



# INSIDER • APRIL 2017

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## Lack of funds prevents business opportunities

**A fifth of SMEs have missed out on at least 1 business opportunity in the past 12 months due to a lack of finance.**

Research by Aldemore found that firms are missing out on an average of £77,651 a year due to missed opportunities.

Bigger businesses were more likely to have missed out on opportunities:

- 32% of medium-sized businesses said that they have been heavily impacted by a lack of funding
- 28% of small businesses are missing out on opportunities due to unavailable funds
- 15% of micro businesses and 9% of sole traders have missed out.

Carl D'Amassa, group managing director, business finance at Aldemore, said:

"With more than two fifths of SMEs saying that their key business priority for 2017 is achieving business growth, it is frustrating to see that so many firms are missing out on business opportunities due to a lack of appropriate funding."

## Types of funding

Traditional bank lending such as overdrafts and loans provided 18% of the finance used by SMEs.

14% of funding came from alternative sources such as assets, crowdfunding and invoice finance.

## National minimum and living wages rise from 1 April

**The national living wage (NLW) is now £7.50 an hour.**

Most workers who are aged 25 and over and not in their first year of an apprenticeship are entitled to the new rate.

The national minimum wage (NMW) rates for various ages have also increased.

The following rates now apply:

Age	From 1 April 2017
25 and over	£7.50
21 to 24	£7.05
18 to 20	£5.60
16 to 17	£4.05
Apprentices*	£3.50

\*Apprentices rate for those aged 16-18 and 19 or over in their first year.

A poll of more than 1,400 workers earning less than £15,000 found:

- 69% are unaware that they should be paid for travel time between appointments
- 57% didn't know that money deducted from wages to cover uniform costs is unlawful if it takes their earnings below the hourly rate they are entitled to
- 48% are unaware that tips can't be used to top up pay to the legal minimum.

Contact us today to discuss business finance.

Jennie Granger, director general for customer compliance at HMRC, said:

“Paying the NMW is the law – it’s not a choice. Employers must pay their workers what they’re entitled to and follow the rules.”

## Checks and calculations

It is a legal requirement for all employers to check if their employees are eligible for the NLW or NMW. Failure to pay the correct rate will result in a fine and the employer may be named by the government.

Employers need to keep proof that they are paying their staff the correct wage. All records have to be kept for 3 years.

 [Talk to us about NMW and NLW.](#)

## Business rates revaluation takes effect

**The business rates revaluation took effect on 1 April 2017.**

This means that businesses in England and Wales will pay rates that reflect the changes in their local property market.

The government has said that nearly 75% of businesses will see no change or a fall in their bills.

Small business rate relief has permanently doubled as of 1 April 2017. Eligible properties with a rateable value of £12,000 and below will receive 100% relief if the business uses 1 property.

Businesses with a rateable value between £12,000 and £15,000 will also get tapered relief.

## Further changes

Further support has been confirmed for smaller businesses affected by the business rates revaluation.

No businesses coming out of small business rate relief will see their bills increase by more than £600 in 2017/18. Any increases will be capped at £50 a month or at the transitional relief cap.

Local authorities in England will also have funding to support businesses most affected by the revaluation.

## Calculating your rate

You can check the rateable value of your property to calculate your current business rates. This is set by the Valuation Office Agency.

For those in Scotland, rates are worked out using the rateable value set by the local assessor and the poundage rate (a proportion of your rateable value) set by the Scottish government.

 [Contact us to discuss how these changes may affect your business.](#)

## Important dates and changes for April 2017

**As another new tax year begins, here are some important tax dates and changes to be aware of this month.**

### 1 April

#### Auto-enrolment staging dates

Auto-enrolment staging date for employers who don't have a PAYE scheme.

#### Business rates

Rate payers that occupy a single property with a rateable value of £12,000 or less will pay no business rates.

#### Corporation tax

Corporation tax reduces from 20% to 19%.

#### VAT

The VAT registration threshold will increase from £83,000 to £85,000. The deregistration threshold will increase from £81,000 to £83,000.

### 6 April

#### Income tax

The personal allowance increases from £11,000 to £11,500.

A £1,000 allowance for property income and a £1,000 allowance for trading income will come into effect.

You won't need to declare or pay tax if you have income from either source of less than £1,000.

If you have income above £1,000, you will be able to deduct expenses in the usual way or deduct the £1,000 allowance.

#### Inheritance tax

An additional nil-rate band of £100,000 will be introduced for property passed down to a direct descendant.

#### ISAs

The annual investment limit will increase from £15,240 to £20,000. The limit for a Junior ISA will rise from £4,080 to £4,128.

A new type of ISA – the Lifetime ISA – will be available for adults under the age of 40.

Individuals will be able to contribute up to £4,000 a year and will receive a 25% bonus from the government.

These savings can be used to purchase a first home once the account has been open for a year.

Alternatively, savings can be withdrawn for any reason from the age of 60. Withdrawing the funds at other times may lead to a withdrawal charge of 25%.

 [Talk to a member of our team today about your tax obligations.](#)