

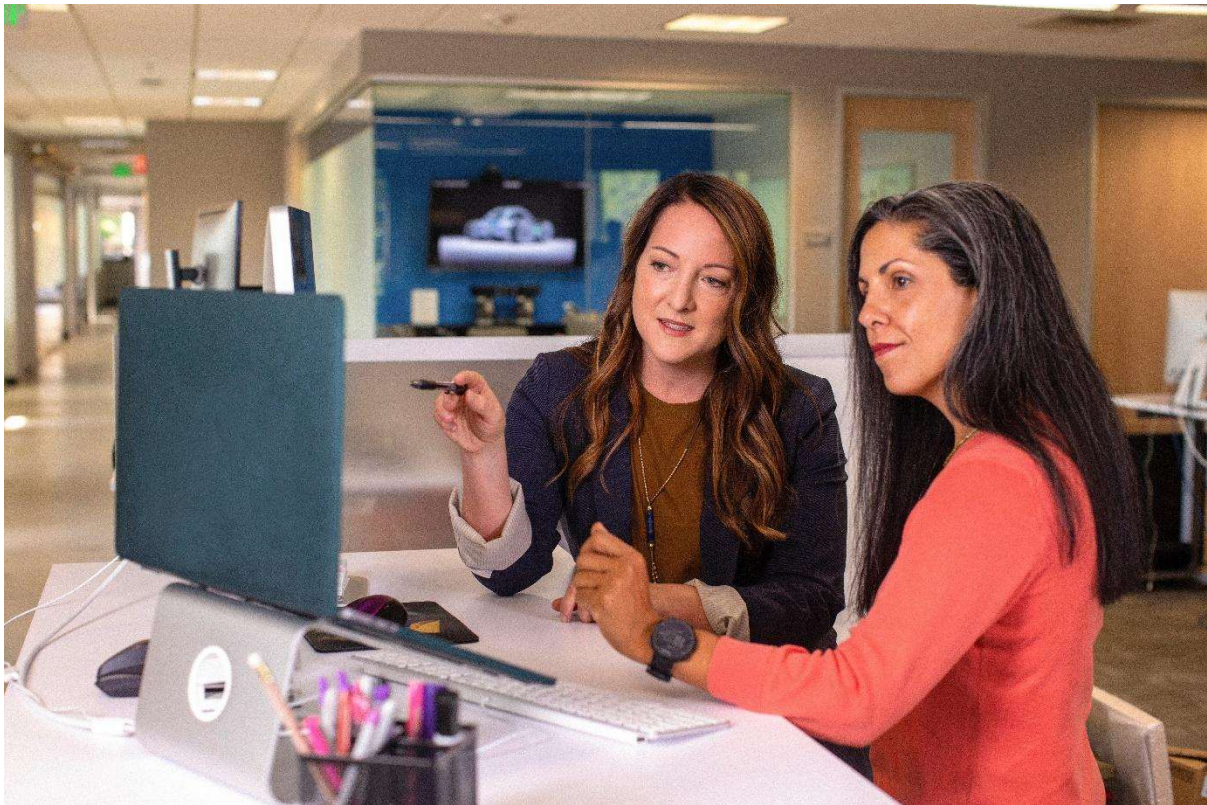
11 July 2022

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!

Cash flow is the most important issue in my business

Do you agree? Many of our other clients do. In this uncertain economy, managing your cash flow is more important than ever.



If you are concerned about future trading conditions, then take some time to reflect on where you are and what could happen in the next few months. It is important for all businesses to plan ahead for a range of scenarios. Cash flow and business planning in these uncertain times may appear problematic, but there are some practical steps you can take to minimise potential disruption to your business:

- Review your budgets and set realistic and achievable targets for the remainder of 2022 and into 2023;
- Get your employees involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues;

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- Review and flow chart the main processes in your business (e.g. sales processing, order fulfilment, shipping, etc.) and challenge the need for each step;
- Put extra effort into making sure your relationships with your customers are solid; and
- Review your list of products and services and eliminate those that are unprofitable or not core products/services.

We specialise in helping our clients manage their cash flow. We do this by preparing and updating detailed cash flow forecasts using the latest and most powerful software. We can also help you negotiate or renegotiate overdraft facilities and find specific funding to help you grow!

Please talk to us about cash flow planning for the next few months. We can offer a template so you can do this yourself or work together to produce estimates for a variety of scenarios.

