

## Corona Virus

### Financial matters – Update 5<sup>th</sup> May 2020

#### New Bounce Back Loan

The new small business loan scheme opened yesterday following discussion with the banks. It allows you to borrow up to £50,000 over up to 6 years. It is restricted to 25% of annual turnover. There are no repayments during the 1<sup>st</sup> year. The government pays the arrangement fee and 1<sup>st</sup> years interest which is at 2.5%pa

Its very attractive and no personal guarantees are required but the bank do pursue the borrower if not repaid. Early repayment without penalty is allowed.

If you were thinking of putting in for the CBIL loan scheme this new scheme may be a much better option. In addition you cannot apply for both loans.

We recommend applying through your existing bank rather than trying a new one.

A couple of clients have applied and found the process quite good. The main problems encountered were that the Lloyds Bank application needs a Windows computer and won't work on an Apple computer and long waits on the help line to be answered.

If we are your registered office then please enter your trading address when applying but expect our address to appear at the end of the process.

#### Self Employed compensation scheme

HMRC have now started issuing emails to self employed clients to consider applying for the Self Employed Compensation Scheme. The main portal will open in late May and payments will be made in late June

The email points you to an eligibility page on HMRC's website. This asks you to enter your UTR and NIC number and then advises you if you will be eligible. The link is:

<https://www.tax.service.gov.uk/self-employment-support/enter-unique-taxpayer-reference>

**HMRC have decided you must apply directly yourself using your own Government Gateway Log in details. We are not allowed to make the claim on your behalf. We will issue a help-sheet to guide you through the process and will be on hand for queries.**

We therefore recommend finding your Government Gateway log in details and if you don't have details registering as soon as possible for a log in.

If you need your UTR and NIC number please email us

The scheme applies to self employed people who had self employed income of less than £50,000 in 2018/19 and their self employed income was more than 50% of their total income.

The above scheme does not apply to Company Directors who take a salary and dividend from their company. In addition landlords are normally excluded from the scheme.

**Furlough Scheme:**

We have now been submitting Furlough claims for just over a week and the process is working well with refunds being issued about a week after submission.

We plan to make claims monthly for clients

**CBIL – Bank Loan scheme:**

This continues to get mixed press. Our information is that the banks are trying to process claims but are struggling on agreeing loans.

The information required continues to be quite onerous so only apply if you need more than £50,000 and are prepared to produce forecasts and answer many questions from your bank.

**Action:**

**Consider if you want to take a new Bounce Back Loan.**

**Review your cashflow in the light of the ongoing lockdown**

We appreciate these are difficult times and are here to support you as much as possible.

5<sup>th</sup> May 2020

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