



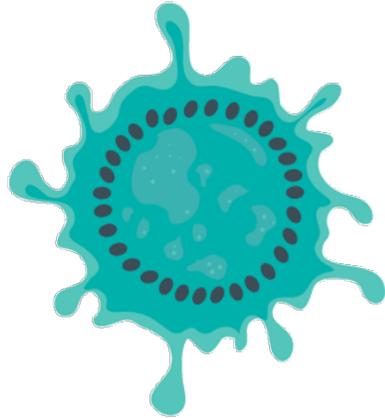
**A E Accountancy**  
Services Ltd

# COVID-19 INFO FOR BUSINESS OWNERS

Correct as at 21 March 2020

# WHAT'S IN THIS PACK

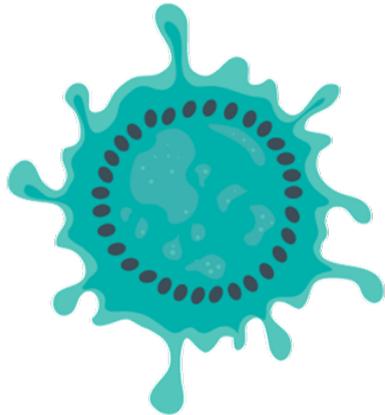
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## Businesses: what you need to know

- Help for Businesses affected by Coronavirus
  - SSP (Statutory Sick Pay)
  - Business Rates
  - Small Grants
  - Coronavirus Business Interruption Loan Scheme
  - Job Retention Scheme
  - Time to Pay Arrangements
  - Deferring VAT
  - Insurance
- Help for individuals affected by Coronavirus
  - Deferring Income Tax
  - Mortgage and Rent
  - State Benefits
  - Time to Pay Arrangements
- Practical Business Advice
  - Cash Is King
  - Working From Home
  - Mindset
  - Business Continuity Planning

# COVID-19



- **With the continued outbreak of COVID-19 the need to adapt and review business decisions is critical. We hope this information in our COVID19 pack helps you.**
- We've included some handy bite size chunks of information with the links if you want more detail.

# BUSINESSES: WHAT YOU NEED TO KNOW

- [Guidance for employers \(link to Gov website\)](#)
- Where possible, home working should be encouraged.
- If someone becomes unwell they should be sent home and advised to follow the advice to stay at home.
- Employees should be reminded to wash hands for 20 seconds AND more frequently.
- Make sure you have tissues so people can catch coughs and sneezes in them.
- Frequently clean and disinfect objects and surfaces touched regularly.
- Employees from defined vulnerable groups should be strongly advised and supported to stay at home and work from there if possible.

# HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS

## SSP (STATUTORY SICK PAY)

SSP of £94.25pw is payable from day 1 if you fall under the new eligibility criteria.

Who does this apply to?

	Entitled to SSP?
If you cannot work due to coronavirus	✓
If you are staying at home on government advice because of coronavirus due to self-isolating or household quarantine	✓
Already had 28 weeks SSP max entitlement	✗ Claim Welfare Benefit
Self-employed	✗ Claim Universal Credit

### Notes:

Applies from 13 March 2020

Repayment mechanism being set up over the coming months for reimbursing companies

# HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS — SSP CONTINUED

## **Statutory sick pay (SSP) relief package for SMEs announced.**

SMEs (less than 250 employees as at 28 February 2020) can reclaim SSP paid for sickness absence due to COVID-19 (this refund will cover up to 2 weeks' SSP per eligible employee)

### **Sick note:**

Instead of a sick note an isolation note can be obtained by visiting NHS111 online and completing an online form

# HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS — BUSINESS RATES- RETAIL HOSPITALITY & LEISURE

12 month business rates holiday for all retail, hospitality and leisure businesses available.

To check if your business is included in this category please see guidance for local authorities that has been provided by the government [here](#).

A grant of up to £25,000 will be provided to retail, hospitality and leisure businesses operating from smaller premises with a rateable value between £15,000 and £51,000.

This will be dealt with by local authorities. We are currently waiting for final details on how to apply.

