

Written 11 October 2021

BUSINESS NEWS ENGLAND

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!

The best way to predict the future is to create it!

The latest Office for National Statistics (ONS) survey to June 2021 showed that the UK gross domestic product (GDP) is estimated to have increased by 5.5% in Quarter 2 (Apr to June) 2021, revised from the first estimate of a 4.8% increase. However, the level of GDP is now 3.3% below where it was pre-pandemic at Quarter 4 (Oct to Dec) 2019, revised from the previous estimate of 4.4% below. The increase in GDP was expected as the UK moved out of lockdown, however, more worrying for businesses is the rise in inflation and therefore a possible rise in interest rates that accompanies growth in GDP.

The news is not that positive right now and the TV and the press are currently full of worrying stories about global bottlenecks and supply chain problems, energy bills rising, HGV drivers and staff shortages. We have also seen rising prices, queues at the petrol pumps and now a flatlining post Pandemic economy.

The end of the stamp duty holiday, higher VAT in the hospitality industry and less generous universal credit payments mean the most immediate task facing the government is to prevent the economy from going backwards over the coming months.



All the negativity in the press can lead to us feeling “out of control” and uncertain about in what direction we should take our business. We firmly believe in our clients and their aims,

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hopes and ambitions and in remaining positive, we also believe the best way to predict the future is to create it!

There is an old saying “A sailor without a destination will never get a favourable wind”.

It is easier to get to your destination with a plan. We all know this simple truth. If you are driving from A to B it helps to know where A is and the directions you need to take.

Planning ahead is the single most important exercise any business owner can do. If you have a vision of what you want your business to look like when it is “complete” then you are in a position to drive your business towards the vision and you can monitor how you are doing as you go along. If you do not have a plan then you could get blown around like “flotsam in the sea”, without any control.

If you agree it is hard to accomplish anything without a plan, let’s start thinking about how we can make it successfully through the coming winter and make our business more resilient to factors outside of our control. Here are our thoughts:

- 1 Take time to review your personal objectives – the business is there to provide you with what you want from life, and this is the most important element of any plan.
- 2 Look at where the business is now, its strengths, weaknesses, opportunities and threats and get a clear understanding of its position in the marketplace, the competition, the systems and the way things are done and the improvements that could be made.
- 3 Focus on what the business is to look like when it is “complete” or running profitably and successfully. Then you can determine priorities – the big issues that need to be focussed on – this is the plan!
- 4 Write down the plan and define what it must achieve, and the actions needed. Monitor how it is doing towards the vision each month and what actions have been completed and what needs to be done to keep the business moving towards the plan.
- 5 Allocate responsibility for taking the actions.
- 6 Monitor, review and adjust regular activities to keep the business on track towards the plan.

It is also a good idea to look at where you are now and plan for a range of scenarios “good and bad” so that you can be flexible about the direction you should take.

Ask us about our One Page Analyst, a “what if” scenario planner which takes your projected 2021 figures and allows you to work out the effect on profit of reducing expenses, increasing sales, increasing or decreasing prices.

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ONE PAGE ANALYST

How much profit would you like to make?

	Last year	As % of Revenue
Sales	150,000	100%
Direct Costs	20,000	13%
Direct Wages	10,000	7%
Gross Profit	120,000	80%
Expenses	40,000	27%
Depreciation		
Other income		
Net Profit	80,000	53%

% spinner

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Please note the following potential profit movements

Reducing expenses by	10%	may only increase profits by	£ 4,000	←
Increasing "sales" by	5%	may increase profits by	£ 6,000	←
Increasing "prices" by	5%	may increase profits by	£ 7,500	←
Increasing "prices" by	5%	= the same profit as before even if you lose volume of	6%	←
Decreasing "prices" by	5%	= the same profit only if you increase volume by	7%	←

Type your comments here

Please talk to us about helping you with forecasting and planning for the next few months. We have helped many clients with “what if” scenarios and their future planning.

