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FEBRUARY 2019

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 Torfaen Economy & Enterprise

BUSINESS FINANCE

NEXT EVENT

Thursday 21st March 2019

5:00PM

LEADERS OF THE PACK...

Awarded UK's Medium Practice of the Year 2018,
Green & Co have two main aims for their clients, to
help them achieve their goals and to give proactive
advice to minimise their tax bill.



Notes from our chairman

As this is the first issue of our newsletter in 2019 can I take the opportunity to welcome our new members and thank our existing members for renewing. We have had a very successful start to the new Year with a number of new businesses joining and I look forward to meeting all of you during our series of meetings.

We have tried to keep our membership rates as competitive as possible and with yearly membership starting at £48 for 2 places at each of our 4 main events, new businesses can join without having to break the bank. The more members we have the better the opportunities for all, so its worth encouraging businesses you have links to, or just like, to join.

Dates for your diary

21/03/19 - Torfaen Business Voice - 5pm

20/06/19 - Torfaen Business Voice - 5pm

19/09/19 - Torfaen Business Voice - 5pm

05/12/19 - Torfaen Business Voice - 5pm



All of our quarterly events are held at
**Greenmeadow Golf and Country Club,
Cwmbran**

Our next event

Our first meeting is Thursday 21st March, 5pm Greenmeadow Golf Club, and we are very pleased to announce that Green & Co Accountants and Tax Advisors is sponsoring our first event of 2019.

Awarded UK's Medium Practice of the Year 2018, Green & Co have two main aims for their clients, to help them achieve their goals and to give proactive advice to minimise their tax bill.

The topic of this edition is "finance and being prepared for the future" which given the unpredictable political landscape is as timely as it will ever be.

I'm grateful to Green and Co who are sponsoring our March event and who will talk about the governments new "making tax digital" regime (also known to some as making tax difficult) although I'm sure they can guide us through the mire.



Ashley Harkus

Chairman, Torfaen Business Voice

Not a member? Why not join and come along?

Call 01633 648644

Email: info@southwalesbusiness.co.uk

Click on the following link:

<http://bit.ly/TBV-business-club>

With Making Tax Digital just around the corner, Green & Co will be giving a breakdown on what's changing and an update following this year's Spring Budget. Following this talk will be a few rounds of facilitated networking.

Members are entitled to 2 free places at this event, so make sure you bring along a colleague, client or business contact so that we can provide each other with valuable connections for our businesses.

Members of Torfaen Business Voice can also bring along a Pop Up banner – please indicate if you are bringing yours on the electronic booking form.

To book, please use the following link:

<http://bit.ly/tbv-march2019>

IN THIS EDITION:

PAGE 4
Making Tax Digital

PAGE 5
Business readiness for Brexit

PAGE 7
Business Pop Ins

Will Making Tax Digital Make Tax Difficult?

The deadline of 1st April 2019 is rapidly approaching. How should business owners be feeling about Making Tax Digital (MTD)? Is it something to fear? Something to lose sleep over? Or are there positives to be embraced as we move towards this new era of online business taxation.

MTD is the biggest change to the UK taxation system for many years. The aim is to provide businesses with a more effective, efficient system which is easier to use and provides information in real time, allowing for more accurate decision making. By 2020 a fully digital system will be in use for all tax payers. It will mean that tax can be paid at any time of the day or night and at any point in the year. This is the vision for a modern tax system which should be accessible to all. In a nut shell, it changes how businesses pay their taxes to HMRC.

MTD begins this April for businesses who are registered for VAT and have a turnover of more than £85,000. It remains voluntary for businesses who are under the VAT threshold until 2020 at the earliest.

The four key provisions of MTD have been set out by HMRC:

Information holding

Tax payers will only need to provide HMRC with the information it really needs which it cannot obtain from other sources. Digital records can be viewed at any time by the tax payer and reviewed for accuracy. This online holding of information will ensure that each tax payer receives an individually tailored service.

Real time

Calculations of tax will be done in real time. This will mean errors can be reduced and tax payers are more informed of their tax position, both in terms of current tax payable or any entitlements. This should reduce the building up of tax due or repayments owed.

Single account

Never before has it been possible to view all your tax liabilities and entitlements in one place. This is a new provision and should provide customers with a comprehensive picture of their business position.

Digital interaction with HMRC

Via the customer's own digital account; interaction with HMRC will be possible at a time of day to suit the individual.

So what preparations are required?

The key preparation is to move record keeping on to a digital system that is compatible with the upload required by HMRC. Information will be required by HMRC four times a year via your digital account. This is like accessing your bank account online.

