

12 September 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!

All members of our team are united in sadness following the death of Her Majesty The Queen. She provided the stability and continuity for the whole United Kingdom and the Commonwealth through seventy years of both wonderful and turbulent times. We are deeply grateful for her service, and our thoughts are with all those affected.



Rest in peace, Your Majesty.

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

Call: **020 7684 0606** Email: team@avar.co.uk Website: www.avar.co.uk

How does a new Prime Minister affect you?

The reality for many small businesses and households has taken a turn for the worse recently as prices continue to surge, particularly energy. So, what's on offer from the new Prime Minister?

The first announcement of the new Prime Minister, Liz Truss, was a plan to freeze energy prices for two years at £2500 for the average home and with the £400 rebate previously announced, takes this to £2100. There will be equivalent help for Northern Ireland. The amount saved by each family will depend on how much energy they use, and households have been urged to reduce their overall usage if they can because of the serious Europe-wide shortage of the natural gas which powers much of the heating and electricity network.

Liz Truss also said that a fund will be created to support those who are not covered by the cap. More details are expected in the next two weeks.

Unlike domestic customers, energy bills for businesses are not capped and the rising cost is proving critical for many companies, especially smaller firms. Liz Truss announced that businesses will get an "equivalent support" for a six-month period, but it is not clear what that means as the UK government have not yet published the unit cost per unit of gas and electricity that they are using to generate the domestic cap and cannot yet confirm whether the same unit cost will be applied to business customers. After the six-month period, further support will be targeted at "vulnerable industries". We will update you when further information is available.

The new Prime Minister also has a recession to deal with and the Bank of England has warned that little can be done to stop the UK falling into a recession as the war in Ukraine continues. Its governor, Andrew Bailey, said it would "overwhelmingly be caused by the actions of Russia and the impact on energy prices". The Bank expects the economy to shrink in the last three months of 2022 and keep shrinking until the end of 2023.

To address the recession one of her strategies could be a change in taxation policy designed to increase economic growth by putting more money in our pockets and allowing businesses headroom to invest. We will keep you informed over the coming weeks if taxation policy changes.

As with any downturn in the economy, some types of business are more likely to run into cash flow problems, while other types appear to be more resilient. If you are a business owner, you might be wondering which category your business falls into. No matter how inventive or simple your business model is, you can still have problems with cash flow.

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To understand and predict how cash flows in your business, start by performing a health check on your accounts. Look at your latest profit and loss statement and check that your income is sufficient to cover your expenses. If your profit is falling behind your expenses and cash flow is slowing down you might need to take action.

Talk to us about preparing a cash flow statement and budget so that we can work with you to maximise your business's resilience over the next two years.

Your long-term financial stability

With the economic chaos just now, this may seem a strange time to be thinking about financial stability but if we want to provide those we love with security then we should always be thinking long term.

The pandemic, spiralling inflation and the current economic downturn show all too clearly good health, and even life itself cannot be taken for granted.

When both partner's income and assets are vital for the household's financial security, it will inevitably mean financial difficulty for the survivor should either of them die.

With the right financial planning you can minimise the problems for your loved ones and here are a few reminders of the essentials:

1. Write your will

Without a will, your assets will be distributed according to intestacy rules. This would mean if you have surviving children, grandchildren, or great-grandchildren, your partner will inherit your personal property and only the first £270,000 and then half of the remainder of your estate. This could mean losing their home.

Writing your will should therefore be a priority, especially if you're not married or in a civil partnership. Common-law partners have no automatic legal right to inherit anything at all.

Getting help on the financial side of will writing could mean avoiding tax problems for all concerned.

2. Look at your pension

Your pension may be one of the largest assets you own. Many people are surprised that it is not covered by their will.

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Instead, you will need to make your wishes clear to your pension provider to let your partner access the money within your pension.

You should also think about how you will take your pension. You could take an annuity; in return for your pension pot, an annuity can provide a guaranteed income for the rest of your life. A joint annuity is designed for couples and will provide an income so long as either partner lives – but the income provided will be lower.

A drawdown arrangement might offer a more rewarding alternative and provide greater flexibility to allow a surviving partner to make the financial arrangements they need.

It is a good idea to seek independent advice to ensure your pension can go on providing for your loved ones.

3. Take out a life insurance policy

Life cover is probably the most important step of all. A life insurance policy is designed to pay out a lump sum on death of the life or lives assured, providing your partner with the means to pay off things like the mortgage and help replace your income.

There are many kinds of life insurance and in an attempt to keep the premiums to a minimum with a maximum level of cover, (subject to health and meeting underwriting conditions) most of us seem to choose term insurance, which ceases when we reach an agreed age. The facts show we are living longer, and this type of cover may run out. A whole of life policy will cost more but will potentially allow you to provide for your loved ones whatever age you reach.

You also need to ensure that you have the right level of cover. Inflation may mean that a lump sum that was adequate 10 years ago is far from sufficient now.

You might need to include some extra benefits to your life policy, for example Critical illness cover and Long-Term Income Protection cover. In addition, you may need to consider a further type of cover Accident, Sickness and Unemployment. All these types of protection have a part in providing real financial security.

