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FOR WHAT COMES NEXT

Local Digital Index **2025**

Case Study



MOORE
Kingston Smith

Building Stronger Local Economies



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We are thrilled to be working with techUK on their Local Digital Index. We work closely with innovative tech companies in the UK, supporting them to leverage opportunities and reach their full potential. The index is a fantastic tool which shines a light on regions that are leading the way and we are excited to see how their recommendations will support and grow the regional tech ecosystems. ”



Ryan Day, Head of Technology, Moore Kingston Smith

Moore Kingston Smith is a multi-disciplinary advisory, tax and audit firm with offices in and around London and the surrounding regions, including St Albans, Romford, Redhill and Heathrow. We support local tech business communities, bringing a wealth of tools, connections and expert guidance to help them achieve their strategic objectives. As the Local Digital Index shows, the success of the tech sector in these regions isn't in doubt. However, to drive productivity companies need to grow across the UK.

Skills and talent

The Local Digital Index shows that there is a strong demand for digital skills throughout the UK, with 17% of roles advertised in Greater London being digital jobs. With the high demand and the talent pool shrinking, many of our clients look to incentivisation policies beyond basic remuneration packages to attract and retain skilled employees.

Share incentives are a powerful tool for tech start-ups and SMEs when it comes to attracting, retaining and motivating key talent. They tie an employee's reward to the success of the business and allow companies to offer attractive, valuable incentives without an immediate impact on cash flow. Share incentives can also offer significant tax advantages, especially where a company meets the criteria to grant enterprise management incentive (EMI) options.

Share incentives should form part of a company's strategic planning. To deliver value to employees, there should be a clear vision of the company's medium-term future. It's also important to make sure that share incentives are 'deal-proof', so that they deliver value to employees without causing problems during a transaction process. When schemes are

being implemented, tech companies should make sure that the arrangements are legally robust and consider getting a professional valuation of their shares. As a multi-disciplinary firm, we provide business valuations as well as legal advice and tax planning to our technology clients.

Innovation

The Local Digital Index shows that R&D, and innovation activities are most prevalent in London, the South East and the East of England as well as identifying new innovative hotspots. Government grants play a vital role in enabling tech companies, especially start-ups and small enterprises, to innovate and compete in fast-evolving industries.

UK government grants that we are advising our clients on include Innovate UK programmes, such as SMART grants. Other tech-related targeted programmes including the new £7 million AI funding from the UK Research and Innovation (UKRI) Technology Missions Fund, delivered by the Innovate UK BridgeAI programme. Additionally, we help our clients to access and identify European grant programmes including Horizon.





Furthermore, Moore Kingston Smith has been at the forefront of R&D tax relief for years, helping our clients navigate the ever-growing complexity in this area. The new merged scheme (which has a radically different approach to the treatment of contracting out R&D) will come into force during 2025. Our specialist [R&D department](#) is assisting our clients to prepare for this.

Finance and investment

The Local Digital Index shows that access to private funding tends to be greater in southern England, particularly around London, Oxford and Cambridge, with Oxford Nanopore Technologies and Darktrace as examples.

As the index highlights, attracting investment to the sector is as important as ever. Using EIS/VCT schemes to encourage those that have previously exited to become angel investors in fledgling start-ups is attractive for both parties. [Our downloadable guide](#) summarises the tax benefits and key requirements of the different schemes.

Raising the right type of capital at the right time to finance a tech business's growth is key to its success. It is important that companies accurately understand

their financial needs and how they will deploy the capital, as well as matching their funding needs with the right sources of capital: debt, equity or a combination of both. Our debt advisory partner, Guy Taylor, has been active raising debt finance for tech businesses, most recently for [Actica Consulting](#), a digital transformation specialist for the public sector.

Our lived experience as a PE-backed firm means the team appreciates the importance of finding the most suitable partner for a business. It's about matching the right VC or private equity investor with the right business. It must be a good fit. We bring that experience to our clients.

Looking ahead

With the UK government's focus on growth, particularly through tech and digital innovation, there is a more positive outlook for 2025, despite geopolitical and economic uncertainty. AI will remain a big focus following the Prime Minister's announcements, and we would not be surprised to see a more regulatory approach to AI integration, despite his plans to forge new AI Growth Zones to speed up planning proposals and build more AI infrastructure. We are interested to see the developments in renewable energy innovations,

with tech playing a pivotal role in supporting the net-zero target. Cyber security remains a key risk to the sector; government support, through accessible resources on cyber security and embedding cyber security best practices from the outset, will ensure that businesses are well-equipped to navigate these challenges.

Get in touch

With the rapid pace of change, aligning with the right business adviser can provide more value than ever. At Moore Kingston Smith, we understand the needs of tech businesses. We are passionate about your journey and want to hear from you about how we can help.

mooreks.co.uk

linkedin.com/company/moore-kingston-smith

x.com/MooreKSLLP

pd@mks.co.uk



About techUK

techUK is a membership organisation that brings together people, companies and organisations to realise the positive outcomes of what digital technology can achieve. We collaborate across business, Government and stakeholders to fulfil the potential of technology to deliver a stronger society and more sustainable future. By providing expertise and insight, we support our members, partners and stakeholders as they prepare the UK for what comes next in a constantly changing world.



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info@techuk.org

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