



From all the team at Butler & Co, we hope everyone is staying well and keeping positive, despite the new restrictions being brought in by the government over the next week or so.

## COVID-19 BUSINESS SUPPORT

With the new restrictions being announced by the Prime Minister on Tuesday, we wanted to summarise the position in response to the Covid-19 Business Support strategies that remain available, and also provide some guidance as to the practical steps that business owners can take to ensure they are ready for the next six months – vitally important given that the prevailing economic conditions are likely to be challenging for the foreseeable future.

### 1. GOVERNMENT SUPPORT

The following support programmes remain in place:

- **Coronavirus Job Retention Scheme [CJRS] for furloughed workers** – This programme is due to cease on 31 October 2020, with government support due to drop from 70% to 60% of a furloughed workers wages from 1 October 2020 for the final month. Whilst there is pressure on the chancellor to extend or reinvent this support strategy, every business must plan on the basis that this support mechanism will cease on this date. [The Chancellor is due to make a statement to the commons later today \(Thursday 24 September\) and we will update everyone once we have assessed the proposals he puts forward.](#)
- **Self Employed Income Support Scheme [SEISS]** – The second round of the SEISS opened in August and ceases for applications on 19 October 2020. All those that are eligible and have not made a claim need to do so now, so as any problems can be dealt with prior to the deadline. To check your eligibility, please use the following link: <https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme>. If you are unsure whether you qualify for the second round, please contact us and we will review your situation and advise accordingly.
- **Bounce Bank Loan Scheme [BBLs]** – the final date for approval of applications for these loans is Wednesday 4 November 2020, although given the current length of the confirmation process, an initial application will likely be required to be submitted the week before. We recommend that any business that is likely to have cashflow issues investigates utilising one of these loans to the maximum amount available - and put any excess that is not required in a separate savings account to use if further issues arise during the winter months. Those businesses that are more financially secure should also strongly consider taking this loan, even if cash is not required immediately - Interest is not payable for 12 months, so the full amount can be kept in a separate savings account for emergencies and returned to the lender in a year's time without incurring any cost to the business, if no extra funds are utilised across the year.

## PRACTICAL PLANNING POINTS

In terms of practical points for planning for the coming months, we recommend consideration is given by all businesses to the following:

- **Produce accounts for the financial year 2019/20** – check the financial position of your business as at the last year end, and review income and expenditure streams now. We understand that year-end accounts work has taken a back seat up until now, but by producing a set of accounts this will enable planning for payments of corporation tax or income tax, particularly if payments-on-account from July have been deferred. **This is very important** as the sooner this is produced the more time you and we will have to plan a strategy to minimise the tax impact on your business. If you have not already sent us your books and records, now would be a good time to make contact and get target dates in the diary, even if your book-keeping is not up-to-date just yet.
- **Produce a set of management accounts for the year-to-date** – again, this will allow you to assess the financial health of your business at this point in time – any losses that are accruing, please let us know, as we can then use this information to reduce potential payments-on-account of income tax due in January 2021. There is also the possibility of claiming some of these losses earlier in the 19/20 return, although this will need to be reviewed by our tax team on an individual basis.
- **Produce a cashflow forecast for the next six months** – identify the areas where expenses are necessary and ensure there is enough cash reserves to cover these. The need for the Bounce Back Loan or other sources of funds may be highlighted during this exercise.
- **Review spending in light of potentially reduced income** – if there are some repairs/renewals or other projects that can be deferred, this might be necessary to ensure trading continues in the medium to long term.
- **Investigate extending loan and credit terms** – contact banks or other lenders now if cashflow is likely to become tight and check whether interest only periods for any existing loans or borrowings can be implemented or extended. The sooner lenders are contacted, particularly in the current environment, the more options they have in assisting your business.
- **If cashflow looks marginal at any stage, consider taking a Bounce Back Loan or extending other sources of finance**, such as overdrafts etc.

We are here to help with any of the above, please do contact us as soon as is possible – the earlier and more time we have to implement strategies, the more scope we will have to assist your business.

**BUTLER & CO: ALRESFORD OFFICE**

Just to confirm, the Alresford office is remaining open at the current time; however the team is currently working on a rota basis with some members working from home on any given day – please do contact us and pre-book office visits if there is a particular team member you wish to discuss any concerns with. As you will no doubt be aware, masks are now mandatory for clients visiting the office, so please do bring one with you if you are planning to visit us.

Please do not hesitate to contact us if you have any questions regarding any of the points mentioned above. The Covid-19 Business Support Co-ordinator, Russell Nash [[russell@butler-co.co.uk](mailto:russell@butler-co.co.uk)] remains available, alongside your regular primary contact(s), across the working week to answer anything arising.

Best regards and Stay Well

**Julie M Butler FCA**  
**Joint Managing Partner**