

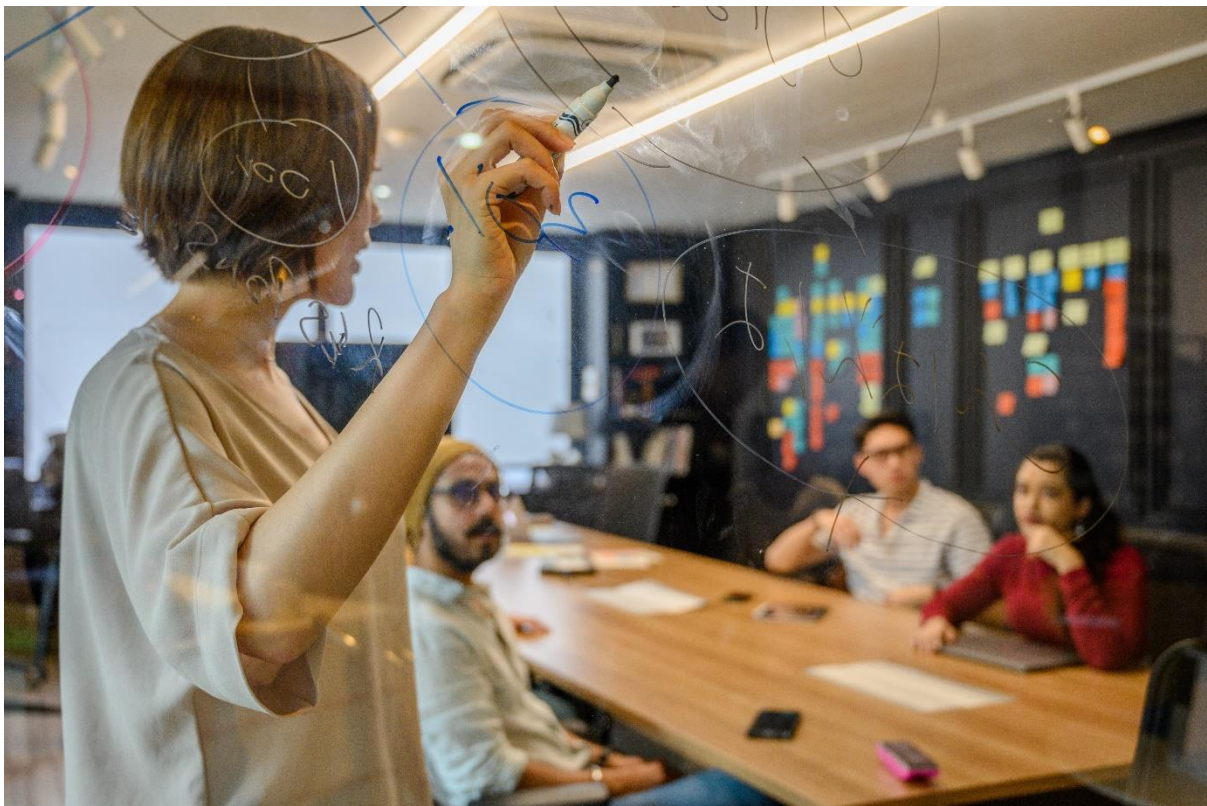
Written by 6 November 2023

## **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!

### **How much is my business really worth?**

This is a question many business owners want answering. The truth is, it depends on a range of factors and any valuation is only useful as a guide for planning forward. The ultimate value of a business is the price a willing buyer is prepared to pay for it.



The prevailing economic climate and state of the business' sector can affect company valuation for better or worse, as can your reasons for selling. If you need a fast sale due to ill health, for instance, the value may be lower than if a sale was taking place under more favourable circumstances.

Valuing a business is a complex process and we can support you throughout.

So, what are the most common methods of valuing a business?

#### Price to earnings ratio (P/E)

The price to earnings ratio uses multiples of profit, so may be an appropriate valuation method if you own a well-established business with a good track record of profits. 'Price' refers to the company's current share price, and 'earnings' to the

earnings per share (EPS). The P/E ratio indicates the business's expected growth in earnings per share in the future.

#### Discounted cash flow

Discounted cash flow relies on estimating future cash flows for the company, and a residual business value, and may be suited to businesses with few assets.

