

Coronavirus business support services

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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

The Chancellor, Rishi Sunak, has announced a number of measures that businesses can utilise in order to preserve cash through the coronavirus pandemic. We consider the key measures below:

Debt funding: CBILS

The government is offering to underwrite loans to businesses adversely impacted by coronavirus. Loans of up to £5m are available to SMEs (turnover up to £45m) through the Coronavirus Business Interruption Loan Scheme ('CBILS'), a fund designed to encourage lenders to give loans to companies which would ordinarily be deemed too risky. Delivered by the British Business Bank, the funds can be accessed through over 40 lenders, including the big high street banks and no interest or capital repayments will be due for the first 12 months. Funds can be sought in the form of term loans, overdrafts and asset-based lending (e.g. invoice discounting).

The Treasury has announced new rules on CBILS for SMEs, meaning that personal guarantees will not be required for loans up to £250,000 and businesses will no longer be required to have applied for normal commercial loans elsewhere prior to CBILS.

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Debt funding: CLBILS

The Coronavirus Large Business Interruption Loan Scheme ('CLBILS') will provide a government guarantee of 80% to enable banks to make loans to medium and large businesses adversely impacted by COVID-19. A lender can provide:

- up to £25 million to businesses with a turnover from £45 million up to £250 million
- up to £50 million to businesses with a turnover of over £250 million

This scheme is being delivered by commercial lenders, backed by the British Business Bank from the 20 April. Finance terms range from 3 months to 3 years and can be in the form of term loans, revolving credit facilities (including overdrafts), invoice finance or asset finance. For facilities above £250,000, personal guarantees may still be required, but claims cannot exceed 20% of losses after all other recoveries have been applied.

Whilst these schemes are a crucial source of funding, businesses will still need to prepare a considered funding application. Having an overview business plan including the impact of COVID-19 and the mitigating actions being taken, recent management accounts and cash flow forecasts will all be necessary to secure appropriate funding for your business during the pandemic.

Bishop Fleming has a team of fundraising specialists ready to advise clients through Coronavirus. In addition, 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](#).

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 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, a service which Bishop Fleming can assist you with.

VAT Deferral

The VAT payment deferral announced by the Chancellor on Friday 20 March means that no business will have to make any VAT payments between 20 March 2020 and 30 June 2020, and amounts falling due during this period will not need to be paid to HMRC until the "end of the 2020/21 tax year" (assumed to be 31 March 2021). Practical advice on VAT deferrals can be found [here](#).

Debtor and dispute lock up

Many SMEs have cash owed to them which is locked up in trade debtors. It goes without saying, but pro-active, early engagement with debtors and efficient credit control procedures are crucial to obtain that locked up cash.

For those with more problems seeking cash 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](#).

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Business rates relief

Business rates will not be charged on companies in the retail sector throughout 2020/21 and this will be extended 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.

For businesses applying for funding through CBILS, this may compromise the ability to claim R&D Tax Credits under state aid rules. Further information can be found [here](#).

Grants

Small businesses, who currently pay no business rates, will now be eligible for £10,000 grants to help meet business costs. It has also announced that 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.

Coronavirus Job Retention Scheme ('CJRS')

The CJRS is a temporary scheme open to all UK employers for at least three months starting from 1 March 2020. The scheme should be up and running by the end of April and is designed to support employers whose operations have been severely affected by coronavirus (COVID-19).

Employers can use a portal to claim for 80% of furloughed employees' (employees on a leave of absence) usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage. Employers can use this scheme anytime during this period.

The scheme is open to all UK employers that had created and started a PAYE payroll scheme on 19 March 2020. More details on CJRS can be found [here](#).

Self-employed Income Support Scheme

For self-employed workers the government is to introduce a taxable grant of 80% of their average monthly profits over the last three years up to £2,500 per month. This scheme is due to be set up by June. Further details can be found [here](#).

This is a rapidly evolving situation. We 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.

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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