

Hello to you all

I hope you are keeping well during this difficult time. I think we are going to have a nation of exhausted dogs by the time this ends.

Just to keep you updated on the current position:

### **Business Interruption Loans**

SME's could be eligible to access a new Coronavirus Business Interruption Loan Scheme allowing them to access working capital up to £5 million. The government will pay to cover the first 12 months of interest payments. To give lenders further confidence in continuing to provide finance to SMEs the government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims).

You will be 100% liable for the debt. The Government just guarantees 80% of the loan to the bank only after the bank has exhausted all avenues in recovering the money from you. This is important as it is not quite as benevolent as the Chancellor may have led you to believe. That being said, it is a no fee, low interest way to fund your business. Certainly worth consideration. We are here to help you if you require any information or explanation.

### **Coronavirus Job Retention Scheme**

The Chancellor announced that the Government is going to cover up to 80% of the current wage level of employees that would otherwise have been laid off during the Coronavirus pandemic, provided they are kept on the employer's payroll.

An employee that would otherwise have been laid off during this crisis will be designated as a "furloughed" worker. They will not be able to work for you during this period if designated as furlough and you will need to formally write to the employee to advise them of this. Please check with your own HR advisor as to whether this is in line with your own staff contracts.

There will be a ceiling of £2,500 a month on salaries to which this applies.

Employers can still top up salaries above this level if they choose to but are under no obligation.

The new Coronavirus Job Retention Scheme will apply to all employers and will be backdated for those who have been unable to work since 1st March 2020.

The Scheme is expected to last for at least 3 months, will likely be extended, and is part of the Government's measures to protect jobs at the present time. We await much of the detail of how this Scheme will work in practice.

HMRC will be setting up an online portal on which employers will submit information about the employees that have been furloughed and their earnings and other details which are still to be confirmed. HMRC hopes to be able to make the first grants under the Coronavirus Job Retention Scheme within weeks and they are aiming to have the portal up and running before the end of April.

### **Deferring VAT and Income Tax payments**

The government announced a 3-month deferment in Valued Added Tax (VAT) payments for all UK businesses. Consequently, there is no requirement to make a VAT payment from 20 March 2020 until 30 June 2020. Taxpayers will be given until the end of the 2020/21 tax year to pay any liabilities that have accumulated during the deferral period. VAT refunds and reclaims will be paid by the government as normal.

### **Income Tax**

The chancellor also announced that the self-employed who have Income Tax Self-Assessment payments due on the 31 July 2020 will have until the 31 January 2021 to make their payments

### **Self employed**

Unfortunately for the self employed there is no guidance as yet whatsoever. You can apply for Universal Credit but I am hopeful that, by the end of the week, a more robust assistance programme will be announced.

### **Business Rates**

In addition to the above the chancellor also introduced business rates holidays for businesses in certain sectors that could be most adversely affected. These include:

- Business rates holiday for retail, hospitality and leisure businesses
- Cash grants for retail, hospitality and leisure businesses
- Business rates holiday for nurseries in England for the 2020 to 2021 tax year
- Businesses that pay little or no business rates because of small business rate relief (SBBR) or rural rate relief (RRR) are eligible for a one-off grant of £10,000 to help meet their ongoing business costs
- Business' with a rateable value between £15k-£51K may be entitled to £25,000 grant

The individual councils will be providing this grant and will automatically provide it to you are eligible. There is no application process for this so you need not do anything. There is no mention yet of when this will be paid.

### **And finally....**

We are here to assist you to get through this. You are our business and we value you greatly.

We are having to work remotely at present so please either ring 0151 933 3400, wait for 5 rings and the answerphone will kick in. Leave a message and this message will be forwarded to our admin email for passing to someone who can help you.

Alternatively, email [admin@kinsellaclarke.co.uk](mailto:admin@kinsellaclarke.co.uk), and we will get back to you as soon as possible.

Look after yourselves and each other. We will get through this together.

Take care

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