#### Entry cost

Entry cost valuation involves calculating how much it would cost to build your business to the stage that it's reached now, including start up and recruitment costs, marketing, and the value of assets. Any savings that could have been made should then be deducted to arrive at the valuation.

#### Asset valuation

The asset valuation method may be suitable if your business is well established and owns high levels of tangible assets. The Net Book Value (NBV) of assets is calculated, and then adjusted to take account of external factors such as depreciation and inflation.

#### Valuation based on industry

Some businesses are valued based on the industry in which they operate. The retail industry is one such example, where the number of outlets is an essential element for consideration. Industry 'rules of thumb' use factors specific to an industry and can provide a more accurate calculation in some cases.

#### Other considerations when valuing your business

Intangible assets are a key factor when valuing a business. Intellectual property, goodwill, business reputation, and even a premium business location, can all add considerable value in the eyes of potential purchasers.

Spotlighting these intangible assets also allows you to improve their value where appropriate – for example, registering ownership of a trademark or patent, building up their reputation even further, or improving the condition of premises.

Please talk to us about valuing your business as this can lead to a range of important considerations and actions.

### **Self-Assessment – less than 90 days to go!**

There are less than 90 days to go until the deadline for filing your Self-Assessment return online.



You need to file your return by 31 January 2024. Filing your return early is an option and means you can find out how much you owe and help you budget and plan for your payment. If you are due a refund, you can claim it back sooner.

If you've already sent HMRC your return and paid, you don't need to do anything else.

If you think you are no longer required to complete a Self-Assessment return, you can ['Check if you need to send a Self-Assessment tax return'](#).

If you no longer need to complete a Self-Assessment return, tell HMRC at, ['If you no longer need to send a tax return'](#) or find more help on their [YouTube channel](#).

[If you need assistance in completing your tax return please contact us ahead of the deadline and we will do our best to make sure it's accurate and filed on time.](#)

### **Tax-Free Childcare costs**

HM Revenue and Customs (HMRC) is reminding working families to give their childcare budget a boost by opening a Tax-Free Childcare account.



Parents can use Tax-Free Childcare to help with childcare costs for school holiday clubs, breakfast or after school clubs, childminders or nurseries.

You can get up to £500 every 3 months (up to £2,000 a year) for each of your children to help with the costs of childcare. This goes up to £1,000 every 3 months if a child is disabled (up to £4,000 a year).

If you get Tax-Free Childcare, you will have to set up an online childcare account for your child. For every £8 you pay into this account, the government will pay in £2 to use to pay your provider.

You can get Tax-Free Childcare at the same time as 30 hours free childcare if you're eligible for both.

You can use it to pay for [approved childcare](#), for example:

- childminders, nurseries and nannies; and
- after school clubs and play schemes.

Your childcare provider must be signed up to the scheme before you can pay them and benefit from Tax-Free Childcare. Check with your provider to see if they're signed up.

#### If your child is disabled

You can use the extra Tax-Free Childcare money you get to help pay for extra hours of childcare. You can also use it to help pay your childcare provider so they can get specialist equipment for your child, such as mobility aids. Talk to them about what equipment your child can get.

See: [Save up to £2,000 a year on childcare costs for your little pumpkins - GOV.UK \(www.gov.uk\)](#)

## **Tech sector urged to take action to protect their ideas**

The National Protective Security Authority (NPSA), part of MI5, and the National Cyber Security Agency (NCSC) have launched a new awareness campaign to encourage the UK's emerging tech sector to protect and secure their innovations.



National Protective  
Security Authority

The campaign consists of an updated suite of Secure Innovation guidance that offers best practice advice on keeping ideas safe.

A free Quick Start Guide is available to help those without extensive security expertise take the first steps towards protecting their innovations. The advice centres around three key steps:

- appointing a security lead;
- identifying and documenting your key assets; and
- assessing your business for security risks.

Beyond this Quick Start guide, the Secure Innovation website hosts more detailed advisories for businesses and investors, suggesting ways to bolster their protections

against criminal and other threats. This guidance is for innovative UK companies of all sizes. Those with low levels of security are most at risk.

The guidance warns that no company is too small or too young to be a target, especially when working in emerging technologies. Potential threats include:

- state actors looking to steal ideas;
- competitors seeking commercial advantage; and
- criminals looking to profit from companies with weak security.