The software you choose to use must enable two-way communication. Manual processes and spreadsheet record keeping will need to be moved across to a digital way of working. Advice is available from HMRC as to which approved software supplier would suit your business needs. You will need to review current processes and train staff to use the new software.

This might seem like an onerous task, but the benefits of moving over to a digital system will be a far greater understanding of your business position including what entitlements and liabilities you have. These changes should mean less paperwork, a clearer view of your tax liability and, potentially through greater organisation, an opportunity to lower your tax bill.

Should you wish to continue to use spreadsheets then bridging software will enable you to upload your VAT calculations to HMRC.

By being organised with your preparation and processes a lot of time can be saved at the end of the year gathering information and sorting records. By having all your information in one place you will be able to better plan for your tax bill and monitor cash flow. The key is to be set up in the right way from the outset.

Accountants such as Green & Co are happy to offer advice and support to any business unsure how it should plan for MTD. They have the expert knowledge and software links to enable you to make a smooth transition to this new system of online record keeping. Green & Co recommend using Xero and are Xero Gold partners, which allows clients to access support every step of the way.



Making Tax Digital: 7 common myths busted

Confused about Making Tax Digital (MTD)? Don't worry, here's a quick guide that will shed some light on the biggest change to tax in the UK for a generation and clear up some of the myths that you might have heard.

Myth 1. Making Tax Digital has been postponed

The roll-out of MTD is already well underway and the first major phase of the initiative, MTD for VAT, is set to begin on 1st April this year. Under MTD for VAT, businesses with a turnover above the VAT threshold will have to keep digital records and submit quarterly VAT returns using MTD-compatible software.

HMRC has also said it will look to widen the scope of Making Tax Digital to include Income Tax and Corporation Tax from 2020.

Myth 2. Making Tax Digital is hugely unpopular

A change as big as Making Tax Digital is bound to bring out strong opinions on all sides; however, the evidence points to people feeling positive about the prospect of a new digital tax system. In FreeAgent's 2017 survey of small business owners who have already digitised their bookkeeping, nearly half of the respondents said they felt positively about MTD, compared with just 11% who felt negatively.

Myth 3. A digital tax system will be far too technical for most people

Millions of businesses already manage tax online with 99% of VAT returns, 98% of Corporation Tax returns and 86% of Self Assessment returns currently submitted online.

Even if you're one of the 14% who don't submit their Self Assessment tax returns online, HMRC has promised prompts, advice and support throughout that will make navigating your digital tax account as simple as possible. Web chat is already available via your digital tax account so you can chat to HMRC at a time that suits you and hopefully never have to listen to that wretched hold music on deadline day ever again!



Myth 4. My spreadsheet is just as good as any digital tax software

Spreadsheets are great for some tasks, but have you ever tried accounting software and compared the two? You'll soon find that a powerful accounting system goes far beyond anything that even the most complex spreadsheet can manage.

Your spreadsheet could also be feeding you false information. According to research by MarketWatch, 88% of spreadsheets contain errors and there are plenty of spreadsheet horror stories from big companies that will be likely to cause concern. With the accuracy of financial figures the cornerstone of any good business plan, do you really want to take any risks?

Myth 5. HMRC will provide free software that I can use

HMRC has confirmed that it will not be providing software directly. This really means that the onus is on you to find a digital accounting solution that works for your business. With little time left before you need to transition to digital record keeping for MTD for VAT, and just over a year for Income Tax and Corporation Tax, now is the time to start looking.

Myth 6. Making Tax Digital means I'll need to keep extra records

As the goal of Making Tax Digital is to simplify the UK's tax system for everyone involved, businesses will not need to keep any more records than they do already. HMRC has confirmed this, adding that the digitisation of business records will contribute to reduce business burdens by £400m. With this goal in mind, forcing businesses to keep extra records would be counterproductive.

Myth 7. Digital record keeping is going to be a huge hassle

In FreeAgent's 2017 survey of small business owners, customers reported that switching to FreeAgent's accounting software saved them a day a month on average, compared to their previous bookkeeping method. Nine out of ten of their customers also said using FreeAgent makes them feel more relaxed about managing their business finances.

It might take a little bit of time to get used to new software but when you do you'll reap the rewards. Being able to see your tax liabilities build up over time prevents any nasty last-minute surprises, while many of the other time-consuming parts of daily business admin, such as chasing unpaid invoices, are automated. FreeAgent also currently enables sole traders and limited company directors to fill and file their Self Assessment tax return directly to HMRC from the software.

Looking to get sorted for Making Tax Digital?

FreeAgent's MTD-compatible accounting software is free for all NatWest business banking customers.

Business Wales Brexit Portal

Assess your business readiness for Brexit

How prepared is your business?