New Export Support Service launched

UK businesses exporting to Europe can now access one-to-one advice via the new Export Support Service (ESS).

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The Export Support Service is a new government helpline and online service where all UK businesses can get answers to practical questions about exporting to Europe.

It gives access to cross-government information and support in one place.

All UK businesses can use this free service, no matter the size of your business or in which part of the UK you are based. The Department for International Trade (DIT) will continue to work with businesses and business representative groups from all sectors, in all parts of the UK, to help make the service as useful as possible for businesses.

You can access the Export Support Service online or by calling 0300 303 8955 where you will be put in touch with a member of the export support team.

See: [Ask the export support team a question - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/ask-the-export-support-team-a-question)

Kickstart Scheme

The Kickstart Scheme provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit who are at risk of long term unemployment. Employers of all sizes can apply for funding until 17 December 2021 which covers:

- 100% of the National Minimum Wage (or the National Living Wage depending on the age of the participant) for 25 hours per week for a total of 6 months
- associated employer National Insurance contributions
- minimum automatic enrolment pension contributions

Employers can spread the job start dates up until 31 March 2022. You will get funding until 30 September 2022 if a young person starts their job on 31 March 2022.

Further funding is available for training and support so that young people on the scheme can get a job in the future.

Applications to the Kickstart Scheme are closing soon.

After 17 December 2021 you will not be able to:

- apply for a new Kickstart Scheme grant
- add more jobs to an existing grant agreement

The Department for work & pensions (DWP) will process applications submitted before this time or that are already in progress.

See: [Kickstart Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/kickstart-scheme)

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Check which expenses are taxable if your employee works from home due to coronavirus

The HMRC guidance has been recently updated to reflect the fact that employees can no longer be furloughed using the Coronavirus Job Retention Scheme. The scheme ended on 30 September 2021.

If any of your employees are working from home due to coronavirus (COVID-19), either because your workplace has closed, or they are following advice to self-isolate, then HMRC accepts there are non-taxable types of equipment, services or supply.

For example - if you provide a mobile phone and SIM card without a restriction on private use, limited to one per employee, this is non-taxable.

Broadband - if your employee already pays for broadband, then no additional expenses can be claimed. If a broadband internet connection is needed to work from home and one was not already available, then the broadband fee can be reimbursed by you and is non-taxable. In this case, the broadband is provided for business and any private use must be limited.

Laptops, tablets, computers, and office supplies - if these are mainly used for business purposes and not significant private use, these are non-taxable.

Reimbursing expenses for office equipment your employee has bought - if your employee needs to buy home office equipment to allow them to work from home, they will need to discuss this with you in advance. If you reimburse your employee the actual costs of the purchase, then this is non-taxable provided there is no significant private use.

Employers can continue to pay their employees £6 a week to cover the additional expenses of working from home and the amount would be free of tax and national insurance. This is to cover the additional costs of electricity, heating and water whilst working from home. It has been confirmed that the amount may be paid regardless of the number of days that employees work from home.

HMRC guidance can be seen here: [Check which expenses are taxable if your employee works from home due to coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/check-which-expenses-are-taxable-if-your-employee-works-from-home-due-to-coronavirus-covid-19)

If you need to discuss employee expenses or loans or are looking to develop a more resilient employee expense policy for the future please talk to us and we will be delighted to assist you.

Grants of up to £5,000 Available to Support Women Songwriters and Composers

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Grants of up to £5,000 are available to support the development of outstanding women, trans and non-binary songwriters and composers of all genres and backgrounds at different stages of their career.

The funding is available to support touring, recording, promotion and marketing, community projects involving high-quality music creators, music creator residencies and live performances featuring new UK music.

The funding is being made available through the Performing Rights Society (PRS) for Music Foundation's Woman make Music Grants Programme and the closing date for applications is 18 October 2021.

See: [Women Make Music. - PRS for Music Foundation \(prsfoundation.com\)](https://www.prsfoundation.com/women-make-music)

Webinars designed to help small and medium-sized enterprises work with the defence sector.

