

Written by 12 June 2023

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!

Good cash flow management is essential for business success!

With the present economic uncertainty, managing your business's cash and understanding the flow are now vital tools in maintaining resilience and being able to adopt flexible strategies for success.

Cash flows reflect all the cash that is flowing in and out of a business. Owners can look at the direction of the cash flows for insights about the health of specific products or services and overall market patterns.



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. Here are our thoughts on managing the flow of cash in your business:

The first stage of understanding and predicting how funds flow is to perform 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. Prepare a funds flow statement so you know where the money goes.

Next create a yearly budget; look where cash could become tight and identify months where you can save to cover off the quieter times. Look at those quieter months and think about flexible work scheduling, new products or services or other activities to tide you over.

Finally make sure you collect your money from those who owe you quickly. Reward customer loyalty by offering early bird discounts. Set credit limits and payment terms to ensure customers follow the rules. If you take on new customers, make credit checks. Penalise late payers and request up front deposits or payment.

We specialise in helping businesses plan forward and adopt flexible strategies so please talk to us about preparing a cash flow statement and an annual budget to help you reach your goals.

Self-Assessment threshold change

From tax year 2023 to 2024 onwards, the Self-Assessment threshold for taxpayers taxed through PAYE only will change from £100,000 to £150,000.

Affected individuals do not need to do anything now as the Self-Assessment threshold for 2022 to 2023 tax returns remains at £100,000. They will receive a Self-Assessment exit letter if they submit a 2022 to 2023 return showing income between £100,000 and £150,000 taxed through PAYE and they do not meet any of the other criteria for submitting a Self-Assessment return.

For the 2023 to 2024 tax year onward taxpayers will still need to submit a tax return if their income taxed through PAYE is below £150,000 but they meet one of the other criteria for submitting a Self-Assessment return, such as:

- receipt of any untaxed income,
- partner in a business partnership,
- liability to the High Income Child Benefit Charge, or
- self-employed individual and with gross income of over £1,000.

See: [Issue 108 of Agent Update - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/issue-108-of-agent-update)

Deaf staff and staff with hearing loss

It is important to make sure your workplace is inclusive of deaf people and people with hearing loss.

If you don't, you are excluding a large number of people: for example, 1 in 5 people of working age have hearing loss which may have an impact on their communication, productivity and wellbeing.

The RNID (Royal National Institute for Deaf People) is an independent charity supporting the 12 million people in the UK who are deaf or have hearing loss or tinnitus.

They can help with:

- Online hearing checks,
- Supporting deaf staff with and staff with hearing loss,
- Communication,
- Training,
- Workplace assessments, and
- Accessible recruitment.

See: [Support for businesses and organisations - RNID](#)

Latest HMRC tax webinars

Listed below are several live HMRC webinars that will give the self-employed an understanding of key taxes that affect them and also help employers with payroll. The webinars are free and last around an hour.

Webinars for the self-employed

[Residential property income for individuals - an introduction](#)

Thu 15 Jun at 1:45pm

Thu 22 Jun at 9:45am

[Residential property income for individuals - expenses, and deductions](#)

Wed 14 Jun at 9:45am

Thu 22 Jun at 1:45pm

[Car expenses for the self-employed](#)

Wed 21 Jun at 9:45am

Wed 21 Jun at 1:45pm

[Business expenses for the self-employed](#)

Wed 21 Jun at 11:45am

Thu 22 Jun at 11:45am

[How to apply the VAT reverse charge for construction services](#)

Tue 27 Jun at 1:45pm

[Capital Allowances for the self-employed](#)

Wed 28 Jun at 1:45pm

Thu 29 Jun at 11:45am

[Record keeping for the self-employed](#)

Thu 29 Jun at 1:45pm

Employer webinars

[Expenses and benefits for your employees - company cars, vans, and fuel](#)

Thu 15 Jun at 11:45am

[Expenses and benefits for your employees - if your employees have more than one workplace](#)

Fri 16 Jun at 11:45am

[Expenses and benefits for your employees - travel](#)

Fri 23 Jun at 9:45am

[Expenses and benefits for your employees – phones, internet, and homeworking](#)

Tue 27 Jun at 11:45am

Advisory fuel rate for company cars

The table below sets out the HMRC advisory fuel rates from 1 June 2023. These are the suggested reimbursement rates for employees' private mileage using their company car. Where the employer does not pay for any fuel for the company car these are the amounts that can be reimbursed in respect of business journeys without the amount being taxable on the employee.