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4. Get expert help

Security for your loved ones is simply too important to leave to chance. Expert help with the planning is vital to ensure they have the financial future you want them to have, whatever happens to you. If you do not have an independent adviser then ask us for a recommendation or see: [Finding an adviser | FCA](#)

File Companies House accounts early to avoid penalties

If you are due to file accounts with Companies House by the end of September, use the online services where possible and allow plenty of time before your deadline

File online before your deadline. Companies House will send you an email to confirm that they have received your accounts. They will send you another email when they have registered your accounts.

If you're a small company, you cannot file abbreviated accounts anymore. Find out your [accounts filing options for small companies](#). You'll still need to file accounts if your company is dormant.

Companies House online services are available 24 hours a day, 7 days a week - and there are inbuilt checks to help you avoid mistakes.

To file online, you will need your [company authentication code](#). If you need to request a new code, you should allow up to 5 days for this to arrive at the company's registered office.

Companies House advise that You should only send paper accounts if your company cannot file online. Accounts filed on paper need to be manually checked. Companies House can only check them during [office opening hours](#), and they can take over a week to process.

If you need to file your accounts on paper, you should send them to Companies House well before the deadline. This will give you plenty of time to correct your accounts and resend them if they are rejected. You should also consider using a guaranteed next day delivery and note any factors which may make it difficult for a carrier to deliver on time. Companies House cannot accept postal delays as a reason to appeal a late filing penalty.

See: [Filing your Companies House information online - GOV.UK \(www.gov.uk\)](#)

Commonwealth market awareness webinar series

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The Department for International Trade (DIT) is hosting a series of market awareness webinars to highlight the business and exporting opportunities across a range of Commonwealth markets.

Through June and July DIT hosted sessions with the markets of Canada, Malta, South Africa & Pakistan which has supported businesses nationally in connecting with colleagues and partners overseas.

These webinars have provided businesses with knowledge and insight into the opportunities available in these markets.

In the second series of 1-hour webinars DIT will be covering more Commonwealth markets.

These sessions will include: -

- market opportunities panel discussion
- overview of specific sector opportunities and how businesses can get involved
- logistics & access to Market
- inspiring trade success story with a UK business
- Q&A

See: [Commonwealth Market Awareness Series Part 2 \(great.gov.uk\)](https://www.gov.uk/government/news/commonwealth-market-awareness-series-part-2)

Safety net for Horizon Europe applicants extended

The government has extended its guarantee scheme offering financial support to successful Horizon Europe applicants.

The extension will ensure that eligible Horizon Europe awardees will continue to be guaranteed funding, supporting them to continue their important work in research and innovation.

The guarantee will now be in place to cover all Horizon Europe calls that close on or before 31 December 2022, with the majority of grant signature dates expected before the end of August 2023.

Eligible, successful Horizon Europe UK applicants will receive the full value of their funding at their UK host institution for the lifetime of the grant. Awardees will be able to remain in the UK to receive this funding, which will provide reassurance for future

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collaborations, and support UK researchers whether UK association to Horizon Europe is confirmed, or otherwise.

See: [Safety net for Horizon Europe applicants extended \(nibusinessinfo.co.uk\)](https://nibusinessinfo.co.uk)

How to deal with data protection complaints you receive as a small business

The Information Commissioner's Office (ICO) has written a guide to help small businesses deal with complaints about how they've used people's information. If you are a small charity, small group or club, or small organisation, you will also find it useful.

Even with appropriate data protection policies in place, sometimes your staff, contractors, customers or others whose data you hold may be unhappy with how you have handled their personal information. Your response matters, because taking the right steps will help to protect your reputation as a business that cares about people's information. This will also help you provide a better service to your customers.

The guide is to help you decide what to do if you receive a data protection complaint.

See: [How to deal with data protection complaints you receive as a small business | ICO](#)

Growth support for creative businesses

The Business and IP Centre (BIPC), part of the British Library, has launched a free, three-month programme designed to help creative businesses grow.

The Get Ready for Business Growth programme will run from October to December 2022, and will aim to help companies in the creative sectors:

- launch new products
- reach new markets
- explore new opportunities

Every three months, the BIPC will select 25 high-growth, creative businesses from across the UK to give specialist support and tailored one-to-one advice.

The programme will run digitally, with modules including:

- getting the growth mindset
- good governance and building purpose into your organisation

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- refining your business model and growth strategy
- product and service innovation
- maximising your intellectual property (IP)
- building your brand
- creating a marketing strategy
- financial planning for growth
- business and IP research

In addition to the modules, participants will benefit from one-to-one, online meetings with experienced business consultants.

See: [Get Ready for Business Growth | The British Library \(bl.uk\)](#)

Finance and support for your business

The Department for Business, Energy & Industrial Strategy has a webpage listing 151 schemes both locally and for all the UK. If your business needs support, it may be worth looking through the webpage which is in alphabetical order. You can search for specific topics such as finance, grants, loans and other support.

In these tough times please contact us if you need help and we will do our best to assist or direct you to resources as needed.

See: [Finance and support for your business - GOV.UK \(www.gov.uk\)](#)

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