



Businesses face new challenges through the Coronavirus Pandemic

Bishop Fleming has a team of fundraising and other specialists ready to support and advise businesses through the Coronavirus Pandemic. Key services we provide include:

- Fundraising – debt and equity
- Business planning
- Cashflow forecasting
- Merger & Acquisition (M&A) lead advisory
- Restructuring
- Grant services
- Raising turnaround finance
- Strategic board support
- Dispute resolution and debt recovery
- Strategic advice
- R&D tax credits – access to medium term cash
- HMRC Time To Pay arrangements

Rishi Sunak's budget last week highlighted a number of measures that SMEs can utilise in order to preserve cash through the coronavirus pandemic. We consider the key measures:

HMRC 'Time To Pay' arrangements

Businesses can apply to HMRC for a 'time to pay' arrangement on taxes owing. HMRC are likely to be more receptive than normal to such arrangements given the current circumstances. Each agreement is made on a case by case basis through a dedicated coronavirus hotline (0800 015 9559). The usual interest rates of 3.5% on deferred tax payments and payment penalties will be waived during the coronavirus outbreak.

Businesses should open dialogue with HMRC as soon as it is appropriate to ensure that an agreement can be reached in advance of payment deadlines. HMRC often require cash flow forecasts to be prepared.

Debtor and dispute lock up

Whilst Morrisons has agreed to pay small suppliers immediately, many SMEs have cash owed to them which is locked up in trade debtors or more complex legal disputes. Bishop Fleming partner with Escalate, allowing clients to resolve commercial disputes and recover debts, prioritising cashflow by focusing on quick settlement, removing upfront costs and minimising risk. Learn more about [Escalate](#).

Business rates relief

Business rates will not be charged on companies in the retail sector throughout 2020/21 and this will be expanded to include hospitality and leisure businesses, irrespective of their rateable value. There is also a £5,000 business rates discount for pubs with a rateable value below £100,000 in England.

R&D Tax Credits

Companies that are investing in systems, know-how, products or processes, will be doing so with an eye on attaining a competitive advantage. It is hard to conceive of a situation where innovation will not be at the heart of that endeavour. As such, a lot of the costs incurred will qualify for Research and Development Tax Credits. The claims result in a sum in the region of 25p to 33p for every £1 spent, being received as a tax refund. i.e. 25-33% of your innovation spend is funded via RDTC – equivalent to a grant. This applies even if you are loss making. The process can be quick – meaning if you desperately need a cash injection into your business, RDTC will be the answer.

Grants

Small businesses, who currently pay no business rates, will now be eligible for £10,000 grants to help meet business costs. Businesses in the retail, hospitality and leisure sectors with a rateable value of below £51,000 can apply for a £25,000 cash grant to support them through coronavirus.

Sick pay

It has been announced that SMEs will be able to reclaim the cost of 14 days sick pay from the government. This measure may take time to deliver as no repayment mechanism has yet been organised.

Debt funding

The government is offering to underwrite loans to businesses adversely impacted by coronavirus. Loans of up to £5m are available to SMEs through the Coronavirus Business Interruption Loan Scheme. Delivered by the British Business Bank, the funds can be accessed through over 40 lenders, including the big high street banks and the Government will cover the first six months interest cost.

Funds can be sought in the form of term loans, overdrafts and asset-based lending (e.g. invoice discounting).

Whilst this is a crucial source of funding, businesses will still need to prepare a considered funding application. Having an up to date business plan, management accounts and cash flow forecasts available will all be helpful to securing appropriate funding for your business during the pandemic.

Bishop Fleming has a team of fundraising specialists ready to advise clients through Coronavirus. As a partner of Capitalise, we have access to 100+ lenders to provide businesses with the opportunity to secure the right kind of funding. Our Capitalise team will support you through all stages of the funding process.

Find out more about raising finance through [Capitalise](#).

This is a rapidly evolving situation. We will continue to monitor developments to provide the latest guidance to business.

With this in mind, we have created a [COVID-19 Knowledge Hub](#) on our website that will curate and host an increasing number of useful links, resources, guidance, information and contact details providing help for individuals and different types of businesses across all our sectors.

Bishop Fleming key contacts

Corporate Finance

- James Finnegan
- Charles Davey
- Andy Hawkes
- Dave Abbott
- Phil Redgate
- Ross Hardwick
- Joe Coghlan
- Jamie Pelmear
- Anthony Cakebread

Restructuring

- Jon Williams
- Luke Venner
- Jack Callow
- Malcolm Rhodes
- Linda Lyons

Capitalise

- Mark Smith
- Hazel Tucker
- Alice Elsmore
- James Darby
- Claire Ambrose
- Phil Redgate
- Sean Mitchell
- Andrew Bray



Tax

- Chris Walklett
- Rob Pearce
- John Davis
- Paul Morris
- Isobel Savage
- Ben Herbert
- Jon Sparkes
- Pippa Clarke
- Steve Martin
- Robert Bailey

VAT

- Wendy Andrews
- Alan Collins