Written 18 December 2023

BUSINESS NEWS - ENGLAND

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

Wishing you all a Happy Christmas and prosperous New Year!



Christmas is a season of enjoying the simple things that make life beautiful. May you have great memories that will permanently touch your heart.

We wish you so much joy during this season and all through to the New Year.

Looking for some New Year business ideas?

If you are looking for some new business ideas then ask us for a copy of our guide called "57 Ways to Grow Your Business"! Our publication is packed full of bright ideas for the Serious Entrepreneur and starts with the four basics of growth.

All the ideas in this guide ultimately revolve around four basic insights about growing a business:

- Increase the number of customers;
- Increase the number of times each one does business with you;
- Increase the average value of each transaction; and
- Increase your own effectiveness and efficiency.

Here are some other business principles that we explore in the guide:

- What you can measure you can manage;
- Build in unique core differentiators and focus on them constantly;
- It's more important to be different than it is to be better;
- Cutting the price is always an option but there is usually a better way – increasing value;
- Break compromises and lower the barriers to people doing business with you;
- Systemise every aspect of your business;
- Empower your team to make it right for every customer; and
- Create a clear and detailed action plan.

Ask us for a copy – you never know there may be a gem or two in there for you to help you grow faster!

Power up your business with Innovation!



Innovation has generally been recognised as essential for value creation, both for individual companies and for the UK economy as a whole. The development of new ideas, processes and technologies and their flow across different sectors is a significant driver of economic growth and productivity. Recently, innovation has also been identified as crucial to the transition of the economy away from fossil fuels and carbon-intensive business activities.

There are many factors that affect whether and how businesses innovate, for example the availability of skills and capital and government policy measures such as tax incentives.

However, none are more important that the company's own culture, capabilities and internal systems – all of which are aspects of its governance. Unless companies are governed in a way that is conducive to innovation, they are unlikely to be in a position to take advantage of new opportunities.

Our most innovative clients share some key characteristics:

- They invest in activities with uncertain outcomes for which the likely commercial return is difficult to quantify and the risk of failure is higher than normal;
- They have a culture which encourages flexibility, experimentation and a high level of individual decision making; and
- They require a longer-term time investment horizon than many other kinds of business activity.

Research and Development (R & D) is the process of taking an innovative idea and transforming it into a fully-fledged product or procedure.

If you are looking for long term finance to support innovation then 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.

In the recent Autumn Statement, the government announced a new simplified research and development (R&D) tax relief, combining the existing R&D expenditure, credit and assembly schemes.

Please talk to us about R & D tax breaks and long-term finance, our independent experts have many years of experience and success in advising business across a wide range of sectors.

Building business resilience

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)

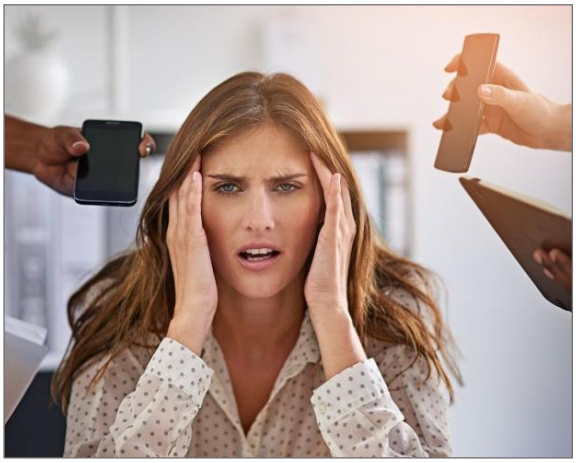
Protecting Employees from Stress at Work

The Working Minds campaign has been created by the Health and Safety Executive (HSE), Britain's national regulator for workplace health and safety is committed to improving the health of workers.

Tackling stress isn't just the right thing to do, it's a legal obligation. Working Minds can help you make it a routine priority for your business.

There are three main reasons employers should be looking to prevent stress and support good mental health in business:

1. It's the law;
2. It's good for business; and
3. It's the right thing to do.



Whether you're a small business or a large corporation, the law requires all employers to prevent work-related stress to support good mental health in the workplace.

It's important to remember that in the end we're all just people – and every one of us face pressures in and out of the workplace. By treating each other with respect and compassion at work we support our teams and colleagues to stay well.

The earlier a problem is tackled, the less impact it will have for the person and your business. Stress affects people differently – what stresses one person may not affect another. Factors like skills and experience, age, or disability may all affect someone's ability to cope.

You can get started today with these 5 steps:

1. Reach out and have conversations.
2. Recognise the signs and causes of stress.
3. Respond to any risks identified by agreeing action points between employer and worker.
4. Reflect on the actions taken – have things improved?
5. Make it Routine to check back in on how things are going.

If you think that a worker is having problems, encourage them to talk to someone, whether it's their line manager, trade union representative, GP, or their occupational health team.

See: Working Minds Employers - Work Right to keep Britain safe

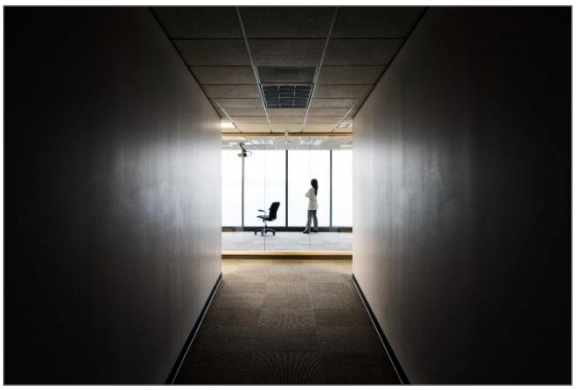
Exploring Closure Options for Solvent businesses

There are many reasons a solvent company needs to be brought to an end; perhaps due to retirement, illness, or simply a desire to extract the proceeds tied up in the company.