Engine Size	Petrol	Diesel	LPG
1400cc or less	13p		10p
1600cc or less		12p (13p)	
1401cc to 2000cc	15p		12p (11p)
1601 to 2000cc		14p (15p)	
Over 2000cc	23p	18p (20p)	18p (17p)

Where there has been a change, the previous rate is shown in brackets.

You can also continue to use the previous rates for up to 1 month from the date the new rates apply. Note that for hybrid cars you must use the petrol or diesel rate. For fully electric vehicles the rate is 9p (8p) per mile.

Please contact us if you need any further clarification.

Small Business Saturday 2023

Small Business Saturday is once again highlighting 100 small businesses, one a day for 100 days leading up to Small Business Saturday 2023.

For the last ten years, the 100 have not only received exposure on Small Business Saturday's social media channels and in the local and national press, but also joined the Small Business Saturday team in London at receptions in Downing Street, House of Lords, and the Treasury Drum with the Chancellor of the Exchequer.

Applications close on 30 June 2023. Successful applicants will be notified by email in August.

See: [Small Business Saturday UK | Another year making a Big Difference!](#)

New Patents Service

The Intellectual Property Office (IPO) has published a document which sets out what you can expect over the next 12 months as we count down to the launch of their new digital patents service.

The IPO states that 2023 is the year that change starts to happen and transformation becomes real. With one year to go until the new One IPO service launches for patents, this document outlines what you can expect over the next 12 months. It includes a timeline for the rollout of the new service, the features you can expect and the changes that are coming.

See: [One IPO Transformation: one year until the new patents service - GOV.UK \(www.gov.uk\)](#)

How much holiday leave are employees entitled to?

Paid annual leave is a legal right that an employer must provide. Holiday pay is worked out according to the kind of hours someone works and how they're paid for the hours.

This includes:

- full-time workers,
- part-time workers,
- agency workers,
- workers working irregular shifts, and
- casual workers including those on zero-hours contracts.

Workers are entitled to a week's pay for each week of statutory leave that they take.

You can calculate holiday entitlement for a full year and part of a leave year (if the job started or finished part way through the year) using this calculator: [Calculate holiday entitlement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/calculator/holiday-entitlement)

For further information on holiday entitlement see: [Holiday entitlement: Holiday pay - GOV.UK \(www.gov.uk\)](https://www.gov.uk/holiday-entitlement)

Network of fake companies shut down following Bounce Back Loan fraud

The Insolvency Service has successfully secured the winding-up of 11 companies for their part in a scheme which orchestrated systematic fraud against UK taxpayers during the covid-19 pandemic.

Between them, the companies claimed £500,000 through the Bounce Back Loan scheme. The companies claimed to be registered at various offices in Berkshire, Lancashire, London, and Shropshire, however the Insolvency Service investigation could not identify trading premises for any of the businesses, nor establish that they had ever traded.

Nine of the companies were found to have claimed the maximum available £50,000 through the Bounce Back Loan scheme, with one company even claiming two loans. Investigators found a host of links between the various companies, including the use of common addresses, with funds being moved between them before ultimately being transferred to entities registered in Hong Kong.

The companies were identified by investigators due to their links to five other companies that had previously been wound up by the Insolvency Service in 2021 and 2022. These had themselves been responsible for fraudulently claiming £250,000 between them in Bounce Back Loans and £350,000 in Small Business Grants.

The Official Receiver was appointed liquidator of the 11 companies closed down by the court at the hearing on 22 May 2023. The Official Receiver is working to trace the funds and those responsible, with a view to recovering the money.

See: [Network of fake companies shut down following Bounce Back Loan fraud - GOV.UK \(www.gov.uk\)](https://www.gov.uk/news/insolvency-service-secures-winding-up-of-11-fake-companies)

Cyber-attacks – protect your business!

Last week we learnt that more than 100,000 people have been warned their personal data is in the hands of cyber-criminals as a result of a continuing mass hack.

The BBC, British Airways, Aer Lingus and Boots are among the companies whose staff have been affected by the Movelt data breach and even more organisations are expected to issue staff warnings, as the extent of the breach is discovered.

If you have not implemented cyber security in your business then now may be a good time to consider the UK government “Cyber Essentials” to help protect you against a whole range of the most common cyber-attacks.

Cyber-attacks come in many shapes and sizes, but the vast majority are very basic in nature, carried out by relatively unskilled individuals. They’re the digital equivalent of a thief trying your front door to see if it’s unlocked. The advice is designed to prevent these attacks.

