

Written by 18 May 2026

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!

Four simple ways to improve business profit within 12 months

Most businesses don't need big ideas or complicated plans to improve profit. In practice, profits will usually increase by tightening up a few everyday things and being more deliberate about how time and effort are applied.

Almost everything you can do to improve profit fits into one of four areas:

1. Get more customers.
2. Sell more to your existing customers.
3. Put prices up.
4. Reduce costs and waste.

Getting more customers

Some customers cost you more to serve than they give you. Avoiding these kinds of customers and finding more profitable ones can make a big contribution to your bottom line.

First, you may want to analyse your customers to find out which ones make you money, and which don't. Many businesses find that most of their profit comes from a small proportion of their customer base.

Once you know which customers are profitable, identify the characteristics they have in common. This will help you identify what your ideal customer looks like.

Then consider what you can do to attract more of those customers.

Selling more to existing customers

This is often the easiest and cheapest way to improve profit. You already have customers who trust you. Many of them would be happy to buy more if you provided the right opportunity.

Start by making a list of your top 20 customers and ask:

- What else do they buy elsewhere that we could provide?
- Do they already ask us for things we don't supply yet?
- When did we last speak to them properly?

You could consider scheduling some time each quarter to email or call previous good customers. Let them know about a current offer or a seasonal service that may tempt them.

Raising prices without losing good customers

Increasing your prices is another way to improve profitability, but it is often avoided due to the fear of upsetting customers.

Using your analysis of which customers don't make you money, look especially at those where work seems to overrun or generate complaints or rework, or customers that feel stressful to deal with compared to what they earn for you.

Put the price up on this work so it becomes profitable for you. If the customer accepts the new price, then all well and good. If they decide to go elsewhere, the effect on your profit could be minimal. You will gain time to find a customer who will pay better.

Other things you could think about include:

- Don't discount by default. If a discount is always expected, it's not a discount; it's your real price. If discounts are the norm in your type of business, then at least ensure that the discounted price is the price you need to get. If someone pays full price, that's a bonus.
- Charge for extras. Make sure that you price extras rather than absorbing them. Extras could include variations to the work agreed, urgent work and additional meetings.

Reducing costs and wasted effort

Cost savings don't need to feel painful if they focus on waste rather than essentials.

A prime candidate for cost savings is unused or rarely used subscriptions. Check for software, apps, memberships and other tools that are no longer useful for your business and cancel them.

Review your suppliers and consider whether you could get a better deal by switching to someone else. Are you paying for a service level you don't need? Have prices been creeping up and you're no longer getting a good deal?

Final thoughts

Improving profit doesn't require a new business model or a lot of complicated tools. Picking one of these main areas and concentrating on it for a time often yields good results.

With the uncertainty the economic climate presents, ensuring that you are maximising profitability will help to make your business more resilient and better able to weather any storms.

Why not talk to us about our 12-month profit improvement tool which is designed to get you thinking about how you can take advantage of future opportunities and improve your bottom line!

AI providing misleading advice on VAT return filing

Incorrect advice provided by Artificial Intelligence (AI) and other websites is contributing to a growing trend of late VAT return filing and payment.

HM Revenue and Customs (HMRC) are reminding VAT-registered businesses that there is no extension to the statutory due dates when they fall on weekends or bank holidays.

HMRC's systems do allow for VAT returns to be submitted at weekends or on bank holidays. However, if a business cannot do that, then the return must be submitted by the last working day before the due date. HMRC will not accept weekends or bank holidays as a reason for filing a VAT return late.

It is similar to VAT return payments. When the due date falls on a weekend or bank holiday, payment must clear into HMRC's bank account by the working day before the due date, unless a taxpayer's bank allows faster payments on weekends and bank holidays.

Missing the due dates for submitting VAT returns and making payments can result in interest and penalties, so it is important to have a good reminder system to ensure the deadline is met.

If you need any help with filing your VAT returns or any other aspect of VAT advice, please do get in touch. We would be happy to help you!

Companies House reviewing company records retention period

Companies House are currently reviewing how long they hold the records of dissolved companies. Concerns have been raised about whether records should be held for longer than 20 years.

