

In this challenging environment, SME owners naturally have a high level of concern regarding the stability of their businesses and protection of cash flow. Set out below is some guidance on the support measures currently available to help manage these challenges.

## FUNDING

The main package available is the Coronavirus Business Interruption Loan Scheme (CBILS) which looks to provide a range of financing support over the short to medium term for SMEs with limited or insufficient security

- Administered by the British Business Bank, with funding provided by a range of 40 accredited lenders
- Aimed at SMEs with turnover up to £45m
- Range of funding available including terms loans, asset finance, working capital facilities ranging from £1,000 to £5m
- Government guarantees 80% of facility (companies remain liable for capital repayment)
- Term ranges from 3 months up to 10 years for term loans and asset finance
- No up-front fees
- Interest free for first 12 months (covered by Government)

Further details including list of accredited lenders can be found at - <https://www.british-business-bank.co.uk>

## TAX DEFERRALS

HMRC is offering flexible solutions to help business in the face of disruption

- VAT deferral – quarterly payments from March 20th to June 30th 2020 are deferred and businesses have until the end of the financial year to pay.
- PAYE & Other taxes – all businesses and self employed people in distress with outstanding tax liabilities including PAYE can approach HMRC for deferral
- Dedicated helpline has been set up through which arrangements can be made on a case by case basis
- Call 0800 0159 559 – be patient as long delays are being experienced

## BUSINESS RATE REDUCTION

Several options are available to lessen the impact of business rates for SMEs in retail, hospitality and leisure

- Full rate relief is available for all companies (not just SMEs) in the retail, hospitality and leisure sectors
- Companies will benefit from a 12 month business rate holiday irrespective of rateable value
- Cash grants also available for retail, hospitality and leisure businesses

## CORONAVIRUS JOB RETENTION SCHEME

This is a scheme designed to protect jobs in the current uncertain environment

- Government has committed to cover 80% of wages of laid off (furloughed) employees
- Furloughed essentially means an employee has been formally put on leave but remains a company employee
- Ceiling of £2,500 salary per month and Government will contribute 80% of this amount in form of a grant
- Applies to all employers and backdated for those unable to work since March 1st 2020
- Scheme is expected to last for at least 3 months but will likely be extended
- Details still not fully clear but understanding is HMRC will be setting up an online portal through which employers will submit details of furloughed employees and claim reimbursement
- HMRC targeting to pay first grants under the scheme by the end of April 2020

## OTHER

- Local authority grants of up to £10,000 to help small and medium-sized enterprises
- Grants are available to SMEs who already qualify for Small Business Rate Relief (SBRR)
- Commercial tenants who cannot pay their rent will not be evicted
- No business will be forced out of their premises if they miss a payment in the next three months

Our affiliates, Kingswood Corporate Finance Limited (Jonathan Massing – funding ) or Kingswood LLP, Chartered Accountants (Howard Moss – tax) would be happy to discuss any of these solutions with you. In the first instance please contact Donna Blackford as follows

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The Kingswood team is here to support you in any way we can through these challenging times