Working capital – Overview for businesses

Working capital finance solutions offer businesses the opportunity to improve cash flow. The world of commercial finance and asset-based lending (ABL) is complex and expansive with products, terminology and contractual interpretation varying from lender to lender.

The benefits of arranging working capital are:

- Up to 90% of outstanding invoice value can be advanced within 24 hours;
- Flexible lending – funding increases in line with your growth (UK and Export);
- Confidentiality – lenders can offer a completely confidential service – your customers need not know you have a facility in place;
- Lenders allow you to manage your funding at all times;
- Sector-specific finance is often available;
- Structured asset-based lending (ABL) – funding for management buy-outs/management buy-ins; and
- Trade Finance & Supply Chain Finance Solutions.

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Specialists in this area can advise on:

- Invoice finance - an effective way of quickly accessing a proportion of the value (up to 90%) of your invoices. A business 'sells' its invoices to the lender in return for accessing cash at the point products and services are sold. Specific sector-based offerings are available, as is the ability to arrange finance for selected invoices only.
- Structured ABL - generate a higher level of funding by unlocking the maximum value tied up in the combined assets within your business, including debtors, inventory, plant & machinery and property. Additional forms of funding can be structured in addition to this, such as top-up loans to drive growth.
- Trade finance - supply chain finance with various options, enabling the purchase of goods from overseas where you are otherwise unable to obtain credit from suppliers.

Typically, you will need to ensure that 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. Please talk to us about finance – our working capital finance experts have many years of knowledge and success in advising businesses across a wide range of sectors in obtaining working capital finance solutions.

MTD for income tax – Quarterly information to be reported by businesses

Making Tax Digital (MTD) for Income Tax will apply to sole traders, property landlords and certain other businesses with gross turnover and/or property income over £10,000 a year and will commence in April 2024. The system will then be extended to partners from April 2025 and LLPs and partnerships with corporate members from April 2026.



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The Income Tax (Digital Requirements) Regulations 2021, set out the requirements that relevant persons must comply with under MTD for Income Tax. These include the use of MTD-compatible software to keep and preserve their business records (income and expenses) digitally, send quarterly updates of their records to HMRC and submit an end-of-period statement to HMRC.

HMRC has now published draft notices of the detailed provisions for consultation. The consultation invites views on these which provide additional information on the key requirements of MTD as they relate to:

- The use of functional compatible software.
- The information required when submitting quarterly updates and end-of-period statements.
- Retail sales election.

The draft notices specify the proposed dataset requirement. Later in the year, HMRC will publish guidance to explain how customers can reflect any accounting and tax adjustments that may be required to reconcile the quarterly submissions to the final taxable profits for the year (The End of Period Statement). The consultation sets out the adjustments that are likely to be required, such as accruals, prepayments, private use adjustments, stock and capital allowances.

As expected, the breakdown of income and expenses broadly follows the headings on the self-employment and property income pages on the Self-Assessment Tax Return.

The consultation document states that where the annual turnover is below the VAT registration threshold, the individual may choose to provide the total of all income and the total of all expenses, instead of a detailed breakdown of expenses. This is also consistent with the self-employment pages in the Self-Assessment Tax Return.

Retail sales businesses may enter a single digital record of the daily gross takings for any retail sales made.

Please talk to us about making sure your business complies with MTD. We are here to help!

For details, see: [Tertiary legislation for Making Tax Digital for Income Tax - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/tertiary-legislation-for-making-tax-digital-for-income-tax)

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ICO ransomware guide and checklist for businesses

The Information Commissioner's Office (ICO) recommends that businesses and organisations establish incident response, disaster recovery and business continuity plans to address the heightened risk of ransomware attacks.

The recommendation accompanies ICO's new guidance and a checklist of actions businesses should review to assess their preparedness against potential ransomware attacks on their organisation.

Ransomware is an increasingly prevalent form of cyber-attack. Personal data breaches from the ICO's caseload during 2020/2021 have seen a steady increase in the number and severity of cases caused by ransomware. This guidance presents eight scenarios about the most common ransomware compliance issues the ICO has seen:

- Scenario 1: Attacker sophistication
- Scenario 2: Personal data breach
- Scenario 3: Breach notification
- Scenario 4: Law enforcement
- Scenario 5: Attacker tactics, techniques and procedures
- Scenario 6: Disaster recovery
- Scenario 7: Ransomware payment
- Scenario 8: Testing and assessing security controls

Ransomware payment and data protection compliance

In its guidance, the ICO supports the position of law enforcement in not encouraging, endorsing or condoning the payment of ransom demands to criminals by businesses who have lost access to their systems and data. The ICO also does not consider the payment of a ransom as an 'appropriate measure' to restore personal data in the event of a disaster.