The Defence Science and Technology Laboratory (Dstl) has announced dates for a new series of webinars designed to help small and medium-sized enterprises work with the defence sector.

They are free to attend, and businesses do not need to have worked previously with Dstl or in the defence sector. Attendance is welcomed from equipment and material manufacturers, engineers, innovators, researchers, academics, and others who have a genuine interest and ability to work with Dstl.

Webinar dates and times:

- Cyber: 19 October 2021, 10am to 11:15am
- Defence S&T Futures: 19 October 2021, 1pm to 2:15pm
- Advanced energetic materials: 16 November 2021, 10am to 11:15am
- High speed and hypersonic science and technology: 14 December 2021, 10am to 11:15am
- Directed energy weapons science and technology future roadmap: 16 December 2021, 1pm to 2:15pm
- Space: 18 January 2022, 10am to 11:15am
- Artificial intelligence: 20 January 2022 1pm to 2:15pm

See: [Sign up for Searchlight webinars - GOV.UK \(www.gov.uk\)](https://www.gov.uk/searchlight-webinars)

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Consultation on the UK Marine Strategy Programme of Measures

The Department for Environment, Food & Rural Affairs (DEFRA) has opened a UK-wide public consultation has been launched on the Marine Strategy which has been developed with input from scientific experts and policy-makers across the 4 UK administrations.

The aims of the Strategy are consistent with the UK government and devolved administrations' vision of "clean, healthy, safe, productive and biologically diverse oceans and seas". This requirement to monitor and assess the state of the UK seas is enshrined in UK legislation and demonstrates the combined commitments of the four UK Administrations to work together to monitor and protect what are some of the most biologically diverse and productive seas in Europe. They will also continue to collaborate internationally with those countries that share our seas, particularly through OSPAR, our regional seas convention, to protect and conserve the marine environment of the North-East Atlantic.

The target audiences for the consultation are groups or individuals who use the sea for whatever purpose, or have an interest in it, business users of the sea and national and local interest groups.

You can find out more and complete the survey here: [UK Marine Strategy Part Three: Programme of Measures - Defra - Citizen Space](#)

Advice for UK visa applicants and temporary UK residents

Following recent lockdown changes the guidance for visa applicants and temporary residents has been updated and applicants and temporary residents are expected to take all reasonable steps to leave the UK where it is possible to do so or apply to regularise their stay in the UK.

Applicants and temporary residents are allowed to access Visa and Immigration services as these are considered an essential public service. They must follow current COVID-19 rules for where they live, in [England](#), [Scotland](#), [Wales](#) and [Northern Ireland](#).

For the full guidance see: [Coronavirus \(COVID-19\): advice for UK visa applicants and temporary UK residents - GOV.UK \(www.gov.uk\)](#)

Cash and other assets of a dissolved company – discretionary grant available

Guidance on how to apply for a discretionary grant where a dissolved company can be restored. (Company has been dissolved for less than six years) has been updated.

Please contact a member of our team if you would like to discuss any of the issues raised.

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Cash and other assets of a dissolved company automatically pass to the Crown as Bona Vacantia by law under Section 1012 of the Companies Act 2006. The Bona Vacantia Division (BVD) of the Government Legal Department is responsible for this function.

The Discretionary Grant application enables sums of money to be recovered without making an application to restore the company to the Companies Register. A maximum limit of £3000 can be recovered and only one grant payment will be made in respect of each dissolved company.

All grants are discretionary. No-one has a right to a grant.

You must be one of the following in order to be eligible for a Discretionary Grant:

- Former shareholders provided all shareholders of the dissolved company apply and there are no existing creditors of the company
- Former liquidators
- Former administrators
- Former company voluntary arrangement (CVA) supervisors

For the full guidance see: [Apply for a Discretionary Grant \(DG2\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/apply-for-a-discretionary-grant-dg2)

New Directors' Disqualification Regime to Directors of Dissolved Companies

The Ratings (Coronavirus) and Directors Disqualification (Dissolved Companies) Bill, currently going through Parliament, contains implications for directors of dissolved companies.

