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Coronavirus (COVID-19) Government Support Measures

The Coronavirus (COVID-19) outbreak has impacted almost every aspect of life in the UK since early 2020 and has prompted government to impose various restrictions in an attempt to control the rate of infection. The effects on the UK economy have been disruptive and far-reaching. In an attempt to support individuals and businesses adversely affected, the government created a number of support grants and loan arrangements. This information sheet outlines the major schemes created.

Coronavirus Job Retention Scheme

The Coronavirus Job Retention Scheme is open to all UK employers to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis. Qualifying businesses – with employees placed on furlough – can claim 80% of furloughed workers wage costs, up to a cap of £2,500 per month per employee from HMRC.

The scheme is set-up to allow back-dated claims to 1 March 2020, and is running from 1 March 2020 to 30 June 2020. Employers can claim for furloughed employees that were employed and on their PAYE payroll on or before 19 March 2020. This means that the employee must have been notified to HMRC through an RTI submission notifying payment in respect of that employee on or before 19 March 2020.

Coronavirus Business Interruption Loan Scheme

The government launched a temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, 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 and your business meets the other British Business Bank eligibility criteria.

Lenders are banned from requesting personal guarantees on loans under £250,000. For loans over £250,000 personal guarantees will be limited to 20% of any amount outstanding on the Coronavirus Business Interruption Loan Scheme lending after any other amounts have been recovered from business assets.

Self-Employed Income Support Scheme

A list of the scheme features as announced, and published, are as follows:

- Those that qualify will receive a cash grant from HMRC based on 80% of profits, up to £2,500 per month,
- The initial grant will be for the three months, from 1 March through to the end of May 2020, but could be extended for a longer period.

To be eligible, the following conditions will be considered:

- Applicants must be self-employed or a member of a trading partnership,
- Have lost trading profits due to COVID-19,
- Have filed a tax return for 2018-19. Late filers will have four weeks from 26 March 2020 to do so,
- Have traded in 2019-20; be currently trading at the point of application (or would be except for COVID-19) and intend to continue to trade in the tax year 2020-21,
- Have trading profits of less than £50,000 and more than half of total income from self-employment. These criteria must meet at least one of the following conditions:
 - Your trading profits and total income in 2018-19,
 - Your average trading profits and total income across up to the three years between 2016-17, 2017-18 and 2018-19.

Support for larger firms

Under the COVID-19 Corporate Financing Facility, the Bank of England will buy short term debt from larger companies. This will support your company if it has been affected by a short-term funding squeeze and allow you to finance your short-term liabilities. It will also support corporate finance markets overall and ease the supply of credit to all firms. All UK businesses are eligible.

The Coronavirus Large Business Interruption Loan Scheme will be made available to enable banks to make loans of up to £25m for firms with turnover of more than £45m and up to £50m loans for firms with turnover in excess of £250m. This will allow all viable firms with an annual turnover of more than £45m access to the 80% government guarantee.



Support for businesses paying tax and VAT

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.

VAT registered businesses can defer any VAT payments due between 20 March 2020 and 30 June 2020. There is no application process required to defer the relevant payment. However, businesses can still choose to pay any VAT due as normal. If you choose to defer your VAT payment as a result of Coronavirus then you must pay the VAT due to HMRC on or before 31 March 2021.

Cash grants for retail, hospitality and leisure businesses

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.

Properties that will benefit from the relief will be occupied premises 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.

There is no action you need to take. Your local authority will write to you if you are eligible for this grant. Regional variations may apply.

Support for businesses that pay little or no business rates

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 up to £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 and you are a business that occupies a property.

The business rates in Scotland, Wales and Northern Ireland are set by the devolved administrations. Please contact your local authority for more information on any regional variations.

Business rates support

The Business Rates retail discount in England will be increased to 100% in 2020-21 and expanded to the leisure and hospitality sectors. The rates discount for qualifying pubs will be increased to £5,000:

- Businesses that received the retail discount in 2019-20 will be rebilled by their local authority as soon as possible.
- Those businesses eligible for the newly expanded retail discount and/or the new pubs discount may need to apply to their local authority to receive the discount.
- Any enquiries on eligibility for, or provision of, the reliefs should be directed to the relevant local authority.

Small businesses that do not qualify for these rates support initiatives may be able to benefit from the Small Business Grant Scheme. For more information see the section at the end of this fact sheet entitled "Support for businesses that pay little or no business rates".

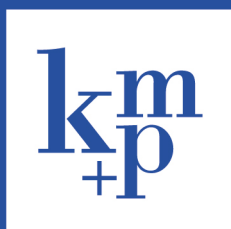
Regional variations may apply.

Summary action list

- Contact your local authority to see what grants are available to your business.
- Please call if you need help administering the Job Retention Scheme
- Banks will need basic accounts and forecasts to support loan applications. We can help.
- Care should be taken when deferring VAT and tax payments as settling deferred liabilities at some future date will need to be planned for.



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