

Heslops

Chartered Accountants

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Private sector businesses hit record number

The number of private sector businesses has reached a new record of 5.4 million, the Department for Business, Innovation and Skills has announced.

There are now 900,000 more businesses compared to 2010, while the number of businesses that employ people has also risen by 35,000 from 2014.

Small businesses make up 99.3% of all businesses in operation and have a combined turnover of over £1 trillion. As well as medium-sized enterprises and 3.3 million sole traders, there are 7,000 large businesses that collectively employ 10 million individuals and contribute £2 trillion to the UK.

John Allan, national chairman of the Federation of Small Businesses, said:

"The entrepreneurial spark is alive and well in the UK. The key is to continue to encourage people to take the plunge and set up their own business by providing business support that will help them grow and meet their aspirations."

Forming a limited company

The following steps must be taken to become a limited company:

- register (or incorporate) your business online at Companies House
- if you are forming a totally new company, a memorandum of association, articles of association and form IN01 must also be submitted
- at least 1 company director must be appointed - someone who is over 16 years old and not currently bankrupt

- a company secretary can also be appointed although this is no longer mandatory
- accounts and annual returns must be filed with Companies House and tax returns with HMRC.



Contact us about business structures.

Workplace productivity remains a puzzle

Trust and flexibility in the workplace are the key components in creating a workforce that tends to work longer hours and be more productive, according to data compiled by Red Letter Days for Business.

The survey of more than 2,000 employees highlights that flexible hours, taking regular breaks and chatting to colleagues are viewed as important for highly engaged and productive employees.

66% of highly engaged workers are allowed to work from home compared to 38% of those with low engagement.

Employees who are not engaged are less likely to be late, check their social media and be allowed to work from home. These apparent restrictions on what they can do and the subsequent feelings of a lack of trust can lead to less chance of working overtime.

Creating a highly engaged workforce

The survey points towards the fact that a flexible environment without too many restrictions can lead to a more trusting and productive workplace.

Some possible ways to increase employee engagement are:

- ⦿ allowing staff to work from home
- ⦿ institute a flexible working time system whereby staff can come in early/late and leave early/late
- ⦿ allow the use of social media and do not restrict internet access
- ⦿ don't punish people for taking breaks in order to perform personal tasks
- ⦿ encourage friendly and non-work related conversations between colleagues.



Contact us to talk about workplace productivity.

UK R&D spending lowest in the G8

The government spends around 0.49% of GDP on funding research and development (R&D), prompting business groups to call for help to increase growth.

The Confederation of British Industry (CBI) wants the government to increase total R&D spending to 3% of GDP as research shows that the current level of spending is the lowest among the G8.

John Cridland, director general of the CBI, said:

"Innovation investment has never been more important, given its effect on enhancing productivity.

"While our economy is doing well, we must not be complacent, as we cannot afford to rest on our laurels while our peers pace ahead."

The CBI wants the government to set out a "coherent framework" to boost innovation and create more capacity in the economy in the long term.

Getting the most out of R&D

In order to qualify for government tax credits or relief a company must be engaging in R&D activities that are:

- ⦿ systematic, investigative and experimental
- ⦿ carried out in an approved scientific or technological field
- ⦿ seeking technological or scientific advancement
- ⦿ seeking to resolve uncertainty.

The rates of relief available depend on the size of your company.



We can advise your business on R&D relief.

Stress-related absence increases

Stress-related absences from work are increasing, a survey by the CIPD has found.

Of the 600 employers surveyed, 41% reported an increase in stress-related absence. This figure rises to 51% in the public sector.

The most common causes of stress in the workplace are:

- ⦿ high or difficult workload
- ⦿ management style
- ⦿ relationships with colleagues
- ⦿ non-work and family relationships.

Ben Willmott, head of public policy at the CIPD, said:

"The message to businesses is clear: if you want your workforce to work well, you have to take steps to keep them well and this means putting employee health above operational demands."

56% of businesses surveyed said that they are currently taking steps to try and identify the root causes of stress in their workplaces and are creating strategies aimed at reducing it.

Reducing stress at work

Employee absence due to stress can have a negative impact on a business, so it is in the interest of all companies to try and eliminate it from the workplace. A more relaxed workforce is more likely to work together better, be more confident and take less time off.

A few steps to consider:

- ⦿ flexible start and leave times
- ⦿ providing healthy snacks such as fruit
- ⦿ have regular one-to-one meetings with each employee
- ⦿ encourage regular breaks.



Talk to our team about your business today.