22 December 2025

BUSINESS NEWS – Round up

Welcome to our weekly round up of the latest business news for our clients. Please do contact Cognitor Accountancy to talk with us about how these updates may affect your business. We are here to support you!

Looking ahead to 2026: reflections for business owners



With 2025 coming to a close, you may already be starting to reflect on how the year unfolded in your business.

Your expectations may have been exceeded in some areas. Perhaps you found a new source of revenue that grew faster than you anticipated, or you had a new customer relationship that really took off. On the other hand, you might have found you were limited by rising costs, difficulties in finding staff, or changes in what your customers expect.

The economy itself has been far from predictable. While inflation does seem to have eased slightly in recent months, higher wage costs and shortages in skills have been significant factors for many businesses.

You may also be thinking about how the business has contributed toward your broader goals. For instance:

- Did it grow in the ways you planned?
- Did it give you the flexibility, resilience or capacity to pursue new opportunities?

These questions perhaps show where the business supported your ambitions, or where it might have held you back.

With these thoughts in mind, the festive break may provide a natural opportunity to consider some of your strategic priorities in 2026.

What can you do to build on this year?

For instance, did you notice any patterns emerging over the past twelve months on which of your products or services truly delivered growth for your business? Or which customer or client relationships were the most valuable? Where did your business feel most stretched by things like rising costs, difficulties in finding staff, or changes in customer expectations?

Your observations may well help you in thinking about what your priorities could be for the year ahead.

How can you maintain resilience in the business?

The wider economic environment and day-to-day pressures are likely to continue shaping the decisions you make in 2026.

Have you found areas where the business has shown resilience in dealing with rising costs, maintaining customer loyalty, or responding to opportunities quickly?

These are strengths you can really continue to build on.

What could be your goal for 2026?

You might be thinking about growing your business in 2026. For instance, reaching new customers in different areas, adding to your team, or investing in new technology to make your business run more efficiently.

Or maybe you see value in consolidating the gains you made in 2025, concentrating on what has delivered the strongest returns and take a leaner, more focused approach in 2026.

However you are thinking at this time of year though, we hope that you are able to thoroughly enjoy any time off you have coming. 2025 has been a year of hard work and any rest you get is well deserved.

We look forward to supporting you in 2026, helping you to build on the progress you have made, and seeing what the new year brings for your business.

UK economy shows mixed signals as Bank of England cuts interest rates

The UK economy continues to show a mixed picture, with recent data highlighting both relief for households and ongoing challenges for businesses.



Inflation slows

Consumer price inflation fell to 3.2% in November, down from 3.6% the previous month.

The drop was largely driven by lower prices for food, clothing, and alcohol, with particularly large decreases in cakes, biscuits, and breakfast cereals. This has perhaps provided some respite for households ahead of the festive season.

Labour market softens

The unemployment rate rose to 5.1% in the three months to October, with younger workers hardest hit as youth unemployment has increased by 85,000.

These figures likely reflect the higher employment costs that came into effect in April 2025 and many businesses may have adjusted or delayed hiring plans while waiting to see what would be contained in the recent Budget.

Wage growth is still above inflation, which may be making employers cautious about hiring, though the impact could ease as private sector pay rises appear to be slowing.

Economic growth remains fragile

Official figures show the UK economy contracted by 0.1% in October and over the three months to October.

Weakness in the production sector, particularly vehicle manufacturing which was affected by the Jaguar Land Rover cyber-attack, and flat growth in services contributed to this slowdown.

It seems likely that both consumer and business spending was dampened by uncertainty ahead of the Budget.

Interest rate cut

In response to these conditions, the Bank of England has reduced its base rate from 4% to 3.75%.

The cut aims, in part, to support growth by lowering borrowing costs. Where you have variable rate borrowings this could be good news.

As the banks adjust to the new rate, it may also be a good time to consider whether refinancing could lower your business' costs.

If you would like help assessing your business' borrowing or employment costs, **please do get in touch**. We would be happy to help you!

Ensuring seasonal staff are paid correctly over the Christmas period



As the Christmas period approaches, employers should be aware that all workers, including temporary, seasonal, and short-term staff, are legally entitled to at least the National Minimum Wage (NMW) or National Living Wage (NLW).

While seasonal work roles can be short-term, the same minimum pay rules apply as for permanent staff. This means ensuring that:

- All working time is counted – This would include starting early or staying late to open or close premises, cleaning, travelling time between work locations or completing mandatory training outside of working hours.
- Deductions do not reduce pay below the minimum wage – Costs for uniforms or equipment must not leave employees earning less than the legal minimum.

Current minimum wage rates

The current rates are:

- £12.21 – Age 21 and over (National Living Wage)
- £10.00 – Age 18–20
- £7.55 – Under 18
- £7.55 – Apprentice (under 19, or 19+ in first year)

By law, employees must be paid at least these rates for all hours worked.

Enforcement and consequences

In 2024/25, HM Revenue & Customs (HMRC) identified £5.8 million in arrears due to underpayment affecting 25,200 workers. As a result, 750 penalties totalling £4.2 million have been issued to non-compliant employers.

Penalties can reach up to 200% of the underpayment, in addition to the arrears owed. Employers who fail to comply may also be publicly named and can face prosecution.

Seasonal hiring can increase the risk of inadvertently underpaying staff. If you need any help with your payroll or would like specific advice on paying staff **please give us a call**. We would be happy to help you!

