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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!

### **Could government-backed financing help your business expand?**

A small business from Barnsley, Slime Party UK, has successfully secured government-backed financing, enabling it to significantly expand its operations, create new jobs, and develop new product lines.

This success story provides a valuable blueprint for other small businesses seeking to grow, especially those looking to enter or expand in export markets.

#### Slime Party UK's journey: From kitchen to global markets

Slime Party UK began as a humble kitchen project by its founder, Ruby Sheldon, producing a mess-free variety of sensory putty. The business quickly gained traction and now supplies some of the largest toy retailers globally. However, despite its popularity, the company faced significant challenges in securing the necessary financing to continue its growth, particularly in export markets.

#### Overcoming financing challenges

With a £150,000 turnover, the company was too small to qualify for traditional trade finance packages, a common issue for micro-enterprises. So, Slime Party UK reached out to UK Export Finance (UKEF), the UK government's export credit agency.

UKEF connected the company with Newable Commerce, a specialist lender focused on supporting small and medium-sized enterprises (SMEs). Backed by UKEF's General Export Facility (GEF) guarantee, Newable Commerce were willing to provide a £55,000 financing package to Slime Party UK.

This funding has been instrumental in the company's growth, allowing it to open a new 15,000 square foot factory in Barnsley, increase its staff by 50%, and expand its product range.

The financing has also enabled Slime Party UK to meet the high demand from its export markets, particularly in Europe and the Middle East, including Lebanon, Malta, and Ireland.

The business is now well-positioned to continue its expansion into new markets globally, thanks to the financial backing and strategic support it received.

#### Lessons for other small businesses

There are some key takeaways for all small businesses, especially those involved in exporting, including:

1. Explore Government-Backed Financing: UKEF's General Export Facility and other government-backed financing options can be a lifeline for you if you are struggling to secure traditional financing for your business. These resources are designed to support SMEs at various stages of growth, particularly those looking to expand internationally.
2. Be willing to partner with specialist lenders: Working with non-bank lenders, like Newable Commerce, that specialise in supporting SMEs, can provide access to tailored financing solutions that align with your business' unique cash flow needs and growth objectives.
3. Leverage Networking Opportunities: UKEF not only provided financial support but also connected Slime Party UK with Dynamic Funding Limited, a broker that helped the business secure additional private financing. Building a network of financial and strategic partners can open doors to you for new opportunities and resources.
4. Invest in Growth and Innovation: With the right financing in place, Slime Party UK was able to invest in new facilities, staff, and product development. For your business, securing funding is just the first step - investing wisely in areas that will drive growth and innovation is crucial.

If you are a small business looking to follow in Slime Party UK's footsteps, the message is clear: the right financial backing, coupled with strategic partnerships, can unlock significant growth opportunities and pave the way for success.

Why not give us a call and see how we can help you evaluate the best finance options for your business for it to successfully grow?

See: <https://www.gov.uk/government/news/yorkshire-toy-maker-grows-with-government-backing>

## **Former investment firm director receives 15-year bankruptcy restrictions for fraud**

Andrew Paul Bird, a 60-year-old former investment firm director from Quarndon, Derbyshire, has been subjected to the maximum 15-year bankruptcy restrictions after being found guilty of defrauding investors. Mr Bird misled 13 individuals and couples into investing in a fraudulent scheme between 2011 and 2016, promising secure returns while exposing them to significant financial risks for his personal gain.

Mr Bird was first declared bankrupt in November 2016 and became subject to an interim Bankruptcy Restrictions Order (BRO) in January 2018. This order was put in place to prevent further harm while he awaited trial. On August 1, 2024, Mr Bird was sentenced to eight years in prison at Nottingham Crown Court for his fraudulent activities.

The Official Receiver's investigation revealed that Mr Bird knowingly provided false information to investors. As a result, he signed an undertaking extending the bankruptcy restrictions until January 24, 2033. These restrictions prevent Mr Bird from acting as a company director, borrowing more than £500 without disclosing his status, and taking certain public roles, significantly curtailing his business activities.

The case offers valuable takeaways for both investors and small business owners. Here are the key lessons:

#### Due diligence is crucial:

If you are looking to invest, you should thoroughly investigate any investment opportunity before committing your funds. This includes verifying the legitimacy of the investment, the credibility of the individual or firm offering it, and understanding the associated risks.

Investing based on trust alone without adequate research opens you to considerable risk as this case shows.

#### Beware of too-good-to-be-true offers:

We all know that if it sounds too good to be true, it probably is. But when you are being offered promises of high returns, they can be hard to resist.

It is important to remember that promises of high returns with little to no risk are usually red flags that things are not all they seem. In Bird's scheme, the investors were likely enticed by the prospect of secure and profitable investments and regretted it when they turned out to be fraudulent.

It is best for you to be sceptical of any such offers and seek independent financial advice.

#### Legal recourse and protections:

You do have legal protections and recourse available to you, so be aware of them. In the case of fraud, you should report it to authorities such as the Insolvency Service.

Bird's conviction and subsequent bankruptcy restrictions demonstrate that fraudulent behaviour can lead to significant legal consequences, which can help to protect future potential victims

See: <https://www.gov.uk/government/news/maximum-term-bankruptcy-restrictions-for-investment-scheme-fraudster>

## **Updated interest rates and repayment thresholds for student loans announced**

The latest annual update to Student Loan interest rates was made last week by the Department for Education.