Businesses are advised to take state and criminal threats seriously, ensuring they effectively manage the risks, including those emanating from cyberspace.

By accessing the Secure Innovation portal, businesses can get security advice that will help them:

- understand the threats;
- secure their environment;
- secure their products;
- secure their partnerships;
- expand safely into new markets;
- prepare for security incidents; and
- protect their technology, reputation and future success.

See: [Guidance for the emerging technology sector | NPSA](#)

## Funding for digital supply chain innovation

Up to £100,000 is available for tech solution providers to address critical supply chain challenges across textiles, farming, hydrogen, food and automotive sectors.



The [Made Smarter Innovation | Digital Supply Chain Hub](#) (DSCH) is inviting expressions of interest from businesses interested in developing and deploying digital technology solutions in the DSCH testbeds.

A supply chain testbed can be defined as an end-to-end supply chain environment, where technologies can be deployed and tested using real data but without risking business disruption.

Together with the testbed companies, the DSCH has identified seven potential challenge areas:

- standardised naming system for automotive spare parts;
- project finance and market modelling in the emerging hydrogen supply chain;
- digital product passport for the textile supply chain;
- connected life cycle assessment in the textile supply chain;
- logistics pricing engine in the textile supply chain;
- data driven best before date in the food supply chain; and
- a marketplace for investment in sustainable farming.

Each challenge comes with £100,000 available for a tech solution provider to work with an Industry Challenge Sponsor to address critical supply-chain challenges and develop a solution which will be deployed into one of the testbeds.

See: [Unlock Funding for Digital Supply Chain Innovation - Expression of Interest - Made Smarter Digital Supply Chain Hub - Virtual Hub](#)

### **HMRC Employer Bulletin: October 2023**

HMRC publishes the Employer Bulletin 6 times a year, giving employers the latest information on topics and issues that may affect them.

The October edition of Employer Bulletin includes articles on:

- electric charging of company cars and vans at residential properties;
- paying your PAYE Settlement Agreement;
- reporting PAYE information in real time when payments are made early at Christmas;
- Overlap Relief — preparing for the new tax year basis; and
- ‘pay by bank account’ enhancements.

You can register for [HMRC’s employer email alert service](#) to receive emails from HMRC which tell you when the latest issue is available.

You can read the bulletin on screen or print it off. It’s compatible with most screen reading software packages.

See: [Employer Bulletin: October 2023 - GOV.UK \(www.gov.uk\)](#)

### **How can digital marketing help your business?**

There are numerous benefits to businesses, enabling you to thrive in the digital age and stay ahead of the competition. Let's explore some of the ways digital marketing can help you.



Cost-Effective Marketing: Compared to traditional marketing methods, digital marketing is often more cost-effective. Online advertising, email, and content marketing campaigns can be tailored to fit various budgets, making it accessible for businesses of all sizes.

Content Marketing: Creating valuable content such as blog posts, eBooks, and webinars can establish you as the expert in your field.

Enhanced Online Visibility: Strategies such as search engine optimisation (SEO) and pay-per-click advertising (PPC) can improve your online visibility.

Targeted Marketing: You can target specific demographics and audiences. Through techniques like audience segmentation, you can tailor your marketing efforts to reach the most relevant prospects, ensuring your messages resonate with the right people.

Lead Generation: You may be able to create free content such as guides and landing pages. Email capture forms can help capture contact information from interested prospects.

Customer Engagement: Social media platforms and email marketing enable accounting firms to engage with existing clients and keep them informed about important updates, changes in tax laws, and new services.

Data Analytics: Viewing the data and results on any activity allows for continuous improvement and refinement of marketing strategies. Using tools such as Google Analytics can help you measure the effectiveness of marketing campaigns, track website traffic, and gather insights.

Competitive Advantage: If you embrace the digital landscape, you're more likely to stay relevant and attract tech-savvy clients (and staff).

Setting the right goals is crucial for success!

Goals should be specific, measurable, achievable, relevant, and time-bound (SMART). Consider objectives like increasing website traffic, generating a certain number of leads, or growing your social media following. Your goals should be aligned with your business's overall objectives and customer needs. Regularly track and analyse your progress using key performance indicators (KPIs) to make data-driven adjustments.