If you are unsure if you are in receipt of SBRR contact your landlord for further clarification.

# HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS — SMALL GRANT

Small grant funding of £10,000 for all businesses in receipt of small business rate relief. This is to help your ongoing business costs.

If your business is eligible you will be contacted by your local authority – you do not need to apply. Funding will be provided in early April.

If you are unsure if you are in receipt of SBRR contact your landlord for further clarification.

# HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS — LOAN SCHEME

For SME's funding can be sought through the [Coronavirus Business Interruption Loan Scheme](#)  
[\(through the British Business Bank\)](#)

- Funding is provided via accredited lenders (most of the usual business banks)
- The government will guarantee 80% of the loan
- 12 months interest free (interest will be met by the government)
- Funding should be available from 23 March 2020
- These are loans and will need to be paid back

# HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS — JOB RETENTION SCHEME

- HMRC will reimburse 80% of furloughed workers ([temporary laid off](#)) wage costs, up to a cap of £2,500 per month, backdated to 1 March – initially open for 3 months, to be extended if necessary. This will allow businesses to ‘Furlough’ employees rather than make redundancies.
- To access the scheme you will need to designate affected employees as ‘furloughed workers’ and notify your employees of this change
- Information will be submitted via a new online portal (details to follow)

This can be used in conjunction with the Coronavirus Business Interruption Loan for short term cashflow.

# HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS

## — TIME TO PAY

All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be able to seek a 'Time To Pay' arrangement. These are on a case by case basis and tailored to individual circumstances.

HMRC's dedicated helpline is [0800 0159 559](tel:08000159559).

An current example of a 'Time to Pay' agreement might be:

Businesses can defer PAYE between 1 and 3 months (they will need a valid reason - for example if the company has temporarily shut/ loss of turnover)

Expectation is the deferral will apply up to and including April payroll

If the business can't pay at this point a formal payment plan can be setup between 3 - 9 months

# HELP FOR BUSINESSES AFFECTED BY CORONAVIRUS — DEFERRING VAT

The VAT deferral applies from 20 March 2020 to 30 June 2020 and no VAT payment is required during this period.

VAT Returns must be calculated and submitted as usual.

All UK businesses are eligible.

Automatic offer, no application required.

Businesses will be given until the end of the 2020/2021 tax year to pay any VAT liabilities accumulated.

VAT Refunds and Reclaims will be paid as usual.

# HELP FOR COMPANIES AFFECTED BY CORONAVIRUS — INSURANCE

Where businesses have insurance to cover for both pandemics and government-ordered closure you should be covered, as the government and insurance industry confirmed on 17 March 2020 that advice to avoid pubs, theatres etc is sufficient to make a claim.

Check with you insurance provider or broker.

Most businesses are unlikely to be covered, as standard business interruption insurance policies are dependent on damage to property and will exclude pandemics.

# HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS — DEFERRING INCOME TAX

If you were due to make a self-assessment payment on 31 July 2020 for your 'Payments on Accounts' this will be deferred until 31 January 2021.

Currently available for those that are [self-employed](#) – we are waiting for further guidance on other types of individuals and whether this policy is being extended to all Payments on Account due 31<sup>st</sup> July 2020.

This is an automatic offer no applications required.

# HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS — MORTGAGE AND RENT

The Government has negotiated with all UK Mortgage Lenders that a three month mortgage holiday for households experiencing financial difficulty (including the self employed), please contact your mortgage lender for further details and to apply.

Those that rent are protected too:

- Local housing allowance rates will pay for at least 30% of market rents
- The government has suspended evictions and introduced three-month mortgage payment holidays for landlords where they are facing financial difficulties due to coronavirus.

# HELP FOR INDIVIDUALS AFFECTED BY CORONAVIRUS — BENEFITS

The Government have said it will be easier for Self Employed people to claim [Universal Credit](#) and [ESA \(Employment Support Allowance\)](#) .

Universal credit and working tax credit to each increase by £1,040 per year. This increases the payment of each by £20 a week for one year from April 2020.