See: **https://www.gov.uk/government/news/working-over-christmas-check-your-pay**



HMRC warns of rising Self Assessment scams ahead of January deadline

HM Revenue & Customs (HMRC) has issued a warning about scams ahead of the 31 January Self Assessment deadline.

According to HMRC, more than 4,800 Self Assessment scams have been reported to them since February 2025. In all, they have received more than 135,500 reports of suspected scams, including 29,000 that referred to fake tax refund claims.

Scammers will often target taxpayers around peak filing periods, using persuasive or threatening tactics to obtain personal information or try and get the individual to make a payment to them. Common tactics include:

- Fake tax demands via email, text or phone calls.
- Claims of refunds that require the recipient to provide banking details.
- Threats of legal action or arrest.

Lucy Pike, HMRC's Chief Security Officer, confirmed that scammers mimic HMRC to try and catch unsuspecting victims out. Her advice is: "If any emails, text messages or phone calls appear suspicious – don't be lured into clicking on links or sharing your personal information - report it directly to HMRC. Just search 'report and HMRC scam' on GOV.UK to find out more"

HMRC have confirmed that they will never:

- Leave voicemails threatening legal action or arrest.
- Ask for personal or financial information via text message or email.
- Contact someone by email, text or phone to inform them about a refund or ask them to claim one.

If you are unsure about a message you have received, **please feel free to contact us** and we will be happy to confirm whether it is genuine or not.

See: **https://www.gov.uk/government/news/4800-self-assessment-scams-reported**

Three quarters of farmers receive 2025 Countryside and Environmental Stewardship payments

The Rural Payments Agency (RPA) has confirmed that three quarters of eligible farmers have already received their Countryside Stewardship and Environmental Stewardship payments since the 2025 payment window opened on 1 December.

So far, more than 28,351 payments have been made, totalling £435.6 million. The RPA has said that payments will continue throughout December and into the new year.

The Countryside Stewardship and Environmental Stewardship schemes are designed to support farmers in delivering environmental benefits while maintaining sustainable food production. Eligible activities under the schemes include:

- Protecting and restoring habitats and species;
- Improving water quality and reducing flood risk;
- Enhancing carbon capture; and
- Conserving important historical and archaeological features.



According to government figures, more than half of farmers now participate in schemes that encourage nature-friendly farming methods. These schemes can provide a financial return while also helping farmers meet wider environmental and regulatory objectives.

If you are expecting but have not yet received a payment, it seems likely that it is on the way. However, if you need any help with a payment or would like some objective advice on whether your farm could benefit from environmental schemes please give us a call. We would be happy to help you!

See: **https://www.gov.uk/government/news/more-than-400m-paid-out-for-sustainable-food-production**

Derby director jailed for £80,000 Bounce Back Loan fraud



A Derby company director has been jailed after fraudulently obtaining £80,000 under the Covid Bounce Back Loan Scheme and using the funds for personal share trading.

Temidola Ojelabi, 43, managed to secure two Bounce Back Loans for Platinum Gates Limited in 2020, despite businesses being entitled to only one loan. The Court sentenced him to two years and four months in prison and disqualified him from being a company director for eight years.

Platinum Gates Limited was a company set up in 2018 as an e-commerce venture and bought and sold goods from various warehouse premises. In May 2020, Ojelabi obtained a Bounce Back Loan of £35,000 after declaring company turnover of £150,000. Within a week, he had transferred £34,000 to his personal bank account, with £29,800 later paid into an online share dealing platform.

A second application was made in June 2020, this time claiming turnover of £180,000, resulting in a loan advance of a further £45,000. The funds were again transferred to his personal account within days.

Platinum Gates Limited entered liquidation in May 2021, with both loans unpaid. The Insolvency Service is seeking to recover the funds under the Proceeds of Crime Act 2002.

See: **https://www.gov.uk/government/news/derby-fraudster-jailed-after-using-covid-loan-funds-on-share-dealing-platforms**

UK farmers trial greener, smarter technologies through new ADOPT Fund projects

New trials that explore technologies for farmers to reduce emissions, boost productivity, and strengthen farm resilience were announced last week by Farming Minister Dame Angela Eagle.

Backed by nearly £2.3 million, across 30 projects through the first round of the government's ADOPT Fund, the trials aim to test new ideas under real working farm conditions. That should make it possible to see what really works on farms before there is any wider take-up.

Examples of ADOPT trials include:

- **Peat-free compost** – One project will trial compost made from short rotation coppice willow grown in agroforestry systems and blended with other local materials. Different compost mixes will be tested to assess their performance as a growing medium. The aim is to reduce reliance on peat and artificial fertilisers.
- **Low carbon machinery** – Another project will involve retrofitting an older Massey Ferguson 290 tractor to run on green methanol, assessing whether conversion could provide a practical low-carbon alternative where electrification is not yet viable.

- **Digital farm management** – A further project will trial a Farm Digital Twin Platform on two beef and sheep farms. Using drone imagery, farm records, and on-farm testing, the platform will support nutrient planning, environmental monitoring, and day-to-day farm management.



The ADOPT Fund, delivered in partnership with Innovate UK, is part of a wider £20 million programme for 2025/26 aimed at supporting farmer-led innovation.

See: **https://www.gov.uk/government/news/farmers-lead-the-next-wave-of-greener-smarter-farming**

Please do contact us if you would like to talk about any of the articles. We are here to support you and your business!

Written 19 December 2025