Different rates and thresholds apply depending on the type of student loan and the new rates will apply from 1 September 2024 to 31 August 2025.

Those running payroll may want to be aware that the rates are changing in case of queries from staff with student loans who notice a change in their deduction in their September pay packet.

For details of the rates, see: <https://www.gov.uk/government/news/student-loans-interest-rates-and-repayment-threshold-announcement--5>

## **Former Employee Fined for Data Breach: What Your Business Can Learn**

A recent case involving a former employee of Enterprise Rent-A-Car highlights the importance of robust data protection measures.

Jonathan Riches, 46, was fined £10,000 and ordered to pay £1,700 in costs after pleading guilty to illegally accessing motorists' personal details. This breach, which occurred between 2009 and 2011, involved Mr Riches using his former connections at Enterprise to obtain sensitive data for personal injury claims. According to the Information Commissioner's Office, he made hundreds of thousands of pounds in financial gain as result.

Mr Riches, who had previously settled a civil case with Enterprise for £300,000, fled to the U.S. in 2016 after being summoned to court but eventually returned to face justice in 2024. The case underscores the importance of maintaining strong data security procedures for employee access to business systems.

So, what can your business learn from this? Here are some key takeaways to help you avoid a similar situation:

### 1. Strengthen access controls:

Sensitive data should only be accessible to employees who need it. Therefore, regularly review who has access and update permissions as and when roles change within your business.

### 2. Implement robust data security policies:

Having clear and comprehensive data protection policies in place is essential. These policies should be communicated to all employees, who will need regular reminders to ensure that everyone understands their role in protecting client information.

### 3. Monitor and audit access:

Your systems should be capable of monitoring who is accessing your data and you should arrange for regular audits to be carried out. This can help you spot any unauthorised access early and take immediate action.

### 4. Effective employee offboarding:

When an employee leaves your company, it's vital to revoke their access to your business systems and data immediately. This step helps prevent any potential misuse of information after their departure.

### 5. Prompt reporting and response:

If a data breach does occur, you should report it to the appropriate authorities immediately. Having a clear action plan in place ensures you can respond quickly so that you can minimise any damage caused and protect your business.

By taking these proactive measures, you can better safeguard your business against data breaches and avoid the legal and financial repercussions that come with them. Ensuring your data protection practices are up to date not only protects your clients but also strengthens your business's reputation and trustworthiness.

See: <https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2024/08/porthcawl-man-sentenced-after-brazen-car-scam-worth-hundreds-of-thousands-of-pounds/>

### **FSB Insurance Service provides advice for riot affected businesses**

The recent riots have left many small businesses dealing with damage and disruption.

The Federation of Small Businesses (FSB) Insurance Service has created some guidance to help businesses that have been affected.

The guide includes practical steps that businesses can take when experiencing or expecting problems.

It also encourages businesses to check their insurance coverage. All policies are different so it may be necessary to check with your broker to confirm what you are covered for.

The Riot Compensation Act 2016 covers what government compensation is available, but not all instances of damage or loss during a civil disturbance is covered. To check the government guidance on this, see [here](#).

To review the FSB guidance, see: <https://www.fsb.org.uk/resources-page/insurance-guidance-for-small-businesses-affected-by-the-riots.html>

### **Rural Businesses Set for Major Broadband Boost**

Rural business owners across Britain are on the cusp of a significant digital transformation, thanks to a landmark deal between the UK Government and Openreach that's part of an initiative aimed at modernising outdated broadband infrastructure.

With up to £800 million in investment, this ambitious project is aiming to deliver lightning-fast gigabit-capable broadband to around 312,000 homes and businesses in some of the most remote areas, including parts of Wales, Scotland, and England.

[Current broadband challenges in rural areas](#)

For many rural businesses, slow and unreliable internet has been a persistent challenge, and can limit the business' ability to compete in an increasingly digital economy.

This issue is particularly acute in areas such as the South Wales Valleys, Exmoor National Park, and the Forest of Bowland, where current broadband infrastructure struggles to support even basic online tasks. This lack of reliable connectivity has not only hindered productivity but also stifled innovation and economic growth in these regions.

### Project Gigabit

Project Gigabit was launched by the government to try and bridge the digital divide. This initiative hopes to bring the fastest available broadband to rural areas that have been left behind.

This new phase of the project includes a £288 million contract with Openreach, which will connect approximately 96,600 homes and businesses across England and Wales.

There are also further contracts in the pipeline, that will aim to extend high-speed connectivity to an additional 215,800 premises across Great Britain, including central and northern Scotland, North and South West Wales, and other remote regions.

### Impact on Rural Businesses

For rural business owners, the rollout of gigabit-capable broadband could be a game-changer.

The improved infrastructure will enable businesses to operate more efficiently, whether that's by facilitating remote work, enhancing online services, or making it possible for the business to adopt new digital technologies.

In turn, these improvements should also stimulate local economies and attract new businesses to the affected areas.

As the upgrade unfolds, rural businesses should be ready to capitalise on the opportunities that can come from improved broadband access.

See: <https://www.gov.uk/government/news/312000-rural-homes-and-businesses-to-get-access-to-faster-broadband-in-overhaul-of-old-infrastructure>