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BUSINESS NEWS SCOTLAND

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!

Beware of “Rogue” R&D consultants

In recent years, HMRC has identified and successfully challenged several false claims for Research and Development (R&D) tax credit relief made by purported R&D Consultants. Many of these claims have been for projects that did not satisfy the criteria for the tax relief and some included overstated expenditure and consequently have been abusing the scheme.



This is a generous tax break. As a Small or Medium-sized Entity (SME), the expenditure qualifies for a tax deduction of 230% of the amount spent which can then be traded in for a tax refund of 14.5% where the company is loss-making. Thus, £100,000 of qualifying R&D expenditure would potentially result in a tax refund to a loss-making company of £33,350 and many of these R&D consultants charge a fee based on the amount of the claim.

The work that qualifies for R&D relief must be part of a specific project to make an advance in science or technology. It cannot be an advance within a social science - like economics - or a theoretical field - such as pure maths.

The project must relate to your company's trade - either an existing one or one that you intend to start up based on the results of the R&D.

To get R&D relief you need to explain how a project:

- looked for an advance in science and technology.
- had to overcome uncertainty.
- tried to overcome this uncertainty.
- could not be easily worked out by a professional in the field.

For more details, see: [Claiming Research and Development tax reliefs - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/claiming-research-and-development-tax-reliefs)

The number of spurious claims has resulted in HMRC notifying some accounting firms that they are temporarily suspending repayments and requesting additional information to support the R&D claims. HMRC have even started writing to companies alleging that their R&D claim may be fraudulent.

Please contact us if you would like to discuss whether any of the projects carried out by your company potentially qualify for R&D tax relief. Also, let us know if you are contacted by an organisation claiming to be R&D consultants and we can check whether they are legitimate.

Fraud and scam protection for companies

Companies House incorporate and dissolve limited companies. They register company information and make it available to the public. They have recently updated their guidance on how to protect your company from fraud and scams and how to report it:

- [Register for online filing](#)
- [Keep your authentication code safe](#)
- [Sign up to our PROOF scheme](#)
- [Use our free Follow service](#)
- [Choose the right correspondence address](#)
- [Check website addresses are genuine](#)
- [Be aware of scam emails and telephone calls](#)
- [Report fraud](#)
- [Unregistered cryptoasset businesses](#)

See: [Companies House - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/protect-your-company-from-fraud-and-scams)

Help to Grow: Management scheme – programme changes

The Help to Grow: Management scheme now offers business leaders 50 hours of leadership and management training across 12 weeks, and covers 90% of the costs involved.

This means that from £750, business leaders can benefit from one-to-one support from a business mentor, access to a network of like-minded business leaders, and a bespoke growth plan to help the business reach its full potential.

The scheme offers development opportunities for leaders and their staff, boosting productivity and growing their companies which can lead to more high-skill, high-wage jobs.

Businesses with 10 or more employees are now eligible to have up to 2 participants join the scheme. Additionally, previous participants in the Small Business Leadership Programme will now be eligible to join the management programme.

It has recently been announced that top names including Santander, Vodafone and award-winning mentor Herman Stewart have signed up as volunteer mentors to support the Help to Grow: Management course.

See: [More business leaders to benefit from Help to Grow: Management scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/more-business-leaders-to-benefit-from-help-to-grow-management-scheme)

Do you know anyone starting a business?

Then ask us about our comprehensive guide to the financial, tax and accounting considerations of starting a business, “The New Business Kit” which we offer free to start-ups or those who have recently made the jump into business ownership.



The guide helps start-ups think about:

- Selecting a legal entity;
- Registering with the tax authorities;
- Accounting and bookkeeping;
- Value Added Tax;
- Payroll taxes and pensions;
- Income and corporation tax;
- Cash planning and forecasting;
- Insurance;
- Selecting professional advisers; and
- Digital accounting systems.

In addition, there is a section of useful names, addresses and telephone numbers.

just ask – it's free!

Commercialising Connected and Automated Mobility: Deployments

The 'Commercialising Connected and Automated Mobility' competition, which is run by the Centre for Connected and Autonomous Vehicles (CCAV), will provide grants to help roll out commercial use of self-driving vehicles across the UK from 2025, delivering convenience for consumers and making journeys safer, greener and more reliable.

UK-registered organisations can apply for a share of up to £40 million of CCAV competition funding, supporting new automated transport service projects.

The competition will help bring together companies and investors so that sustainable business models to be rolled out nationally and exported globally.

