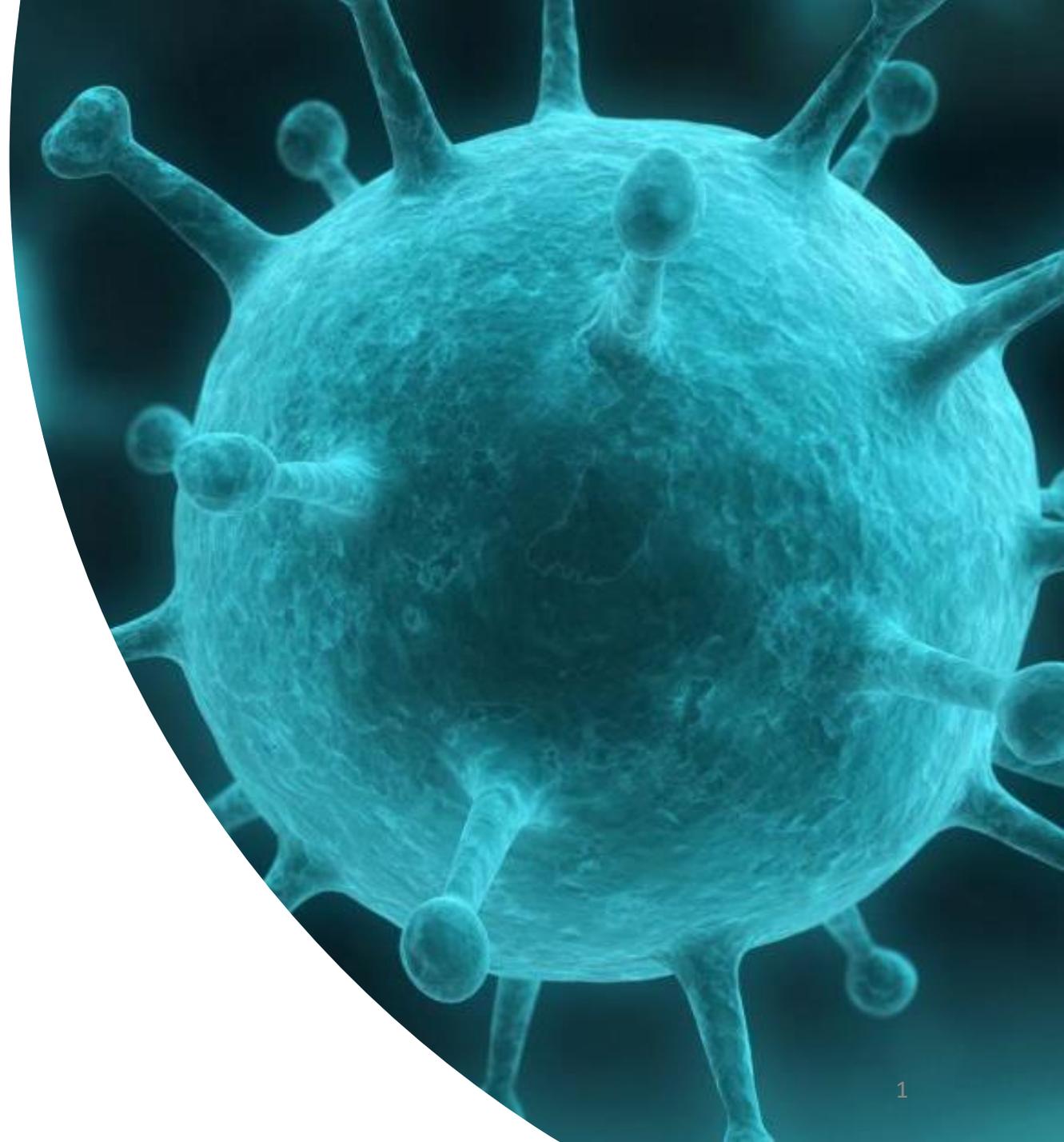


# Business Risk and Financial Planning for COVID-19

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# Objectives

- Preparing you for the challenges ahead
- Government support to businesses
- Cash flow management
- Moving your business forward



# Government Advice

- The public is essentially being asked to reduce social contact, with the strongest warnings for the most vulnerable.
- Those who show symptoms, and those they live with, are being asked not to leave their homes.
- Anyone with a fever or persistent cough should stay at home for seven days if they live alone or 14 days if they live with others. Anyone who lives with someone displaying coronavirus symptoms should also stay at home for 14 days. People who have to isolate themselves should ask others for help
- Everyone should stop non-essential contact with others. This is particularly important for people over 70, those with underlying health conditions and pregnant women
- People should work from home where they can
- People should avoid places like pubs, clubs and theatres. This applies especially to those in London which is "a few weeks ahead" of the rest of the UK
- People should stop all unnecessary travel
- By the weekend, those with the most serious health conditions - around 1.4 million with conditions such as heart disease, diabetes, or asthma - should be shielded from social contact for 12 weeks

# How Long Will This Pandemic Last?

- A reasonable assumption would be 3 months per the Government and then 3 months to get back to normality - but this is an estimate.
- We simply do not know – all we can do is “Plan for the Worst and hope for the best!”
- Our role is to help you get the Government support promised and to provide you advice on managing the risk to your business and to help you become Digital as soon as possible.
- We will also be ensuring you meet filing deadlines and other compliance required.

# Government Support – Some Of The Main Areas

The package of measures to support businesses includes:

- Coronavirus Job Retention Scheme
- Deferring VAT and Income Tax payments
- A Statutory Sick Pay relief package for SMEs
- A 12-month business rates holiday for all retail, hospitality and leisure businesses in England
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- The Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- A new lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans
- HMRC Time To Pay Scheme

# Coronavirus Job Retention Scheme

All UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis. All UK businesses are eligible.

