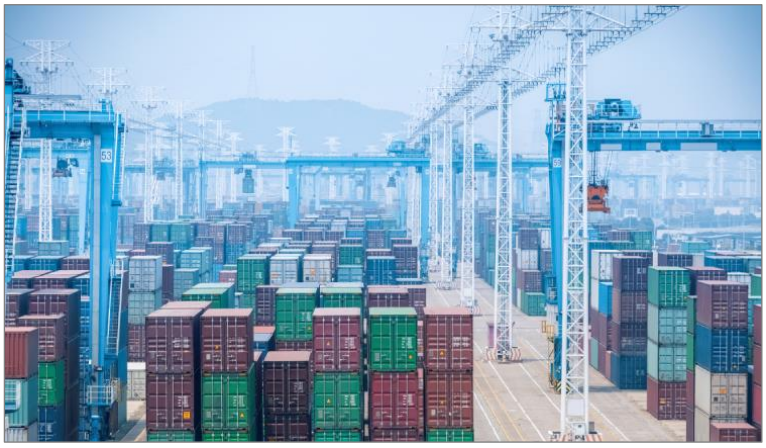
14 April 2025

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!

US Tariff Increases: 7 Concerns and What You Can Do About Them

The US tariff saga continues to rumble on, and global markets have been tumbling. Retaliations - repeated in some cases - between certain countries and the US give more force to a growing global trade dispute.



Even though the UK's main rate is a relatively low 10% (25% on British cars) - and you might not trade with the US at all - there is growing concern about what this means for global supply chains, pricing and business confidence.

What could this all mean for your business? Read on as we look at 7 areas of concern and what you can do to protect your business.

1. Confidence is Falling – And That Could Hit Your Sales

Financial markets have dropped and business confidence has taken a knock. When uncertainty rises, both consumers and businesses tend to hold off on spending – especially on goods and services they see as non-essential.

Even if you don't sell internationally, your customers might pull back. That could mean fewer orders, delayed projects, or reduced repeat business – especially if your product or service is considered a "nice-to-have."

What you can do:

- Focus on customer retention. You could consider offering flexible options, smaller packages or promotions that keep work flowing. Staying visible and keeping communication open are also key.
- Think creatively about how you present the value of your business to customers, so that they see your products or services as something they can't do without, even in lean times.
- Review your sales mix: do you rely heavily on one or two customers or sectors that might be vulnerable?

Tip: Review your last 6 months sales. Are there any signs of slowing down? If so, look at how to build a simple cash buffer now or explore ways to even out income.

2. Costs May Rise

Tariffs add costs all along the supply chain. Even if you buy from UK suppliers, they may be importing parts, packaging or materials that are now more expensive.

Your costs could rise quietly. Even if the increases are small, they can add up over time and erode your margins.

What you can do:

- Look at setting up a cost tracker for the things you buy and monitor it on a monthly basis. Just a spreadsheet can do the job – if you need help we can help you to set this up.
- Then, review your profit margins and consider whether you need to adjust your own pricing.

Tip: If you haven't done a cost review in the last six months, now's the time. We can help you to compare supplier prices or look at your gross margin trends.

3. Understand How Your Customers Are Being Affected

Even if you are not directly affected, your customers might be. You might begin to notice changes in order sizes, slower repeat business, or requests for longer payment terms. However, without understanding why this is happening, it's hard to respond effectively.



What you can do:

- Talk to your top clients. Ask them how their business is doing, what challenges they're facing and whether they're seeing cost increases or changes in demand.
- You can then use that insight to anticipate trends, adjust what you are offering to customers or support them more proactively.

Tip: Consider doing a quick check-in with your top 5-10 customers this month – a short email or phone call can uncover valuable information and strengthen the relationship at the same time.

4. You May Need to Rethink Supplier Relationships

Your suppliers may be facing pressure from tariffs, transport delays or their own cost increases. So, you may see price hikes, but also product shortages or slower delivery times as your suppliers struggle to maintain reliability.

What you can do:

- Check your top 3-5 suppliers. Where do they source from? Is that likely to create an issue for them and you?

- You could also build a back-up plan in case one supplier becomes unavailable or unaffordable.

Tip: Don't wait for a crisis. Reach out to your key suppliers now and ask if they expect any disruption or price changes in the next 3-6 months.

5. You Might Be Affected by What Happens to Other Countries

The US has sharply increased tariffs on China and other major economies and some are retaliating. While changes to US tariffs don't directly impact on the UK's own trade relationships with other countries, the potential upshot is that global supply chains could be redrawn.

That may mean some new opportunities for UK businesses, but it could also mean that products become harder or more expensive to get.