Types of self-driving vehicles that could be deployed include:

- delivery vans
- passenger buses
- shuttles and pods
- vehicles that move people and luggage at airports and containers at shipping ports.

The competition closes at 11am on 20 July 2022.

See: [Competition overview - Commercialising Connected and Automated Mobility: Deployments - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](#)

Video guide and toolkit to measure and monitor your business energy use

Written with experience from real-life case work, this video guide for businesses will teach you to measure and monitor energy use in your workplace.

This will help you to:

- identify patterns of wasteful behaviour.
- highlight equipment faults and human errors that waste energy and money.
- encourage and reward staff by revealing their energy-saving achievements.
- compare your organisation's performance to the industry standard.

It also reveals factors that eat away at your profits, provides a basic introduction to key performance indicators and offers a free-to-download spreadsheet tool to collate and make sense of your audit findings.

See: [Measure and monitor energy use · Business Energy Scotland](#)

Guide on how to conduct an energy audit

Wasted energy means wasted money - plus it contributes to damaging climate change. This guide may help you cut your energy use to save on costs and make your business fit for a sustainable future.

This guide shows you how to calculate your current energy use, from fuel-bill analysis and site inspections, right down to the wattage of the last light bulb. It is available to download as an Excel file (142MB).

It comes with a useful checklist (Word, 3.8MB), along with a host of tried-and-tested energy-saving ideas, which you can put into action right away. Plus, there's a tool to create an effective action plan (Excel, 35KB) and a fully-costed business case.

See: [How to audit your business energy consumption · Business Energy Scotland](#)

Retail energy savings

There are many actions that retailers can take to make their operations more sustainable. Many of these steps come at little or no cost and do not disrupt your business. This guide provides practical advice and ideas on how you can get started with greening your retail business. You will learn about:

- the energy costs associated with your lighting, heating and refrigeration.

- how you can meet customer demands.
- regulations in place for retailers.
- the next steps you can take.

See: [Retail energy savings · Business Energy Scotland](#)

The SME Loan fund

This fund offers small and medium-sized enterprises based in Scotland loans of up to £100,000 for renewable or energy efficiency projects. You may be able to get up to £20,000 as cashback. This is on a first-come basis. The loan funding is provided by the Scottish Government.

An 'energy-efficient project' means installing measures which will save your business money and reduce the use of resources.

This could include:

- heating, ventilation, and air conditioning upgrades.
- renewable technologies such as replacing a boiler to one with an air source heat pump.
- improving insulation, draught-proofing, double or secondary glazing.
- installing solar panels, wind turbines and wood-burning stoves.

Through the new scheme, SMEs installing eligible equipment could receive a 75% cashback grant of up to £10,000 for renewable heat measures and a 30% cashback grant for energy efficiency measures of up to £10,000.

See: [SME Loan Scheme · Business Energy Scotland](#)

Business Loans Scotland

This funding includes Business Loans Scotland, which is a consortium of Scottish local authorities. They provide loans ranging from £25,000 to £100,000 (and in exceptional circumstances, up to £250,000) to eligible businesses on behalf of the Scottish Government.

These loans can be used for a variety of purposes, including:

- working capital
- capital expenditure
- growth funding

See: [Business Loans Scotland \(findbusinesssupport.gov.scot\)](#)

Foresight Scottish Growth Fund

This funding includes the Foresight Scottish Growth Fund, which is managed by the Foresight Group on behalf of the Scottish Government. It provides equity finance of up to £2 million in rounds of up to £10 million for eligible businesses.

This equity funding can be used for a variety of purposes, including:

- working capital
- capital expenditure
- growth funding

See: [Foresight Scottish Growth Fund \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

Techstart Ventures Equity Finance

This funding includes Techstart Ventures Equity Finance, which is managed by Techstart Ventures on behalf of the Scottish Government. It provides equity finance of up to £2 million, in rounds of up to £10 million, for eligible businesses.

Techstart Ventures invests principally in early-stage startups and SMEs who are developing innovative new products with high growth and export potential.

The equity funding can be used for a variety of purposes, including:

- growth funding
- research and development
- working capital
- capital expenditure

See: [Techstart Ventures Equity Finance \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

UMi Debt Finance Scotland

This funding includes UMi Debt Finance Scotland, which is managed by UMi Scotland on behalf of the Scottish Government and provides loans of £25,001 to £250,000 to eligible businesses.

Loans can be used for a variety of purposes, including:

- working capital
- capital expenditure
- growth funding

See: [UMi Debt Finance Scotland \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)