7 May 2024

BUSINESS NEWS - ENGLAND

Welcome to our round up of the latest business news for our clients. Please do contact Cognitor Accountancy if you want to talk with us about how these updates may affect your business. We are here to support you!

5 essential steps to successfully establish and grow your new business

If you are embarking on the exciting journey of starting your own business, then we wish you many congratulations!



As you navigate the path to entrepreneurship, it's crucial to lay a solid foundation that sets your venture up for success and sustainable growth. Here are five important steps to consider as you establish and grow your new business:

1. Develop a comprehensive business plan

A well-crafted business plan serves as your roadmap to success. It outlines your business goals, target market, competitive analysis, marketing strategies, financial projections, and more.

Taking the time to create a thorough business plan not only helps clarify your vision but also demonstrates your commitment to potential investors and lenders.

2. Choose the right business structure

Selecting the appropriate legal structure for your business is a critical decision that impacts on tax, your potential liabilities as a business owner, and how flexible you can be in the way you operate.

Popular options include being in business as a sole trader, a partnership, or a limited liability company.

Each structure has its advantages and disadvantages, so it's essential to carefully evaluate which will suit you the best, not just now but in the future too.

3. Set up efficient financial systems

Sound financial management is essential for the long-term success of your business. Implementing efficient accounting and bookkeeping systems from the outset helps you track income, expenses, cash flow, and profitability accurately.

Consider investing in accounting software or hiring professional accounting services to ensure that you have ready access to the financial information you need as well as to comply with tax and other laws. A good choice and an efficient system can do wonders for freeing up your time to focus on growing your business.

4. Build a strong online presence

In today's digital age, establishing a robust online presence is crucial for reaching and engaging with your target audience.



Create a professional website that showcases your products or services, provides valuable content, and makes it easy for customers to contact you.

It can be well worth looking at how social media platforms, email marketing, and search engine optimization (SEO) techniques can be leveraged to expand your reach and attract potential customers.

5. Invest in continuous learning and improvement

Entrepreneurship is a journey of continuous learning and adaptation, so stay informed about industry trends, market developments, and emerging technologies relevant to your business.

Networking opportunities, workshops and seminars all provide opportunities to learn and develop. Consider joining industry associations or mentorship programs, as these can provide cost-effective but highly valuable training.

You can also learn from your customers and employees so embrace feedback they give you as it will help you to identify areas for improvement and innovation.

By taking the right steps from the moment you start your business, you avoid many pitfalls and put your business in the best position to thrive and be successful.

As experienced business advisers, we understand there are many challenges and opportunities that come with starting and growing a new business. **Ask us about our guide to starting a new business**. The New Business Kit gives you a comprehensive guide to the financial, tax and accounting considerations of starting a business?

New digital service to check your State Pension forecast launched

A new digital service has been launched that makes it easier to check if you have any gaps in your National Insurance (NI) record that may affect your State Pension entitlement.

The service is called **Check Your State Pension** forecast and can be accessed via GOV.UK or the HMRC app. You will need to register for or login to your Personal Tax Account to find the service.

The forecast details your NI record by tax year and identifies if there are any years that are not counting towards your State Pension entitlement. The service also shows the details of any voluntary NI contributions that you could make to increase your forecast.

The service allows you to choose which years you would like to pay voluntary contributions for and then takes you through to a secure payment facility to make payment.

If you think you may have gap years in your contributions, it is important to check sooner rather than later. Because of new State Pension transitional arrangements, the deadline for paying voluntary NI contributions was extended to 5 April 2025.

Currently, it is possible to make voluntary contributions for tax years going back to 6 April 2006. However, from 6 April 2025, it will only be possible to make voluntary contributions for the preceding six years.

If you need help using the service, or you would like to review your retirement and pension plans, **please give us a call**. We have expert financial advisers who will be happy to discuss your plans with you in a no pressure environment.

See: https://www.gov.uk/check-state-pension

How to defend your business from email compromise



Email phishing attacks that target senior leaders and finance personnel in the business are on the increase. The National Cyber Security Centre (NCSC) has published guidance aimed at helping small to medium sized businesses to deal with Business Email Compromise (BEC).

The guidance considers actions that you can take to reduce the likelihood of being affected by BEC, and what to do if you think you've already been compromised.

What is BEC?

Criminals try to access a work email account to trick someone into transferring money to an account that is controlled by the criminal. The phishing emails are targeted at individuals, usually those who are likely to have the seniority to approve money transfers.

The criminal might try to impersonate someone else in the business and might even include text from an existing email thread to make the contact seem more legitimate.

What to do if you think you have lost money

NCSC advise that if you think you have lost money because of an attack like this, the most important thing is not to panic.