Once a decision has been made to cease trading and begin winding up the company's affairs, the next step is to determine the most appropriate way of closing the business down officially. When looking at your options, there are a number of processes which should be fully explored to ensure maximum suitability is achieved.

This decision will be determined, in the main, by the financial position of the company at the time of closure, as well as the future ambitions of its directors and shareholders.

Strike Off/ Dissolution



Strike off – also known as dissolution – is an informal way of closing down an unwanted limited company quickly and easily. An application for voluntary company strike off is made using the DS01 form submitted directly to Companies House. This will then be published in the Gazette, with any parties affected by the proposed strike off invited to make an objection. So long as no objections are received, the company will be removed from the register held at Companies House and the company will subsequently cease to exist as a legal entity.

Any property or assets remaining in the company at the time of strike off will become bono vacantia and ownership will pass to the Crown, therefore any loose ends should be tied up in advance of the application being made.

While there is the possibility for a company which has been struck off to be restored to the register at a later date, this can be a lengthy and complex process, so strike off should only be opted for if there is no likely reason the company will be required again in the future.

Make The Company Dormant

If there is a possibility that the company may be required at some point, making the company dormant may be the most appropriate solution. When a company is marked as dormant it remains on the Companies House register, meaning it can be immediately resurrected if trade recommences. Minimal filing obligations are required during this period and all outstanding tax liabilities and obligations must be fully up to date before HMRC will consider your request.

Making a company dormant prevents another entity incorporating a company using the same name; this can be hugely beneficial is retaining the valuable reputation that has been built up over the years of trading. As a company can remain dormant for any length of time it chooses, this could be a great option for those who know they don't currently require the company but are unsure as to what the future may hold.

Members' Voluntary Liquidation (MVL)

If there are significant assets (typically in excess of £20,000 in total) then opting to place the company into liquidation could be the most cost-effective and tax-efficient way of extracting these funds. Solvent liquidation is achieved using a formal process known as a Members' Voluntary Liquidation (MVL) and must be overseen by a licensed insolvency practitioner. With an MVL, money is distributed to shareholders as capital gains rather than income; as capital gains are taxed at 20%, this can represent a huge tax advantage. Directors can also benefit from Business Asset Disposal Relief (up to a lifetime limit of £1m worth of gains) which halves the effective capital gains tax rate down to just 10%.

As an MVL involves the input of a licensed insolvency practitioner, there are professional fees which need to be accounted for when considering the suitability of this process; however, many find that this cost is eclipsed by the potential savings able to be made elsewhere.

Directors will be required to sign a declaration of solvency, attesting to the fact that the company is able to fulfil its obligations to creditors within 12 months of the date of liquidation. Falsely swearing a declaration of solvency is considered an act of perjury, therefore, it is vital an accurate Statement of Affairs is drawn up and any contingent liabilities accounted for before the company enters liquidation.

Please contact us if you would like further information on your options, we are here to help!

Consultation on new Climate Change Agreements scheme



The Department for Energy Security and Net Zero (DESNZ) has launched a consultation seeking views on proposals for a new six-year Climate Change Agreements scheme to begin in 2025.

The new scheme would add three new target periods running from 2025 to 2030, resulting in three certification periods running to 31 March 2033. It will provide further reductions in the Climate Change Levy for eligible participants.

The scheme would be open to new entrants who qualify under the current eligibility criteria.

The consultation outlines:

- aspects of the current scheme that will be retained for the new scheme, as well as some policy decisions following on from proposals in a previous DESNZ consultation.
- further proposals for a future scheme, including the possibility for new sectors to apply to be eligible for the scheme, target setting, reporting and how performance will be measured.

See: Climate Change Agreements: consultation on a new scheme - GOV.UK (www.gov.uk)

Funding for digital supply chain innovation

The Made Smarter Innovation | Digital Supply Chain Hub (DSCH) is inviting applications from businesses interested in developing and deploying digital technology solutions in the DSCH testbeds.

A supply chain testbed can be defined as an end-to-end supply chain environment, where technologies can be deployed and tested using real data but without risking business disruption.

Together with the testbed companies, the DSCH has identified seven potential challenge areas:



- standardised naming system for automotive spare parts;
- project finance and market modelling in the emerging hydrogen supply chain;
- digital product passport for the textile supply chain;
- connected life cycle assessment in the textile supply chain;
- logistics pricing engine in the textile supply chain;
- data driven best before date in the food supply chain; and
- a marketplace for investment in sustainable farming.

Each challenge comes with £100,000 available for a tech solution provider to work with an Industry Challenge Sponsor to address critical supply-chain challenges and develop a solution which will be deployed into one of the testbeds. Find out how to unlock funding for digital supply chain innovation.

Experience within the manufacturing sector is not essential, however, knowledge of how to apply this to industry and relevance to the challenge is required. The deadline for applications is 22 December 2023.

See: Unlock Funding for Digital Supply Chain Innovation - Apply now - Made Smarter Digital Supply Chain Hub - Virtual Hub

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