any other citizen.

Reservists and veterans bring a variety of transferable skills and qualities to the civilian workplace, developed throughout their military careers.

Businesses, charitable, and public sector organisations of all sizes who wish to support the armed forces community can sign the covenant. You make your own promises on how you will demonstrate your support.

See: [Businesses - Armed Forces Covenant](#)

'Pioneer' unveiled as an alternative to Horizon Europe funding

The UK government has published its Pioneer programme, setting out how it would protect and support the UK research and innovation sector if the UK isn't able to associate to Horizon Europe.

Negotiations are still ongoing in the hope of securing a successful association. However, the government maintains that any association must be on the basis of fair and appropriate terms. If association cannot be secured on the right terms, the UK will implement its ambitious, alternative plan - Pioneer.

Should it be needed, the Pioneer programme would focus on four main themes to complement the UK's existing research and development investments:

- talent,

- end-to-end innovation,
- global collaboration, and
- investment in the R&D system.

Pioneer would receive the same amount of funding as the government would have paid to associate to Horizon from 2021 to 2027. This means the UK would invest around £14.6 billion in Pioneer to the end of 2027/28, including the support already provided to the sector via the Horizon Guarantee.

See: [Pioneer: global science for global good - GOV.UK \(www.gov.uk\)](https://www.gov.uk/pioneer-global-science-for-global-good)

Business Companion – trading laws explained

Business Companion provides information for businesses and individuals that need to know about trading standards and consumer protection legislation.

The guidance is divided up into 15 broad Quick Guides and each one contains a number of more detailed In-depth Guides.

There may be rules you are not aware of, so make sure you explore the site thoroughly. Business Companion covers Trading Standards law for England, Scotland and Wales and is backed by UK Government.

See: [Home | Business Companion](#)

Importing live animals or animal products

The UK Government have updated their collection of guidance for importing live animals and animal products.

Contents include:

- Topical issues,
- Welfare of animals in transport,
- Import under Balai rules,
- Food, drink and composite products,
- Live animals, cattle or high-risk food and feed,
- Endangered species, and
- Licences.

See: [Guidance on importing live animals or animal products - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/importing-live-animals-or-animal-products)

New holiday let rules to protect local people and support tourism – Consultation

Short-term lets are now a significant part of the UK's visitor economy. They provide increased choice and flexibility for tourists and business travellers and those attending major sporting and cultural events.

A consultation published recently by the Department for Levelling Up, Housing and Communities will propose introducing planning permission for an existing home to start to be used as a short term let – helping support local people in areas where high numbers of holiday lets are preventing them from finding affordable housing.

It will also consider whether to give owners flexibility to let out their home for up to a specified number of nights in a calendar year without the need for planning permission.

The consultation seeks views on whether it would be helpful to expressly provide a degree of flexibility for home owners to be able to let out the home they live in for a number of nights a year before planning permission for a change of use may be required. They are consulting on whether this should be 30, 60 or 90 nights a year.

See: [Introduction of a use class for short term lets and associated permitted development rights - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/introduction-of-a-use-class-for-short-term-lets-and-associated-permitted-development-rights)

