

8 March 2022

## 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!

### **We stand with Ukraine!**

The days since the invasion of Ukraine by the Russian State have been terrifying for all those people under fire in the country. For the rest of us, the shock at such reckless action has been profound. We condemn the violence replacing the diplomatic dialogue that should be ongoing between all the parties involved in the conflict.



While Britain has very limited direct trade links with Russia, the conflict will inevitably have a wide, indirect economic impact.

The main economic linkage would be higher natural gas prices. Experts think a protracted conflict would keep inflation higher for longer and potentially bring forward some rate rises and with faster interest rate increases would quicken the housing

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market slowdown that many analysts have forecast this year as mortgage costs would increase.

If you are a UK business selling goods or services to Ukraine or Russia, you can contact the Export Support Team (ESS) by phone or online. ESS is the first point of contact for business and trade enquiries relating to Ukraine or Russia and continues to provide support to businesses exporting to Europe.

The ESS is a government helpline and online service where all UK businesses can get answers to practical questions about exporting. It gives access to cross-government information and support in one place.

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 an adviser.

## Do you want to grow your business?

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. You can:

1. Increase the number of customers
2. Increase the number of times each one does business with you
3. Increase the average value of each transaction
4. 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

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- Empower your team to make it right for every customer
- 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!

**What if you put up your prices?**

Or maybe increased the number of customers, reduced expenses or even decreased prices. Do you know the effect of these changes to your bottom line?

Successful businesses right now have one thing in common – they are prepared to make fast changes to their plans!

With Brexit, Covid-19 and supply chain problems, flexibility is the key attribute needed to survive and prosper in an uncertain economy.

Just suppose we could show you movements on profit when flexing key variables with a simple but effective tool called “Business Analyst”.

**ABC Limited**

*How much profit would you like to make?*

	Last year	As % of Revenue
Sales	500,000	100%
Direct Costs	150,000	30%
Direct Wages	300,000	60%
<b>Gross Profit</b>	150,000	30%
Expenses	125,000	25%
Depreciation		
Other income		
<b>Net Profit</b>	25,000	5%

**Potential Profit based on "price"**

■ Additional profit ■ Original profit

**Please note the following potential profit movements**

Reducing expenses by	5%	may only increase profits by	£ 3,500
Increasing "sales" by	5%	may increase profits by	£ 7,500
Increasing "prices" by	5%	may increase profits by	£ 25,000
Increasing "prices" by	5%	= the same profit as before even if you lose volume of	14%
Decreasing "prices" by	5%	= the same profit <b>only</b> if you increase volume by	20%

% spinner

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Together we could enter your current figures such as turnover, direct costs such as material and labour and expenses and analyse the effect of rising National Insurance Costs, inflation and work out how these could impact your business. We could then examine key performance indicators and look at all the options such as the impact of a price rise or reduction, increasing sales or reducing expenses to help you maximise your profit and set targets of where you want your business to be in twelve months. We can look at “What if Scenarios” and set a strategy for success. Talk to us about how we can work together on your business and stay ahead of the curve!

## What is business asset finance?

Business Asset Finance is an agreement that enables businesses to obtain the assets needed to manage and/or expand effectively and spread the cost/outlay.

Regardless of the size of business, the decision to invest in assets is always difficult but take a look at some of the benefits:

- A great alternative to a traditional bank loan
- Increased tax benefits
- Payments can be budgeted according to cash flow
- Lenders secure against the asset.

Our experts can advise on:

- Hire Purchase - allows you to buy an asset and pay for it over a period of time, spreading the cost via an agreement with a finance company. An initial deposit is payable; and
- Finance Lease – a rental agreement through which an asset can be obtained for a fixed term. At the end of the initial term, the agreement can be extended, or sold with a rebate of the sale proceeds to the client.

You will need to ensure your management accounts are up to date, you have current detailed lists of debtors and creditors and all assets, and you might need up to date projections before a lender will consider your application. Please talk to us about finance, our finance experts have many years of experience and success in advising business across a wide range of sectors in obtaining working capital finance solutions.

## Tourism For All – Free Course

Tourism For All is offering a new free short course, ‘So what makes you think you are not accessible?’, which shows how the initial steps in improving accessibility can be easier than you think.

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Whether you want to grow your business or just maintain it at its current level, you should think about the welcome and service you can provide to customers with access needs.

Making some adjustments may help you to address your customers' access needs and keep providing them with a great experience!

See: [So what makes you think you are not accessible? \(tourismforall.org.uk\)](https://tourismforall.org.uk)

## Textiles 2030

Textiles 2030 is a new initiative for fashion and textiles companies in the UK.

WRAP are working with major clothing, home textiles, sportswear and workwear retailers, alongside the UK re-use and recycling sector to transform the entire supply chain of textiles.

Textiles 2030 targets include:

- cut carbon by 50% + to align with a 1.5°C global target
- cut water by 30%
- create and deliver a circular textiles roadmap for the UK

Why should my business get involved?

