

Wilkins Southworth

COVID 19 FINANCIAL REVIEW AS AT 2 NOVEMBER 2020

This is my tenth Covid 19 Financial Review and as with my previous nine Financial Reviews, it should be read in conjunction with them. I realise I say this every time but it could never be truer for this Financial Review as history really is repeating itself. The Coronavirus Job Retention Scheme Extended is an extended version of the original scheme that was released earlier in the year. The Self-Employment Income Support Scheme Grant Extension is also an extended version of the original scheme that was released earlier in the year. All of these reviews have been posted on our website. Today's content is at 2 November and incorporates the Prime Minister's announcement on Saturday 31 October regarding revisions to the existing Job Support Scheme and Self-Employment Income Support Scheme.

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 into the office every day and will do so as long as we are allowed.

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

1. CORONAVIRUS JOB RETENTION SCHEME EXTENDED

- The Coronavirus Job Retention Scheme (Furlough Scheme) was first introduced on 1 March 2020.
- The scheme was due to expire on 30 June 2020 but on 29 May it was revised and extended until 31 October 2020.
- On 24 September the Job Support Scheme was announced, which was planned to commence on 1 November 2020.
- On 22 October the Job Support Scheme, which was planned to commence on 1 November 2020 was revised to the Job Support Scheme Open and the Job Support Scheme Closed.
- On 31 October it was announced that with effect from 1 November 2020, the new scheme would be the Coronavirus Job Retention Scheme Extended. The new rules are as follows:
 - a) Employees can work part time or not at all.
 - b) The scheme covers the month of November.
 - c) Employees will receive 80% of their current salary for hours not worked, up to a maximum of £2,500.
 - d) Employers must pay for the National Insurance and Employer Pension contributions.

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You will note that:

- The Job Support Scheme has been postponed.
- The Coronavirus Job Retention Scheme Extended is more generous for employers than it was in October.

2. SELF-EMPLOYMENT INCOME SUPPORT SCHEME GRANT EXTENSION

- The Self-Employment Income Support Scheme Grant was first introduced on 1 March 2020.
- The scheme was due to expire on 31 October 2020.
- On 24 September the Self-Employment Income Support Scheme Grant Extension covering the period from 1 November 2020 to 31 January 2021 was announced. This provided a taxable grant covering 20 percent of average monthly trading profits, paid out in a single instalment covering three months' worth of profits and was capped at a maximum of £1,875.
- On 22 October the Self-Employment Income Support Scheme Grant Extension covering the period from 1 November 2020 to 31 January 2021 was doubled, such that the taxable grant would cover 40 percent of average monthly trading profits. This has now been revised and the new rules are as follows:-
 - a) The first grant will cover the three month period from 1 November 2020 to 31 January 2021.
 - b) The grant will cover 80% of the average trading profits, for the month of November and 40% of the average trading profits for December 2020 and January 2021.
 - c) This is capped at £5,160 in total.
 - d) Claims can be made from 30 November 2020 for this grant.
 - e) The second grant will cover a three month period from 1 February 2021 to 30 April 2021.

You will note that:

- The scheme rules are as previously stated.

3. BUSINESS GRANTS

Businesses required to close in England due to local or national restrictions will be eligible for the following:-

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|--|------------------------------|
| - Rateable value of £15,000 or under | - Grants of £1,334 per month |
| - Rateable value of over £15,000 but under £51,000 | - Grants of £2,000 per month |
| - Rateable value of £51,000 or over | - Grants of £3,000 per month |

4. MORTGAGE HOLIDAYS

Mortgage payment holidays will no longer end on 31 October 2020. Borrowers who have been impacted by Coronavirus and have not yet had a mortgage payment holiday will be entitled to a six month holiday without this being recorded on their credit file.

This Aide-Memoire is intended as guidance only. This Financial Review is based on information as at 2 November 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.

You can contact us at:

Wilkins Southworth
Chartered Certified Accountants
Registered Auditors
10-12 Barnes High Street
Barnes
London SW13 9LW

Phone: 020 8878 3949

Email: cw@wilkinssouthworth.co.uk