Local authorities will have access to a new £500 million Hardship Fund so they can support economically vulnerable people and households. It's aimed at providing more council tax relief through measures like the existing Local Council Tax Support schemes. More details to come in the following days.

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PRACTICAL BUSINESS ADVICE

# CASH IS KING

**Does your business have enough Cash?**

**Is your business affected by government closures, have you seen a down turn in business?**

**Can you forecast cash flow, assess your costs, and managing your cash cycle?**

Ensure you understand the financial risks of your key trading partners such as customers and suppliers is a critical consideration in times like these.

## **Check your own finances:**

- Consider Business and Personal income
- Undertake planning for different scenarios.
- For Business focus on the cashflow, look at stock levels, money owed to you and money you owe.
- Look at Short Term, Medium Term and Long Term disruption.

# HOME WORKING — POLICIES & TIPS

If you're lucky enough, like us, to be able to work remotely. Then make sure that you have put in the relevant policies for any staff.

Also make sure you've got the basics sorted, a safe workspace with suitable chair, desk and you have reasonable internet connectivity. You should also check with your mortgage provider, landlord, or home insurer of your intention to work from home.

Help employees stay productive, there's many guides out there here's [an example](#).

# MINDSET

Accountants are usually reluctant to talk about mindset and emotions but in such uncertain and difficult times it is important to remember that we are all human.

**How to “keep your head when all around are losing theirs” (Rudyard Kipling)** Now whilst we might not be in a national panic: COVID-19 is outside of our control, and as human beings (small business owners) lack of control is a difficult thing for many of us to overcome.

Therefore, focus on what you can control.

**“If you can be one thing, be kind” (unknown)**

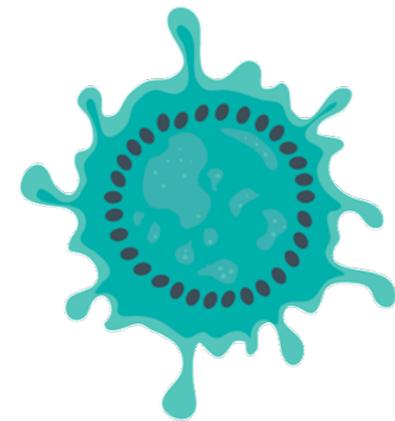
A timely reminder to check in and be kind, to ourselves and our neighbours, to support small businesses and to think together as a community rather than alone.

## OTHER POINTS TO CONSIDER

- ✓ A welcome deferral of IR35 has been implemented: The Government is delaying the new private sector IR35 regime until 1 April 2021.
- ✓ The 2019-20 tax year will be shortly be over – If you are Self Employed maybe consider getting your accounts together early this year. This will help you understand the financial position you are in and help budget for the next 9 months.
- ✓ If you are a CIS subcontractor get you Self Assessment submitted early to get your hands on any overpaid CIS.

# BUSINESS CONTINUITY PLANNING

- Do you need any help with cashflow forecasts and business planning. If so contact us at [alex@aeaccountancyservices.co.uk](mailto:alex@aeaccountancyservices.co.uk)
- Has working from home inspired you to work more streamlined, there is no better time to jump onto the cloud in our opinion, for your accounting system and paperwork management. If you feel the time is right then give us a shout we'll talk you through your options or check out our website <https://aeaccountancyservices.co.uk/xero-accounting/>



## Useful Links:

For the latest government guidance see

<https://www.gov.uk/government/collections/coronavirus-covid-19-list-of-guidance>

For more details on what coronavirus is

<https://www.gov.uk/government/publications/coronavirus-action-plan/coronavirus-action-plan-a-guide-to-what-you-can-expect-across-the-uk>

Please continue to follow the NHS's guidelines as detailed here

<https://www.nhs.uk/conditions/coronavirus-covid-19/>

Contact us:

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**THIS IS AN EVER-CHANGING SITUATION. WE WILL DO OUR BEST TO KEEP INFORMATION UPDATED. PLEASE GET IN TOUCH IF YOU NEED HELP.**