

Wilkins Southworth

COVID 19 FINANCIAL REVIEW AS AT 27 APRIL 2020

This is my fourth Covid 19 Financial Review and it should be read after reading the previous Financial Reviews which were as at 21 March, 26 March and 19 April 2020. All these reviews have been posted on our website. Today's content is as of 27 April and incorporates the guidance on Bounce Back Loans which was released today.

Please remember

TURNOVER is vanity

PROFIT is sanity

But CASH IS KING

Preserve cash at all costs as we don't know how long this will go on for.

Remember an accountant is not there just for the good times. We are still coming in to the office every day and will do as long as we are allowed.

We WILL NOT charge you for any Covid 19 telephone advice.

1. BOUNCE BACK LOANS

- a) This measure is targeted at small businesses and it will provide loans between £2,000 and £50,000.
- b) The online application form is two pages long and there are no forward looking business tests or eligibility criteria.
- c) The money should be released within two days of the loan being approved.
- d) The loans will be 100% government backed.
- e) The loans will be interest free for the first twelve months.
- f) The scheme will launch on Monday 4 May.

2. SELF-EMPLOYMENT INCOME SUPPORT SCHEME

This scheme has been updated. In addition to the stipulations listed in my Covid 19 Financial Review as at 26 March you must comply with the following: -

- a) You must have lost trading profits due to Coronavirus.
- b) You will need to confirm to HMRC that your business has been adversely affected by Coronavirus.
- c) HM Revenue & Customs aim to contact you by the middle of May if they think you are eligible for the scheme.

- d) You must then make a claim using the GOV.UK online service.

Following on from my concerns with the prevalence of scams HM Revenue & Customs have confirmed that only applications using the GOV.UK online service are acceptable. Therefore please do not respond to anyone who asks you to reply to emails, texts, phone calls etc.

- e) HM Revenue & Customs will use a risk based approach to compliance.

3. NEW MEASURES TO PROTECT UK HIGH STREET FROM AGGRESSIVE RENT COLLECTION AND CLOSURE

- a) The Government will temporarily ban the use of statutory demands made between 1 March and 30 June 2020, where a company cannot pay its bills due to the Coronavirus.
- b) The Government will temporarily ban the use of winding up petitions presented from Monday 27 April to 30 June 2020, where a company cannot pay its bills due to the Coronavirus.
- c) The Government will introduce secondary legislation to prevent landlords using Commercial Rent Arrears Recovery (CRAR) unless they are owed 90 days of unpaid rent.

The Government may extend this legislation.

4. CORONAVIRUS JOB RETENTION SCHEME (CJRS)

As with other European Countries we have noticed that some additional restrictions are being imposed on Government assistance before claims can be made. We have particularly noticed this in regard to Children's Nursery Schools and Pharmacies.

Please ensure you are fully appraised of these restrictions before any claims are made.

This Aide-Memoire is intended as guidance only. This information is based on information as at 27 April 2020. The situation is continually changing therefore if you need help regarding any of the above, please contact us immediately. You should not rely on the above as advice.

If you would like us to help you please contact Chris Wilkins FCCA, Wilkins Southworth.

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