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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!

Why Thinking Like a CFO Can Help You Shape Your Business

For many small and medium-sized business owners, bookkeeping, payroll and VAT returns are seen as a necessary part of their routine. These tasks are essential, but in terms of shaping your business, they can only tell you what has already happened.

It can give you a real advantage if you also spend some time thinking like a strategic Chief Financial Officer (CFO). That means using your financial data to plan and forecast so that you make smarter decisions for your business.

Bookkeepers record history, CFO thinking shapes the future

A bookkeeper's job is to make sure that the numbers are complete and accurate, but a CFO - or a business owner thinking like one - takes those numbers and asks questions like:

- Which customers or products generate the most profit?
- How much cash do we really need in the next six months?
- Where should we invest resources for maximum impact?

Adopting this kind of mindset can transform how you run your business. The good news is that it's not that difficult to develop some core skills that will help you to do this.

Core skills every business owner can learn

- **Financial Literacy:** Understand P&Ls, balance sheets and cash flows. These aren't just for accountants; they can be your roadmap for understanding the financial performance of your business.
- **Forecasting and Budgeting:** Forecast what your business income is likely to be, plan for expenses and prepare for seasonal variations.
- **Key Metrics:** Track metrics that matter to your business - cash flow, margins, costs to acquire customers - so that you can make decisions based on data, not just gut feel.
- **Risk Awareness:** Identify risks to your finances early on, whether it's a slow-paying customer or an investment that's costing too much.

Just picking one of these areas and making a small improvement can pay dividends.

Start small, think big

You don't need fancy software or a finance degree. You could begin with:

- Weekly checks on your cash flow.
- Reviewing profit margins per product or service.
- Setting simple financial goals for the quarter.

Gradually, these habits build the foundation of strategic financial thinking allowing you run your business more confidently and proactively.

The bottom line

Treating finance as a back-office chore keeps you in the dark. Thinking like a CFO - tracking the right numbers, asking the right questions, and planning ahead – can give you control, clarity, and confidence.

Bringing a CFO's mindset into your business doesn't mean you need to do it all alone. Sometimes an outside perspective can make the numbers clearer and the decisions easier. That's where we can help. If you'd like a sounding board to help you step back, see the bigger picture, and plan with confidence, we would be happy to help you!

Weekly Cash Flow Checks: Stay Ahead of Surprises

Cash flow is the lifeblood of any business. Without it, even profitable businesses can run into trouble. Yet many business owners, and even some finance teams, treat cash flow as a monthly or quarterly review item. That's a mistake.

A weekly cash flow check is a simple, powerful habit that keeps you informed, proactive and in control. It's a simple routine that will help you to keep your business financially healthy, spot opportunities early, and gain confidence in every decision.

What can weekly checks do for you?

Weekly cash flow checks can help you to:

- Avoid surprises. When you review your cash inflows and outflows weekly, you'll spot timing gaps, slow-paying clients, or unexpected expenses before they become urgent.
- Plan smarter. Being able to see what's happening to cash will help you make better decisions and avoid problems. For instance, should you delay a payment, push harder on collections, or hold back on spending?
- Spot opportunities early: Regularly reviewing cash flow can reveal trends and openings you might otherwise miss, such as funds that are available to grow the business or potential savings on expenses.

What are the core steps for a weekly check on cash flow?

Hopefully, you're convinced of the benefits, but how do you do it? Here are five steps to a weekly check on cash flow.

STEP 1: Update Cash Position

Start by reviewing your bank balances and reconciling them with any outstanding invoices and bills.

You'll need to make sure your accounting data is accurate and up-to-date, but this should help you know exactly how much cash is available.

STEP 2: Project the Next 2-4 Weeks

List out everything you expect to receive and everything you expect to pay out over the next 2-4 weeks.

This will help you to see where potential shortfalls could come, or where you might have an opportunity.

STEP 3: Compare Forecast to Reality

Look back at last week's projections and notice how they differed from what happened in reality. Make sure you know the reason "why" behind differences. Was it a late payment? Were there unexpected expenses? Or did a sale you were expecting not come off?

As you do this, you'll get better at estimating what's likely to happen in future. For instance, you might tend to be too optimistic about when customers will pay you.

STEP 4: Identify Action Items

Based on what you've learned, you should be able to list out some actions that can be taken over the coming week.

Don't necessarily try and list everything possible. You only have a week before the next review. Make sure that you flag the most critical issues so that you can make a meaningful adjustment.

You might decide to set a program of calls to customers to chase collections, defer non-critical expenses, or adjust staffing plans.

STEP 5: Document and Track Trends

Keep a simple log of your weekly checks. Over time, patterns can emerge that will help you in your budgeting, forecasting and decision making.

Tips

- A simple spreadsheet with columns for inflows, outflows, net cash and comments can be a good start and make it easier to collect and record the information you need.

- Many banking apps can be set to automatically notify you if balances drop below a preset threshold.
- Consistency is key, so you'll want to schedule a fixed day each week for this review. Mark it in your calendar and make it non-negotiable.

Bottom line

Weekly cash flow checks can transform your financial management from reactive to proactive. It can mean peace of mind and smarter decisions, and give you an insight into your business that goes way beyond what day-to-day bookkeeping allows.

If you would like assistance in making a cash flow check part of your weekly routine, please get in touch. We would be happy to help you!

Striking Off vs Winding Up: What's the Difference for Your Company?

The Insolvency Service has reported on an investigation it made into a company that was serving as a front to enable unlicensed insolvency activities previously carried out by another firm.

