

How to cope with the falling pound

According to ACCA (Association of Chartered Certified Accountants), there are several ways in which businesses can reduce the impact of currency fluctuations and keep losses to a minimum.

Since September the pound has fallen dramatically against the dollar to its lowest point in five years, and is currently at a record low against Euro.

However, new advice from ACCA offers ten measures SMEs might consider to help cut their losses:

Consider banks' Forward Contracts: These fix the currency exchange rate at which you buy and sell currency for delivery at a later date.

Open a Foreign Currency Account: If you keep your foreign payments in the currency in which they were made, you could benefit by opening a foreign currency account.

Agree an exchange rate with suppliers: Consider whether your suppliers would allow you to agree future orders at an agreed currency exchange rate.

Agree prices to manage taxes: Ensure any price agreed with a non-UK supplier is exclusive of all local taxes, levies, duties and import costs.

Consider negotiating prices: Suggest a mechanism for renegotiating the price where foreign exchange losses move outside a specified level of tolerance.

Match the currency: Match the currency of income to that of expenditure wherever this is possible and practical to eliminate foreign exchange risks.

Check transaction costs: Be clear about the transaction costs associated with keeping funds in a local currency. In some jurisdictions these can be considerable.

Seek Currency Protection: More flexible currency protection products also exist which give you protection against adverse exchange rate fluctuations but still allow you to take advantage if the exchange rates go in your favour.

Stress test your costs: Businesses need to take stock of their costs and facilities in foreign currencies and proactively 'stress test' their exposure against worst-case scenarios.

Build in contingencies for potential losses: When establishing your price, build in a contingency for possible foreign exchange losses.

BYE BYE ENERGY WASTE, HELLO SAVINGS!

With more and more businesses looking to save money and the cost of energy bills continuously rising, what can be done to reduce the outlay on electricity?

The Organisation for Economic Co-operation and Development statistics show that gas and electricity bills rose by 28.7% in the past year, and government watchdog

Consumer Focus said UK businesses were being hit "faster and harder" than any of our European neighbours.

For most businesses, simply ceasing to use office equipment altogether would be somewhat counterproductive if not downright impossible, but there are other ways to cut costs.

Technology Consult offers a unique solution to minimise unnecessary office power usage. Their Bye Bye Standby Energy Management System automatically monitors and cuts power to connected devices within your office and could save your organisation up to 50% on your current electricity spend.

Robin Mehta of Technology Consult says: "The effect of rising energy costs on UK businesses is profound. More and more, however, we are witnessing organisations taking control of the situation and fighting back. Bye Bye Standby is one of the most effective methods for businesses with office equipment to combat these escalating costs." Technology Consult offers all chamber members a free power consumption audit, valued at £200, and can even arrange for free product trials, worth £200 per week for an office with 20 users.

• If you would like to speak to a member of their team their contact details are available at www.technologyconsult.co.uk.



Could you cut electricity costs?