You will need to:

- designate affected employees as 'furloughed workers,' and notify your employees of this change - changing the status of employees remains subject to existing employment law and, depending on the employment contract, may be subject to negotiation
- submit information to HMRC about the employees that have been furloughed and their earnings through a new online portal (HMRC will set out further details on the information required)

HMRC will reimburse 80% of furloughed workers wage costs, up to a cap of £2,500 per month. HMRC are working urgently to set up a system for reimbursement. Existing systems are not set up to facilitate payments to employers.

# Deferring VAT And Income Tax Payments

- VAT
  - the deferral will apply from 20 March 2020 until 30 June 2020.
  - All UK businesses are eligible.
  - This is an automatic offer with no applications required. Businesses will not need to make a VAT payment during this period. Taxpayers will be given until the end of the 2020 to 2021 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.
- Income Tax
  - For Income Tax Self-Assessment, payments due on the 31 July 2020 will be deferred until the 31 January 2021.
  - If you are self-employed you are eligible. This is an automatic offer with no applications required.
  - No penalties or interest for late payment will be charged in the deferral period.
  - HMRC have also scaled up their Time to Pay offer to all firms and individuals who are in temporary financial distress as a result of Covid-19 and have outstanding tax liabilities.

# Support For Businesses Who Are Paying Sick Pay (SSP) To Employees

- Applies to small-and medium-sized businesses and employers :
  - This refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
  - Employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020
  - Employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
  - Employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note. If evidence is required by an employer, those with symptoms of coronavirus can get an isolation note from NHS 111 online and those who live with someone that has symptoms can get a note from the NHS website
  - Eligible period for the scheme will commence the day after the regulations on the extension of SSP to those staying at home comes into force
  - The government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible.

# Support For Businesses That Pay Business Rates (England)

The Government is introducing a business rates holiday for retail, hospitality and leisure businesses in England for the 2020 to 2021 tax year.

Businesses that received the retail discount in the 2019 to 2020 tax year will be rebilled by their local authority as soon as possible. You do not need to take any action this will be done by your Local Authority.

You are eligible for the business rates holiday if:

- your business is based in England
- your business is in the retail, hospitality and/or leisure sector
- Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:
  - as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
  - for assembly and leisure
  - as hotels, guest & boarding premises and self-catering accommodation

# Cash grants for retail, hospitality and leisure businesses (England)

- The Retail and Hospitality Grant Scheme provides businesses in the retail, hospitality and leisure sectors with a cash grant of up to £25,000 per property. For businesses in these sectors with a rateable value of under £15,000, they will receive a grant of £10,000. For businesses in these sectors with a rateable value of between £15,001 and £51,000, they will receive a grant of £25,000.

You are eligible for the grant if:

- your business is based in England
- your business is in the retail, hospitality and/or leisure sector

Properties that will benefit from the relief will be occupied hereditaments that are wholly or mainly being used:

- as shops, restaurants, cafes, drinking establishments, cinemas and live music venues
- for assembly and leisure
- as hotels, guest and boarding premises and self-catering accommodation

Accessing the scheme:

You do not need to do anything. Your local authority will write to you if you are eligible for this grant.

# Support For Businesses That Pay Little Or No Business Rates (England)

- The government will provide additional Small Business Grant Scheme funding for local authorities to support small businesses that already pay little or no business rates because of small business rate relief (SBBR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible businesses to help meet their ongoing business costs.

You are eligible if:

- your business is based in England
- you are a small business and already receive SBBR and/or RRR
- you are a business that occupies property

How to access the scheme:

You do not need to do anything. Your local authority will write to you if you are eligible for this grant

# Support For Businesses Through The Coronavirus Business Interruption Loan Scheme

A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch this week to support primarily small and medium-sized businesses to access bank lending and overdrafts.

The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the Scheme will support loans of up to £5 million in value.

Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest payments.

You are eligible for the scheme if:

- your business is UK based, with turnover of no more than £45 million per year
- your business meets the other British Business Bank eligibility criteria

Further details pending

# Support For Businesses Paying Tax: Time To Pay Service

- All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time to Pay service.
- These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities. You are eligible if your business pays tax to the UK government and has outstanding tax liabilities.
- If you have missed a tax payment or you might miss your next payment due to COVID-19, please call HMRC's dedicated helpline: 0800 0159 559. If you're worried about a future payment, please call them nearer the time.

# Immediate Actions

- Work out your estimated sales and costs over the next 3 months and Break even point and do a Cash Flow Forecast - You need these to make decisions:
- Talk to your bank if you have loans or an overdraft
- Apply (if necessary) for Government and Bank support
- **Above all stay strong! Remember your health and welfare is more important than anything else just now. We will help you every step of the way. Together we will beat this!**
- Get your team involved in a discussion of likely trading conditions and get their input on reducing costs and maintaining revenues.
- Review your list of products and services and eliminate those that are unprofitable or not core products/services
- Get rid of won't pay customers.
- Review your debtors list and chase up overdue invoices (if appropriate).
- Offer existing debtors extended payment terms and/or discounts.
- Agree extended payment terms with all suppliers in advance.
- Put extra effort into making sure your relationships with your better customers are solid.



# What's Next?

- The situation is changing daily
- Get your Action Plan in place
- Know your figures and make projections for the next 3 months
- Apply for Government or bank support (if applicable)
- Be strong and above all look after your and your families Health.
- We are with you all the way – our business depends on you.