

## COVID 19 – Coronavirus

### Supporting clients

Today, and for the foreseeable future, British businesses are facing their greatest ever challenge. There is no doubt that we are in unprecedented times and as business owners and managers there is the added pressures of dealing with the realities of keeping our respective businesses going, looking after the wellbeing of staff and the prospect of having to make some very difficult decisions.

The Prime Minister has been resolute in stating that the Government will do whatever it takes to support business and to protect the workforce, which is undeniably good news but there are a number of practicalities on which you may well need help from BCA.

Communication and timeliness has never been more important, particularly if there is a need to engage with HMRC for a time to pay agreement or in producing a valid business case to support an application for a Government backed loan. To ensure we can continue to support you, we are keeping staff in the office as far as we can, while working with the health recommendations. We are investing to enable more staff to work from home, however it is likely that our business, like yours, may incur some interruptions from time to time but our focus is on maintaining our ongoing support to you.

Cash flow is critical to every business and accurate budgeting and forecasting is essential, as is considering all your options and the available support that is available following the Governments announcements about help for small businesses and individuals affected by coronavirus, so do get in touch to discuss how we can support you.

Below is a brief summary of some of the key options announced by the Government:

- Wages and salaries support to be paid to businesses to prevent employees being laid off – though we still await the details of how this will work
- Statutory Sick Pay (SSP) to be paid from the first day of absence, not the fourth, where people have the virus or have to self-isolate, or care for such people.
- Full funding of the cost of two weeks' SSP for small and medium-sized employers whose workers have claimed SSP as a result of coronavirus.
- Support through Universal Credit and Employment and Support Allowance for self-employed people and others not entitled to SSP.
- Businesses and self-employed individuals in financial distress will be able to negotiate 'time to pay' arrangements with HMRC without incurring late payment penalties – and all VAT current payments can be deferred
- Any business that needs access to cash to pay their rent, salaries, suppliers, or to purchase stock, will be able to access a government-backed loan on "attractive terms" (which have not yet been specified). That support will be delivered to small and medium businesses via the new Business Interruption Loan Scheme (announced at the Budget), which will now provide loans of up to £5 million, with no interest due for the first six months. Details aren't available yet, but the government has said the scheme will be up and running starting the week of 23 March.

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Also, in the Retail, hospitality and leisure sectors –

- All businesses (not just those with a rateable value of less than £51,000, as previously announced), will pay no business rates for 2020/21.
- Those businesses with a rateable value below £51,000 will also be eligible for an additional cash grant of up to £25,000 (i.e. cash payment from the government) per business, to help them through this period.
- This means that every single shop, pub, theatre, music venue, restaurant, etc. will pay no business rates whatsoever for 12 months and, if they have a rateable value of less than £51,000, they can now get a cash grant as well.
- The 700,000 or so small businesses that are already eligible for small business rates relief will receive a grant of £10,000 to help with business costs. Details of how this will be provided are still to be announced
- For those individuals in difficulty due to coronavirus, mortgage lenders will offer at least a three-month mortgage holiday, so that people will not have to pay a penny towards their mortgage while they get back on their feet.

We know that you have a myriad of issues to deal with so examples of where we might be able to offer immediate assistance are:

- The support scheme for wages & salaries and how to apply as soon as HMRC announce the details
- Considering the impact of sick pay and SSP, and how much should be recoverable
- Communicating with HMRC and arrange for time to pay PAYE, NI, VAT and tax bills
- Cash flow projections and scenario planning
- Considering and assessing the various options for cost changes, and the cash impact
- Applications for available grants and/or loans as the Government announces the details

We hope to contact all of our clients over the next few weeks but if there are any areas that you wish to discuss more urgently, or you require immediate support in contacting either HMRC or your bank do not hesitate to get in touch sooner.

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