Our most profitable clients spend time on their marketing strategy. If you haven't got a marketing plan, please ask us for a template!

### **Can you lower your energy bills this winter?**

The UK Government have updated their '[Help for Households](#)' website for 2023.

Find out what actions you can take to get ready for winter and save money on your energy bills by reading their '[It All Adds Up](#)' campaign.

The latest cost-of-living instalment of £300 is currently being paid to low-income households across the UK, without the need to make a claim.

#### Warm Home Discount Scheme

You could get £150 off your electricity bill for winter 2023 to 2024 under the Warm Home Discount Scheme. The money is not paid to you - it's a one-off discount applied to your electricity bill between early October 2023 and 31 March 2024.

Find out if you're eligible for [Warm Home Discount Scheme: Overview - GOV.UK \(www.gov.uk\)](#)

### **Global Entrepreneurship Week 2023**

Global Entrepreneurship Week (GEW) is a collection of tens of thousands of events, activities and competitions each November that inspire millions to explore their potential as an entrepreneur while fostering connections with investors, researchers, policymakers and other startup champions.

This year's takes place from 13 November to 19 November 2023.

See: [Global Entrepreneurship Week | Global Entrepreneurship Network \(genglobal.org\)](#)

### **Eureka GlobalStars Japan Round 2**

UK registered businesses can apply for a share of up to £2 million to develop innovative proposals in partnership with Japan and other participating Eureka members. The competition closes on Wednesday 31 January 2024.

The EUREKA members confirmed as participating in this competition are:

- Canada,
- Czech Republic,
- France,
- Netherlands,
- Singapore, and



- Spain.

The aim of this competition is to fund business-led, collaborative research and development (CR&D) projects focused on industrial research. This competition will be for innovative proposals developed between the UK, Japan and the other participating Eureka members. Innovate UK will be funding the UK partners only.

Your project must have high market potential and develop at least one of the following:

- innovative products,
- technology-based applications, and
- technology-based services.

Projects must be co-ordinated by a lead partner from the UK and a lead partner from Japan as a minimum requirement. Any additional partners from each Eureka member should also nominate a lead from that country.

UK participants must complete the UK application on the Innovation Funding Service (IFS) and provide all documents required by 11am UK time on the deadline stated.

See: [Competition overview - Eureka GlobalStars Japan Round 2 - Innovation Funding Service \(apply-for-innovation-funding.service.gov.uk\)](https://apply-for-innovation-funding.service.gov.uk)

### **Call for members for new Scottish Sustainable Business Community**

JORDISK, a Scottish sustainability consultancy which launched in June, has called for business leaders to join its Scottish Sustainable Business Community.

The group will be a space for shared discussion and learnings on the challenges and opportunities created by sustainable business models.

Collaboration between businesses is essential in tackling sustainability challenges, but support or guidance is often in short supply. This new Scottish based community group offers space for collaboration and open dialogue between business leaders looking to share and learn from the experiences of peers and sustainability experts.

The group will be facilitated by sustainability experts who will share their experiences and ideas for how businesses can make progress. The core function of the community is to create the opportunity for open discussion and peer learning within a closed and confidential setting.

Expert speakers will be chosen by the group based on the preferred monthly topics and open spaces and workshops encouraging discussion will be prioritised. There will also be the opportunity to create co-owned output that group members feel comfortable sharing for wider publication.

This is a unique opportunity to join a small community of business peers and sustainability experts who share the goal of utilising the power of business for good. It is a group of determined leaders coming together to respond to the sustainability

challenges facing Scottish businesses and to support the transition to a greener economy for Scotland.

The group will meet several times a year in a hybrid setting with each session having a focused agenda decided by members of the group.

More information and details of how to join the community can be found on the community [webpage](#).

See: [Call for members for new Scottish Sustainable Business Community - Scottish Business News](#)

### **Corporate insolvencies rise almost 20% from pre-pandemic levels**

Corporate insolvency numbers (liquidations and receiverships) in Scotland for Q2 2023-2024 increased by 4.8% compared with Q2 2022-2023, to a total of 283.

Corporate insolvency numbers in Scotland also increased by 19.9% when compared to pre-pandemic levels in 2019.

The number of corporate insolvencies (liquidations and receiverships) in Scotland for Q2 2023-2024 decreased by 3.1% compared with the previous quarter's total of 292 (April-June 2023).

