

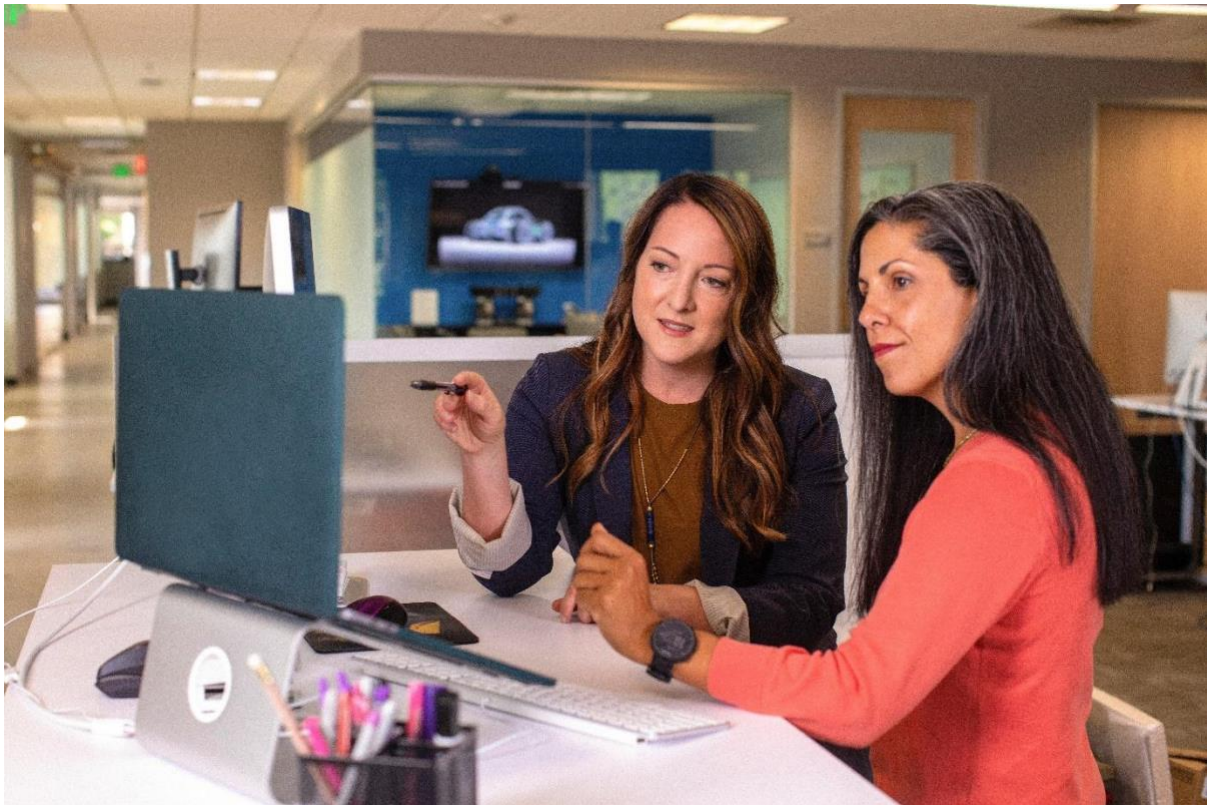
Written 11 July 2022

BUSINESS NEWS WALES

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;
- 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.

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.



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)

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](#)

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 \(ktn-uk.org\)](#)

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://digital-manufacturing-week.com)

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)

Support package for Wales' bus industry

The Bus Emergency package, worth £48 million, will provide 'gap funding' until the end of this financial year for bus operators. The package was introduced to help them maintain the necessary services and routes in their area, in return for greater public control over Welsh bus services.

This funding is one of many short-term measures that the Welsh Government has taken to support bus operators at a time when they needed it the most. With the long-term future of the bus industry in mind, a review of the existing Bus Services

Support Grant (BSSG) scheme will also be taken, to consider how it can be used to move the industry away from a reliance on emergency funding schemes and bridge the gap to franchising.

