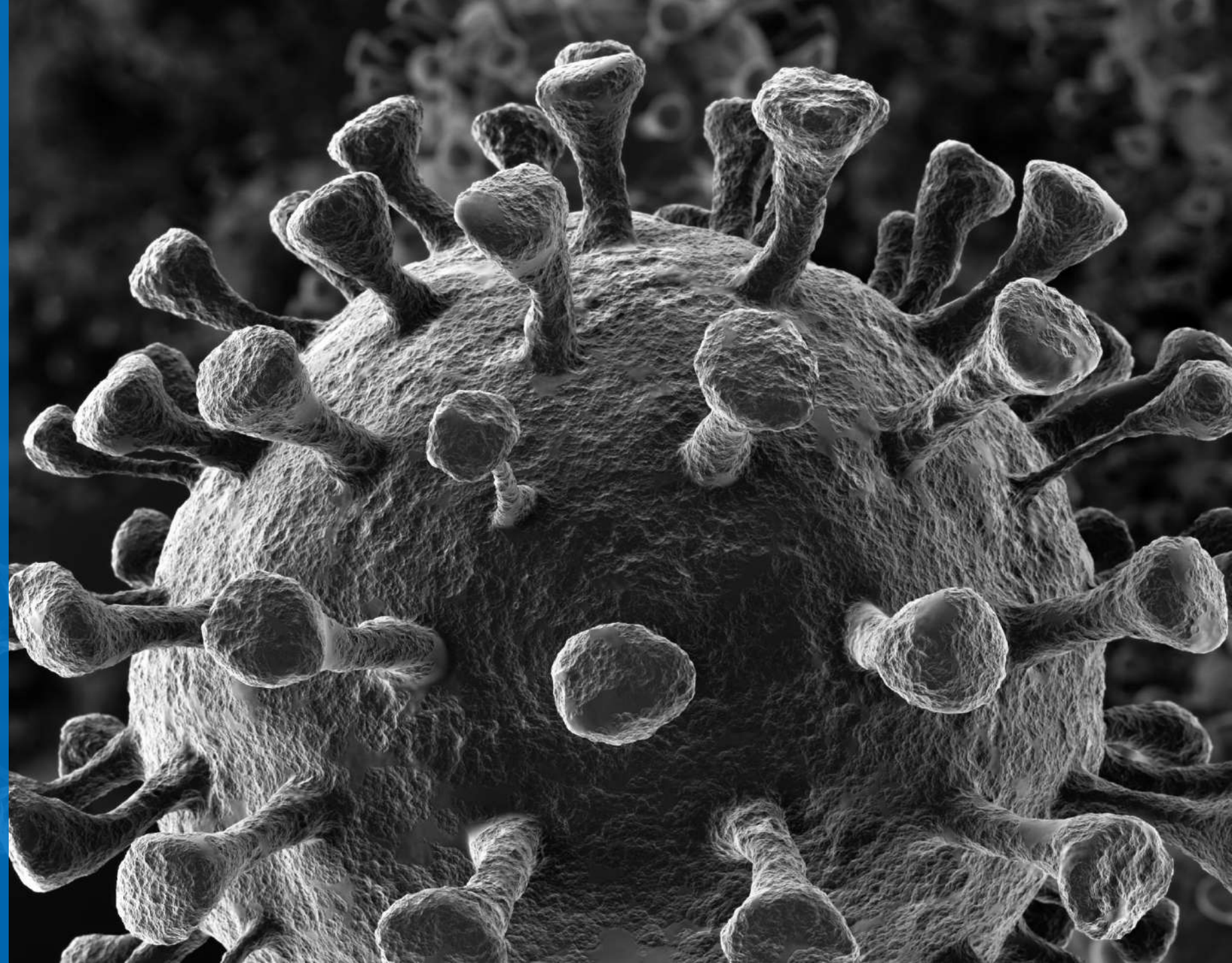


**COVID-19
WEBINAR**

2ND APRIL 2020

**PRESENTED BY
HARRI LLOYD
DAVIES
PARTNER**



AGENDA

- What we are seeing
- Government support
- Issues and reality
- Future support
- Action plan and recommendations



GOVERNMENT SUPPORT – SOME OF THE MAIN AREAS

The package of measures to support businesses includes:

- New small business grant scheme for Wales
- 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 Wales
- 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 £12,000 and £51,000
- The Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank
- HMRC Time To Pay Scheme
- DBW Loan support
- Self employed funding

GOVERNMENT SUPPORT – WELSH GOVERNMENT GRANTS

The package of measures to support businesses includes:

- 🌈 Grants of £10,000 for micro-businesses employing up to nine people. This includes sole traders employing staff. Qualifying businesses will be able to apply by mid-April.
- 🌈 Grants of up to £100,000 for small and medium sized firms with between 10 and 249 employees. Qualifying businesses will be able to apply from next week.
- 🌈 Support for larger Welsh companies, which are of critical social or economic importance to Wales. This element will be open to qualifying businesses within the next two weeks.
- 🌈 To be eligible for grants from the new Economic Resilience Fund, businesses will need to meet certain criteria including employing staff, be VAT registered and turnover affected by the coronavirus pandemic. Full details will be available when the applications open.

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 (NO APPLICATION PROCESS NEEDED)

VAT

- The deferral will apply from 20 March 2020 until 30 June 2020. – Cancel your DD!!
- 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.
- You will still need to complete your VAT returns 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.
- You will still need to complete your SATR, if you think you are due a refund contact us early to calculate this for you.