See: [About Cyber Essentials - NCSC.GOV.UK](https://www.ncsc.gov.uk/about-cyber-essentials)

Warning issued by the Insolvency Service on scams

The Insolvency Service has issued a warning to investors and its customers regarding a recent increase in fraudulent activity, including recovery room scams, and fraudsters impersonating genuine Insolvency Service employees, in the form of emails, phone calls and letters.

Recovery room scams usually follow an investment scam, where victims have already lost money. Victims are cold called by fraudsters who pretend to be from a different company. High pressure tactics are then used to obtain upfront charges/fees, described as, for example, tax, solicitor fees and administrative fees. This can result in losses that can be greater than the initial investment loss.

To legitimise their contact, recovery room fraudsters will send fake letters with the Insolvency Service logo, spoof the Insolvency Service’s telephone numbers, provide fake Insolvency Service telephone numbers, use a fake email address like those officially used by the Insolvency Service, impersonate a legitimate employee of the Insolvency Service, and refer investors to social media accounts of Insolvency Service employees.

The Insolvency Service will never ask for an upfront fee to get your money back that you have lost in a previous investment. If contact appears to be from the Insolvency Service, or a company purporting to be acting on behalf of the Insolvency Service, asking for an upfront fee, this is a scam.

Separately, fraudsters are impersonating legitimate employees of the Insolvency Service by contacting individuals using fake email addresses and letters.

This activity is in no way affiliated with the Insolvency Service and recipients are being advised to exercise caution and familiarise themselves with the official telephone number and domains used by the agency.

See: [Warning issued by the Insolvency Service on scams - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/warning-issued-by-the-insolvency-service-on-scams)

Used Electric Vehicle Loan for Businesses

Scottish businesses of all sizes can now receive financial support towards the purchase of a used electric vehicle.

The Used Electric Vehicle Loan offers businesses in Scotland interest-free loans to purchase:

- electric mopeds - maximum loan amount £5,000 (must cost less than £5,000),
- electric motorcycles - maximum loan amount £5,000 (must cost less than £5,000),
- electric utility vehicles – maximum loan amount £10,000 (must cost less than £10,000),
- electric cars – maximum loan amount £30,000 (must cost less than £30,000),
- electric vans – maximum loan amount £30,000 (must cost less than £30,000), or
- hydrogen vehicles – maximum loan amount £30,000.

If you operate as a limited company, the maximum funding you can receive is £90,000. If you operate as a sole trader or partnership, the maximum funding you can receive is £75,000.

The loan scheme is funded by Transport Scotland (an agency of the Scottish Government) and administered by Energy Saving Trust.

See: [Used Electric Vehicle Loan for Business - Energy Saving Trust](#)

Low Carbon Transport Business Loan

The Low Carbon Transport Business Loan offers Scottish businesses up to £150,000 interest-free to help reduce the carbon impact and fuel costs of their transport arrangements through the purchase of new and more efficient vehicles.

Limited companies are eligible for up to £150,000 of loan support, and sole traders or partnerships are eligible for up to £75,000 of loan support.

The loan is funded by Transport Scotland (an agency of the Scottish Government) and has a repayment term of up to 6 years.

The loan can be used for the purchase of:

- electric motorcycles and mopeds – maximum loan amount of £10,000,
- electric utility vehicles – maximum loan amount of £15,000,
- electric car(s) – maximum loan amount of £30,000,
- hydrogen car(s) – maximum loan amount of £50,000, and must cost £50,000 or less including VAT,

- electric van(s) and electric hearses – maximum loan amount of £35,000,
- other hydrogen vehicles – maximum loan amount of £75,000, and
- electric HGV(s) – maximum loan amount of £75,000.

If your organisation is seeking funds for new electric or hydrogen cars, the vehicle must be used for high mileage operations, such as making deliveries. Read the full eligibility criteria on Energy Saving Trust's website.

See: [Low Carbon Transport Business Loan - Energy Saving Trust](#)

East Lothian Young Entrepreneur Prize

To encourage local young entrepreneurs, East Lothian Investments Ltd has launched an annual Young Entrepreneur Prize. The winner will receive a cash prize of £1,500 for their business.

To apply for the prize, you must submit a completed application form with supporting documents to East Lothian Investments Ltd. All applications will be reviewed, and a winner will be selected by the Board of Directors.