Actions you should take include contacting your bank, ensuring that you are using their official contact details, and reporting it as a crime to the police.

If you have an IT department, they may be able to help, and you should check to see if your account or anyone else's email account has been compromised.

Reducing the likelihood of BEC

Suggestions include:

- Reduce your digital footprint: Information about senior staff on websites and on social media and networking sites can be used by criminals to make their phishing emails appear more convincing. Senior staff especially should check their social media privacy settings and think about what they post to reduce their digital footprint.
- Help staff be able to recognise a fraudulent request and give them the confidence to ask whether an email is genuine.
- Set up 2-step verification. This means even if a criminal knows your password, they won't be able to access your accounts.
- Carefully control who can make high value payments, and revoke this privilege as soon as someone doesn't need it. Have verification procedures to confirm requests made by email.
- Check your email security using NCSC's 'Check Your Cyber Security' tool - https://checkcybersecurity.service.ncsc.gov.uk/email-security-check
- Because of the level of sophistication that can be used, recognise that no amount of staff awareness and training can guarantee detecting all BEC attempts. Therefore, consider how you will handle an incident, ideally rehearsing it so that you know what to do and how to minimise a problem if it happens.

The full guidance can be found here: https://www.ncsc.gov.uk/guidance/business-email-compromise-defending-your-organisation

Views sought from female entrepreneurs

Small Business Britain, Square and Clearpay have commissioned a joint survey to understand the opportunities and challenges for female entrepreneurs in the UK.



The survey wants to find out about the experience female entrepreneurs have in running their own business and the ups and downs that go along with it. Insights from the survey will be published in June 2024.

To share your views, the survey can be found here: https://www.surveymonkey.com/r/fent24

Is your use of AI compliant with health and safety?

The Health and Safety Executive (HSE) has published an article outlining its approach to regulating artificial intelligence (AI) in workplaces.

The article has some implications that businesses should consider, as follows:

Regulatory compliance

As with any other area of the business, businesses need to ensure that their use of AI in the workplace complies with health and safety regulations.



Risk assessment

Businesses that use AI technology must conduct thorough risk assessments for that technology to identify potential hazards and implement appropriate controls to mitigate the risks.

This means considering not only physical safety concerns but also cybersecurity threats.

HSE have said that they are actively involved in ongoing work to develop their regulatory approach in this area, so it pays businesses to stay informed about these developments.

See: https://www.hse.gov.uk/news/hse-ai.htm

How might the changes to company size thresholds affect your business?

From October 2024, company size thresholds are to increase by 50%. For each company, these new thresholds will begin to apply from the start of the next accounting period commencing on or after 1 October 2024. But what are the implications of these changes to your company?

The Companies Act 2006 makes requirements for what is included in the accounts that are filed at Companies House. These requirements are split into four categories or regimes based on the size of the company. These four sizes are described as micro-entity, small, medium-sized, and large.

A company generally falls into one of those four categories based on its turnover and Balance Sheet total. The larger the company, usually the more requirements there are as to what is included in the accounts.

The increase in the thresholds potentially means that many businesses will move down a category.

At first glance this is good news as it means reduced requirements for the accounts. However, there may be reasons why a company might decide not to take advantage of the change.

For instance, if a company is growing rapidly, stepping down a category may only be temporary. Because some reporting requirements rely on ongoing processes, it may be inconvenient to stop those processes only to have to start them a year or so down the line.

If you have any concerns about how the changes might affect your company, **please feel free to contact us**. We would be very happy to help advise you on the most suitable regime for your company.

Lessons to be learned from a data breach



The Information Commissioners Office (ICO) recently reported on a reprimand they issued to a housing association after personal information became accessible in an online customer portal.

Clyde Valley Housing Association in Lanarkshire launched a new portal in 2022. On the first day of its release a resident discovered they could access personal information about other residents. As a result, they called a customer service adviser to report the breach.

Unfortunately, the concerns were not escalated and so the personal information remained accessible for a further five days.

The housing association sent a mass email to promote the new portal. Following this, four more residents also made a report, and the new system was subsequently suspended.

It appears that there was a lack of testing before making the portal live, and concerningly staff were not sure what to do about escalating the breach once it was reported.

A case like this leaves lessons for all businesses to reflect on. While new digital systems can allow for large productivity gains, data security has to be a top priority. The reputational damage from a data breach can be significant.

Data protection training is vital for staff so that they know what to do. Reviewing training needs is a must. For instance, an occasional tabletop exercise might help you to see where training needs lie.

See: https://ico.org.uk/about-the-ico/media-centre/news-and-blogs/2024/04/housing-association-reprimanded-for-exposing-personal-information-on-online-portal/

Please do contact us if you would like to talk about any of the articles. We are here to support you and your business!

Written 2 May 2024