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.

BUSINESS RATES RELIEF AND GRANTS (WALES)

Business Rate Relief

- 🌈 Retail, leisure and hospitality businesses will get one year business rates relief in 2020 to 2021. This means that they will not have to pay any business rates during this time.
- 🌈 This will be administered through the business rates system.

Grants:

- 🌈 Retail, leisure and hospitality businesses with a rateable value of £12,001 and £51,000 will get a grant of £25,000.
- 🌈 All businesses with a rateable value of £12,000 or less that are eligible for Small Business Rates Relief will get a grant of £10,000.
- 🌈 **Many clients have already received this money so apply now!!**

SMALL BUSINESS GRANTS (WALES)

Councils have started releasing more information on how to apply today

Swansea

- Asking businesses to update information so they can administer the scheme
- <https://www.swansea.gov.uk/coronavirusbusinessgrant>

Carmarthenshire

- A small business hardship relief fund that will be available to non-council tenants who are suffering a loss in income or hardship as a consequence of the Coronavirus. This fund will provide access to a grant of up to £3,000 to support the short-term rental liability of businesses for up to three months
- Council small business tenants will no be penalized for non-payment of rent
- <http://newsroom.carmarthenshire.gov.wales/2020/03/council-announces-covid-19-small-business-support-package/#.XnsjP3d2uUk>

Pembrokeshire

- No details yet - <https://www.pembrokeshire.gov.uk/business-advice-and-support>

Neath Port Talbot

- No details yet - <https://www.npt.gov.uk/22404>

Powys

- No details yet - <https://en.powys.gov.uk/coronavirus>

SUPPORT FOR BUSINESSES THROUGH THE CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)

A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, has been launched.

Already concerns have been raised over:

- Speed
- Detail required
- Guarantees requested

And some clients already turned down.

SUPPORT FOR BUSINESSES THROUGH THE CORONAVIRUS BUSINESS INTERRUPTION LOAN SCHEME (CBILS)

Info required:

The key detail we would need to consider in making an application is detailed below. Please call me if you wish to discuss further;

- Key principles activities of the business & strategy, and how the business has been specifically affected by Covid-19 and what actions have been taken/being considered to date to support preservation of cash flow and business continuity.
- How much you will need to borrow, over how long and what assumptions have been used to arrive at the figure.
- Explanation as to how the funds will be used, ideally with support of a cash flow forecast covering a minimum of six months with breakdown of monthly costs and with assumptions if possible.
- Latest management information held where available
- Latest Aged Debtors & Creditors reports where available
- If the business is able to provide fixed asset security such as a commercial property, this should be detailed.
- Completion of Assets and Liabilities statement - we would only seek Personal Guarantee's where the borrowing requested is over £250,000

SUPPORT FOR BUSINESSES THROUGH DBW

<https://developmentbank.wales/covid-19-wales-business-loan-scheme>


Info required:

Key features

- Loans between £5,000 to £250,000, maximum loan levels apply
- 12-month capital and interest repayment holiday
- No arrangement or monitoring fees
- 2% interest fixed for 6 years (includes the 12-month holiday)
- Partially secured lending depending on the size of the loan, see below for details

SUPPORT FOR BUSINESSES THROUGH DBW

To apply you must use our [online application form](#) and have the following documents ready:

 **For loans between £5,000 - £25,000 (Sole traders, Partnerships, Other)**

Statement of Assets & Liabilities

Previous 3 months bank statements

 **For loans between £5,000 - £25,000 (Limited Company)**

Previous 3 months bank statements

 **For loans between £25,000 - £100,000 (all businesses)**

Previous 3 months bank statements

 **For loans over £100,000 up to £250,000 (all businesses)**

Previous 3 months bank statements

Historic accounts (2 years)

Completed cash flow forecast template - [download template](#)

Up-to-date Management Information (inc. P&L, Balance Sheet)

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.

SUPPORT FOR SELF EMPLOYED

- Broadly the new scheme will allow self-employed taxpayer to claim a taxable grant worth 80% of trading profits up to a maximum of £2,500 per month for the next 3 months

The scheme is available to self-employed individuals and members of a partnership who satisfy all of the following conditions:

- They have submitted their Income Tax Self-Assessment tax return for the tax year 2018/19
- Have traded in the tax year 2019/20
- Are trading when they apply, or would be except for COVID-19
- They intend to continue to trade in the tax year 2020/21
- They have lost trading/partnership trading profits due to COVID-19

At least one of the following conditions must be satisfied:

Trading profits/share of partnership trading profits in 2018/19 of less than £50,000 and these profits constitute more than half of the taxpayer's total taxable income.

OR

Average trading profits in 2016/17, 2017/18, and 2018/19 of less than £50,000 and these profits constitute more than half of the taxpayer's average taxable income in the same period.

UP TO DATE ADVICE

- <https://www.bevanbuckland.co.uk/covid-19-update>
- <https://gov.wales/coronavirus-covid-19-support-businesses>
- <https://www.gov.uk/coronavirus>

SPEAK TO US

We are receiving a lot of enquiries so please email us and we will get back to you.

We are trying to prioritise those clients who most need help.

Let us know if you are applying for financing and will need help/ information to support your application.

Questions for next webinar: mail@bevanbuckland.co.uk






“Your Local Financial Team”

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