Currently, Companies House keeps company records for as long as a company is active. Once a company is dissolved, the records are kept for 20 years. At that point, selected records are transferred to the appropriate Public Records Office. Unselected records are destroyed.

While the review is ongoing, Companies House has paused any destruction and transfer of records.

If the review concludes that a change to the retention period is needed, a public consultation will be run to get views on any new proposals.

See: <https://www.gov.uk/government/news/companies-house-is-reviewing-the-retention-period-for-dissolved-company-records>

April was a record month for tax return filing

HM Revenue and Customs (HMRC) have reported that 298,905 people filed their Self Assessment tax return in the first week of the tax year, with a record total of 737,891 returns being filed during the month of April 2026.

HMRC are highlighting several benefits to filing early, including:

- Getting a refund sooner if you are due one.
- Reducing stress by avoiding the pressure that comes from filing at the last minute.
- There is no need to pay tax early but knowing how much you owe ahead of time helps with budgeting.
- Any mistakes can be checked and corrected before the deadline.
- A processed tax return can be used as proof of income for mortgage and loan applications or benefit claims.

More than 12 million tax returns are due to be filed by 31 January 2027, so there are still plenty of returns to be filed yet.

If you would like help in preparing and filing your 2025/26 tax return, please do get in touch. We would be happy to help you!

See: <https://www.gov.uk/government/news/298905-self-assessment-filers-quick-off-the-mark>

Businesses encouraged to sign up to Cyber Resilience Pledge

The government is encouraging businesses to boost their resilience and strengthen their cyber defences.

Developments in Artificial Intelligence (AI) are making it easier for cyber criminals to find vulnerabilities in IT systems and carry out attacks in ways that would not have been possible a year ago. Hostile cyber activity is growing more intense, frequent and sophisticated. Government figures suggest that 43% of UK businesses experienced a cyber breach or attack in the last year.

Cyber Security Minister Baroness Lloyd said that computer security is now fundamental to economic growth, job creation and the resilience of services that people rely on each day. She said, "As threats evolve, businesses of all sizes need to step up and take practical action now."

Businesses are being encouraged to sign up to a Cyber Resilience Pledge. The Pledge will launch later in 2026 and sets out three actions for businesses to take.

1. Make cybersecurity a board-level responsibility.
2. Sign up for the free Early Warning Service run by the National Cyber Security Centre (NCSC).
3. Require all businesses in their supply chain to have Cyber Essentials certification.

Taking these actions will not guarantee protection from cyber attacks, but they can have a positive impact on a business's resilience.

For more information about the Pledge, see:

<https://www.gov.uk/government/publications/cyber-resilience-pledge>

Questions to ask when using AI to find IT vulnerabilities

The National Cyber Security Centre (NCSC) has published a new blog on questions to ask when using AI models to find vulnerabilities in your IT system.

Cyber criminals are increasing the use of Artificial Intelligence (AI) to enhance their ability to make cyber-attacks. However, AI can also be used by businesses to discover vulnerabilities in their own systems first and shore them up.

Before throwing caution to the wind though, the NCSC recommends considering some important questions. These are:

- What are you trying to achieve by using AI?
- Is using AI the best way to improve security?
- Do I have a process to manage any vulnerabilities that AI finds?
- How should I prioritise vulnerabilities?
- What are the risks when using AI to find vulnerabilities?
- What AI model should I use?
- Where should I start?
- What's my long-term plan to deal with new AI models?
- Where do I need to invest in people?
- Do I know how everything we develop or use is patched?

To read the blog in full, see: <https://www.ncsc.gov.uk/blogs/10-questions-ask-using-ai-models-find-vulnerabilities>

Government commits to self-driving technology

The government has announced it has signed a new partnership with Wayve, a British company that is developing self-driving vehicle technologies.

The partnership will focus on shared research that will support the ongoing development and deployment of automated vehicles.

It is hoped that the partnership will act as a catalyst for new investment, skilled jobs and long-term growth across the UK car industry.

A Memorandum of Understanding sets out how the Department for Business and Trade and Wayve will collaborate on research helping to take self-driving vehicles from prototypes through to commercial reality.

See: <https://www.gov.uk/government/news/government-and-wayve-sign-partnership-to-accelerate-britains-self-driving-future>