- there is a climate imperative
- UK Government plans to legislate the industry
- customers prefer brands with sustainability values
- investors expect evidence of sustainability

Join Textiles 2030 to be at the forefront of building back greener, influencing policy, increasing customer loyalty and satisfying your investors.

See: [Textiles 2030 | WRAP](#)

## International Women's Day 2022

International Women's Day (IWD) takes place on 8 March annually. It is a global day celebrating the social, economic, cultural and political achievements of women.

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The day also marks a call to action for accelerating gender parity. The IWD 2022 theme is #BreakTheBias.

Get help and guidance on [how to plan](#) and [IWD 2022](#) activity and how to support the #BreakTheBias campaign theme.

## **New ICO video surveillance guidance**

The Information Commissioner's Office (ICO) has published new guidance on processing of personal data captured by video surveillance systems

The guidance provides organisations in the public and private sectors with:

- information on new applications of video surveillance technologies
- guidance on using these technologies in accordance with the data protection laws

Technologies covered in the guidance include:

- traditional closed circuit television (CCTV)
- automatic number plate recognition
- body worn video
- facial recognition technology
- drones
- technologies such as smart doorbells and dash cams

Organisations using surveillance systems that process the personal data of identifiable individuals need to comply with the UK General Data Protection Regulation and the Data Protection Act 2018.

If you operate video surveillance systems that view or record individuals, or capture information on individuals through other types of surveillance technologies, this guidance will be a vital resource for your business.

See: [Video Surveillance | ICO](#)

## **Construction business cyber security guidance**

New guidance published for the construction sector to improve the security and resilience of their business against cyber threats

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The National Cyber Security Centre (NCSC) has partnered with the Chartered Institute of Building (CIOB) to produce guidance to help small-to-medium sized construction businesses protect themselves from cyber-attacks.

Recent high profile cyber-attacks against the construction industry illustrate how businesses of all sizes are being targeted by criminals. As the industry continues to embrace and adopt new digital ways of working, it is more important than ever to understand how you might be vulnerable to cyber-attacks, and what you can do to protect your business.

The guidance is aimed at small-to-medium sized businesses working in the construction industry and the wider supply chain - including the manufacture of building supplies, surveying, and the sale of buildings.

While you cannot guarantee protection against all the cyber threats you face, by implementing the steps described, you'll be protected from most common cyber-attacks. And should the worst happen, you'll be able to quickly recover.

See: [Construction Guidance English Web Version.pdf \(ncsc.gov.uk\)](#)

## **HMRC customers have one month left to switch their Post Office card account**

HM Revenue and Customs (HMRC) is reminding about 7,500 tax credits, Child Benefit and Guardian's Allowance customers they have just one month left to switch their Post Office card account.

HMRC will stop making payments to Post Office card accounts after 5 April 2022 so customers must notify HMRC of their new account details, so they don't miss out on vital payments.

In November 2021, HMRC extended the deadline to the end of the financial year. The one-off extension to the contract meant customers could temporarily continue to receive their payments into their Post Office account, giving them extra time to set up new accounts and notify the department.

Nearly 138,800 customers have already switched their accounts and provided HMRC with updated bank account details. Time is running out for the remaining 7,500.

Customers can choose to receive their benefit payments to a bank, building society or credit union account. If they already have an alternative account, they can contact HMRC now to update their details.

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See: [HMRC customers have one month left to switch their Post Office card account - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/hmrc-customers-have-one-month-left-to-switch-their-post-office-card-account)

## Use the Correct National Insurance Letter to pay the correct amount

With the 1.25% increase in National Insurance Contributions (NICs) from 6 April 2022 to help fund health and social care it is important that employers use the letter that is appropriate for that employee.

This is particularly important where you employ apprentices under the age 25 (H) and other employees under the age of 21 (M) as there are no employer contributions where the employee is paid no more than £50,270 a year. Although the employee pays 13.25% on earnings above the 15.05% employer contributions are not payable. This is clearly designed to encourage employers to take on apprentices and young adults.

Five new NIC letters are being introduced from 6 April 2022 for military veterans (V) and employees working in a designated Freeport area (in most cases F). Note that the exemption from employers NIC for military veterans only operates for the first 12 months of their civilian employment and the exemption for Freeport workers applies for 36 months. In each case after that initial period the normal NIC letter should apply to that employee.

There are three further NIC letters for workers in Freeport areas with special circumstances.

Check the tables below for the correct letter!

Category letter	Employee group
A	All employees apart from those in groups B, C, J, H, M and Z in this table
B	Married women and widows entitled to pay reduced National Insurance
C	Employees over the <a href="#">State Pension age</a>
J	Employees who can defer National Insurance because they're already paying it in another job
H	Apprentice under 25
M	Employees under 21

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Category letter	Employee group
V	Military veterans in first 12 months of civilian employment
Z	Employees under 21 who can defer National Insurance because they're already paying it in another job

The 4 NIC letters that apply for workers within a Freeport are as follows:-

Category letter	Employee group
F	Standard category letter equivalent (not within I, S, or L)
I	Married women and widows entitled to pay reduced National Insurance contributions
S	Employees over state pension age
L	Employees who can defer National Insurance contributions

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