Businesses that choose to pay the ransom to avoid the data being published should still presume that the data is compromised. They should take actions accordingly to mitigate the risks to individuals even though the ransom fee has been paid, and – where necessary – inform the ICO of the breach.

See: [Ransomware and data protection compliance | ICO](#)

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The Young Innovators Awards 2022/23

Ground-breaking ideas can come from anyone and everyone. Innovate UK are on the hunt for innovators who could benefit from a business-boosting support package, including £5,000 and advice designed to evolve your idea into a great business.

The Young Innovators Awards 2022/23 will be open until 27th July 2022. Up to 100 winning young entrepreneurs will be supported for 12 months. It's all part of Innovate UK's commitment to changing the world by investing in young people with big environmental, societal, and economic ambitions. The award is open to everyone from 18 to 30, with any kind of idea from anywhere in the UK.

See: [Calling for Young Innovators 22/23 - Innovate UK KTN \(ktn-uk.org\)](https://www.ktn-uk.org/calling-for-young-innovators-22-23)

Made Smarter Innovation Alley 2022

Businesses can now apply for a chance to exhibit for free at Made Smarter Innovation Alley, part of Smart Factory Expo. It is taking place during the Digital Manufacturing Week in Liverpool from 16 to 17 November 2022.

Innovation Alley provides a space for innovators to showcase new and developing technologies that will change the landscape of UK manufacturing over the next five to ten years.

Fully or partly funded stands at Innovation Alley are available to businesses through the support of Made Smarter, Innovate UK and Knowledge Transfer Network. To be eligible, businesses must be:

- Less than five years old or less than ten staff.
- Based in the UK.
- Innovative product/service targeting manufacturers.
- Not previously exhibited at Smart Factory Expo.

Exhibiting at Made Smarter Innovation Alley presents a great opportunity for businesses to meet, make new connections, undertake research and share ideas.

See: [Innovation Alley Funded Stand - Digital Manufacturing Week \(digital-manufacturing-week.com\)](https://www.digital-manufacturing-week.com/innovation-alley-funded-stand)

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New importers must register on a new single customs platform

The Customs Handling Import and Export Freight (CHIEF) will be closing for all import declarations on 30 September 2022. The system has now stopped accepting new registration requests from importers. Instead, they will need to register with the Customs Declaration Service to make their import declarations.

The UK Government states that the Customs Declaration Service represents a significant upgrade by providing businesses with a more user-friendly, streamlined system that offers greater functionality.

This marks the first step toward the government's vision of a Single Trade Window, which will have considerable benefits for businesses through reduced form-filling, better data use across government and a smoother experience for users.

See: [New importers to register on new single customs platform - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/new-importers-to-register-on-new-single-customs-platform)

Sustainable Farming Incentive opens for applications

Last week, the Sustainable Farming Incentive opened for applications in England. The scheme is available to all farmers who currently receive Basic Payment Scheme (BPS) payments. It is designed to be accessible and will reward sustainable practices which support food production and benefit the environment.

The Sustainable Farming Incentive is the first of three new environmental land management schemes being introduced under the [Agricultural Transition Plan](#), the UK's new system of farming now that we are outside the EU. The schemes will ensure long-term food security by investing in the foundations of food production: healthy soil, water, and biodiverse ecosystems. The Department for Environment Food & Rural Affairs (Defra) has worked with more than 4,000 farmers to test and trial the new approach.

Defra opened the scheme in a controlled rollout from 30 June to manage the opening in a careful, measured way. Those with no other agri-environment agreements will be able to apply online straight away. Everyone else will be asked to let the Rural Payment Agency (RPA) know they want to apply and RPA will get in touch and support them to do so. This is to ensure everyone receives the right level of service and support during this initial phase of the rollout.

The scheme will open with two soil standards, recognising the importance of healthy soil for successful farming and the environment. There is also a Moorland standard where they will pay farmers to assess the condition of the Moorland as a basis for further action in the future through the existing and new schemes.

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This is the initial rollout of the scheme, which will be expanded over the next three years as [Direct Payments are reduced](#). The full set of standards will be in place by 2025.

See: [How to apply online for an SFI standards agreement on land outside a common - GOV.UK \(www.gov.uk\)](#)

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