See: [Young Entrepreneur Prize \(eastlothianinvestments.com\)](http://eastlothianinvestments.com)

Can Do Innovation Green Heat Feasibility Call

The Green Heat Innovation Support Programme is looking for innovative ways to deliver a decarbonised heat supply chain. They are looking for new products or processes that can improve the thermal performance of heated buildings at a price which is affordable to consumers. Solutions can be new or retrofitted, as long as they aim to improve heat sustainability in domestic and commercial buildings.

Funded by Scottish Government, and managed by Scottish Enterprise as a national Scotland CAN DO innovation challenge call, it's open to any eligible company in Scotland.

Grant support for 100% of the eligible project costs is available. This will allow companies to undertake detailed analysis, design, and assessment of the technical and commercial feasibility of their proposed solution over a period of three to four months. The project submission deadline is 22 December 2023.

Grants between £30,000 and £50,000 are available for companies in Scotland. The size of grant is based on the actual cost to the company. Each application is assessed according to the requirements provided in the challenge details.

The deadline for applications is 12pm on 7 July 2023.

See: [CAN DO Innovation Green Heat Feasibility Call - Scottish Enterprise \(scottish-enterprise.com\)](http://scottish-enterprise.com)

Funding database

Scottish Enterprise has gathered funding information suitable for Scottish businesses working on innovative and research and development (R&D) projects. The database contains information from UK and international organisations.

The database primarily contains public sector funding opportunities. It includes:

- regional business funding in the areas covered by:
 - Scottish Enterprise – that is, Aberdeen City and Shire, the east of Scotland, Tayside and the west of Scotland, and
 - South of Scotland Enterprise - that is, Scottish Borders and Dumfries and Galloway;
- innovation funding for industry from Innovate UK, the Defence and Security Accelerator (DASA) and other public funders; and
- a selection of open innovation challenges and awards.

The database is updated by Scottish Enterprise on a weekly basis.

See: [Funding database \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)

Small Business Bonus Scheme

The Small Business Bonus Scheme was developed by the Scottish Government. It provides rates relief to help owners of non-domestic properties, including businesses, deal with the impact of coronavirus. Relief rates vary depending on the rateable value. Applicants should go to their local authority's website to fill out a Small Business Bonus Scheme Application Form.

This grant is for all businesses in Scotland with business premises with a rateable value up to £18,000. For businesses with two or more properties, if the total rateable value for all properties is less than £35,000 then you can claim relief on individual properties with a rateable value of £18,000 or less at the 25% relief rate only.

See: [Small Business Bonus Scheme - mygov.scot](https://mygov.scot)

Grants for Fife businesses

Fife Council's SME Development Grant provides financial support to help Fife-based small and medium-sized enterprises (SMEs) to develop and grow.

The grant opens for applications on 1 April 2023. The deadline to apply is 31 January 2025.

The fund provides small non-repayable grants to help with costs in 6 eligible areas:

- trade development,

- workforce upskilling,
- transition to net zero,
- research and development (R&D) and innovation support,
- agriculture business diversification, and
- support for studies.

Trade development

The trade development funding provides grants to:

- assist businesses with the cost of exhibiting at trade shows in the UK or Europe;
- assist businesses with the cost of participating in overseas trade missions; and
- support other costs associated with accessing new markets, such as exporting.

Workforce upskilling

The funding for workforce upskilling provides grants to help companies improve the productivity and profitability of their business by training and upskilling existing employees.

Transition to net zero

The transition to net zero funding helps businesses move towards achieving net zero emissions through a range of measures, including premises improvements, waste reduction or reuse, and the creation of green jobs.

Research and development (R&D) and innovation support

The R&D and innovation funding is primarily for micro-SMEs that are unable to access the R&D and innovation support provided by Scottish Enterprise.

Agriculture business diversification

The agriculture business diversification funding is to help agriculture businesses to develop agritourism and food and drink-focussed proposals, as well as to support the adoption of new approaches and technologies, including vertical farming.

Support for studies

The support for studies funding can help businesses that are required to undertake a study – for example, on ecological impact or noise assessment – as part of a project to develop new or existing premises.

The SME Development Grant is delivered by Business Gateway Fife on behalf of Fife Council and is fully funded by the UK Government through the UK Shared Prosperity Fund.

Applications are completed by a Business Gateway adviser, then checked, signed, and submitted by the business that's applying. Therefore, you must be working with Business Gateway Fife to be considered.

Businesses can receive more than one grant through this scheme, but the total amount received cannot exceed £2,850.

See: [Grants for Fife businesses \(findbusinesssupport.gov.scot\)](https://findbusinesssupport.gov.scot)