See: [£48 million to help Wales' bus industry survive and thrive | GOV.WALES](#)

The Wales and Africa Grant Scheme

The Wales and Africa Grant Scheme is a grant fund for community groups and organisations throughout Wales that work with partnerships in Sub-Saharan Africa.

The scheme enables community groups and organisations in Wales to access funding for small-scale projects that contribute to Wales' delivery of UN Sustainable Development Goals and deliver benefits to Wales and Africa.

Applicants can apply for funding between £1,000-£25,000 and must make a tangible contribution to at least 1 of the 4 themes described below:

1. Health
2. Lifelong Learning
3. Climate Change and Environment
4. Sustainable livelihoods

The first deadline for submissions is 24 July 2022.

See: [Welsh Government Wales and Africa Grant Scheme - WCVA](#)

Workforce Rights and Responsibilities

Business Wales has issued a paper for employers and employees to help raise awareness of workplace rights and responsibilities. They say “Whether you’re a worker or an employer, we should all be aware of our workplace rights and responsibilities. By collectively working together, we can enjoy a workplace where we’re treated fairly and feel safe. That’s why we’re connecting you with the people who can help you to find out more about your rights and responsibilities”.

Employers – Know your responsibilities

Learn more about how to support your workers. As an employer, it’s your duty to make sure your people are working safely and treated well. If you need advice and guidance on looking after your staff, there are people who can help.

Workers – Know your rights

Learn more about your rights at work. From advice around COVID-19 redundancies to minimum wage queries, holiday entitlement, health and safety at work, and sick pay, there are people who can help and find out the benefits of joining a union.

See: [Workforce Rights and Responsibilities | Business Wales Skills Gateway \(gov.wales\)](#)

The new industrial scheme in Ebbw Vale

A 50,000 square foot industrial unit will be built at Rhyd y Blew, in Ebbw Vale, in the Tech Valleys area. The modern building will form the first phase of a wider site masterplan and help satisfy the demand for such industrial space in the southeast Wales area. Companies in the automotive and food sector have already expressed an interest in the development, which also sits within the Ebbw Vale Enterprise Zone. The new unit is expected to be available for occupation in late summer 2023. The construction contract has been awarded to Jones Bros (Henllan) Ltd. The marketing agent for the site is Knight Frank.

See: [£8.5 million Welsh Government investment in major new industrial scheme in Ebbw Vale | GOV.WALES](#)

Young Person's Start Up Grant

The Young Person's Start Up Grant has been developed as part of the Welsh Government's commitment to the Young Person's Guarantee. Big Ideas Wales wants to help young people start up in business and overcome the challenges they face, and will play a key part in delivering support for young people to become self-employed.

The Young Person's Start Up Grant will be available until 2025 to enable young people (not in education, employment or training) to start their own business, create a social enterprise, or become self-employed, a freelancer or a social entrepreneur in Wales.

A grant of up to £2,000 is available to help young people under the age of 25, living or returning to Wales to become self-employed.

A link to the Expression of Interest form will be available on the Big Ideas Wales website from 12th July 2022.

See: [Young Person's Start Up Grant | Business Wales - Big Ideas \(gov.wales\)](#)

Barriers to Start-up Grant for over 25-year-olds

The Barriers to Start-up Grant for over 25-year-olds, is a revenue grant to enable economically inactive and unemployed individuals over the age of 25 to start up a business in Wales. It will particularly target individuals that are facing barriers to starting a business and the employment market.

A grant of up to £2,000 is available to help individuals with the essential costs of starting a business.

Eligibility criteria for this grant are:

- You are economically inactive or unemployed.
- You are looking to start up a self-employed business in Wales.

Applicants will need to complete an expression of interest (EOI) form to begin the application process. Once completed, the document must be returned to Barriers2SUG@BusinessWales.org.

If approved, you will be offered pre-start 1-to-1 support and confidence-building webinars to reduce barriers to starting your business. Business Wales advisors will also assist applicants and provide advice, guidance and support, as well as help you to access further start-up support.

Business Wales will apply discretion for grant awards based on the evidence of need outlined within a business case and application.

See: [Barriers to Start-up Grant for over 25-year-olds | Business Wales \(gov.wales\)](#)