The main provisions of the Bill are that the Insolvency Service will be able to retrospectively:

- investigate the conduct of directors of dissolved companies; and
- bring disqualification proceedings against them under the Company Directors Disqualification Act (CDDA) 1986.

Where a Court is satisfied that the conduct of a director of a dissolved company renders that director unfit to be concerned in the management of a company, penalties could include:

- disqualification from acting as a director for a period of two to 15 years; and
- the payment of compensation to creditors.

The breach of a director's disqualification order can lead to imprisonment for up to two years and/or substantial fines.

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In the notes to the bill the three main complaints about the conduct of former directors are detailed:

- allowing or causing a company to be dissolved, effectively shedding its liabilities, with a new company continuing its business, which is sometimes known as phoenix from the ashes scenarios or “phoenixism”;
- using the dissolution process as a short-circuit to avoid the costs and implications of a formal insolvency process; and
- the avoidance of investigation of conduct under the Company Directors Disqualification Act (CDDA) 1986.

The reason for the retrospective nature of this bill is the UK governments concern that company directors who have taken out Government-backed loans for support during the coronavirus pandemic may seek to dissolve the company rather than repay the loan.

All company directors should be aware of this new legislation and if you have any queries about loans taken during the Pandemic please contact us for a confidential discussion.

See: [Rating \(Coronavirus\) and Directors Disqualification \(Dissolved Companies\) Bill publications - Parliamentary Bills - UK Parliament](#)

Mental health: a decade of change in just 2 years

Last week UK Health and Social Care Secretary Sajid Javid spoke at the Global Mental Health Summit 2021. He commented that around 1 in 5 adults in Britain experienced some form of depression in the first 3 months of this year. That’s over double the figure before the COVID-19 pandemic and almost half of adults have reported that their wellbeing has been affected.

As a result, the UK has seen more people seeking help, both here and around the world, at a time when health systems were already under the greatest of strains.

A survey by the World Health Organization (WHO) showed that the pandemic disrupted mental health services in 93% of countries worldwide.

The government hosted a public consultation from 13 January 2021 to 21 April 2021 on a set of proposals to reform the Mental Health Act. They received over 1,700 responses. The report below is the government’s formal response to this consultation. The Welsh response is currently being translated and will be uploaded as soon as possible.

See: [Reforming the Mental Health Act: government response - GOV.UK \(www.gov.uk\)](#)

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New simplified travel system takes off

Last week the new travel system came into force with countries and territories categorised as either red or the rest of the world.

The new simplified travel system also means that eligible fully vaccinated passengers and eligible under-18s returning from over 50 countries and territories not on the red list, can do so without needing to complete a pre-departure test (PDT), a day 8 test or enter a 10-day self-isolation period, making it easier for those travelling – whether that's to see friends and family, or on business trips.

The new rules also mean that eligible fully vaccinated passengers with an approved vaccine and recognised certificate from a country not on the red list will be able to replace their day 2 test with a cheaper lateral flow test, reducing the cost of tests on arrival into England. The government aims to have this in place for when people return from half-term breaks.

Anyone testing positive will need to isolate and take a confirmatory PCR test, at no additional cost, which would be genomically sequenced to help identify new variants.

See: [Travel to England from another country during coronavirus \(COVID-19\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/travel-to-england-from-another-country-during-coronavirus-covid-19)

Red list of countries and territories

47 countries and territories have been removed from the red list today, Monday 11 October 2021.

This page tells you what you must do before you travel to England and after you arrive, if you have been in a red list country or territory in the 10 days before you arrive.

If you have been in or travelled through a country or territory on the red list in the 10 days before you arrive in England, you will only be allowed to enter the UK if you either:

- are a British or Irish National
- have residence rights in the UK

If you live in England, you should not travel to countries or territories on the red list.

See: [Red list of countries and territories - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/red-list-of-countries-and-territories)

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