

Update | May 2020

This newsletter details some of the measures announced by the Government to support businesses and individuals during the COVID-19 crisis. We can provide proactive advice to help you come out stronger on the other side so please contact us if you wish to discuss any of these issues.

Best wishes

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British Businesses Are Adapting to Life Under Lockdown!

Some businesses will prosper during the Pandemic (e.g. those that are already online), and some will need to repurpose or “pivot” into new areas. Others will need to hibernate and regrettably some will not survive the Pandemic. This article focuses on pivoting or repurposing.

This means thinking about selling or providing goods or services in a new way. Is it possible?

Yes it is! We have seen several of our clients and other local restaurants doing take-aways or delivering to doorsteps.

We heard about a sports clothing manufacturer now making protective clothing for carers. One engineering company has started using their 3D printers to make PPE.

Some fashion suppliers such as Next, have reopened selling online after improving social distancing in their distribution centres.



Most UK supermarkets are prioritising deliveries for vulnerable and elderly shoppers during lockdown and they intend to continue offering this service when the lock down ends.

The good news is British Businesses are adapting and changing to recognise things must be done in new ways and that new thinking is needed.

So, if you are looking for new opportunities and new ways of doing things with your business talk to us. We are helping many clients plan to do things differently.

We can work with you to understand your goals, strengths, weaknesses, and opportunities and to help you repurpose or pivot your business so you can come out of this Pandemic with new purpose and hope.

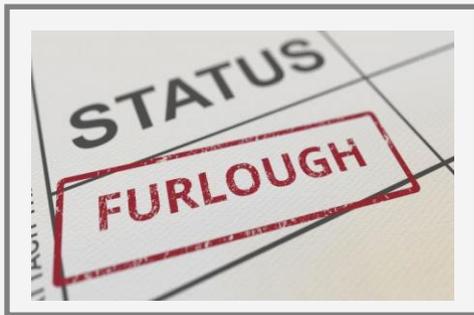
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Update on Government Supports

The Coronavirus Job Retention Scheme (CJRS)

The HMRC application portal opened on the 20th April for businesses to submit details of Furloughed employees. On the first day the website was very slow, but this seems to have settled down. There have been several issues uploading the data to the portal especially with overtime and bonuses, Furlough periods, part time and higher paid employees and employers being registered to use the portal.

Please contact us if you need help in these areas. What is clear is that this is a time-consuming process as you must upload data for each individual employee, so our advice is be patient and understand thousands of businesses are all trying to upload data at the same time. Talk to us before you make an application if you have any queries about eligibility or would like an estimate of the claim.



Self-employment Income Support Scheme

The online service to make a claim is not available yet. HMRC will aim to contact you by mid May 2020 and if you are eligible will make payments by early June 2020. We have a spreadsheet calculator to help see if you qualify and estimate your claim. Contact us if you would like a copy.

Business rates relief and Small Business rate relief

Rates relief is handled differently in Scotland, Wales, and Northern Ireland. We are now seeing Councils paying the Grants to businesses. If you have not been contacted by your local council go on their website and Register for Grant support. Typically, you will be asked which Grant you are applying for and your business details.



VAT and Self-Assessment tax deferral

UK VAT registered business and have a VAT payment due between 20 March 2020 and 30 June 2020, you have the option to defer the payment until a later date or pay the VAT due as normal. This does not cover payments for VAT MOSS or import VAT. HMRC will not charge interest or penalties on any amount deferred. Several clients have taken advantage of the deferral and cancelled their DD with HMRC. The next deadline for self-assessment tax is 1 July for your second payment on account. You can delay making payment and you will have until 31 January 2021 to pay it. Remember these amounts will have to be repaid in the future so if you are in any doubt talk to us.

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Corona Business Interruption Loans

UK based small and medium-sized business can apply for an interest-free loan of up to £5m. This scheme has faced severe criticism and has been revamped in the last week. It was described by the Governor of the Bank of England as being “Too complicated” and banks are now responding.

£2.8bn of loans have been agreed compared with the £1.1bn approved up to last week and banks are wading through a large backlog. Only 16,624 applications have been approved out of 36,000.

The process requires past, current, and future financial information including projections. We have a process to help you apply including a pre-qualification check. Talk to us if you want help in securing finance under this scheme.

CBILS Bounce Back Loan Scheme

The Bounce Back Loan scheme will help small and medium-sized businesses to borrow between £2,000 and £50,000.

The government will guarantee 100% of the loan and there won't be any fees or interest to pay for the first 12 months.

Loan terms will be up to 6 years. No repayments will be due during the first 12 months. The government will work with lenders to agree a low rate of interest for the remaining period of the loan.

The scheme will be delivered through a network of accredited lenders.

Eligibility

You can apply for a loan if your business:

- is based in the UK
- has been negatively affected by coronavirus
- was not an ‘undertaking in difficulty’ on 31 December 2019

Who cannot apply

The following businesses are not eligible to apply:

- banks, insurers and reinsurers (but not insurance brokers)
- public-sector bodies
- further-education establishments, if they are grant-funded
- state-funded primary and secondary schools

If you're already claiming funding

You cannot apply if you're already claiming under the [Coronavirus Business Interruption Loan Scheme \(CBILS\)](#).

If you've already received a loan of up to £50,000 under CBILS and would like to transfer it into the Bounce Back Loan scheme, you can arrange this with your lender until 4 November 2020.

How to apply

The Bounce Back Loan scheme will launch on 4 May 2020.

More information about the scheme will be published shortly.

Other Government supports

There are other Government supports for large businesses, exporters and the regions of Scotland, Wales, and Northern Ireland.