This tool will take you through six key business areas:

1. Business Strategy and Operations
2. Innovation
3. Sales and Marketing
4. Export
5. People Management
6. Finance

There are only four questions in each area to assess your business' readiness for Brexit, the information is updated regularly to give you the ever changing picture.

You will receive a report of your assessment with further support and guidance available to you.

Brexit Resilience Fund by Welsh Government

The Welsh Government has formally launched a £1million Brexit Resilience Fund which is available to Welsh businesses, to help them adapt to the changes in a post-Brexit Welsh economy.

Business Wales is offering eligible businesses the opportunity to apply for funding of between £10,000 and £100,000 to develop capacity, retain competitiveness and help safeguard jobs.

To apply, businesses must:

- be registered to trade in Wales.
- register with Business Wales and complete the Brexit Toolkit (<https://businesswales.gov.wales/brexit/>) on application.
- be able to demonstrate that the funding will contribute to safeguarding jobs.
- have been trading for 12 months or more on the day of application.

For further information and to apply please call 03000 6 03000 where you will be put in touch with an adviser to complete the application process.

The Business Wales Brexit Resilience Fund is open to applications until 31st March 2020, funds permitting.

No-deal Brexit advice published for businesses

The Department for Exiting the European Union has published guidance for businesses explaining what their legal obligations are in the event of a no-deal Brexit. The guidance covers topics including EU funding, exporting, transport, business regulations, consumer rights and workplace rights.

Read more about the guidance at:

<https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal>

Brexit Resilience Event Tuesday 12th March at 8am

At Blaenau Gwent General Offices, Steel Works Road, Ebbw Vale, Blaenau Gwent.

South Wales Chamber of Commerce together with Business Wales and Welsh Government, we will be hosting a panel led event with experts to help you through the Brexit process. Find out what support is available to you. Free to attend but booking is essential.

<https://southwaleschamber.co.uk/event/brexit-resilience-event/>



Freedom or Slavery?

Matt Preece, of Business Doctors, writes about finding freedom through maximising value.

George Orwell pronounced that, 'Freedom is slavery.'

Nowhere is this more true than in the realm of business. Setting up a new company requires a leap of faith. And that leap is often prompted by a desire for freedom: freedom from the straitjacket of the 9-5 grind; freedom from being micro-managed; freedom from following someone else's direction. Escaping into a world driven solely by your own ambition, where you can experience the adrenaline rush of taking risks; the excitement of building something new; the truly satisfying sense of achievement, can be attractive beyond measure.

Finally, in your dreams, after a rewarding business journey, you arrive at your final destination, sell the company and retire to the sun.

However, before this happens, you have to work on the business before it works for you. That can often result in you, as the owner, being all things to all people. You end up being in charge of finance, marketing, policy writing, systems and processes, web site, social media, customer service – the list goes on and on and on...

And then there's networking. It's enjoyable. Sometimes valuable; sometimes not. It gets you out of the office. But it takes acres of time and there's so much else to do.

You get to the point where your revenue reaches a plateau. You want to scale up but you simply don't have the time to address it. You're way too busy. The freedom you dreamed of has long gone. Instead you are constrained by day to day responsibilities, worn down by exhaustion, unable to sleep worrying about what to do next.

At this breaking point you are no longer in control. Your company is like a hungry mouth constantly demanding food. It's in charge, not you. Things need to change.

Sadly you've been forced into making a choice. You can focus on growing the business by selling more products or services, hiring staff, learning to delegate or you could decide to sell the company. Either way you need to maximise value.

But – and it's a big but – you find the business isn't worth what you thought. And the reason? You. Naturally you are the hub, but unfortunately you have made yourself into the spokes as well. Without you the business falls apart. So if you're not there, it's worth very little. If anything.

So what to do next? Well maximising value enables you to claw back your personal freedom, the freedom to choose whether you devote all your time to driving business success, find more time for family and leisure or – whisper it – holidays or whether indeed you make the ultimate decision to sell.



The 'what' is the easy part. You need to scale up, improve your cash flow and increase profits, remembering of course that profits don't always equate with value. You need to align with your most valuable customers, concentrate on renewable revenue and make sure that products or services do not depend solely on you. Your company needs to be self-reliant, not dependent on any particular customer, employee or supplier. With that scenario you not only add value, you also address that work/life balance; find time for family and those dimly remembered hobbies.

The 'how' is more complex. All too often it's a mistake to over-adapt your product or service to suit each customer. It may seem a good idea to respond to customer demand but accommodation results in too thin a spread; you can lose sight of your initial, niche offering; your *raison d'être*. Better to sell less stuff to more people. This will give you more control over pricing and ultimately higher margins and more money for marketing. Then ensuring contented customers is a given, as is measuring and benchmarking satisfaction levels.