What you can do:

- Firstly, look at your stock and equipment. Are there any items you'd struggle to replace quickly?
- If you're planning to invest in equipment, could there be any value in doing it now before prices rise further?



Tip: If you import or rely on imported goods – even indirectly – it may be worth speaking to your supplier about forward ordering or locking in current prices.

6. The UK May Respond Too – Which Could Shift Things Again

The UK government is currently consulting on whether to introduce retaliatory tariffs, with the consultation not due to end until 1 May 2025. It is under pressure to act and if it does, that could shift the landscape again, which could affect prices, sourcing options and trade relationships.

This could mean more changes to the cost or availability of goods, particularly if you rely on imports. But it could also create new opportunities – especially if UK-made goods become more competitive or if others pull out of markets you could move into.

What you can do:

- Be cautious about entering long-term supplier contracts if there's a risk of tariff-related changes in the coming months.
- Look out for new local suppliers who may become more competitive if tariffs rise.
- Explore whether any competitors are stepping back from markets or products you could step into.
- If you manufacture or source items in the UK, consider whether the changing conditions could allow you to promote "locally made" or tariff-free products more effectively.

Tip: Uncertainty often leads to hesitation. If you're able to act quickly, you might spot growth opportunities others miss. Stay informed and curious.

7. Stay Focused on What You Can Control

There's a lot of noise and uncertainty and with so much change happening globally, it's easy to feel like your business is at the mercy of outside forces. While you can't control tariff decisions or market reactions, you can stay proactive in how you respond.

Businesses that stay alert and adaptable tend to handle economic shocks better and will often come out stronger on the other side.

What you can do:

- Review your cashflow and key costs regularly. Even a simple monthly check-in can help you spot trends early.
- Keep communication open with customers and suppliers so you're not surprised by any changes.
- Take time to assess where your business is most exposed, whether that's in pricing, sourcing of materials or services, or customer demand.

Tip: Uncertainty is a good time to revisit the basics – know what you spend, what you earn, and how long you could keep going if things got tight. Even simple tracking can give you clarity and confidence.

Final word

While the tariffs may feel far away, their effects could come closer to home quickly. So, it's an important time to pay attention to what is happening and any early indications that your business could be affected. We are here to help you stay ahead of the curve and make informed decisions.

Do you need help spotting the risks (or opportunities) for your business? **Get in touch and let's talk it through**.

New Companies House ID Checks: What They Mean for You



From 8 April 2025, Companies House has launched a new identity verification system as part of changes under the Economic Crime and Corporate Transparency Act 2023.

If you're a director, person with significant control (PSC), or someone who files on behalf of a company, this applies to you.

What's Changing

Everyone involved in setting up or running a UK company will soon need to verify their identity, either:

- Through their GOV.UK One Login, or
- Via a registered Authorised Corporate Service Provider (ACSP) - like us.

ACSPs have been able to register since 18 March 2025 with individuals being able to start verifying their identity via GOV.UK from 8 April 2025.

While verification is currently voluntary, it will become a legal requirement later in the year, likely autumn 2025. For existing companies, it will be built into the confirmation statement process.

How We Can Help

As your accountant and an approved ACSP, we can handle the identity verification for you. That means:

- No need to manage GOV.UK logins or extra admin.
- We'll complete the checks and ensure they're properly recorded.
- You'll be compliant ahead of the deadline.

This is especially useful if your company has multiple directors or PSCs.

If we already look after your company filings, we'll be building ID checks into our work over the next few months.

If you currently look after your own company filings and would like help, **please get in touch**. We would be happy to help you!

See: https://www.gov.uk/government/news/companies-house-starts-to-verify-identities

Stress Awareness Month: Tackle Workplace Stress

During April, the Health and Safety Executive's (HSE) Working Minds campaign is inviting employers to follow five simple steps that can help to prevent and reduce workplace stress.



The Working Minds campaign involves 5 Rs:

- Reach out and have conversations.
- Recognised the signs and causes of stress.
- Respond to any risks you have identified.
- Reflect on actions you've agreed and taken.
- Make it Routine.

Employers are being encouraged to focus on one R for each week of the month.

The Working Minds campaign is designed to help employers meet their legal duty to prevent work related stress and support good mental health in the workplace. It includes a range of tools that includes free online learning, Talking Toolkits, risk assessment templates and examples.

See: https://press.hse.gov.uk/2025/04/02/april-is-stress-awareness-month-tackle-stress-in-the-workplace-with-five-steps-in-five-weeks-2

New neonatal care law now in force

The Neonatal Care (Leave and Pay) Act 2023 came into force on 6 April 2025. This law provides a new leave and pay entitlement for parents with a baby in neonatal care.