The investigation resulted in the Insolvency Service winding up the company in the public interest. The case serves as a reminder that only properly licensed insolvency practitioners can act as a liquidator or administrator for a company.

However, if you've reached the point where your company has run its course and you want to close it down, does that mean your only option is to formally wind it up using a licensed insolvency practitioner?

No. Another option open to many companies is to have the company 'struck off.'

Let's explore the differences between striking off a company and winding it up, and in what circumstances you might choose one over the other.

What is striking off?

Striking off, often known as 'dissolution,' is the simpler and usually cheaper way to close a company. Basically, you apply to Companies House (using form DS01) to have the company removed from the register. Once that happens, the company no longer legally exists.

It's typically used when the business is no longer trading, there are no debts outstanding, and all assets (like cash in the bank or equipment) have been distributed to shareholders.

What is winding up?

Winding up (or "liquidation") is a more formal process. A licensed insolvency practitioner is appointed to sell off the company's assets, settle debts, and distribute anything left over to shareholders. Once everything is complete, the company is struck off the register.

It's typically used when:

- The company cannot pay its debts (insolvent liquidation).
- The directors or shareholders want a formal, orderly closure, even if the company is solvent (members' voluntary liquidation).
- There are complex affairs that need professional handling.

Key differences at a glance

- Cost: Striking off is inexpensive (a small Companies House fee), while winding up involves professional fees for the liquidator.
- Debts: Striking off is only an option if debts are cleared. If creditors are owed money, they can object and force the company into liquidation instead.
- Control: Striking off is handled directly by directors, whereas winding up requires external oversight.
- Risk: If directors strike off a company without properly settling debts or assets, creditors can restore the company to the register and pursue them. Winding up offers more protection.

Why choose one over the other?

If your business is small, debt-free, and you just want to wrap things up simply, striking off is often a good option. It's also common for dormant companies or businesses that never really got off the ground.

On the other hand, if your company is insolvent, if you want legal certainty that everything has been settled properly, or if you're dealing with significant assets or liabilities, then the formal winding up process is better.

Final thought

Both routes end with the company being removed from the register, but the right choice depends on your company's financial position and how much formality is needed.

To get personalised advice on the right option for your company, please give us a call. We would be happy to help you!

See: <https://www.gov.uk/government/news/manchester-company-used-as-front-for-unlicensed-insolvency-activities-is-shut-down>

Why “Staff Welfare” Should Feature in Your Incident Response Plan

Cyber incidents, data breaches and operational disruptions don't just affect systems - they affect people. The National Cyber Security Centre (NCSC) has published

guidance called “Putting staff welfare at the heart of incident response” to help organisations consider the impact of a cyber incident on the people involved. While the guidance has been available for some time, the increasing prevalence of cyberattacks continues to make it timely.

When things go wrong - whether it's a cyberattack, system failure or security breach - employees may feel stress, uncertainty, fatigue, guilt, or anxiety. The NCSC's view is that if welfare is overlooked, it actually undermines the resilience of the whole response effort. A team that's burnt out or demoralised is less able to think clearly, act decisively, or recover well.

What the NCSC recommends

The guidance lays out five core recommendations for making sure that staff welfare is considered:

- Include all staff in the incident response plan: When planning how you will respond to an incident, identify the staff that will be affected by it. Consider what the potential stresses might be. For instance, what if key staff are absent? Can you call on staff to handle incidents outside normal working hours? Planning can reduce unnecessary stress if an incident happens.
- Build a culture where staff feel safe to speak up: In a stressful incident, people cope with it differently. The guidance encourages a positive, secure culture where staff will feel able to speak up if they are feeling overwhelmed, burnt out, or need help, or if they spot worrying signs in their colleagues. This will help you to handle a problem before it becomes too serious.
- Plan your internal communications: During a live incident, people want clarity. Keep everyone – including staff that are not directly involved – informed about what's happening.
- Be conscious of staff concerns: Staff are likely to worry about how the incident will impact their own livelihoods, whether because their personal information has been stolen or they will lose their job. Clearly communicating how the business plans to get through the incident can help people focus on what they need to do rather than worrying.
- Practise your response: Practice can help your staff feel better prepared. NCSC offers a free [Exercise in a Box](#) that can be used for this purpose.

If you have an incident response plan (or are planning to build one), it's worth reviewing it through a welfare lens by using NCSC's guidance.

To review the guidance, see: <https://www.ncsc.gov.uk/guidance/putting-staff-welfare-at-the-heart-of-incident-response>

Scotland Introduces New Bill to Clarify Digital Ownership

A new piece of legislation aims to give Scotland a clearer footing in the digital economy by recognising digital assets as property under Scots private law.

The Digital Assets (Scotland) Bill sets out that assets such as Bitcoin and other forms of cryptocurrency can be treated as objects of property. This legal clarity is designed to give confidence to businesses, investors, and individuals, while making Scotland a more attractive base for financial technology firms.

Until now, some businesses and investors have chosen to invest in other jurisdictions that offer clearer rules around ownership and transfer of digital assets. The Bill attempts to address this gap, creating a framework for how digital assets can be owned and acquired under Scottish law.

Financial technology is seen as a potential area for further growth in Scotland. It is estimated that there are already around 260 FinTech companies employing over 11,300 people, with the sector worth £14 billion to the Scottish economy.

Business Minister Richard Lochhead said the legislation will help in “building strong foundations for innovation” and help Scotland towards its goal of becoming a global powerhouse in FinTech.

For Scotland’s entrepreneurs, the Bill provides a step towards aligning Scots law with the demands of a fast-evolving digital economy.

See: <https://www.gov.scot/news/digital-assets-scotland-bill/>