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# INSIDER • AUGUST 2017

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## Sick pay valued over other benefits

**Self-employed people would prefer to receive sick pay than any other statutory benefit, a study has found.**

FreeAgent and The Freelancer & Contractor Services Association (FCSA) polled 900 micro-business owners and found 76% do not currently offer sick pay and other benefits such as maternity leave, holiday or redundancy pay.

Attitudes towards statutory benefits varied depending on business structure, with sole traders more likely to value sick pay compared to those working through their own limited companies.

Furthermore, 35% of self-employed people have no plans to fund their own retirement.

Julia Kermode, chief executive at the FCSA, said:

"For many people who work for themselves, self-employment is a career choice and those who choose it know this way of working does not come with statutory benefits.

"However, it is clear from our research that many have not made appropriate provisions to cover benefits that employees receive.

"The government should find a way of offering additional benefits, specifically to those people who want and need them."

## Savings for self-employed people

Compared to full-time employees, self-employed people don't have access to benefits or employer pension contributions to support their savings. However, there are options available.

You can save up to £40,000 per year tax-free into a pension, while you can save up to £20,000 a year into an ISA.

 **Contact us to discuss your savings strategy.**

## Lack of funds holding back start-ups

**Almost half (40%) of aspiring entrepreneurs cited lack of funds as the main barrier to starting a business, according to research.**

Out of 1,500 people surveyed by Yell Business, 51% thought about starting their own business but barriers such as risk of failure (25%) and not knowing where to start (23%) were preventing them from doing so.

However, the study found 40% of businesses were started on under £500, while 32% were formed on £250 or less.

Further findings:

- 93% who started a business recorded a profit last year
- 85% considered their business to be successful.

Mark Clisby, marketing director of Yell Business, said:

"As our research found, the current catalysts for taking the leap and starting a business include inheriting funds and being made redundant.

"Hopefully, the positive revelations around low start-up cost and high success will give the inspiration needed to entrepreneurs so they don't wait for scenarios like this to happen to them."

## Loans for start-ups

Government funding can help individuals who are unable to obtain investment, mentoring or support to launch their business.

The Start-Up Loan scheme is available if you've been trading for less than 12 months. The size of the loan is determined by the direction of your business plan.

There are other regional funding opportunities for start-ups depending on your eligibility, which can be accessed by visiting [www.gov.uk/business-finance-support](http://www.gov.uk/business-finance-support)

 *We can help with your business plan.*

## Important changes to PSC reporting

### Changes to the people with significant control (PSC) register have come into force.

All companies and limited liability partnerships (LLPs) are required to identify and record the people with 'significant control' over their company.

Previously, a company or LLP would make changes to the PSC register as part of its annual confirmation statement submitted to Companies House.

As of June 2017, all PSC changes must be directly reported to Companies House and not via the confirmation statement procedure.

Instead, companies and LLPs must internally update their PSC register within 14 days.

The new 14-day filing period does not apply to companies and LLPs who filed their PSC registers before 26 June 2017.

However, those with outstanding updates to their PSC registers following the filing of their annual confirmation statements on or after 26 June 2017 will be subject to the 14-day deadline.

### Identifying people with significant control

Companies need to register an individual who meets one or more of the following conditions:

- owns 25% of the company shares
- owns 25% of the voting rights
- has the right to appoint or remove a majority of directors on the board
- has significant influence or control over the company
- has significant influence or control over a trust or company that meets one of the other conditions.

Companies will also need to include the following details for each PSC:

- name
- address (both residential and service)
- country of residence
- nationality
- date of birth
- date the person became a PSC
- which of the five conditions they meet
- any restrictions on the disclosure.

 *Get in touch to discuss PSC registers.*

## Businesses approve Prompt Payment Code

### Businesses have backed the Prompt Payment Code (PPC) to support SMEs who are dealing with late payments.

The PPC sets the standards for best practice for businesses and suppliers chasing overdue payments and invoices, ensuring everyone is paid on time and offered clear guidance on procedures.

Suppliers to the government have willingly committed to pay 95% of invoices within 60 days and are working towards making 30 days the norm for deadlines.

It is estimated SMEs are collectively owed more than £26 billion in overdue payments.

Philip King, chief executive of the Chartered Institute of Credit Managers, said:

"The PPC allows suppliers to raise a challenge if they feel they are not being treated fairly by a signatory, and such challenges are proving successful – not only in delivering payment, but also in further improving practices and processes.

"It's vital businesses feel confident and have certainty they will be paid on time, as well as having a route to challenge if they need to."

### Handling late payments

If a business has unpaid invoices, it may not be able to pay its suppliers on time.

Several actions can help reduce the impact caused by late payments. Some of these include:

- ensuring all transactions are under a contract which sets out payments and penalties
- charging interest on late payments
- use of up-front payments or taking down payments
- discounts for prompt payments.

 *Chat to us about how this may affect you.*