Overall, personal insolvency numbers (bankruptcies and protected trust deeds) in Scotland for Q2 2023-2024 saw no real change, a decrease of just 0.05%, which equates to a single case, compared with Q2 2022-2023, to a total of 2,074.

Commenting on these Scottish insolvency statistics, Iain Fraser, Chair of the Scottish Technical Committee at R3, the UK's insolvency and restructuring trade body, said:

“The year-on-year rise in corporate insolvencies has been driven by an almost 35% rise in compulsory liquidations. This increase suggests that, faced with financial challenges of their own, more creditors are now increasing their efforts to pursue debts they are owed to meet their own financial obligations.

“Times remain tough for Scottish businesses. Inflation is still a big worry for many. Prices are going up, and businesses are struggling to reasonably pass on these extra costs to customers. As we head into the colder months and energy bills rise, these increased costs are only set to exacerbate current challenges, particularly for higher risk sectors like hospitality and retail.

“Businesses have faced the dilemma of whether to increase prices to compensate for their falling margins, or whether to absorb these expenses themselves in an attempt to retain customers. For some, further increases could be enough to see them entering an insolvency process to resolve their financial issues, while others may hold on in the hope things will improve.”

For the full report see: [Scottish corporate insolvencies rise almost 20% from pre-pandemic levels, R3 comments - Scottish Business News](#)

## **Supporting local producers in Scotland**

Local food and drink projects are being encouraged to apply for funding from the Scottish Government's Regional Food Fund.

The latest round of funding of up to £100,000 is now available for businesses and groups who wish to promote regional food products and establish new markets.

The Fund is designed to support the development of regional food and drink products across Scotland. It has supported a range of projects including The Shetland Seafood Provenance Scheme, The Bute Kitchen Retail Project and the Clyde Island Gin Passport.

See: [Supporting local producers in Scotland - gov.scot \(www.gov.scot\)](http://www.gov.scot)

## **Hydrogen Expert Support**

The Hydrogen Expert Support service from Scottish Enterprise allows industry experts to help companies of different sizes and types, from various sectors, which are looking to grow and diversify into the renewable or low-carbon hydrogen sector.

The aim of this service is to help businesses move into the growing hydrogen sector and:

- understand if their capabilities can be transferred to the hydrogen sector, to diversify their market;
- understand the potential benefits of diversifying into hydrogen, such as the ability to maintain or increase turnover, workforce, or facilities; and
- increase their presence and manufacturing capabilities if they are already in the hydrogen market, either through market analysis or due diligence on their product or service.

The Hydrogen Expert Support offers 2 levels of support:

### Level 1

Level 1 includes 2 days of consultancy. The consultant will learn about your company's operations, capabilities, and ambitions and create a report tailored to you that describes your general hydrogen opportunities. This will include projects that may be of interest to your company and some initial thoughts on specific areas your company could focus on.

### Level 2

Level 2 includes up to 4 days of consultancy. It builds on the activity in level 1 by going into more detail on specific areas of opportunity for your company. It also provides detailed guidance on the next steps you could take to move into the sector.

Companies are expected to complete level 1 before going to level 2. However, there may be occasions where it is appropriate for a company to go straight to level 2.

The deadline to apply is 5pm on Thursday 1 February 2024.

See: [Hydrogen expert support for your business - Scottish Enterprise \(scottish-enterprise.com\)](https://www.scottish-enterprise.com)

### **East Renfrewshire Council New Start Business Grant**

East Renfrewshire Council's New Start Grant provides up to £500 in funding to help small to medium-sized businesses (SMEs) in East Renfrewshire with start-up costs. These can include items such as a piece of equipment, insurance or an e-commerce website.

To be eligible, businesses must:

- provide evidence that they are trading and located within East Renfrewshire;
- trade for 20 hours a week or more;
- have turnover more than £10,000 per annum;
- be able to pay the living wage to employees;
- carry all relevant insurances, qualifications, and licences for their business; and
- provide business information to support their application such as bank statements, business insurance certificates, accounts, and cash flow forecasts. The larger grants will require additional information and a business plan. 3 quotes are required for all requested items.

See: [Business development grants 2023 to 2024 - East Renfrewshire Council](https://www.eastrenfrewshire.gov.uk)