So rather than wait for that breaking point, mentioned earlier, take the company by the scruff of the neck and wrest control from it now. Then you have clear options; ones that you choose, not ones that are thrust upon you.

That's where true freedom lies.

National Minimum Wage 2019

The National Minimum Wage (NMW) is the minimum wage per hour a worker is entitled to in the United Kingdom. These rates are reviewed yearly by the government and are advised by the independent body Low Pay Commission (LPC). As an employer these changes will affect how you pay your employees from April 2019.



For example workers aged 25 and over will be increasing from £7.83 to £8.21 per hour.

You can find more information at:
<https://www.gov.uk/national-minimum-wage-rates>

Since 2010 the minimum wage has increased by 38% for workers aged 25 and over, so it's important to plan ahead for the changes. You might need to look again at how much you charge for the goods and services you provide, or look to find savings and efficiencies elsewhere in your business.

Auto Enrolment Pension Schemes

The employer's contribution rates for those on Auto Enrolment pension schemes will also increase, with employers needing to contribute a minimum of 3% with total contributions equaling 8%.

From April, the employer will need to contribute a minimum of 3% with the total contribution equaling 8%, meaning the employee will usually need to contribute the 5% themselves.

Of course, employers can choose to contribute more than the 3% minimum should they wish to, as long as the total contribution reaches 8%.

With these increased costs, did you know employers can claim up to £3,000 per year off their National Insurance bill if they qualify for Employment Allowance?



These claims can be backdated to the 2014/15 tax year if they have not been previously claimed and you are entitled to do so. So don't miss out on investigating your options further at <https://www.gov.uk/claim-employment-allowance>

Torfaen Business Pop Ins



Are you pre start up, start up or established businesses in need of our help?

Why not come along to our business support sessions, to ensure your business success with our Torfaen Economy & Enterprise team.

Sessions will take place at Cwmbran Library, Cwmbran Town Centre, NP44 1XQ on the following dates between 10:00am and 2:00pm:

19th
March

9th
April

14th
May

11th
June

9th
July

For further information e-mail: info@southwalesbusiness.co.uk
Telephone: 01633 647800 www.southwalesbusiness.co.uk

Meet the member

What exactly does a freelance writer do and how can I help your business? These are questions I am often asked.

I provide quality content and copywriting to help businesses connect with their customers. All businesses are aware of the need to create a brand identity, vibrant visuals and a social media presence in an increasingly competitive market. However, the accompanying text is often overlooked. I offer a range of writing services including search engine optimised website content, blogs and articles.

I started my business in December 2017. Before becoming a freelance writer, I was a secondary school English teacher and a former head of the English department. I have a Bachelor of Arts Degree in English and a Master's Degree in Education. My magazine articles have appeared in a variety of publications including 'The Abergavenny Focus' and 'Living Wales'. I also write a regular monthly feature about walking which is published in the 'Bwrdd' newsletter for Wales in 'Mensa Magazine'.

The outdoors category of my blog (www.rachaelbird.com) is listed on the website for TGO (The Great Outdoors) Magazine. The TGO Blogger Network is the UK's best network of outdoor-themed blogs.

We would like to thank our contributors:



Busnes Cymru | Business Wales



I can write the text for your blogs, articles, leaflets, brochures and website to support you with promoting your business so you don't have to worry about finding the time in your hectic schedule. I offer a range of packages that can be customised to match your requirements.

I can also write speeches for your promotional presentations or scripts for marketing videos.

If you write your own content but you would just like a second opinion, I provide a range of proofreading and editing services.

When working with me, you will be dealing with me directly. There is no complicated communication structure. Therefore, the process is simple from start to finish.

If you are interested in any of the writing expertise I can offer, please do not hesitate to contact me to discuss your requirements. I can provide you with a free, no obligation quotation. I am based in Abergavenny and I am looking forward to working with local businesses to help you succeed.

For further information, please contact Rachael Bird – Freelance Writer.

Rachael Bird B.A. (Hons), M. Ed.

07789 274808

enquiries@rachaelbird.com



Rachael Bird

Freelance Writer



New members

Advanta Group Ltd

<https://www.advantamanufacturing.com>

Penrhiwgyngi Farm Bakery

<https://www.facebook.com/penrhiwgyngi/>

RWR Recruitment

<https://www.rwrrecruitment.co.uk/>

Sweet Remedies

<https://www.sweetremedies.co.uk/>

The Vintage Vegan Catering Company

<http://thevintagevegancateringcompany.com/>

Ultimate Tinting South Wales

<http://www.ultimatetinting.co.uk>

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