Depending on how long their baby is in neonatal care, parents will now have the right to have up to 12 weeks leave and pay. This right is in addition to other time off and pay.

Who is the leave and pay available to?

The time off is available to the birth parent, father or partner, spouse, civil partner or adoptive parent.

When can the leave be taken?

A parent with a baby up to 28 days old that is admitted to neonatal care is eligible for up to 12 weeks leave. The leave must be taken within 68 weeks of the baby's birth.



How do parents need to inform their employer?

Parents can self-declare and should contact their workplace HR representative to go through the specifics of their personal situation.

Acas has provided some helpful guidance on the new law, which can be found here.

Dan Ellis, Acas Interim Chief Executive, said: "Becoming new parents can be an incredibly stressful time, especially if their baby requires care in hospital for a while. Any employee that requires time off to help care for their child in these circumstances should be treated with compassion and understanding. Our advice provides employers and managers with guidance on how they can support staff members who need to take neonatal care leave."

See: https://www.acas.org.uk/acas-publishes-new-guidance-on-neonatal-care-leave

Why Seeking Help When Your Business Faces Insolvency is the Right Move

Running a business comes with financial risks, and sometimes, companies struggle to stay afloat. While facing insolvency is undoubtedly stressful, seeking professional help early can prevent serious legal consequences.

A recent case involving a Cheshire builder highlights the risks of mishandling insolvency and why business owners should act responsibly when financial difficulties arise.

A Cautionary Tale: Builder Faces Sentence for Misconduct

Gary Roberts, a builder from Cheshire, was recently sentenced to six months in prison, suspended for two years, after fraudulent behaviour while his company, GR Developments 1 Ltd, was in financial trouble.

In 2021, he took £17,000 from a customer for home improvements, knowing his company was insolvent, and failed to complete the work. He also paid himself over £11,000 from company funds at a time when the business was entering liquidation.

His actions left the homeowner out of pocket and living in a home with its back exposed to the elements. He has been banned from serving as a company director for 10 years and has been ordered to pay more than £10,000 in compensation to his victim.

The Insolvency Service emphasised the seriousness of his misconduct, noting that businesses have a duty to act responsibly even when facing financial difficulties.

Why Seeking Help is Crucial



While seeking help may seem embarrassing, it can bring benefits that may even include saving the business from going under. Here are some key benefits.

1. **Avoid Legal Consequences** – Directors who continue trading or remove assets when they know a company is insolvent risk severe penalties, including disqualification, fines, and even imprisonment.
2. **Protect Your Reputation** – Mishandling insolvency can cause lasting damage to your professional reputation, making it difficult to secure future business opportunities or financial support.
3. **Maximise Financial Options** – Consulting insolvency professionals early can help explore options like restructuring, administration, or voluntary liquidation, potentially saving the business or reducing losses.
4. **Minimise Losses for Creditors and Customers** – Acting responsibly ensures that customers, suppliers, and creditors are treated fairly, reducing financial harm to others.
5. **Ensure Compliance with the Law** – Insolvency laws exist to protect businesses and the wider economy. Seeking expert advice ensures you follow the correct legal processes and avoid doing something, even unintentionally, that creates problems for you later.

Conclusion

Facing insolvency is challenging, but acting responsibly can protect you, your business, and your stakeholders. The case of Gary Roberts serves as a reminder that failing to handle insolvency properly can lead to severe consequences.

If you are concerned that your business may be in financial trouble, don't wait -**give us a call** for a confidential, no blame discussion that will help you to navigate the situation legally and ethically.

See: https://www.gov.uk/government/news/cheshire-builder-sentenced-after-taking-payments-from-customer-for-work-he-did-not-complete

Post Office Moving to Full Franchising

The Post Office has announced plans to transfer its last 108 company-run branches to franchise partners, completing its move to a fully franchised network. The change, due by autumn (subject to government funding), affects around 1,000 staff, who will be offered roles with new owners or voluntary redundancy.

Post Office chairman Nigel Railton has said the 108 branches will stay in place or relocate nearby.

New franchisees may include Tesco, Ryman, and independent sub-postmasters, which may bring Post Office counters into new retail settings.



Concerns and Reactions

The Communication Workers Union (CWU) has criticised the plan as 'privatisation by the back door' and called for government intervention. They argue that franchising has already led to a decline in service levels in some areas.

What's Next

The Post Office says franchising will help save £40m and improve postmaster pay by up to 10%, while still meeting its commitment to maintain at least 11,500 branches across the UK. Local consultation on branch changes is expected in the coming weeks.

Tip for business owners: If your business relies on nearby Post Office services, keep an eye out for local updates and consider alternative access points or digital solutions if service levels change.

See: https://www.bbc.co.uk/news/articles/cd02nr0y0rjo

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

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