

**We are clearly living and working in unprecedented times and we want you to know that we are here to help and support you in any way that we can.**

With this mind, you will find below a summary of various suggestions and practical actions to help you to manage your business through this difficult period.

In addition, should you have any concerns or need any advice please speak to your contact within Garbutt + Elliott and we will do all we can to help.

## PROTECTING YOUR CASHFLOW AT THIS TIME

- + Keep on top of cashflow – daily and look-forward review.
- + We are producing a free cashflow forecast tool to help you.
- + Manage your debtor book closely – proactively speak to your debtors to confirm payment or understand any potential delays or bad debts.
- + Check your bad debt insurance policies for correct procedures.
- + Appropriately manage your suppliers and creditors to preserve cash.
- + Capex – consider alternative funding options instead of using cash (i.e. asset finance).
- + Consider HMRC “Time to Pay” (see below).
- + Ask for a loan capital repayment holiday without delay (see below).

## COMMUNICATING WITH YOUR FUNDERS

- + Open communication channels now with your funders.
- + If you foresee issues, communicate now. Be honest and open - banks don't like surprises.
- + Anticipate covenant breaches and discuss these with your bank asap.
- + Keep management accounts up to date and include a breakdown of aged debtors and creditors.
- + It's presumed your funders will have a copy of the last annual accounts – do they?
- + Prepare and monitor short term cash flow forecasts with a list of assumptions to accompany the figures. Review and update daily.
- + Explain what the business is doing to manage the current challenges including your supply chain, workforce, logistics etc.
- + Consider the Coronavirus Business Interruption Loan Scheme providing loans up to £5m with the first 6 months being interest free (further details awaited) - if the application process is similar to the Enterprise Finance Guarantee Loan Scheme then businesses will require up to date financials and 2 years integrated projections (balance sheet /cashflow/P&L). See weblink: <https://www.british-business-bank.co.uk/ourpartners/supporting-business-loans-enterprise-finance-guarantee/>
- + **We can provide you with immediate support to help get you access to these funds – please speak your contact at G+E for guidance.**

## MANAGING TAX CASHFLOWS

- + Approach HMRC for “Time to Pay” arrangements on any outstanding tax liabilities. HMRC will consider deferring tax payments for a specified period of time and have set up a dedicated COVID-19 helpline (0800 0159 559)/ <https://www.gov.uk/difficulties-paying-hmrc>
- + HMRC may waive late payment penalties and interest where a business experiences’ administrative difficulties contacting HMRC or paying taxes due to COVID-19.
- + Accelerate R&D tax credit claims where possible to generate cash.

*No one can care as much about your business as **you** do, but **we** come a close second.*

## OTHER SPECIFIC COVID-19 SUPPORT

- + **Statutory Sick Pay** - Government will fund SMEs<sup>1</sup> via repayment of Statutory Sick Pay.
- + **Business Rates Reliefs** – Discounts up to 100% for 12 months announced for certain businesses / sectors. The government has said enquiries on eligibility should be directed to local authorities.
- + **Grants** – £10k for small businesses and up to £25k for those in the Leisure & Hospitality Sectors. The government has said enquiries on eligibility should be directed to local authorities.
- + **Insurance** – Check your business interruption insurance. The Government advises that businesses directly affected will be eligible to claim on their policies.
- + Up to date information can be found via <https://www.gov.uk/government/topical-events/coronavirus-covid-19-uk-government-response>

<sup>1</sup>The refund is limited to two weeks per employee and available for employers with fewer than 250 employees (number of employees as at 28 February 2020)

## WE ARE HERE TO SUPPORT YOU THROUGH THIS DIFFICULT TIME

*Please call us if we can be of any help.....*

- + We can support you in any conversations with funders and assist in the preparation of management accounts, cashflow forecasts or viability statements which your bank may require.
- + We have produced a free tool to help you to manage your cashflow.
- + We can introduce you to alternative funders / funding solutions.
- + We can help you to ascertain loss of profits for your Insurance Claim.
- + Regarding HMRC’s “Time to Pay”, Garbutt + Elliott can help to liaise and negotiate with HMRC on your behalf.
- + Our experienced R&D tax credits team can fast-track your R&D claim.

**Garbutt + Elliott**

Chartered Accountants + Business Advisors



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